



Product Disclosure Statement (PDS)

Issue Date: 20th February 2020

Issued by CurrencyFair Limited (ARBN 154 043 455)

Authorised Representative (no: 419450) of CurrencyFair Australia Pty Ltd

(ACN 147 506 410 and AFSL 402709)

Table of Contents

1	Product Disclosure Statement	3
1.1	General Information	3
1.2	Purpose and Contents of this Product Disclosure Statement	4
1.3	Contact details	5
1.4	Terms & Conditions.....	6
1.5	Advice.....	6
1.6	CurrencyFair Foreign Exchange Summary Table	7
2	Foreign Exchange Transactions offered by CurrencyFair	10
2.1	Our Service	10
2.2	What is a Foreign Exchange contract?.....	10
2.3	Exchange Rates	11
2.4	Interbank Rates	11
2.5	Comparing Exchange Rates.....	11
3	Using CurrencyFair	11
3.1	Registration and Account Opening.....	11
3.2	How to Enter a Transaction	12
3.3	Send In.....	12
3.4	Exchange Process	14
3.5	Benefits and Risks of each Method of Exchange Processes	15
3.6	Confirmation of Transactions	16
4	Fees and charges.....	16
4.1	Transfer Fees.....	16
4.2	Standard Rate Adjustment.....	17
4.3	Third Party Fees and Charges.....	19
5	Significant Risks of Foreign Exchange Contracts	20
5.1	Opportunity Cost.....	20
5.2	Market Risk	20
5.3	Counterparty and Credit Risk.....	20
5.4	OTC Risk.....	21
5.5	Client Monies	21

5.6	Foreign Exchange Risk.....	21
5.7	Operational Risk.....	22
5.8	Regulation and jurisdiction risk	23
5.9	No Cooling Off.....	23
6	Significant benefits of using CurrencyFair	23
7	Suspending or Closing Accounts.....	23
8	Privacy Policy	24
9	AML/CTF.....	25
10	Tax Implications.....	25
10.1	General.....	25
10.2	Goods and Services Tax.....	25
11	Disclosure of interest.....	25
12	Dispute Resolution	26
12.1	Internal resolution	26
12.2	External resolution.....	26

1 Product Disclosure Statement

1.1 General Information

All products and services detailed in this Product Disclosure Statement (“**PDS**”) are supplied by CurrencyFair Limited (“**CurrencyFair**”) [ARBN 154 043 455] as Authorised Representative [No: 419450] of CurrencyFair Australia Pty Ltd [ABN 94 147 506 410], who has arranged the issue of this PDS. CurrencyFair will issue the foreign exchange contracts covered by this PDS, and provide all services in relation thereto, pursuant to its corporate authorised representative appointment by CurrencyFair Australia Pty Ltd.

CurrencyFair Australia Pty Ltd holds an Australian Financial Services Licence Number 402709 and is authorised to provide general financial product advice, deal and make a market in derivatives and foreign exchange contracts to retail and wholesale clients. Australian Securities and Investments Commission (“**ASIC**”) takes no responsibility for the contents of this PDS. This is an important document and should be read in its entirety.

This PDS is issued only for the services CurrencyFair is offering in Australia. This PDS does not constitute an offer or invitation in any place outside Australia or to any person to whom it would be unlawful to make such an offer or invitation. The distribution of this PDS (electronically or otherwise) in any jurisdiction outside Australia may be restricted by law and persons who come into possession of this PDS should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable law.

If you intend to apply to use any of the products described in this PDS, please read this PDS in full and keep it together with all other documentation which you receive from CurrencyFair in connection with foreign exchange contracts, for future reference. If you received this PDS electronically but need a paper copy, we can provide it to you free of charge upon request. For information regarding our full range of products and services, please also read the Financial Services Guide (“**FSG**”) and visit our website. If you have any queries regarding this PDS, please contact us.

All clients shall be bound by the contents of this PDS. The information in this PDS is current as at 20th February 2017 and may be updated from time to time where that information is not materially adverse to clients. Updated information shall be provided on our website www.currencyfair.com. CurrencyFair may issue a supplementary or replacement PDS as a result of certain changes, which shall be available on our website or shall be distributed in electronic form as required.

1.2 Purpose and Contents of this Product Disclosure Statement

This PDS is an important legal document setting out information about foreign exchange contracts which may be entered into between you and CurrencyFair. The purpose of this PDS is to assist you in deciding whether the services offered by CurrencyFair are appropriate for you. It describes the key features of foreign exchange transactions, the benefits, risks and associated fees and charges. You should read this PDS in full before entering any transactions with us.

This PDS is designed to provide you with important information regarding foreign exchange contracts including the following information:

- Who we are
- How you can contact us
- Which products we are authorised to offer or utilise
- Key features/risk/benefits of these products
- Applicable fees and charges for these products

- Any (potential) conflicts of interest we may have; and
- Our internal and external dispute resolution process.

The information in this PDS should assist you to:

- Decide if the product meets your needs; and
- Compare the product with similar products.

1.3 Contact details

If you do not understand any part of this PDS, or require further information please contact us:

CurrencyFair Australia Pty Ltd (ACN 147506410)

Suite 201, 19 Honeysuckle Drive
Newcastle, NSW, 2300

Telephone: +61 (0) 282 798 642

Email: support@currencyfair.com

Website: www.currencyfair.com

CurrencyFair Limited (ARBN 154043455)

Colm House, 91 Pembroke Road, Ballsbridge
Dublin 4, Ireland

Telephone: +353 (0) 1 526 8411

Email: support@currencyfair.com

Website: www.currencyfair.com

1.4 Terms & Conditions

Information provided to you in the FSG and this PDS is important and is binding on you. Additional legal terms governing our relationship are detailed in our Terms & Conditions. As part of the online registration process you are required to agree to the CurrencyFair Terms & Conditions as well as acknowledge that you have read and understood the PDS and FSG. You must complete the online registration form, and have your account approved by CurrencyFair. CurrencyFair reserves the right to refuse to open a CurrencyFair account for any person or entity.

1.5 Advice

The information contained in this PDS does not constitute a recommendation, advice or opinion and does not take into account your individual objectives, financial situation, needs or circumstances. All examples used in this PDS are to assist you in understanding how our products work and to illustrate the mechanics of our services. They should not be construed as recommendation, advice or opinion with respect to any exchange rate and does not necessarily reflect the current or future market prices that will apply to a trade.

CurrencyFair is authorised to enter into foreign exchange contracts, buy and sell foreign exchange contracts and give general advice on foreign exchange contracts and non-cash payments to retail and wholesale clients. Before entering into a foreign exchange contract, you should obtain independent advice to ensure this is appropriate for your particular financial objectives, needs and circumstances. No personal advice will be provided to any customer under any circumstances.

Further, we recommend that you also obtain independent taxation and accounting advice in relation to the impact of foreign exchange gains and losses on your particular financial situation. The taxation consequences of foreign exchange contracts can be complex and will differ for each individual's financial circumstances, and your tax adviser should be consulted prior to entering into a foreign exchange contract.

1.6 CurrencyFair Foreign Exchange Summary Table

Item	Summary	PDS Section reference
Who is the issuer of this PDS and the products?	All products and services detailed in this PDS are supplied by CurrencyFair Limited [ARBN 154 043 455] as Authorised Representative [No. 419450] of CurrencyFair Australia Pty Ltd ABN 94 147 506 410 AFSL 402709, who has arranged the issue of this PDS.	1.3
What is Foreign Exchange?	A Foreign Exchange contract is a transaction that involves a contract for the exchange of one currency for another at an agreed exchange rate. An “exchange rate” is the price of one currency in terms of another currency.	2.2
Significant Benefits	<p>Exchange rate certainty – depending on the method of exchange selected, an exchange for the purchase or sale of foreign currency amounts may reduce or eliminate exchange rate uncertainty.</p> <p>Diversity – foreign exchange contracts are available for a wide range of currencies.</p> <p>Flexibility – foreign exchange contracts are flexible and can be tailored to meet your requirements.</p>	6
Significant Risks	<p><i>Volatility</i> - Exchange rates can be volatile and move adversely.</p> <p><i>Future benefit</i> – using the varying exchange rate methods means foregoing any benefit from future favourable movements.</p> <p><i>Counterparty Risk</i> - You are reliant on CurrencyFair’s ability to meet its obligations under the terms of the foreign exchange contract.</p>	5

Item	Summary	PDS Section reference
<p>What fees and charges are payable in respect of foreign exchange contracts?</p>	<p>CurrencyFair derives a financial benefit by making adjustments to the rates offered to Clients in the Marketplace when they are viewed by the other party. CurrencyFair applies a Standard Rate Adjustment to each exchange in an amount notified on the website. Please refer to our website for the current Standard Rate Adjustment which may be amended from time to time.</p> <p>CurrencyFair charges a fee for making a transfer from your CurrencyFair Account. The fee is quoted in the currency you are transferring however you have the option to pay in a different currency, provided you have enough funds available on your account, in that currency. The transfer fee is applied when you request, via the platforms, your funds to be transferred to your chosen beneficiary. The transfer fee is deducted from the amount of Available funds you have to send.</p> <p>Although CurrencyFair aims to avoid having additional third party fees deducted from your funds in some cases it is unavoidable. This may result in an amount less than you transferred arriving at the beneficiary account.</p> <p>CurrencyFair does not either levy or receive these fees and is constantly looking for ways to enable our customers to avoid them.</p>	<p>4</p>
<p>How do I open an account?</p>	<p>Prior to opening an account and entering into foreign exchange contracts, you must read, understand, and accept the FSG, this PDS and the CurrencyFair Terms & Conditions (which will be provided to you by CurrencyFair). Then you will need to complete the online registration process, where we will verify your identity using documentation or electronic verification in accordance with the Anti-Money Laundering and Counter Terrorist Financing Regulations. CurrencyFair reserves the right to refuse to open an account for any person.</p>	<p>3.1</p>

Item	Summary	PDS Section reference
	Once you have opened an account with us and it is fully activated we refer to you as a “Client.”	
How do I place a foreign contract order with CurrencyFair?	CurrencyFair accepts foreign exchange contract instructions electronically, online (website or mobile application) or by email, or telephone. CurrencyFair only allows you to exchange funds that have been cleared to our respective client accounts. You need to send in the funds you wish to exchange in advance of being able to execute a transaction.	3.2
How are payments made in and out of your Account?	<p>You may send in funds to us using your internet or telephone banking or by going to your branch. CurrencyFair only accepts bank transfers.</p> <p>CurrencyFair does not accept cash or cheque deposits.</p>	3.3
What are the tax implications of foreign exchange contracts?	Tax implications may arise from any transaction or transfer of funds you enter into with us. The taxation consequences of foreign exchange transactions can be complex and will differ for each individual’s financial circumstances. We recommend that you obtain independent taxation and accounting advice in relation to the impact of foreign exchange contracts on your particular financial situation.	10
Currency Fair’s powers to suspend or close your account	CurrencyFair retains the right to suspend or cancel your CurrencyFair Account without prior notification as set out in the Terms & Conditions. We can also refuse to facilitate the execution of any transaction.	7 & 9
Dispute Resolution	CurrencyFair has an internal dispute resolution process in place to resolve any complaints or concerns you may have, as quickly and fairly as possible in the circumstances. You should bring any complaints or concerns you have to our attention by contacting us.	12
How do I obtain further information?	You can contact us as per contact details in this PDS.	1.3

2 Foreign Exchange Transactions offered by CurrencyFair

2.1 Our Service

CurrencyFair operates an online foreign exchange service that operates 24 hours a day, Monday to Friday, detailed opening hours can be found on the website. We facilitate the exchange of one currency for another and the transfer of the purchased currency upon your request to the beneficiary you nominate.

CurrencyFair is not a currency speculation service. It is designed to provide spot foreign exchange (set value date) and transfer services for clients that need to send funds internationally.

2.2 What is a Foreign Exchange contract?

The term foreign exchange refers to the simultaneous purchase of one currency and sale of another currency at an agreed exchange rate. Foreign exchange contracts are not exchange traded and are customised to each individual transaction. The characteristics below change for each transaction

- Currencies exchanged
- Exchange rate
- Amount to be exchanged
- Value date of the transaction

Standard foreign exchange contracts or “spot” foreign exchange mature on a set value date. With CurrencyFair, as all funds are cleared, the purchased funds are available on your account for immediate exchange and transfer to your chosen beneficiary account.

How does a Foreign Exchange contract work?

When you enter into any foreign exchange contract, you will be asked to nominate an amount, known at the contract amount and the two currencies to be exchanged. In every foreign contract there are two currencies as follows:

1 fixed unit of a currency = X variable units of another currency.

The fixed currency is called the “base” currency and the variable currency is called the “terms” currency. Together, these are known as the Currency Pair. This date on which the exchange takes place is known as the “settlement date” and can be any business day on or

after the “deal date” (i.e. the date on which you enter into the relevant foreign exchange contract with CurrencyFair.)

2.3 Exchange Rates

An Exchange Rate is the price of one currency expressed in terms of another. For example, if the current Exchange Rate for the Australian dollar against the US dollar is AUD/USD 1.01, this means that one Australian Dollar is equal to 1.01 US. The Exchange Rate can also be expressed as the reciprocal, so USD/AUD would be one USD is approximately equal to 0.99 AUD cents. Foreign exchange rates are moving constantly and are the largest financial market in the world with trillions traded every day.

$$\text{AUD/USD} = 1.01 \quad \text{USD/AUD} = 0.99$$

CurrencyFair exchange rates on a particular currency pair are always quoted as the currency you are selling to the currency you are buying. That way when you view the Market you always know that the higher the rate the better the rate of exchange is for you.

By way of example if you are converting AUD into USD then the rate will be quoted as 1AUD = 1.01 US cents. If you are converting USD to AUD it would be 1USD = 0.99 AUD cents.

2.4 Interbank Rates

The interbank rate or wholesale rate is the rate at which banks and financial institutions exchange their currencies and is the base for all other exchange rates.

2.5 Comparing Exchange Rates

Foreign exchange is an over-the-counter product (“**OTC**”), this means they are not traded on a licensed financial market under section 767A of the Corporations Act. As a regulated exchange, different providers will be quoting different rates at the same time. You will want the best exchange rate available, so we advise that you shop around. You need to be aware of providers who advertise zero percent commission or zero transfer fees. While these may seem to be a good deal, the exchange rate you receive once the providers spread has been added, may more than compensate for you not having to pay other fees. You always need to take everything into account, the rate and any associated charges, when comparing providers.

3 Using CurrencyFair

3.1 Registration and Account Opening

In order to use our services and execute an exchange you need to register online via the website currencyfair.com or the mobile app (“**platform**”). As part of the process you will need to read and agree to the Terms & Conditions. You do this by ticking the box on the online registration form.

CurrencyFair is required by the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) (“**AML/CTF Act**”) to verify the identity of our customers before we transact. You will be notified what is required to complete this process upon registration.

3.2 How to Enter a Transaction

Once your CurrencyFair account has been fully activated you can enter a transaction in one of the following ways;

Online – the majority of CurrencyFair transactions are executed via our platforms. You will need to log on using your Username and Password set up at registration.

Email – If necessary and on an exception basis only you can email us instructions to execute a transaction on your behalf. The details of the transaction will be final once we have processed your email. You need to note that emails may not be processed immediately and you acknowledge that you are bound by the details we send you on confirmation of the transaction.

Telephone – You can also request a transaction by phone. CurrencyFair will execute the transaction for you and provide the terms via email.

CurrencyFair markets are open from 22:30pm Sunday until 20:00pm on Friday. During this period it is possible to complete your exchange. Our markets are closed from 20:00pm on Friday until 22:30pm Sunday. All time references are in Coordinated Universal Time (UTC/GMT).

Please note that under the AML/CTF Act we are required to complete know your customer and ongoing due diligence procedures. In order to comply with the AML/CTF Act we may require additional information or documentation which may or may not result in delay. CurrencyFair will always do its best to ensure transactions are processed within the stated timeframes referred on our website.

As per the terms and conditions you are not paid interest on any balances held in our client Accounts.

3.3 Send In

CurrencyFair only allows you to exchange funds that have been cleared to our respective Client Accounts. You need to send us the funds you wish to exchange in advance of being able to execute a transaction. You will have the option to create either an **“Auto-Transaction,” “Recurring Transaction”** or a **“Send in Only.”**

Auto-Transaction will complete the exchange and transfer for you once the funds arrive in your CurrencyFair account automatically. The exchange takes place when the funds are credited to your CurrencyFair account at the best rate available at that time. You should be aware that the exchange rate can go up or down between the times you set up the transaction, when the money arrives into your CurrencyFair account and the exchange occurs. If the rate drops more than 3% we will pause the exchange and notify you by email. You will receive an email informing you that the funds have been exchanged and transferred. It will also confirm the rate of exchange and the amount sent to your beneficiary account.

Recurring Transactions will exchange your money in your CurrencyFair account and transfer them to a beneficiary bank account you specify on a monthly basis. Each month CurrencyFair will sell the amount you specified from your CurrencyFair account and buy the currency associated with your selected beneficiary bank account using the Best Rate Available. CurrencyFair will transfer out the resulting amount (less the transfer fee) to the beneficiary bank account you specified as soon as possible. CurrencyFair will email you to let you know that your exchange and transfer out has been successful. Alternatively, if there is not enough money in your account on the date or if the date falls on a weekend or bank holiday, CurrencyFair will continue to try to execute the exchange and transfer out for up to 4 business days after the specified date. If there is not enough money sent to the account within those 4 business days, that particular month's Recurring Transaction will be cancelled and we will try again the following month. CurrencyFair will execute the exchange and transfer on the date specified if possible, or the next business day, regardless of the exchange rate at the time. Foreign exchange rates go up as well as down and it is up to you to 'Pause' or 'Stop' any Recurring Transaction from occurring if you are unhappy with the prevailing exchange rate.

Send in Only option allows you to keep your money in your CurrencyFair account until you are ready to exchange and transfer the funds. We will send you an email to let you know the funds have been credited to your account and are available for exchange. This means you will have to exchange the money yourself via the “Exchange” option on your CurrencyFair Account.

Please note, CurrencyFair does not accept cash or cheque deposits.

3.4 Exchange Process

You have the choice to accept the **'Best rate available now'** or **'Choose your own rate'** in the exchange process.

Accepting the Best Rate Available Now

CurrencyFair ensures that there is always the ability to exchange your funds immediately, no matter what currency pair you require or the number of other users in the market. Once you have selected the currency you are converting from and the currency you are converting to you will see the Best Rates Available Now on your chosen platform. The exchange rate and the amount of funds (denominated in your sell currency) available at that rate will be displayed.

For example you are converting AUD 10,000 to USD.

1.01 12,000 AUD

1.00 15,200 AUD

This means that you can exchange AUD 12,000 at a rate of 1.01 (1 AUD = 1.01USD).

As your amount is less than 12,000, you can exchange all of your AUD 10,000 at the rate of 1.01.

If you wanted to exchange AUD 13,000 you can exchange only AUD 12,000 at 1.01 and the remaining AUD 1,000 at the next available rate of 1.00. You will receive the weighted average of the two (or more) rates. This would be calculated as;

AUD12,000 @1.01 = USD 12,120

AUD 1,000 @0.98 = USD 1,000

AUD 13,000 = USD13,120 @ 1.009231

CurrencyFair will always match you at the best rates available on the marketplace when choosing this option.

If you are happy with these rates you can confirm the transaction and the trades are matched. Once matched a trade cannot be reversed or cancelled.

Choose your own rate.

Using CurrencyFair's choose your own rate option allows you to control your exchange rate and complete your transfers out once your exchange is completed.

Using the example above if you had AUD 5,000 you wanted to convert to USD but you want to try and receive a rate better than the 1.01 currently available you can enter a higher rate of exchange, for example 1.0150.

This rate would not be matched immediately and join the exchange queue. All exchanges are held in the exchange queue in the order they are received, so two orders at the same rate would result in the person who entered their exchange first, getting matched first.

You can amend and cancel any unmatched exchanges. Your Offer will remain in the Queue until you amend or cancel it.

You can be matched in two ways, fully matched or partially matched. If you are fully matched then all of the funds you have offered at that rate have been matched by another users. If you are partially matched only a portion of your funds have been matched and the remainder still in the exchange queue. You can amend or cancel your rate any time before it is matched. Any time part or all of your order is matched, you will receive an email notification.

3.5 Benefits and Risks of each Method of Exchange Processes

There are benefits and risks to both methods of exchanging

Method	Benefits	Risks
Best Rate Available Now	<ul style="list-style-type: none"> ▪ Your trade is executed instantaneously at the point of exchange. ▪ Greater certainty of the rate you achieve. ▪ Fast and Simple 	<ul style="list-style-type: none"> ▪ You may have achieved a better rate by choosing your own rate and waiting to be matched in the exchange queue.
Choose your own rate	<ul style="list-style-type: none"> ▪ You may achieve a better rate than those currently available. 	<ul style="list-style-type: none"> ▪ Will take longer to execute ▪ No guarantee that the rate will be matched

- Rates may move against you and you may need to take a lower rate than was available immediately.
- Offers are considered live until you amend or cancel them.

3.6 Confirmation of Transactions

When executing a transaction you will receive an email letting you know your exchange has been completed. You can view your transactions and your account statement on your CurrencyFair account by selecting 'Transaction Overview.' If required we can also send you a transaction confirmation by email for a specific transaction.

4 Fees and charges

4.1 Transfer Fees

CurrencyFair charges a fee for making a transfer from your CurrencyFair Account. The fee is quoted in the currency you are transferring however you have the option to pay in a different currency, provided you have enough funds available on your account, in that currency. The transfer fee is applied when you request, via the platforms, your funds to be transferred to your chosen beneficiary. The transfer fee is deducted from the amount of available funds you have to send. Below is an example of the current transfer fees (subject to change).

Currency	Standard Transfer Fee
AED	15.00
AUD	4.00
CAD	4.00
CHF	4.00
CZK	75.00
DKK	25.00

EUR	3.00
GBP	2.50
HKD	25.00
HUF	1,000.00
ILS	40.00
NOK	25.00
NZD	5.00
PLN	10.00
SEK	30.00
SGD	5.00
USD	4.00
ZAR	25.00

Transfer times vary depending on the currency you are transferring. For our current processing times visit <https://www.currencyfair.com/how-it-works/exchange-processing-times/>

4.2 Standard Rate Adjustment

CurrencyFair does not charge any direct fees for a foreign exchange contract, this is distinct from the transfer fee outlined in the previous section. However, CurrencyFair derives a financial benefit by making adjustments to the rates offered by clients on the platform when they are viewed by the other party.

CurrencyFair applies a Standard Rate Adjustment (currently 0.15%) of the total amount exchanged. We reserve the right to adjust this Standard Rate Adjustment at any time but will notify you via the website if this occurs.

In effect, you pay for the foreign exchange contract by accepting the exchange rates as quoted on the platform. However, please note that you are always transacting with CurrencyFair as your counterparty, not another Client of CurrencyFair.

The spread is the difference between the interbank rate or wholesale rate and the rate you receive on your exchange at the time of the transaction, the spread incorporates our Standard Rate Adjustment (0.15%). Therefore, the rate you see on our platform is the exchange rate you will receive, regardless of whether you choose your own rate or choose the best available rate.

For example, let's assume you are converting Australian Dollars ("AUD") to Pounds Sterling ("GBP"), and decide to offer your funds on the website at a rate of 0.6250 (You want 62.5 pence for every AUD you exchange). From the point of view of other clients with GBP wanting to buy AUD, in the absence of the Standard Rate Adjustment, you would appear to be offering a rate of $1/0.6250$, or 1.6 AUD for every GBP.

Due to the Standard Rate Adjustment, your offered rate would actually appear to be lower than 1.6, in fact, it would appear as 1.5952. If another client takes up your offer, this difference ensures that CurrencyFair makes a Standard Rate Adjustment of 0.15% on the total amount exchanged. In other words, to match with other clients, you in fact need to slightly overlap their offered rate by enough to incorporate the Standard Rate Adjustment.

Unlike standard banks or brokers, which apply their margins directly to the interbank rate, we apply our Standard Rate Adjustment to the rates offered by our other clients. This market mechanism means that even though our Standard Rate Adjustment is 0.15%, the actual rate received by different clients may differ from the interbank or wholesale rate by more or less than 0.30%.

CurrencyFair provides liquidity to the marketplace, in order to ensure that customers can always exchange immediately. This liquidity takes the form of Best Available Now Rates on the website, and is usually set at between 0.5% and 0.6% away from the Interbank Rate. The position where liquidity is set can be wider at times, depending on the currency pair being exchanged, and market volatility.

This CurrencyFair liquidity, in effect, protects customers from receiving potentially bad exchange rates offered up by other parties on the website.

We advise that all clients refer to independent sources of the current live interbank or wholesale rate, such as those available at www.xe.com or

www.bloomberg.com/markets/currencies, in order to assist them in deciding the actual total cost implied by any rate on the website.

4.3 Third Party Fees and Charges

Although CurrencyFair aims to avoid having additional third party fees deducted from your funds in some cases it is unavoidable. This may result in an amount less than you transferred arriving at the beneficiary account. CurrencyFair does not levy or receive these fees and is constantly looking for ways to enable our customers to avoid them. The bank account details to send funds in and potential fees are listed in the CurrencyFair Bank Accounts section on your account.

Charges to Deposit to CurrencyFair – CurrencyFair does not charge any fees to receive your money. However, depending on where you are sending from, there may be bank fees associated with the transfer. If any accounts that you are sending funds to are held in non-local currencies, you can expect a fee to be taken by the sending bank. At present, CurrencyFair receives USD, CAD, AED, ZAR and NZD into non-local accounts

Correspondent Bank Fees – In some jurisdictions for some currencies financial institutions used as intermediaries may deduct an amount from the funds you are sending. This is beyond our control and we are not aware of who will charge and how much. We have done our best to cut out these charges where possible, by holding our bank accounts in the country you are sending funds.

Receiving Bank Charges – In some jurisdictions some banks and financial institutions may charge the beneficiary for receiving the transferred funds. We will try and alert you if we are aware but generally we will not know in advance. You should bear this in mind if you are paying the precise amount of an invoice or personal payment.

Administration fees – Depending on the circumstances of a transaction where a recall request or trace is required, CurrencyFair may charge you to complete this process. All fees and charges may be subject to change without notification.

If you have any questions regarding the likelihood of third party fees being levied by intermediary banks or receiving banks, you can contact us via email at support@currencyfair.com or via telephone at +61 (0) 282 798 642.

5 Significant Risks of Foreign Exchange Contracts

Before you start using CurrencyFair and entering into foreign exchange contracts, we recommend you obtain independent financial, legal and taxation advice. In deciding whether or not to enter into a foreign exchange contract you should be aware of the risks set out below. However, this section does not purport to disclose all of the risks associated with foreign exchange contracts.

5.1 Opportunity Cost

By entering into a foreign exchange contract today to set a rate for settlement in the future, you are obliged to deliver under that foreign exchange contract even if the exchange rate improves prior to settlement. You may therefore forego any benefit of a favourable movement in the exchange rate between the time you enter into the foreign exchange contract and the settlement date.

5.2 Market Risk

Market risk is the risk that the value of your foreign exchange position will change as a result of a movement in the underlying market price. If you enter into a foreign exchange contract without an underlying currency cash flow you should be aware that you will be exposed to changes in the market price. You will suffer a loss if the underlying foreign exchange rate moves unfavourably.

5.3 Counterparty and Credit Risk

Counterparty risk is the risk that another party may default on their contractual obligations. Counterparty risk is limited as your funds are in most cases, exchanged and transferred to a beneficiary within a short space of time, usually 1-3 business days, depending on your requirements.

When you deposit funds to a CurrencyFair Client Account to prefund your account in order to exchange, you are taking the risk that CurrencyFair will not be able to fulfil its obligations to you. The obligations of CurrencyFair to make payments in respect of the contracts are unsecured obligations of CurrencyFair, which means that you are subject to our credit risk. If we were to become insolvent, we may be unable to meet our obligations to you. If we default on our obligations, Clients may become unsecured creditors in an administration of liquidation and will not have recourse to any underlying assets in the event of our insolvency.

CurrencyFair may choose to limit this exposure by entering into opposite transactions as principal in the wholesale market in relation to its exposures with clients. In addition, CurrencyFair must comply with the financial requirements imposed under its AFS Licence. This includes maintaining surplus liquid funds and auditing financial statements annually.

CurrencyFair constantly monitors the credit worthiness of its banking providers and ensures the protection and safety of client funds. We do not speculate on foreign exchange or invest client funds for proprietary purposes. All client funds are held in highly liquid banking deposits. If our banking partners experience financial difficulty and can no longer return the funds when requested, CurrencyFair may not be able to meet its obligations to you. When you send your deposit to CurrencyFair you accept the risk that CurrencyFair can meet our obligations to you at the terms of the transaction.

5.4 OTC Risk

Foreign exchange contracts provided by CurrencyFair are OTC products. Investors must deal directly with CurrencyFair to open and close positions. Given you are dealing with CurrencyFair as counterparty to every transaction, you will have an exposure to us in relation to each transaction. This is common to all OTC financial market products.

5.5 Client Monies

CurrencyFair holds all client deposits in segregated client accounts, therefore client's funds are held separately to our own. Please note that money you deposit into our Client Accounts is co-mingled with other client money in our client accounts (which is separate to CurrencyFair's monies/assets). Such monies are only applied to client trades and or settlement obligations and to pay agreed fees, in line with the Corporations Act requirements.

Client monies which are held pending future transactions and payments are held in our segregated account in accordance with the Corporations Act. It is important to note that holding your money in one or more segregated accounts may not afford you absolute protection.

CurrencyFair is entitled to retain all interest earned on client moneys held in segregated accounts with a bank or approved deposit-taking institution. The rate of interest earned by CurrencyFair on this account is determined by the provider of the deposit facility.

5.6 Foreign Exchange Risk

At various stages of the transaction cycle you may be exposed to foreign exchange rate movements that may result in you receiving a higher or lower rate.

You are exposed to foreign exchange rate movements from the time it takes for your deposit to reach our Client Account and to be cleared to your CurrencyFair account. We regularly monitor our bank accounts and clear your funds as soon as possible to your account so you can exchange and lock in a foreign exchange rate. Additionally, if you set up an auto-transaction and the rate drops more than 3% you will be notified and the exchange will not go ahead.

Entering a Transaction

Once you have been matched the foreign exchange contract is irreversible and the rate is locked in. This means that you are no longer exposed to adverse rate movements, however you will not benefit from any favourable moves in foreign exchange rates.

If you have choose your own rate and foreign exchange rates move against you , you may be forced to take a lower rate than was the best available now rates at the time you made the offer.

5.7 Operational Risk

Operational risk is the risk of delay or loss as a result of inadequate or failed technological systems, internal processes or external events. Operational risks could also arise from potential delays in communication via electronic means including email and telephone, software and hardware faults and security breaches.

CurrencyFair uses the latest technology to ensure the highest levels of availability of our services via the online platform. This includes dual redundancy on all core systems and a tested Business Continuity Plan. We also employ the highest levels of IT security including 256 bit encryption via Secure Socket Layer (SSL) from VeriSign. All CurrencyFair accounts are secured by Username and Password and two factor authentication. A registered email address is also used to communicate your activity on the site.

There is also the risk that our banking providers may make an error or have unscheduled delays in crediting your funds to our Client Accounts or transferring them to your Beneficiary Account. We chose our partners carefully and are confident that they can provide services to a standard of service as would be expected from our clients. While we constantly monitor our partners there is always the risk associated with payment processing due to system failures or errors.

There are important provisions to which you agree in relation to using our services in the Terms & Conditions agreed on registration.

5.8 Regulation and jurisdiction risk

Currencyfair is incorporated and registered in the Republic of Ireland, therefore claim or dispute arising out of or in connection with the website and/or any services or products provided by Currencyfair will be subject to the non-exclusive jurisdiction of the Courts of the Republic of Ireland.

5.9 No Cooling Off

No cooling off period applies to any of the products described in the PDS. You are, therefore bound by the terms of a foreign exchange contract, when you enter into it, regardless of the fact settlement may occur at a later date.

6 Significant benefits of using CurrencyFair

- Secure, convenient way to send your funds internationally.
- Highly competitive exchange rates due to the peer to peer mechanism.
- Low transaction fees.
- Simple execution.
- Online access to the market 24 hours a day 5 days a week.
- Full transaction records.
- Excellent Customer Service and dedicated staff (no call centres).
- Control over your exchanges.
- Transparency.

7 Suspending or Closing Accounts

CurrencyFair retains the right to suspend or cancel your CurrencyFair account without prior notification as set out in the Terms & Conditions. We can also refuse to facilitate the execution of any transaction. This may be necessary in circumstances such as;

- Breaching one or more of the Terms & Conditions of use.
- A dispute between us.

- Failure to provide material information, or in our opinion the information is inaccurate or misleading.
- We believe you are involved in unlawful or illegal activities.
- In the event of your death or loss of mental capacity.
- If we are no longer able to supply the services detailed in this PDS.

8 Privacy Policy

CurrencyFair recognises the importance of your privacy and abides by the Australian Privacy Principles (“**APP**”) contained in the Privacy Act 1988 (Cth). We have in place policies and procedures to ensure we remain compliant. By using our services, you consent to us disclosing any of your personal information, as defined in the Privacy Act 1988, in accordance with the terms set out in the Privacy Policy and Terms & Conditions, which forms part of the application process for the products included in this PDS. The information you provide at registration or in subsequent communication to CurrencyFair and any other information provided by you in connection with your account will primarily be used for the processing of your account application and for complying with certain laws and regulations.

We may use this information to send you details of other services or provide you with information that we believe may be of interest to you. Full details of our privacy policy are available from our website www.currencyfair.com.

We will retain information obtained from you as long as required by our regulatory obligations. This includes information required in order for us to comply with applicable laws and regulations for the prevention of money-laundering and counter-terrorism financing.

Where we request documentation from you, we urge you to use the secure upload on the website that allows you to send this information via an encrypted communication channel.

The law allows you (subject to permitted exceptions) to access your personal information. You can do this by contacting us using our contact details set out in this PDS.

Where necessary, CurrencyFair will correct personal information where that information is found to be inaccurate, incomplete or out of date. We will not charge an individual for reasonable access and correction requests.

9 AML/CTF

By accepting our Terms & Conditions at registration you undertake that activity related to your CurrencyFair Account is in no way associated with unlawful or illegal activity. CurrencyFair is compliant with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth.)* and associated laws. By registering with CurrencyFair you undertake to notify us of anything that may put us in breach of this legislation and associated regulations.

You must supply personal details to us and where necessary documentation to assist us in verifying your identity. This may also be necessary for additional authorised signatories and directors and beneficial owners of corporate entities. From time to time we may be required to obtain further information to assist with ongoing obligations.

We may be required to provide the relevant authorities with information we have collected from you or any transaction records we hold. We will be unable to notify you of any such requests. We may also be required to suspend or cancel your accounts or delay the processing of transactions or payment requests.

10 Tax Implications

10.1 General

We recommend that you seek independent taxation advice before entering into a foreign exchange transaction. Tax implications may arise from any transaction or transfer of funds you enter into with us. Tax rules change from time to time and individual circumstances are different. When determining whether or not this product is suitable for you, you should consider the impact it will have on your own taxation position and seek professional advice on the tax implications it may have for you.

10.2 Goods and Services Tax

GST is not payable on any fees or charges associated with your transactions but where necessary please seek independent taxation advice from a taxation professional.

11 Disclosure of interest

When CurrencyFair enters into a transaction or provides services to you, CurrencyFair, an affiliate of CurrencyFair, or any other connected person may have an interest, relationship or an arrangement that could be material in relation to the transaction or service concerned.

This interest may include having a position in the instruments and currencies that may be the same, similar or opposite to the position you may hold and providing similar services to other counterparties. Whenever it is considered appropriate to buy and/or sell these instruments, take differing positions or provide these services to other counterparties, this may be carried out.

12 Dispute Resolution

12.1 Internal resolution

CurrencyFair has an internal dispute resolution process that aims to resolve any complaints within 5 business days. Complaints should be directed to support@currencyfair.com or by phoning our offices. We will advise you of the process and hopefully reach a quick and satisfactory solution.

12.2 External resolution

CurrencyFair is a member of an independent dispute resolution scheme Financial Ombudsman's Service ("FOS"). If a dispute cannot be resolved by our internal complaints procedure, you are dissatisfied with the outcome of our internal dispute resolution or if we fail to resolve the complaint within the 40 day period, you can direct the complaint to FOS.

You can contact FOS at:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne VIC 3001
Australia

Telephone: 1300 780 808

Website: www.fos.org.au

CurrencyFair's FOS membership number is 25795.

You can also obtain information about your rights and complain directly to ASIC via their info line 1300 300 630.