

# Financial Services Guide

International Capital Markets Pty Ltd  
ABN 12 123 289 109  
AFSL 335 692

## Details

This Financial Services Guide (FSG) is dated the 25<sup>th</sup> of September, 2009 and is provided to you by International Capital Markets Pty Ltd, ABN 12 123 289 109 (ICM, we, our, us) to inform you of the financial services provided by us and to comply with our obligations as the holder of an Australian Financial Services Licence (No. 335 692).

The contents of this FSG have been formulated to ensure that you receive the information required to make an informed decision about whether to use the financial services that are offered by us.

## What is the purpose of this Financial Services Guide?

This FSG contains important information to assist you in deciding whether to use our services and to explain to you:

- who we are;
- what financial services we provide and the products to which those services relate;
- how you can instruct us;
- the nature of the advice we provide and our responsibilities;
- what you can expect to pay for the financial services we provide;
- what remuneration and other benefits may be paid to us, our employees or others;
- what to do if you have a complaint, and how it will be dealt with;
- any (potential) conflicts of interest;
- how we use the personal information you provide to us; and
- how you are able to contact us.

This FSG contains only general information about the products and services we offer. If you still have any questions after reading this FSG, we encourage you to contact us directly.

## Who we are and what kind of services are we authorised to provide?

ICM provides online trading facilities enabling clients to trade in derivatives, securities and foreign exchange contracts over the internet.

ICM is an Australian registered company whose head office is located in Sydney. The company holds a current Australian Financial Services Licence (No. 335 692) authorising us to provide you with the following range of financial services:

- provide general and/or personal financial product advice in relation to, and to deal in the following classes of financial products:
  - (i) derivatives;
  - (ii) foreign exchange contracts; and
  - (iii) securities
- make a market in the following classes of financial products:
  - (i) derivatives; and
  - (ii) foreign exchange contracts.

to retail and wholesale clients.

ICM is responsible for all financial services provided, including the distribution of this FSG and acts on its own behalf and under its own AFSL when providing financial services to you.

Other financial service providers may provide services in relation to products issued by ICM. For information about the services they provide you should consult their FSG.

ICM's registered office is: Level 10, 2 Bligh Street, Sydney, NSW, 2000.

### **What services can we offer you as our client?**

We are able to offer you an execution-only service via our online trading platforms and provide you with general and personal advice in relation to the following products:

- Contracts for difference (CFDs) on individual shares, share indices, stock options, foreign exchange, global futures, commodities and bonds and such other instruments as notified to you from time to time;
- Foreign exchange contracts;
- Securities and warrants traded on the ASX and other global markets;
- Futures and options traded on approved exchanges around the world;
- Options on securities and indices traded on approved exchanges around the world; and
- Client education seminars (product awareness and trading skills).

### **How can you give us instructions?**

If you wish to utilize our services, generally you can only do so via the internet using our online trading platforms.

Under certain circumstances (and only where agreed between us) we may agree to accept your instructions by either telephone, or if we have verified your address and signatures, by facsimile or email.

Prior to accepting your instructions, we will require you to acknowledge our Terms and Conditions which set out the contractual relationship between us and you and the obligations of each party when accessing the trading platform.

We will maintain accurate records (on a best efforts basis) of all client orders and trades executed. We will provide you with documentation to confirm the trades executed your open positions and account balance. The documentation is provided online or via email and it is your obligation to review and ensure its accuracy and report any discrepancies that you may have to us immediately.

### **What is the nature of the advice we provide and our responsibilities?**

The general advice provided to you as a retail client does not take into account your objectives, financial situation or needs. We recommend that you take all reasonable steps to fully understand the outcomes of the specific products and strategies adopted in relation to utilising the products and services we provide.

ICM believes that the general financial product advice and information we provide is accurate and reliable, however, neither ICM nor its officers and associates assume any responsibility for the accuracy and completeness or currency of that advice and information.

It is not our policy to provide personal advice, however, if we do provide you with personal advice or further assistance in selecting products or services having regard to your particular circumstances and needs, we will where we are required to do so in accordance with the law provide you with a Statement of Advice (SOA).

You will not receive an SOA where:

- We give you further advice and your relevant personal circumstances are not significantly different from the relevant personal circumstances in your previous SOA. You may request a record of the further advice given to you within 90 days of the advice being provided if you have not already been provided with that record. You can make this request by contacting us in writing; or
- You have elected not provide ICM with sufficient information concerning your personal financial objectives, circumstances and needs, and have acknowledged to us that only general advice will be provided to you. In situations where only general advice have been provided, you must ensure that the advice is appropriate for your considering your personal financial objectives, circumstances and needs.

The SOA we will provide sets out the personal advice provided to you, including any recommendations, the basis for the advice or recommendation and additional information outlining fees, commissions, associations or relationships which may reasonably expected to be capable of influencing the provision of that advice or recommendation to you.

### **What are the documents we provide you?**

When we provide financial products and services to you they will be undertaken in accordance with the terms and conditions detailed in the documentation that you will either receive from us or have downloaded from our website with respect to relevant financial service provided.

If we make a recommendation for you to acquire a particular financial product or offer to provide or arrange for the provision of a particular financial product, you will also receive a Product Disclosure Statement (PDS) containing important information regarding the relevant features, benefits, risks and fees applicable. The PDS should be read carefully to help you to make an informed decision about whether to utilise the product.

### **What are the risks of the products we offer?**

Some of the products offered by ICM are leveraged. Leveraged products may result in losses that are greater than your initial outlay. The risks associated with the products that we offer are described in the relevant terms and conditions, and product disclosure documentation.

### **What are our record keeping obligations?**

We ensure that comprehensive and accurate records of client profiles are kept, together with all advice and recommendations.

### **Who do we act for?**

When transacting financial products on an over-the-counter basis, we act as principal not a broker or agent. We receive your instructions and execute them, we are the party to the other side of the transaction and the party with whom you are entering a contract.

We may also arrange for you to be supplied with financial services and products issued by non-related product providers and may receive a fee or commission payment from these non-related issuers or providers as a result of you investing in their products or services.

We do not act as a representative of any other licensee in relation to the services or products we provide and are solely responsible for the financial services we provide to you under our Australian Financial Services Licence.

### **How are we remunerated for the services we provide?**

We are remunerated through the fees, interest, financing, spreads and commissions that we charge you. We may also be remunerated directly by non-related product issuers or service providers through fees or ongoing trailing commissions.

The fees, interest, financing, spreads and commission rates charged by us to you will vary depending on:

- the financial product that you trade;
- your account balance;
- the size of your transactions;
- your trading frequency; and
- the level of service you require.

Rates are agreed with you prior to the provision of any transaction execution services. In certain cases we may refund a portion of the rates charged to you should volume targets be reached.

A detailed description of the fees, interest, financing, spreads and commissions payable to us for each of the financial products offered by us can be found in the Product Disclosure Statement (PDS) for the relevant financial product.

For certain financial products ICM will not charge a commission but instead make its earnings from the spreads that are embedded in the price quoted to you, different spreads are used depending on the instrument, value of the transaction and prevailing market rates. The spread is the difference between the rate at which you are able to buy and sell a financial instrument. This is not an additional charge or fee payable by you.

We are entitled to retain interest earned on client money held in the client trust account, however, ICM may elect in its sole discretion, to credit clients with the full amount or a portion thereof. The rate of interest is determined by the provider of the client trust account facility.

We reserve the right to charge for certain administrative services which may arise through the course of your dealings with us. The fees charged for certain administrative services are outlined in the relevant PDS. Certain fees may be agreed with you at the time of account opening or may be waived in whole or in part.

### **How are our employees remunerated?**

Our employees and directors are remunerated by way of salary and other employee benefits. They may also be eligible for a discretionary bonus which is based on achievement of pre-determined business objectives such as:

- Contribution to profit;
- Client Service;
- Product and Risk Management; and
- Leadership.

Certain employees, directors and representatives may also receive 0% to 70% of all fees and commissions generated from clients depending on the level of salary and the aggregate revenue that they earn for ICM.

Should you receive personal advice from a representative of ICM, more detailed information about fees, commissions and other benefits payable to ICM or our representative will be outlined in your SOA.

### **How are introducing advisers and referrers remunerated?**

ICM may pay a commission to introducing advisers and referrers for the introduction or referral of clients to ICM. The commission paid by ICM to introducing advisers and referrers may include one or more of the following:

- amounts calculated as a percentage of the commission paid by you to ICM when you trade with ICM, up to a maximum of 90% of the commission paid by you;

- amounts calculated as a percentage of the finance charges paid by you to ICM in relation to positions held overnight up to a maximum of 80% of the finance charges paid by you;
- amounts calculated as a percentage of the difference in the interest earned by ICM on moneys that you have deposited with ICM and the interest that ICM has paid to you on such moneys, up to a maximum of 50% of the difference;
- a portion of the spread income generated from your trading, up to a maximum of 1 ticks per trade. (one tick equals the minimum price change between two successive transaction prices); or
- amounts equal to any additional spread income generated from your trading. This will be paid where the introducing adviser has requested that their clients be charged a premium to our standard spread, due to added services provided to their clients.

The amount of commission paid to introducing advisers and referrers is negotiated on an individual basis and is generally based on a sliding scale that takes into account:

- the number of trades made by clients introduced or referred to ICM; and
- the number of clients the introducing adviser or referrer introduces or refers to ICM.

ICM may pay a fixed fee to referrers, the referral fee paid will be between AUD\$50 to AUD\$250 per client. Unlike the variable commission and benefits outlined above, this a fixed fee and is not based on the amounts paid by you in respect of commissions, financing charges or interest earned from funds on deposit.

### **How do we manage and disclose any relevant conflicts of interest?**

ICM has in place a conflicts management program which seeks to:

- Identify conflicts of interest (actual or potential);
- Control and avoid conflicts of interest; and
- Disclose conflicts of interest to clients.

Neither ICM nor its representatives have any relationships or associations which might reasonably be expected to be capable of influencing the way we provide our services to you.

### **Professional Indemnity Insurance**

We have in place professional indemnity insurance that complies with section 912B of the Corporations Act 2001. This professional indemnity insurance covers claims in relation to the conduct of current employees and past employees.

### **What do I do if I have a complaint?**

We want to know about any problems or concerns that you may have with our products or services so that we can take steps to resolve the issue. We have an internal and external dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. A copy of our dispute resolution policy is available on our website at [www.icmarkets.com.au](http://www.icmarkets.com.au). Any complaints or concerns should be directed to the compliance team in writing or by sending an email to [compliance@icmarkets.com.au](mailto:compliance@icmarkets.com.au).

Initially, all complaints will be handled and investigated internally. Should you still feel dissatisfied with the outcome, you have the ability to escalate your concerns to an external body for resolution.

Should you have a complaint about the financial services we provide you, please take the following steps.

1. Contact ICM to inform us about your complaint. You may do this by telephone, facsimile or letter. We will investigate your complaint promptly and try to resolve it quickly and fairly.

2. If you are dissatisfied with the outcome of our investigation, you have the right to lodge a complaint with the Financial Ombudsman Service (FOS) an approved external dispute resolution scheme that provides assistance to life insurance policy holders and clients of financial planners, financial services providers or fund managers of which we are a member.

Mail: Financial Ombudsman Service (FOS)  
GPO Box 3, Melbourne, VIC 3001  
Toll free: 1300 780 808  
Facsimile: +61 (0)3 9613 6399  
Website: [www.fos.org.au](http://www.fos.org.au)  
Email: [info@fos.org.au](mailto:info@fos.org.au)

3. You can contact the Australian Securities and Investments Commission (ASIC) on 1300 300 630. This is a freecall infoline.

### How is my personal information dealt with?

We recognize the importance of ensuring that you have confidence in the way we handle your personal information and that is kept private. We have procedures in place to ensure the secure storage of your personal information. All personal information that we collect about you will be treated in accordance with our privacy policy that can be found on our website [www.icmarkets.com.au](http://www.icmarkets.com.au).

The Anti Money Laundering Counter Terrorism Financing Act 2006 requires us to collect information and verify the identity of its clients/customers. This is often referred to as "know your customer" information. Customer identification and verification procedures will be carried out having regard to the Privacy Act 1988.

The information you provide ICM and any other information provided by you in connection with your account will primarily be used for the processing of your account application and for complying with certain laws and regulations, however, may use this information to send you details of other services or provide you with information that may be of interest to you.

ICM may record conversations between you and our employees or authorised representatives. You may request transcripts of telephone recordings in anticipation of or in the event of a dispute. We may charge an administrative fee for providing this service.

### How do you contact us?

Should you wish to contact us, you can do so by either:

Mail: International Capital Markets Pty Ltd  
Level 10, 2 Bligh Street  
Sydney NSW 2000  
Toll Free: 1300 600 644  
Telephone: (02) 8014 4280  
Fax: (02) 8014 4281  
Email: [info@icmarkets.com.au](mailto:info@icmarkets.com.au)  
Website: [www.icmarkets.com.au](http://www.icmarkets.com.au)