

FAIR MARKETS

Hedging Policy

You deal with FAIRMARKETS TRADING PTY LTD (“FAIRMARKETS”) as counterparty to every transaction you enter into on our platforms. You will have an exposure to us in relation to each transaction if we are not ready, willing or able to meet our obligations, for example, if FAIRMARKETS were to become insolvent. Due to the seriousness of such an event, FAIRMARKETS has stringent procedures to ensure that it is able to meet all its obligations which it is a party to.

FAIRMARKETS hedges the net positions by entering into transactions as principal with a related hedging counterparty. FAIRMARKETS is exposed to counterparty risk with that hedging party, which in turn may expose you.

In selecting our hedging counterparty the following factors were considered:

1. the counterparty’s reputation;
2. the regulatory status of the counterparty, including whether the counterparty is financially strong, well capitalised and have the financial resources to offer the requisite margin and leveraging products;
3. the services provided; and
4. the strength of operational controls and systems (including accounting and reporting supported by systems and interface and internal control).