

SAXOAU2014 Client Suitability Assessment

Instructions: please answer **ALL** the questions listed below truthfully and to the best of your knowledge, in order for Saxo Capital Markets (Australia) Pty Ltd ('**Saxo Capital Markets**') to assess your suitability to trade in contracts for difference (**CFDs**) and other over-the-counter ('**OTC**') derivative products.

Submit this assessment with your client application form to Saxo Capital Markets.

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PART 1 EXPERIENCE AND QUALIFICATION	
Full Name:	Date of Birth:
Have you worked full time in the financial markets industry for more than one year? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, where did you work?	
Highest Level of Education/Qualification: <input type="checkbox"/> Certificate <input type="checkbox"/> Diploma <input type="checkbox"/> Bachelor <input type="checkbox"/> Masters and above Area of Qualification (e.g. Law / Finance): Institution (e.g. University of Sydney): Year of completion:	
Have you completed a short course, attended a seminar or training program on CFDs or OTC financial products? If yes, please provide details : Name of Course: Institution: Year of completion:	
Have you traded CFDs or OTC financial products? <input type="checkbox"/> Yes <input type="checkbox"/> No Please provide details (e.g. specific products and approximate number of trades, i.e. 0-20; 21-40; 40+):	
Is this your first trading account? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, Saxo Capital Markets encourages you to open a demo account and trade for practical experience and utilise the Trade Mentor program for further education.	
Note: Only complete this section if you wish to trade 'Options'	
Have you traded Options before? <input type="checkbox"/> No, never <input type="checkbox"/> Yes, 1-5 times <input type="checkbox"/> Yes, 5+ times	
True False Options Related Questions (circle the most appropriate answer)	
1. A long call option give you the right to buy the underlying; a long put option give you the right to sell the underlying.	True False
2. In the money (ITM) means share price is above the strike price of a call, or below the strike price of a put.	True False
3. American style options allow you to exercise your option only at expiration.	True False
4. The risks associate with selling a call is limited.	True False

PART 2 MANAGING AND MONITORING RISK	
Are you prepared and understand your obligations and responsibilities to manage and monitor the risks associated with trading CFDs and/or OTC financial products. If you are unsure, please refer to our Combined Financial Services Guide & Product Disclosure Statement under 'Key Information' and 'Significant Risk'. As a minimum, you should be aware of the following:	
<ul style="list-style-type: none"> ▪ Dealing in products that are highly leveraged carries significantly greater risk than non-gearred investments and you could lose as well as gain large amounts of money, and sustain losses in excess of the monies you initially deposited to maintain any positions in leveraged products. ▪ While Saxo Capital Markets provides you with margin call notifications via email and the platform, it is still your responsibility as the account holder, to monitor your account and ensure sufficient funds have been allocated to your trading account to avoid all your margined positions from being liquidated. ▪ A stop loss order does not guarantee that you will be stopped out at the stop loss order level/price. There is a risk that at market open, the market can gap at a higher or lower price, or spike in extremely volatile situations. You could be stopped out at a level/price higher or lower than your order level/price, and potentially end up with a greater than intended loss. ▪ Ensure sufficient funds are available in your trading account prior to opening a position or when margin call is imminent, and further to allow for adverse market movements to avoid all your margined positions from being liquidated. Funds may take up to 2 business days to reach your trading account depending on the time the transfer was done, and your bank's processes and guidelines. 	
<input type="checkbox"/> I understand ALL of the disclosed risks associated with trading CFDs and/or OTC financial products.	

PART 3 | COMPETENCY ASSESSMENT

Please answer the following multiple choice questions to the best of your knowledge:

Please mark an X or circle the correct answer.

1. An Over the Counter (OTC) product is:
 - a) A derivative
 - b) A leveraged product
 - c) An underlying asset
 - d) a) and b)
2. If you receive a notification that your account is in Margin Call, you must:
 - a) Do nothing
 - b) Open a new position
 - c) Reduce the size of your positions
 - d) Wait for the final margin call notification before you take any action
3. The high degree of Leverage that is obtainable in trading CFDs can:
 - a) Work against you as well as for you
 - b) Only work against you
 - c) Only work for you
 - d) Not work against you or for you.
4. Owing to the volatility of the market, the amount of required margin may change after a position has been opened in a CFD product.
 - a) Margin required does not change in a volatile market
 - b) Margin requirement may only change if I go long
 - c) Margin requirement may only change if I go short
 - d) Margin requirement may change at any point while I have an open position.
5. If I receive a margin call notification, I should:
 - a) Ignore it
 - b) Call the broker and ask them to stop sending me margin call notifications
 - c) Take appropriate pre-cautions and attend to the margin call; transfer funds and/or reduce positions
 - d) Call the broker and ask them to reduce margin requirements on my open positions
6. I am about to place a trade, and my machine freezes then crashes. This means:
 - a) I can still place a trade at the same price if I call the desk and explain what just happened
 - b) I should still be allowed to place a trade at the same price because it was not my fault my machine crashed
 - c) I must take into account there is a risk of this happening, and it does not mean I am still able to open a trade at the same price by calling the desk
 - d) If I lodge a complaint, my position will be reinstated.
7. You buy 10 CFD BHP contracts at \$38, over time the price drops to \$32. If your position is still open, this means:
 - a) You are making a profit
 - b) You are making a loss
 - c) You are very close to making a loss
 - d) You are very close to making a profit
8. The risk associated in trading Contracts for differences are:
 - a) Very minimal
 - b) Very high
 - c) There are no risks associated with trading contracts for differences
 - d) Lower if it is a short position
9. How can a client obtain physical ownership over CBA CFD shares
 - a) Only if I buy the CBA CFD shares
 - b) Only if I sell the CBA CFD shares
 - c) Either buy or sell the CBA CFD shares
 - d) I can't obtain ownership, whether I buy or sell the CBA CFD shares.
10. When I open a new CFD position, the cooling off period that applies to my position is:
 - a) 30 Minutes from when I enter the position
 - b) 1 minute from when I enter the position
 - c) There is no cooling off period
 - d) The period my position falls into negative territory

Declaration

I confirm that the information provided in this Client Suitability Assessment is true and correct, and questions are answered to the best of my knowledge and understanding.

Print Name

Signature

Date

Office Use Only Saxo Capital Markets (Australia) Pty Ltd

matching criteria

telephone/written

not-suitable

suitable

Score %

re-submission

previous Assessment SAXOAU201