

# FinClear Pty Ltd

## FINANCIAL SERVICES GUIDE

Issued by FinClear Pty Ltd (ABN 63 607 164 714 AFSL No 481017)

Issue Date: 15 October 2021

### 1. Terms used in this FSG

<b>AFCA</b>	Australian Financial Complaints Authority
<b>AFSL</b>	Australian Financial Services Licence
<b>ASX</b>	ASX Limited ABN 98 008 624 691 or the market operated by it, as the context requires
<b>Broker</b>	A Participant of one or more Relevant Exchanges which has engaged FinClear to clear transactions executed by the Broker on a Relevant Exchange.
<b>Chi-X</b>	Chi-X Australia Pty Limited ABN 47 129 584 667 or the market operated by it, as the context requires
<b>Client</b>	Clients are considered 'wholesale' or 'retail' as defined under the Corporations Act.
<b>ETOs</b>	Exchange Traded Options
<b>Financial Intermediary</b>	An AFSL holder who has engaged FinClear to execute and clear transactions on a Relevant Exchange.
<b>FSG</b>	Financial Services Guide
<b>IDPS</b>	Investor Directed Portfolio Services
<b>International Trader</b>	A FinClear group entity or a third party authorised to provide securities dealing and/or custody services on an international market.
<b>MDA</b>	Managed discretionary accounts, being a service which a Broker may provide to you under which you authorise the Broker to manage an investment portfolio on your behalf and to make investments decisions in relation to the portfolio in accordance with an investment program agreed with you.
<b>FinClear, we, us, our</b>	FinClear Pty Ltd ABN 60 136 184 962; AFSL No. 338 264
<b>FinClear Nominees</b>	FinClear Nominees Pty Ltd ACN 608 644 024, a wholly owned subsidiary of FinClear
<b>Relevant Exchange</b>	ASX, Chi-X or NSX, or the financial markets operated by them (as the context requires).

### 2. Purpose of this FSG

This FSG provides information about:

- Who we are;
- What relationships and associations we have;
- The services we provide;
- How you may provide us with instructions;
- The remuneration that may be paid to us or to other relevant persons for the services we provide;
- The documents you may receive from us;
- How we handle complaints;
- Your privacy and how we use your personal information

This FSG has been prepared by FinClear and was prepared 15 October 2021 to assist you in deciding whether to use the services we provide. You should read it carefully and make sure you understand it.

Together with this FSG, you will have received an FSG from the Broker. You should read both documents before deciding whether to use the services that we provide.

### 3. Who is FinClear?

FinClear is licensed under the Corporations Act (Australian Financial Services Licence (**AFSL**) No 481017 to provide financial services and is a General Participant of ASX Clear Pty Ltd ABN 48 001 314 503 (**ASX Clear**) and a Settlement Participant of ASX Settlement Pty Ltd ABN 49 008 504 532 (**ASX Settlement**).

FinClear is wholly owned by FinClear Holdings Ltd (**FinClear Holdings**). Another wholly owned subsidiary of FinClear Holdings is FinClear Execution Ltd (**FinEx**). FinEx is an ASX Account Settlement Participant and a participant of one or more Relevant Exchange. FinClear provides clearing and settlement services to FinEx and may also in the future provide these services to other Brokers. . For further information about FinEx please refer to FinEx's FSG. .

FinClear has authorised the distribution of this FSG.

### 4. The services offered by FinClear

FinClear is authorised under its AFSL to:

- A. Deal in (including issuing, applying for, acquiring, varying or disposing of or arranging on behalf of another person in respect of the he following financial products:
- Securities (such as shares, options and warrants that can be traded on a Relevant Exchange);
  - Interests in managed investment schemes (other than IDPS), such as units in ASX listed trusts;
  - Derivatives, such as ASX Exchange Traded Options (**ETOs**);
  - Foreign exchange contracts; and

- B Provide a custodial or depository scheme service (other than IDPS), to wholesale and retail clients.

FinClear provides/arranges to provide clearing, settlement and nominee services. You have received a copy of this FSG because your Broker has arranged for FinClear to provide one or more of the following services:

**a) Clearing services for transactions in securities and interests in managed investment schemes executed on a Relevant Exchange**

FinClear may be engaged by a Broker to clear the transactions in securities and interests in managed investment schemes executed on a Relevant Exchange by the Broker. If you are a client of one of those Brokers and you effect a transaction in securities or interests in managed investment schemes on a Relevant Exchange through the Broker, FinClear (as clearer) will carry the settlement obligations in respect of that transaction.

For this purpose, you will become a client of FinClear and you will owe your settlement obligations in respect of that transaction directly to FinClear and not to the Broker. If you are a client of one of those Brokers, you will be provided with a Disclosure Statement which contains more information concerning the clearing services FinClear provides and the terms of your agreement with FinClear in respect of the those services.

**b) Execution, clearing and settlement services for transactions in securities on international markets**

FinClear may also be engaged by a Broker to arrange execution, clearing and settlement services in securities on international markets for clients of the Broker. This means that FinClear will arrange for the execution, clearing and settlement of the transaction with an entity which holds the appropriate authorisation to do so in that market (**International Securities Trader**).

As a client of one of those Brokers, you may effect an international securities transaction on an international market by providing instructions to the Broker. The Broker, acting as your agent, will then communicate your instructions to FinClear who, in acting for you, will communicate them to the International Securities Trader for fulfilment through FinClear's Account with that International Securities Trader. Securities traded on your behalf using FinClear's Account will be traded beneficially for you by FinClear. For this purpose, you will become FinClear's client, but not the client of the International Securities Trader.

FinClear will also arrange for the International Securities Trader to clear and settle all transactions in securities that it has executed on your behalf under this arrangement. Accordingly, FinClear will carry the settlement obligations in respect of those transactions. For this purpose, you will become a client of FinClear and you will owe your settlement obligations in respect of those transactions directly to FinClear and not to the Broker or the International Securities Trader.

**c) Settlement and nominee services - general**

FinClear may also be engaged by a Broker to provide to clients of the Broker settlement services in securities and interests in managed investment schemes. This means that FinClear will settle transactions arranged for you by the Broker and executed on a Relevant Exchange for you by a Trading Participant of a Relevant Exchange.

However, FinClear will only settle such transactions if, in the case of a purchase, the necessary funds are made available to FinClear and, in the case of a sale, the financial products sold are made available to FinClear, in each case in sufficient time before the time the transaction is to be settled.

As part of this service, FinClear will also arrange for your securities and interests in managed investment schemes to be held as nominee by FinClear Nominees as nominee for you.

For the purpose of settlement and nominee services, you will become FinClear's client.

**d) Settlement and nominee services - MDA accounts**

FinClear may be engaged to provide settlement and nominee services as described in paragraph 4 b) above to clients of the Broker in connection with the managed discretionary account (**MDA**) services. In that event, FinClear will be responsible only for the following services:

- the settlement of transactions which the Broker has arranged to be executed on a Relevant Exchange on your behalf (provided that FinClear will only settle such transactions if, in the case of a purchase, the necessary funds are made available to FinClear and, in the case of a sale, the financial products sold are made available to FinClear, in each case in sufficient time before the time the transaction is to be settled);
- (if required) the holding by FinClear Nominees as nominee for you of securities and interests in managed investment schemes which are acquired or otherwise form part of your investment portfolio (**Investments**) which the Broker manages for you as part of the MDA services;
- If FinClear Nominees is used to hold your securities and interests in managed investments schemes, it will be the registered holder of your Investments:
  - it will receive any dividends or other distributions in respect of those Investments and will deal with them in accordance with instructions from the Broker;
  - it will be entitled to cast any votes in respect of your investments and will do so in accordance with instructions from the Broker
- FinClear if required to do so under relevant regulatory requirements will provide you with an activity statement in respect of any transactions which it settles on your behalf unless you are deemed to be a wholesale client;
- any other services to be provided by FinClear to you under the Nominee and Settlement Services Agreement entered into with you.

The Broker will be responsible for the following:

- management of your Investments based on an investment program agreed between you and the Broker, including the making of all investment decisions on your behalf in connection with your Investments;
- arranging for transactions to be executed on a Relevant Exchange for you by a Trading Participant of a Relevant;
- giving instructions to FinClear in connection with the settlement of transactions executed on a Relevant Exchange for you and the distributions and rights in respect of the Investments held by FinClear Nominees on your behalf; and
- any other services required in connection with the provision of MDA services to you which are not to be provided by FinClear.

**e) CHES Sponsorship services**

FinClear may act as a CHES Sponsoring Participant of the clients of its Brokers. Clients that are to be CHES sponsored by FinClear must enter into a Sponsorship Agreement with FinClear.

Your Broker may also act as a CHES Sponsoring Participant and engage FinClear to administer your Participant Sponsored Holdings on its behalf. In these instances, your Broker remains responsible to you for any actions or matters done or omitted to be done in respect to your Participant Sponsored Holdings.

**f) Nominee and custody services**

FinClear may arrange for its wholly owned subsidiary, FinClear Nominees and/or another entity to provide nominee and other custody services for clients of the Brokers for whom it provides clearing services and other clients. If you want FinClear to arrange for FinClear Nominees to provide nominee or custody services to you, you will need to enter into an agreement for this purpose.

**g) Other services**

FinClear acts as agent for the clients of Brokers in providing settlement services for the client in respect of transactions executed by the client or on behalf of the client by another person.

FinClear does not provide financial product advice and is not authorised under its AFSL to provide financial product advice.

**5. Capacity in which FinClear acts**

The capacity in which FinClear acts depends on the service to be provided as follows:

**a) Clearing services for transactions in securities and interests in managed investment schemes executed on a Relevant Exchange**

FinClear acts as principal in relation to the clearing and settlement of transactions in securities and interests in managed investment schemes executed on a Relevant Exchange on your behalf. However, there may be certain activities which FinClear will perform as agent for another person (such as the despatch by FinClear of confirmations to clients as agent for the Broker that executed the transaction).

In clearing the transaction, FinClear acts as agent for the client for whom the transaction was executed. However, FinClear will owe the settlement obligations in respect of that transaction to ASX Clear as principal.

**b) Execution and clearing services for transactions in securities on international markets**

When FinClear enters into a contract with you to arrange for the execution, clearing and settlement of international securities transactions on a foreign market by an International Securities Trader for you, it does so as principal on its own behalf, and not as someone's agent.

When FinClear arranges for the provision of international securities trading services to you in accordance with this contract, FinClear acts as agent for you.

In order to provide these services to you, FinClear (as principal), has entered into agreements with an International Securities Trader, and will owe obligations in relation to any transactions directly to the International Securities Trader. (It is then your contract with FinClear which enables FinClear to ultimately call upon you to satisfy these obligations).

**c) Settlement and nominee services**

FinClear acts as your agent in relation to the settlement of transactions in securities and interests in managed investment schemes which the Broker has arranged for another Trading Participant to execute on a Relevant Exchange on your behalf. FinClear acts as agent for FinClear Nominees when arranging for it to provide nominee services to clients. FinClear Nominees acts as nominee or trustee for the client in providing the service.

**d) Sponsorship services**

FinClear acts as principal in providing sponsorship services to clients.

**e) Nominee and custody services**

FinClear acts as your agent when arranging for FinClear Nominees and/or another entity to provide nominee and other custody services to you. FinClear Nominees as agent of FinClear, or the other entity, will act as nominee or trustee for you in providing the service.

**f) Other services**

FinClear acts as agent for the client in providing settlement services for the client in respect of transactions executed by the client or on behalf of the client by another person.

**6. How you may provide instructions**

To provide instructions to FinClear, you must contact the Broker (and not FinClear directly).

**7. How we are remunerated**

**a) Remuneration for execution, clearing and settlement services**

FinClear will charge the Broker fees for clearing transactions, and for providing settlement and nominee services to clients. The fees that FinClear may charge the Broker may be a fixed monthly fee, a fee per trade, a fee per service and/or other fees.

You may be charged fail fees by FinClear where you fail to perform your settlement obligations in respect of a transaction that has been executed on your behalf. Fail fees may include a fee imposed by a Relevant Exchange, an administrative fee and a default charge on the amount outstanding from time to time.

The Broker will also charge you brokerage or commission and/or other fees agreed with you in respect of the services that it provides to you. Information concerning such brokerage, commission and fees may be obtained from the Broker.

**b) Remuneration for CHES sponsorship services**

FinClear may charge you a fee for providing you with CHES sponsorship services. You will be advised in writing of the fee (if any) to be charged by FinClear before you agree to receive sponsorship services from FinClear.

FinClear may also charge the Broker fees relating to the provision of sponsorship services to you.

**c) Remuneration for nominee and custody services**

FinClear may charge you a fee for providing nominee or custody services. The fees that we charge the Broker may include fees relating to the provision of nominee and/or sponsorship services to you.

**8. Commission, Remuneration and other Benefits received by FinClear**

FinClear is remunerated by the fees it charges the Broker for the services it provides to them. FinClear is also remunerated by the fees that it may charge clients, as described above.

FinClear may also earn and retain interest on moneys held for clients in our trust accounts.

FinClear may also receive commissions, trailing commission or other benefits from other entities. As a guide, FinClear may receive the following:

<b>Entity</b>	<b>Commission / Benefits</b>
Margin Lenders	Ongoing commission can range from 0.25% per annum to 0.75% per annum of the margin lending facility
Cash Management Account Providers	Ongoing commissions can range from 0.15% pa to 0.65% per annum on balance invested

### **9. How our representatives are remunerated**

Our representatives are remunerated by way of salary and they do not directly receive any remuneration calculated by reference to the amount of fees or commissions received by FinClear. They may also be entitled to a bonus or other employment benefits based upon performance and achievement of various objectives by both the representative and FinClear.

### **10. Referral fees**

FinClear will not pay a third party a fee for referring you to us. Similarly, FinClear will not be paid a fee for referring you to the Broker.

### **11. Relationships or associations with financial product providers**

FinClear may enter into arrangements with financial product providers. Therefore, we may receive commissions, trail fees or other benefits as a result of your investing or dealing in any such product. See paragraph 7 in this FSG for further details.

### **12. Documents you will receive**

#### **a) Clearing services for transactions executed by the Broker**

You will receive a Disclosure Statement which will contain more information relating to the clearing service provided by FinClear and the terms and conditions of those services where FinClear is to clear transactions executed for you by a Broker through a Relevant Exchange.

#### **b) Settlement and nominee services - general**

If FinClear is to settle transactions in securities and interests in management investment schemes which the Broker arranges for another Trading Participant to execute on a Relevant Exchange for you, you will need to enter into a Nominee and Settlement Services Agreement with FinClear which will contain more information relating to the settlement and nominee services provided by FinClear and the terms and conditions of those services.

#### **c) Settlement and nominee services – MDA accounts**

If FinClear is engaged to provide settlement and nominee services to you in connection with the provision to you of MDA services by the Broker, you will need to enter into a Nominee and Settlement Services Agreement with FinClear which will contain more information relating to the settlement and nominee services provided by FinClear and the terms and conditions of those services.

#### **d) CHES Sponsorship Services**

If FinClear is to act as your CHES Sponsoring Participant, you will need to enter into a Sponsorship Agreement with FinClear.

#### **e) Nominee and custody services**

If FinClear is to arrange for FinClear Nominees or another entity to provide nominee or other custody services to you, you will need to enter into an agreement with FinClear for this purpose.

#### **g) Advice**

You will not receive a Statement of Advice from FinClear as we do not provide any financial product advice.

If you receive personal financial product advice from the Broker, the Broker may be required to give you a Statement of Advice.

### **13. Dispute Resolution and Complaints**

FinClear is dedicated to providing quality service and as part of our service commitment to clients, it is important to provide an efficient and accessible system for resolving disputes.

Should you be of the opinion that the service provided by FinClear is not at an acceptable level, you have the right to complain and this complaint will be dealt with as promptly as possible. FinClear will aim to resolve any complaint quickly and fairly.

If you have a complaint, put your complaint in writing and address it to:

**FinClear Pty Ltd**

**Compliance Manager**

**Level 5, 53 Walker Street**

**North Sydney NSW 2060**

**Ph: 02 8039 6000**

**E-mail: [compliance@finClear.com.au](mailto:compliance@finClear.com.au)**

You should try to include as much detail about the circumstances of the complaint as possible including the names of any FinClear employees involved and include any supporting documentation.

Following receipt of your complaint, FinClear's Compliance Manager will acknowledge receipt of your complaint in writing and provide you with an estimate of the time it will take to investigate the issues you have raised. A full investigation will be undertaken which will include reviewing all the supporting documentation, speaking to you and interviewing relevant FinClear employees. You will be provided with a detailed written response once the investigation of the complaint has been finalised.

If we do not resolve the complaint to your satisfaction, you have the option of pursuing your complaint with the Australian Financial Complaints Authority (**AFCA**). AFCA provides fair and independent financial services complaint resolution that is free to consumers. You may contact AFCA as follows:

Website: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Telephone: 1800 931 678 (free call)

In writing to: AFCA, GPO Box 3, Melbourne VIC 3001

Alternatively you may also be able to pursue the matter with a Relevant Exchange. ASX has offices in all capital cities and their details are available on [www.asx.com.au](http://www.asx.com.au). Alternatively, the Australian Securities & Investments Commission (**ASIC**)

also has a free call information line (1300 300 630) that you may use to make a complaint and obtain information about your rights.

If your complaint relates to a service provided to you by the Broker (rather than FinClear), you should seek to have your complaint dealt with in the manner advised by the Broker in its FSG or otherwise.

#### **14. Compensation Arrangements**

FinClear has arranged for Professional Indemnity insurance cover which it considers to be adequate, having regard to the following:

- FinClear's maximum liability under the Financial Ombudsman Service of which FinClear is a member;
- volume and nature of FinClear's business;
- number and kind of its clients; and
- the number of representatives and Authorised Representatives it has.

If you require further information about our compensation arrangements please contact FinClear's Head of Compliance.

#### **15. Privacy**

FinClear and/or its agents may use personal information collected from you for the following purposes:

- to provide you with services, products and/or information that you have requested or may reasonably expect to receive;
- to conduct research, product development, marketing, risk assessment and modelling; or
- to comply with our rights and obligations and under relevant laws and regulations.

FinClear and/or its agents may also disclose the information collected from you to third parties such as mailing houses or others who provide services to us (but will not do so for marketing purposes). FinClear will not disclose your information to any other person except where that disclosure is authorised or permitted by the National Privacy Principles or by law.

FinClear takes all reasonable steps to ensure that information we have collected from you is secure. All stored personal information is protected from unauthorised access by user login requirements, passwords or other security procedures.

You are able to access and update the personal information FinClear. Please contact your Broker to do so.

If you have any questions about privacy, please contact FinClear's Privacy Officer by writing to:

FinClear Pty Ltd  
Privacy Officer  
Level 5, 53 Walker Street  
NORTH SYDNEY NSW 2060

#### **16. Contact Details**

Our contact details are as follows:

FinClear Pty Ltd  
Level 5, 53 Walker Street  
NORTH SYDNEY NSW 2000  
Ph: 02 8039 6000