# Kapital FX Pty Ltd
# Product Disclosure Statement

**Kapital FX Pty Ltd (ACN 611 822 390) & AFSL No. 493372.**
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# Product Disclosure Statement

## 1. INTRODUCTION

### 1.1 Purpose of this document

This Product Disclosure Statement ("PDS") provides information about the products Kapital FX Pty Ltd ("Kapital FX, we, us, our") can offer you. The purpose of this document is to:

(a) Provide you with the information to help you determine whether the products we offer are appropriate for you;

(b) Help you compare the various products we offer with similar products offered by other providers;

(c) Explain the terms and conditions, rights and obligations associated with our products.

The information in the PDS is general information only. To the extent that any of the information constitutes general advice, it does not take into account your personal objectives, financial situation or needs. You should consider these things and this PDS before making a decision about using our products.

### 1.2 Important risk notice

It is your responsibility to ensure that you fully understand the products we offer, as well as how currency transactions work and the risks that are involved in such transactions. This PDS sets out the significant risks and benefits related to the products we offer. However, if you need to do so, you should obtain further information before making decisions regarding the products.

To the extent permitted by law, we do not accept any responsibility for any loss arising from your use of this document.

If you have any queries about our products or this document, please do not hesitate to contact us on the contact details on the front page of this PDS. Further information about our services is also available at our website www.kapitalfx.com.au, and through our Financial Services Guide ("FSG"). You can obtain a free copy of our FSG by contacting us.


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Information in this PDS that is not materially adverse to those who use our products may change from time to time. If it does, it will be updated on our website www.kapitalfx.com.au. You can obtain a copy of our up to date PDS by contacting us too.

## 1.3 Who we are

Kapital FX is a provider of foreign exchange services. In particular, we provide spot foreign exchange and forward foreign exchange contracts to retail and wholesale clients. These contracts are explained later in this PDS. We also provide foreign exchange options to wholesale clients, which are not explained in this PDS. If you wish to use our options based products, you will need to contact us to see if you are eligible to transact in our options based products.

You will be classified as a wholesale client if you meet one of a number of tests, such as the total value of financial products that you acquire or the level of your net assets or gross income. You will be a retail client unless you meet one of these tests. We will ask you to complete a wholesale client declaration if you are deemed to be a wholesale client.

We are the issuer of the products described in this PDS, and hold an Australian Financial Services Licence number 493372 which authorises us to provide the products described in this PDS.

We are also registered on the Remittance Sector Register maintained by the Australian Transaction Reports and Analysis Centre (“AUSTRAC”).

When you acquire a financial product from us, you will be entering into a contract with us.

The contract comprises:

(a) The account application form, which you will be required to complete with the information we request;

(b) This PDS (to the extent relevant); and

(c) The terms and conditions we provide to you. To the extent of inconsistency between those documents, this PDS prevails. Any capitalised terms in this PDS adopt the same meaning or definition as included in the terms and conditions.


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## 2. FOREIGN EXCHANGE CONTRACTS

A foreign exchange contract is an enforceable agreement between two willing parties to exchange one currency for another currency at an agreed-upon price. This price is known as the exchange rate. Through foreign exchange contracts, you can transfer one currency into another currency. Some types of foreign exchange contracts, such as a forward contract, are a traditional risk-management tool used to obtain protection against adverse exchange rate movements.

Foreign exchange contracts involve an agreement between you and us to exchange one currency for another on a predetermined date (referred to in this PDS as the value date and also referred to in the industry as a "settlement date"). An implicit part of our foreign exchange contracts is what the law calls a "non cash payment facility." This means that you can nominate a beneficiary to the exchanged currency in various countries around the world and we will send your money to them (outbound) or receive money from them and pay you (inbound). If there are countries to which we do not provide services, we will advise you in the course of a transaction.

We are bound by Australia's Anti-Money Laundering and Counter-Terrorism Financing Laws. Due to the inherent risks in transferring money, we have adopted procedures to ensure that we comply with all anti-money laundering and counter-terrorism financing laws which apply to our services. Further details of our compliance with these laws are set out in our terms and conditions.

There are many reasons to enter into a foreign exchange contract. As an importing business, you may be required to pay for your imported goods in the currency of the country where your trading partner resides. You may be purchasing property in another country. As a manufacturer, you may be shipping your goods to a foreign country and receiving payment in the currency of that other country.

We offer two types of foreign exchange contracts to retail clients:

(a) SPOT CONTRACT

This is a foreign exchange contract for buying and selling currency where the exchange rate is determined by the market conditions at a precise moment in time for settlement in 2 business days or less. The date of entering the contract and agreeing to the price with us is known as the "transaction date". Once you have accepted an exchange rate it will remain fixed. The date on which you need to pay us, is typically the business day before the value date.


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In this PDS, a business day refers to a day which is not a weekend or public holiday in NSW or in one of the currencies or countries involved in the transactions.

(b) FORWARD CONTRACT

This contract is similar to a spot contract, except that a forward contract allows you to buy or sell one currency against another for settlement at a predetermined time in the future. A forward contract may be used by a business or an individual who would like to fix the exchange rate for settlement on a future date of more than 2 business days, providing the ability to manage exposure to currency movements, and manage cash flow. The rate quoted will depend on matters such as your chosen value date, the current prevailing spot exchange rates of the currencies involved in the transaction and the interest rates of the two currencies involved. The date on which you need to pay us, is typically the business day before the value date.

## 3. SPOT CONTRACTS

Foreign exchange spot contracts are a tool for exchanging currency. A spot exchange contract works as follows:

Step 1 – Client Secures a foreign exchange (or "FX") rate

Example:
You operate in Australia as an importer of goods and receive an invoice from your US based supplier. You require an FX service provider to convert your Australian dollars to US dollars and facilitate payment of this invoice.

You telephone us to enquire what USD rate is available to you in order to pay the USD100,000.00 invoice.

We offer you the FX rate of 0.7400.

We inform you that in order to pay the USD100,000.00 invoice with the 0.7400 rate offered, you would be required to pay us AUD135,135.13(USD 100,000.00 / 0.7400 = AUD $135,135.13). A transfer fee may also be applicable to the transaction. Please refer to our website and/or Section 15.2 of this document for the relevant fees.


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Step 2 – Acceptance of FX Rate

If you accept the quoted FX rate, we generate and provide you with a contract confirmation.

You are required to acknowledge the terms outlined in the contract confirmation.

Step 3 – You Pay Us

You are required to pay us an amount in accordance to the contract confirmation by the date and time specified in the contract confirmation.

This payment is generally required to be made by you the day before the value date.

Step 4 – We Complete the FX Contract by Remitting the Funds to your nominated beneficiary.

## 4. SIGNIFICANT BENEFITS OF SPOT CONTRACTS

This section sets out the significant benefits which are specific to spot contracts. The general benefits associated with our products are set out in Section 12.

### 4.1 Easy and efficient

Spot contracts are an efficient and easy way to purchase another currency and pay someone quickly, using the prevailing spot rate.

### 4.2 Simple to understand

Spot contracts are less complex than other foreign exchange products. To enter a spot contract, all you need to understand are the steps set out in Section 3.

## 5. SIGNIFICANT RISKS OF SPOT CONTRACTS

This section sets out the significant risks which are specific to spot contracts. The general risks associated with our products are set out in Section 13.


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### 5.1 Unwinding transactions

Once you have entered into a transaction, the transaction will be executed at your selected exchange rate.

If you seek to sell back currency, you may only be able to do so at a less favourable exchange rate than the one you purchased the currency for.

### 5.2 Intra-day volatility

There may be some volatility even over a short period of time in the rates which you obtain by using a spot contract.

For example, you could fix a price for a spot contract at 9am, but you may have obtained a more favourable rate if you had entered into that contract later in the same day.

## 6. HOW DO FOREIGN EXCHANGE SPOT CONTRACTS WORK?

To exchange currencies at the current foreign exchange rate, you will need to advise us of the following information:

(a) The amount of money you wish to exchange;

(b) The two currencies involved;

(c) Which currency you would like to buy or sell;

(d) What value date that you would like the payment made.

We will then quote you a spot exchange rate (i.e. the rate at which we are willing to buy or sell the currency involved in the transaction).

If you accept the rate over the phone or online, then you are bound to the transaction. We will then send you a trade contract confirmation by email or another method we have agreed upon with you. You will need to send the agreed amount to our nominated bank account on the agreed date. On receipt of your funds, we make the currency conversion at the agreed foreign exchange rate and value date.

We then arrange for your bought currency to be sent to the bank account you have nominated.


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## 7. FORWARD CONTRACTS

Forward contracts allow you to buy or sell one currency against another for settlement between 3 business days and anytime in the future. Forward contracts are generally used by companies or individuals who would like to fix the exchange rate for a future date in order to manage their exposure to fluctuations in foreign exchange rates and manage future cash flows.

## 8. HOW DO FORWARD CONTRACTS WORK

A forward contract is for a fixed term and for delivery on a fixed date.

To buy a forward contract, you must tell us:

(a) The amount of money you wish to exchange;

(b) The two currencies involved;

(c) Which currency you would like to buy or sell; and

(d) The value date(s) that you would need to use the exchanged currency.

We may ask for a portion of the contract as a deposit – see the section titled Credit below.

On the value date, or on a partial draw date (drawing down on a contract means that you may use all or part of the agreed upon forward contract amount prior to the original value date of the contract, thus creating a new value date) you must send the amount owing to us to our nominated bank account.

On receipt of your funds, we make the currency conversion at the agreed foreign exchange rate. We then arrange for the bought currency to be sent on the agreed date of the contract to a nominated bank account which may be another of your bank accounts, or a nominated beneficiary bank account. This nominated bank account will be confirmed with you via a contract confirmation prior to the funds being sent out, to ensure that they are sent to the correct destination account.

A forward contract transaction operates in the same way that a spot contract transaction works, except the value date is greater than 2 business days from the transaction date.

For example, payment may be required 90 days from when a contract to purchase a boat from the US is due to settle. The Australian client-buyer may not want to take on the risk that the AUD weakens against the USD, so may lock in the currency today. The same steps follow as per the spot exchange example, except we will quote a forward exchange rate.


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Another example is: You contact Kapital FX and advise that you need to secure USD$200,000 for the purchase of goods in exchange for AUD; however, you do not need these funds for another 6 months. Kapital FX advises that the current rate of exchange on a forward contract due in 6 months, inclusive of our margin, is 0.7482. Therefore, you would need to pay AUD$267,308.20 on or before the forward contract value date 6 months from now to complete this contract. If you find this acceptable, you would instruct Kapital FX to conclude the trade on your behalf. At this point, if Kapital FX has confirmed the booking then the contract has started. Kapital FX will then send you a forward contract as confirmation and this contract will have to be signed and returned the same business day. If it is not, the forward contract is subject to cancellation and any losses will be your responsibility.

You may extend the value date of a forward contract, if we agree – see the section titled Credit below.

Alternatively, in these circumstances we may simply offer you a new value date for your contract.

## 9. CREDIT

We may require you to pay a deposit as part of the transaction. This will be assessed on a case by case basis and we will consider your credit rating and history with us in deciding whether or not a deposit will be required.

If we don't agree to provide credit, we will quote you a forward rate and tell you what deposit you will need to send us to enter into the forward contract.

Should you agree to conduct a trade at the quoted exchange rate, Kapital FX will conclude the trade on your behalf and send you the forward contract, typically by email, for you to sign and return to us. All forward contracts must be signed and returned to Kapital FX by the end of the business day that the rate was booked or be subject to cancellation with losses payable by you.

You will then need to send the agreed deposit amount so it reaches our nominated bank account within 2 business days of the transaction date or the contract is subject to cancellation with losses payable by you to Kapital FX.

In the USD$200,000 example above Kapital FX may form the view that it will not offer a forward contract on credit, and instead advises that to secure the forward contract, you would need to make an initial deposit of AUD $26,730.82. You will then send AUD$26,730.82 to the bank account we have nominated.


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On the value date of the contract, 6 months from the initiation of the contract, you send Kapital FX the remaining AUD$240,577.38. We arrange to have USD$200,000 sent the bank account you have nominated. If the payment to the nominated bank account is by wire, we may require an additional wire payment fee to cover this transaction. This fee will be disclosed to you before you enter into a transaction.

Depending on market movements throughout the tenure of the contract, you may also be required to provide additional margin deposits. We will advise you should this situation arise.

## 10. SIGNIFICANT BENEFITS RELATED TO USING FORWARD CONTRACTS

This section sets out the significant benefits which are specific to forward contracts. The general benefits associated with our products are set out in Section 12.

(a) Forward contracts are a way of managing future currency exchange risk and negating the impact of adverse movements in exchange rates.

(b) You can agree to an exchange rate now for the delivery of currency in the future. This means that you will be able to manage your cash flow because you know what you will have to pay in the future.

(c) Kapital FX forward contracts allow drawdown before the value date. You can draw down and use all or part of the agreed upon forward contract amount prior to the value date of the contract.

## 11. THE SIGNIFICANT RISKS RELATED TO USING FORWARD CONTRACTS

This section sets out the significant risks which are specific to forward contracts. The general risks associated with our products are set out in Section 13.

(a) A forward contract fixes a currency amount, exchange rate and a delivery date. This means it does not allow you to take advantage of a favorable movement in the prevailing spot exchange rate.

(b) If you use the forward contract to cover an obligation that ceases to exist, or changes, prior to the delivery then the contract may need to be closed out (that is, brought to an end). If the contract is closed out, you may incur a loss as you could be liable for any loss suffered by Kapital FX due to the cancellation or closure of this contract. The loss is typically the difference between the mark-to-market valuation of the forward rate, and the prevailing spot rate at the time of cancellation.


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(c) Unless we agree to do so, you will not be able to extend the value date of any forward contract that you have agreed upon. If you are unable to deliver on your obligations the forward contract by the date you need to pay us, the contract will be cancelled and you will be liable for any losses incurred by Kapital FX due to the cancellation.

(d) Any margin required by us will need to be paid by wire or bank transfer within 2 business days from the date of request. Failure to do so will constitute a default of the terms of a forward contract and you will be liable for any costs associated with the closure of your contract. This may include the enforced liquidation of your position as well as additional losses which would typically be the difference between the contract rate and the prevailing spot rate at the time the funds you requested to purchase are sold back to the market.

An example of the potential losses that may be realised in relation to a forward contract is if there is a sudden surge in the price of the currency which is part of a forward contract. If we have asked you for a deposit, we may need to ask you for additional funds to cover both the deposit payment and the position. If you are unable to make these payments, we will cancel the forward contract and you will be liable to pay us the amount of any losses we may suffer.

## 12. SIGNIFICANT GENERAL BENEFITS OF OUR PRODUCTS

Our products provide a range of benefits. Foreign exchange contracts can be an important risk management tool for the management of exposure to exchange rates . You can use a spot or forward contract to protect yourself against adverse market swings. Also, foreign exchange contracts may be used to provide you or your business with cash flow certainty.

Sections 4 and 10 of this PDS contain information about the benefits associated with those specific products. However, there are some general benefits of spot or forward foreign exchange contracts, which are set out in this section:

### 12.1 Cash flow certainty

Entering into a foreign exchange contract that will settle at a later date allows you to determine the cost of the exchange rate at that time, giving you certainty over your cash flows.


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### 12.2 Flexibility

You are able to tailor foreign exchange contracts to your specific circumstances. A foreign exchange contract is not standardized – you are able to enter into a contract which meets your requirements. For example, you can vary the amount of a contract, and the duration of that contract. Please note that, as we don't provide personal advice, we will not recommend a particular tailored product. Rather, you can request certain features in a product.

## 13. SIGNIFICANT GENERAL RISKS OF OUR PRODUCTS

Sections 5 and 11 of this PDS contain details of the specific risks associated with spot and forward foreign exchange contracts. You should also be aware of the following risks that apply to all foreign exchange contracts:

### 13.1 Market risks

Foreign exchange markets can be volatile. The exchange rate which you are quoted may change significantly due to volatility, up until such time as you choose to accept that exchange rate. Once you have accepted an exchange rate it will remain fixed.

### 13.2 Government risks

There is a risk that your money may be delayed or lost due to an event or incident of a sovereign, strategic, political, or governmental nature in any of the countries in which we operate. In such an event, we would attempt to recover your money, however we do not guarantee the security of your funds in this situation.

### 13.3 Force majeure

There is also a risk that your money may be delayed or lost due to unforeseen circumstances. We will not provide a refund due to "force majeure," as defined in the case law of Australia. This includes catastrophic disasters, terrorist attacks, and other events beyond our control that affect our services.

### 13.4 Counterparty risks

Because you are dealing with us as a counterparty to every transaction, you will have an exposure to us in that you rely on our ability to meet our obligations to you under the terms of each transaction. This risk is sometimes described as a "counterparty risk" or "credit risk."


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If our business becomes insolvent, we may be unable to meet our obligations to you. You can assess our financial ability to meet our counterparty obligations to you by reviewing financial information about our company.

### 13.5 Operational risks

We have obligations under Australia's Anti-Money Laundering and Counter-Terrorism Financing laws. One of these obligations is to screen clients and transactions for risks of money laundering, terrorist financing and other criminal activity. There is a risk that your transaction may be delayed or cancelled due to the processes or systems we have in place for these screening purposes. Our banking partners also adhere to similar processes which may also delay or cancel your transaction without notice. Neither we nor our banking partners have the authority to tell you the reasons for the delay, if there is a suspicion of money laundering, terrorism financing or other criminal activity.

### 13.6 Cyber security

There is a risk that your email account or contact details are compromised and we receive an instruction that appears to be from you to pay money on your behalf. If we send money in these circumstances, you will be solely responsible for any loss, if the result is the result of an unauthorised data breach or data disclosure or cyber attack to your business or your account.

### 13.7 Cooling off period

There is no cooling off period associated with our products. Once you enter into a forward or spot contract with us, the contract cannot be terminated or varied without our consent.

### 13.8 System risks

We rely on technology providers and their systems to provide you with our services. We ensure that these systems are regularly updated.

We may also rely on third party providers (such as our correspondent banks) to assist in currency transfers. Any disruption to the system of a third party provider is beyond our control.


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### 13.9 Electronic transactions

Because we use electronic systems to conduct transactions, there are also risks associated with the use of software including errors and bugs, and delays or interrupted services. These risks are inherent to online transactions and are beyond our control.

### 13.10 Correspondent banking relationships

To deliver our services to you, we may use correspondent banks. We take reasonable care in selecting our correspondent banking relationships. Although we will take reasonable steps and return your funds if our correspondent bank is unable to deliver the required currency when due, to the extent allowed by law we will not be liable for any direct or indirect loss suffered by you as a result of the failure of a correspondent bank to deliver the required currency. The correspondent bank may also charge fees. Generally these fees are deducted from the funds sent but if you wish to pay fees you can by advising us.

### 13.11 Restriction on currency

Some currency we deliver may be governed by certain legal and regulatory requirements. If a particular country is subject to sanctions, we may not be able to provide foreign exchange services to those countries. By using our services, you agree that you will comply with any such requirements. As set out above, we are bound by Anti-Money Laundering and Counter-Terror Financing regulations when we provide services to you. This means that in some circumstances, we will be restricted from providing services to you. Also, in appropriate cases, all communications and information concerning your activities with us that we hold may be disclosed to and reviewed by law enforcement agencies and regulatory authorities.

Further information about the restrictions that may be in place in relation to the services we provide are set out in the terms and conditions.

### 13.12 Payment risks

Kapital FX will not refund your money if there was an error (e.g. an incorrect beneficiary) on the contract confirmation and you do not tell us of the error within the timeframe set out in our terms and conditions and/or contract confirmation.



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## 14. SETTLEMENT

### 14.1 Spot contracts

All spot contracts must be settled, that is paid for, within two business days of the transaction date (that is, the date you place your order with us). Payments for trades must be made by wire or electronic funds transfer from your bank directly to ours. We will provide you with specific banking instructions to help you facilitate the transfer to our account.

### 14.2 Forward contracts

An initial deposit on a forward contracts must be paid (where requested) within two business days of the date the contract is agreed upon. The remaining funds must be paid on or before the completion date of the forward contract as specified in your contract details. Forward contracts are to be paid by the same methods as given for spot contracts.

### 14.3 Late payments

Late payments may result in the cancellation of the foreign exchange contract provided by us to you.  At this point you will be liable for any costs and/or exchange rate losses incurred by us from the cancellation of your contract. The factors that contribute to the amount of these costs are based on the current market pricing at the time the funds you requested to purchase are sold back to the market.

### 14.4 Corresponding funds transfers

Prior to transmitting fund transfers on your behalf, you will be provided with a contract confirmation. This document sets out the details of the transaction and the name and banking information of the beneficiary you intend to pay. The contract confirmation will be sent to you via email, or in another method agreed with you. We may require a signature on some forward contracts.

Once we have confirmed receipt of your funds, have identified the originator of the funds and have received your contract confirmation, we will initiate our funds transfer as per your instructions. Please note that delays in supplying us with the contract confirmation will result in transmission delays. We are not able to send a funds transfer until we have a corresponding confirmation for each scheduled transfer.


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You may choose to have your funds transferred to your own bank account directly or to a third party account. For each payment, we must have accurate banking information on file. When you enter into a contract with us, you are immediately bound to the terms of that contract. You are bound to the contract despite the fact that settlement may not actually occur until a later date.

## 15. COSTS

### 15.1 How we are paid

The revenue we generate is based on a margin. The margin is a difference between the wholesale exchange rate we obtain and the exchange rate we offer you. The margin may be impacted by a number of factors:

(a) More frequent trading sometimes reduces the margins;

(b) Highly liquid currency pairs typically have lower margins;

(c) Low market volatility may reduces margins; and

(d) Larger transactions may reduce margins.

In contrast:

(a) Infrequent trading may increase the margin;

(b) Exotic, less liquid currencies have higher margin;

(c) High market volatility increases the margin; and

(d) Smaller transactions increases the margin.

### 15.2 The costs of our products

There is no costs to join Kapital FX and there are no ongoing annual fees.

For each Overseas International Inward or Outward Telegraphic Transfer Payment or Receipt, you may be charged a flat fee of up to AUD $20.00.

You may also be charged the margin which is disclosed above. The margin will be part of the cost of the currency we provide to you.

You can obtain information about the costs of our products free of charge by requesting this from us by phone, email or in person.


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### 15.3 Fees and charges

In addition to the costs which are set out above, you may also be charged fees by other service providers or intermediaries. These fees are out of our control. For example, sometimes an overseas bank deducts a wire or lifting fee from the payment amount. Where we know about these fees, we will make a reasonable attempt to tell you about them.

## 16. TERMS AND CONDITIONS

### 16.1 Our terms and conditions

You will be provided with our terms and conditions before you open an account with us. You must agree to these terms and conditions before we provide you with services. You should read that document carefully to determine whether or not you would like to use our services. Some significant aspects of our terms and conditions are repeated below.

### 16.2 Indemnity

You will be required to indemnify us for any loss that occurs as a result of us:

(a) Acting in good faith on your verbal or written instructions;

(b) Transferring funds to an incorrect beneficiary where the error was included in the contract confirmation;

(c) Transferring money to a third party because of instructions that we relied upon, that were sent to us due to a fraud or cyber security incident or other information breach that affected your business or email address or account details; or

(d) Having to cancel a transaction.

### 16.3 Governing laws

You must provide all information to us that 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 by undertaking our customer onboarding procedure. We may disclose any information that you provide to the 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.


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### 16.4 Identification information

We are not liable for any loss that arises from incorrect identification information being provided by you, or from currency rate quotation errors.

### 16.5 Electronic funds transfers

Electronic funds transfers are efficient and safe. Sometimes a delay can occur if the receiving bank is in a remote area or poorly staffed or for other reasons.

### 16.6 Wire transfer confirmation

It is your responsibility to carefully review the Confirmation of Wire Transfer that we will provide to you, to ensure that the data we have on file matches the data of the nominated beneficiary account that you have provided us.

## 17. HOW WE HANDLE YOUR MONEY

We will notify you of a number of nominated bank accounts, operated by us, where you should transfer your money. Typically, money that we receive on your behalf is a payment towards a foreign exchange contract. Deposits – whether initial deposits or margin deposits, are part-payments towards the pre-agreed contract value and are also client monies that we hold on trust for you. Upon receipt of that money, we have a corresponding obligation to pay money in a currency specified by you, to your nominated beneficiary, subject to our terms and conditions.

We maintain a segregated client money account for certain situations. The law requires that money must be placed in a client money trust account by the next business day from when it is received if:

(a) A client pays money into our account without having first agreed to or entered into the terms of a foreign exchange contract, and/or we cannot contact them that day to confirm the purpose of the funds and enter into a foreign exchange contract to use those funds; or

(b) A client pays more money into our account than what was previously agreed to (eg. the client pays AUD$10,000 after agreeing to purchase a foreign exchange contract for AUD$5,000), and we do not return the surplus by the next business day and we cannot contact them to confirm their instructions with respect to the surplus funds.

(c) You have purchased currency from us but are still awaiting the terms of settlement and/or payment details.

## 18. STOPPING OR CANCELLING A PAYMENT

The factors that contribute to the amount of these costs are based on the currency market pricing at the time the funds you requested to purchase are sold back to the market.

Once a funds transfer has been sent, it is extremely difficult to cancel it. An attempt to recall the funds transfer can be made but will be subject to further fees charged by the banks involved. Those charges will be passed onto you and are out of our control. If you believe you have instructed us to send a funds transfer in error, notify us immediately. It is much easier to halt a transfer in transit than one that has already been received by the beneficiary bank.

We reserve the right to cancel any contract immediately in circumstances set out in our terms and conditions. Those circumstances include (but are not limited to) your insolvency, non-payment or late payment, or for a breach by you of our terms and conditions.

## 19. TAX IMPLICATIONS

Using foreign exchange contracts can create tax implications. We are not authorized to provide you with taxation advice. Accordingly, you should discuss any taxation questions you may have with your tax adviser before using our products or services.

## 20. WHAT ARE OUR DIFFERENT ROLES?

We are the product issuer. This means that we provide the facility you use to transfer money and do not act on behalf of anyone else.

We are also the service provider. Our representatives can give you general advice and help you use the money transfer service. This role is undertaken on behalf of the product issuer.

## 21. WHAT SHOULD YOU DO IF YOU HAVE A COMPLAINT?

If you are not satisfied with any aspect of the service that has been provided by us, you are entitled to complain. We have established procedures to ensure that all enquiries and complaints are dealt with. Please contact our Complaints Manager on:

Phone: 02 9133 8822

Email address: accounts@kapitalfx.com.au

Postal address:

ATTN: Complaints Manager
Level 23, 52 Martin Place
Sydney NSW 2000

If the complaint cannot be resolved to your satisfaction you have the right to refer the matter to the Australian Financial Complaints Authority ("AFCA") which is an external complaints service, of which we are a member (member number 39735).

You can contact AFCA on 1800 931 678 (if in Australia) or +613 9613 7366 (if outside Australia) or in writing at:

Australian Financial Complaints Authority
GPO Box 3
Melbourne, Victoria 3001, Australia.

You can also contact AFCA through their website: www.afca.org.au, by email: info@afca.org.au, or by facsimile (03) 9613 6399

## 22. PRIVACY

The privacy of your information is very important to us. We have practices which include the secure storage of personal information and safeguards against the accidental release of personal information.

You will be required to provide us with certain information to enable us to comply with our obligations under Australia's Anti-Money Laundering/Counter Terrorism Financing laws.

We handle all information provided to us in accordance with our Privacy Policy.

You can obtain a copy of our Privacy Policy at www.kapitalfx.com.au, or by emailing us.

## 23. TELEPHONE RECORDINGS OF CONVERSATIONS

Any telephone conversations you have with us will be recorded. This is standard market practice. Recorded conversations are retained for a limited period and are usually used where these is a dispute and for staff training and monitoring persons.

You will need to advise us if you do not wish to be recorded.


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