



Financial Services Guide

Issuer: EncoreFX (Australia) Pty Ltd
ABN 42 607 244 879 AFSL 479 870

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1. PURPOSE AND CONTENT

This Financial Service Guide (**FSG**) is prepared by EncoreFX (Australia) Pty Limited (**EncoreFX, us, our, we**). It is designed to help you decide whether to use the financial services and products that EncoreFX is authorised to offer under its Australian Financial Services Licence (**AFSL**).

This FSG is an important document and contains important information, including:

- how we and our associates are remunerated;
- how complaints against us are dealt with;
- who we are and our contact details; and
- the financial products and services we are authorised to offer you.

Before we issue any particular financial products to you, we will provide you with a Product Disclosure Statement (**PDS**). The PDS contains information about the product to assist you in making an informed decision about that product. It will outline relevant terms, significant risks, and fees and charges associated with the product.

If we provide you with any personal advice, we will provide you with a written Statement of Advice (**SOA**). The SOA contains our advice and the reasons for it, as well as other relevant information, to assist you in making an informed decision about the various products and strategies that are relevant to you. Any personal advice we give you will not take into account all of your circumstances: for example, it will never cover issues such as taxation. We encourage you to obtain independent financial advice in relation to those issues.

If we provide you with general advice, then it will not take into account your needs, financial situation or objectives, and you should consider your circumstances before choosing to act on the advice.

2. WHO WE ARE AND OUR CONTACT DETAILS

EncoreFX provides solutions for companies or individuals that need to pay for foreign invoices or to exchange foreign receivables. We work with individuals and companies of all sizes to create solutions that assist their international payment and foreign exchange process challenges, whilst managing risk and costs.

EncoreFX (Australia) Pty Ltd is a wholly owned subsidiary of EncoreFX Inc. EncoreFX Inc is a company registered in Canada.

You can contact us at:

Address: Level 17, 1 Castlereagh Street, Sydney, NSW, 2000

Phone: 1800 874 942

Principal Contact: Compliance Officer

Email: complianceau@encorefx.com

Website: www.encorefx.com.au

3. THE FINANCIAL SERVICES AND PRODUCTS WE ARE AUTHORISED TO PROVIDE TO YOU

EncoreFX holds an AFSL which authorises it to provide the following services to both wholesale and retail clients:

- 1 Provide financial product advice in respect of and deal in non-cash payment products;
- 2 Provide financial product advice in respect of, deal in and make a market for the following classes of financial products:
 - A. derivatives restricted to derivatives utilised for the management of financial risk (hedging) which only have the purposes of management or mitigation of the financial consequences of particular circumstances happening or avoiding or limiting the financial consequences of fluctuations, in or in the value of, receipts or costs (including prices and interest rates);

- B. foreign exchange contracts restricted to the buying and selling of currency or exchange of currency entered into or associated with the completion of making a payment arising from a transaction involving real or personal property (excluding personal property that is a derivative related to a currency or a foreign currency contract) or utilised for the management of financial risk (hedging) which only have the purposes of:
- I. management or mitigation of the financial consequences of particular circumstances happening; or
 - II. avoiding or limiting the financial consequences of fluctuations in the rate of exchange of foreign currency

Our products include:

- Spot foreign exchange contracts;
- Forward foreign exchange contracts;
- Vanilla foreign exchange options;
- Structured foreign exchange options; and
- Payment products including wire transfers and drafts.

4. PROVIDING INSTRUCTIONS TO US

You may (depending on the financial product or service we are issuing to you) provide instructions to us:

- By phone;
- By email; or
- Electronically through our online platforms.

Instructions received from you for certain financial products or services will require your signature for the purposes of verification. In addition, some products and services may have their own rules around how to provide instructions or execute certain transactions. Please refer to the PDS, other disclosure documents and the terms and conditions of the specific product or service for those instruction details.

5. THE DOCUMENTATION WE WILL PROVIDE TO YOU

If we recommend a financial product or offer to issue, or arrange the issue of a financial product, we will provide you with:

- A PDS containing information about the particular product to assist you in making an informed decision about that product;
- An account application form requiring detailed information to be provided for dealing with us;
- EncoreFX terms and conditions specifying the terms and conditions of our contractual arrangements with you;
- Direct debit request authority for making payments to us; and
- User authorisation detailing who is authorised to provide us with instructions.

6. WHO WE ACT FOR

When you transact in the EncoreFX products (Spot and Forward Foreign Exchange Contracts, Vanilla and Structured Options and Wire Transfers and Drafts), either with EncoreFX or through an Authorised Representative of EncoreFX, EncoreFX acts as principal and is the issuer of the products.

7. OUR ASSOCIATES AND HOW WE ARE REMUNERATED

Associations or Relationships.

We have commercial business arrangements with our parent company EncoreFX Inc., which is wholly owned by Gustavson Capital Corp. EncoreFX Inc may provide us from time to time with support in relation to information technology, treasury, finance, compliance and other services. Other arrangements with EncoreFX Inc. are governed by formal agreements between the parties.

Any fees and charges that you pay to us may ultimately benefit directors and employees of EncoreFX Inc., who may receive a bonus.

Referring Entities.

In limited circumstances, you may have been referred to EncoreFX. Depending on the circumstances and as permitted under the *Corporations Act 2001* (Corporations Act), the referring entity may receive a referral fee. Any commercial relationships that EncoreFX has in place with referring entities from time to time are structured with referral fees to the referring entity being between 10% and 50% of revenue generated from the referral.

Fees paid to referring entities by EncoreFX as a result of transactional business by you do not impact any payments made by EncoreFX to beneficiaries as instructed by you. The revenue, remitted as a percentage fee to referring entities, is derived from the mark up applied by EncoreFX from the foreign exchange wholesale rate to the foreign exchange retail rate transacted by you. These mark ups are termed "Retail Mark Ups" and are explained in full detail in the EncoreFX Foreign Exchange and Drafts Transactions PDS.

Employees and Directors.

Our employees and directors are remunerated by way of salary and other employee benefits. They may also, subject to any prohibitions under the Corporations Act, be eligible for a discretionary bonus which is based on achievement of predetermined business objectives such as contribution to profit, client service, risk management and leadership/team contribution. Bonuses may be calculated as a portion of the net amount charged to our clients after deducting Retail Mark Ups as explained in the EncoreFX Foreign Exchange and Drafts Transactions PDS and transaction fees charged to clients for non-cash payment products such as wires and drafts.

Authorised Representatives.

The fees and charges described in the EncoreFX Foreign Exchange and Drafts Transactions PDS apply where you trade directly with EncoreFX. If you trade with EncoreFX through an Authorised Representative, that Authorised Representative may charge you its own fees and charges. Our Authorised Representative agreements allow our Authorised Representatives to:

- (in accordance with the Corporations Act) receive a fee of between 20% to 40% from EncoreFX for clients transacting with EncoreFX; or
- receive a financial benefit passed on by EncoreFX on behalf of the client.

Fees paid to Authorised Representatives by EncoreFX as a result of transactional business by you do not impact any payments made by EncoreFX to beneficiaries as instructed by you. The revenue, remitted as a fee to Authorised Representatives, is derived from the mark up applied by EncoreFX from the foreign exchange wholesale rate to the foreign exchange retail rate transacted by you. These mark ups are termed "Retail Mark Ups" and are explained in full detail in the EncoreFX Foreign Exchange and Drafts Transactions PDS.

8. CONFLICTS OF INTEREST WE MAY HAVE

Some products we offer to you may be issued by affiliates of EncoreFX. We may also from time to time offer products on behalf of other issuers. When this is the case, we will ensure that we have the appropriate supply agreements with each providing entity to enable us to sell their products. However, we are not part of another financial services group whose products we are obliged to offer. We are an affiliate of EncoreFX Inc., a financial services group that offers various products and services. We have a conflict of interest policy that aims to manage conflicts of interests that may arise both within the group and between us and third parties from time to time.

9. COMPLAINTS HANDLING

EncoreFX is committed to effective and efficient complaints and disputes handling. We have an internal dispute resolution process in place to resolve any complaints you may have in an efficient, timely and effective manner. A description of this process is contained on our website at www.encorefx.com.au.

You should address any complaint relating to the products or services provided by EncoreFX to your EncoreFX representative in the first instance. Each complaint will be addressed in an equitable, objective and unbiased manner by EncoreFX's internal complaints resolution handling process. If a satisfactory resolution cannot be reached within 45 days and you are a retail client, then you may lodge your complaint with the Financial Ombudsman Service (details below) which is an external dispute resolution service, or take whatever other action you believe is appropriate.

Financial Ombudsman Service (FOS)
GPO Box 3
Melbourne Victoria 3001
Toll Free Number: 1800 367 287
www.fos.org.au

If you have any enquiries about our dispute resolution process, please contact us on 1800 874 942 using the details outlined in Section 2 of this FSG.

10. COMPENSATION ARRANGEMENTS

EncoreFX holds a professional indemnity insurance policy (the policy) for civil liability arising from claims by third parties (including customers) in respect of EncoreFX's products and services, subject to terms and exclusions of the policy. The policy satisfies the requirements of s 912B *Corporations Act 2001 (Cth)* for compensation arrangements.

11. PHONE RECORDINGS

Conversations with our representatives may be recorded in accordance with standard market practice. We do this to ensure that we have complete records of the details of all transactions. Recorded conversations are retained for a limited time and are usually used when there is a dispute and for staff monitoring purposes. If you do not wish to be recorded, you will need to inform your EncoreFX representative. EncoreFX may not enter into any transaction over the telephone unless the conversation is recorded.

12. THE PRIVACY OF YOUR PERSONAL INFORMATION

In the course of providing our services we may collect information about you. The information that we obtain from you or other people associated with your request is for the purpose of processing your transactions. Certain information may be required by us in order to comply with laws and regulations, including anti-money laundering laws. EncoreFX is committed to complying with all privacy laws and regulations. Any personal information collected will be handled in accordance with our privacy policy. Our privacy policy details how we comply with the requirements of the Privacy Act in the handling of your personal information.

A copy of that policy can be obtained by visiting the EncoreFX website at www.encorefx.com.au. If you would like a copy of the information we hold for you, please contact us. We may charge you our reasonable costs of accessing and/or photocopying your personal information that you request.