

**INFORMATION REGARDING  
THE CLIENT ASSETS PROTECTION MEASURES  
OF FORMAX INTERNATIONAL MARKET LIMITED (“FIML”)  
(FX and CFD products)**

## **1. GENERAL INFORMATION**

### **1.1. Purpose of this document**

By this document, **FORMAX INTERNATIONAL MARKET LIMITED (“FIML”)** provides to you information regarding the measures that it has implemented in order to comply with the requirements to protect the assets that it holds on behalf of its clients, in the context of providing investment and ancillary services to its them, in accordance with the applicable legal and regulatory framework. You are advised to read this document so that you can make an informed decision about whether to invest through FIML.

### **1.2. Scope and function of the Conflicts of the client protection measures**

In the context of the Applicable Laws, FIML is required, when holding financial instruments belonging to clients, to make adequate arrangements so as to safeguard the ownership rights of clients, especially in the event of its insolvency, and to prevent the use of a client’s financial instruments on own account except with the client’s express consent.

In addition, FIML has an obligation, when holding funds belonging to clients, to make adequate arrangements to safeguard the rights of clients and prevent the use of client funds for its own account. The client assets protection rules do not relate to the increase or decrease of the value of an investment.

## **2. CONTENT OF THE MEASURES**

FIML applies the following measures for the protection of your assets:

### **Segregation**

FIML keeps records and accounts enabling it to distinguish assets held for one client from assets held for any other client and from its own assets.

### **Accuracy of records**

FIML maintains its records and accounts in a way that ensures their accuracy, and in particular their correspondence to the financial instruments and funds held for clients and that they may be used as an audit trail. FIML applies arrangements to ensure that it is at all times in a position to identify the beneficiaries of the amounts and financial instruments held in pooled accounts with third parties (credit institutions or Liquidity Providers) and the amount / quantity allocated to each customer in order to be able to contribute to the protection of the rights of its clients in the event of its insolvency or insolvency of the third party, by providing the necessary information to the competent authorities if necessary.

### **Reconciliation**

FIML conducts, on a regular basis, reconciliations between its internal accounts and records and those of any third parties by whom clients’ assets are held.

### **Third party accounts**

FIML takes the necessary steps to ensure that any client financial instruments deposited with a third party is identifiable separately from the financial instruments belonging to FIML and from financial instruments belonging to that third party, by means of differently titled accounts on the books of the third party or other equivalent measures that achieve the same level of protection;

### **Client funds deposit**

FIML holds client money in bank accounts, held with credit institutions operating in Australia and New Zealand or, when necessary to support the clearing and settlement of clients' transactions, in countries other than New Zealand and Australia, including the European Union. The above accounts, are identified separately from any accounts used to hold funds belonging to FIML and FIML notifies the relevant credit institutions that the said accounts are used for depositing clients' money.

A part of the funds belonging to our clients may be also deposited to bank accounts belonging to our Liquidity Providers, in order to ensure the availability of any amount required to cover margin requirements without undue delay. In such cases FIML informs the Liquidity Providers that the relevant amounts are held on behalf of our clients.

When we hold bank accounts in countries out of New Zealand and Australia, the legal and regulatory regime applying to banks may be different from the legal and regulatory regime in New Zealand and Australia and in the event of the insolvency or any other analogous proceedings in relation to that bank or person, clients' assets money may be treated differently from the treatment which would apply in New Zealand and Australia.

### **Audit and compliance monitoring**

The client asset procedures and controls are subject to audit by FIML internal audit function, as well as (periodically) by its external auditors. In addition, the compliance function reviews the application of client asset procedures as part of the compliance monitoring program. The above measures aim at minimizing the risk of the loss or diminution of client assets, or of rights in connection with those assets, as a result of misuse of the assets, fraud, poor administration, inadequate record-keeping or negligence.

It is however stressed that, while the purpose of the client assets protection rules is to safeguard the client assets held by investment firms, it can never fully eliminate all risks relating to client assets, such as fraud, negligence etc.

### **Cooperation with financial institutions' insolvency and liquidation authorities**

FIML provides information pertaining to clients' financial instruments and funds readily available to FMA, to appointed insolvency practitioners and those responsible for the resolution of failed institutions.

### **Use of clients' assets**

FIML does not use clients' assets for its own account.