

This document is a summary of some of the important details concerning the relationship between you and CMC Markets Canada Inc. (referred to as “**CMC Markets Canada**”, “**we**”, “**us**”, and “**our**”), and about our Products and services. This document should be read in conjunction with the Terms of Business applicable to your Account. Unless defined in this document, certain capitalized words and expressions in this document shall have the meaning given to them in the Terms of Business applicable to your Account.

## **1. About Us.**

CMC Markets is a member of the Canadian Investment Regulatory Organization (“CIRO”) and the Canadian Investor Protection Fund (“CIPF”). We are here to execute your trading instructions, and we do not provide any advice or recommendations. All Accounts are order execution-only margin accounts which permit you to enter leveraged positions in excess of the amount of your cash balance. All Trades and investment decisions on your Account are made by you as transmitted through our Platform and/or Trading System. Our Platform and/or Trading System executes trading instructions on a wide range of contracts for difference (“CFDs”). We offer CFDs on Currencies, Commodities, Shares, ETFs, Indices and Treasuries, as well as over-the-counter options (“OTC options”) on select Indices. Our CFDs and OTC options are proprietary products that can only be traded with us, and CMC Markets Canada is the counterparty to all trades with you.

Investing in CFDs, OTC options, or other financial derivatives products carries a high level of risk to your capital. The prices of CFDs and OTC options may change to your disadvantage very quickly. It is possible to lose more than any initial investment and you may be required to make further payments. These products may not be appropriate for all investors. Therefore, you should ensure you understand the risks involved and seek independent advice if necessary.

## **2. Important Client Information.**

Obtaining and maintaining correct Know-Your-Client (“KYC”) information on you is a regulatory requirement. We also have a responsibility to demonstrate to our regulators that the high-risk nature of CFD and OTC options trading is consistent with your financial status, trading experience and investment knowledge. To accomplish this, we will need to collect information from you, including but not limited to, information required to:

- verify your identity;
- assess your financial circumstances (including details of your employment, annual salary and net worth) and your trading knowledge and experience;
- ascertain whether you are an insider or controlling shareholder in a public company, or are a politically exposed person;
- ascertain, if you are opening a corporate account, the nature of the business and specifics of any holdings and the identities of any individual who directly or indirectly owns or controls 25% or more of a corporation or an entity other than a corporation; and
- confirm that the opening of a CFD account is suitable based on the information provided. For the avoidance of doubt, as an execution-only dealer, once your Account is opened, we are not required (and do not) assess whether or not each individual Trade is suitable for you.

You must always inform us of any changes (including future changes) that could affect your information or situation, including changes to your income, investment objectives, risk tolerance, net worth, and/or regulatory obligations, so we can ensure that your information is up to date. When CMC Markets Canada becomes aware of a material change to your KYC information, we are required to demonstrate to our regulators that your Account is still appropriate based on the revised information. At a minimum, CMC Markets Canada will request that you confirm the information you have provided to us on an annual basis. If you do not respond to our request for confirmation, your Account may be restricted from opening new Positions. You should acquaint yourself with all of our legal, compliance and similar documentation available on our Website and on the Platform and/or Trading System. Carefully reviewing these documents is essential to your understanding of our Products and business. Our representatives are trained to provide you with the support you need to manage your Account, but will not provide you with any investment advice. We encourage you, where appropriate, to seek independent advice from appropriately qualified professionals and/or to conduct further research, as may be necessary.

## **3. Risks of Trading CFDs and OTC options.**

Our CFDs and OTC options can carry a high risk to your capital as Prices may move rapidly against you. You can lose more than any initial investment and you may be required to make further payments. Please note that the higher the leverage, the higher the risks involved. You should not enter into Trades with us unless you fully understand the risks involved. If you are in any doubt, you should seek independent professional advice.

This document cannot and does not disclose or explain all of the risks and other significant aspects involved in trading in CFDs and other financial derivative products. You should take sufficient time to read all the relevant information that we provide to you, including our Risk Disclosure Statement, the Terms of Business applicable to your Account, our Order Execution Policy Summary for CFDs, and the information on our Website, Platform and/or Trading System. In light of the

risks, you should undertake to trade CFDs or OTC options only if you understand the nature of the product and contractual relationships into which you are entering and the extent of your exposure to risk.

In addition to the above, when clients open an Account with CMC Markets Canada, they will also receive: our Relationship Disclosure, Rates Schedule, Conflicts of Interest Disclosure, and the Client Complaint and Dispute Resolution Disclosure. Clients will also receive CIBC's mandatory disclosure documentation, namely the "How CIBC protects investors" and "How to Make a Complaint" CIBC brochures.

Please note that some of these documents may differ for MT4 customers, and you should refer to the documents applicable to your Account type as documented on our Website.

#### 4. Conflicts of Interest.

CMC Markets Canada has or may enter into business relationships that may be perceived to compromise the independence of our client service or supervision of Accounts. Any material conflicts of interest that are identified will be addressed in your best interests, and disclosed to you in our Conflicts of Interest Disclosure. A copy of CMC Markets Canada's Conflicts of Interest Disclosure is provided to you prior to you opening an Account with us and is also available on our Website. We highly recommend that you read it before opening an Account with us.

If we have opened your Account pursuant to a referral arrangement, we will provide you with the prescribed regulatory disclosure regarding the compensation structure paid to the referring agent. We also may compensate some of our employees or other third parties based on revenue generated by your trading activities.

#### 5. Introducer Broker

Some clients may have been introduced to CMC Markets Canada by a third-party introducing broker ("Introducing Broker"). CMC Markets Canada and the Introducing Broker have entered into a referral arrangement pursuant to which the Introducing Broker may refer and introduce clients to CMC Markets Canada. If you were referred to CMC Markets Canada, the details of the referral arrangement are provided to you at account opening.

If you have appointed your Introducing Broker as an agent to act on your behalf and have entered into a limited appointment of agent agreement ("LAOA"), CMC Markets Canada will accept trading instructions from the Introducing Broker in relation to your Account. CMC Markets Canada is not responsible for the acts or omissions of the Introducing Broker.

If you decide to terminate your agreement with the Introducing Broker or to revoke any LAOA, you must notify CMC Markets Canada immediately.

#### 6. Fee Structure.

For a full disclosure of our entire current fee structure, including all of the costs you will pay to invest in, hold and sell our Products, please consult our Rates Schedule and our Website. If you have any concerns or issues with this information, please contact us before opening an Account so that we can help clarify our fee structure.

#### 7. Reporting.

We will report to you about your Account on an ongoing basis by providing trade confirmations and account statements.

**Trade confirmations:** We will always deliver a confirmation for every trade opened or closed on your Account, within two Business Days of the executed transaction. Trade confirmations are incorporated in the daily account statements, which are accessible on the Platform and/or Trading System. You can also elect to have the statements delivered to your email address.

The trade confirmation will contain details about the Trade including:

- the quantity and description of the Trade;
- the consideration paid for the Trade; and
- the Commission paid, if any, in respect of the Trade.

**Account statements:** Daily and monthly statements are generated for your Account when there is a Cash balance or trading activity. CMC Markets Canada provides a monthly account statement for your Account which is available after 5 Business Days of the preceding month. The monthly account statement is available on your Platform and you can elect to have it delivered to your email address. The monthly account statement is an amalgamation of the information relating to your Account for the previous calendar month.

The account statements provide you with all of the relevant account activity information pertaining to your Account, which includes:

- the opening and closing balance of the Account;
- all deposits, credits, withdrawals and debits made to the Account;
- the quantity and description of each CFD or OTC option opened and closed and the applicable dates;
- the quantity, description and value of each CFD OTC option held on the Account; and

- any applicable Commission and costs.

An annual statement is provided to you for a 12-month period ending in December of each year. It is a summary of the account activities, including all fees and charges, which have occurred in your Account(s) throughout the year.

CMC Markets Canada does not provide benchmark comparisons or account percentage returns due to the highly speculative nature of trading CFDs and OTC options. The performance of your Trades is measured through Realized and Unrealized Profit/Loss amounts noted in your account statements. Realized Profit/Realized Loss amounts are impacted by any fees charged to your Account, as per our above fee disclosure under section 6 of this document (6. Fee Structure). In addition, you will be able monitor your Margin balances and open Positions on a real time basis on our Platform and/or Trading System.

## **8. Complaint Resolution.**

CMC Markets Canada has a comprehensive complaint resolution process designed to ensure that any disputes that may arise between our clients and our employees or firm are investigated thoroughly and objectively, and addressed in a timely manner. A copy of CMC Markets Canada's Client Complaint and Dispute Resolution Disclosure, which contains our complaint handling process, is provided to you prior to you opening an Account with us. It is also available on our Website. You can contact us at any time by telephone or e-mail to discuss the complaint process and your options.

## **9. Trusted Contact Person and Temporary Holds.**

We are required under Applicable Law to ask you for the name and contact information of a person that you trust (Trusted Contact Person or "TCP"), so that we may contact your TCP to assist us in protecting your financial interests and assets in certain circumstances. We may contact your TCP if we notice signs of financial exploitation or if you exhibit signs of diminished mental capacity which we believe may affect your ability to make financial decisions relating to your Account(s). We may also contact your TCP to confirm your contact information if we are unsuccessful in reaching you after repeated attempts, particularly if our failure to reach you is unusual. We may also ask the TCP to confirm the name and contact information of a legal guardian, executor, trustee, or any other personal or legal representative such as an attorney under a power of attorney. In providing us with the name and contact information of your TCP, you confirm to us that you have your TCP's permission to give us this information and your TCP has agreed to act in this capacity.

If we have a reasonable belief that you are being financially exploited or that you are experiencing diminished mental capacity which may affect your ability to make financial decisions relating to your Account(s), we may place a temporary hold on your Account(s) or on a particular transaction. We will provide you with a verbal or written notice explaining our actions, in addition to contacting your TCP, as described above.

## **10. Contact Us.**

If you require any further information relating to your investments, Account or any other matter of concern to you in your investment relationship with us, please contact our client management team at 1-866-884-2608 or [clientmanagement@cmcmarkets.ca](mailto:clientmanagement@cmcmarkets.ca).