

Financial Services Guide

Union Standard International Group Pty Ltd ACN 117 658 349
Address: GO3, 135 Macquarie Street Sydney NSW 2000 Australia
Website: www.usgfx.com
Phone: 1300 822 355 / +61 (0)2 9251 1395
Fax: +61 (0)2 6147 7151
Email: <mailto:support.au@usgfx.com>
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1. *What is a Financial Services Guide?*

This Financial Services Guide (“FSG”) is an important document to help you understand and decide if you wish to use the financial services we are able to offer you.

It provides you with information about Union Standard International Group Pty Ltd (“USG, us, our, we”) and the services we provide. Its purpose is to educate you, before we provide a financial service, on matters including:

- who we are and how we can be contacted;
- what services and products we are authorised to provide to you;
- how we (and any other relevant parties) are paid; and
- who to contact if you have a complaint.

Before we issue any particular financial products to you, we will provide you with a Product Disclosure Statement (“PDS.”) The PDS contains information about the product to assist you in making an informed decision about that product. It will outline relevant terms, significant risks (where such exist), and fees and charges associated with the product. The PDS is available on USG’s website (www.usgfx.com).

We are obliged to warn you that we will only provide you with general advice, which does not take account of your objectives, financial situation or needs. Therefore, you are required to ensure that you obtain prior advice regarding the suitability of our products and services for your personal financial needs, objectives and circumstances, from a licensed professional.

While USG believes the general advice and information we provide is accurate and reliable, neither USG nor its directors, officers, employees, contractors or associates assume any responsibility for the accuracy and completeness or currency of that advice and information.

USG shall not be responsible for any loss arising from any investment based on a perceived recommendation. Notwithstanding anything to the contrary (not even if specifically stated), no publication (including possible recommendations) shall be construed as a representation or warranty (either express nor implied) that the recipient will profit from investing in the financial products offered.

We have arrangements in place to maintain adequate professional indemnity insurance as required by the *Corporations Act 2001*. This insurance provides cover for claims made against us and our representatives/employees including claims in relation to the conduct of representatives / employees who no longer work for us but who did so at the time of the relevant conduct.

2. *Who will be providing the Financial Services to you?*

The Licensee

USG is the holder of an Australian Financial Services Licence (AFSL) and is responsible, for the financial services that its representatives provide to you. USG authorises, and is also responsible for the content and distribution of this FSG.

You can instruct us to provide you with our services by contacting us via our online trading platform. In the event that the online trading platform is unable to receive your instructions, you can instruct us via telephone.

Our contact details are at the start of this FSG.

3. ***On whose behalf are we acting when we provide our services to you?***

As we are the product issuer, we are acting on our own behalf when we provide the services and not on your behalf.

Subject to any disclosures in our PDS or other transaction documents, please note that we do not have any relationships or associations which might influence us in providing you with our services.

4. ***What services and products are we authorised to provide to you?***

USG holds an AFSL 302792 and is authorised to provide general advice, dealing and market-making services in relation to derivatives and foreign exchange contracts to retail and wholesale clients.

5. ***What fees and commissions are payable to USG?***

There are a number of costs, fees and commissions that you may be required to pay us, in order to use our services.

By using or continuing to use our services, you agree that:

- All fees and charges received by us as described in this FSG (other than third party fees and charges) are a benefit given to us by you, in exchange for the market making and dealing services provided by us.
- We do not charge volume-based or asset-based fees for any advice we provide.
- You understand, consent to, authorise and direct us to charge you in this way.

Type	Description
Spread Cost	<p>Derivative (including foreign exchange contracts and contracts-for-difference (“CFD”) transactions) incur costs relating to the spread, which is the difference between the bid price and offer price.</p> <p>The “bid price” is the price at which we are willing to buy the contract from you and the “offer price” is the price at which we are willing to sell to you.</p> <p>Taking the example of a foreign currency trade, we buy currency on the wholesale market and sell it to you after building in a spread. We also buy currency from clients and sell it to other clients after building in a spread. The price difference of this spread will depend on factors such as the size and value of the transaction and prevailing market rates. Typically, larger and more liquid transactions have lower spreads. This spread is paid by you, but is incorporated into the quoted rates and is not an additional charge or fee payable by you above those quoted rates. We earn a spread whenever you trade with us. Of course, all buying and selling is notional, because USG typically does not actually deliver the currency – it offers a platform that lets you trade over currencies only. Sometimes, in order to trade on our platforms, USG will convert your money into, say, USD and this is an example of when physical delivery does occur.</p> <p>Please refer to the contract details for the exact trading spread for each product.</p>
Commission	Commission may be charged by us on each transaction.

	<p>If you use our services via a third party such as an introducing broker (see Section 6 below). You may also be charged a commission by us, on their behalf. The precise commission which will be payable by you will depend on a number of factors, including the volume of trading you undertake, the platform you use, and the products and services you acquire from or through us or our Authorised Representatives.</p> <p>Commissions will be charged when you click “buy” or “sell” to open a new position.</p> <p>For DMA CFDs, market charges such as stamp duty or clearing charges may also apply.</p>
<p>Rollover interest rate</p>	<p>You may earn or pay interest (“rollover interest”) by entering and holding a margined foreign exchange contract or CFD contract overnight, London time (see below). As shown by the examples below, Your account balance will be automatically credited or debited with overnight interest by the next business day, and typically within 1 hour of 5pm New York Time.</p> <p><u>When does rollover interest apply?</u> If you have a position which was held before 23:00 London time, once 23:00 London time has passed, all open positions will be subject to rollover interest. The interest will affect the profit of the positions which haven’t been closed.</p> <p><u>Weekends and holidays</u> Forex markets are closed on Saturdays and Sundays, so there is no rollover on these days, but interest will still be applied for those two days. To account for that, the forex market books three days of rollover on Thursday, which makes a typical Thursday rollover three times the amount on Wednesday.</p> <p>There is no rollover on holidays, but an extra days’ worth of rollover two business days before the holiday. Typically, holiday rollover happens if any of the currencies traded has a major holiday.</p> <p><u>Margin Forex</u> With a margined foreign exchange contract, if the currency you bought is from a country that has a lower interest rate than the currency you sold, you would need to pay the difference, and your account would be deducted accordingly.</p> <p>The interest you earn or pay depends on the type and size of products that you buy or sell, the interest rate differential between the currency pair you have bought/sold and the duration of the rollover period (for example, 0.25%). We use the London Interbank Offered Rate (LIBOR) and the London Interbank Bid Rate (LIBID) and then add a 0.25% margin in our favour, to calculate the interest rates that you earn or pay when your position is held overnight. Interest is expressed in swap points and calculated in “pips”, where 1 pip is 1 hundredth of 1 per cent.</p> <p>Example of Margin Foreign Exchange Rollover Interest</p> <p>When you buy AUD/USD, you are selling USD to buy AUD. If AUD has a higher rollover rate than USD, you are buying the currency with the higher interest rate, so you will earn rollover. If you sell AUD/USD, you are selling the currency with the higher interest rate, so you will pay rollover as you are paying AUD interest rate and earning the USD interest rate.</p> <p>Example: AUD/USD rollover interest is -1.28/- 0.78 You are long AUD/USD 100,000.00 At 5 p.m. New York time (or 23:00 GMT) your position will be rolled over to the next value date. Your account will be credited with US\$7.8 (100,000 x 0.78/10000)</p>

	<p><u>Gold and Silver CFDs</u></p> <p>In the case of Gold and Silver CFDs, the Rollover Charge or Rollover Benefit is calculated by multiplying the total notional value of the position by the rollover interest rate.</p> <p>If you are long on a Bullion CFD, you may have to pay us a Rollover Charge, whilst if you are short you may receive a Rollover Benefit from us. In some circumstances, however, the opposite may apply.</p> <p>Example: XAU/USD rollover interest is -1.00/+0.33 You are long XAU/USD 1 lot (100 oz) At 5 p.m. New York time your position will be rolled over to the next value date. Your account will be debited with USD3.30 (100 oz x 0.33)</p> <p>Note: USG's rollover of gold will be based on the Gold Forward Offered Rate relevant gold LIBOR/LIBIR interest rates with mark up 0.25% of the interest rate.</p> <p><u>Index CFDs</u></p> <p>An Index Future CFD will expire on the last business day preceding the day of expiry of the relevant underlying instrument, which is an Equity Index Futures Contract that expires on a monthly or quarterly basis.</p> <p>Should an open position in relation to an Index Future CFD be held until expiry, then that position will be automatically closed at the official closing price of the relevant Underlying Instrument and re-opened at the official closing price of the relevant Underlying Instrument.</p> <p>Example: You are long of Jun E-mini (ESM12) Futures CFD contract which expires on the 15 Jun. Your position will be closed out at the settlement price on expiry date. Simultaneously a new position will be created for the next trading serial CFD ESU12 at the settlement price.</p> <p>No charges are incurred when positions are rolled as the closing and opening prices relate directly to where the relevant instruments have been trading and there will be a cash adjustment made to your account to reflect the differences in the official closing and opening prices.</p> <p><u>DMA CFDs</u></p> <p>Overnight interest will be charged by us for positions held overnight.</p> <p>If you use our services via a third party such as an introducing broker (see Section 6 below). You may also be charged interest by us, on their behalf.</p> <p>The precise interest which will be payable by you will depend on a number of factors, including the volume of trading you undertake, the platform you use, and the products and services you acquire from or through us or our Authorised Representatives.</p>
Conversion cost	<p>Most trades offered by USG require you to use USD as your base currency. If you instruct USG to place a trade where the base currency is in a foreign currency, you will need to convert your Australian dollars or other currencies into the required foreign currency through a bank and deposit the money into your USG trading account. The bank will charge you for this service.</p> <p>Alternatively, USG may convert your funds by first quoting you a spot price pursuant to its Terms and Conditions. If you choose to accept USG's quoted</p>

	prices, then the transaction will usually take place immediately, upon receipt of your cleared funds. The new currency will be delivered to your USG account. We will be remunerated by the difference between the rate at which we buy and sell to you the currency (also called the “Spread Cost” – see above).	
Interest on client money	USG places client moneys into our Segregated Funds Account which is a client trust account. USG is entitled to earn any interest (which is calculated daily) on positive balances in the client trust account and does not pay it on to clients. Clients must at all times keep a positive balance in their accounts.	
Credit card payment	USG may charge you a fee for accepting a credit card payment from you. This fee will be a percentage of the face value of the payment, as displayed on our website from time to time. It is deducted immediately when the transaction occurs. The fee is calculated with reference to the fee charged by USG’s merchant facility providers.	
Administrative charges	USG will charge a fee for the following administrative services when they are requested by you or people authorised to trade on your behalf:	
	Hard Copy duplicate statement (posted to you)	AUD 10 per statement
	Audit certificates	AUD 20 per copy
	The above administrative charges will be deducted from your account shortly after the relevant event happens (eg. if you request a particular document from us). These fees are subject to change.	

You may request more details about the way USG is remunerated within a reasonable time after receiving this document.

6. ***How are our people and third parties remunerated?***

USG’s directors and its employees are remunerated by annual salary, commission and may also be awarded an annual bonus. These types of remuneration will depend on several factors including:

- company performance;
- sales volume;
- professionalism and adherence to compliance procedures; and
- team performance.

USG’s shareholders will also receive a benefit based on USG’s ongoing company performance.

Our representatives may also receive a commission on trades. This commission is calculated with reference to trade volume and other performance indicators.

When you are referred by an Authorised Representative or another third party to us we may pay a commission or mark-up spread to the third party or Authorised Representative.

The amount of commission paid to referrers is negotiated on an individual basis and is typically based on a sliding scale, which takes into account:

1. the number of clients referred or introduced to USG; and
2. the number of contracts traded by clients introduced or referred to USG.

Some third parties offer plugins to our platforms. See heading 11 titled “Significant Risks” in our PDS to understand the risks before allowing any third party plugin. Some providers of these plugins will charge you fees for their services directly. Others will charge fees that we will take directly out of your account and remit to them.

You may request more details about the way these people or entities are remunerated within a reasonable time after receiving this document.

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

In the event you have a complaint, you can contact your USG representative and discuss your complaint.

Alternatively, please contact by telephone or in writing:

Union Standard International Group Compliance Officer
See the contact details at the top of this FSG.

We will try and resolve your complaint quickly, fairly and within 45 days.

If the complaint cannot be resolved to your satisfaction you have the right to refer the matter to the Australian Financial Complaints Authority or 'AFCA', a new external dispute resolution (EDR) scheme to deal with complaints from consumers in the financial system. Importantly, AFCA replaces the three existing EDR schemes of the Financial Ombudsman Service (FOS), the Credit and Investments Ombudsman (CIO) and Superannuation Complaints Tribunal (SCT) so that consumers have access to a single EDR scheme.

Using AFCA is free to consumers. If you would like to access the scheme, please lodge a complaint:

- with the Financial Ombudsman Service Australia if lodged before 1 November 2018:

Online: www.fos.org.au

Email: info@fos.org.au

Phone: 1800 367 287

Mail: Financial Ombudsman Service Limited GPO Box 3 Melbourne VIC 3001; or

- with the Australian Financial Complaints Authority if lodged on or after 1 November 2018:

Online: www.afc.org.au

Email: info@afc.org.au

Phone: 1800 931 678

Mail: Australian Financial Complaints Authority GPO Box 3 Melbourne VIC 3001

8. Personal Information

USG is committed to ensuring the confidentiality and security of the personal information of its clients, and is also committed to complying with both the *Privacy Act 1988 (Cth)* and the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*. The USG Privacy Policy detailing our handling of personal information is available upon request. You may request access to information held about you by contacting the USG on the contact details listed above.

If you do not provide some or all of the information requested on our application form, we may not be able to accept your application to open an account or otherwise provide you with our services.

USG may use information received from its clients to send marketing material to its clients from time to time unless you elect not to receive it. USG will not provide your information to any third party other than in accordance with the USG Privacy Policy.

USG may record inbound and outbound telephone conversations to the USG office for compliance and training purposes.

Please retain this FSG for your reference and any future dealings with USG. We may also add documents at a later date which will form part of this FSG, and should be read together with it. They will include the word "FSG" in the heading.