Plus500AU Pty Ltd

Plus500

World's Trading Machine

Product Disclosure Statement

Product Disclosure Statement

Our Contact Details

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Australian Financial Services Licence number: 417727
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Contents

1. Key information

PLUS500AU Pty Ltd (**PLUS500AU, us, we, our**) ACN 153 301 681 is the issuer of the products described in this Product Disclosure Statement (**PDS**). Should you have any queries about this document, please do not hesitate to contact us. Our contact details are at the start of this PDS.

This PDS explains everything you need to know about the products we can offer you. It is designed to:

- provide you with the information you need to determine whether the products we offer are appropriate for you needs;
- explain the terms and conditions, rights and obligations associated with our products; and
- Help you to compare products.

Warning: Trading in margin contracts (including CFDs) involves the potential for profit as well as the risk of loss of your initial deposit and is not suitable for all traders. Movements in the price of the margin contract's underlying Reference Instrument (e.g. shares, indices, ETFs, foreign exchange rates or commodity prices) are influenced by a variety of unpredictable factors of global origin. Violent movements in the price of the Reference Instrument may occur in the market as a result of which you may be unable to settle adverse trades at the expected price.

Regulatory Benchmark Disclosure

ASIC has developed seven disclosure benchmarks for OTC CFDs that can help retail investors understand the risks associated with CFDs, assess their potential benefits and decide whether CFDs are suitable for them. *More information about the disclosure benchmarks can be found in ASIC Regulatory Guide 227.*

This table sets out which benchmarks Plus500AU meets and refers to related disclosure information that describes how we meet the benchmarks

DISCLOSURE BENCHMARK	MEETS BENCHMARK?	RELATED INFORMATION
Client Qualification **Addresses the issuer's policy on investors' qualification for CFD trading**	Yes	Trading in CFDs is not suitable for everyone because of the significant risks involved. As such, Plus500AU assesses client qualifications and experience when potential clients apply to open an account. Further information can be found in ASIC Benchmark- Client Qualification in this PDS.
Opening Collateral **Addresses the issuers policy on the types of assets accepted from investors as opening collateral**	No	It is suggested that a limit of $1,000 be accepted for opening payments made by credit card. Plus500AU does not meet this benchmark to the extent that it accepts credit card payments of > 1,000 AUD as opening collateral. Further information can be found in ASIC Benchmark -Opening Collateral in this PDS.
Counterparty Risk - Hedging **Addresses the issuers practices in hedging its risk from client positions and the quality of this hedging**	Yes	Plus500AU maintains and applies a written Counterparty Credit & Hedging Policy. This PDS includes information about the significant risks associated with CFDs and the counterparty risks under ASIC Benchmark-Counterparty Risk

DISCLOSURE BENCHMARK	MEETS BENCHMARK?	RELATED INFORMATION
Counterparty Risk - Financial Resources **Addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements**	Yes	Plus500AU maintains and applies policies to ensure it meets all financial regulatory obligations including the requirements of an Australian Financial Services Licensee. Further information can be found in ASIC Benchmark Counterparty Risk – Financial Resources
Client Money **Addresses the issuers policy on client money**	Yes	Plus500AU has a detailed Client Money policy and does not use client money for hedging with counterparties. Further information can be found in ASIC Benchmark- Client Money in this PDS.
Suspended or Halted Underlying Assets **Addresses the issuers practices in relation to investor trading when trading in the underlying asset is suspended or halted**	Yes	In the event of an asset being suspended or expired, Plus500AU has the discretion to close out positions on the last price. Also, we do not allow new positions to be opened when there is a trading halt over the underlying asset, or where trading in the underlying instrument has otherwise been suspended in accordance with the rules of the relevant market.
Margin Calls **Addresses the issuers practices in the event of client accounts entering into margin call**	Yes	Plus500AU maintains and applies a written policy in relation to margin call practices and our discretions relating to close outs. Further information can be found in subsection ASIC Benchmark Margin Calls in this PDS

Throughout this PDS, we will refer to ASIC benchmarks, like this:

ASIC Benchmark…

ASIC is the government regulator that issued our licence and that monitors financial markets in Australia. It has set minimum benchmark standards that it expects businesses like us to comply with. We have set out our compliance throughout this PDS.

What are we authorised to do?

We are authorised to give you general financial product advice in relation to derivatives and foreign exchange contracts. We are also authorised to deal in relation to those same products. We will provide you with advice which is general in nature. Whenever we give general advice (e.g. through our website, or in this PDS), we don't take into account your financial situation, personal objectives or needs. Before using the products referred to in this PDS you should read it carefully, and then consider your objectives, financial situation and needs and take all reasonable steps to fully understand the possible outcomes of trades and strategies that can be employed using our Trading Platform. We recommend you seek independent financial advice to ensure that a particular product is suited to your financial situation and requirements.

We are also authorised to "make a market" for foreign exchange and derivatives contracts. This allows us to quote market prices to you, including buy and sell prices.

We offer CFD trading services via our Trading Platform.

There are six broad types of products that you can trade with us: Share and ETF CFDs, Index CFDs, Option CFDs, Commodity CFDs (i.e. Gold, Silver and Oil) and Margin Foreign Exchange (FX). Those six types of products are explained in more detail below. The specific assets able to be traded under these categories will be listed on the Trading Platform.

2. Contract for Difference (CFDs)

CFDs are derivatives, which are contracts between you and Plus500AU that may require you or Plus500AU to make a payment. The value of the contract will depend on the price, value or level (as the case may be) of the underlying Reference Instrument at both the time at which the CFD is opened and the time at which the CFD is closed. The contract specifies the terms on which those payments must be made.

The contract derives its value from underlying Reference Instruments - which are never delivered to you, and you do not have a legal right to, or ownership of them. Rather, your rights are attached to the contract itself. The money you will receive will depend on whether the underlying currency pair or asset you choose moves in your favour. If it does, then you will make a gain and your account will be credited. If it does not, then you will make a loss and your account will be debited. The contracts only require a deposit which is much smaller than the contract size (this is why the contract is "margined" or "leveraged").

When trading CFDs, you and PLUS500AU agree to exchange the difference in value of the CFD between when the CFD is opened and when it is closed. You will either be entitled to be paid an amount of money (if the value of the CFD has moved in your favour) or will be required to pay an amount of money (if the value of the CFD has moved in our favour).

You can keep a CFD trade open for as long as you are able to meet your margin requirements. CFD transactions are closed by you taking an offsetting, opposite position.

We may, upon your request, agree to implement a stop loss order or limit order in respect of a CFD trade. Compliance with any such order is subject to prevailing market conditions unless we have agreed to a Guaranteed Stop (which is only available for a limited range of instruments). For a full explanation please refer to the "Managing Risks by using Stops and Limits" section below.

Please note that the ASX rules and the National Guarantee Fund do not apply to trading CFD contracts.

3. How does the online Trading Platform work?

See the heading "Share and ETF CFDs", "Options CFDs", "Commodities CFDs", "Index CFDs" "Forex CFDs" below for a detailed explanation and example of how our Trading Platform works. To make a trade using our online Trading Platform:

Step 1: **Practice** Trading in Demo mode - you can trade in demo mode by providing your email address and password. Quotes are real time in our demo mode and trading the same. You will receive $50,000 AUD to use in the demo account only. . Your demo account is unlimited in time and free to use.

Step 2: Set up a real-money trading account with us. You must first register with us by filling out the registration form on our Trading Platform. A pre-condition to successful registration is an acknowledgement by you that you have read this PDS, the FSG and that you have read and agreed to be bound by the User Agreement. Another pre-condition is that you meet our client qualification criteria, which are explained below in more detail. There may also be other terms and conditions that you will need to agree to, if you are outside of Australia. Once you are registered, you will be able to login online to your user account using your username and password.

ASIC Benchmark – Client Qualification

Trading in CFDs is not suitable for everyone because of the significant risks involved. Because of this, we include minimum qualification questions in our account opening form, which prospective clients like you, must satisfy before opening an account.

Our written client qualification policy involves an assessment of the perspective client's knowledge of key *concepts, understanding of processes and technologies, and previous trading and investment experience.*

In assessing a prospective client's knowledge of key product concepts Plus500AU will use a series of multiple choice questions about CFD trading, in order to ascertain the client's understanding of concepts such as leverage, volatility, margins and the nature, processes and technologies of trading CFDs e.g. that trading in CFDs does not provide you with rights or interest in the underlying Reference Instrument. Prospective clients are also required to acknowledge that they are prepared to monitor and manage the risks of trading CFDs. We will not use your answers or any other information you provide us to tailor recommendations to you, as we do not provide personal advice.

You should refer to our Privacy Policy on our website which explains how we collect, use and disclose personal information. If prospective clients do not meet the minimum criteria, they will not be able to open an account. When this occurs, Plus500AU will provide these potential clients with access to a CFD demo account on which they can practice trading CFDs before being able to re-apply for an account.

Step 3: You can deposit a minimum and maximum amount of a base currency (Australians must deposit AUD) as stated on the Plus500 trading platform (usually between $100 AUD and $10,000 AUD or equivalent if not an Australian resident) into your newly established PLUS500AU account before you start trading. The deposit will go to your available balance (defined below).

You can receive a bonus of AUD$30 and start trading after you verify your phone number.

Upon opening a CFD, you will be immediately required to lodge an Initial Margin with us, which will be a percentage of the opening value of the transaction. We will deduct an Initial Margin from your available balance. We will tell you what Initial Margin is required before you trade. We may vary the Initial Margin at our own discretion but that won't change the Initial Margin needed for open positions.

The Initial Margin requirement must be placed on your account before a position is opened. After the position is opened your account equity will to be bigger than the Maintenance Margin.

Please be aware that margin is not part payment for an underlying Reference Instrument and there is no capacity for a CFD to be converted into the underlying Reference Instrument.

Example[1]:

Bill buys 10 CFDs over Google Shares at $540.
Google's Initial Margin: 10%, Maintenance Margin 2%
The total amount bought is: 10*$540.00 = $5400
The Initial Margin that is needed for 10 Google Shares is 10%: $540
The Maintenance Margin that is needed to maintain 10 Google Shares is 2%: $108 (This example is based on the assumption your nominated currency is AUD).

Bill will be required to deposit an Initial Margin in AUD which is a percentage of the notional contract amount (typically Shares CFDs 10%, Commodities CFDs 8%, Index CFDs 7%, ETFs CFDs 7% and Margin FX between 2% and 2.5%). Our Trading Platform will tell Bill what amount he needs to lodge before he opens a position. Bill will carry no conversion cost for placing your Initial Margin in AUD. If the contract notional amount is in USD we will convert this to AUD (by the AUD/USD buy price in our system).

If you choose to accept our quoted prices, then the transfer will usually take place immediately, upon receipt of your cleared funds. The new currency will be delivered to your PLUS500AU account and you will be able to see your balance by logging on to the Trading Platform.

Example:
We may request you to deposit USD 2,500 for a USD contract with a notional amount of USD 100,000. In this example, USD 2,500 is your Initial Margin.

ASIC Benchmark – Opening Collateral

[1] The examples provided in this PDS are solely intended to illustrate how our products operate and they are not intended to give any representation about the performance of particular shares or other underlying products. Each scenario provides an example of one situation only and it does not reflect the specific circumstances or the obligations that may arise under a derivative entered into by a client of Plus500AU. The companies used in the example are entirely fictional and all prices are illustrative only.

We accept deposits via wire transfer from your account, into our accounts, or via credit card, debit card and E-Wallets. It is suggested that a limit of $1,000 be accepted for opening payments made by credit card. Plus500AU does not meet this Benchmark to the extent that it accepts credit card payments in excess of $ 1000 as opening collateral in order to provide efficient and flexible payment options. However, Plus500AU places internal daily, weekly and monthly limits on the number of payments and amounts that clients can deposit by Credit Card. You should be aware that by using a credit card as opening collateral, you may be exposed to the risk of "double leverage". This means that you are borrowing from your credit card provider (and possibly paying interest), which is a type of leverage.

You are also buying one of our products, all of which have inbuilt gearing, so it is a second form of leverage. Opening collateral is referred to in this PDS as ***Initial Margin****.*

Step 4: You are now ready to trade. When you log in to the Trading Platform, you will see prices which reflect different shares, foreign exchange, commodities, indices, Options and ETFs.

Example:
An example of a currency pair is EUR/USD. EUR/USD 1.31591 means that one euro is exchanged for 1.31591 US dollars. The currency on the left of a pair is the base currency.

You can buy or sell a Margin FX Contract. If you buy or sell as your first transaction, you are opening your position. When you buy, you buy at the "offer" price, and when you sell, you sell at the "bid" price.

Example:
If the EUR/USD currency pair is quoted at 1.3157/1.3159 then this is showing the bid/offer price. To buy (offer), you would pay 1.3159 x contract size. To sell (bid), you would receive 1.3157 x contract size. The difference between the two prices is 0.0002 which, in this example, is the Spread.

Each contract's size can be any amount equal to or greater than 1,000 of a particular trading currency.

Remember: what you are actually buying is a contract – not the asset or currency itself. You can only trade through our online Trading Platform, we do not accept orders through the phone or by email.

Step 5: You then choose when to sell or buy in order to close your position. You close your position by taking an opposite position to what you did under Step 4 above, with the intention of making a profit when the currency rate or asset price moves in the intended direction.

Step 6: The profit or loss resulting from the trade will be credited or debited to your account.

We have trading rules (including "forced liquidation" which is explained below, and an Initial Margin requirement which is explained above) to help you limit any losses.

We offer settlement of trades on a real time basis. Your account will be credited when you close your position

Example
Bill thinks that the EUR will appreciate against the USD in the near future. Bill resides in Australia. He sees that the prices quoted on the EUR/USD currency pair by PLUS500AU is 1.3157/ 1.3159. The "offer" price is the rate at which he would buy EUR, so he buys 100,000 EUR of a contract EUR/USD at 1.3159 (our minimum size is 500 EUR). He wants to sell it later at a higher price.

Opening the position

Buy 100,000 at offer price:	100,000 x 1.3159= $131,590 USD

The contract is leveraged on a 1:50 ratio. That means that we require an Initial Margin from Bill to be deposited into our account, which is 2% of the value.	100,000 x 0.02 = 2000 EUR (Initial Margin) In this Example: EUR/AUD = 1.2814 USD/AUD = 0.9832 Bill deposited 3000 AUD.

We earn a Spread. In this example, the difference is 0.0002 (known as two "pips"), which amounts to $20 USD. It is built in to the price when Bill clicked "buy" and again when he clicks "sell".	(1.3159-1.3157) x 100,000 = $20 USD

Rollover Interest

When a position is held open after market closure, you are paid or debited an Overnight Funding based on interest rate differentials. In this example: EUR/USD has a daily Overnight Funding BUY of -0.0185%.	$131,590 (bid) * 0.000185 = -$24.34 USD

Closing the position

The next day the price of EUR/USD has decreased by 10 points to 1.3147 (bid) / 1.3149 (offer). The trade has not moved in Bill's favour and he decides to cut his losses and close the position by selling at the bid price.	1 x 1.3147 x 100,000 = $131,470 USD

His gross loss is the difference between the opening position and the closing position.	131,470 – 131,590 = -$120.00 USD

His net loss is the gross loss less the costs. The Spread was built in to the price, but includes 2 x $20 USD in this example, which totals $40 USD.	-120 - 24.34 = -$144.34 USD (=141.91 AUD)

Summary: In the above example, Bill had to deposit at least to cover his Initial Margin requirement, and he has lost $141.91 AUD, Bill's available balance is 3000 - 141.91 = 2858.09 AUD.

Your liability to pay the difference is capped at an amount equivalent to your Equity at the time the transaction is closed. In other words, you will not remain liable to pay any amounts which cannot be covered by the closing out of all of your positions.

Note: More detailed explanations are set out under the heading "The Costs in Using our products" below

All account withdrawal requests, except withdrawals via bank transfer, are subject to a minimum withdrawal amount, which is the lesser of $50USD (or equivalent), or your available balance. The minimum withdrawal amount for bank transfers is the lesser of $100USD (or equivalent), or your available balance.

4. Balances on your account

Balances on your Account that are calculated on real time:

Balance: Does not include the profit/loss of the current open positions.
= Deposits - Withdrawals + ∑P&L of closed positions.

Available Balance: Amount available to be used for new positions or to withdraw *subject to the minimum withdrawal amount*.
= Balance +P&L of open positions - ∑Initial Margins

P&L: The profit and loss for all open positions:
= ∑(P&L + daily Overnight Funding * number of days)

Equity: The current account valuation when all positions are liquidated.
= Balance + P&L

During the day on a real time basis your account balance(s), including all open positions, are valued against our current quote. Therefore, your ‘Equity’, ‘Available Balance’ and 'P&L' are constantly calculated in line with market movements.

The ‘Available balance’ is used to assess your available funds for use as margin requirement against current positions and to meet margin requirements on any new positions you may wish to take.

It is your responsibility to ensure that your account is sufficiently funded at all times, especially during volatile periods.

If the ‘Available Balance’ on your account falls below the required deposit limit, you will only be allowed to close or reduce open positions, until the ‘Available Balance’ on your account is back in excess of the required margin percentage for all open positions.

If any of your positions are denominated in a currency other than the base currency of your account, they will be continually valued at the applicable Plus500 foreign exchange rate. Your statement will then value all your positions in your nominated currency.

Example of an account balance:
Jim signed up and deposited $1000 via credit card
Balance: $1000. (Deposits - Withdrawals + P&L of closed positions)
P&L = $0. (Total profit and loss of all open positions including daily Overnight Funding)
Available Balance: $1000 (Balance + P&L of open positions - Initial Margins)
Equity: $1000 (Balance + P&L of open positions)

1.00pm	Jim buys 100 Oil barrels at a market price of $60.00 with a Take Profit Call when Oil reaches $66.00. The total amount bought is: 100*$60.00 = $6000 The Initial Margin that is needed for Oil is 10%: $600 The Maintenance Margin that is needed to maintain an Oil position is 5%: $300 If Jim's equity falls below $300 you will get a margin call. Balance: $1000 P&L = 0 (usually the Spread of Oil is 5 cents so Jim would have a P&L of -$5) The Available Balance after Jim bought the Oil is: $400. ($1000 - 10%*$6000 = $400). Equity is $1000 ($1000 + $0).
2:05pm	Oil jumps to $64. 'Balance': $1000 'P&'L: +$400. (100*$64-100*$60) Available Balance: $800. ($1000 - 10%*$6000 +$400= $800). Equity: $1400 ($1000 + $400).
2:15pm	Oil jumps to $66 - Balance before the Take Profit executes. Balance: $1000 P&L: +$600. (100*$66-100 * $60) Available Balance: $1000. ($1000 - 10%*$6000 + $600 = $1000)

Equity: $1600 ($1000 + $600)

2:15pm Jim's Take Profit executes. His P&L is $600 on the deal.
Balance: $1600
P&L: 0. (no open positions)
Available Balance: $1600
Equity: $160

5. Margin Requirements

ASIC Benchmark - Margin Calls

Plus500AU maintains and applies a written policy in relation to margin call practices and our discretions relating to close outs.

Initial margin requirements

For all CFDs: Shares, ETFs, Foreign Exchange, Options, Commodity and Index CFDs the Initial Margin requirement is the amount required in order to open a position. It is calculated by multiplying "Initial Transaction value" * "Instrument Initial Margin %".

Initial Margin percentages are different for every instrument in Plus500. The percentage varies according to volatility and market conditions. You can see the Initial Margin requirements per instrument in the instrument details in the Trading Platform.

Maintenance Margin requirements

The amount required to be kept in collateral until the position is closed is the maintenance requirement. It is calculated by multiplying "Initial Transaction value" * "Instrument Maintenance Margin %".

The maintenance requirement is the minimum amount to be collateralized in order to keep an open position. It is generally lower than the initial requirement. This allows the price to move against the margin without forcing a margin call immediately after the initial transaction. You can see the Maintenance Margin requirements per instrument in the instrument details in the Trading Platform.

Initial Transaction value
All CFDs have an opening transaction value and all Initial Margin and Maintenance Margins are based on this.

Margin Alert

We will try and send you an SMS and Email alert once every 24 hours if we believe that you may need to contribute further margin in order to keep your position open. An alert is triggered according to the following formula:

Equity <= ∑Maintenance Margin + (∑Initial Margin – ∑Maintenance Margin) * 0.3

It is your responsibility to constantly monitor your open positions on the Plus500 Platform to ensure that you retain sufficient Equity to support your open positions

Please note that by default you will be sent an alert on a margin call - but this could be adjusted differently in the alert subscription center in the Trading Platform. You cannot rely on this email or SMS and need to monitor your positions from time to time on the Trading Platform.

Example:
Julie buys 10 Google Shares (CFDs) at $540.00.
Google's Initial Margin: 10%, Maintenance Margin 2%
The total amount bought is: 10*$540.00 = $5400
The Initial Margin that is needed for 10 Google Shares is 10%: $540
The Maintenance Margin that is needed to maintain 10 Google Shares is 2%: $108

If Julie's Equity falls below: $237.6 = 108 + (540 - 108)*0.3 we will try and send her an SMS and email alerting her that she needs to deposit more funds.

6. Margin Call (forced liquidation)

To avoid forced liquidation:

Equity >= ∑Maintenance Margin

It is your responsibility to constantly monitor your open positions on the Trading Platform to ensure that you retain the correct Maintenance Margin value on open positions. To assess whether you are due to pay margin, you must add up the Maintenance Margin requirements for all open positions on your account.

It is your obligation to monitor your margin position and pay any shortfall. If you do not pay us any shortfall immediately, the User Agreement gives us significant rights against you that you should be fully aware of. These rights include, but are not limited to, closing your open positions without prior notice to you. We have these rights as soon as you have a margin shortfall – however large or small. Payments of margin are not a cost, per se, but you should be aware that we will not pay interest on margin payments.

Margin payments are required in the form of cleared funds in our bank account or instant deposit methods such as credit cards, debit cards or Money Bookers.
For example, if 10 days after you open your KokoMoko Ltd CFD, the price of KokoMoko Ltd has risen to $27.60, then your Initial Margin and Maintenance Margin will not change as they rely solely on the opening position value.

We will specify the margin percentage value required on your CFD at the time that you open the CFD. Even if we alter that percentage value of the margins at any time during which the CFD remains open the margin amount won't change for open positions.

We could do this in order to minimise trading risk and deduct the resulting realised loss from your remaining funds held by us.

With Plus500AU you will not be liable to pay any amounts which cannot be covered by the closing out of all of your positions.

Example

Bill thinks that the Oil will depreciate in the near future. Bill resides in Australia. He sees that the prices quoted on the Oil by PLUS500AU are $85.60 / $85.65. The 'unit amount' of oil is 2 barrels. The 'unit amount' appears in the instrument details screen on the Trading Platform and is specific to every instrument. Bill sells 10 barrels of Oil. He wants to buy it later at a lower price, in order to close his position.

Bill has an available balance of $110 AUD.
For this example let's assume 1 USD = 1 AUD.

Opening the position

Sell 10 barrels at bid price:	10 x $85.60= $856 USD

The contract is leveraged on a 1:12 ratio because the Oil's Initial Margin is 12% and Maintenance Margin is 2.5%. That means that we require an Initial Margin of 102.72$ from Bill to be lodged.	856 x 0.12 = $102.72 USD (Initial Margin) 856 x 0.025 = $21.4 USD (Maintenance Margin) The margin is lodged from Bills account in AUD according to the rate of AUD/USD when he opened the position.

We earn a Spread. In this example, the difference is 0.05 (known as five "pips"), which amounts to $0.5 USD. It is built in to the price and this is the way Plus500AU makes money.	10 * ($85.65 - $85.60) = $0.5 USD

Daily Overnight Funding

When a position is held upon a certain time specified in the instrument details screen on the Trading Platform, you are paid or debited a daily Overnight Funding. In this example, assume the daily Overnight Funding for oil: -0.15% Buy and -0.15% Sell. Overnight Funding time: 06:00.	856$ * -0.0015 = -1.3 USD

Closing the position

The next day the price of Oil has jumped suddenly to $95.50 / $95.55 The trade has moved against Bill Now: Equity < ∑Maintenance Margin (9.2 < 21.4) PLUS500AU forces the closing of his position to protect him from further loss.	Gross P&L = 10*(85.6 - 95.55) = -99.5 USD Daily Overnight Funding = -1.3 USD --------- Net P&L = -99.5 - 1.3 = -100.8 USD = -100.8 AUD New Equity = Balance + P&L = 110 - 100.8 = 9.2 AUD ∑Maintenance Margin = $21.4 USD = $21.4 AUD

His total loss is the gross loss less the costs.	Net P&L = -99.5 - 1.3 = -100.8 USD = -100.8 AUD

Summary: In the above example, Bill deposited 110 AUD and lost 100.8 AUD.

Note: More detailed explanations are set out under the heading “The Costs in Using our products” below

In addition to forced liquidation, we may margin call your position while a trade is open as discussed above.

7. Share and ETF CFDs

Trading individual shares or ETFs on margin using a CFD allows you to take a position in a share or ETF without putting up the full contract value. The examples below are based on share CFD transactions. However, ETF CFD transactions are essentially the same.

‘Buying’ a share CFD replicates the economic effect of buying a share position where you receive the benefit of all rises in the share price (and bear the cost of all falls in the share price). If a cash dividend is paid on the underlying share a positive adjustment is made to your account as a notional representation of that dividend. A negative adjustment is made to your account as a notional representation of the cost of funding an equivalent share position.

Buying or selling a share CFD is similar to normal share dealing except:

- You deal at the ‘buy’ or ‘sell’ price of the quoted price on our Trading Platform based on the underlying share on the stock market;
- And you don’t pay a commission.

Unlike normal share dealing however, instead of paying the full value of the transaction you make a payment of margin which will be a percentage of the underlying contract value. In the case of leading USA shares, margins start from 10% of the value of the underlying share (see below). Details of the margin percentage requirements for different types of CFD are set out in the details of each CFD on the Trading Platform.

Your profit or loss will be made on the difference between when you open the CFD and when you close it and the sum of any notional adjustments representing dividends and Overnight Funding.

Example of opening and closing a 'buy' CFD on an individual share

Opening the position

COMPANYX Limited shares are quoted at $5.33/$5.35 in the market, we quote the price at $5.32/$5.36 and Janet decides that they are going to rise. Janet decides to 'buy' 10,000 shares as a CFD at $5.36, the offer price. While Janet's COMPANYX Limited position remains open, her account will be debited to reflect Overnight Funding adjustments and credited to reflect any dividends.

Closing the position

Some weeks later, COMPANYX Limited has risen to $6.20/6.24 and Janet decides to take her profit. She sells 10,000 shares at $6.20, the bid price. Her profit on the trade is calculated as follows:

Closing level: $6.20
Opening level: $5.36
Difference: $0.84
Gross profit on trade: $0.84 x 10,000 = $8400

Initial Margin

The Initial Margin required to open Janet's position is
10% x $5.36 x 10,000 = $5360.

Applicable margin rates are detailed in the instrument details on the Trading Platform.

Overnight Funding (Interest adjustments)

Overnight Funding costs are calculated daily on your overnight positions by applying the applicable interest rate at the time of opening of the position to the opening value of the position, which means that the daily charge doesn't change for an open position. The opening value is the number of shares multiplied by the opening price.

For example, the applicable Overnight Funding charge might be 9.00% (for a whole year – in the Trading Platform it is shown per day in the instrument details.) and the opening price of the shares on a particular day might be $7.20. The opening value of a 10,000 share position would be $72,000 (i.e. 10,000 shares x $7.20). So the Overnight Funding cost for the position for this particular day would be $18 (i.e. $72,000x 9.00%/360).

Overnight Funding adjustments are calculated and posted to your account position on a daily basis.

Commission

There is no commission to pay on Plus500 CFDs; we quote an 'all-in' price, so the only charge is the Spread – the difference between our 'buy' and 'sell' quotes.

Calculating the overall result

To calculate the overall or net profit on the CFD you also have to take account of the Overnight Funding and dividend adjustments that have been credited or debited.

In the above example, Janet might have held the position for 21 days, at a total Overnight Funding of, say, $378. During this time if COMPANYX Limited declared a cash dividend of, for example, 15 cents per share Janet would receive a positive dividend adjustment of $1500 (10,000 x $0.15) to her account.

Gross profit on trade: $8400
Total commission: $0
Overnight Funding adjustment: ($378)
Dividend adjustment: $1500
Net profit on trade: $9522

Example of opening and closing a ‘short’ or ‘sold’

Shorting a share CFD is the opposite: you replicate a short position in the underlying share where you benefit from all falls in the underlying share price (and conversely bear the cost of all rises in the underlying share price). A negative adjustment will be made to your account representing a notional dividend if any cash dividends are paid on the underlying share and a positive adjustment will be made to your account representing the interest that you could have earned if the proceeds of the underlying share sale were placed on deposit. This example shows how you can use a CFD to achieve the same economic effect as selling a share short.

Opening the position

Tom thinks the share price of Company Y is about to fall. The share is quoted in the Trading Platform at $9.56/$9.61. Tom sells 5,000 shares as a CFD at $9.56, which is the bid price at the time.

Commission

There is no commission to pay on Plus500 CFDs; we quote an ‘all-in’ price, so the only charge is the Spread – the difference between our ‘buy’ and ‘sell’ quotes.

Tom's margin percentage requirement for this trade is $4,780 (5,000 x $9.56 x 10%). Tom's account balance of $10,000 comfortably exceeds this. (For a full explanation of margin percentage requirements see above).

Because Tom has taken a short position, in this example his account is credited to reflect Overnight Funding adjustments and debited to reflect any dividends. Overnight Funding adjustments are either credited or debited to Tom's account as incurred.

Daily Overnight Funding

The Overnight Funding (interest credit) on your position is calculated daily, by applying the applicable interest rate at opening date to the opening value of the position. In this example, the applicable Overnight Funding charge might be

6.00% and the opening price of the shares $9.56, giving an opening value of $47,800 (i.e. 5,000 shares x $9.56). So the Overnight Funding credit for the position for this particular day would be $7.96 (i.e. $47,800 x 6.00%/360).

Dividend adjustment

A month has passed; Tom's position is still open at the time of the Company Y ex-dividend date. The amount of the declared cash dividend is $0.23 per share and this is debited from Tom's account. The adjustment is calculated as follows: 5,000 shares x $0.23 = $1150

Closing the position

The share price of Company Y has risen to $11.56/11.61 in the Trading Platform and Tom decides to cut his loss and close the position.

Tom buys 5,000 shares at $11.61, the offer price.
The commission on the transaction is 0.
Tom's gross loss on the trade is calculated as follows:
Closing level: $11.61
Opening level: $9.56
Difference: $2.05
Gross loss on trade: $2.05 x 5,000 = $10,250

Calculating the overall result

To calculate the overall or total loss on the CFD you also have to take account of the Overnight Funding and dividend adjustments. In this example, Tom might have held the position for 30 days (weekend days count), earning a total Overnight Funding credit of, say, 30*$7.96 = $238.8. Tom has been debited a dividend adjustment of $1150. The overall or total result of the trade is a loss, calculated as follows:

Gross loss on trade: ($10,250)
Total commission: $0
Overnight Funding adjustment: $238.8
Dividend adjustment: ($1150)
Overall or total loss: ($11,161.10)

8. Stock Index CFDs

Plus500’s Stock Index CFDs are based on the nearest month index futures.

Stock Index CFDs allows you to gain exposure to a large number of different shares in one single transaction. They can be used to take positions on the direction of a whole market without taking a view on the prospects for any particular company’s shares. A short position can be used as a rough hedge to protect a diversified share portfolio against market falls. A Stock Index CFD works in the same way as a CFD on an individual share in that they allow you to make a profit or loss by reference to fluctuations in the value of the underlying index, such as the S&P500 Index. There is no commission payable on opening or closing a Stock Index CFDs however only

Overnight Funding adjustment may be applicable as future contracts trade at prices which reflect the dividends companies are due to pay.
Stock Index CFDs are opened in the same way as individual share CFDs. You will be required to pay margin.

Plus500 offers a wide range of European, US and Asian index CFDs.

When trading Stock Index CFDs based on index futures, it is important to remember that the current price of the CFD will not normally be the same as the price of the underlying index. In particular, in a volatile market, futures contracts can trade at very substantial premiums or discounts to their underlying index.

There are, broadly speaking, two reasons for this:

- Future contracts usually trade at prices which reflect the interest advantage being the interest that you would likely earn on an equivalent cash position over the term of the futures contract; and
- The disadvantage of foregone dividends, which is obtained by taking a long position in a forwards contract rather than buying actual shares for cash.

Interest rates are generally higher than dividend yields, so the future will usually have a natural premium, called a fair value premium, to the underlying index. Future prices can respond to news or a change of sentiment more quickly than indices, which are not fully up to date until every individual share which they contain has traded.

Please remember that in a volatile market, futures contracts can trade at very substantial premiums or discounts to their underlying index.

Example

Jack thinks that the broader Equity market in Australia is oversold and is anticipating a recovery in the S&P /ASX 200 stock index futures price. Rather than try to buy a number of single stock CFDs he decides that he wants to buy CFDs on the Index.

The price being quoted on the Plus500 Platform for CFDs over S&P/ASX200 stock index futures contracts is currently 4972/4975. Jack decides to buy 10 units and opens a buy order in respect of a CFD over 100 S&P/ASX200 stock index futures contracts at 4975. (Each unit =10 contracts).
The Initial Margin % for S&P/ASX 200 stock index futures is 0.34%, so the Initial Margin required to open Jack's position is 0.34% 100x 4975=A$ 1,6191.50.

Over the next 2 days, the S&P/ASX200 stock index futures price rises to 5022/5025. Jack enters an order to close his position and sells his position at 5022.

Jack's gross profit on the trade is calculated as follows:

Opening level: 4975
Closing level: 5022
Difference: 47
Gross Profit on Trade= 47x10=$ 470

To calculate Jack's overall, or net profit you also have to take into account the Overnight Funding. In this example, assume the Overnight Funding is -0.075% or -$ 37.31 ($ 49,750 x 0.075%) per day. (Jack kept his position open for two days, so the total Overnight Funding payable= $ 37.31x2=$74.62).

Gross Profit: $ 470
Overnight Funding= ($ 74.62)
Net Profit =$ 395.38

9. Options on CFDs

General explanation:

In the traditional Financial markets (not the CFD market), options are contracts through which a seller gives a buyer the right, but not the obligation, to buy or sell a specified quantity (number of contracts/shares) at a predetermined price within a set time period.

Options are derivatives, which mean their value is derived from the value of an underlying instrument. Most frequently the underlying instrument on which an option is based is the equity shares in a publicly listed company. Other underlying instruments on which options can be based include stock indices, Exchange Traded Funds (ETFs), government securities, foreign currencies or commodities like agricultural or industrial products.

Options are traded on securities marketplaces among institutional investors, individual investors, and professional traders and trades can be for one contract or for many. Fractional contracts are generally not traded.

An option contract is defined by the following elements: type (Put or Call), underlying security, unit of trade (number of shares), strike price, implied volatility and expiration date. In the special language of options, contracts fall into two categories - Calls and Puts. A Call represents the right of the holder to buy the underlying product. A Put represents the right of the holder to sell the underlying product.

Call Options (General explanation):

A Call option is a contract that gives the buyer the right, but not the obligation, to buy a predetermined quantity of the underlying instrument. For example, 100 shares of an underlying equity at a predetermined price (the strike price) for a pre-set period of time. The seller of a Call option is obligated to sell the underlying security if the Call buyer exercises his or her option to buy on or before the option expiration date. For example, an American-style WXYZ Corporation May 21, 2016 60 Call entitles the buyer to purchase 100 shares of WXYZ Corporation common stock at $60 per share at any time prior to the option's expiration date of May 21, 2016.

Put Options (General explanation):

A Put option is a contract that gives the buyer the right, but not the obligation, to sell a predetermined quantity of the underlying instrument. For example 100 shares of an underlying stock at a predetermined price for a pre-set time period. The seller of a Put option is obligated to buy the underlying security if the Put buyer exercises his or her option to sell on or before the option expiration date. Likewise, an American-style WXYZ Corporation May 21, 2016 60 Put entitles the buyer to sell 100 shares of WXYZ Corp. common stock at $60 per share at any time prior to the option's expiration date in May.

Strike Price (General explanation):

In finance, the strike price (or exercise price) of an option is the fixed price at which the owner of the option can buy (in the case of a call), or sell (in the case of a put), the underlying security or commodity.
The strike price is a key variable in a derivatives contract between two parties. Where the contract requires delivery of the underlying instrument, the trade will be at the strike price, regardless of the spot price (market price) of the underlying instrument at that time.
For example, an IBM May 50 Call has a strike price of $50 a share. When the option is exercised, the owner of the option will buy 100 shares of IBM stock for $50 per share.

Options CFDs

Option CFDs work in the same manner but they will always be cash settled (i.e. you will not actually buy or sell the underlying product at expiry).

When you buy Put or Call option CFDs your downside risk stops at 0 - you can't lose more than the initial price paid, so your maximum liability is known from the outset.
Selling Put or Call option CFDs gives you the ability to increase potential profits in stagnant markets, by taking advantage of time value that is priced into option CFDs. Unlike buying option CFDs, you can lose more than your initial outlay when selling Option CFDs.
Take advantage of offset margins on open long and short positions (within the same underlying market) trading Option CFDs. Your total long and short exposures are calculated and you are only margined on one of the cumulative positions.
Option CFDs offer lower trading costs. Trade them online, with lower margin requirements and no premium brokerage as with regular options trading.
Note: You are not dealing in the option itself. You cannot exercise it and you have no rights in the underlying Reference Instrument it constitutes.

On our platform

We offer CFD trading, therefore the options are options CFDs. This means that the positions our traders open are on a specific option, but what determines their profit/loss are the changes to the “Buy” and “Sell rate (with accordance to his position type) and not the final price of the option at execution.

For example: The current rate of the instrument “Germany 30” is 9746.56 (Buy rate) and the option David chooses is a “Call” option for 9850 with a “Buy” rate of 512 - this means that he believes that the rate of the instrument “Germany 30” at the expiry of the option will be higher than 9850. The “Buy” and “Sell”(512/500) rates represent the supply and demand for this specific option (as they do for any instrument). This means that once the position on an option is opened, the profit/loss will be determined by Sell rate at closure.

Opening the position

David "buys" one call Option CFD on Germany 30 at the offer price:	$512 x 1 = $512 USD

The contract is leveraged on a 1:2 ratio. That means that we require an Initial Margin from David to be deposited into our account, which is 50% of the contract value.	$512 x 0.5 = $256 USD

Closing the position

Later that day the price of Option has increased by $32 USD to 540 (bid)/544(offer). The trade has moved in David's favour and he decides to close his position.	$540 x 1 = $540

His total gross gain is the Sell value minus the Buy value.	$544 - $512 = $32.00 USD

Summary: In the above example, David lodged $256 as his Initial Margin on this trade and made a profit of $32. If the price had not increased by $32USD dollars but had instead dropped by $10 dollars he would have sustained a loss of $490 - $512 = $22 USD

Note: More detailed explanations are set out under the heading "The Costs in Using our products" below.

How do the "Call/Put" functions affect users' positions?

In the above example, if the trader buys a "Call" option the trader will profit if the underlying price of the option will reach a rate higher than 9850 since with a "Call" option the profit is generated when that market price at expiration is higher than the price at which it was trading when the user bought the option.

10. Commodities CFDs

We also offer a range of CFDs on the price of various commodity futures. These are often generically referred to by us as Commodity CFDs. Details of these products are listed in the instrument details on the Trading Platform. There is no commission to pay on these types of CFDs; we quote an 'all-in' price, so the only charge is the Spread – the difference between our 'buy' and 'sell' quotes. The margin requirements are also set out in the instrument details on the Trading Platform.

Example
Kerry believes that the price of gold is undervalued and she decides to enter into a CFD in respect of gold in the expectation that the gold price will rise. Our Trading Platform is showing the price of Gold as being USD 1,621.85 (bid) / 1,622.35 (offer). Our minimum Unit Amount is 100 ounces. Kerry buys 100 ounces.

Opening the position

Kerry "buys" a CFD in respect of 100 ounces of gold at the offer price:	1,622.35 x 100 = $162,235 USD

The contract is leveraged on a 1:200 ratio. That means that we require an Initial Margin from Kerry to be deposited into our account, which is 0.5% of the contract value.	162,235 x 0.005 = $811.18 USD

We earn a Spread. In this example, the difference is $0.50, which amounts to $50 USD.	(1,621.85 – 1,621.35) x 100 ounces = $50 USD

Daily Overnight Funding

When a position is held more than a certain time specified in the instrument details screen on the Trading Platform, you are paid or debited Overnight Funding. In this example, assume the overnight financing cost is -0.018%	162,185 x -0.018% = -$29.19 USD Daily Overnight Funding

Closing the position

The next day the price of Gold has increased by $10 USD to 1,631.85 (bid)/1,632.35(offer). The trade has moved in Kerry's favour and she decides to close her position.	1,631.85 x 100 = $163,185

Her total gross gain is the Sell value minus the Buy value.	163,185 - 162,235 = $950.00 USD

Her total net gain is the gross gain less the costs.	950 - 29.19 = $920.81 USD

Summary: In the above example, Kerry lodged $811.18 as her Initial Margin on this trade and made a profit of $920.81. If the price had not increased by USD 10 dollars but had instead dropped by 10 dollars you would have sustained a loss of 161,185 - 162235 - 29.19 = 1079.19 USD

Note: More detailed explanations are set out under the heading "The Costs in Using our products" below

11. Forex CFDs

Forex CFDs allow you to gain exposure to movements in currency rates. Forex CFDs are opened in the same way as other CFDs. We will quote a bid and offer price for an exchange rate.

For example we might quote the Euro against the USD as 1.3543/1.3545.

If you thought the Euro was going to rise against the USD you would ‘buy’ the CFD at 1.3545. If you thought the Euro was going to fall against the USD you would ‘sell’ the CFD at 1.3543. You can close your position in the same way. If the CFD is a buy, the closing level will be the lower figure quoted by us, if the CFD is a sell it will be the higher figure.

While holding a position overnight, your account is debited or credited with applicable Overnight Funding adjustment.

Details of currency trading sizes and margin requirements are set out in the instrument details on the Trading Platform.

Examples of Forex CFDs
Example 1: Buying USD/CHF

Opening the position

Robert decides to go long of the US dollar against the Swiss franc CHF, and asks for a quote for 5 units (contracts), the equivalent of USD 25,000 (unit sizes are set out in the instrument details on the Trading Platform). We quote him 0.9172/0.9177 and he buys 5 contracts at 0.9177. There is no commission to pay on Forex CFD trades.

Overnight Funding (Interest adjustments)

While the position remains open, an overnight adjustment based on interest rate differentials is debited or credited to your account. The applicable rate appears in the instrument details on the Trading Platform. Please note that this rate remains the same for as long as the position is open.

In this example, the rate -0.02% per day (minus sign means you pay Plus500).
USD 25,000*0.02% = $5 = CHF4.58.

Closing the position

23 days later, USD/CHF has risen to 0.9333/0.9338, and Robert takes his profit by Selling 5 units at 0.9333. Robert's gross profit on the trade is calculated as follows:

Closing transaction: USD 25,000 (5 units) x 0.9333 = CHF 23,332.5
Opening transaction: USD 25,000 (5 units) x 0.9177 = CHF 22,942.5
Gross profit on trade: = CHF 390

Calculating the overall result

To calculate the overall or net profit, you also have to take account of the Overnight Funding credit. In this example, Robert held the position for 23 days, owing a total Overnight Funding of USD 5*23=USD115 = CHF 107.32:

Gross profit on trade: CHF 390
Overnight Funding debit: CHF 107.32
Net profit: CHF 282.68 = USD 302.88 equivalent
Each country holds user account balances in specific currency (i.e. Australia AUD, Hungary HUF etc.).

Conversions will be at the rate in Plus500 at the time of conversion. Exchange rates are subject to fluctuations and clients should always be aware of the effect that exchange rates will have on their positions.

Example 2: Selling GBP/USD

Opening the position

Robert decides to go short on British Pound GBP against the US dollar, and to sell 10 units, the equivalent of GBP 50,000. Plus500 quotes on the Trading Platform are 1.5750 / 1.5754 and Robert sells 10 units at 1.5750. Please note that on Plus500 quotes are displayed only on the different platforms (i.e. Web Trader, Desktop Trader, iPhone, iPad, Android etc.).

Robert decides to put his Stop Order at 1.6224. This means that, should the market move against him, his position will try to close at 1.6224, although market 'gaps' can occur from say 1.6224 to 1.6322 on unexpected news. So the most you can lose on the position is theoretically limited only by the amount of your initial deposit.

Overnight Funding adjustments

In this example, the rate -0.018% per day (minus sign means you pay Plus500).
GBP 50,000*0.018% = GBP9 = USD 14.18.

Closing the position

12 days later, our quote for GBP/USD has fallen to 1.5533/1.5537. Robert thinks the Pound may now go higher and closes his position by buying ten units at 1.5537, the offer price. Robert's profit on the trade is calculated as follows:

Closing transaction: GBP 50,000 (10 units) x 1.5537 = USD 77,685
Opening transaction: GBP 50,000 (10 units) x 1.5750= USD 78,750
Gross profit on trade: = USD 1065

Calculating the total profit

To calculate the total loss, you also have to take account of the Overnight Funding debit.
In this example, Robert might have held the position for 12 days, incurring a total Overnight Funding debit of 12*14.18=USD 170.16.

Gross profit on trade: USD1065
Overnight Funding debit: USD 170.16
Total profit: USD 894.84 = GBP$568.15 equivalent

Example 3: Selling BTC/USD

Opening the position

Harry decides to go short on Bitcoin against the US dollar, and to sell 100 units, the equivalent of 50 Bitcoins. Plus500 quotes on the Trading Platform are 450.00 / 457.50 and Harry sells 100 units at 450.00. Please note that on Plus500 quotes are displayed only on the different platforms (i.e. Web Trader, Desktop Trader, iPhone, iPad, Android etc.).

Harry decides to put his Stop Order at 465.00. This means that, should the market move against him, his position will try to close at 465.00, although market 'gaps' can occur from say 460.00 to 470.00 on unexpected news. So the most you can lose on the position is theoretically limited only by the amount of your initial deposit.

Overnight Funding adjustments

In this example, the rate -0.1% per day (minus sign means you pay Plus500).
BTC 50*0.1% = BTC 0.05 = USD 22.5.

Closing the position

5 days later, our quote for BTC/USD has fallen to 418.00 / 425.00. Harry thinks the BTC may now go higher and closes his position by buying 100 units at 425.00, the offer price. Harry's profit on the trade is calculated as follows:

Closing transaction: BTC 50 (100 units) x 425.00 = USD 2,500
Opening transaction: BTC 50 (100 units) x 450.00= USD 45,000
Gross profit on trade: = USD 2,500

Calculating the total profit

To calculate the total profit, you also have to take account of the Overnight Funding debit.
In this example, Harry might have held the position for 5 days, incurring a total Overnight Funding debit of 5*22.5=USD 112.5.

Gross profit on trade: USD 2,500
Overnight Funding debit: USD 112.5
Total profit: USD 2,387.5

As noted on the first page of this PDS, trading in CFDs involves the risk of losing your entire initial Deposit. However, with Plus500 you will not remain

liable for any negative balances which cannot be covered by the closing out of all of your positions.

12. Managing Risks by using Stops and Limits

We offer features on our Trading Platform that help you control trading losses.
We also offer various Orders such as Stop Orders (including conventional Stop Orders and Trailing Stops), Limit Orders and Buffer Limits, each called an “Order”, that allow you to open or close a CFD when our quote for that instrument reaches or goes beyond a certain price that you have selected (The Trigger Price). These Orders are live till cancelled by you (GTC – good till cancelled).

Placing an order is only available through internet, mobile dealing. Telephone and email orders are not accepted at Plus500.

If we accept one of these Orders, then when our bid (in case of Sells) or our offer (in case of Buys) reaches or exceeds the Trigger Price, your instruction to close-out your position will be executed.

It is your responsibility to understand how an Order operates before you place any such Order with us. Examples are set out below and further information can be found on our website or by asking our support. By placing an Order with us you acknowledge that you understand the terms and conditions attached to such Order.

You should note that your Order may be executed irrespective of the length of time that the bid price quoted on the Plus500 Platform (in case of sells) or the offer price quoted on the Plus500 Platform (in case of buys) for a CFD over a particular Reference Instrument has reached or exceeded the Trigger Price. In volatile markets our quote might ‘gap’ through the Trigger Price, so that the closing or the opening price for a particular Reference Instrument may be beyond the exact Trigger Price specified by you.

It is important to understand that when you place an Order, you are dealing with us as principal; you are not dealing on the underlying market. While we seek to execute your Order at the level that might have been achieved had a similar order been placed on the underlying market, it may not be possible to determine what such a level might have been. Unless you have placed a Guaranteed Stop we do not guarantee your Order will be executed at the Trigger price. Where these circumstances exist, we will exercise our reasonable discretion to determine when Orders are triggered and the level at which the relevant transaction is opened or closed (as the case may be)

To avoid such risks you may wish to consider placing a Guaranteed Stop with Plus500. This type of Order is described below.

You can cancel or amend the Trigger Price with our agreement at any time before our quote or the relevant market reaches or exceeds your current specified Trigger price. Any cancellation or amendment may require you to provide additional funds as margin.

Your Order will be filled in a single tranche (i.e. your entire transaction will be opened or closed (as applicable) at the same price). Plus500 doesn't aggregate an Order.

Examples of Orders

Example 1: Selling a share CFD with a 'Stop Order' – 'Close at loss when rate is'

Opening the position

Company Y shares are quoted at $6.41/6.46 in the Trading Platform, and Bill sells 10,000 shares as a CFD at $6.41, the bid price. Bill decides to put his Stop Order at $6.70. There is no cost or fee charged for placing a Stop Order. Should the market move against Bill, his position would be closed at $6.70. However, should the market gap straight through his Stop Order, his position would be closed at the next available level that we consider representative, fair and reasonable. In this example, we will assume that Company Y shares gap straight through the Stop Order level of $6.70 and the position is closed at $6.80, resulting in a loss of $1500 (excluding Overnight Funding and dividend adjustments).

This loss is calculated as: $6.41, the opening level, minus $6.70, the Stop Order level + market slippage of $0.10 = $0.39.
$0.39 x 10,000 shares = $3,900.

Margin requirements are not affected by adding an Order to a position.

Triggering the Stop Order

After Bill held Company Y shares for a month Company Y releases some positive news which results in Company Y shares opening significantly higher. Company Y shares closed the previous day at $6.05, but they open at $6.91/6.96.

Bill's Stop Order is triggered, and his position is closed at $6.91, where it would be possible to buy 10,000 shares back to close the position.

Bill's gross loss on the trade is calculated as follows:
- Opening level: $6.46
- Closing level: $6.96
- Difference: $0.50
- Gross loss on trade: $0.50 x 10,000 = $5000

To calculate the total loss on the trade, you must also include Overnight Funding and any dividends that might be paid during the period the position was held. Bill's total loss is calculated as follows:
- Gross loss on trade: ($5000)
- Total commission: $0
- Overnight Funding adjustment: $238.8
- Overall or total loss: ($4761.20)

Example 2: Buying a share CFD with a Trailing Stop

Trailing Stops are a type of Stop Order that track your positions automatically, and close your trade once the price of the relevant CFD reaches or exceeds the Trigger

Price, should the market move against you. The benefit of a Trailing Stop is that the Trigger Price moves positively with the market, whereas the Trigger Price of a conventional Stop Order remains fixed. Once a Trailing Stop is triggered, it is treated in exactly the same manner as a conventional Stop Order.

The Trigger Price for a Trailing Stop is determined according to the ‘Stop Distance’. The ‘Stop Distance’ is determined by you at the time you place the Order and must be a number of ‘Pips’ above or below the opening price. A ‘Pip’ is the smallest possible price change for a particular Reference Instrument, as indicated under the instrument details tab for that Reference Instrument on the Plus500 Platform.

For example, the price quoted on the Plus500 Platform for a CFD over Company Z shares is $10.20/10.30Ian buys 1000 shares as a CFD at $10.30, and sets a Trailing Stop order with a Stop distance of 50 pips. A Pip equals $ 0.01 in this case.

The Trigger Price for the Trailing Stop initially sits at $9.80, i.e. 50 pips behind the opening price. Immediately the Company Z share price starts to rise. Very soon our sell price has risen to $10.55 (25 points above your opening price). The Trigger Price of Ian’s Trailing Stop ‘steps’ up accordingly, by 25 pips to $10.05 to re-establish a 50-pip distance from the new market level.

The rally continues and by late-afternoon Company Z shares are trading at $10.89/10.99.

The Trigger price of Ian’s trailing Stop now moves to $ 10.39.

A surprise news announcement suddenly causes the Company Z share price to fall and within minutes trading is back down at $10.20/$10.30. This fall in price causes Ian's Trailing Stop to be triggered, and his position is closed at $10.39, 50 Pips below the recent high ($10.89), but still well above the opening price of $ 10.30.

With a conventional Stop Order, Ian’s position would still be open because the Trigger Price associated with his conventional Stop Order would have remained at its initial level of $ 9.80. By contrast, a Trailing Stop follows the market in a profitable direction.

The only difference between a Trailing Stop and a conventional Stop Order is that the level of a Trailing Stop moves positively with the market whereas the level of a conventional Stop Order remains fixed. Once a Trailing Stop is triggered, it is treated in exactly the same manner as a conventional Stop Order.

Example 3: Buying a share CFD with a ‘Limit Order’ – ‘Close at Profit when rate it is’

A Limit Order is an instruction to deal if our price moves to a more favorable level (e.g. to ‘buy’ if our price goes down to a specified level or to ‘sell’ if our price goes up to a specified level,).

For example, if we were quoting shares in Company Q at $15.11/15.15 Ian might give a Limit Order to ‘buy’ at a limit of $19.30. Ian's Limit Order will be triggered if at any time, inside or outside market hours, our offer quote moves through the level of the Limit Order (in this case $19.30). We will normally accept a Limit Order on any open position.

Guaranteed Stop

A Guaranteed Stop is an Order that can be placed (with our agreement) on a new trade when opening a new position, guaranteeing the position will be closed out at exactly the price specified with no risk of slippage. A Guaranteed Stop can be placed on certain instruments available on the Trading Platform. You can see the details in the instrument details in the Trading Platform.
Attaching a Guaranteed Stop puts an absolute limit on a potential loss of a position. However, you should note that a Guaranteed Stop is subject to the following additional conditions:

- A Guaranteed Stop can be requested only on a new trade and cannot attach one to an existing position;
- A Guaranteed Stop can be activated/edited only when there is trading and an eligible instrument is available on the trading platform;
- Once a Guaranteed Stop is accepted by us it cannot be removed - only the price can be changed.
- A Guaranteed Stop must be placed a minimum distance (as determined by us) away from the current instrument price being quoted by us;
- As we guarantee your close out price, there is a premium charge when placing the Guaranteed Stop. The premium will be shown in the instrument details in the Trading Platform.

Note that this premium charge is non-refundable once activated. The calculation of the Guaranteed Stop premium is described in more detail in our FSG under the heading “What fees and commissions are payable to us? which forms part of this PDS.

Example of Guaranteed Stop

Opening the position

Gold price is quoted at $1259.1/1259.6 in the Trading Platform, and Ken decides to buy 100 ounce as a CFD at $1259.6. Ken wants to limit his risk for loss and decides to place a Guaranteed Stop order at $1199.2, note that attaching a Guaranteed Stop is applicable only when placing a new trade. Should the market move against Ken, his position would be closed at exactly $1199.20 even if the market gaps suddenly.

Attaching the Guaranteed Stop will incur a Guaranteed Stop premium which will be shown before approving the Guaranteed Stop. In this example, assume the Guaranteed Stop premium is $25.

Triggering the Guaranteed Stop

In this example, we will assume that 3 hours later the gold price suffered a sharp fall to a level of $1160.5. Ken’s Guaranteed Stop is triggered and his position is closed at $1199.2 even though the gold price gapped straight through this level.

This loss is calculated as: $1259.6, the opening level, minus $1199.2, the Guaranteed Stop level = $60.4.
$60.4 x 100 ounce = $6,040.
The total loss is calculated as:
Gross loss on trade: ($6,040)
Total premium: ($25)
Overall or total loss: ($6,065)

Without the Guaranteed Stop Ken would have lost (1259.6-1160.5) x100= $9,910

Please note that for all Orders without a Guaranteed Stop, the price you receive at execution is not guaranteed in this manner.

13. Conversion of currency

Your account balance is always denominated in one currency which is in AUD if you are from Australia, or your nominated currency if not an Australian resident. (e.g. NZD for residents of New Zealand)

When you trade we convert the asset currency into your own currency with the rate available in the currency pair in our Trading Platform when:

- Close Position - we will convert the net P&L to your own currency at the moment the position is closed - till then the position P&L is valued by its asset currency.
- Open Position - we will convert the Initial Margin and Maintenance Margin to your base currency once at the time when the position is opened.
  Example of conversion:
  Kerry's balance is 100 AUD.
  Kerry opens a 500 EUR VodaFone position and makes a net loss of -10 EUR.
  VodaFone: Initial Margin 10%, Maintenance Margin 2%
  In our Trading Platform EUR/AUD pair is quoted: 1.2562/1.2572
  Initial Margin = 500 EUR * 0.1 * 1.2572 = 62.86 EUR
  Maintenance Margin = 500 EUR * 0.02 * 1.2572 = 12.57 EUR
  * These margins won't change for this position even if rates change.
  Net loss = -10 EUR * 1.2572 = -12.57 AUD
  Kerry's new balance: 100 AUD - 12.57 AUD = 87.43 AUD

14. Trading Facilities

We are able to provide CFD trading facilities through our online Trading Platform currently: Desktop Trader, WEB Trader, iPhone APP, iPad App, Android App and Android Tablet App.

We only accept orders through the Trading Platform. Phone and email orders will not be accepted.

15. Significant benefits

The significant benefits of using our services are:

- **Hedging**
  You can place a leveraged foreign exchange trade to protect your exposure to the price movements in an underlying currency or bullion price.

  Example:
  AUD/USD 1.2000 1.2004
  Robert is based in Australia but has an obligation to pay 12,000 USD for an eBay item at some time in the future, and he is concerned that the Australian dollar will weaken. To protect against this eventuality, Robert could sell AUD 10,000 AUD/USD position so that he will possibly make a gain to offset his other losses, in the event that the AUD weakens.

  Suppose the AUD/USD dropped to 1. Robert would then owe 12,000 AUD for the eBay item (that's another 2000 AUD from now).

  However, Robert's Plus500 position gained a profit of 2000 AUD, so over all his hedges saved him 2000 AUD (less the Spread and plus or minus any carrying costs from keeping the position open).

- **Speculation**
  In addition to using our trading facilities as a hedging tool, you can benefit by using the quoted underlying currency or asset prices offered by us to speculate on changing price movements. Speculators seek to make a profit by attempting to predict market moves and buying a contract that derives its value from the movement of an underlying Reference Instrument for which they have no practical use. The examples of CFDs above illustrate trades where a client is entering into a speculative trade, based upon a belief that the market will move in a particular direction.

- **Access to the world markets at any time**
  When using our online Trading Platform, you gain access to and trade on, systems which are updated on a real time basis. You can see the time that an instrument is open for trading in the instrument details screen in our Trading Platform.

- **Real time streaming quotes**
  Our online Trading Platform contains real time quotes provided by Plus500. You may check your accounts and positions in real time and you may enter into CFDs trades based on Plus500 quotes that are based on real-time information.

- **Control over your account and positions**
  When using our trading facilities, we allow you to place loss limits on your trades. This means that if the market moves against you we will close out your position in accordance with your Order. However, please refer to the risk section below, which highlights the risk to you that in a volatile market

we may not be able to close out your position until after the stop loss limit is exceeded.

- **Guaranteed Stop**
  Attaching a guaranteed stop puts an absolute limit on a potential loss of a position. Even if the market gaps suddenly, the position will be closed out at exactly the price specified, with no risk of slippage.
  Only certain instruments support “Guaranteed Stop”. For a full explanation please refer to the “Managing Risks by using Stops and Limits” section above.

16. Significant risks

There are a number of risks in trading CFDs. These risks may lead to unfavourable financial outcomes for you. Monitoring of any risks associated with our trading facilities is your responsibility. You should seek independent legal, financial and taxation advice prior to commencing trading activities and should not use our services unless you fully understand the products, and the benefits and risks associated with them.

Please see below to some of the risks associated with using our CFD trading facilities:

- **Unforeseen Circumstances**

  If we are unable to perform our obligations to you due to reasons beyond our control then we may suspend our obligations to you. For example, during periods of significant market disturbance it may be impractical or impossible to trade in relevant financial markets. We will inform you if any of these events occur.

- **Market volatility**

  Markets are subject to many influences which may result in rapid fluctuations. Because of this market volatility, there is no CFD transaction or loss limit Order which is available via our Trading Platform that can be considered “risk free”.

  Given the potential levels of volatility in markets, it is recommended that you closely monitor your transactions at all times. You can manage some of the downside risk by the use of loss limit Orders. If you use a loss limit Order we will enter into a position opposite to your existing position if the exchange rate or asset price reaches a level specified by you in advance. However, in a volatile market, there may be a substantial time lag between order placement and execution. This can mean that the bid or offer price may be significantly lower or higher than the price at which the sell (or buy) order (including a stop loss order) was placed. This is known as “gapping”. Unless you have placed a Guaranteed Stop, we do not guarantee that the stop loss order will be successful in limiting your downside risk, which may be greater than you initially anticipated. The risk of “gapping” can be avoided with the use of a Guaranteed Stop. For a full explanation please refer to the “Managing Risks by using Stops and Limits” section above.

- **Leverage risk**

  Trading CFDs involves a high degree of leverage. High levels of leverage could lead to losing your entire balance (initial deposit and profits). You can outlay a relatively small Initial Margin which secures a significantly larger exposure to an underlying Reference Instrument. The use of products like this magnifies the size of your trade, so your potential gain and your potential loss is equally magnified. You should closely monitor all of your open positions. If the market moves against you and your Initial Margin deposit is diminished, we may automatically close out your position. Please refer to the section 'Our Right to force close' in this PDS.

- **Potential loss caused by Spread**

  It is possible that you enter into a trade with us and the underlying Reference Instrument moves in your intended direction, but you still end up with less than your original investment after closing your position. This can happen because of the combined effect of the Spread and any negative Overnight Funding that applies over the days that a contract is held open.

- **We act as market maker**

  Although the prices generated by the Plus500 Platform will take into account current exchange and market data from various sources, they are not taken directly from any one source. This means that the price that we quote for a CFD over a Reference Instrument may be different to any current exchange or market price, or a competitor's price, for that Reference Instrument.

- **Cryptocurrencies trading risk**

  Trading CFDs on Cryptocurrencies such as: Bitcoin and Litecoin carries a high level of risk, and may not be suitable for all traders. Before deciding to trade any such instruments you should carefully consider your trading objectives, level of experience and risk appetite. The possibility exist that you could sustain a loss of some or all of your initial deposit and therefore you should not trade with money that you cannot afford to lose. You should be aware and carefully consider whether such trading is appropriate for you and seek advice from an independent financial advisor if you have any doubts.

- **Counterparty risk**

  Given you are dealing with us as a counterparty to every transaction, you will have an exposure to us in relation to each transaction. In all cases, you are reliant on our ability to meet our obligations to you under the terms of each transaction. This risk is sometimes described as counterparty risk.

  The products in this PDS are not protected by a licensed exchange, also known as a central counterparty. Instead, the products are called over-the-counter derivatives. This means that you contract directly with us, and you are subject to our credit risk. If our business becomes insolvent we may be unable to meet our obligations to you. In such a scenario, you may become an unsecured creditor in any administration or liquidation and will not have recourse to any of our underlying assets. You can assess our financial ability to meet these counterparty obligations to you by reviewing financial information about our company. You can obtain a free copy of our financial statements by contacting us by using the details at the start of this PDS.

We may choose to limit our exposure to our clients by entering into opposite transactions with hedging counterparties as principal in the wholesale market. However, there is also a risk that a hedging counterparty that we deal with may become insolvent. Where this occurs, we may not have recourse to underlying assets and will become an unsecured creditor of the hedging counterparty. This may affect our ability to perform our obligations to you.

ASIC Benchmark – Counterparty Risk-Hedging

We typically limit our exposure to clients by entering into matching transactions with hedging counterparties as principle. Our hedging Counterparty is our parent company, Plus500 Ltd. Plus500 Ltd. is incorporated in Israel and listed on the AIM section of the London Stock Exchange. Plus500 Ltd. is not presently authorised or licensed to provide financial services. It has licensed subsidiaries in various jurisdictions including Australia.

Plus500AU may use other hedging counterparties depending on lack of liquidity, Force Majeure or other circumstances affecting or potentially affecting reliability of liquidity. If other hedging counterparties are engaged, Plus500AU will comply with its hedging policy, available on the website.

Providers will be chosen based on their ability to provide liquidity, the strength of their balance sheet, credit rating, compliance arrangements as well as fees and costs involved. We can provide a written hedging policy to clients and prospective clients upon request. This policy is updated regularly.

ASIC Benchmark -Financial Resources

We have a written policy to maintain adequate financial resources, which set out how we monitor compliance with our financial requirements, as well *as how we conduct stress testing to ensure we hold sufficient liquid funds to withstand significant adverse market movements. In practice, financial resources requirements are monitored and reported internally on a daily basis. Further compliance oversight is conducted quarterly and an external audit is conducted annually.*

- **Systems Risks and Access to our Website**

  We rely on technology to provide our trading facilities to you. A disruption to the facility may mean you are unable to trade when you want to. Alternatively, an existing transaction may be aborted as a result of a technology failure. An example of disruption includes the "crash" of the computer systems used to operate the online facility. We manage this risk by having state-of-the-art IT systems and backup measures.

  You are responsible for providing and maintaining the means by which you access our website. These may include, without limitation, a personal computer and modem or other online access system available to you.

  While the internet is generally reliable, technical problems or other conditions may delay or prevent you from accessing our website. If you are unable to access the internet and thus, our online facility, it may mean you are unable to enter into asset transactions when desired and you may suffer a loss as a result.

- **Cyber security risks**

  Cyber security risks are nowadays a major threat to businesses around the world. Like any online business we cannot guarantee against third party interference to our Plus500 Platform. This means that you may be exposed to issues arising from any third party interference which may occur e.g. unauthorised access to our or your IT systems or devices, data breaches, business interruption and, in the worst case scenario, financial loss in the event that your trading account is accessed by a third party. Plus500AU takes this risk seriously and manages it by engaging reputable Cyber Security providers, ongoing monitoring of the IT systems and backup measures. You can limit your risk by ensuring that you have up-to-date virus protection software for the devices that you use to access our trading service and ensuring that your passwords are kept confidential and secure.

- **Fees and charges**

  It is possible that you enter into a trade with us and the underlying currency rate or asset price moves in your intended direction, but you still end up with less than you started after closing your position. This can happen because of the combined effect of the Spread and any Overnight Funding which could apply on consecutive days that a contract is held open.

- **Suspension or trading halt of the underlying CFDs**

  Trading on the Plus500 Platform may be affected by the suspension or closure of any exchange on which Reference Instruments are traded, or by the imposition of limits or special or unusual terms on the trading on any such market. In such circumstances, we may force immediate closure of your positions (see heading Our right to Force Close section of this PDS) and/or demand additional payment from you as margin (see heading "Maintaining your Position" in this PDs).

ASIC Benchmark – Suspended or halted underlying Reference Instruments

In the event of an asset being suspended or expired, we have discretion to close out positions on the last price. Also, we do not allow new positions to be opened when there is a trading halt over the underlying Reference Instruments, or where trading in the underlying instrument has otherwise been suspended in accordance with the rules of the relevant market

- **Your trades can be closed automatically**

  The value of your Equity must exceed the Margin Maintenance Amount at all times or your positions may be closed out without further notice to you. You are solely responsible for monitoring your Trading Account and Balance at all times. Closely monitoring your positions is very important as you may be required to make immediate payments

17. Expiry and Rollover

Several instruments, such as Options, have set expiry dates. You can see this information on the instrument's details on the Platform. Once this expiry date is reached, all positions open on that instrument will be closed at the last rate before the expiry.

For instruments based on futures contracts (such as indices and most commodities), positions will be automatically rolled over (carried forward) to the next contract when the current contract expires. Plus500 will adjust the difference in price between the 2 contracts. The date and time of the rollover is shown on each instrument's details section on the Platform.

If the new contract is trading at a premium to the expiring contract (higher price), long (buy) positions will receive a negative adjustment, and short (sell) positions will receive a positive adjustment. However, if the new contract is trading at a discount to the expiring contract, long (buy) positions will receive a positive adjustment, and short (sell) positions will receive a negative adjustment.

In addition, positions may be charged a spread at the time of rollover.

Open positions will be rolled over indefinitely until you decide to close them (subject to your compliance with margin obligations and our rights to close out positions).

Example of rollover adjustment calculation:

David holds a long (buy) position of 100 contracts of Oil.

Oil contract rates at the time of rollover:
Existing contract buy rate = $45.30
Existing contract sell rate = $45.25
New contract buy rate = $46.50
New contract sell rate = $46.45

Adjustments calculation:
Buy Rate Difference = [New contract sell rate] - [Existing contract sell rate] = $46.45 - $45.25 = $1.2
Buy Value Adjustment = - ([Amount of Contracts] * [Buy Rate Difference]) = - (100 * $1.2) = - $120
Spread Adjustment = [Amount of Contracts] * [New Contract Spread] = 100 * (46.50-46.45) = $5
Buy Total Adjustment = [Buy Value Adjustment] - [Spread Adjustment] = - $120 - $5 = - $125

Summary:
David will continue to hold the same position of 100 contracts of Oil.
David will get an adjustment of -$125.
David's equity remains the same excluding the $5 spread.

Calculating the above example for a Sell position:
Sell Rate Difference = [New contract buy rate] - [Existing contract buy rate] = $46.50 - $45.30 = $1.2
Sell Value Adjustment = [Amount of Contracts] * [Buy Rate Difference] = (100 * $1.2) = $120
Spread Adjustment = [Amount of Contracts] * [New Contract Spread] = 100 * (46.50-46.45) = $5
Sell Total Adjustment = [Buy Value Adjustment] - [Spread Adjustment] = $120 - $5 = - $115

Summary:
David will continue to hold the same position of 100 contracts of Oil.
David will get an adjustment of $115.
David's equity remains the same excluding the $5 spread.

18. Our Right to Force Close

Under the Client Agreement, we have the right to close your open positions at the price being quoted on the Plus500 Platform, without prior notice to you, in a range of circumstances, including where:

- your Equity falls below the Maintenance Margin Amount; or
- your Balance falls below the Maintenance Margin Amount; or
- any credit card payment made by you to us is reversed for any reason; or
- you fail to comply with any request by us to pay any Maintenance Margin within the timeframe specified by us; or
- we determine, in our sole discretion, that trading in a particular CFD has become volatile; or
- any event occurs that is beyond our control and which, in our reasonable opinion, prevents us from performing our obligations to you or otherwise prevents us from maintaining an orderly market in one or more CFDs in respect of which we deal on the Plus500 Platform. For the avoidance of doubt, such an event may include an excessive or rapid movement in the price, value or level of any underlying Reference Instrument, or the suspension of trading of any Reference Instrument, or our anticipation (acting reasonably) of the occurrence of any such event.

19. The costs in using our products

Please refer to our current FSG for a description of how PLUS500AU, its employees and related parties are paid, and for information about the Spread, conversion costs, administrative charges, Overnight Funding and inactivity fees that may be payable in relation to the products described in this PDS. You can find this information (with worked examples) in the current FSG which is available on our website. You can download or obtain a free hard copy of the FSG by contacting us using the details at the start of this PDS.

20. How do we handle your money?

The funds in your account will be held in a designated account. Funds deposited by our clients are segregated from our money and held in a designated account in accordance with Australian law.

ASIC Benchmark – Client Money

This section explains our client money policy, including how we deal with your money and when we make withdrawals from your account. It also mentions the counterparty risk associated with the use of your money. Any money you transfer to us will be classified as Client Money and held by us on trust for you and administered by us in accordance with the provisions of the Corporations Act. All client money is held in segregated client bank accounts with an Australian ADI and we do not use client money for hedging purposes.

These accounts hold Client Money separately from money belonging to the business. Plus500AU does not use Client Money for any investment or business Purposes.

By using our services, you relinquish the right to any interest on funds deposited in our designated client accounts (also known as trust accounts). Individual client accounts are not separated from each other but are pooled together. The money is held on trust for you until you withdraw the money, use the money to place a trade, or otherwise provide us with a legal right to that money because of outstanding fees owed to us or in such other circumstances as referred to in the User Agreement.

All account withdrawal requests, except withdrawals via bank transfer, are subject to a minimum withdrawal amount, which is the lesser of $50USD (or equivalent), or your available balance. The minimum withdrawal amount for bank transfers is the lesser of $100USD (or equivalent), or your available balance

We do not use client money for the purpose of authorised hedging activity. Any obligations incurred by us in connection with such transactions are funded by us from our own money.

Example
If you close a position and incur a loss, your account balance will be debited on real time.

Example
If you hold a position after a certain time per instrument, and you are charged Overnight Funding, then that money is deducted from your equity on a real time basis. Please read above descriptions of account balances.

There is also a counterparty risk that you may lose some or all of your money if there is a deficiency in the designated segregated account. See the section above titled "Significant Risks" for more information concerning counterparty risk.

We do not use client money to hedge derivatives transactions or any transactions.

21. Terms and Conditions

Our User Agreement must be read and signed before a contract is entered into. If you are outside Australia, there may be other terms and conditions you will be required to sign or acknowledge.

When you use our services you will be bound to our User Agreement as amended from time to time, along with any other terms you are required to sign or acknowledge (for example, if you are outside of Australia). However, in the event of inconsistency, the terms in the legal documents described below will rank according to the following priority, to the extent of any inconsistency:

- This PDS
- User Agreement
- Account Opening Form

The information in this PDS is subject to change from time to time and is up to date as at the date stated at the start of this PDS.

Information in this PDS that is not materially adverse to users of our products is subject to change and may be updated via our company website (see contact details on page 1). You can access that information by visiting the website, or emailing us and asking for an electronic or paper copy. You can also access the website which may contain, from time to time, other information about our products.

There is no cooling off period for any product offered by us.

You must provide all information to us which we reasonably require of you to comply with any law in Australia or any other country. In particular, you must provide adequate identification before you can use our products or services. We may delay, block or refuse to enter, adjust or complete a transaction if we believe on reasonable grounds that making the payment may breach any law in Australia or any other country, and we will incur no liability if it does so. We may disclose any information that you provide to a relevant authority where required by any law in Australia or any other country.

When you use our services, you are promising that you will not breach any law in Australia or any other country.

We reserve the right to suspend the operation of our website and online facility or any part or sections of them. In such an event, we may, at our sole discretion (with or without notice), close out your open positions at prices we consider fair and reasonable.

We may impose volume limits on client accounts, at our sole discretion.

22. Tax implications

CFDs transactions can create tax implications. Generally, if you make a gain attributable to an exchange rate or price fluctuation then that part of the gain is included in your assessable income. Conversely, if you make a loss attributable to an exchange rate or price fluctuation then that part of the loss is deducted from your assessable income. However, the taxation laws are complex and vary depending on your personal circumstance and relevant jurisdiction. According, you should discuss any taxation questions you may have with your tax adviser before using our products or services.

23. What are our different roles?

PLUS500AU is the product issuer. This means that we issue the products described in this document, and do not act on behalf of anyone else.

PLUS500AU is also the service provider. Our website (and at times, our representatives) can give you general advice and help you use the trading services. Some services are provided through our parent company, PLUS500 Limited.

24. What should you do if you have a complaint?

In the event you have a complaint about us, you can contact us and discuss your complaint. If you are overseas, we may refer you to an overseas dispute resolution body, which gives you rights in addition to your rights in Australia.

If your complaint is not satisfactorily resolved within 45 days, please contact us using the contact details on page 1 of this PDS.

We will try and resolve your complaint quickly, fairly and within prescribed time frames.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au
Email: info@afca.org.au
Telephone: 1800 931 678 (free call)
In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

25. How to enter into a Client agreement

You can enter into a Client Agreement with us by filling out the registration form on our website. A pre-condition to successful registration is an acknowledgement by you that you have read this PDS, and that you have read and agreed to be bound by the user agreement provided to you at that time (‘**Client Agreement**’).

Another pre-condition is that you meet our client qualification criteria. We will use the information that you provide to assess whether trading on our trading platform is suitable for you, taking into account your knowledge, experience and level of understanding of CFDs. However, we will not use this information to tailor recommendations to you as we do not provide personal advice. Once you are registered, you will be able to login online to your Trading Account using your username and password.

Before applying to open a Trading Account with us, we recommend that you read this PDS and the Client Agreement carefully, and obtain independent financial, taxation and other professional advice.

26. Glossary

- **ASX** refers to the Australian Securities Exchange
- **AUD** refers to the Australian dollar
- **Base currency** refers to the currency in which your trading account is denominated, and also refers to the currency on the left of a quoted trading pair. Any profit or loss on a trade is converted into the base currency. See Step 3 of Section 3 of this PDS for an example.
- **EUR** refers to the euro – the official currency of the European Union.
- **ETF** refers to an exchange traded managed investment fund.
- **Forced liquidation** is described in Section 6 of this PDS.
- **FSG** refers to the Financial Services Guide issued by us.
- **FX** means Foreign Exchange
- **Initial Margin** is the initial deposit required by you before you can trade with us.
- **Maintenance Margin** is the amount required to be kept in collateral until a position is closed.
- **Margin level** refers to the equity or balance of funds in your account.
- **Orders** means stop orders (including conventional stop orders and trailing stops), limit orders and buffer limits.
- **PDS** means Product Disclosure Statement.
- **Reference Instrument** is the underlying instrument (e.g. shares, indices, ETFs, foreign exchange rates, commodity prices or other financial instrument) listed on the Plus500 Platform.
- **Spread** is the difference between the bid and offer prices that we source from other clients or from our wholesale providers, and the bid and offer prices we quote to you. The calculation of the Spread is described in more detail in our FSG under the heading “What fees and commissions are payable to us?” which forms part of this PDS.
- **Trading Platform** means our online Trading Platform accessed through the Website.
- **User Agreement** refers to the terms and conditions that you are required to agree to before you can use the products described in this PDS. They are incorporated by reference into the PDS. You can obtain a free copy of this document by contacting us using the details at the start of this PDS.

- **USD** refers to the United States dollar.
- **Website** means *Plus500.com.au*.

Plus500AU Pty Ltd, ACN 153 301 681, AFSL Number 417727, is the issuer and seller of the financial products described or available on this website. Download a PDS for more information. You should consider it before making a decision to acquire or continue to hold our products. Any advice provided is general in nature only and it doesn't consider your objectives, financial situation or needs. Trading with us involves risks – Click here to see our full risk warning. Our AFSL (417727) authorises us to provide our services to people in Australia.

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