

## WHAT IS PRO?

Under the Corporations Act 2001 (Cth), clients are categorised as either **Retail** or **Wholesale**. **Pro** is an IG client status that is available only to **Wholesale Clients**.

**Pro** offers different features, such as **Higher Leverage**, and **Volume-based Rebates**, which are not available to **Retail Clients**.

**Retail clients** are afforded additional protection compared to **Wholesale Clients**. By default, IG categorises all clients as **Retail** unless a client satisfies one of the several **Wholesale Client** tests set out in the Corporations Act 2001 (Cth).

## HOW DO I BECOME PRO?

**Pro** is only available to **Wholesale Clients**.

The Corporations Act 2001 (Cth) allows clients with sufficient Experience<sup>1</sup> or Wealth<sup>2</sup> to qualify as a **Wholesale Client**.

The following Pro offerings – **Pro Level 1** and **Pro Level 2** – are available to Wholesale Clients:

PRO LEVEL 1 (NEW)	PRO LEVEL 2
<p><b>REQUIREMENT 1: EXPERIENCE</b></p> <p>You have a minimum of 12 months leveraged trading experience during which you placed, on average, at least 15 trades per quarter in qualifying size<sup>3</sup> over 4 quarters.</p> <p><b>OR</b></p> <p>You have held a professional position in the financial services sector that required experience of derivatives trading for at least 12 months.</p> <p><b>REQUIREMENT 2: SAVINGS</b></p> <p>You have gross annual income of over A\$100,000 or Savings &amp; Investments of over A\$500,000.</p>	<p><b>REQUIREMENT 1: EXPERIENCE</b></p> <p>You have a minimum of 12 months leveraged trading experience during which you placed, on average, at least 15 trades per quarter within the last 5 years.</p> <p><b>OR</b></p> <p>You have held a professional position in the financial services sector that required experience of derivatives trading for at least 12 months.</p> <p><b>REQUIREMENT 2: WEALTH</b></p> <p>You have net assets of A\$2.5 million.</p> <p><b>OR</b></p> <p>Your gross income for each of the last two financial years was at least A\$250,000.</p>

<sup>1</sup>Clients that qualify as and agree to being treated as wholesale clients pursuant to section 761GA of the Corporations Act 2001.

<sup>2</sup>Clients that qualify as being treated as wholesale clients pursuant to section 761G(7) of the Corporations Act 2001.

<sup>3</sup>Opening and closing a position considered as 1 trade. A\$20,000 notional size for equities and/or A\$100,000 notional size for Indices, FX or Commodities. Trades must have been placed within the last 5 years.

## WHAT ARE THE FEATURES OF PRO?

### LEVERAGE

	MAX LEVERAGE		
Max Leverage by Asset Class	Retail	Pro Level 1*	Pro Level 2
Major forex pairs <sup>4</sup>	30:1	100:1	250:1
Major indices <sup>5</sup>	20:1	100:1	250:1
Minor forex pairs and gold <sup>4</sup>	20:1	100:1	250:1
Minor indices <sup>5</sup>	10:1	100:1	250:1
Commodities (excluding gold)	10:1	40:1	83:1
Shares or other underlying assets	5:1	10:1	25:1
Cryptos	2:1	4:1	12.5:1

\*Maximum leverage that applies unless you have been notified otherwise in writing

### ADDITIONAL FEATURES

The below table lists the full features accessible to **Pro** clients pre- and post-implementation of ASIC's product intervention measures:

	FEATURES		
Features	Retail	Pro Level 1*	Pro Level 2
Negative Balance Protection	Y	Y <sup>6</sup>	N
Volume Based Rebates (VBR)	N	Y	Y
Enhanced VBR	N	N	Y
Reduced margin when using stops	N	Y	Y
Access to Collateral	N	Y <sup>6</sup>	Y

\*Features that will apply to your account unless you have been notified otherwise in writing

### FEATURES EXPLAINED

- **Negative Balance Protection** – is a retail client protection in ASIC's product intervention measures, whereby a client's losses cannot exceed the funds on the client's account. Please note that this protection does not apply to Pro Level 1 clients who have enabled collateral, or to Pro Level 2 clients. Pro Level 1 clients with Collateral enabled and Pro Level 2 clients can lose more than the balance on their account.
- **Volume Based Rebates (VBR)** – when your trading volume reaches pre-defined tiers, you'll be eligible for a rebate. The size of the rebate is based on the volume of your trading activity.
- **Enhanced VBR** – as per VBR but with higher rebates.
- **Reduced margin when using stops** – attaching a stop to your open position can reduce the margin requirement.
- **Collateral** – you can use the value of the holdings in your IG Share Trading account, instead of cash, to cover margin requirements on your CFD account.<sup>6</sup>

<sup>4</sup>Major forex pairs are those that include any two of the following: AUD, USD, GBP, EUR, JPY, CAD, CHF. Minor forex pairs are all pairs not included as a major pair.

<sup>5</sup>Major indices include: ASX 200, CAC, DAX, DOW, EuroStoxx, FTSE 100, Nasdaq 100, Nikkei, S&P 500. Minor indices are all indices not included as a major.

<sup>6</sup>Negative balance protection is not available to clients that have linked their CFD and share trading accounts through IG's Collateral offering.

## HOW CAN I BE CATEGORISED AS A WHOLESALE CLIENT BASED ON MY WEALTH?

Section 761G(7) of the Corporations Act 2001 (Cth) allows a client to be categorised as a Wholesale Client if the client provides IG with a copy of a certificate from a Qualified Accountant<sup>7</sup> that states that the client:

- (i) Has net assets of at least A\$2.5 million; or
- (ii) Has a gross income for each of the last 2 financial years of at least A\$250,000 a year

The certificate is valid for two years from the date of issue.<sup>8</sup>

In addition, in order to be classified as a **Wholesale Client** based on your wealth, you cannot use IG's products or services in connection with a business.

## HOW CAN I BE CATEGORISED AS A WHOLESALE CLIENT BASED ON MY EXPERIENCE?

In 2007, a definition of '**Sophisticated Investor**' was introduced to Chapter 7 of the Corporations Act (section 761GA) in recognition of the fact that there are investors who have the necessary experience to access wholesale products and services, but not the wealth as required by the Wealth Test set out above.

Section 761GA allows a client to be categorised as a Wholesale Client if IG is satisfied on reasonable grounds that the client has previous experience in using financial services and investing in financial products that allows the client to assess:

- (i) The merits of the product or service; and
- (ii) The value of the product or service; and
- (iii) The risks associated with holding the product; and
- (iv) The client's own information needs; and
- (v) The adequacy of the information given by the licensee and the product issuer.

In addition, IG is required to provide the client with a written statement setting out the reasons IG considers that the client satisfied the above criteria, which the client must then acknowledge in writing.

In order to be classified as a **Wholesale Client** based on your experience, you cannot use IG's products in connection with a business.

## WHAT SHOULD YOU BE AWARE OF IF YOU ELECT TO BE CATEGORISED AS A WHOLESALE CLIENT?

As a **Wholesale Client** you will be giving up some of the protections that are afforded to Retail Clients. Such protections include:

- ASIC's product intervention measures for CFDs, significantly, the leverage restrictions.
- You will not receive a Product Disclosure Statement (PDS) or Financial Services Guide (FSG).
- Our external dispute resolution body, the Australian Financial Complaints Authority (AFCA), has discretion to exclude complaints from wholesale clients.
- The provisions relating to conflicted remuneration in the Corporations Act 2001 (Cth) that affect how AFS licensees and their representatives are paid and the benefits they receive, do not apply.

Where you are an individual or joint account holder, you have acknowledged that IG is not providing any financial products or services to you for use in connection with a business. Please remember that it is your responsibility to let us know if anything occurs that might affect your eligibility to be categorised as a **Wholesale Client**.

If you wish to be categorised as a retail client at any time, please contact our Helpdesk.

## WHAT WILL HAPPEN TO MY POSITIONS?

Upon being notified of your classification as a **Wholesale Client**, any open positions on your CFD account will be closed at the same level they were opened and a new wholesale position will be opened at that same level. There will be no charges or commissions as a result of these transactions and any stop or limit orders that you have will also get reinstated.

Where you have any open positions at the time we begin to treat you as a **Wholesale Client**, there may be tax implications in relation to those positions. We recommend that you consult an independent tax advisor in relation to your personal tax circumstances.

## HOW WILL MY CLIENT MONEY BE HANDLED WITH IG PRO?

Importantly, as a **Wholesale Client**, we will continue to fully segregate your money and assets in the same way as before in accordance with the client money provisions of the Corporations Act 2001 (Cth).

For **Pro Level 1** clients, your money will also be dealt with in accordance with the *ASIC Client Money Reporting Rules 2017*.

<sup>7</sup>"Qualified Accountant" is defined in s9 of the Corporations Act 2001 (Cth) and means a member of a professional body that is approved by ASIC in writing for the purposes of that definition.

<sup>8</sup>Reg 7.6.02AF