INTERACTIVE BROKERS SINGAPORE PTE. LTD. RISK FACT SHEET FOR CONTRACTS FOR DIFFERENCES

1. This Risk Fact Sheet is provided to you in accordance with MAS Notice: SFA N04-N15 issued on 8 October 2018. It highlights the common risks of trading in Contracts for Differences (CFDs) and complements the Client Agreement, the Addendum with Supplemental Terms for Contracts for Differences ("Addendum"), and associated risk disclosures furnished by Interactive Brokers Singapore Pte. Ltd. ("IBSG").

2. This Risk Fact Sheet does not disclose all the risks of trading in CFDs. It is important to read the Client Agreement and associated risk disclosures before deciding whether to trade in CFDs. You should also carefully consider whether trading in CFDs is appropriate for you in the light of your experience, objectives, financial resources and other relevant circumstances. Do also refer to the write-up in Annex A, which forms part of this Risk Fact Sheet. In the event of any inconsistency between the contents of the Questions 1 to 10 and the contents of Annex A, the contents of Questions 1 to 10 shall prevail. You ought to have the Client Agreement, the Addendum, and associated risk disclosures, but if you do not, please contact IBSG to request for a copy. In the event of any inconsistency between the Client Agreement and this Risk Fact Sheet, the Client Agreement shall prevail. You should not trade in CFDs if you do not understand the product or are not comfortable with the accompanying risks.

Q.1 What is my potential loss when I trade on margin in CFDs?

When you enter into a CFD transaction, you need to pay an initial margin, which is based on a percentage of the value of the trade. When you trade on margin, you should be prepared to lose more than or all your initial investment amount that you have paid as margin to IBSG.

Illustration 1

The shares of XYZ Ltd are quoted at S$2.00 per share and you are buying 2,000 shares of XYZ Ltd as a CFD at S$2.00 per CFD. IBSG sets the margin at 10%, so you have to put up an initial margin of 10% X S$2.00 X 2,000 = S$400. The share price of XYZ Ltd then falls from S$2.00 to S$1.95. As such, you incur a loss of S$100 [(S$1.95 - S$2.00) X 2,000]. Due to adverse market information on XYZ Ltd, the share price falls further to $1.75. You incur a loss of S$500 [(S$1.75 - S$2.00) X 2,000]. The S$500 loss would be deducted from your initial margin of S$400, which means you have to pay an additional S$100 arising from your incurred loss. In the worst case, the shares of XYZ Ltd become worthless. You lose the full contract value of S$4000 [(S$0 - S$2.00) X 2,000]. This is similar to the situation where you bought 2,000 shares at S$2.00 per share and lost your entire initial investment. You may also be liable for additional charges, costs and fees incurred.

Q.2 What will happen if I do not have enough margin to cover my losses?

If the cash balance in your account is less than the margin required on your account, IBSG has the right to immediately and automatically close out your CFD positions without notifying you. IBSG generally will not issue margin calls, and will generally not allow a grace period to meet intraday or other margin deficiencies. Therefore, you will need to monitor your account closely to ensure that you always maintain sufficient equity to meet margin requirements at all times. Pursuant to Clause 15 of your Client Agreement (read with Paragraph 6 of the Addendum) with us, we may liquidate your positions if your total losses exceed more than X % (X being the percentage determined by us from time to time) of the margin requirement.

Illustration 2

Referring to Illustration 1, the share price of XYZ Ltd falls from S$2.00 to S$1.95 and the notional value of the contract is now $3,900 (2,000 x $1.95). The margin requirement (assuming 10% margin rate) to maintain the contract is now S$390 (S$3,900 x 10%). With an unrealized loss of S$100 [(S$2.00 – S$1.95) x 2,000 and margin of S$400, your net equity is now S$300 (S$400 –S$100). IBSG issues you a margin call of S$90 to top up your margin to S$390 (assuming that the margin requirement is S$390). If you fail to pay the margin call by the next business day, IBSG can close out your position. If the share price of XYZ Ltd continues to fall and your loss exceeds S$X (i.e. X% of the margin requirement), IBSG may close out your position. In addition, you may be liable for additional charges, costs and fees incurred.

Q.3 How is the CFD quoted?

See Overview of CFD Market Models for an overview of the three market pricing models for CFDs. IBSG operates the direct market access (DMA) model, being the most transparent of the three pricing models. For the DMA model, the CFD prices will correspond directly to prices of the reference instrument quoted in the underlying exchange or market. Therefore, the CFD prices will only be available if the underlying exchange or market is open or if there is sufficient liquidity.

For the non-DMA model, a firm determines and quotes its own prices which are referenced to, but may differ, from the actual prices in the underlying exchange or market. In particular, when the underlying exchange or market is not open or has insufficient liquidity, the CFD prices quoted by the firm may deviate significantly from the underlying or last available reference price, or the firm may charge additional spreads to its prices. Because the firm deals with you as principal for its own account, there is a risk of conflict of interests as the firm may quote you a price that is less favourable to you than what is available in the underlying exchange or market to avoid losses in its own account.

Q.4 Can my order be executed at a price that is less favourable than the price quoted on the trading system, or the price that I have submitted?

Yes, this is stipulated in Clause 6 and 42 of the Client Agreement (read with Paragraph 8 of the Addendum). Quotes for prices for dealing in IBSG's products are indicative only and not guaranteed. For market orders, this can happen when there is a change in our quoted price between the time your order is placed and the time your order is received or executed by our system (e.g. delay in the internet transmission of your order, or rapid price fluctuations in the financial markets during that period). In particular, for stoploss market orders that are triggered for execution at the stop price level that you have indicated, it may be difficult or not possible to liquidate your position at your stop price level, due to rapid price fluctuations or lack of liquidity in the markets. If any of the foregoing events happens, you may incur unexpected losses.

Q.5 Will my order be manually executed? If so, under what circumstances does IBSG rely on manual execution?

IBSG's system executes your orders on an automated basis and does not rely on any manual intervention or dealing, unless your orders do not pass the pre-execution checks carried out by IBSG's trading system. This can happen if there is insufficient or unavailable liquidity in the underlying market for IBSG to hedge its own risk exposure. In this regard, IBSG has the discretion to determine the price of the CFD.

Q.6 Where are my margins kept and maintained? Can IBSG use my margins for its own purposes?

Your moneys or other assets that you placed with IBSG are required by regulations to be maintained in segregated accounts with certain specific entities. Your moneys or other assets are segregated from IBSG's own moneys or assets but may be kept in the same omnibus account with other customers of IBSG. IBSG is not permitted to use your money or other assets in the segregated account for its own purposes, including for settling its own dealings with its hedge counterparty.

Q.7 What will happen to my margins if IBSG becomes insolvent? Will I be able to get back my moneys or other assets?

IBSG is your contractual counterparty and is obliged according to the terms and conditions of the Client Agreement to honour your CFD trades and any profits made. Therefore, if IBSG becomes insolvent, you face the risk that IBSG will not be able to honour any profits that you made. As for your moneys or other assets that are held in the segregated account, these should be protected from the claims of IBSG's creditors, though they remain subject to eventual netting obligations on CFDs and set-off obligations for any outstanding amounts owed to IBSG. Nonetheless, the recovery and return of your moneys or other assets will take time, as this is subject to due process of IBSG's liquidation, including the reconciliation of all its customers' positions and moneys.

Q.8 Under what circumstances can IBSG close my position or void my order?

Under the terms of the Client Agreement, IBSG can close out your position or void your trade when: (i) you are unable to meet the margin calls within the required timeframe (Clause 15 of the Client Agreement, read with Paragraph 6 of the Addendum); (ii) there is a trading system failure that result in erroneous prices at which your trades are executed etc; (iii) an event of default occurs; (iv) there is a cessation of quotes for the underlying share due to, but not limited to, a lack of market data, a halt, suspensions, the delisting of, errors, illiquidity or volatility in the underlying market; or (v) a cash adjustment amount for an adjustment event cannot be reasonably determined; (vi) you are suspected of being involved in any fraud, crime, or violation of applicable law; or (vii) otherwise at IBSG's sole discretion without prior notice.

The price at which your CFD is closed out will depend on the available price of the underlying share or asset at that point in time, which may result in a loss to you. In the worst case, you could lose 100% of the contract value. You may also be liable to pay additional charges, costs and fees incurred.

Q.9 What are the commissions, fees and other charges that I have or may have to pay?

Please refer to the link and its related links for Commission, Finance Charges that are imposed: [CFDs | Interactive Brokers Singapore Pte. Ltd.]. All commission charges are subjected to the Goods and Services Tax (GST) and for Finance Charges. A financing fee is charged on any CFD positions that are held overnight on a daily basis. Finance charge is set at a percentage of the total value of the underlying shares. There may also be a borrow fee and potential payments-in-lieu of dividends on short Share CFD positions, and additional costs relating to IBSG's hedge transactions, stamp duty, transfer taxes, or other taxes and duties.

Illustration 3

We have used 0.5% for the Commission and 0.5% for the Finance Charge in this illustration.

The shares of XYZ Ltd are quoted at S$2.00 per share and you buy 2,000 shares of XYZ Ltd as a CFD at S$2.00 per CFD. The commission charged is S$2.00 X 2,000 X 0.5% = S$20.00. In addition, GST of S$1.40 (7% of S$20.00) is levied. If you hold the 2,000 shares as a CFD overnight, you incur a daily financing interest. The daily interest charge is (S$4,000 X 0.5% / 360 days) = S$0.06.

Q.10 What happens when trading in the underlying share or asset is suspended or halted? How can I exit my position and will I suffer losses?

In event of a suspension where the price of the underlying share is unavailable, IBSG may allow you to exit your CFD position at a price determined by IBSG. During the period of suspension, holders of long positions will continue to be charged interest if the positions are held overnight. In the event of a prolonged period of suspension, IBSG may require you to increase the margins, pay up the contract value in full, or close off your positions at an appropriate price determined by IBSG. In the worst case, you could lose 100% of the contract value. You may also be liable to pay additional charges, costs and fees incurred.

ACKNOWLEDGEMENT OF RECEIPT OF THIS IN RESPECT OF CONTRACTS FOR DIFFERENCES

Your signature on the account opening forms will indicate your acknowledgement that you have read this **NOTIFICATION ON THE RISK FACT SHEET FOR CONTRACTS FOR DIFFERENCES** and understand its contents.

ANNEX A

1.1 **Features common to all IBSG CFDs**

Feature	**Description:**
Open ended contracts	IBSG's CFDs are opened ended instruments. Unlike exchange trade derivatives, there are no set or pre-defined expiry dates. This means that a position may be kept open until you determine to close it, subject to you meeting ongoing margin requirements and/or the occurrence of certain events that entitle IBSG to close the position.
Leveraged instruments	IBSG's CFDs provide investors the ability to leverage their exposure. This means that for the same initial capital you can increase your exposure to an asset or index or diversify your exposure across a number of assets versus buying a Reference Underlying directly. While leverage allows you to magnify your gains, it also means it magnifies any losses you may incur.
Open Trade Equity	IBSG's CFDs work on an Open Trade Equity model. In IBSG's CFDs, the Open Trade Equity (OTE) on a CFD position represents the unrealised profit/loss on the CFD position relative to movements in the current price of the Reference Underlying. The daily gains and losses on a CFD position are not cash settled but rather reflected in adjustments to the OTE for the position. The gain or loss on a position is not realised unless and until the CFD is closed out by you or by IBSG. The OTE on each CFD position is included in the Net Liquidation Value of your IBSG account and therefore is related to whether the account meets initial margin or maintenance margin requirements.
Reference Price	IBSG will determine a Reference Price for each open CFD position after the close of trading on each trading day. For Equity CFDs, the Reference Price is typically based on the official closing price of the primary exchange of the share which is the Reference Underlying for the relevant CFD. For Index CFDs, the Reference Price is typically calculated on the closing price of the relevant near-month futures contract (with a fair value adjustment). For Forex CFDs, IBSG will determine the Reference Price for the CFD based on the IB cash closing price for the relevant currency pair. For Metals CFDs IBSG will determine the Reference Price based on the spot price of the commodity. For Cude Oil CFDs, the Reference Price is based on the weighted average prices of the near-month and the next-month relevant futures contract. Typically, if on any trading day the Reference Price for a CFD is higher than the Reference Price for the CFD on previous trading day, then if you hold a long position with IBSG there is 'gain' on the position and this is reflected in

	the OTE for the CFD position. If you hold a short position in the CFD, IBSG will adjust the OTE accordingly and you will have a 'loss' on the CFD position.
CFDs quotes	IBSG will typically quote bid and ask prices along with bid and ask sizes for each CFD ticker during the available trading hours[1] for the relevant CFD. IBSG does not guarantee that you are able to trade at any particular price that it quotes. ***IBSG Share CFDs*** During available trading hours, the quotes that IBSG makes available for its Share CFDs reflect the best bid and offer (BBO) of the primary market of the relevant Reference Underlying. ***IBSG Index CFDs*** The quotes for IBSG's Index CFDs are derived from a synthetic index based on the price of the near-month exchange-traded futures contract adjusted for interest and dividends (fair-value adjustment). IBSG does not widen the spread on its Index CFDs unless market conditions are exceptionally volatile. The prices quoted for IBSG's Index CFDs are not necessarily the same as the underlying cash index. Rather, the quotes reflect the price of the relevant future, adjusted for interest and dividends (fair value adjustment) and the relevant future itself may trade above or below its fair value. Notwithstanding that, IBSG's Index CFDs quotes track the spreads and ticks of the underlying future plus a liquidity provider spread save for in exceptional market circumstances. When the future refreshes the IBSG index CFDs also refreshes. ***IBSG Forex CFDs*** The prices that IBSG quotes for its Forex CFDs are derived from the combined spot FX quotation streams from some of the world's largest foreign exchange dealers. Accordingly, the prices that IBSG quotes for its Forex CFDs are identical to quotes which are available for spot FX via IBSG. ***IBSG Metals CFDs*** The prices that IBSG quotes for its Metals CFDs reference the spot prices of the relevant precious metal market (i.e., London bullion market) that IB receives from participants in the London bullion market. ***IBSG Crude Oil CFDs***

[1] IBSG specifies the trading hours for the CFD in the Contract Specifications.

	The prices that IBSG quotes for its Crude Oil CFDs are derived from the hedge future by combining the near month and next month related futures, with the price of the CFD being the weighted average return of the relevant futures plus liquidity provider spread. The weighting of the two futures changes daily, to achieve a gradual roll from the near to the next future. A daily roll adjustment is applied to eliminate the impact of the difference in price between the two contracts.
Direct Market Access style CFDs	In relation to IBSG's DMA style CFD model, when you place an order for a CFD with IBSG, we immediately place a corresponding hedge order with our counterparty who in turn will typically place a corresponding hedge trade with its hedging counterpart. In the case of IBSG's Share CFDs, this will usually result in a hedge order being immediately placed into the Reference Underlying market, or as an exception the hedge counterpart may execute orders received from one client against another of its clients when it provides improvement over publicly available prices. Once IBSG receives notification that the hedge trade has been filled, we will confirm the CFD trade with you at the price of IBSG's hedging transaction. IBSG does not widen the spread.
Available Reference Underlying[2]	***IBSG Share CFDs*** IBSG offers CFDs over 500 shares in the US, European and Asian markets. ***IBSG Index CFDs*** A range of IBSG generated synthetic indices which reflect the main US, European and Asian indices. ***IBSG Forex CFDs*** 85 tradeable currency pairs. You should ensure to refer to IBSG's website, under Trading >> Product Listings for the most up-to-date list of CFDs issued by IBSG. ***IBSG Metals CFDs*** London Spot Gold and London Spot Silver. ***IBSG Crude Oil CFDs*** US Crude Oil and UK Brent Crude Oil (derived from near month and future month relevant futures).

[2] As at the date of this Risk Fact Sheet for Contracts for Differences.

1.2 IBSG Share CFDs - Adjustments and other payments

Event	Explanation
Corporate Actions	In the event of a corporate action in the Reference Underlying of IBSG Share CFDs, IBSG will adjust the terms of the CFD to attempt to reflect the economic effect of the corporate action for CFD holders as if they had been holding the Reference Underlying. This will be done through either a cash adjustment, a position adjustment, delivery of a new security or CFDs, or a combination of these. In cases where IBSG determines it is unable to adjust the CFD to preserve the economic equivalence, the Share CFD position may be closed out prior to the ex-date. If an account holder purchases a Share CFD where the Reference Underlying is a US stock on the day prior to the ex-dividend date during the regular or extended hours sessions they will be entitled to receive a payment-in-lieu-of-dividend adjustment to the CFD, but if the purchase is made during the overnight session **(i.e., any time from 8:00 p.m. on a trading day to 4:00 a.m. the following morning)** they will not be entitled to the payment-in-lieu-of-dividend adjustment because the trade date for the overnight trade would be on the next day, i.e. the ex-dividend date.
Dividend Cash Flow	A payment-in–lieu-of-dividend (“PIL”) is recorded as a dividend payable/receivable when a share passes its ex-dividend date, and is paid/charged on the matching payable date as the Reference Underlying. If a choice between cash and stock is offered (choice dividend), IBSG will reflect the dividend as a cash adjusting PIL. Long position holders are paid a PIL. Short position holders are charged a PIL. Dividends are generally applied net of withholding tax to long positions, and on a gross basis to short positions. Note that for CFDs which have certain securities as the Reference Underlying, franking credits are ignored and long holders receive the declared dividend gross. IBSG is obliged to withhold tax on long dividends related to US Share CFDs, reflecting the rate applicable to the country of residence of each investor (IRS Rule 871 (m)). (Index CFDs are exempt from the new US withholding requirement. IB will therefore pay dividends on US index CFDs gross, without withholding or other tax adjustments).

Actions typically leading to Position Changes (splits, reverse splits, buybacks, spin-offs, mergers)	When a corporate action results in the creation of new shares of the same kind as the Reference Underlying, IBSG will create additional CFDs (position adjustment) in a manner consistent with a position holding in the Reference Underlying stock. If the corporate action results in the creation of a new listed entity, and IBSG determines in its sole discretion that it will include the new shares in its general CFDs offering, IBSG will also in this case effect the corporate action by creating additional CFDs on the new security. If IBSG does not offer a CFD over the new entity's shares, a cash adjustment will be applied.

1.3 **IBSG Index CFDs – information regarding corporate actions and how adjustments for dividend cash flow is reflected.**

IBSG Index CFDs	
Corporate Actions	The index level itself is adjusted for corporate actions, no direct adjustments to the CFDs are necessary.
Dividend Cash Flow	Index CFDs that are based on a price index reflect dividends in the following manner: As index constituents go ex-dividend the index level adjusts downwards in proportion to the weight of those constituents in the index. The relevant amount of index points (drop points) are credited in cash net of applicable withholding taxes to long holders and debited gross to short holders. The only exception among the currently available IBSG Index CFDs is Germany 30 (IBDE30), which is based on a total return index.

2. MARKET DATA

2.1 Share CFDs:

The market data for IB Share CFDs is the market data for the underlying shares. It is therefore necessary to have market data permissions for the relevant exchanges. If you already have set up market data permissions for an exchange for trading the shares, you do not need to do anything. If you want to trade CFDs on an exchange for which you do not currently have market data permissions, you can set up the permissions in the same way as you would if you planned to trade the underlying shares.

Market data for overnight trading of US Share CFDs is free. No market data permission for the underlying shares is required.

Details are set out on our website.

2.2 Index CFDs:

Market data for Index CFDs consists of streaming quotes is free.

2.3 Forex CFDs:

Real-time market data for Forex CFDs is free.

2.4 Metals CFDs:

Metals CFD market data is free, but a permission is required for system reasons.

2.5 Crude Oil CFDs:

Market data for Crude Oil CFDs consisting of streaming quotes is free.

3. HOW TO TRADE CFDS

3.1 How to place an order and open and close a position

Like exchange traded derivatives, with IBSG's CFDs you may enter into a 'bought position" also referred to as "going long" or a "sold position" also referred to as "going short". In order to open a position in a CFD, you search for the relevant Reference Underlying symbol, choose the instrument "CFD" to display quotes and then submit an order to either buy (go long) or sell (go short). Whether you go long or short is ultimately determined by your views about the direction the Reference Underlying will move and why you determined to open the CFD position.

You may place orders above or below IBSG's quotes in much the same way that you are able to place orders above or below market if you were trading shares or any other reference instrument. This means that you can place orders to buy IBSG CFDs at the Reference Underlying bid and sell at the offer and or place unmarketable orders above or below the bid and offer.

In order to exit or close-out an existing position, you must enter an equal but opposite position. To close a "bought" or "long" CFD position, the position must be sold. To close a "sold" or "short" CFD position, the position must be bought. Upon the confirmation of the closing trade, your existing position is closed.

3.2 Order Types available for CFDs

IBSG offers a wide range of order types for CFDs including market, limit, stop-loss, bracket, GTC and GTD orders, as well as several algorithmic order types.

Order types typically reflect the order types available for the Reference Underlying (whether native to exchanges or simulated by IBSG). Not all order types are available for CFDs however.

Only day limit orders will be allowed for overnight trading of US Share CFDs. In this scenario, "day" implies the time during which the overnight market is open. Orders will only be active during the overnight trading hours, and expire automatically at the end if not executed.

A full description of available order types can be found on our website.

3.3 Example of Opening and Closing a Long Share CFDs

In this example, the Reference Underlying is trading at \$9.98 – \$10.00, and the CFDs reference price reflects the price of the Reference Underlying.

i) Opening the position:

You purchase 30,000 CFDs at $10.00 for $300,000, which you then hold for 30 days.

AUD Share CFDs – New Position			
Reference Underlying Price			$9.98 - $10.00
CFDs Reference Price			$9.98 - $10.00
Action			Buy
Quantity			30,000
Trade Value			$300,000
Margin (10% x 300,000)[3]			$30,000
Interest tier Charged (on $300,000 over 30 days)			
Tier I	$140,000	2.942%	$338.53
Tier II[4]	$160,000	2.942%	$386.89
Total Interest Charged			$725.42

ii) Closing the position:

Exit CFD Position		
	Profit Scenario	Loss Scenario
Reference Underlying Price	$10.48 - $10.50	$9.48 – $9.50
CFDs Reference Price	$10.48 - 10.50	$9.48 – 9.50
Action	Sell	Sell
Quantity	$30,000.00	$30,000.00
Trade Value	$314,400.00	$284,400.00
Trade P&L	$14,400.00	-$15,600.00
Financing	-$725.42	-$725.42

[3] Assuming minimum margin of 10% applies. Margin rates are subject to change at IBSG's discretion. The current margin rates will be available on the IBSG website. Margin rates may differ depending on your account type and also if your CFD position is long or short.
[4] Spread of 1.5% is for illustration only.

Entry Commission 0.05%	-$150.00	-$150.00
Exit Commission 0.05%	-$157.20	-$142.20
Total P&L	$13,367.38	-$16,617.62

3.4 Calculating the Profit or Loss on a CFD transactions

The amount of profit or loss that you make will be determined by:

- The difference between the price of the CFDs when the contract is opened and the price of that CFD when the contract is closed (e.g. movements in the Reference Underlying);
- The brokerage commission charged on a trade and any costs such as interest (if applicable) on open positions (i.e. fees and charges); and,
- Any adjustments, e.g. notional dividend adjustment, if applicable;

Generally speaking, when a CFD position is closed, if you held a long position and price of the Reference Underlying has increased such that it is greater than the initial price, IBSG pays you. If the difference is negative, i.e. the Reference Underlying has decreased in price below the initial price, you pay IBSG. Inversely, if you held a short position and the difference between the initial price and the price when the position is closed is negative, IBSG pays you. If it is positive, you pay IBSG.

IBSG accounts can hold funds in SGD, USD and various other currencies as may be determined by IBSG from time to time. When a closing trade realizes a profit or a loss, or if there are dividend and other cash flows in another currency (e.g. GBP for UK Share CFDs), the proceeds will automatically be converted and credited in the base currency of the account.

Commissions are calculated in the currency of the Reference Underlying instrument but charged in the Commission Currency (refer to IBSG CFD Contract Specifications).

Important: IBSG only holds certain limited currencies on behalf of its clients. If a dealing in a CFD is required to be paid for or settles in a currency which IBSG does not support, we will undertake a spot foreign exchange transaction on your behalf to meet your settlement obligations for any such transaction or to convert any realised proceeds to a currency which IBSG holds. Please check with us for further details.

4. SIGNIFICANT BENEFITS OF IBSG CFDs

The following section outlines significant benefits of IBSG's CFDs. In preparation of the following information, IBSG has not taken into account your specific objectives, financial position and needs and the information may not apply to you.

Benefit:	**Description:**

Hedging a portfolio (or part of a portfolio)	Investors can use CFDs to hedge (protect) their portfolio, for example, entering into a sold CFD position with respect to shares or particular shares to hedge against a drop in value. Investors can hedge (protect) against adverse currency movements, for example if an investor has a large exposure to currency A, investors may enter into a sold position via CFD on currency A to provide downside protection.
Speculation	CFDs may be used to speculate on movements in the price or level of stock, an index or a currency pair. In addition, due to the low initial outlay, CFDs may be used with other instruments to implement combinations and strategies regardless of the direction of the market in a capital efficient manner.
Profit in rising or falling market	Investors can profit from both rising and falling markets depending on the strategy they have employed. Strategies may be complex and strategies will have different levels of risk associated with each strategy.
Leverage	A CFD is a leveraged product that requires you to deposit a smaller amount of cash as margin rather than paying the full value of the contract. The level of leverage depends on the margin requirement for the individual CFD. For example, the minimum margin requirement for a Share CFD is 10%[5] of the notional value of the contract (i.e. maximum leverage is x10); higher volatility-based margin calculations act to further increase the minimum margin requirement (i.e. reduce the effective leverage) where appropriate. Investors must understand that leverage can also produce increased risks (see Significant Risks below).
Diversify portfolios	Given the leverage inherent in CFD trading, investors may be able to diversify their portfolios in a capital-efficient manner and gain tailored market exposure over a range of shares or an index. For instance, the Reference Underlying for IBSG's Index CFDs is a futures contract, which typically will have a significantly higher minimum contract size than the corresponding IBSG Index CFD. An Investor may also choose to include exposures to multiple currencies without the need to manage delivery of multiple different currencies.

5. SIGNIFICANT RISKS OF IBSG CFDs

You should consider whether investment in CFDs is appropriate to you in the light of your objectives, financial position and needs and you should not trade CFDs unless you are an experienced investor with an appropriate risk tolerance and the capability to sustain losses if they occur. You should read and carefully consider the risks set out in this section before deciding to apply to open a CFDs account.

Risk:	**Description:**

[5] Margin rates are subject to change at IBSG's discretion. The current margin rates will be available on the IBSG website. Margin rates may differ depending on your account type and also if your CFD position is long or short.

Leverage	The high level of leverage that is obtainable when trading CFDs (due to the relatively low margin requirements) can work against an investor as well as for the investor. Depending on market movements, the use of leverage may lead to large losses as well as large gains, as leverage effectively magnifies both gains and losses. In this sense, CFDs place a significantly greater risk on your investment than non-leveraged products such as conventional share trading. For example, if you purchase a CFD position on shares of ABC and the total value of the CFDs position is AUD50, 000, and if the (initial) margin requirement is 10%[6], you will require AUD5,000 as margin. If the value of the CFDs position in ABC then drops to AUD35, 000, you will have lost your original AUD5,000 deposit, plus an additional AUD10,000, which you will be required to pay to IBSG as losses on the position (this excludes commissions, spreads and financing costs). *This example does not consider the additional equity you would need to keep the position open.*
Reference Underlying movements	Because the value of CFDs are largely influenced by the value of the Reference Underlying, changes in that Reference Underlying impact your position in CFDs. IBSG offers CFDs over a range of Reference Underlyings, including indices, currency pairs and shares. Some of these Reference Underlyings are inherently volatile and the prices of which may fluctuate rapidly and over wide ranges. The prices of Reference Underlyings will be influenced by, among other things, the earnings and performance of the company or companies whose shares comprise the Reference Underlying or a related index, the performance of the economy as a whole, the changing supply and demand relationships for the Reference Underlying or related instruments and indices, governmental, commercial and trade programs and policies, interest rates, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace. Share CFDs may also trade on an extended hours basis, including after-hours or overnight trading, and the risks and features of extended hours trading are relevant to the consideration of the risks, including in particular pricing and liquidity, of Share CFDs. Further information about the risks of after hours trading is available on IBSG's website as set out

[6] Assuming minimum margin of 10% applies. Margin rates are subject to change at IBSG's discretion. The current margin rates will be available on the IBSG website. Margin rates may differ depending on your account type and also if your CFD position is long or short.

	in the After-Hours Trading risk disclosure, and you should consider how that may impact trading in Share CFDs. Changes in the Reference Underlying market may also make it difficult to hedge your exposure from CFDs.
IBSG Does Not Provide Personal Advice	IBSG does not provide personal advice. Our service is "execution only", meaning we are only acting on your instructions and will not advise you on any transaction, nor will we monitor your trading decisions to determine if they are appropriate for you or to help you to avoid losses. You should obtain your own financial, legal, taxation and other professional advice as to whether CFDs are an appropriate investment for you.
Synthetic products not the same as owning the Reference Underlying	IBSG CFDs are designed to deliver the return of the Reference Underlying, including for Share CFDs dividends and corporate actions. While IBSG CFDs are designed to replicate the economics of owning the Reference Underlying (or in the case of IBSG Index CFDs, the related near month future; or in the case of the Crude Oil CFDs, the weighted average of the near and next month future), it may not always be possible to perfectly replicate the economics of owning the Reference Underlying: Certain corporate actions may not be economically replicable and the impact of franking credits may not be same as the gain/loss on the CFD Index CFDs track the near month futures price of the relevant index, not the index price itself.

	Crude Oil CFDs track the weighted average of the relevant near month and next month futures contract and include the liquidity providers spread.
CFDs Are Not Traded On A Regulated Exchange And Are Not Cleared On A Central Clearinghouse	CFDs are over the counter contracts and IBSG is your counterparty. CFDs are not traded on a regulated exchange and are not cleared through a central clearinghouse. Thus, exchange and clearinghouse rules and protections do not apply to trading CFDs with IBSG. You are only able to close out IBSG CFDs through us.
You Are Subject To Counterparty Credit Risk on CFD Trades	Since IBSG is the counterparty to your CFD trades, you are exposed to the financial and business risks, including credit risk, associated with dealing with IBSG. While, IBSG has prudent risk management and capital monitoring and manages exposure to clients via automated real time or near to real time monitoring of and automated liquidation in non-compliant accounts, in the unlikely event that IBSG were to become insolvent IBSG may be unable to meet its obligations to you.
IBSG Has the Right to Liquidate Your Positions without Notice In the Event of a Margin Deficiency	You must monitor your account so that at all times the account contains sufficient equity to meet IBSG's margin requirements. IBSG does not have to notify you of any failure to meet margin requirements prior to IBSG exercising its rights under its Client Agreement with you, including but not limited to its right to liquidate positions in your account(s). Unlike the practice of some other brokers and dealers who allow "grace periods" for margin compliance, IBSG generally will not issue margin calls; generally will not allow a grace period for you to meet intraday or other margin deficiencies; and is authorized to liquidate account positions immediately in order to satisfy margin requirements, without prior notice. You cannot assume that IBSG's general policy to liquidate positions with a margin deficiency will prevent you from losing more than you have deposited with IBSG. Among other things, markets may "gap" down and IBSG may not be able to close out a position at a price that would avoid losses greater than your margin deposit. Likewise, IBSG may in its sole discretion delay or decide not to liquidate a position with a margin deficit. If you wish to avoid further losses on any CFD position, you must close out the position yourself and not rely on IBSG to do so.
IBSG Has the Right to Change or Increase Its Margin Requirements at Any Time	In order to protect IBSG and all of our clients, IBSG may modify margin requirements for any or all clients for any open or new positions at any time, in IBSG's sole discretion. If we increase our margin requirements, it may prevent you from adding positions or hedging existing positions if you have insufficient equity. If margin requirements increase on your existing CFDs, you will have to deposit additional equity in advance or your positions may be liquidated.

CFDs Carry Liquidity Risk and Close-out difficulties	IBSG is not obligated to provide quotes for any CFDs at any time, and IBSG does not guarantee the continuous availability of quotations or trading for any CFDs. IBSG may in its sole discretion cease quoting CFDs and/or cease entering new CFD transactions at any time based on lack of market data, halts or suspensions or delistings or errors or illiquidity or volatility in the market for the Reference Underlying (for instance overnight trading on certain Share CFDs), IBSG's own risk or profit parameters, technical errors, communication problems, market or political or economic or governmental events, Acts of God or Nature, or for other reasons. Accordingly, it may at times become difficult or impossible to close out an open CFD position. IB may in its sole discretion close out your open CFD positions without prior notice or your consent in such an event. The price at which your CFD is closed out will depend on the available price (or in the absence thereof, the price reasonably determined by IB) of the reference underlying at that point in time, which may result in a loss to you. In the worst case, you could lose 100% of the contract value. You may also be liable to pay additional charges, costs and fees incurred.
Contingent orders difficult	Placing of contingent orders (such as a 'stop-loss' order) may not always limit your losses to the amounts that you may want. For example, if the price of the Reference Underlying asset moves suddenly, your stop loss order may not be filled, or may be filled at a different price to that specified by you, and you may suffer additional losses as a result.
Currency risks	When you deal in a CFD where the Reference Underlying is denominated in a currency other than the base currency of your account or a cash flow currency, all margins, profits, losses and financing credits and debits in relation to that CFD will first be determined in the currency of Reference Underlying and converted back you base currency or a cash flow currency to settle such payments. Accordingly, your profits or losses will be affected by fluctuations in the exchange rates between the account currency and the currency in which the CFD is denominated. IBSG applies a margin "haircut" to reflect this risk, and so the margin requirement on the CFD will effectively increase. Where the currency of the Reference Underlying is different to a cash flow currency, the inherent exchange rate risk (loss or gain) will be crystallised when you or IBSG close a position. Losses (or gains) on FX positions will be in addition to any losses (or gains) on the product itself. Further, if IBSG needs to perform a spot FX conversion to settle a dealing entered into on your behalf, the inherent exchange rate risk (loss or gain)

	will be crystallised. These losses (or gains) may be in addition to any losses (or gains) on the product itself.
You Will Pay Commissions and Financing Charges among Other Costs of Trading CFDs	IBSG will charge commissions on your CFD trades. In addition, you will pay a market (or bid-ask) spread on your CFDs transactions, meaning that the price you pay to buy a CFD generally will be some amount higher than the price you receive when you sell the CFD, even if the price of the CFD has not otherwise changed during the time you held it. You will also pay financing charges (interest) on your long CFDs positions (you may receive a rebate on your short CFDs or pay interest, depending on interest rates). All of these costs will lower the total return (or increase the loss) on your investment in the CFDs.
Risk of Interest Rate Fluctuation	Interest rates fluctuate, which will affect the financing charges (or rebates) you will pay (or may receive) on your long (or short) CFD positions. This will also affect your total profits or losses.
IBSG Has the Right to Cancel CFD Orders	IBSG may not accept and may cancel or reject orders for CFDs at its sole discretion, including during an IB system maintenance or reset. You are responsible for monitoring your CFD orders, and place further orders to reinstate as required.
IBSG Has the Right to Correct Trade Errors	IBSG may cancel, adjust or close out CFDs after confirmation to you to correct errors, including but not limited to CFDs transactions executed at a time and price at or near which trades in the market for the Reference Underlying were cancelled or adjusted by exchanges or market centers, CFDs transactions subject to technical errors in IBSG's platform, and CFDs transactions not reasonably related to the correct market price for the Reference Underlying of the CFDs.
IBSG's Rights To Adjust, Modify and/or Close-Out CFDs Transactions In The Event Of A Corporate Action Affecting The Reference Underlying	In the event of a corporate action affecting the Reference Underlying of a CFD (e.g. splits, spin-offs, rights offerings, mergers and acquisitions, etc.): IBSG in its sole discretion will determine the appropriate adjustment or modification or action to take, if any, and when, with respect to the CFDs to preserve the economic equivalent of the rights and obligations of the parties; As an addition or alternative to the foregoing, IBSG reserves the right in its sole discretion to close out your open CFDs positions in the Reference Underlying prior to the corporate action.
Risk of Disruption or Interruption of Access to IBSG's Electronic Systems and Services	IBSG relies on computer software, hardware and telecommunications infrastructure and networking to provide its services to Clients and without these systems, IBSG cannot provide the services. These computer-based systems and services such as those used by IBSG are inherently vulnerable to disruption, delay or failure, which may cause you to lose access to the IBSG trading platform or may cause IBSG not

	to be able to provide CFD quotations or trading, or may negatively affect any or all aspects of IBSG's services. Under the IBSG Client Agreement, you accept the IBSG systems and services "As-Is" and our liability to you is limited. You must also maintain alternative trading arrangements in addition to your IBSG account for execution of your orders in the event that IBSG's electronic system and services are unavailable.
Capital loss	By trading in CFDs, you are exposed to the risk of losing capital. Speculators should not risk more capital than they can afford to lose. A good general rule is never to speculate with money which, if lost, would alter your standard of living.
Default	If you fail to meet your obligations to us under your Client Agreement with IBSG, including but not limited to failure to meet IBSG's margin requirements at any time or any other action or inaction which we have agreed constitutes a default under the Client Agreement, we may, in addition to any other rights which we may have against you, and without giving prior notice to you, take any action (which may include entering into risk reducing positions by closing out some or all of your open positions and or exercise open positions), or refrain from taking action, which we consider reasonable in the circumstances in connection with the open positions in your Account with us and you must account to us as if those actions were taken on your instructions and you are, without limitation, liable for any deficiency and are entitled to any surplus which may result.
Automatic liquidation on margin shortfall	IBSG will generally close positions automatically upon a margin deficit arising. Whilst IBSG will notify you if a deficit arises, IBSG is not obliged to give you any opportunity to deposit further funds to rectify such deficit and will liquidate positions to bring your Account back into margin compliance.
Time Zone Difference for Singaporean Clients dealing in Reference Underlying which trade on non-Singaporean markets	You should be aware that outside of the Asia Pacific Region there are significant time zone differences between Singapore and the major global financial markets centres in Europe and the United States. If you are dealing in CFDs with Reference Underlying on these markets, your orders will likely be executed outside of normal Singapore business hours and/or during the Singapore night time. In addition, major market events or events which impact individual stocks or currencies may also take place well outside of normal business hours or normal market hours in Singapore. This in turn may have impacts on the values of CFDs in your account. You should ensure to familiarise yourself with and understand the regular trading hours of the Reference Underlying and whether any extended or overnight trading, for example shares, applies.

Risks of After-Hours Trading	There are special characteristics and unique risks for Reference Underlyings when they are trading outside of the ordinary or regular trading hours of the exchange(s) on which they trade. You should familiarise yourself with these risks and carefully consider how they may impact the CFDs you propose to trade and review the After-Hours Trading risk disclosure and determine whether trading CFD's during any after hours trading period is appropriate for you in light of your objectives and experience.
Risk of Regulatory and Taxation Changes	Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have an adverse effect on the value of your CFDs, the tax you pay on your CFDs, and the total return on your CFDs.
Sanctions Legal Risk	Singapore is a member of the United Nations and observes and implements United Nations Security Council sanctions. IBSG must comply with restrictions imposed by sanctions and may be prohibited from dealing with certain persons or entities. If it appears that you are or may be acting on behalf of a prescribed person or entity, IBSG may be required to suspend, cancel or refuse services to you, freeze your assets held by us or close or terminate your Client Agreement with us. If we are required to take action it may result in significant costs to you

6. IBSG'S MARGIN REQUIREMENTS

6.1 Overview:

This section provides an overview of IBSG's offering and how we determine and enforce our margin requirements:

i) Single universal account

When you open an Account with IBSG, you open a single account through which you may elect to trade not only CFDs, but other products such as shares, futures and foreign exchange contracts (subject to IBSG's eligibility criteria).

When we calculate your margin requirements, we have regard to all the positions, assets and liabilities in your Account as a whole.

You should also note that there are no margin offsets for positions in CFDs, unlike holding the relevant Reference Underlying directly.

A summary with examples on how IBSG calculates CFD margins is available via the following link to IBSG's website under Trading >> Margin.

ii) Risk based portfolio analysis

We determine the margin requirement for your Account by risk-based portfolio analysis models, also having regard to the margin calls by any International Exchanges and Clearing Houses.

iii) Real-time margining and real-time monitoring

The value of assets and positions held in your Account is marked to market by IBSG's realtime credit management system. IBSG uses a real-time risk management system to allow you to see your trading risk at any moment of the day. Our real-time margin system calculates margin requirements throughout the day for new trades and trades already on the books and enforces margin requirements throughout and at the end of the day, with real-time liquidation of positions instead of delayed margin calls. Your margin requirement and current equity is monitored by IBSG and displayed online in real time via the various trading interfaces (for example TWS). For more information about real-time margin monitoring, please visit our webpage under Products >> Margin >> Real-time Monitoring

Important: It is your responsibility to actively monitor and manage your open positions and ensure that you meet your margin obligations. The proprietary platform that IBSG provides to you provides visual indicators on your portfolio. It is also your responsibility to ensure that you are aware of any changes in margin obligations and we recommend that you monitor your positions continuously. All margin requirements must be met immediately. This means that sufficient cleared funds must be on deposit in your account to enable you to meet margin requirements immediately as and when they fall required and/or payable.

iv) New positions must be covered in advance

IBSG's margining methodology means that we do not permit you to execute a transaction if the equity in your account is insufficient to cover the required minimum margins we impose on the account (margin deficit). IBSG determines this by simulating the consequence of any transaction you propose to undertake. For example, if your margin requirement would increase as a result of an initial margin payment obligation under a CFD, and there were insufficient assets in your account to cover the initial margin obligation, IBSG's system would reject the order to execute the transaction concerned.

v) Collateral

Depending on the type of Account you hold with IBSG, margin obligations may be met by paying cash or by providing certain types of eligible collateral (e.g. securities). Subject to any requirements specified in laws and regulations, IBSG may calculate its own value for any financial products used as collateral based on bid price, offer price, midpoint or using some other method as it determines in its sole discretion.

vi) Consequences of a margin deficit

If your account does go into margin deficit, (that is, if there are insufficient assets in your Account to cover maintenance margin requirements), then IBSG will liquidate all, or part of, the assets held in your Account, or otherwise close your open positions to eliminate the deficiency.

Important: IBSG will notify you when a margin deficiency arises, but is not obliged to give you an opportunity to provide further funds. This notification is given electronically, for example via IB’s trader workstation (TWS). IBSG will generally liquidate positions in your account in order to satisfy margin requirements.

Any losses resulting from IBSG closing out your positions will be debited to your account and you may be required to provide additional funds to IBSG to cover any shortfall.

You should carefully review the Client Agreement to understand your rights and obligations and IBSG's rights and obligations.

6.2 IBSG Share CFDs Margin Requirements[7]

IBSG establishes a risk-based margin for each individual Share CFD, based on the observed historical volatility of the Reference Underlying share. Specifically, IBSG calculates five historical standard deviations to determine the standard maintenance margin, subject to a minimum margin requirement of 10%. The resultant margin rates apply position by position, without correlation-based offsets.

	Initial Margin	Maintenance Margin
IBSG Share CFDs	1.25 x Maintenance Margin	Risk-based calculation described below (minimum 10%)

IBSG may apply higher margin rates for very large positions, Reference Underlying positions with large recent price run-ups and in other circumstances at IBSG's discretion.

6.3 IBSG Index CFDs Margin Requirements[8]

IBSG Index CFDs are margined at the same rates as the related future, adjusted for contract size, subject to a minimum of 5% or 5 standard deviations, whichever is higher. IBSG also offers intraday[9] margin rates on Index CFDs at a level consistent with that of the related futures contract. Intraday rates are generally set at 50% of the overnight rate and are offered during a period that begins at the start of liquid trading hours and ends 15 minutes before the end of liquid hours.

Further detail can be found on our website.

6.4 IBSG Forex CFDs Margin Requirements[10]

IBSG Forex CFDs margin requirements range from 3.0% (i.e. maximum 40:1 leverage) for major currencies (AUD, USD, JPY etc.) to 15% (RUB).

Please see full details on our website.

6.5 IBSG Metals CFDs Margin Requirements

IBSG's margin rates are set out on its website.

6.6 IBSG Crude Oil CFDs Margin Requirements

IBSG's margin rates are set out on its website.

6.7 Calculating margin requirements:

[7] Margin rates are subject to change at IBSG's discretion. The current margin rates will be available on the IBSG website. Margin rates may differ depending on your account type and also if your CFD position is long or short.

[8] Margin rates are subject to change at IBSG's discretion. The current margin rates will be available on the IBSG website. Margin rates may differ depending on your account type and also if your CFD position is long or short.

[9] "Intraday" means intraday with reference to the trading hours specified by IBSG for the CFD.

The following section provides an example overview of how IBSG determines whether an account meets its margin requirements for CFDs. You should note that this is merely an example, and actual calculations for an account may vary or be more complex.

i) Net Liquidation Value (NLV) for CFDs

The basis for determining the margin sufficiency of an account is the calculation of net liquidation value or NLV. NLV = the Real-Time Cash Value of your account+ Open Trade Equity (OTE) (of your CFDs positions).

OTE is the running, unrealized P&L of an open position. It is not cash but counts towards the NLV of your account. The P&L is realized and paid or charged to your actual cash when you close the position.

Real-time cash value is the aggregate value of all cash positions converted to the base currency of your account. It includes the cash you have deposited, and accumulated realized P&Ls, interest, dividends, etc.

ii) Initial Margin (IM)

IBSG performs a pre-trade check reflecting real-time position values to ensure that a new trade is margin-compliant. A trade is allowed if the Initial Margin (IM) for existing positions + IM for the new trade < Available Funds. In our example, the client could increase his position to maximum 400 assuming an initial margin rate of 10%[10]:

Item	Description	Value
a	Starting Cash	100
b	New CFD Position	600
c	Realized P&L	0
d	Ending cash (a + c)	100
e	OTE	0
f	NLV (d + e)	100
g	IM 12.5% (b x 12.5%)	75
h	Available Funds (f - g)	25
i	Buying Power (h/12.5%)	200
j	MM 10% (b x10%)	60
k	Excess Funds (f-j)	40

[10] Assuming minimum margin of 10% applies. Margin rates are subject to change at IBSG's discretion. The current margin rates will be available on the IBSG website. Margin rates may differ depending on your account type and also if your CFD position is long or short.

iii) Ongoing (Maintenance) Margin

IBSG monitors real time position values and determines margin sufficiency as follows: Net Liquidation Value – Maintenance Margin requirement (MM) = Excess Funds. If Excess funds become negative at any time the IBSG system will immediately and automatically liquidate positions until Excess Funds become >=0.

Item	Description	Value	Price-5%	Price -10%	Price -10%
a	Starting Cash	100	100	100	100
b	New CFD Position	600	570	540	500
c	Realized P&L	0	0	0	-10
d	Ending cash (a + c)	100	100	100	90
e	OTE	0	-30	-60	-40
f	NLV (d + e)	100	70	40	50
g	MM 10% (b x 10%)	60	57	54	50
h	Excess Funds (f-g)	40	13	-14	0
			Compliant	Start Liquidation	End Liquidation

Further detail can be found on our website, under Trading >> Products >> Margin >> CFDs.

7. **CLIENT MONEY**

The following section is intended to outline important information regarding client money; you should review the terms of your Client Agreement with us for further detail regarding handling of client money.

IBSG will handle the client money it receives in accordance with the Securities and Futures Act 2001 and the related Regulations (Client Money Rules). Where required, IBSG will pay such client money into a trust account. Client money received from you (or on your behalf) will be combined and deposited with the client money received from IBSG's other clients.

IBSG is entitled to all interest earned on any client money held in a trust account or with any third party or clearing house. In accordance with any regulatory requirements, IBSG may, where required, specifically not use derivative retail client money for the purpose of meeting margin obligations applicable to transactions that IBSG enters into to hedge the risk associated with dealing in CFDs.

Important: IBSG only holds certain limited currencies on behalf of its clients. If a dealing in a CFD is required to be paid for or settles in a currency which IBSG does not support, we will undertake a spot foreign exchange transaction on your behalf to meet your settlement obligations for any such transaction or to convert any realised proceeds to a currency which IBSG holds. Please refer to us for further details.

8. FEES, CHARGES AND MINIMUMS

The following is a summary description of the costs associated with trading in CFDs along with other relevant fees and charges. The fees and charges payable will differ depending on the CFD concerned. Please refer to our website, for information on what fees and charges are payable, see under Pricing >> Commissions which sets out all fees payable for trading CFDs. Relevant fees and charges associated with a transaction in CFDs will be set out IBSG's statements.

8.1 Commissions for IBSG CFDs

The following section provides an overview of the commissions payable for CFDs trades. For the most current commission rates please refer to our website under Pricing >> Commissions >> CFDs.

i) Share CFDs

Commissions are charged either as a percentage of the notional value or on a cents per share basis and are subject to a minimum charge. Share CFDs use a Volume-Tiered pricing structure in which all exchange and regulatory fees are included (unless otherwise noted on IBSG's website).

Commissions charged during the overnight trading session for US Share CFDs are the same as commissions charged during Regular Trading Hours.

ii) Index CFDs

IBSG charges a transparent commission, rather than widening the spread of the related future. Depending on the index, commission rates are 0.005% - 0.01%.

iii) Forex CFDs

IBSG charges a transparent commission, rather than widening the spread. Depending on the monthly traded value, commission rates are from 0.002% - 0.0008%.

In addition, conversion trades for non-base currency P&Ls incur a nominal fee on a sliding scale: 0-25K: no charge, 25K-100K @ $10/million, 100K+ @ $5/million. Daily cap @ $20, monthly cap at $100.

iv) Metals CFDs

Commission rates are only 0.015% for London Gold and 0.03% for London Silver.

v) Crude Oil CFDs

Commission rates are 0.015%.

8.2 Financing costs for IBSG CFDs (Contract Interest)

IBSG calculates contract interest daily on all open CFDs positions held at the close of the Regular Trading Hours of the relevant CFD. Different rates and methodologies apply depending on the type of CFD:

i) Share CFDs

The contract interest on Share CFD position is determined by a balance-tiered pricing structure by currency (not all currencies have tiered structures). You pay interest on long CFDs positions and receive interest on short positions. IBSG adds a spread to the long interest and deducts a spread from the short interest.

Note that in the current interest environment the IBSG spread exceeds the base rate in many currencies, in which case a short position pays interest rather than receives it. In case of negative base rates long holders pay the IB spread, i.e. the base rate is ignored, and short holders pay the base rate plus the IB spread.

Interest is calculated daily on all open CFD positions held at the close of the trading session and is applied as a blended rate based on notional balances. Details are available on our website.

Where a Share CFD is executed during the overnight trading session, due to trade date determinations, any overnight financing fees on the Share CFD position will only start to accrue past the end of Regular Trading Hours of the date of the morning when that overnight session ends (even if the trade is executed before midnight).

ii) Index *CFDs*

Overnight financing rates are benchmark +/- 1.5%.

iii) Forex CFDs

The contract interest on Forex CFD position is determined based on the benchmark rate differential (being the benchmark cash rate for the base currency less the benchmark cash rate for the quote currency of the Reference Underlying currency pair) less the applicable spread for long CFD positions or more the applicable spread for short CFD position ("Net Cash Rate"). You receive interest on long CFD positions and pay interest on short CFD position, if the Net Cash Rate is positive. IBSG deducts the spread to the long interest and adds a spread to the short interest. Details are available on our website.

Overnight financing rates are calculated based on the benchmark rate differential.

iv) Metals CFDs

Overnight financing rates are benchmark +/- 1.5%.

v) Crude Oil CFDs

There are no financing charges.

8.3 **Additional charges**

i) Share CFDs: borrow charge

An additional borrow charge is levied on short CFDs Positions, determined for each stock individually based on market borrow rates. IBSG will provide non-binding, indicative borrowing rates to clients. Borrow rates may change without notice over the life of the short position based on market conditions.

ii) Mark ups and intermediary billings

Financial advisers and brokers may charge their clients for services rendered either through automatic billing, electronic invoice or direct billing. If you are a client of a financial adviser or broker, they determine the mark-up on IBSG's standard fees and commission and this mark-up may be modified from time to time. You will be provided notice with details of any mark ups on IBSG's standard fees and commissions charged by your financial adviser or broker at account application and when they are changed by your financial adviser or broker. The available billing methods including caps and limitations are described at the IBSG website under Pricing.

iii) Interest

If you have a debit balance on your Account after all fees and costs have been deducted (in other words, you owe money to meet the margin requirement or other amounts) you must pay interest on the debit balance (this is distinct from the Contract Interest on IBSG's CFDs). Interest is calculated daily based on your positions, margin requirement and balances on your daily statement for that date. Interest is generally posted once a month on your Account. This generally occurs within five business days following the end of the month. See our website under Pricing >> Interest and Financing.

iv) Administrative fees and charges

IBSG charges certain administrative fees for matters such as order cancellation and modifications, trade busts (cancellations) and adjustments, prime broker take-ups, deposits and withdrawals, exercise and assignments, American Depository Receipts (ADRs), and stop payments. The list of administrative fees and charges is available on the IBSG website at Pricing >> Other Fees.

v) Taxes

Transaction taxes, such as value added taxes might apply in some jurisdictions. The taxation implications of trading in CFDs will depend on your particular circumstances and we recommend that you obtain your own independent taxation advice.

vi) Market data, fundamentals and news

If you access market data, fundamentals or news through IBSG, there may be a cost to you to subscribe for this information. Please refer to the IBSG website under Pricing >> Research, News and Market Data for further information on the costs of accessing such data through IBSG.

vii) Monthly activity minimums

IBSG caters to active professional traders and investors and as such accounts are required to meet minimum levels of activity. Those accounts that do not meet the minimum levels are assessed a monthly activity fee. Whether this fee is assessed is determined by reference to commissions only, that is, for instance market data fees and administrative fees are not included in determining if an account has met the minimum activity.

Required balance, activity and commission minimums for retail and introducing broker accounts and for clients using a dedicated line FIX connection are as set out on the IBSG website.

9. DISPUTE RESOLUTION

9.1 IBSG's internal complaints resolution process

IBSG is committed to providing a high quality product and service. If you have a query about the service or products we offer, our level of service or the quality of product we provide has failed to meet your expectations, we encourage you to tell us.

IBSG's complaint process is designed to ensure your complaint is handled promptly, appropriately and fairly, and dealt with in the strictest confidence.

Unless our agreement with you instructs otherwise, we request that you submit any queries or complaints online to ensure such queries and complaints are dealt with in the most efficient manner. Please submit your query via Account Management for the most expedient and efficient handling. You do this by logging into "Account Management" selecting "Inquiry Ticket" >> "New Ticket" and then selecting the following:

- Category: Other Regulatory
- Sub-category: Submit a Complaint

9.2 The Financial Industry Disputes Resolution Centre

If you are not satisfied with how your complaint is responded to by IBSG, you may direct your concerns in writing to the Financial Industry Disputes Resolution Centre ("FIDReC") which is an independent dispute resolution scheme. Before you submit any concerns to FIDReC, you must have given your complaint to IBSG and given us reasonable time to resolve the matter. FIDReC's details are:

36 Robinson Road
#15-01
City House
Singapore 068877

Telephone: 63278878
Internet: www.fidrec.com.sg
Email: info@fidrec.com.sg

10. TAXATION

IBSG does not provide tax advice. It is important to note that a client's tax position when trading CFDs will depend on your individual circumstances and the trading strategies that you adopt.

We strongly recommend that you seek independent professional tax advice on the tax implications relevant to your circumstances before trading CFDs.

10.1 Goods and Services Tax (GST)

The purchase and disposal by investors of CFDs over financial products and indices is not subject to GST. GST is payable on brokerage and commissions charged by IBSG.

10.2 **US Foreign Account Tax Compliance Act ("FATCA")**

Under the Inter-Government Agreement between the Singapore and US Government, IBSG may be subject to certain obligations to report transaction information to the Inland Revenue Authority of Singapore (IRAS) on US citizens and various US and non-US entities. We may also request you to provide certain FATCA information if you come within the requirements of the legislation.

We do not provide taxation advice, or advice about FATCA. You should consult your personal tax adviser if you believe that you are impacted by FATCA obligations.