

# **AC Capital Market Risk Disclosure Statement**

**AC Capital Market (S) Ltd**

Securities Dealer licence no: SD198

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## 1. Product issuer

AC Capital Market (S) Ltd (“**AC Capital Market**”, the “**Company**”, “**we**”, “**us**”, “**our**”) is the product issuer of the products described in this Risk Disclosure Statement. Should you have any queries about this document, please do not hesitate to contact us.

### **CFDs investment warnings**

Trading in margin forex and CFDs carries a high level of potential risks and may not be suitable for you. Investors could lose more than their initial investments. The leverage is a double-edged sword. You may enter into a larger market exposure with a smaller outlay. However, a market movement with the Underlying Instrument could also be enlarged due to the leverage effects and lead to significant investment losses. We are unable to guarantee the maximum loss that you might suffer from your trading. Investors trading in CFDs do not own or have any rights to the Underlying Instruments.

All advice provided by AC Capital Market is of general nature only and does not constitute an investment strategy in any way. We do not take into account your investment objectives, financial situations and needs. Seek advice from a separate financial adviser if necessary.

We normally would expect our products and services to be utilized by persons to whom some or all of could meet the following criteria applied:

- (1) Individuals who have an acceptable level of knowledge and/or experience to understand the characteristics of CFDs and risks associated with trading leveraged products;
- (2) Individuals who have the ability to bear 100% loss of all funds invested;
- (3) Individuals who have a high-risk tolerance; and
- (4) Individuals who intend to use the product for a short-term investment, intraday trading, speculative trading, portfolio diversification and/or hedging of exposure to an Underlying Instrument.

## 2. The Risk Disclosure Statement (the “RDS”)

The RDS provides you with an explanation about our products and services, the trading mechanism of the CFDs investment and the risk contained. We strongly advise you to read this document and consider whether our products and services are appropriate for your needs. You may seek advice from a separate financial planner if necessary. All advice provided by us is in general nature only and cannot constitute investment advice in any way. All general advice does not take into account your investment objects, financial needs and situation.

Note that the examples provided in this RDS are solely intended to illustrate how our products operate and they are not intended to give any representation about the performance of any reference instruments. Each scenario provides an example of one situation only and it does not reflect the specific circumstances or the obligations that may arise under a derivative contract entered into by a client with AC Capital Market. All transaction examples are provided for illustration purposes.

### **3. Legal documents**

Before you start to use our products and services, you will need to enter into a contract with us titled “Client Agreement”. It contains terms and conditions that govern our relationship with you. You can always obtain a free copy of the document by sending an email to [cs@accapital.com](mailto:cs@accapital.com) or visiting our official Website.

All information that is not materially adverse information is subject to change from time to time and will be updated on our Website. An electronic copy can be made available to you without charge upon request. The change to the document will be deemed effective immediately once we send out the electronic copy to you or published on our Website. If you object to the changes, you may be allowed to terminate the Trading Account with us by sending us an email to [cs@accapital.com](mailto:cs@accapital.com).

### **4. Regulation and authorization for AC Capital Market**

The Seychelles Financial Services Authority (“FSA”) is the governing body for AC Capital. As licensed securities dealer, we are authorized to act as a principal or agent by way of business:

- makes or offers to make an agreement with another person to enter into or offer to enter into an agreement, for or with a view to acquiring, disposing of, subscribing for or underwriting securities or in any way effects or causes to effect a securities transaction;
- causes any sale or disposition of or other dealing or any solicitations in respect of securities for valuable consideration, whether the terms of payment be on margin, installment or otherwise or any attempt to do any of the foregoing;
- participates in any transaction in a security occurring upon a securities exchange;
- receives under an order to buy or sell a security which is executed;
- manages a portfolio of securities for another person on terms under which that person may hold property of the other person.

The Securities Dealer license number is: SD198.

We offer CFDs trading services via our Trading Platform. There are four broad types of products that we provide to you for investment purposes:

- Margin Foreign Exchange (FX)/currency pairs;
- Precious metals;

- Equity index; and
- Other commodities including Oil and Gas.

Note that we do not solicit, neither do our marketing materials (including but not limited to Website, account manager app and email) intend to serve or be used by any residents from Australia, United States, Singapore or any other country or jurisdiction where such distribution or use would be contrary to local law or regulation.

We do not provide a market amongst or between clients for investments or speculations. Each product purchased (or sold) by you is an individual agreement made between you and AC Capital Market as principal and is not transferable, negotiable or assignable by you to or with any third party.

## **5. Trading mechanisms of Contract for Difference ("CFDs")**

A contract for difference (CFDs) is a contract between two parties, typically described as "buyer" and "seller", stipulating that the buyer will pay the seller the difference between the current value of an asset and its value at the contract time (if the difference is negative, then the seller pays instead to the buyer). The value of the contract you are trading derives from the market value of the Underlying Instruments at the time when the position is opened and closed. Your Trading Account will be credited when you make a gain, otherwise a loss will be debited to your account.

One of the fundamental features of CFDs investment is the application of leverage. The leverage allows you to pay a smaller amount of deposit ("**Margin Requirement**") than the contract value to gain a larger exposure ("**Contract Size**"). Due to the leverage feature, a small movement in the Underlying Instrument could be enlarged and work against you adversely. Before you trade CFDs, you should be aware of the relevant risk of the leverage application.

You can keep a position as long as you are able to meet the margin requirement of the products you are trading. But a financing cost might be applied to your positions depending on the products you are trading. The details of the relevant financing cost are specified on the trading platform and will be elaborated through this document.

## **6. How to start your investment with us**

### **6.1 Practice trading account**

The practice Trading Account allows you to trade the real market with virtual money credited by us. The practice Trading Account would be an ideal option for you to experience the market. If you want to learn through practice trading to consider whether CFDs investment is appropriate for you. However, you will not be entitled to the trading/potential profits, nor required to bear the losses through your investment in the Practice Trading Account.

### **6.2 Open a live trading account**

When you feel confident about your trading strategy and experience, you can consider opening a live Trading Account with us. You must first register with us by filling out the registration form on our Website. A precondition to a successful registration is an acknowledgement by you that you have read and agree to be bound by this RDS and other legal documents governing your Trading Accounts.

We shall conduct due diligence check on you after receiving your account opening application. Once we approve your application, you then can use the access code to log into your Trading Account.

### **6.3 Make a deposit to start your trading**

After the live Trading Account is opened, you can make an initial deposit to start your trading with us. The initial deposit should be no less than US\$500. AC Capital Market does not charge on deposit transactions. However, the deposit transaction might be subject to charge by the bank you are with, and those charges are independent of AC Capital Market and will be borne by you.

Note that third party payment is not acceptable to AC Capital Market. we only accept payment from the banking account of the account holder. A deposit from joint banking account could be acceptable if one of the account holders for the joint banking account is the holder of the Trading Account with AC Capital Market. We may further request supporting documents from you for identification verification purposes. We must do this to comply with the relevant regulatory requirements and to perform our obligation as a regulated financial institution.

### **6.4 Enter into a position**

You will be requested to lodge an Initial Margin to meet the margin requirements of the position you are about to enter into. You may find how much Initial Margin you need to pay from the Trading Platform. We will deduct the Initial Margin from your available balance after the position is opened. Note that we may vary the Initial Margin requirement at our own discretion. Generally, the Initial Margin would vary according to the volatility and market conditions in relation to the Underlying Instruments.

When you buy, you buy at the “Ask” price, and when you sell, you sell at the “Bid” Price.

#### **Example:**

You are going to buy 1 lot EURUSD at ask price of 1.08806.

The Initial Margin requirement for a currency pair is 0.25%

The requested amount of Initial Margin in the Trading Account is \$272.015.

You should deposit no less than \$277.015 to enter into 1 lot long position of EURUSD. To enter into 1 lot long position of EURUSD, you now see the product is quoted at 1.08705/1.08806 on our Trading Platform.

Base currency	Quote currency
EUR	USD
1.08705	1.08806

(Bid)	(Ask)
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You can either buy or sell a margin FX contract, if you buy a contract, you buy at “Ask” price; if you sell a contract, you sell at a “Bid” price. With AC Capital Market, the standard contract size for a currency pair is 100,000. Remember that you are actually buying a contract, not the Underlying Instrument itself, CFDs investment does not entitle you to the ownership of the Underlying Instruments.

### 6.5 Close a position

You then choose when to close your position. You close your position by electing “Close Position” from the right-click menu on the platform.

### 6.6 Realized profits/losses

The profit or loss resulting from the trade will then be credited or debited to your Trading Account.

Note that the settlement for CFDs investment is performed on a real time basis. Your account will be credited or debited when you close your positions.

### 6.7 Balances/Equity on your trading account

The balance on your Trading Account is calculated in real time in application of following formula:

$$\text{Balances} = \text{Deposit} - \text{Withdrawal} + \text{the sum of profits/losses of your closed position}$$

The Balance does not include the profit or loss of your current open positions.

Account equity is the amount that contained all running profits and losses. It is also the amount could be used to meet the margin requirement of new positions.

$$\text{Equity} = \text{Balance} + \text{running profits/losses of open position} - \text{sum of used margin}$$

During the day on a real time basis your Account balance(s), including all open positions, are valued against our current quoted prices for CFDs. Therefore, your ‘Equity’, ‘Available Balance’ and ‘Profit/Loss’ are constantly calculated in line with movements in the quoted prices of our CFDs.

The value of your Equity must at all times exceed the margin close-out amount and your positions will be closed by default without further notice provided to you. We may at our sole discretion perform the Forced Liquidation and we must do so to protect you from further investment losses.

Keep in mind that it is your responsibility to keep a close eye on your Trading Account and ensure there is enough margin deposit in your Trading Account to meet the margin requirement of opening positions.

## 7. Margin requirements

### 7.1 Initial margin requirements

For all CFDs contracts (including currency pairs, indices, precious metals and commodities), the Initial Margin requirement is the amount required in order to open a position.

**Initial Margin requirement = notional contract value X margin rate**

Note that the Initial Margin requirement varies among different products. Normally we ask for 0.25% for currency pairs and precious metals contracts and 1% for the rest. You may refer to the product specifications on the Trading Platform for more details.

### 7.2 Maintenance margin requirements

The amount required to be kept in collateral until the position is closed is the Maintenance Margin. Since the market situation keeps changing, the Maintenance Margin requirements usually update on a real-time basis, and you need to watch your Trading Account closely to ensure there is enough deposit in your Trading Account.

### 7.3 Margin call

When the free margin in your AC Capital Market Trading Account runs below 100% of the Maintenance Margin, you will be on margin call. We may send out an electronic notification to you when you are on margin call but it's not our responsibility to do so. Please apply applicable risk management measures to your market exposure and watch your Trading Account closely.

### Forced liquidation

When the net equity of your Trading Account falls below the margin close-out amount, which is normally 50% of the Maintenance Margin requirement. Your open positions will start to automatically close in order to protect you from further investment losses. This is an automatic process and you are solely responsible for monitoring your Trading Account.

## 8. Transaction Example

You think the oil price will depreciate in the near future and decide to enter into a sell contract of US Oil with AC Capital Market. The US Oil is currently quoted as 96.87 (Bid)/97.03 (Ask) on AC Capital Market platform. You then decide to enter into 1 lot of US Oil sell contract.

1 standard lot of Oil contract is 1,000 barrels of oil.

**Open position**



Open a sell position in Oil CFDs for 1,000 barrels at bid price, and the contract is leveraged on 1:100 ratio (or 1 % margin rate).	$96.87 \times 1,000 \text{ barrels} \times 1\% = \$968.70$
As compensation for our transaction services, we earn the Spread between bid and ask prices. In this case, it's 0.16. The Spread is built into the quote price and will be realized when you open and close a position.	$1,000 \times (97.03 - 96.87) = \$160.00$
<b>Overnight funding</b>	
When a position is held overnight, it might be subject to Overnight Funding, and you will be credited or debited a daily Overnight Funding cost.  In this example, we assume the daily Overnight Funding for US Oil is -0.015% for Buy and 0.015% for Sell.  You then will be credited \$14.53 when carry the 1 lot US Oil sell contract overnight.	$96.87 \times 1,000 \text{ barrels} \times 0.015\% = \$14.53$
<b>Close position</b>	
The next day the price of Oil jumps suddenly to 103.51 (Bid)/103.68 (Sell). The market is moving against you now.	$\text{Gross profit/loss} = (96.87 - 103.68) \times 1,000 \text{ barrels} = -\$6,810$  $\text{Net profit/loss} = -\$6,810 + \$14.53 = -\$6,795.47$

The above example is for illustration purpose only and bears no indication of future market performance.

## 9. Risk management order types

AC Capital Market Trading Platform allows you to trade various order types including Stop Loss, Trailing Stop and Take Profit, each called an "Order". These types of Order allow you to open or close a position when the market price of the products you trade reaches or goes beyond a certain price you pre-defined (the "Trigger Price").

Note that you can only place an Order via our Trading Platform (either via a computer or mobile

device). We do not accept Orders via telephone or email.

Upon acceptance of one of these Orders, when our bid (in case of Sells) or our ask price (in case of Buys) reaches or exceeds the Trigger Price, your instruction to close out your position will be executed. It is your responsibility to understand how an Order operates before you place any such Order with us.

It is a possible scenario that the quote price of the product you are trading with might gap through the Trigger Price when the market is greatly volatile. In that situation, the executed closing or opening price may differ from the exact trigger price instructed by you. AC Capital Market gives no guarantee to the execution of the Order during such volatile market. This is known as “slippage”.

You can always cancel or amend the Trigger Price of your Order at any time before the quoted price reaches or exceeds the Trigger Price. We may require you to provide an additional margin when you cancel or amend your Orders.

#### **Examples:**

A ‘Stop Loss Order’ can be added to your trades when opening a new position/pending Order, or when editing an existing position. A ‘Stop Loss Order’ allows you to set a specific rate at which your position will close. This will allow you to manage the maximum potential loss from the transaction.

A ‘Stop Loss Order’ does not assure that your position will close at the exact price level you have specified. If the market price suddenly gaps to a price beyond your stop level, it is possible your position will be closed at the next available price which can be a different price from the one you have set.

#### **Example 1: Selling a Gold CFDs with a ‘Stop Loss Order’**

CFDs for gold are quoted at 1954.12 (bid)/1954.26 (Ask) on AC Capital Market’s Trading Platform and you sell 1 lot gold CFDs at this quoted price. You then decide to put your Stop Loss Order at 1958.30 (Bid)/1959.54 (Ask).

With AC Capital Market, 1 standard lot contract size for gold is 100 ounces.

There is no cost or fee charged for placing a Stop Loss Order. Should the market move against you, your positions will be closed at 1959.54. However, should the market gap straight through your Stop Loss Order, your position would be closed at the next available level. In this example, for elaboration purposes, we will assume that the gold price gap straight through the stop loss level at 1960.34 (Bid)/1960.58 (Ask), resulting in a gross loss of  $100 \times (1954.12 - 1960.58) = - \$646.00$  (for the simplification in this example, no application of Overnight Funding cost on your positions).

Note that margin requirement will not be affected or changed by adding a Stop Loss Order.

**Trigger price reached**

For elaboration purposes, we assume the market moves in a direction against you and the Trigger Price has been reached. A gross loss of  $100 \times (1954.12 - 1959.54) = \$ 542.00$  will be realized (for the simplification in this example, no application of Overnight Funding cost on your positions).

**10. Conversion of currency**

Your account balance is always denominated in one currency which is in US dollar.

When you make margin deposits to us in a currency other than the account Denominated currency type, the deposit will be converted into USD and credited to your Trading Account balance in accordance with the real-time currency rate on AC Capital Market Trading Platform.

**11. Trading facility**

We only provide trading services via our electronic Trading Platform, which is compatible with windows, iOS and android operation systems. We do not accept Orders via phone, email or methods other than the electronic Trading Platform.

**12. Significant benefits of CFDs investments**

You may utilize our products and services for the following benefits:

**(1) Hedging exposure on a specific underlying asset**

You can use our CFDs products to hedge your exposures to the underlying markets. For example, you can place a leveraged foreign exchange trade to protect your exposure to price movements in an underlying currency or bullion price.

**(2) Speculation**

In addition to using our trading facilities as a tool to hedge exposure on reference instruments, you can also benefit by using the quoted CFDs products offered by us to speculate on changing price movements. Speculators buy products that derives its value from the movement of the reference instrument in his/her intent to make a profit by attempting to predict market movements.

**(3) Access to the global markets at any time**

You may invest in global markets including precious metals, commodities, global major equity indices within one single platform. The quotes of the products on our Trading Platform are derive from the real-time market price of the Underlying Instruments.

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**(4) Risk management of your account and positions**

When using our trading facilities, we allow you to place loss limits on your trades. This means that if the market moves against you, we will close out your position according to your Order. However, when you trade in a greatly volatile market, we may not be able to close out your positions at the Trigger Price you preset in the system, and this situation has been elaborated in the above relevant section.

**13. Significant risk**

There are a number of risks in trading CFDs. These risks may lead to unfavorable financial outcomes for you. Monitoring and mitigating risks associated with our trading facilities is your responsibility. You should seek independent legal, financial and taxation advice prior to commencing trading activities and should not use our services unless you fully understand the products, and the benefits and risks associated with them.

There are major significant risks associated with using our CFDs trading facilities

**(1) Unforeseen market situation**

In unforeseen and extreme situations, AC Capital Market reserves the right to suspend the operation of its Website and Trading Platform or any part or sections of them. In such an event, we may at our sole discretion (with or without notice), close out your open positions at prices we considers fair and reasonable at such time.

**(2) Liquidity risk**

In some circumstances, it may be difficult or impossible for you to open a position in a CFDs (including closing out an existing position) or open a position at the price you wish to trade because of a lack of liquidity in the underlying market. This can happen, for example, when there are not enough trades being made in the market for an Underlying Instrument causing a significant change in the price, value or rate of an Underlying Instrument over a short period of time or our inability to hedge our own risk. This may give rise to substantial losses, including being left with an open position you are unable to close.

**(3) Market volatility**

Underlying markets are normally subjected to a number of influences which may result in great unexpected volatility. Because of this volatility, there may be circumstances where you may be unable to open, close or maintain a position or open a position at the price you wish to trade, such as gapping or slippage.

Given the potential levels of volatility in markets, it is recommended that you closely monitor your transactions at all times. There is no CFDs transaction or loss Limit Order which is available via our Trading Platform that can be considered “risk free”, especially in a volatile market.

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**(4) Leverage risk**

Leverage is a double-edged sword and could work against you. When using leverage to trade in the CFDs market, you may experience a loss more than all of your deposits as the market exposure could be enlarged through the leverage. A small movement in the underlying market could go against you adversely. We shall make a margin call to you and protect you from further investment losses by performing Forced Liquidation to your open positions. However, please consider the risk before you decide to trade with us.

**(5) We act as a market maker**

We are authorized to “make a market” for foreign exchange and derivatives contracts. This means that we set our own prices for the products we offer. Although the prices generated on the Trading Platform are normally derived from the underlying asset markets, the market data are taken from various sources. This means that the price that we quote for a CFDs product may diverge significantly from other exchange or market prices, or a competitor’s price, for that specific product.

**(6) Counterparty risk**

You are trading with AC Capital Market as the counterparty to all trades you undertake. As we are the product issuer, you are exposed to financial and business risks, including the credit risk associated to trading with us.

The products in this RDS are not traded on an exchange, which means they are over-the-counter ('OTC') derivatives, which are non-transferable. This means you are entering trades directly with AC Capital Market and you are subjected to our credit risk. If we become insolvent, we may be unable to meet our obligations to you.

We may choose to limit our exposure to our clients by entering into matching transactions with hedging counterparties as principal in the wholesale market. We are then exposed to counterparty risk with that hedging party. Henceforth, there is the additional risk that a hedging counterparty that we deal with may become insolvent. Where this occurs, we may not have recourse to Underlying Instruments and will become an unsecured creditor of the hedging counterparty. This may affect our ability to fulfil our obligations to you.

Although we are the counterparty to each of your transactions, we may limit our risk by immediately hedging (offsetting) your transactions with another transaction that we enter into with a financial institution. We are compensated by marking up the price we receive from the financial institution when we quote prices on our Trading Platform.

**(7) Systems risks**

We rely on technology to provide you with our Trading Platform. A disruption to the facility may mean you are unable to trade in any of the products offered by us when you want to, and you may suffer losses as a result. Alternatively, an existing transaction may be aborted as a result of a technological failure.

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**(8) Cyber security risk**

Cyber security risk is a major threat to businesses around the world. Like any online business, we cannot guarantee prevention against third-party interference in our Trading Platform. This means that you may be exposed to issues arising from any third-party interference which may occur e.g. unauthorized access to our or your IT systems or devices, data breaches, business interruption and, in the worst-case scenario, financial losses in the event that your Trading Account is accessed by a third party. You can limit your risk by ensuring that you have up-to-date software for the devices that you use to access AC Capital Market trading facilities and ensure that you use strong passwords which are kept confidential and secure.

**(9) Fees and charges**

It is possible that when you enter into a trade with us and the price of the Underlying Instrument moves in your intended direction, you still end up with less than you started after closing your position(s). This happened because of the combined effect of the Spread between bid and ask prices, rollover adjustment and the financing cost which could apply on consecutive days that a contract is held open. In addition, there is also commission that is charged upon the execution of any requested financial product transaction at such a rate that is set by us.

**(10) Suspension or trading halt of the underlying CFDs**

Trading on our Trading Platform may be affected by the suspension or closure of any exchange on which the Underlying Instrument is traded, or by the imposition of limits or special or unusual terms on the trading on any such market. In such circumstances, we may force immediate closure of your positions and/or demand additional payment from you as the trading margin.

**(11) Forced liquidation**

If prices move against your position, you may be required to make immediate payments to top up your account with sufficient funds to maintain your position. The value of your equity must exceed the margin maintenance amount at all times, or your positions may be closed out without further notice. You could sustain a total loss more than your initial investment as the market could move against you quickly and we reserve the right to claim the debit or ask you to pay back any amount of investment losses you owe to us.

Remember that you are solely responsible for monitoring your Trading Account at all times. Close monitoring of your positions is very important as you may be required to make immediate payments.

**(12) Unregulated exchange**

The products offered by us are over the counter ("OTC") products and are not traded on a regulated exchange. This means they are not covered by the protections for exchange-traded products arising from domestic or international exchange rules (such as guarantee or compensation funds). Consequently, should we become insolvent, there is no guarantee that your account will maintain its value.

#### 14. The cost for using our products

If you decide to use or continue to trade our products, you should understand and agree that:

- (1) All fees and charges described in this document (other than third party fees and charges) are benefits AC Capital Market earned from you, in exchange to the trading services provided by us;
- (2) We do not charge volume-based or asset-based fees for any advice provided by us or our authorized representatives;
- (3) You understand, consent to, authorize and direct AC Capital Market to charge you by this means.

A full description of the amounts we charge and how we will charge you are elaborated below:

- **Spreads**

We may charge a Spread cost incurred by the difference between the best bid and best ask rates at which you buy and sell a financial instrument in a transaction with us. We may place a mark-up on a raw spread (i.e. the Bid/Ask prices of a financial instrument). A mark-up rate between the Bid/Ask prices is determined by various factors such as transaction size and value as well as the present market rate. We may review markup rates from time to time to ensure they are fair and reasonable.

- **Overnight financing cost**

We may pay you or may receive Overnight Funding costs (known as “interest adjustment” or “Swap fee”) when you hold a position over night. The benefits you pay or receive are determined by the type and volume of a CFDs product. Overnight Funding cost rates may differ between product portfolios and the time of holding the positions. The swap rate may also be influenced by, but not limited to, the monetary policies of central banks, market liquidity and other factors. AC Capital Market may adjust an interest level based on the market situation and the market position of the product.

- **Commission**

AC Capital Market may be required to pay introducing brokers or agents. In this circumstance, AC Capital Market will require you to sign an acknowledgement form for your consent to a commission to be charged. The commission may be charged in the form of a lump sum payment or progressive payments.

- **Dormancy Account Administrative Fee**

You will be charged a 10 USD dormancy account administrative fee (the “Fee”) every month if there is no client-initiated activity in the 3 months preceding the charge date. If the account

balance is zero (0) or becomes less than or equals to zero (0) (or minus) after the deduction of the Fee, your account will be disabled. The Fee is used for the payment of administrative fees and the maintenance fees for your account. We reserve the right to deduct the Fee without notice.

- **Withdraw Fee, Credit Card Charges and Minimum Deposit**

You may be charged by financial institutions when you deposit funds into your Trading Account through the bank. Third party payments are not acceptable. If we receive a payment from a third party on your behalf, this payment will be returned to its original bank account, and you will be charged a 10 USD administrative fee.

- **Conversion Fees**

When you deposit money into your Trading Account with AC Capital Market in a currency other than your account Denominated currency, we will convert the deposit we receive into the account Denominated currency based on the real-time quote on AC Capital Market Trading Platform. Likewise, if you want to withdraw money in a currency other than your account Denominated currency, we can convert the realized trading profit or loss in your Trading Account to the currency you requested. There is no additional commission applied for the currency conversion.

You can always convert the funds using your own bank at your own expense.

- **Taxes**

The client will be personally responsible for any taxation matters including, but not limited to, stamp duty, transaction duty, income tax and capital gain tax. You should consult a tax expert to ascertain your liability to the jurisdiction that you reside in. All fees and charges quoted by AC Capital Market are exclusive of tax.

- **Remuneration and Benefits of AC Capital Market's employees**

Our employees and directors are remunerated by way of salary, and they may also be eligible for a discretionary bonus that is based on various factors such as:

- (1) Business performance;
- (2) The performance of reaching individual sales target;
- (3) Professional spirit; and
- (4) Group performance.

Note: The evaluation criteria for the performance of our employees and directors are not on trading volumes basis solely.



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## **15. How do we handle your money**

The funds in your account will be held in a designated trust account until you enter a trade, withdraw your funds or we are otherwise permitted to use the funds. Funds deposited by our clients are segregated from our money and held in a pooled trust account as required by the FSA regulation.

By using our services, you relinquish the right to any interest on funds deposited in our designated client money accounts (also known as trust accounts). Individual client accounts are not separated from each other but are pooled together. The money is held on trust for you until you withdraw the money, use the money to place a trade, or otherwise provide us with a legal right to that money because of open positions, outstanding fees owed to us or in such other circumstances as referred to in the Terms and Conditions, which can be obtained from our Website.

## **16. Client Agreement**

The Client Agreement is set out on our official Website and must be read and agreed upon before you place a trade with us. When you use our services, you will be bound by this Client Agreement, which could also be amended from time to time. However, in the event of inconsistency, the terms in the legal documents described below will rank according to the following priority, to the extent of any inconsistency:

- This RDS
- Supplementary RDS (if any)
- AC Capital Market Client Agreement
- Account opening form

There is no cooling-off period for any product offered by us.

You must provide all the required information which we reasonably requested to us for compliance with relevant law. Particularly, you must provide adequate identification before you can use our products or services. We may delay, block or refuse to enter, adjust or complete a transaction if we believe on reasonable grounds that completing the transaction may breach relevant regulatory requirements and we will be fully indemnified by you for all liability resulting from any delay, block or refusal to enter, adjust or complete a transaction requested by you under the mentioned circumstances.

We may disclose any information provided by you to a relevant authority where we are required to do so.

When you use our services, you warrant that you will not breach any law in the jurisdiction you reside in.

## **17. Tax implications**

CFDs transactions can create tax implications. Generally, if you make a gain attributable to an exchange rate or price fluctuation, that part of the gain is included in your assessable income. Conversely, if you make a loss attributable to an exchange rate or price fluctuation, that part of the loss is deducted from your assessable income. However, the taxation laws are complex and vary depending on your personal circumstance, the purpose of your trading and the relevant jurisdiction. Accordingly, you should discuss any taxation questions you may have with your tax adviser before using our products or services.

#### **18. Different roles of AC Capital Market**

We are the product issuer. This means that we issue the products described in this document, and do not act on behalf of anyone else.

We are also the service provider. Our Website (and at times, our representatives) can give you general advice and help you use the trading services.

#### **19. What you do if you are not satisfied with our products and services**

In the event you have a complaint about us, you can refer to the “Complaint Handling Manual” on our Website for step-by-step instruction for lodgment and resolution process for complaints.

#### **20. Glossary**

- **Base Currency** refers to the currency on the left of a quoted currency pair. Any profit or loss on a trade is converted into the Base Currency.
- **Client Agreement (Terms and Conditions)** refers to the terms and conditions that you are required to agree to before you can use the products described in this RDS. You can obtain a free copy of this document by contacting us using the details at the start of this RDS.
- **Denominated currency** refers to the currency in which your trading account is denominated in.
- **Forced Liquidation** refers to the situation where your equity falls below 50% of the required margin to maintain your open positions and those positions will be closed automatically to protect you from further potential investment losses.
- **FX** means Foreign Exchange
- **Initial Margin** is the initial deposit required by us before you can trade with us.
- **Limit Orders** means an order that allows you to set a specific rate at which your position will close in order to protect your profit. A Limit Order does not guarantee your position will close at the exact price level you have specified.
- **Maintenance Margin** is the amount required to be kept in collateral until a position is closed.
- **Margin Close-Out Amount** means a percentage (being at least 50%) determined by us, multiplied by the aggregate Initial Margin or Maintenance Margin (whichever is higher) in respect of each of the open positions in your Trading Account.
- **Orders** means Stop Loss Orders, Trailing Stop Orders and Limit Orders or a normal instruction to

enter into a contract.

- **Overnight Funding** means the costs that are calculated daily on your overnight positions by applying the applicable interest rate at the time of opening the position to the opening value of the position.
- **RDS** means Product Disclosure Statement.
- **Spread** is the difference between the bid and offer prices we quote to you.
- **Stop Loss Orders** means an order that allows you to set a specific price at which your position will close in order to minimize your loss. Note that a Stop Loss Order does not guarantee your position will close at the exact price level you have specified.
- **Trading Account** means your trading account for the trading of financial products, which is established in accordance with this Product Disclosure Statement, Terms and Conditions and any other legal documents you have agreed to enter into the relationship with us.
- **Trading Platform** means our electronic trading facility accessed through the Website.
- **Trailing Stop Orders** means an order that tracks your positions automatically and closes your position once the price of the relevant CFDs reaches or exceeds a certain price that you have selected, should the market move against you.
- **Underlying Instrument** is the underlying assets (e.g. currency pairs, commodities, precious metals, equity indices or other financial instruments) provided on our trading platform.
- **USD** refers to the United States dollar.
- **Website** means the business website as announced by us from time to time.