



# Adviser Services Financial Services Guide

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# General Information

## 1. ABOUT THIS FINANCIAL SERVICES GUIDE

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This Financial Services Guide (FSG) provides important information about the services offered by OpenMarkets Australia Limited (referred to in this FSG as “OpenMarkets”, “we”, “our” or “us”) ABN 38 090 472 012. It is to help you decide if you want to use the OpenMarkets services.

The information is about our trading, settlement and clearing services and products provided by third parties that currently support our services. It also discloses the risks and rewards of trading and any financial arrangements we have, as well as how to contact us, and other important information such as safeguarding your interests.

Specifically, should you become an OpenMarkets client by the end of this document you will know:

- Who we are and what our contact details are
- Our products, services and their associated costs
- Any relationships we have with third parties that might influence us in providing our services
- How we, our staff and other related parties are remunerated, and any other benefits we might receive
- How we collect and use your personal information
- Other documents you may receive from us
- Details of our complaints-handling process

## 2. ABOUT OPENMARKETS

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OpenMarkets is a holder of an Australian Financial Services Licence (AFSL no. 246705) issued under the Corporations Acts 2001 (Act) and is located at Level 2, 451 Little Bourke Street Melbourne VIC 3000. We are authorised to deal in general financial services products to retail and wholesale clients.

We are a market participant of ASX Limited (ASX), National Stock Exchange of Australia Limited (NSX) and SIM Ventures Securities Exchange Limited (SIM VSE). This means we can execute trades in each of these markets directly for you.

We are a clearing participant of ASX Clear Pty Ltd and a Sponsoring Broker and participant of CHESSE, the clearing and settlement facility operated by ASX Settlement Ltd.

OpenMarkets therefore provides the financial services of a Stockbroker by being responsible for the execution, clearing and settlement services of our clients.

## 3. ABOUT OUR SERVICES

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OpenMarkets operates a non-advisory execution only online trading and stockbroking service for retail investors and traders, wholesale advisers, financial planners and other financial service providers.

Under our license, we can give general advice on, and deal in these products and services:

- Securities
- Bonds
- Derivatives
- Advisory
- Custodial or Depository services
- Managed discretionary accounts

Our services include:

- A web-trading service for retail investors via the OpenMarkets Web platform

- An advanced trading service for active and professional traders utilising third-party desktop software (Pulse) licensed and provisioned by OpenMarkets
- Wholesale broking services for Australian Financial Service Licensees that wish to offer a broking service to their clients through OpenMarkets.

We provide these services directly to our clients. For more information on the products and services offered by OpenMarkets, please visit [www.openmarkets.com.au](http://www.openmarkets.com.au).

## Relationships & Limitations

### 4. ASSOCIATIONS WITH PRODUCT PROVIDERS

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OpenMarkets is associated with other financial products and services from either related or non-related providers and may provide you with such products and services as part of our services. For example, if you wish to use our advanced trader services, we will provision you with a login to use the Paritech's Pulse trading software.

In some cases, we may receive a commission payment from such product providers if you invest in one of their products or services.

See **Appendix B** in this guide for specific information about commissions and contact us if you require any other information about these.

### 5. OTHER DOCUMENTS WE MAY SEND YOU

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If we make a recommendation to use a particular financial product from a third-party provider we will issue you with that provider's Product Disclosure Statement (PDS). A PDS outlines everything you need to know about that product including benefits, costs, terms and conditions, as well as any risks associated with holding that product.

### 6. NO PERSONAL ADVICE

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This information and any advice contained on our website or any other material provided by us has been prepared without taking into account your personal objectives, financial situations or needs. We only provide factual information or general advice about using our products and services, or using the products provided by other licensees. We do not give 'personal advice' as defined by the Act nor accordingly do we issue a Statement of Advice at any time. Therefore, you should carefully consider the appropriateness of our services with regard to your particular circumstances and we strongly recommend you obtain professional advice prior to using our services.

## What's Involved

### 7. HOW TO USE OUR SERVICES

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To access our services, you will need to establish an OpenMarkets trading account and enter into a Client Agreement by completing an OpenMarkets Account Application Form. You should read the terms of the Client Agreement carefully and seek independent legal advice should you have any questions.

To obtain these forms or establish an account, you can contact us:

By web: [www.openmarkets.com.au](http://www.openmarkets.com.au)

By phone: 1300 769 433

By Email: [service@openmarkets.com.au](mailto:service@openmarkets.com.au)

## How To Transact With Us

### 8. RETAIL INVESTORS AND MORE ACTIVE TRADERS

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As a retail client of OpenMarkets, you will receive a unique, secure login to access your account on our OpenMarkets WebTrader platform where you will be able to place orders and transact on the ASX, NSX and SIM VSE markets.

Clients who trade frequently and would like a more advanced trading platform can be provided with a secure login to access the OpenMarkets Pulse desktop platform, a product provisioned and distributed by us through a third-party provider.

You can also give us instructions via the telephone. The method by which we will accept your instructions will be subject to our terms and conditions as outlined in the Client Agreement which can be found on our website and different fees will apply, as outlined in **Appendix A**.

We do not accept email, SMS, post or fax orders as there is no guarantee of the timeliness and or reliability of such communications.

#### Clients of Third Parties

If you are a client of a third party that is operating under a wholesale agreement with us, such as a financial adviser or planner, then you will need to contact your adviser to execute orders using our services.

All orders are executed in accordance with our Best Execution Policy which can be found on our website at [www.openmarkets.com.au](http://www.openmarkets.com.au).

### 9. LINKED CASH MANAGEMENT ACCOUNT

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To trade through OpenMarkets, a Macquarie Cash Management Account (CMA) must be established and linked to your trading account. This is for the purpose of settling transactions and fees on your account. When you open an account with us, you authorise OpenMarkets to establish a Macquarie CMA on your behalf.

If you have an existing Macquarie CMA, you may choose to authorise OpenMarkets to link this account instead. Please refer to the instructions on our website, the Application or Clause 5 in the Client Agreement for more information.

For more information about Macquarie's CMA services and the benefits of an integrated CMA, please refer to Macquarie's product disclosure statement (titled Product Information Statement) which can be found on our website or at [www.macquarie.com](http://www.macquarie.com)

### 10. CAN I SHORT SELL FINANCIAL PRODUCTS?

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No, OpenMarkets does not permit the short selling of financial products (as defined by the Act) in any form. Additionally, since all Trading Accounts established through OpenMarkets must be CHESS sponsored by us, all of your holdings are visible to both you and us at all times and as we apply pre trade risk management, you will not be permitted to sell or oversell a financial product that you don't own.

### 11. WHAT YOU SHOULD KNOW ABOUT THE RISKS OF TRADING AND INVESTING

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Before becoming a client it is essential to understand that trading or investment in any market has risks. While securities and derivatives may offer the potential for substantial gains or a range of returns in between, the risk of loss in share market trading can also be substantial.

The value of a security or derivative may rise and fall considerably depending on what other people are prepared to pay for a share at the time of sale. Such price volatility will depend on many factors, including information about the company, market sentiment, opinions about the country the security or derivative traded in, the prospects for the industry and many other factors.

Sometimes companies go bankrupt and investors may lose the entire value of their investment in it. Or under certain circumstances it can become extremely difficult to liquidate a position because there is not enough demand for it. In other words to sell a financial product, there must always be a buyer. Factors such as a negative report, a tsunami or corrupt actions (to name but a few) can all affect buyer sentiment.

The placing of contingent orders (such as a 'stop loss') is a good protection but does not guarantee to limit the loss at the specified price. Market conditions may make it impossible to execute the trade as ordered because the price can gap down or be in a trading halt.

This brief statement does not disclose all of the risks and other significant aspects involved in trading or investing in financial markets. You should carefully consider what kind of trading or investment would suit your needs, taking into account your own specific circumstances (age, resources, needs, income, objectives, motivation etc) and consider learning more about trading and investing before becoming involved in it.

## Payment Made To Us And By Us

### 12. FEES PAYABLE FOR OUR SERVICE

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See Appendix A in this FSG for details on the current list of fees that you will be charged for using our services. Most prices are inclusive of GST unless otherwise indicated.

### 13. REMUNERATION & OTHER BENEFITS WE RECEIVE

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OpenMarkets is remunerated directly by the fees we charge you. With respect to some financial products, such as your brokerage cash management account (CMA), we are also remunerated by way of commission or other payments from the product issuer. Details of these commissions are set out in Appendix B of this guide.

### 14. Third-Party Agreements

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OpenMarkets may have an agreement with a number of Australian Financial Services Licensees allowing them to provide a broking service to their clients through OpenMarkets. Under these agreements, OpenMarkets will collect brokerage, other fees associated with trading (as outlined in Appendix A) as well as any software subscription fees.

### 15. REFERRALS & OUTGOINGS

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Employees and Directors of OpenMarkets and their subsidiaries and related bodies receive salaries, and may also receive bonuses and other benefits. OpenMarkets may receive referrals from third parties. We may pay a commission of up to 50% of any revenue generated by such referrals. Any remuneration received by a third party is not an additional cost to you nor does it affect the fees we charge when investing in our products.

## Safeguards

### 16. PERSONAL INFORMATION

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The privacy of your personal information is important to us and any information we collect from you will be handled in accordance with our Privacy Policy, available via our website. This Policy details how we comply with

the requirements of the Privacy Act regarding the handling of your personal information. Only where we are legally obliged to do so, would we disclose information we have gathered about you to regulatory or law enforcement agencies.

## 17. PROFESSIONAL INDEMNITY INSURANCE

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We maintain professional indemnity insurance for compensation as required by the Act. This insurance provides money to pay claims against us or our employees and representatives, allowing us to compensate clients or their beneficiaries for loss of damage suffered in limited circumstances of negligence.

## 18. DISPUTE RESOLUTION PROCESS

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Our reputation, honesty and high standard of client service are important to us. So that we act with integrity we have a complaints procedure designed to make sure all concerns are treated seriously and that any complaint is addressed promptly and fairly.

If our level of service should fail to meet with expectations we would like to hear about it. Any complaint about your dealings with OpenMarkets or associated products or services should be communicated to our Client Services Team:

By phone     1300 769 433

By email     [service@openmarkets.com.au](mailto:service@openmarkets.com.au)

By mail:     OpenMarkets Client Services  
              Level 2, 451 Little Bourke Street  
              Melbourne VIC 3000

If, after giving OpenMarkets Client Services team the opportunity to resolve your complaint, you are not satisfied, you can lodge a complaint in writing to:

Mail:         Financial Ombudsman Service Ltd (FOS)  
              GPO Box 3  
              Melbourne VIC 3001

Please note that for FOS to handle a complaint, the complaint should relate to a financial loss of up to \$150,000. Further information is available from OpenMarkets or FOS.

For more information please contact FOS directly via:

Phone:       1300 780 808

Fax:         (03) 9613 6399

Web:         [www.fos.org.au](http://www.fos.org.au)

The Australian Securities and Investments Commission (ASIC) also has an Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

## 19. FEEDBACK

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Our ethos is about being open and receptive to our clients' needs, concerns, suggestions and ideas. We welcome opportunity to engage with you directly. Should you wish to provide us with feedback, please contact our Client Services Team using the contact details above.

# Appendix A – Fees and Charges

The fees outlined in this Appendix relate directly to the OpenMarkets financial services. All fees and charges are inclusive of GST unless otherwise stated.

## BROKING FEES & CHARGES

Brokerage is charged as determined by your adviser. Confirmations are issued at the end of day for a buy or sell in an individual stock (the order may not be complete). If the balance of the order is filled the next day then a new confirmation would be issued and an additional confirmation charge is applied.

Brokerage on Options also includes:

GST – GST will be charged to you on all brokerage and fees, currently at the rate of 10%.

INTEREST – ASX Clear will pay interest to OpenMarkets on cash lodged as collateral to cover ASX Clear margins. Any interest paid by ASX Clear to OpenMarkets will be at the Reserve Bank cash rate less 65 basis points (0.65%).

ASX CLEAR FEES – ASX Clear charges a registration fee of \$0.143 per equity option contract, including GST. If you exercise or are assigned on an equity option position, ASX Clear charges an exercise fee of \$0.055 per contract, including GST. In the case of index options, ASX Clear charges a registration fee of \$0.495 per contract and an exercise fee of \$0.385 per contract (both inclusive of GST).

The exact cost of your transaction will be disclosed on your confirmation.

## BANKING SERVICES

The Cash Management Account (CMA) you select for your client may earn a competitive interest rate, which is subject to change without notice. Typically CMAs involved no monthly account-keeping or management fees, nor cash withdrawal fees in relation to your CMA. There are no minimum deposits but may be minimum requirement to withdraw or deposit cheques.

Please refer to the provider's Product Information Statement for the latest information on fees and minimums.

## OTHER FEES & CHARGES

OpenMarkets is committed to keeping fees to a minimum and we do not charge for services related to account opening or email trade confirmations however sometimes extra fees will apply for additional services as outlined below.

Fee Type	Charge (including GST)	When is it payable?
ASX BookBuild Allocation	TBA at time of bookbuild	On settlement date of the issue
International Client Account opening	\$100 per account	If you are based outside Australia and wish to establish a trading account with OpenMarkets
SRN Query	\$27.50 per search	If the need to look up a Securities Reference Number (SRN) should arise and you do not provide an accurate SRN to OpenMarkets
Settlement Fail	\$110 per day or 0.1% (whichever is greater)	If you do not settle a trade or supply holder information within the T+1 or T+3 timeframe, fail fees will be charged to your account
Trade rebooking	\$13.95 per transaction	When a trade needs to be cancelled and re-booked to a different account



Interest on debit cash account balances	0.04% of the daily debit balance	Interest charge applied to your account should funds be withdrawn from the linked CMA and there are outstanding settlements which result in the account being overdrawn
Off-market transfer	\$27.50 per transfer	If you wish to transfer securities between other entities and your OpenMarkets CHES account. These fees will not apply to security transfers when establishing your trading account
Rejected direct debit	\$55 per transaction	When a debit processed by OpenMarkets against your cash account is rejected due to insufficient funds or incorrect details provided
Urgent transfers	\$27.50 per request	If you request OpenMarkets to transfer funds into your bank account same day via Real Time Gross Settlement (RTGS)
International telegraphic transfer	\$75 per transaction	When you request that OpenMarkets pays funds into an international bank account in your name
Banking Facilitation	\$100 per transaction	When you request that OpenMarkets performs a banking function on your behalf, like a BPAY for an entitlement or acceptance offer

## SOFTWARE FEES

Software license fees relating to the provision of the OpenMarkets Pulse platform will be applied as indicated below. This software is provided by Paritech Pty Ltd and IRESS Limited.

SOFTWARE FEES	
Software and Data	Fee (including GST)
<p><b>PULSE LICENSE - RETAIL</b></p> <p>Software licenses include:</p> <ul style="list-style-type: none"> <li>• ASX, NSX and SIM VSE live market data &amp; news</li> <li>• ASX real-time royalties</li> </ul>	<p>The Pulse retail fee is \$125 per month.</p> <p>This fee will be debited from your linked CMA on a quarterly basis at the end of the quarter <b>but will be waived if you generate in excess of \$600 in brokerage to OpenMarkets per quarter.</b></p>
<p><b>IRESS TRADER - RETAIL</b></p> <p>Software licenses include:</p> <ul style="list-style-type: none"> <li>• ASX, NSX and SIM VSE live market data &amp; news</li> <li>• ASX real-time royalties</li> </ul>	<p>The Iress Trader fee is \$160 per month.</p> <p>This fee will be debited from your linked CMA on a quarterly basis at the end of the quarter <b>but will be waived if you generate in excess of \$600 in brokerage to OpenMarkets per quarter.</b></p>
<p><b>PULSE LICENSE - PROFESSIONAL</b></p> <p>Pulse software (per license) includes:</p> <ul style="list-style-type: none"> <li>• ASX, NSX and SIM VSE live market data &amp; news</li> <li>• ASX real-time royalties</li> </ul>	<p>The Pulse Adviser fee is \$180 per month, charged on a monthly basis.</p>
<p><b>IRESS LICENSE - PROFESSIONAL</b></p> <p>Iress Trader or Iress Pro (IOS+) for professional clients</p>	<p>Pricing varies depending on requirements so please contact our sales team to discuss.</p>

## Appendix B – Commissions & Benefits

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OpenMarkets may receive commissions and other benefits from some product providers that support the provision of our services.

Any remuneration received by a third party is not an additional cost to you nor does it affect any of your investments.

Other benefits:

- We maintain a Trust account for the purposes of holding funds that are used for share trading and will retain any interest that may be earned on this account.