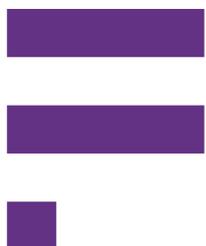


# Combined Financial Services Guide and Product Disclosure Statement



## **This Combined Financial Services Guide and Product Disclosure Statement is in two parts:**

- Part A contains our Financial Services Guide (“FSG”).
- Part B contains our Product Disclosure Statement (“PDS”)

Information relevant to both parts may be included expressly in one part and incorporated by reference in another.

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# Part A: Financial Services Guide

## I. About This Document

This FSG provides you with important information about FIRMA Foreign Exchange Corporation (FIRMA Foreign Exchange, we, us, our) to assist you in deciding whether to use any of the financial services we offer. It is an important document as it contains the following information:

- Who we are;
- How to contact us;
- Which services we are authorised by law to provide;
- The financial products relating to those services;
- Our complaints handling procedures;
- How we and related parties are paid.

The FSG is a document that describes the financial services we offer. If we recommend a product to you, we will usually provide you with a Product Disclosure Statement (PDS). It describes our products and sets out details including benefits, risks and costs.

If we give you personal advice and you are a retail client, we will give you a Statement of Advice (SOA). It describes our personal advice and sets out details including recommendations, relationships and costs.

## II. About FIRMA Foreign Exchange

FIRMA Foreign Exchange is a financial services company that specialises in providing foreign exchange solutions. Our clients are businesses and individuals who require foreign currency exchange to pay suppliers, acquire assets, pay ongoing operational costs and to fulfill many other business or personal needs.

FIRMA Foreign Exchange is a Canadian company incorporated in the Province of Alberta with limited liability. We are registered under the Australian Corporations Act 2001 as a Foreign Company.

Our Australian Registered Business Number (ARBN) is 113 919 869. We are authorised to operate a financial services business under licence by the Australian Securities and Investments Commission (ASIC). Our Australian Financial Services Licence number is 306 556.

## III. How to Contact Us

The corporate headquarters of FIRMA Foreign Exchange Corporation is located at:

Edmonton City Centre East  
Suite 400, 10205 – 101 Street  
Edmonton, Alberta, Canada  
T5J 4H5

If you want to contact our head office, you can call: 0011 1 (877) 376-4946.

To give us instructions or ask about our services, you should contact our Australian office by telephone, email, post, facsimile or in person. Our details are in section VII of Part A of this Combined FSG and PDS.

## IV. Financial Services We Provide

Our Australian Financial Services Licence authorises us to provide the following financial services:

### A. Providing Financial Product Advice

FIRMA Foreign Exchange is authorised to provide financial product advice regarding foreign exchange contracts. Unless otherwise stated, FIRMA Foreign Exchange will provide general advice to you about currency exchange rates and the currency markets. General advice does not take into account any of your objectives, financial situation or needs. This means that you need to consider the appropriateness of any such advice, in light of your objectives, financial situation and needs, before acting on it. You should also read and consider our PDS before making any decision. The PDS for the products that we offer is contained in Part B of this Combined FSG and PDS.

We are also licensed to provide personal advice where we make recommendations or provide opinions taking your personal circumstances into consideration. When we provide personal advice, you will receive a Statement of Advice (SOA). If you are given additional advice after the initial SOA, you may contact us and request a record of this further advice (if you haven't already been provided with this record), within 7 years of the day after the advice is provided.

### B. Deal In A Financial Product

We can issue, apply for, acquire, vary or dispose of a financial product. The financial products in which we deal are described in Section V.

### C. Make A Market For A Financial Product

We make a market by quoting exchange rates, which you will be bound to if you choose to enter into a foreign exchange contract with FIRMA Foreign Exchange.

# Part A: Financial Services Guide

(continued)

## V. Financial Products

FIRMA Foreign Exchange provides foreign exchange solutions for retail and wholesale customers. We provide foreign exchange contracts based on the currency market conditions at any given time for immediate settlement. These are also known as Spot Orders.

We provide foreign exchange contracts based on currency market conditions for settlement in the future. These are known as Forward Contracts. Forward Contracts may be subject to a deposit requirement as deemed necessary from time to time. You will be notified of any deposit requirement in advance of entering into any forward contract with us.

We also accept foreign exchange instructions in advance from our clients to book a Spot Order if and when a currency reaches a specific rate. These instructions rely on the volatility of the currency markets for fulfillment. We call these Market Order contracts. FIRMA Foreign Exchange is also authorised to advise and deal in non-cash payment products which include electronic wire transfers to and from clients and their business partners.

FIRMA Foreign Exchange acts solely on its own behalf when providing financial products and services to our clients.

## VI. How We and Related Parties Are Paid

We generate revenue by way of margin. The margin is the difference between the wholesale exchange rate that we are able to obtain and the exchange rate we are able to offer to you. The margin that is charged is determined by the frequency of trading, availability of the currency you are buying or selling, market volatility, the value of the transaction, and prevailing interest rates. The margin may generally range from 0.025% to 4.0% above the wholesale rate.

The wholesale exchange rates and therefore the rates we are able to offer you are constantly in a state of fluctuation. Currencies of the world are traded on the open market all over the world at any given time of day or night. Hence they are subject to a variety of global economic factors including the economic law of supply and demand.

There is usually a \$15 AUD fee for each wire or electronic funds transfer we execute on your behalf. Your representative will inform you of the total amount that you must transfer to us, inclusive of any wire/transfer fee, at the time of execution of the exchange contract.

If at any time you choose to cancel or alter a foreign exchange contract with us, you will have to pay any costs and/or exchange rate losses that are incurred by FIRMA Foreign Exchange. The same is true for any contract that is cancelled due to non payment or late payment. For more information on cancellations/alterations, please see section XIII of Part B of this Combined FSG and PDS, and section VIII of Part B for information on late payments.

Our representatives are paid a salary plus a commission based on the revenue generated by your transaction. The size of the commission will depend on the volume or margin of transactions conducted by the representative, plus general team and company performance.

Shareholders of FIRMA Foreign Exchange may receive company dividends, which are calculated according to general company performance, which is impacted by the volume and profitability of foreign exchange trades.

We may pay a referral commission to companies that refer business to us. If a commission is payable, it will be calculated according to the volume or margin of the transaction(s).

You may request particulars of our remuneration within a reasonable time after this FSG is given to you, and before any financial service described in this FSG is provided to you.

If we provide you with personal advice, and if any remuneration amounts are calculable at the time the personal advice is given, we will tell you the amount that the relevant person receives at the time the advice is given or shortly afterwards. If the amounts are not calculable at the time the personal advice is given, we will tell you the way that it is calculated at the time the advice is given or shortly afterwards.

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, unless we agree with you to do so in advance.
- You understand, consent to, authorise and direct us to charge you in this way.

# Part A: Financial Services Guide

(continued)

## VII. Conflict Resolution

In the event FIRMA Foreign Exchange has not provided you with satisfactory service, you may refer to the following Conflict Resolution Process:

Contact your FIRMA Foreign Exchange representative using the details below to discuss your complaint.

By phone: 61 (2) 9151 4812

Fax: 61 (2) 9151 4822

EFax: 61 (2) 8088 6066

Email: [australiainfo@firmax.com](mailto:australiainfo@firmax.com)

In writing:

Level 19, 60 Margaret St  
Sydney, NSW 2000

If your complaint is not satisfactorily resolved within 6 weeks, please contact by email or in writing:

FIRMA Foreign Exchange

Compliance Department

Level 19, 60 Margaret St

Sydney, NSW, 2000

Email: [customerfeedback@firmax.com](mailto:customerfeedback@firmax.com)

We will try and resolve your complaint quickly, fairly and within prescribed time frames.

If the complaint cannot be resolved to your satisfaction you have the right to refer the matter to the Australian Financial Complaints Authority (AFCA), an external complaints service, of which FIRMA Foreign Exchange is a member.

You can contact the AFCA::

By phone: 1 800 931 678 (free call) 9AM to 5PM AEST weekdays

By fax: (03) 9613 6399

Interpreter Service: 131 450

In writing:

Australian Financial Complaints Authority Ltd.

GPO Box 3

Melbourne, Victoria 3001

Through their website: [www.afca.org.au](http://www.afca.org.au)

The Australian Securities and Investments Commission (ASIC) also has an Infoline phone (+1 300 300 630) which you may call to obtain information about your rights.

FIRMA Foreign Exchange has professional indemnity insurance in place to cover us for the financial services we provide. We believe it is adequate to meet our requirements under section 912B of the Corporations Act 2001. The policy includes coverage for claims in relation to the conduct of representatives/employees who no longer work for us (but who did at the time of the relevant conduct).



# Part B: Product Disclosure Statement

## I. Introduction

This PDS provides information about the products we can offer you. It is designed to:

- Provide you with the information you need to determine whether the products we offer are appropriate for your needs;
- Explain the terms and conditions, rights and obligations associated with our products; and
- Help you to compare products.

Should you have any queries about our products or this document, please do not hesitate to contact us. You can also look at our website for more information. Our Australian contact details are on the back of this PDS.

## II. Who We Are

FIRMA Foreign Exchange Corporation (FIRMA Foreign Exchange, us, we, our) ARBN 113 919 869 is the issuer of the products described in this PDS.

More information about us, our contact details and the financial services we provide are set out in sections II, III and IV of Part A of this Combined FSG and PDS.

## III. Foreign Exchange Contracts

A foreign exchange contract is an enforceable agreement between two willing parties to exchange currency at an agreed-upon price. The agreed-upon price is known as the exchange rate.

Foreign exchange contracts help you transfer one currency into another currency. They are also a traditional risk-management tool used to obtain protection against adverse exchange rate movements. They involve an agreement between you and us to exchange one currency for another on a predetermined date.

There are many reasons for a party to enter into a foreign exchange contract. As an importing business, you may be required to pay for your imported goods in the currency of the country where your trading partner resides. You may be purchasing property in another country. As a manufacturer, you may be shipping your goods to a foreign country and receiving payment in the currency of that other country. In these example cases, a foreign exchange contract is the financial product you would need.

FIRMA Foreign Exchange offers three types of foreign exchange contracts:

### A. Spot Orders

This is a foreign exchange contract for buying and selling currency where the exchange rate is determined by the market conditions at a precise moment in time or “on the spot.” The settlement date, or the date on which you need to pay FIRMA, is between 1 and 2 days after the date of entering the contract.

### B. Forward Contracts

This contract is similar to a Spot Order, except that a Forward Contract allows you to buy or sell one currency against another for settlement at a predetermined time up to one year in the future.

### C. Market Orders

This is a foreign exchange contract that instructs us to buy or sell a currency if and when that currency reaches a set price. This contract relies on the volatility of the currency markets for fulfillment.

There are no cost differences between the three types of foreign exchange contracts we offer. The specific contract that will be best for you will depend on your foreign exchange needs. For further information on how we are paid, please see section VI of Part A of this Combined FSG and PDS.

Our foreign exchange contracts are not meant for use in market speculation, or investment purposes. While there is an inherent general risk in foreign currency exchange, using the foreign exchange market for investment or money making has a significantly higher risk than the use of our financial products for a business purpose (for example, paying invoices). For further information on the general risks of currency trading, please refer to section VII of Part B of this Combined FSG and PDS.

# Part B: Product Disclosure Statement

(continued)

## IV. Spot Orders

Spot Orders are a basic tool for exchanging currencies.

### A. How Do The Spot Orders Work?

To exchange currencies at the current foreign exchange rate, you inform us of the following information:

- The amount of money you wish to exchange;
- The two currencies involved;
- Which currency you would like to buy or sell; and
- The date and method by which your currency will arrive in the FIRMA Foreign Exchange bank account.

Your representative will then check the market conditions at that moment and provide you with a quoted exchange rate. This “on the spot” exchange rate is extremely time sensitive and is only open for acceptance for a matter of seconds. Should you agree to conduct a trade at the quoted spot exchange rate your representative will conclude the trade on your behalf and the contract between you and FIRMA Foreign Exchange is completed based in your verbal instructions.

We will then send you a Confirmation of Wire Transfer by email, or facsimile. You send the agreed amount to our nominated bank account on the agreed date. On receipt of your funds, we will confirm that the funds are secure and that we understand their origin. We will then make the currency conversion at the agreed foreign exchange rate that was based on the prevailing spot exchange rate at the time of your acceptance. We then arrange for your bought currency to be sent to a nominated bank account, which may be another of your bank accounts, or a nominated beneficiary bank account.

Spot trades not paid within 3 days after booking are subject to cancellation and you will be liable for all resulting losses. Losses are calculated based on the current market pricing at the time the funds you requested to purchase are sold back to market.

**Example:** You would like to purchase \$100,000.00 United States Dollars (USD) in exchange for an amount of your own Australian Dollars (AUD). Your FIRMA Foreign Exchange representative advises that the current rate of exchange, inclusive of our margin, is 1.1700. This means that every \$1.00 USD costs \$1.1700 AUD. Therefore, to purchase \$100,000.00 USD you would require \$117,000.00 AUD payable to FIRMA Foreign Exchange. If you find this acceptable, you would instruct your representative to buy it for you now at that rate. You instruct your representative that you would like these funds to be paid to your US beneficiary and supply the Confirmation of Wire Transfer. As you are sending one wire, you are notified that a \$15 wire fee is required. You would then send FIRMA Foreign Exchange \$117,015.00 AUD. Your representative will confirm your instructions and make the payment to the designated account, at which time your contract will conclude.

### B. The Significant Benefits Relating To Using Spot Orders Are:

Spot Orders are a simple and efficient way to make a foreign currency payment (for example, to repatriate overseas earnings).

### C. The Significant, Specific Risks Related To Using Spot Orders Are:

The spot exchange rate can be volatile, even over a short period of time such as one trading day. Therefore, you may fix the rate with a Spot Order at 9 a.m., for example, then the market moves further in your favor at 10 a.m. It is possible that because you fixed the rate at 9 a.m. you may miss an opportunity to save more money by not fixing the rate at 10 a.m., when the exchange rate is more advantageous to you.

## V. Forward Contracts

Forward Contracts allow you to buy or sell one currency against another for settlement between three working days and one year in the future. Forward Contracts are generally used by companies or individuals who would like to fix the exchange rate for a future date in order to manage their foreign exchange exposure and manage future cash flows.

**Example:** You are a mail order retailer that creates an expensive catalog every year for distribution to thousands of customers. The catalog includes pricing. Some of the goods sold by catalog are imported from the United States and, therefore, are purchased in US dollars. The catalog goes to print in October. You need to establish the selling price of these goods for inclusion in the catalog, but are not actually paying for those goods until December. By fixing the exchange rate, you are fixing the cost of those goods prior to printing the catalog; you thereby remove the risk that the market conditions worsen when their payment is due and can ensure that your profit margin is secure. A Forward Contract would be a useful product for you in this situation.

### A. How Do Forward Contracts Work?

All Forward Contracts are subject to a deposit requirement. The deposit can be between 0% and 10% of the contract value. We are pleased to offer all of our clients Forward Contracts with a 5% deposit without the need for further documentation. Should you desire a reduced deposit, we will consider each client on a case-by-case basis. Several factors will be considered, including your credit rating and your history with us. All deposits are subject to credit limits imposed by us and may be increased or denied if the market conditions warrant. We reserve the right to require an increased deposit if the deposit on hand is insufficient security against volatile market activity.

To conduct a Forward Contract, you inform us of the following factors:

- Amount of money you wish to exchange;
- The two currencies involved;
- Which currency you would like to buy or sell;
- The anticipated date(s) that you would need to use the exchanged currency; and,
- The general open and close dates that you would like for the contract.

We will then quote you a forward rate and tell you what deposit you will need to send us to enter into this Forward Contract. Should you agree to conduct a trade at the quoted exchange rate, your representative will conclude the trade on your behalf and send you the Forward Contract by email or facsimile for you to sign and return to us. All Forward Contracts must be signed and returned to FIRMA Foreign Exchange by the end of the business day that the rate was booked or be subject to cancellation with losses paid by you.

You will then send the agreed deposit amount so it reaches our nominated bank account within three days of the booking date or the contract is subject to cancellation with losses paid to FIRMA. On the final forward contract close date or on a partial draw date prior to the close date, you send the amount owing to us into our nominated bank account. On receipt of your funds, we make the currency conversion at the agreed foreign exchange rate (based on the prevailing “forward exchange rate” at the time that the transaction was originally entered into). We then arrange for the bought currency to be sent on the pre-agreed date of the contract to a nominated bank account which may be another of your bank accounts, or a nominated beneficiary bank account. This nominated bank account will be confirmed with you via Confirmation of Wire Transfer prior to the funds being sent out, to

# Part B: Product Disclosure Statement

(continued)

ensure that they are sent to the correct destination account.

**Example:** You contact your FIRMA Foreign Exchange representative and advise the representative that you need to secure \$200,000USD for the purchase of goods in exchange for AUD; however you do not need these funds for another 6 months. Your FIRMA Foreign Exchange representative advises that the current rate of exchange on a Forward Contract due in 6 months, inclusive of our margin, is 1.1700. Therefore, you would need to pay \$234,000AUD on or before the forward contract close date 6 months from now to complete this contract. Your representative also advises that to secure the Forward Contract, you would need to make an initial deposit of \$23,400AUD. If you find this acceptable, you would instruct your representative to conclude the trade on your behalf. At this point, if FIRMA has confirmed the booking then the contract has started. FIRMA will then send you a Forward Contract as confirmation and this contract will have to be signed and returned the same business day. If it is not, the Forward Contract is subject to cancellation and any losses will be your responsibility.

You will then send \$23,400AUD to our nominated bank account as instructed by your representative. On the predetermined date of the contract, 6 months from the initiation of the contract, you send FIRMA Foreign Exchange the remaining \$210,600AUD and a Confirmation of Wire Transfer. We arrange to have \$200,000USD sent to your nominated bank account as per your Confirmation of Wire Transfer. If the payment to your nominated bank account is by wire, we may require an additional \$15 wire payment fee to cover this transaction.

## B. The Significant Benefits Related To Using Forward Contracts Are:

- Forward Contracts are a simple way of managing future currency exchange risk and negating any unfavourable movements in exchange rates.
- You can fix an exchange rate now for delivery of currency in the future. This means that you know what you will have to pay in the future so you will be better able to manage your cash flows and costs.
- It is possible to draw down on a Forward Contract. Drawing down on a contract means that you may use all or part of the agreed upon forward contract amount prior to the end date of the contract within an agreed period of time.

## C. The Significant, Specific Risks Related To Using Forward Contracts Are:

- The Forward Contract fixes a rate and a final delivery date. This means it does not allow you to take advantage of a favourable movement in the exchange rate.
- If you use the Forward Contract to cover an obligation that ceases to exist, or changes, prior to the delivery then the contract may need to be closed out. If the contract is closed out, you may incur a loss as you would be liable for any loss to FIRMA due to the cancellation or closure of this contract.
- You will not be able to extend the close date of any Forward Contract that you have agreed upon. If you are unable to deliver on the details of the Forward Contract by the close date, the contract will be cancelled and you will be liable for any losses incurred by FIRMA due to the cancellation. Any gains will be held by FIRMA unless you are able to deliver funds as set out in the terms of the Forward Contract.
- Only a relatively small deposit (usually around 10%) of the total transaction is required to enter into a Forward Contract. This means that the contract is leveraged. A leveraged contract is susceptible to movements in the market that could lead to large losses or gains. This means there could be a significant impact on the funds you have deposited and you may be required, on short notice, to provide additional funds to cover deposit payments and your position. These additional funds are called margin calls. FIRMA Foreign Exchange may, in its sole discretion, require payment of a Margin Call from you at any time during the term of a Forward Contract prior to its maturity. Any Margin Call required by us will need to be paid by wire or bank transfer within three business days at the request for one. Failure to do so will constitute a default of the terms of a Forward Contract and you will be liable for any costs associated with the closure of your contract.

This may include the enforced liquidation of your exchange position as well as additional losses which can include your initial deposit and previous margin payments. These losses are calculated based on the currency market pricing at the time the funds you requested to purchase are sold back to the market. Example: You have negotiated a Forward Contract to exchange \$50,000AUD to USD at a rate of 1.1700 and have paid a 10% deposit of \$5,000AUD.

Due to a significant surge in the price of the US Dollar, we require an additional \$2,500AUD to cover your deposit payment, we have contacted you and advised you of a need for additional funds. Unfortunately you are unable to make this payment. We then cancel the Forward Contract and calculate that we have lost \$4000 due to the cancellation based on the current market position of the USD. We will then return to you the \$1000 left over from your original deposit.

## VI. Market Orders

Market Orders allow you to establish the rate of exchange at which you would like to conduct a currency trade.

### A. How Do Market Orders Work?

To place a Market Order, you provide us with written instructions on a form that we will provide you. These instructions authorise us to conduct a foreign currency trade on your behalf when and if your specified market conditions exist. You will be contacted by your representative when the order is fulfilled or expires.

**Example:** Your FIRMA Foreign Exchange representative has informed you recently that the current spot rate to purchase USD is 1.1700. You would much rather buy the USD at the lower exchange rate of 1.1650. You are prepared to make the purchase, but plan on being very busy in meetings over the next two days. You provide a Market Order to your representative to purchase \$100,000USD at 1.1650 inclusive of our margin, with the Market Order to expire two days from now at 12:00 p.m. The next day at 9:07 a.m., the market improves to 1.1650 and the USD is purchased on your behalf and your Market Order has been fulfilled.

Your FIRMA Foreign Exchange Representative will then notify you that a Spot Order has been booked on your behalf and give you instructions on the payment of \$116,500AUD for the purchase of the \$100,000USD. You will send the payment to our nominated bank account and provide us with a Confirmation of Wire Transfer to advise us on where you want the USD sent. We arrange to have the \$100,000USD sent to your nominated bank account. If this is done by wire, we may require an additional \$15 wire transfer fee.

### B. The Significant Benefits Related To Using Market Orders:

- Ability to forecast movements in exchange rates.
- You can establish specific market conditions that determine when or if a trade will be made.

### C. The Significant, Specific Risks Related To Using Market Orders:

- In the event that we fail to fill a Market Order for any reason whatsoever, FIRMA Foreign Exchange will not be liable to you for any loss or damages whatsoever as a result of our failure to complete the Market Order.
- If we complete the transaction in accordance with the Market Order, you need to initiate payment of the cost of the Market Order immediately. In the event that you fail to complete the transaction in accordance with the terms of the Market Order, and in the event that FIRMA Foreign Exchange suffers any loss, you will be liable for all of FIRMA Foreign Exchange's losses as a result of your failure to complete or otherwise honour the terms of the Market Order. These losses are calculated based on the currency market pricing at the time the funds you requested to purchase are sold back to the market.

# Part B: Product Disclosure Statement

(continued)

## VII. Significant General Risks of Currency Trading

### A. Market Risks

The nature of the currency market is an inherent risk in all foreign exchange transactions. Because the market is subject to numerous economic, social, political, and spontaneous variables, the value of any currency can be volatile. An exchange rate between two currencies is very likely to be different within seconds of obtaining a market quote. Therefore, the risk always exists that the purchase price of a foreign exchange contract will be different within seconds after a quote has been provided. The same \$100,000.00 USD may be available to another purchaser for a less expensive rate than you were able to buy it thirty seconds earlier. A decision you make to not conduct a trade in anticipation of improved market conditions the next day could result in a lost opportunity to purchase at today's rate if the rates do not improve tomorrow. Market risks may also affect a deposit or margin call used as leverage on a Forward Contract, for further explanation of this, please refer to section V of Part B of this Combined FSG and PDS.

### B. Government Risks

There is a risk that your money may be delayed or lost due to an event or incident of a sovereign, strategic, political, or governmental nature in any of the countries in which we operate. In such an event, we would attempt to recover your money, however we do not guarantee the security of your funds in this situation.

### C. Force Majeure

There is also a risk that your money may be delayed or lost due to unforeseen circumstances. We will not provide a refund due to "force majeure," as defined in the case law of Australia. This includes catastrophic disasters, terrorist attacks, and other events beyond our control that affect our services.

### D. Counterparty Risks

Because you are dealing with us as a counterparty to every transaction, you will have an exposure to us in that you rely on our ability to meet our obligations to you under the terms of each transaction. This risk is sometimes described as a "counterparty risk" or "credit risk." If our business becomes insolvent, we may be unable to meet our obligations to you. You can assess our financial ability to meet our counterparty obligations to you by reviewing financial information about our company. You can obtain a copy of our financial statements by contacting us using the contact details in section VII of Part A of this Combined FSG and PDS.

### E. Operational Risks

As a financial company, FIRMA is obligated to screen its clients and transactions for risks of money laundering, terrorist financing and fraud. There is a risk that your transaction may be delayed or cancelled due to internal FIRMA processes, people, or systems in place for these screening purposes. Our banking partners also adhere to similar processes which may also delay or cancel your transaction without notice. If your transaction is delayed or cancelled, we will do our best to inform you where legally possible and advise you accordingly.

For specific information on risk relating to our products, please see the subsections on specific risk in sections IV, V and VI of Part B of this Combined FSG and PDS.

### F. Fraud Risks

Fraud, including identity theft and hacking, has an increased presence in today's financial transactions. Fraudsters have been known to trick individuals and entities into sending payments into the fraudsters account. Hackers have become increasingly adept at gaining access to personal information. By conducting international transactions, there is a risk that you or your transactions may be targeted by illicit individuals wanting to profit from either your personal information, or from redirecting your funds to themselves.

When you communicate with us through electronic means, there is a risk that persons with your account information, obtained fraudulently or otherwise, may access your account and provide us with unauthorised instructions. If this occurs, we will strive to help you out in any way we can, however we are not liable for any loss you may ultimately incur. It is important that you stay up to date with best practices for protecting passwords and electronic accounts.

## VIII. Settlement

### A. Spot Orders

All Spot Orders must be settled, that is paid for, within two business days of the transaction date. Payments for trades must be made by wire or electronic funds transfer from your bank directly to ours. Your FIRMA Foreign Exchange representative will provide you with specific banking instructions to help you facilitate the transfer to our account.

### B. Market Orders

When we have completed a Market Order for you, the foreign exchange transaction must be paid for within two days from the date that we complete the order. We will contact you immediately after the transaction has been completed to notify you of your transaction and payment timeframe. Market Orders are to be paid in by the same methods as given for Spot Orders.

### C. Forward Contracts

Deposits on Forward Contracts must be paid within two days of the date the contract is agreed upon. The remaining funds must be paid on or before the completion date of the Forward Contract as specified in your contract details. Forward Contracts are to be paid in by the same methods as given for Spot Orders.

### D. Late Payments

Late payments will result in the cancellation of the foreign exchange contract provided by us to you. At this point you will be liable for any costs and/or exchange rate losses incurred by us from the cancellation of your contract. The factors that contribute to the amount of these costs are based on the current market pricing at the time the funds you requested to purchase are sold back to the market.

### E. Corresponding Funds Transfers

Prior to transmitting fund transfers on your behalf, you will be provided with a Confirmation of Wire Transfer. This document sets out the details of the transaction and the name and banking information of the beneficiary you intend to pay. The Confirmation of Wire Transfer will be sent to you via email, or facsimile. It requires your signature and must be returned to us.

Once we have confirmed receipt of your funds as secure, have identified the originator of the funds and have received your signed Confirmation of Wire Transfer, we will initiate our funds transfer as per your instructions. Please note that delays in supplying us with the signed Confirmation of Wire Transfer will result in transmission delays. We are not able to send a funds transfer until we have a corresponding confirmation for each scheduled transfer.

You may choose to have your funds transferred to your own bank account directly or to any one or several nominated beneficiary accounts. For each payment, we must have accurate banking information on file. There is no cooling off period associated with currency exchange contracts. When you enter into a contract with us either verbally or in writing, you are immediately bound to the terms of that contract. You are bound to the contract despite the fact that settlement may not actually occur until a later date.

## IX. How We Are Paid

Information concerning how we and our related parties are paid is contained in section VI of Part A of this Combined FSG and PDS.

# Part B: Product Disclosure Statement

(continued)

## X. Terms And Conditions

Our terms and conditions are provided to you at the beginning of the registration process and must be read and signed before a foreign exchange transaction is entered into.

In addition to the terms set out in this PDS, when you use our services you will be bound to our terms and conditions as amended from time to time.

We are not liable for any loss that arises from incorrect identification information being provided by you.

You will be required to indemnify us for any loss that occurs as a result of FIRMA Foreign Exchange:

- Acting in good faith on your verbal or written instructions; or
- Having to cancel a transaction.

You agree to pay any charges incurred by us as a result of FIRMA Foreign Exchange acting on your verbal or written instructions.

You must provide all information to us that we reasonably require of you to comply with any law in Australia or any other country. In particular, you must provide adequate identification before you can use our products or services.

We are not obliged to act on a request to use our services. If we do agree to provide a service then we may delay, block, or refuse to enter, adjust, or complete a transaction if we believe on reasonable grounds that:

- You are in default of the terms and conditions;
- You are insolvent; or
- Making a payment may breach any law in Australia or any other country;

and we will incur no liability if we do so.

We may disclose any information that you provide to the relevant authority where required by any law in Australia or any other country.

Unless you have disclosed to us that you are acting in trustee capacity or on behalf of another party, you warrant that you are acting on your own behalf when purchasing this product from us.

When you use our services, you are promising that you will not breach any law in Australia or any other country.

When providing instructions by telephone, you will need to provide us with adequate identification information.

## XI. Regulatory Notices

We may choose to provide you with general advice. For example, this PDS may include some general advice. That means that, unless stated otherwise, we do not take into account your financial objectives, financial situation, or needs, and you will need to decide yourself whether the product is appropriate for you. You should read this document in detail to help you form that decision. In the event that we do provide you with personal advice that does take into account your objectives, financial situation and needs, then you will receive a separate Statement of Advice (SOA).

Information in this PDS that is not materially adverse to users of our products is subject to change and may be updated via our company website ([firmafx.com](http://firmafx.com)). You can access that information by visiting the website, or telephoning us and asking for an electronic or paper copy. You can also access the website which may contain, from time to time, other information about our products.

## XII. How We Handle Payments

We will notify you of a number of nominated bank accounts where you should transfer your money. Those accounts are owned by FIRMA Foreign Exchange. Any money that we receive on your behalf is a payment towards a foreign exchange contract. Upon receipt of that money, we have a corresponding obligation to pay money in a currency specified by you, to your nominated beneficiary, subject to the Terms and Conditions that you have entered into with us.

The Terms and Conditions form part of this PDS, and you can request a copy of them by telephoning us and asking for an electronic or paper copy at no cost to you. They include important information about how client money is handled. If we receive or otherwise hold money that is not designated to a foreign exchange contract, we will place it into a client money account. The advantages of a client money account is that the money is held on trust for you, and you may gain a priority over unsecured creditors, in the event that we suffer financial difficulty. The disadvantage is that you are not entitled to any interest on funds held in our client money accounts. See the Terms and Conditions for more information.

We have established relationships with many major banks worldwide. The banks are part of the SWIFT Network which allows banks to communicate electronically for the international transfer of funds. FIRMA Foreign Exchange uses the facilities of our own banks to initiate funds transfers. Our systems will report and confirm that our instructions have been received by our bank. Once the transfer has been initiated, we are no longer in control of the funds. The funds must now be received by your beneficiary's bank and credited to the proper account.

This process is normally concluded within 24 to 48 business hours.

Electronic funds transfers are efficient and safe. Sometimes a delay can occur if the receiving bank is in a remote area or poorly staffed. Errors and delay will occur if the banking information you provide us is inaccurate. It is your responsibility to carefully review the Confirmation of Wire Transfer that we will provide to you, to ensure that the data we have on file matches the data of the nominated beneficiary account that you have provided us.

## XIII. Stopping or Cancelling a Payment

Should you request us to cancel or alter any exchange contract you have entered into with FIRMA Foreign Exchange, it will be at our discretion whether to accept such a request. If, at your request, we cancel or alter your contract, then you will have to pay any costs and/or exchange rate losses that are incurred by us.

The factors that contribute to the amount of these costs are based on the currency market pricing at the time the funds you requested to purchase are sold back to the market.

Once a funds transfer has been sent, it is extremely difficult to cancel it. An attempt to recall the funds transfer can be made but will be subject to further fees charged by the banks involved. Those charges will be passed onto you and are out of our control. If you believe you have instructed us to send a funds transfer in error, notify us immediately. It is much easier to halt a transfer in transit than one that has already been received by the beneficiary bank.

# Part B: Product Disclosure Statement

(continued)

## XIV. Tax Implications

Using foreign exchange contracts can create tax implications. Generally, if you make a gain attributable to a foreign currency exchange rate fluctuation, then that part of the gain is included in your assessable income. Conversely, if you make a loss attributable to a foreign currency exchange rate fluctuation, then that part of the loss is deducted from your assessable income.

However, the taxation laws are complex and vary depending on your personal circumstances and the purpose of your currency trading. Accordingly, you should discuss any taxation questions you may have with your tax adviser before using our products or services.

## XV. What Are Our Different Roles?

FIRMA Foreign Exchange is the product issuer. This means that we provide the facility you use to transfer money and do not act on behalf of anyone else.

FIRMA Foreign Exchange is also the service provider. Our representatives can give you general or personal advice and help you use the money transfer service. This role is undertaken on behalf of the product issuer.

## XVI. What Should You Do if You Have a Complaint?

Our complaint handling procedures are set out in section VII of Part A of this Combined FSG and PDS.

## XVII. Glossary

### **AUD**

Australian dollars.

### **Confirmation Of Wire Transfer**

This is the confirmation by us (which may be by letter, email, or facsimile) that we have accepted your transaction request.

### **Foreign Exchange Rate**

This is the price at which one currency can be bought or sold in exchange for another contract.

### **Forward Contract**

Has the meaning given in section V of Part A of this Combined FSG and PDS.

### **FSG**

Financial Services Guide.

### **Market Order**

Has the meaning given in section V of Part A of this Combined FSG and PDS.

### **PDS**

Product Disclosure Statement.

### **Representative**

Includes a director or employee of FIRMA Foreign Exchange, and a director or employee of any company related to FIRMA Foreign Exchange.

### **SOA**

Statement of Advice.

### **Spot Order**

Has the meaning given in section V of Part A of this Combined FSG and PDS.

### **USD**

United States dollars.





FIRMA Foreign Exchange Corporation Ltd  
Combined Financial Services Guide and Product Disclosure Statement  
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