



## Financial Services Guide Interactive Brokers LLC

This Financial Services Guide ("FSG") is dated November 2018 and is issued by Interactive Brokers LLC (ARBN 091 191 141; AFSL 245574) ("IB", "we", "our", "us") IB has prepared this document pursuant to the requirements of the *Corporations Act 2001* (Cth).

### Section 1: Purpose & Content of the FSG

This FSG contains information that has been prepared without taking into account your objectives, financial situation or needs. Accordingly you should consider the information provided having regard to your own particular circumstances.

This FSG is an important document. It provides you with information to assist you in deciding whether to use any of the financial services offered by IB. You should read it carefully and make sure you understand it.

This FSG contains information about:

- » Our name and contact details;
- » The financial services that we are authorised to provide;
- » The cost of any financial services we offer;
- » Any remuneration, commissions or other benefits that we or any other relevant person may be paid in relation to the financial services which we provide;
- » Details of any associations or relationships between us and any related person and issuers of financial products that might reasonably be expected to be capable of influencing how we provide the financial services offered;
- » Details of the complaint handling and dispute resolution procedures that we have in place;
- » How to instruct us; and
- » Details of the kind of compensation arrangements that we have in place.

### Other documents you may receive from us

In addition to this FSG, we may be required to provide you with other documents.

We must provide you with a Product Disclosure Statement ("PDS") about a financial product when we recommend that you acquire, or offer to issue or arrange the issue of, a financial product.

A PDS contains important information about the features, benefits, risks, costs, and taxation implications of the relevant financial product that should assist you in deciding whether to acquire that financial product. We are not required to give you a PDS if you are dealing in certain financial products such as ASX-quoted equity securities and warrants.

For copies of the most current disclosure documents (including this FSG and any PDS') issued by IB, copies of legal terms and other important documents and information, please refer to the IB website at [www.interactivebrokers.com.au](http://www.interactivebrokers.com.au) and "Forms and Disclosures".

IB does not solicit orders from customers and does not offer any personal advice or recommendations to customers. Accordingly we will not provide you with a Statement of Advice ("SOA").

## Section 2: Overview of IB and its Services

### 1. Who are we?

IB is an affiliate of Interactive Brokers Group ("IBG"), which comprises of a number of automated global electronic market makers and brokers that specialise in routing orders and executing and processing trades in securities, futures and foreign exchange instruments. IBG affiliates conduct business on more than 60 electronic exchanges and trading venues around the world. IB, using its proprietary software, provides non-advisory brokerage services to professional traders and investors with direct access to stocks, options, futures, forex and bonds from a single IB Universal Account<sup>SM</sup>.

IB has engaged its affiliate Interactive Brokers Australia Pty Ltd (ABN 98 166 929 568; AFSL 453554), who is a participant of ASX, Chi-X Australia and ASX 24, as its executing broker in respect of transactions to be executed on these markets. IB is a wholesale client of Interactive Brokers Australia Pty Ltd.

Interactive Brokers Australia Pty Ltd receives a set fee per trade from IB for this service.

A full list of the products IB offers and the worldwide exchanges on which they are offered is available on the IB website at [www.interactivebrokers.com.au](http://www.interactivebrokers.com.au).

### 2. Financial services and financial products we offer

#### 2.1. IB's Australian Financial Services Licence

IB holds an Australian Financial Services Licence, under which we are authorised to:

- » deal in:
  - » Securities;
  - » Derivatives; and
  - » Foreign exchange contracts; and
- » provide custodial and depository services.

IB is authorised to provide the above financial services to retail and wholesale clients.

#### 2.2. IB's custodial services

IB holds the Financial Products for which it is custodian for its customers in accordance with Customer Agreement as amended by the Supplemental Custody Agreement. IB holds such Financial Products for the benefit of its customers.

In markets where IB does not have direct access to the settlement system for the relevant Financial Products, IB appoints sub-custodians (who may be affiliates of IB) to hold Financial Products on its behalf. Further details about the sub-custodian's IB uses are available from IB's website at [www.interactivebrokers.com.au](http://www.interactivebrokers.com.au) and in the final section of this FSG. For example, in relation to ASX listed securities, IB has appointed its affiliate Interactive Brokers Australia Pty Ltd (ABN 98 166 929 568; AFSL 453554) as its sub-custodian to hold securities for the benefit

of IB, and IB in turn holds them as custodian for the benefit of its customers. Similar arrangements apply in other jurisdictions outside Australia where IB is itself not the clearing participant.

In relation to customer's positions in exchange traded derivatives (such as futures and options), positions are held by IB for the benefit of its customers through clearing participants (who may be affiliates of IB) of the relevant exchanges, where IB is not itself a clearing participant.

### 3. How you can send IB instructions and contact information

IB's customers may submit orders to buy and sell Financial Products to IB through their Trader Workstation ("TWS"), Computer to Computer Interface ("CTCI") or an Application Programming Interface ("API"), by logging in through a secure username and password.

IB's customers may submit other instructions in relation Financial Products held by IB for its customers through IB's account management portal. For example, IB's account management portal provides eligible customers with tools to submit instructions as to how IB should exercise rights related securities, such as corporate actions. Please refer to IB's website which contains important details about how to give instructions to IB in relation to the Financial Products held for you, including important information about timing of such instructions and entitlement to participate in certain corporate actions at [www.interactivebrokers.com.au](http://www.interactivebrokers.com.au).

As set forth in the IB Customer Agreement, IB does not know whether an unauthorised person is entering orders with a customer's user name/password. Customers are fully responsible for the confidentiality and use of their user name/password and remain responsible for all transactions entered using their user name/password.

Customers may also contact IB Customer Service using the details below:

#### **IB Head Office - U.S.**

One Pickwick Plaza

Greenwich, CT 06830, U.S.

Telephone Numbers: 1-877-442-2757 (from inside the U.S.); 312-542-6901 (from outside the U.S.)

#### **IB Australian Office**

Grosvenor Place

Level 42, 225 George Street,

Sydney, NSW 2000

Telephone number: +61 (2) 8093 7300

**e-mail:** [help@interactivebrokers.com](mailto:help@interactivebrokers.com)

Additional contact information, including issue-specific details, is available at [www.interactivebrokers.com.au](http://www.interactivebrokers.com.au).

## **Section 3: Fees and Charges**

### **1. Commission and Fees**

IB charges commission and fees when you buy or sell or enter into or close out most financial products.

The amount of commission or fees payable to IB depends on the pricing structure selected and the product traded. For example, commission may be calculated as a percentage of the trade value with a set minimum charge per order, or as a dollar amount per contract. Current commission and fee information for each pricing structure and type of products is available on the IB website at [www.interactivebrokers.com.au](http://www.interactivebrokers.com.au).

You may also request particulars of remuneration (including commission) or other benefits within a reasonable time after receiving this FSG and before any financial service is provided. No IB employee earns a commission for the trades that are self-directed by IB customers. All commissions are earned by the firm.

## **2. Other Fees and Charges**

### 2.1 Interest Payable and Interest Charged

In certain circumstances, interest may be paid to you or charged to you.

Interest may be payable on credit balances. Factors which affect the amount of interest payable include the currency in which the account is denominated and the amounts held in excess of your margin requirements. No interest is payable on credit balances less than \$10,000.00 USD or equivalent.

IB uses internationally recognised benchmarks on overnight deposits as a basis for determining interest rates. We then apply a spread around the benchmark interest rate in tiers, such that larger cash balances receive increasingly better rates, to determine an effective rate.

IB accrues interest on a daily basis and posts actual interest at the end of each month on the monthly statement. For detailed examples on how we calculate interest, and for further information on how to read interest on your statement, please go to the IB website at [www.interactivebrokers.com.au](http://www.interactivebrokers.com.au).

Interest is charged when your account balance is in debit. The spreads and effective rates on credit balances, debit balances and short sale proceed balances are shown in the tables on the IB website at [www.interactivebrokers.com.au](http://www.interactivebrokers.com.au). We also provide detailed examples on how we calculate interest and information on how to read interest on your statement on that website.

### 2.2 Market Data, Fundamentals and News

If you require live data then depending on the product you are trading and where that product is based you may be required to enter into a subscription agreement with the associated exchange. You are not required to enter into a data subscription to open an account with IB.

Customers can subscribe to paid, real-time market data on exchanges around the world through Account Management. The subscription fee for market data on each exchange offered through IB is listed on the IB website at [www.interactivebrokers.com.au](http://www.interactivebrokers.com.au).

In addition, IB provides free delayed data as available, for any product listed on an exchange to which you do not subscribe. Delayed market data is managed in Trader Workstation ("TWS"), and ticker lines that use delayed data are highlighted in yellow for emphasis. For details on managing delayed market data, see the TWS Users' Guide.

We also provide real-time fundamentals and news via subscription-activated **Reuters Worldwide Fundamentals and Reuters News Feed**, along with various free RSS news feeds, all of which are seamlessly integrated into the TWS trading application. The subscription fee for each of these services are listed on the IB website at [www.interactivebrokers.com.au](http://www.interactivebrokers.com.au).

There is no requirement to subscribe to market data in order to trade and customers are free to receive market data from another IB account or data vendor, or to use only delayed market data. Many exchanges classify customers as non-professional or professional. Exchange rules require that trusts and organisations (e.g. corporations, partnerships, LLCs and unincorporated businesses) must be classified as professional. NYSE and Amex Professional Market Data require prior approval from the exchange before that information is provided.

### 2.3 Product-specific fees and charges

There may be fees and charges payable by you in respect of specific financial product which we issued to you. Our PDS in respect of that financial product will contain information on any fees and charges relating to that financial product.

#### 2.4 Required Minimums

To use our service, there are certain "required minimums". There is a required minimum deposit on opening an account, a required minimum commission per month by way of an activity fee, and required minimum connection fees for certain services as applicable. Details of these "required minimums" are as set out on the IB website at [www.interactivebrokers.com.au](http://www.interactivebrokers.com.au).

#### 2.5 Advisor Client Markups

Advisors may charge their clients for services rendered either through automatic billing, electronic invoice or direct billing. The available billing methods including caps and limitations are described at the IB website at [www.interactivebrokers.com.au](http://www.interactivebrokers.com.au).

### **Section 4: Associations/Relationships & Potential Conflicts of Interest**

Neither IB nor any related bodies corporate have any relationships or associations with any product issuer that could reasonably be expected to be capable of influencing us in the provision of financial services. Similarly, IB does not act under any binder in providing any authorised services. Unless otherwise disclosed, IB generally acts on its own behalf when providing financial services to you. The relationship between IB and THA is as disclosed in Section 2 of this FSG.

### **Section 5: Dispute Resolution**

If you have a complaint about the services provided to you by IB, you should take the following steps to ensure that your complaint is handled efficiently.

We encourage you to send your complaint via Account Management for the most expedient and efficient handling. This can be done by clicking on "Inquiry Ticket." Under "New Ticket" select the following:

Category: Other Regulatory

Sub-category: Submit a Complaint

Alternatively, customers may send their complaints to:

- » [help@interactivebrokers.com](mailto:help@interactivebrokers.com);
- » by telephone to the customer service telephone numbers listed on the IB website at [www.interactivebrokers.com.au](http://www.interactivebrokers.com.au); or
- » by hard copy addressed to:

The Complaints Officer  
Legal & Compliance Department-Asia Pac  
Interactive Brokers Group  
Grosvenor Place  
Level 42, 225 George Street, Sydney, NSW 2000

IB will attempt to resolve your complaint and will notify you of any proposed resolution. If your complaint is not resolved to your satisfaction, you may lodge a written complaint to the Australian Financial Complaints Authority ("AFCA") of which IB is a member. This service is provided to you free of charge and the AFCA can be contacted as below:

Australian Financial Complaints Authority:  
GPO Box 3, Melbourne, Victoria 3001  
Telephone: 1800 931 678  
Website: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)

Alternatively, customers who wish to file a complaint with, or initiate an arbitration or reparations proceeding against, IB, may consult the website of, or contact, a Self-Regulatory Organisation ("SRO"), e.g., the Securities and Exchange Commission ([www.sec.gov](http://www.sec.gov)), the Financial Industry Regulatory Authority ([www.finra.org](http://www.finra.org)), the National Futures Association ([www.nfa.futures.org](http://www.nfa.futures.org)), the Commodity Futures Trading Commission ([www.cftc.gov](http://www.cftc.gov)).

## **Section 6: Compensation Arrangements**

IB is covered by a professional indemnity insurance policy ("Policy") which satisfies the requirements of section 912B of the Corporations Act. Subject to its terms and conditions, this Policy may cover losses or damages suffered by retail clients as a result of breaches by IB of the relevant obligations of IB under its Australian Financial Services Licence.

## **Section 7: International entities which hold Financial Products.**

IB provides a list of the entities, which may be foreign brokers, clearing participant and or sub-custodians, who hold Financial Products on behalf of IB LLC or sub-custodians of IB LLC on its website [www.interactivebrokers.com.au](http://www.interactivebrokers.com.au) under "Forms and Disclosures" >> "Disclosures" >> "Notice to Australian clients from Interactive Brokers LLC of persons holding financial products".