

GO Markets Pty Ltd

Target Market Determination ("TMD") – Retail Clients – Contracts for Difference

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1. Issuer of TMD-s994B (9)

GO Markets Pty Limited, an Australian Financial Services Licensee (AFSL 254963) with registered office located at Level 11, 447 Collins Street, Melbourne, VIC 3000, Australia (“**GO Markets**”).

2. Overview of TMD-s994B, s994D

The Financial System Inquiry (“FSI”) observed limitations of a framework for consumer protection in financial services that relies heavily on disclosure, financial advice and financial literacy and concluded that poor design and distribution practices played a significant role in contributing to consumer detriment. The FSI recognised the variable quality of design and distribution controls and recommended the introduction of the design and distribution obligations (“DDO”) as a supply-side intervention that places additional responsibility for consumer outcomes on issuers and distributors.

The Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019 introduced DDO to Ch.7 of the Corporations Act 2001 (Cth) (“Corporations Act”) by adding s760A (aa), a new objects clause requiring product issuers and distributors to have a consumer-centric approach to the design and distribution of financial products by maintaining effective product governance arrangements across the life cycle of financial products.

GO Markets is an issuer of contract for difference (“CFDs”) to clients, including retail clients, whereby DDO set out in Part 7.8A of the Corporations Act apply to the issue and distribution of GO Markets’ CFDs to retail clients (Consumers) from 05 October 2021.

This document is GO Markets’ Target Market Determination (“TMD”) for the purposes of s.994B of the Corporations Act in respect to CFDs.

3. Purpose of TMD -s994B, s994D

The purpose of this TMD is to describe the target market of Consumers for CFDs, and to address the DDO that apply to TMDs.

You should not base any decision to open a CFDs trading account or trade CFDs on the contents of this TMD and it does not consider any particular Consumers’ objectives, financial situation or needs.

This is not a Product Disclosure Statement (“PDS”). If you are a retail client, you should refer to the relevant PDS on our website before deciding whether to acquire or continue to hold the relevant product.

DDO do not equate to an individualised product suitability test that requires assessment of each individual’s personal circumstances at point of sale. Instead, DDO require issuers and distributors to ensure that Consumers are receiving products that are likely to be consistent with their likely objectives, financial situation and needs.

4. CFDs covered in this TMD -994AA and 994B (1)

This TMD has been prepared specifically in relation to CFDs in respect of following underlying assets:

- Share CFDs
- Index CFDs
- Commodity CFDs
- Cryptocurrency CFDs;
- Treasury CFDs; and
- Foreign Exchange CFDs

5. Overview of CFDs

CFD is an agreement to exchange the difference in the value of an asset from the time the contract is opened until the time the trade is closed, the units traded, any adjustments made in respect of the product, e.g., where a dividend is paid on an underlying share; and any holding costs or commission relating to the CFD.

Leverage: CFDs are leveraged derivative products which enable you to trade on the price movement of underlying assets such as shares, indices, commodities, cryptocurrencies and currencies.

Non-transferability: With a CFD you never own the underlying assets you have chosen to trade.

Market Volatility: The prices of CFDs and the underlying assets such may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled. The prices of CFDs will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace.

There are several significant risks in trading CFDs. These risks may lead to unfavourable financial outcomes for you.

6. Types of risks involved in CFDs trading

CFDs trading can be risky and is not appropriate for everyone. There are several types of risk that you should be aware of before beginning to trade, including the possibility of losing more money than you invest. Some of these risks include:

- Leverage risk.
- Close out risk.
- Counterparty risk.
- Operational and system risk.
- Market price and volatility risk.

- Segregated account risk.
- FX risk.
- Operational Risk, and
- External market price risk.

For further details in relation to risks associated with CFDs, refer to Section 6 of GO Markets’ Product Disclosure Statement available here [Legal documents](#)

7. Consumers for whom CFDs are unsuitable

CFDs will generally be unsuitable for Consumers outside the target market. Potential categories would include:

- Consumers below the age of 18;
- Consumers who reside in a country which restricts or prohibits trading in CFDs;
- Consumers who are in financial hardship or going through bankruptcy;
- Consumers who do not have the requisite knowledge for trading in CFDs;
- Consumers who have a low tolerance to risks involved in CFDs trading;
- Consumers who do not have the ability and willingness to lose the sum of their deposits;
- Consumers who have low levels of literacy or numeracy, financial literacy and technological literacy;
- Consumers who wish to trade using income or cash that the Consumer relies on for living expenses;
- Vulnerable Consumers, including Consumers who are vulnerable for any of the following reasons:
 - suffering an age-related impairment;
 - suffering any form of cognitive impairment;
 - suffering from elder or financial abuse;
 - job loss;
 - suffering from mental or other forms of serious illness affecting mental stability and or capacity;
 - suffering from any form of addiction; or
 - any other personal or financial circumstances causing significant detriment.

8. Target Market for CFDs - s994B (5) (b)

Given the diverse nature of CFDs and different strategies that may be associated with trading CFDs, GO Markets consider that the target market for CFDs include classes of Consumers who satisfy each of the below criteria:

Criteria A

- Consumers above the age of 18;
- Consumers who have the requisite knowledge for the purposes of trading in CFDs;
- Consumers who can accept losses that can be as great as the sum of their deposits;
- Consumers who have high investment risk appetites; and
- Consumers with a short-term investment horizon.

Criteria B

Those Consumers who satisfy criteria A above and wish to trade CFDs for investment purposes, including for one or more of the following purposes:

- Speculative trading;
- Hedging (including hedging exposure to underlying assets and hedging positions taken in relation to other CFDs); and
- Gaining exposure to price movements of the underlying assets, where exposure to such underlying assets may not be otherwise as readily available, or where such exposure is required at short notice.

9. Further details regarding Target Market

Criteria	Scope and key attributes
Client type	Retail clients. This Target Market Determination does not apply to wholesale clients.
Knowledge & experience	Clients who have the requisite knowledge and experience to trade in CFDs, as assessed by GO Markets. GO Markets undertakes assessment of the Consumers’ experience and knowledge in trading CFDs prior to approving and distributing CFDs.
Ability to bear losses	Clients who are prepared to lose amounts that can be as great as the sum of their total deposits. Note: GO Markets operates negative balance protection on all retail Accounts - negative balances will be returned to zero and waive our right to claim any deficit in the accounts.
Tolerance to risks	CFDs are suitable for clients with high investment risk tolerance.

Client Needs

CFDs and their key attributes are likely to be consistent with the likely objectives, financial situation and needs of those Consumers who:

- have a short-term investment horizon;
- wish to trade in CFDs, including for speculative or hedging purposes, wishing to gain exposure to price movements of the relevant underlying assets; ☐ have a high investment risk tolerance; and ☐ can afford to bear losses.

10. Explanation why CFDs are likely to be consistent with the likely objectives, financial situation and needs of Consumers in the target market - s994B (8)

GO Markets expect that trading in CFDs will likely be consistent with the likely objectives, financial situation and needs of consumers who:

- use existing assets to support leverage in order to seek higher returns with corresponding higher risk.
- have a relatively high and regular disposable income and/or substantial holdings of spare capital available for trading CFDs.
- wish to use spare capital to make enhanced returns.
- protect previous gains or mitigate against potential future losses and/or lower the cost of acquiring an economic exposure to underlying assets.
- have existing or forthcoming investments or exposure and wish to hedge and or protect losses or profits.

11. Distribution Conditions -s994B(5)(c), s994E (1), s994F (6)

Direct distribution of CFDs to Consumers by GO Markets will be in accordance with procedures GO Markets determine are reasonably likely to be within the target market.

GO Markets’ distribution strategy will be consistent with the identified target market and only occur in accordance with the suitability and understanding procedures specified by GO Markets.

GO Markets will take reasonable steps to ensure that their marketing strategy is targeting potential clients who fall within the identified target market only.

Third party distributors include AFS licensed Referrers or Affiliates involved in the distribution of CFDs **(Distributors)**.

GO Markets will select the Distributors and distribution criteria depending on the medium to be used by such Distributors. This will allow GO Markets to determine who the targeted audience will be and whether the target audience will likely have an interest and/or prior experience trading on CFDs

GO Markets will take reasonable steps to ensure that Distributors, distribute CFDs to the identified target market.

GO Markets will consider approval of Distributors who they consider on reasonable grounds would distribute CFDs only within the target market Consumers.

Distributors will be required to agree to notify GO Markets within 10 business days if they become aware of a significant dealing in the CFDs that is not consistent with the TMD.

No Distributor may release marketing materials without obtaining GO Markets’ prior written consent.

12. Monitoring and reviewing the TMD -s994C, s994B(5)(f), (6) and (7)

Periodic reviews.

GO Markets will perform periodic reviews of this TMD.

The first review of this TMD occurred on 30 September 2022.

Subsequent reviews of the TMD will occur on each anniversary of the first review.

13. Review Triggers -s994B (5)(d)

The review triggers will suggest whether the TMD is no longer appropriate such that a special review of the TMD should be undertaken.


The following will trigger review of TMD.

- Where GO Markets become aware of significant issuance of CFDs outside the target market and are not consistent with the target market or this TMD - this trigger, however, does not refer to any one particular dealing in CFDs;
- Where material changes to law or regulations affecting CFDs;
- where a Distributor has reported a large volume of complaints;
- where GO Markets have received a large volume of complaints; and
- where GO Markets have detected significant issues with the distribution of CFDs through monitoring of our own day-to-day activities, or the monitoring and supervision of our Distributors.

14. Information collection and reporting requirements – Distributors -s994F (1) and (3)

As part of monitoring and reviewing of TMD to determine whether it is still appropriate, each Distributor must provide to GO Markets on an annual basis, within 15 business days of the end of each calendar year the following:

- Consumer complaints data – nature of complaints and the number of complaints received;
- Consumer feedback (including regarding performance of the CFDs);

- requests for information that the Distributor has received from clients;
- percentage of sales to clients who are not in the target market;
- volume of sales; and  web analytics.

Distributors to enter into a written Design and Distribution agreement with GO Markets agreeing to the above.

15. Contact Details

For more information about GO Markets’ TMD, please contact:

Mail: Level 11, 447 Collins Street, Melbourne, 3000, Victoria, Australia

Phone: +61 3 8566 7680

Email: support@gomarkets.com

Web: www.gomarkets.com/au

16. Date of TMD

01 November 2022

17. Right to amend the TMD

GO Markets reserve the right to amend the TMD at any time if such amendment is needed as a result of any changes to the law or regulations, regulatory guidance, or for any reason we consider as a proper reason to amend the TMD.