



## Financial Services Guide

Last updated 1 October 2021



# General information

## 1. About this Financial Services Guide

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**). It is to help you decide if you want to use the Openmarkets services.

This FSG provides information about

- who we are and our contact details
- 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 and how you may provide us instructions
- details of our complaints-handling process

## 2. About Openmarkets

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 5, Suite 3, 500 Collins Street Melbourne VIC 3000.

We are a market participant of ASX Limited (**ASX**), Chi-X Australia Pty Ltd (**Chi-X**) and National Stock Exchange of Australia Limited (**NSX**). This means we can execute trades in each of these markets directly for you.

We are a clearing participant of ASX Clear Pty Ltd (**ASX Clear**) and a sponsoring broker and participant of CHESSE, the clearing and settlement facility operated by ASX Settlement Ltd.

## 3. About our services

Openmarkets operates a non-advisory execution only trading and stockbroking service for retail investors and traders, wholesale advisers, financial planners and other financial service providers. Under our AFSL, we will provide dealing and general advice services in relation to:

- Securities
- Managed investment schemes
- Bonds
- Derivatives such as Exchange Traded Options (ETOs)
- Deposit products (e.g. bank accounts)

We may also provide nominee services. Our services are provided via:

- web and mobile trading services for retail investors via the Openmarkets trading platform
- An advanced trading service for active and professional traders using third-party desktop software 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.

Openmarkets will provide execution and clearing services in securities, exchange traded options and interests in managed investment schemes. These transactions will occur on a securities exchange such as ASX, CHI-X or NSX.

Openmarkets may also arrange execution, clearing and settlement services in securities on international markets for clients with an entity which holds the appropriate authorisation to do so in that market (**international broker**). We will communicate your instructions to the international broker for fulfilment through Openmarkets' account with that international broker. Securities traded on your behalf using Openmarkets' account will be traded beneficially for you by us. For this purpose, you will become Openmarkets' client, but not the client of the international broker.

In addition, we will also clear transactions that we have executed on your behalf and will, where applicable, arrange for the international broker to clear and settle transactions in securities it has executed on your behalf. We will carry the settlement obligations in respect of these transactions. You will owe your corresponding settlement obligations in respect of those transactions directly to Openmarkets (and if you provided instructions to us through a financial intermediary not to the financial intermediary who communicated your instructions to us). Openmarkets may also settle for you transactions not executed on a securities exchange (e.g. primary market transactions or off-market transactions).

Openmarkets may arrange for its wholly owned subsidiary, Openmarkets Nominees Pty Ltd ACN603 716 089 (**Openmarkets Nominees**) and/or another entity to provide nominee and other custody services for clients.

Where we provide nominee services, the financial products held by us on your behalf may be held in the same account in which the nominee company holds securities for other persons. If you use the international trading service described above, we will hold the securities in the nominee company in trust for you as the beneficial owner.

We may act as a CHESSE sponsoring participant of the clients. Clients that are to be CHESSE sponsored by us must enter into a sponsorship agreement with Openmarkets.

Openmarkets provides services either directly to clients or through an intermediary (refer to our wholesale broking service described above). Where we provide services to you through an intermediary, you will become a client of Openmarkets for the purpose of those services and the intermediary (as your agent) will communicate your instructions to Openmarkets, who will execute or facilitate transactions on your behalf.

For more information our products and services, visit [openmarkets.com.au](https://openmarkets.com.au).

# Relationships

## 4. Capacity in which Openmarkets acts

Openmarkets acts as your agent in relation to the execution of your orders. If your instructions are communicated to us by an intermediary, we are not acting as agent for the intermediary in executing the order. In clearing a transaction, we act as agent for the client for whom the transaction was executed, however, we have settlement obligations to ASX Clear as principal.

When we enter a contract with you to arrange for the execution, clearing and settlement of international securities transactions on a foreign market by an international broker for you, we do so as principal. When we arrange for the provision of international securities trading services to you in accordance with this contract, we act as agent for you. To provide these services to you, Openmarkets (as principal) has entered into agreements with an international broker and will owe obligations in relation to any transaction directly to the international broker. It is then your contract with Openmarkets which enables us to ultimately call upon you to satisfy these obligations.

We will notify you of the identity of the international broker or any custodian or asset holder appointed by us for the purpose of holding international securities by posting details of the international broker, custodian or asset holder on its website and any changes or additions to such persons from time to time.

We act as your agent when arranging for Openmarkets Nominees and/or another entity to provide nominee and other custody services to you. Openmarkets Nominees as agent of Openmarkets, or the other entity, will act as nominee or trustee for you in providing the service.

Openmarkets acts as principal in providing CHESSE sponsorship services to clients.

There may be certain activities which we will perform as agent for another person (such as the dispatch by us of confirmations to clients as agent for an intermediary that arranged for the execution of the transaction).

## 5. Associations with product providers

Openmarkets is associated with other providers of products and services and may provide you with such products and services as part of our services. For example, this may include trading technology or software or cash management accounts. Openmarkets does not receive any commissions or other benefits from arranging these services other than as described in this FSG.

## 6. Other documents we may send you

### Execution services

You will receive our Client Agreement which will contain more information relating to the execution and clearing services provided by Openmarkets and the terms and conditions of

those services where we are to execute and clear transactions on an exchange for you. If Openmarkets is to act as your CHESSE sponsoring participant, you will need to enter into a sponsorship agreement with Openmarkets as part of the Client Agreement. You will also be provided with a summary of our Best Execution Policy, which explains how we handle and execute your orders.

### **Transactions in ETOs**

If you transact in Options, you will need to enter a Derivatives Client Agreement with Openmarkets and you will be provided with an ETO Product Disclosure Statement. The ETO Product Disclosure Statement contains important information about trading ETOs.

### **Third party products**

If we facilitate the use of a particular financial product from a third-party provider, we will supply that provider's product disclosure statement (PDS) if required. 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.

We may provide other documents or information to you, including electronically, from time to time about our services or which we are required to give you including, for example, our Privacy Policy.

## **7. No personal advice**

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 facts or general advice about using our products and services, or using the products provided by other licensees. We do not give personal advice nor accordingly do we issue a Statement of Advice at any time. You should carefully consider the appropriateness of our services with regard to your particular circumstances and consider the appropriateness of our services to your circumstances.

# **Using our services**

## **8. How to use our services and transact – direct clients**

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

- online: [openmarkets.com.au/contact](https://openmarkets.com.au/contact)
- by phone: 1300 769 433
- by email: [service@openmarkets.com.au](mailto:service@openmarkets.com.au)

As a direct client of Openmarkets, you will receive a unique, secure login to access your account on our Openmarkets trading platform where you will be able to place orders and transact on the ASX, Chi-X and NSX markets.

You can also give us instructions via phone. 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. We do not accept email, SMS, post or fax orders.

## **9. Clients of intermediaries**

If you are a client of an intermediary that is operating under a wholesale agreement with us, such as a financial adviser or planner, then you will need to contact your intermediary to execute orders using our services (and not Openmarkets directly).

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

## **10. Linked cash management account**

To trade through Openmarkets, we may require that a linked cash management account (CMA) be established and linked to your trading account. This is for the purpose of settling transactions and fees on your trading account. When you open an account with us, you authorise us to establish this CMA in accordance with the application form and our Client Agreement.

You should refer to the CMA provider's Product Information Statement for detailed information regarding the CMA including on fees and interest rates.

## **11. Software services**

Openmarkets may arrange for you to use trading software products provided by third parties. If you choose to use a third-party trading system, you will incur a licence fee relating to your use of that system and the licence fee will be disclosed to you when you subscribe for the trading system. In arranging this software service for you, Openmarkets will incur the licence costs directly with the provider and pass them onto you. The licence fee charged to you may vary from the amount of the licence Openmarkets pays to the third-party provider of the software. You may request particulars any variance in these fees within a reasonable time after you are given this Financial Services Guide and before any financial service is provided to you.

## **12. What you should know about the risks of trading and investing**

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 gains, 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 a transaction. 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. This brief statement does not disclose all the risks and other significant aspects involved in trading or investing in financial markets. You should carefully consider whether share or derivative trading or investment suits your needs, taking into account your own specific circumstances.

When you trade in international securities these may be held by Openmarkets in an omnibus account. This means that securities which Openmarkets holds for you may be held in the same account as securities of other Openmarkets clients and not separately. If there is an irreconcilable shortfall following the default of Openmarkets or the international broker or custodian, you may share in that shortfall proportionately with others whose assets are held in the omnibus account.

## How we're remunerated

### 13. Fees payable for our service

See Appendix A in this FSG for details of fees that you will be charged for using our services.

### 14. Remuneration and other benefits we receive

Openmarkets is remunerated either directly by the fees we charge you or, if you are a client of an intermediary that is operating under a wholesale agreement with us, such as a financial adviser or planner, then we will charge fees to the intermediary and not to you.

We maintain a trust account for the purposes of holding funds that are used for share trading, and Openmarkets may retain interest that may be earned on this account.

### 15. Representatives' remuneration

Employees and directors of Openmarkets and their subsidiaries and related bodies receive salaries and may also receive bonuses and other benefits. They may also be entitled to a bonus or other employment benefits based upon performance and achievement of various objectives by both the employee and Openmarkets, however they do not directly receive any remuneration calculated by reference to the amount of fees or commissions received by us from you.

### 16. Referrals

We may receive from third party referrals of persons to us for the purpose of providing services. We may pay to the referring third party a commission of up to 50% of 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.

If a component of our remuneration or benefits are not expressly set out in this FSG, you may request particulars of the remuneration or benefits within a reasonable time after you are given this FSG and before any financial service identified in this guide is provided to you.

# Safeguards

## 17. Personal information

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 on our website. This policy details how we comply with the requirements of the Privacy Act regarding the handling of your personal information.

## 18. Professional indemnity insurance

We maintain professional indemnity insurance for compensation which satisfies the requirements of the Corporations Act. Openmarkets has insurance arrangements for compensating a retail client for loss or damage suffered because of breaches by Openmarkets (or by our representatives or employees) of obligations under Chapter 7 of the Corporations Act, including losses caused by negligence, fraud, dishonesty or other misconduct, or for an award of compensation made in favour of that client by our external dispute resolution service.

## 19. Dispute resolution process

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'd like to hear about it. Any complaint about your dealings with Openmarkets or associated products or services should be communicated to our Complaints Officer

- online: [openmarkets.com.au/contact](https://openmarkets.com.au/contact)
- by phone: 1300 769 433
- by email: [compliance@openmarkets.com.au](mailto:compliance@openmarkets.com.au)
- by mail: Openmarkets Client Services, Level 40, Grosvenor Place, 225 George Street, Sydney NSW 2000

If, after giving Openmarkets Complaints Officer the opportunity to resolve your complaint, you are not satisfied, you can lodge a complaint in writing to the Australian Financial Complaints Authority (AFCA)

- by phone: 1800 931 678
- online: [afca.org.au](https://afca.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.

## 20. Feedback

Our ethos is about being open and receptive to our clients' needs, concerns, suggestions and ideas. We welcome the 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

Openmarkets will charge the intermediary fees for executing and clearing transactions and for providing settlement and related services to clients. The fees that we charge the intermediary may be a fixed monthly fee, a fee per trade, a fee per service and/or other fees.

You may be charged the fees set out in the table below. If a fee or charge applies, Openmarkets may charge the fee or charge to the intermediary who may pass the fee or charge onto you. Openmarkets may facilitate the intermediary making this charge to you (for example, by debiting your linked cash management account on their behalf) but any fee or charge debited is made by the intermediary and not Openmarkets.

The intermediary will also charge you brokerage or commission and/or other fees agreed with you in respect of the services that it provides to you. Information concerning such brokerage, commission and fees, may be obtained from the intermediary.

All fees and charges are inclusive of GST unless otherwise stated.

## Other fees & charges

Openmarkets is committed to keeping fees to a minimum, however sometimes extra fees will apply for additional services as outlined below.

Fee type	Charge (including GST)	When is it payable?
Account opening for foreign residents	\$200 per account	Fee charged to open an account for foreign residents.
ASX Clear options exercise fee	Variable	For options contracts, ASX charges a registration fee, and if you exercise or are assigned on an equity option position, ASX charges an exercise fee.  We pass these costs onto you. These fees are set out on your trade confirmation or statement, and you may request from us particulars of the fee that apply at the time of a transaction.
ASX stock fail fee	\$100 per security (up to \$1m trade value); 0.1% of trade value thereafter.	Charged by the ASX when stock has failed to be delivered to the market.
ETC & OMEGO bookings	\$2 per booking	Specialised post-trade services pertaining to settlement to a custodian, where the custodian requires trade information via an ETC or OMEGO booking.
Foreign exchange fee	Variable	The international broker will charge a fee in entering foreign exchange contracts to facilitate settlement of an international securities transaction. We will receive a percentage of this fee. GST will not apply.  The fee may vary and will be included in the total foreign exchange fee set out on your trade confirmation. You may request details of the fee from us at the time you enter into the securities transaction, including the component of the fee received by us.
International telegraphic transfer	\$33 per transaction	When you request that we pay funds into an international bank account in your name.

Fee type	Charge (including GST)	When is it payable?
IPO settlement handling fee	\$100 per transaction	Fee charged for each settlement of an IPO transaction.
Manual Bookings	\$35 per booking	Any trade requests that require manual placement, such as Bulk uploads
Off-market transfer	\$27.50 per transfer	If you wish to transfer securities between other entities and your Openmarkets CHESS account. These fees will not apply to security transfers when establishing your trading account
One-off sale	\$200 per trade (up to \$15,000) or 1.5% of trade value	Charged when you request to sell an Issuer Sponsored listed security (and not a broker). Identified by a SRN which begins with "I"
Phone surcharge	\$75 per trade	When you make a phone request for us to place a trade on your behalf.
RTGS (Real Time Gross Settlement) payment	\$55 per transfer	Fee charged when an instantaneous funds transfer of money is made upon request.
Settlement fail	\$110 per day or 0.1% (whichever is greater)	If you do not settle a trade or supply holder information by the required time, fail fees will be charged to your account.
Statement fee	\$20 per statement	Fee to generate a Financial Year Trading Report upon request
Stock loan fee	\$250 per stock	For settlement purposes where you do not hold the stock to facilitate settlement.
SRN or HIN Query	\$27.50 per search	Upon request to look up the details of a sponsoring broker of a HIN or lookup a Securities Reference Number.
Trade rebooking	\$13.95 per transaction	When a trade needs to be re-booked to a different account.
Referral fee	Portion of brokerage paid	If you are referred to Openmarkets as a client under a referral arrangement with a referral partner of Openmarkets (or any related bodies corporate) ( <b>Referral Partner</b> ), a portion of the brokerage charged on each transaction will be paid to Openmarkets. The portion of the brokerage will be agreed between Openmarkets and the Referral Partner and disclosed to you.