

GO Markets Pty Ltd

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

Version Date: October 2024

© 2024 GO MARKETS PTY LTD.

ABN 85 081 864 039 - AFSL 254963



**GO MARKETS**

first choice for trading

## Contents

1. About us .....	3
2. Design and distribution obligations.....	3
3. Purpose.....	3
4. Our financial products .....	3
5. Product overview .....	4
6. Investors for whom OTC Derivatives are unsuitable .....	5
7. Target Market for OTC Derivatives.....	5
Criteria A.....	5
Criteria B .....	5
8. Explanation of why OTC Derivatives are likely to be consistent with the likely objectives, financial situation and needs of the target market .....	6
9. Explanation why CFDs are likely to be consistent with the likely objectives, financial situation and needs of Consumers in the target market - s994B (8) .....	7
10. Distribution Conditions -s994B(5)(c), s994E (1), s994F (6) .....	7
(Distributors). .....	7
11. Monitoring and reviewing the TMD -s994C, s994B(5)(f), (6) and (7) .....	8
12. Information collection and reporting requirements – Distributors -s994F (1) and (3).....	8
13. Contact Details.....	9
14. Date of TMD.....	9
15. Right to amend the TMD .....	9

Issuer	Go Markets Pty Ltd (GO Markets)
Product	Over the Counter Derivatives (OTC) – Contracts for Difference (CFD)
Effective Date	30 October 2024

## 1. About us

GO Markets is a company registered with the Australian Securities and Investment Commission (ASIC) as an Australian Financial Services Licensee (AFSL 254963) with registered office located at Level 11, 447 Collins Street, Melbourne, VIC 3000, Australia.

## 2. Design and distribution obligations

GO Markets is obliged to comply with design and distribution obligations set out in Part 7.8A of the Corporations Act 2001. The design and distributions (DDO) are intended to assist GO Markets retail clients to ascertain if they fit into the Target Market Criteria.

The DDO Policy applies to products issued by GO Markets from 05 October 2021.

## 3. Purpose

This document is a Target Market Determination (TMD) for the purposes of section 994B of the Corporations Act 2001 (Cth) to:

- Describe the class of Clients that comprise the target market for the Products.
- Specify the distribution conditions that apply to the distribution of the Products.
- Specifies review triggers that would reasonably suggest that this TMD is no longer appropriate.
- Specifies review periods in which the TMD must be reviewed.
- Specifies the kind of information needed to enable GO Markets to identify promptly whether a review trigger for the determination, or another event or circumstance that would reasonably suggest that the determination is no longer appropriate.

**If you do not fall within the target market defined in this TMD, then our products and services are not intended and are not suitable for you.**

This TMD is not a product disclosure statement (PDS) and does not take into account any particular client’s objectives, financial situation or needs. CFDs are typically suitable for clients who have sufficient understanding and experience of the product. Refer to the Product Overview section below, which covers the fundamental features and risks of trading CFDs. You should refer to our PDS, Financial Services Guide (FSG), and Terms and Conditions (T&Cs) on our website as well as any other relevant documents, to ensure you fully understand the risks involved, and consider seeking independent advice before deciding to engage in CFD trading.

This document applies to retail clients only (“**Clients**”).

## 4. Our financial products

GO Markets is an issuer and distributor of CFDs to both retail and wholesale clients. CFDs are complex leveraged financial products, which are traded over the counter (OTC) and not through a central exchange.

We issue CFDs in respect of the following underlying asset:

Share CFDs	Cryptocurrency CFDs
Index CFDs	Treasury CFDs
Commodity CFDs	Foreign Exchange CFDs

GO Markets provides platform services to its clients whereby they can trade on the above CFDs. GO Markets does not authorise third parties to act as an Agent to provide the above financial products.

### 5. Product overview

A CFD is an agreement to exchange the difference in the value of an asset from the time the contract is opened until the time at which it's closed. A client does not take physical delivery of the underlying asset and there is no exchange of one currency or underlying asset for another.

CFDs are subject to significant risks including:

#### 5.1 Leverage:

CFDs are leveraged products whereby the money the client pays (the Margin) to GO Markets is mostly less than the full face value of the underlying instrument. As such both gains and losses can be magnified. The Client should be prepared for the greater risks from this kind of leveraged investment. Furthermore, Margin requirements can change rapidly due to changes in the market for the Underlying Instruments.

Risk of Close-out: Sufficient funds are required to always cover total margin requirements. Failure to do so may mean that some or all of Clients' positions are closed out if the balance of the account falls below the close-out level.

#### 5.2 Non-transferability:

When a trade is entered with us through the platform, Clients will be entering into an off-exchange derivative, which is non-transferable. This involves greater risk than investing in a financial instrument such as a share which is transferable, or dealing in an exchange-traded derivative, because Clients' ability to open and close trades is dependent on the Platform being in a position to accept orders from Clients and to execute them.

#### 5.3 Market Volatility:

The prices of CFDs and the underlying assets 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.

#### 5.4 Holding Costs:

Depending on the positions held and how long they are held for, a client may incur holding costs. In some cases, the sum of these holding costs may exceed the amount of any profits, or they could significantly increase losses.

#### 5.5 Cooling off period:

As there is no cooling-off regime associated with CFDs, the client is not able to cancel a trade once it has been entered into.

#### 5.6 Counterparty Risk:

GO Markets is the issuer of CFDs subject to this TMD. This means that the client is dealing with GO Markets as the counterparty to every transaction. Accordingly, the client is exposed to the financial and business risks of trading with GO Markets.

## 6. Investors for whom OTC Derivatives are unsuitable

Our products are not compatible with the needs of investors who:

- Are below the age of 18,
- Reside in a country which prohibits trading in CFDs,
- Does not understand the risks of CFDs, or does not have the requisite knowledge,
- Are seeking capital protection, preservation, long term investments to manage future cash flow or portfolio diversification,
- Are risk averse, or has a low risk tolerance,
- Are seeking regular fully guaranteed income or fully predictable returns,
- Time poor to monitor their investments with due frequency,
- do not demonstrate an understanding of the characteristics and nature of CFDs and/or the underlying assets,
- do not demonstrate suitability based on the combination of their level of knowledge, wealth, socio-economic state, and their income,
- indicate that they cannot afford to bear losses,
- Are in financial hardship or going through bankruptcy,
- Do not have the ability and willingness to lose the sum of their deposits,
- Have low levels of literacy or numeracy, financial literacy, and technological literacy,
- Wish to trade using income or cash that the Consumer relies on for living expenses,
- Are vulnerable Clients, including Clients who are vulnerable for any of the following reasons:
  - geographically isolated,
  - 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.

## 7. Target Market of OTC Derivatives

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 retail clients who satisfy each of the below criteria:

### Criteria A

- Consumers above the age of 18,
- Consumers who have the requisite knowledge and experience to trade in CFDs as assessed by GO Markets suitability test,
- Consumers who can accept losses that can be as great as the sum of their deposits without suffering financial hardship as a result,
- Consumers who have high investment risk appetites,
- Consumers read and understand CFD products with all its associated risks, and
- Consumers with a short-term investment horizon.

### Criteria B

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

- Accessing a wide range of products,
- Profiting from fluctuations in the price or value of underlying assets,

- Speculative trading on short-term market movements,
- 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.

### 8. Explanation of why OTC Derivatives are likely to be consistent with the likely objectives, financial situation and needs of the target market

CFDs issued by GO Markets and their key attributes are likely to be consistent with the likely objectives, financial situation and needs of investors who belong to one (or more) of the following categories:

- **High Risk Tolerance Traders** – Clients seeking to make a profit via speculation; or
- **Diversification Seeking Investors** - Clients who may be seeking to diversify their investment portfolio and use CFDs trading for speculative or hedging purposes.
- **Risk Mitigation Investors** – Clients seeking to hedge potential risks from other investments in or exposures to Underlying Reference Instruments.

8.1 High Risk Tolerance Investors are Clients likely to have a higher risk appetite and who are seeking higher returns through riskier strategies and are prepared to suffer material losses (and able to withstand such losses).

- Likely objectives: Use existing assets to support leverage in order to seek higher returns with corresponding higher risk.
- Likely financial situation: Have a relatively high and regular disposable income and/or substantial holdings of spare capital available for trading CFDs. Are able to withstand losses from trading CFDs without causing distress or material impact on living standards.
- Likely needs: Wish to use spare capital to make enhanced returns.

8.2 Diversification seeking clients who are likely seeking to diversify their investment portfolio and use CFDs trading for speculative or hedging purposes.

- Likely objective: To diversify their investment portfolio;
- Likely financial situation: Clients who have existing or upcoming investments or exposures they wish to hedge;
- Likely needs: Loss or profit protection from hedging strategy.

8.3 Risk Mitigation Investors are Clients who may be more risk averse than High Risk Tolerance Investors looking to protect previous gains or mitigate against potential future losses.

- Likely objectives: Protect previous gains or mitigate against potential future losses and/or lower the cost of acquiring an economic exposure to relevant underlying assets.
- Likely financial situation: Have existing or forthcoming investments or exposures which the Clients wish to hedge.
- Likely needs: Loss or profit protection.

## 9. 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.

## 10. 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 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. No third-party distributor is permitted to distribute CFDs issued by GO Markets to Clients unless GO Markets considers on reasonable grounds that relevant Clients are likely to be within the target market.

GO Markets permitted distribution channels are as follows:

Distribution Channel	Permitted Channel
Direct channels through GO Markets	Yes
Affiliates/referral	Yes
Channels	Yes
Through Personal Advice	No
Through General Advice	Yes

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

GO Markets will review triggers or events:

- we become aware of a significant issuance or distribution of CFDs to Clients outside the target market that would reasonably suggest that the TMD is no longer appropriate;
- material changes to the CFD product as a result of new or amended functionality, whereby the key attributes of CFDs are no longer consistent with the likely objectives, financial situation and needs of Clients in the target market;
- material changes to law or regulation affecting CFDs that would reasonably suggest that the TMD is no longer appropriate;
- Receipt of a product intervention power order from ASIC requiring GO markets to cease distribution of the product to retail clients;
- we become aware of a significant volume of complaints from Clients who are trading CFDs regarding the design and distribution condition that would reasonably suggest that the TMD is no longer appropriate;
- any other event or circumstance that would materially change a factor taken into account in making this TMD for CFDs.
- 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.
- The first review of this TMD occurred on 30 September 2022.
- Review Triggers -s994B (5)(d).

The TMD will be reviewed at least every 12 months from the date of this TMD, and more frequently if a review trigger occurs.

## 12. 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:



- Client complaints data – nature of complaints and the number of complaints received;
- Client 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;
- web analytics; and
- any other information that would affect the consistency of this TMD.

### 13. 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](mailto:support@gomarkets.com)

**Web:** [www.gomarkets.com/au](http://www.gomarkets.com/au)

### 14. Date of TMD

30 October 2024.

### 15. 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.