

INTERACTIVE BROKERS LLC

PRODUCT DISCLOSURE STATEMENT

FUTURES and FUTURES OPTIONS

This PDS is dated 30 August 2010 and is issued by
Interactive Brokers LLC (ARBN 091191141; AFSL 245574)
At 6:00PM EDT

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1 .INTRODUCTION

a) Important Information

Interactive Brokers LLC (“IB”, “we”, “our”, “us”) holds an Australian Financial Services (“AFS”) Licence issued by the Australian Securities and Investments Commission (“ASIC”) (AF S Licence Number AFSL 245574

Under the Australian Corporations Act 2001 (Cth) (“Corporations Act”), IB is regarded as the issuer of these derivatives and this PDS has been prepared by IB as the issuer of the Futures and Futures Options

Under the Corporations Act, a retail client must receive a Product Disclosure Statement (PDS) from a financial services licensee at or before the time the personal advice recommendation to acquire the financial product is made. Where no personal advice is given, the PDS should be given to the retail client before the offer to acquire the product is made.

The PDS sets out the significant features of a financial product, including its risks, benefits and cost.

This Document is the PDS for exchange traded derivatives known as Futures, a type of financial product.

Futures traded on a derivatives market are more commonly known as:

- Futures contracts (both deliverable and cash-settled);
- Futures options (which are options over a Futures contract); and
- Options over the underlying (which are options over commodities or cash adjustments based on stock indices).

These products are known as “derivatives” under the Corporations Act, however for the purpose of this PDS, these products are collectively referred to as “Futures”. They are defined further in Section 3.

This PDS does not cover exchange traded Contracts for Difference (“CFD”) or Over the Counter Traded (“OTC”) Derivatives.

Before you trade Futures you should, in conjunction with your adviser, give consideration to your objectives, financial situation and needs. You should also be aware of the risks involved and be satisfied that trading in Futures is suitable for you in view of your financial circumstances.

The information in this PDS is general information only and does not take into account your personal objectives, financial situation and needs. IB does not give personal financial product advice This PDS does not constitute a recommendation or opinion that the financial products referred to are

appropriate for you. To assist with your review of our PDS we have provided a Glossary of terms at the end of this PDS (please refer to section 16 of this PDS).

In this PDS there are references to websites where more information can be located. If you are unable to access these websites, please contact us and we will endeavour to make the relevant information available to you through other means.

b) Terms and Conditions

This PDS is subject to the detailed provisions of the Client Agreement and the Financial Services Guide ("FSG"). Before making a decision to acquire the financial products described in this PDS you should read this PDS, the FSG and Client Agreement and be satisfied that any trading you undertake in relation to Futures and/or Futures Options is appropriate in view of your objectives, financial situation and needs.

We recommend you read this PDS carefully and obtain independent financial, legal, taxation and other professional advice concerning this PDS, the Client Agreement and the FSG before you apply to open an Account with us. You should keep this PDS, the Client Agreement, and the FSG and any supplementary and replacement documents and updated information that is provided to you by IB including via emails for future reference.

c) Purpose of this PDS

This PDS sets out the significant features of a financial product, including its risks, benefits, costs and fees and other related information. The purpose of this PDS is to provide you with sufficient information to make an informed decision whether you will acquire the financial products covered by the PDS. You may also use this PDS to compare the financial products described with similar financial products offered by other issuers. This PDS seeks to explain the products to you in a clear concise and effective way.

The information in this PDS is general information only and does not take into account your individual investment objectives, financial situation or needs. We recommend you read this PDS

carefully and obtain independent financial, legal, taxation and other professional advice concerning this PDS (including the client Agreement) and the FSG before you apply to open an Account with us.

Under the Australian Corporations Act, a retail client must receive a PDS from an AFS Licensee before acquiring a financial product. The distribution of this PDS may be restricted in certain jurisdictions outside Australia. Persons into whose possession this PDS comes are required to inform themselves of, and to observe, such restrictions. This PDS does not constitute an offer to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer.

d). Changes to this PDS

Information contained in this PDS is subject to change from time to time and may be updated by IB. Any updated information which is not materially adverse to investors will be available from www.interactivebrokers.com. A paper copy of the updated information will be available without charge by contacting IB. Where updated information is materially adverse to investors, IB will issue a supplementary or replacement PDS. Our contact details are set out in section 1 (e) of this PDS.

e). Issuer Details

i) About IB

Interactive Brokers Group, Inc. was founded by its Chairman and CEO Thomas Peterffy. Over the last 33 years, it has grown internally to become one of the premier securities firms with over \$4.9 billion (USD) in equity capital.

Interactive Brokers conducts its broker/dealer and proprietary trading businesses on over 80 market destinations worldwide. In its broker dealer agency business, IB provides electronic access ("on line") trade execution and clearing services to institutional and professional traders for a wide variety of electronically traded products including stocks, options, futures, forex, bonds and funds worldwide. Interactive Brokers Group and its affiliates execute approximately 1,000,000 trades per day.

Interactive Brokers' headquarters are in Greenwich Connecticut, and it has about 800 employees in its offices in the USA, Switzerland, Canada, Hong Kong, UK, Australia, Hungary, Russia, India, China and Estonia. IB is regulated by the SEC, CFTC, FINRA, NYSE, NFA, SFA, ASIC and other regulatory agencies around the world.

ii) IB's contact details

Interactive Brokers LLC
One Pickwick Plaza
Greenwich, CT 06830

Telephone Numbers:
 1-877-442-2757 (from inside the U.S.)
 +1-312-542-6901 (from outside the U.S.)

e-mail: help@interactivebrokers.com

Additional contact information, including issue-specific details, is available at <http://individuals.interactivebrokers.com/en/p.php?f=customerService>.

2. SUMMARY

We recommend you read the entire PDS and any supplementary documents before making an investment decision and before entering into any transaction to deal in Futures.

Issue	Summary	For more Details
Who is the Issuer of this PDS and the Futures ?	Interactive Brokers LLC AFSL 245574 ARBN 091191141 One Pickwick Plaza Greenwich, CT 06830 203-618-5763	Refer to Section 1 (e) for more information
What Products does this PDS cover?	This PDS covers exchange traded derivatives known as Futures, a type of financial product.	Refer to Section 3 for more Information on Key Features of Exchange Traded Futures.

<p>What is a Futures Contract?</p>	<p>A Futures contract is an agreement to buy or sell something (the underlying asset) at a specified time in the future.</p>	<p>Refer to Section 3 for more information on Exchange Traded Futures</p>
<p>What are the Risks of Dealing in Futures ?</p>	<p>The risk of loss in trading in Futures contracts can be substantial. You should carefully consider whether trading is appropriate for you in light of your financial circumstances, degree of financial knowledge and experience, situation and needs.</p>	<p>Refer to Section 7 which explains Significant Risks of dealing in Futures</p>
<p>What are the Benefits of dealing in Futures ?</p>	<p>There are a number of substantial benefits in Futures trading such as Hedging and Risk Management</p>	<p>Refer to Section 6 for a list of some of the Significant Benefits of Options Trading</p>
<p>What are the costs of dealing in Futures?</p>	<p>The main costs are as follows:</p> <ul style="list-style-type: none"> • Commissions and Fees • Interest • Other Fees and Charges such as Trade Cancellation Fees and other fees 	<p>Refer to Section 8 for a complete list of types of costs and charges payable in respect of dealings in Futures with IB</p>
<p>What does Margin mean?</p>	<p>Margin means different things for securities and commodities.</p> <p>For securities, margin is the amount of cash a client borrows</p>	<p>Refer to Sections 4 and 5 for more information on Margin and IB Margin Information</p>

	<p>from IB.</p> <p>For commodities, margin is the amount of cash a client must put up as collateral to support a futures contract.</p>	
<p>What are the consequences of failure to meet Margin Requirements?</p>	<p>If you do not pay a margin, IB may in its absolute discretion and without creating an obligation to do so Close Out without notice all or some of your open positions</p>	<p>Refer to Sections 4 and 5 For more information on Margin and IB Margin Information</p>
<p>What are some important features of IB Margin Policy?</p>	<p>IB GENERALLY WILL NOT ISSUE MARGIN CALLS, IB WILL NOT CREDIT YOUR ACCOUNT TO MEET INTRADAY MARGIN DEFICIENCIES, AND IB GENERALLY WILL LIQUIDATE POSITIONS IN YOUR ACCOUNT IN ORDER TO SATISFY MARGIN REQUIREMENTS WITHOUT PRIOR NOTICE TO YOU.</p>	<p>Refer to Section 5 for more information on Margin and IB Margin Information</p>
<p>How do I trade in Futures with IB?</p>	<p>You can trade with IB through its TW Trader Workstation trading platform. IB recommends that prior to engaging in trading you open a demo account to conduct simulated trading to become familiar with the platform and trading generally When trading you should keep aware of all risks and benefits of derivatives trading and consider your particular financial situation, and objectives.</p>	<p>Refer to Section 12 for more information on How to trade Futures</p>

How does IB deal with my money?	Funds deposited with a Participant on a licensed market for Futures trading are deposited into that Participant's clients' segregated account in accordance with the requirements of the Corporations Act.	Refer to Section 10 for more information on client monies.
Do I pay interest on moneys owed to IB or receive interest on moneys held by IB?	IB does not pay interest unless you have more than \$10,000 (USD) in your account.	Refer to Section 8(ii) for more information on interest payable
Do I have a cooling off period?	No - there is no cooling off period	Refer to Section 15 for more information
What procedures are in place to deal with client complaints?	IB has internal and external dispute resolution procedures in place to deal with client complaints	Refer to Section 13 for more details of IB's dispute resolution procedures.
What are the tax implications of dealing in Futures ?	The taxation implications of dealing in futures and futures options may be complex and depend on your own particular circumstances. You should be aware of a number of matters such as tax rulings and consult your professional adviser for detailed tax advices.	Refer to Section 14 for more information on taxation implications of dealing in Futures.
What if I need further information?	You can refer to the IB website or contact IB .We recommend that in addition you consult your professional adviser for detailed financial, investment ,tax, legal and other professional advices	Refer Section 1(e) for more Information on how to contact IB

3. KEY FEATURES OF FUTURES [RG 168.66]

This section provides an overview of the key features of exchange traded Futures.

a) What are Futures?

A Futures contract is an agreement to buy or sell something (the underlying asset) at a specified time in the future.

The underlying asset may be, for example:

- a specified amount of a security, such as shares in a company or government bond,
- a financial instrument, such as a bank bill,
- a stock index, such as the SFE SPI 200®, or
- a commodity of a given grade or quality, such as greasy wool.

The parties to a Futures contract may be required to deliver or take delivery of the underlying asset at the time specified in the contract, where the contract provides for this. Alternatively, the contract may provide for a cash adjustment to be made, based on a change in the price of the underlying asset.

b) Types of Futures

There are two main types of Futures contracts.

- Deliverable contracts – where the seller agrees to deliver to the buyer, and the buyer agrees to take delivery of, the quantity of the commodity described in the contract.
- Cash settled contracts – where the two parties make cash adjustment between them according to whether the price of a commodity, financial instrument or index has risen or fallen since the time the arrangement was made.

IB may not permit its customers to make or take delivery of the commodity underlying the Futures contract, (one exception - we do allow delivery of foreign currency for example in a listed currency futures transaction) therefore it may not be not advisable to enter into deliverable contracts in the last weeks before maturity.

A Futures contract's terms are generally set out in the Operating Rules of the exchange on which the contract was made, which might be in Australia or overseas. This Document is intended to apply to any Futures contracts traded on a computer-based exchange unless otherwise indicated. There may, however, be differences in procedure and regulation of markets from one country to another and one exchange to another.

c) Futures are an International Product

As noted above, Futures contracts are traded on a number of overseas exchanges. Your obligations and requirements may differ according to the specific rules of an exchange, and you will need to understand how this affects you. It is therefore important that you contact IB for information if you have any questions about any overseas exchange on which you wish to trade. You can find further information on the website of the relevant overseas exchange. See also Section 11 Market Information, below for more information.

d) Duration of Futures

Futures contracts may be made for periods of up to several years in the future. Part of the standardisation of Futures contracts is that the contract maturity dates follow a pre-determined cycle (standardisation is discussed in the next section). For example, in the SPI-200[®] contract traded on the Sydney Futures Exchange (SFE), contracts can be made for settlement only in March, June, September or December, but for up to 18 months from the time of the trade.

e) Futures are standardised

Futures traded on an exchange are standardised and interchangeable; meaning that futures contracts of a particular class are perfect substitutes for each other. A consequence of contract standardisation is that the price is the only factor that remains to be determined in the marketplace. On the SFE and ASX, Futures are quoted and traded on an electronic trading platform, which provides a system of continuous price discovery. This means that the price at which trades take place may continually change throughout a trading session. Most international Derivatives Exchanges also provide electronic trading platforms for Futures trading.

Since all Futures contracts for a given future month in the same market are interchangeable, they can be closed out against an opposite position in the same contract. A trader who has bought a given Futures contract can cancel the position by selling the same contract. The net result is that the trader no longer holds a position. Similarly, a trader who has sold a given Futures contract can cancel the position by buying the same contract.

In each case there will be a profit or loss equal to the difference between the buying and selling prices multiplied by the standard contract amount – minus any transaction costs. In practice, the vast majority of Futures contracts are offset in this manner ahead of the contract maturity date, the remainder being fulfilled by delivery or cash settlement at maturity.

f) The role of the clearing house

Derivatives Exchanges will generally have a Clearing House. Clearing Houses clear and settle Futures contracts executed on the exchange. The primary role of the Clearing House is to guarantee the settlement of obligations arising under the Futures contracts registered with it. This means that when your broker buys or sells a Futures contract on your behalf, neither you nor your broker needs to be concerned with the credit worthiness of the broker taking the other side of the contract. See below for further discussion on the novation process that occurs at the Clearing House. The Clearing House will never deal directly with you, rather the Clearing House will only ever deal with clearing participants – that is your broker (where your broker is a clearing participant), or where your broker is

not a clearing broker, your broker's clearing broker. The SFE's Clearing House is SFE Clearing Corporation. The ASX's Clearing House is Australian Clearing House (ACH).

When a Futures contract is registered with the Clearing House, it is novated. This means that the contract between the two brokers who made the trade is replaced by one contract between the buying broker (or its Clearing Participant) and the Clearing House as seller; and one contract between the selling broker (or its Clearing Participant) and the Clearing House as buyer. The Clearing House ensures that it is able to meet its obligation to Clearing Participants by calling Initial Margin¹ and Variation Margin² to cover any unrealised losses in the market. See Section 4 for further information on margins.

Generally your futures contracts (and those of other clients) will be held separately from futures contracts entered into by your broker on its own account. If your broker were to default on its obligations to the Clearing House in respect of its own futures contracts, your futures contracts will not be used to meet the broker's default. Rather the Clearing House will either close out your contracts or attempt to transfer them to another broker.

g) Closing out

Because of the system of registration and novation referred to above, closing out can be achieved without going back to the original party with whom the Futures contract was traded.

When an existing buyer sells to close out their position, the sale transaction is registered with the Clearing House in the manner described

Example

First Trade	A sells to B at \$100 per unit
Novation	Clearing House is now buyer to A and seller to B
Second Trade	B sells to C at \$120 per unit
Novation	Clearing House is now buyer to B and Seller to C
Resulting Positions	<p>A has an open sold position</p> <p>C has an open bought position</p> <p>B no longer has a position and has realised a profit of \$20 per unit (ignoring transaction costs)</p>

The contracts which B held (one to buy and one to sell) have been settled in cash between B and the Clearing House; B simply receives the net profit. Any profit due to B is paid out by the Clearing House in cash, even though the original seller (A) remains in the market.

h) Settlement

If you have a deliverable Futures Contract open at the close of trading on the last day of trading in respect of that Futures Contract, you will be under an obligation to deliver, or take delivery of and pay the contract price in full for, the Underlying Instrument described in the Futures Contract.

It is IB's policy not to permit its clients to make or take delivery under a deliverable Futures Contract. If you wish us to vary our policy, and you specifically wish to make or take delivery you must obtain our prior written consent. It is your responsibility to monitor your open positions as the deliverable Futures Contract approaches Settlement Date and to Close Out any open position at least two weeks prior to the Settlement Date.

IB reserves the right, in its absolute discretion, to Close Out any open position you hold in a deliverable Futures Contract if you have not Closed Out that Futures Contract. If you have a cash-settled Futures Contract open at the close of trading on the last day of trading in respect of the relevant Futures Contract, you will be under an obligation to pay or have a right to receive an amount of money depending on the price movement.

i) Futures Options & Options over the Underlying-What is an option?

Option contracts traded over Futures contracts are commonly known as Futures options.

These are the most common type of option traded on a Derivatives Exchange. Options over the underlying are less common with the Cash Settled Intraday Options over the SFE SPI 200[®] and Eurex DAX[®] options being examples.

Following is an explanation of the nature of an option contract and of the obligations assumed by option traders. Several concepts referred to previously are applicable to options (for example, the concept of closing out). These facts will not be repeated, but only the facts particular to Futures options are discussed.

☑ The buyer of a Futures option has the right, but not the obligation, to enter into a Futures contract³ at the Exercise Price of the Futures option. For this right, the buyer pays the option seller the Option Premium.

☑ The seller of a Futures option assumes the obligation to enter into a Futures contract at the Exercise Price of the Futures option if the option is validly exercised. For taking on this obligation, the seller receives the Option Premium.

Like Futures contracts, options are standardised and interchangeable, so that having bought or sold an option it is possible to close it out before its expiry or exercise.

You must distinguish between Futures options and options over the underlying. If a Futures option is exercised it results in the establishment of a Futures contract. If an option over the underlying is exercised, it results in the transfer of the actual commodity underlying the option (in the case of deliverable contracts), or a cash adjustment (in the case of cash settled contracts).

The following matters can apply both to Futures options and to options over the underlying. However the discussion will centre on Futures options.

j) European Options & American Options

An option will be expressed to be either a European style option or an American style option.

☒ European Options can be exercised only on the Expiry Date, not before.

☒ American Options can be exercised at any time up to and including the date the option is due to expire.

The majority of options traded on the ASX and SFE are American Options. Because American Options can be exercised at any time before the Expiry Date, the seller of an option must be prepared for that option to be exercised at any time. The decision to exercise is in the option buyer's hands.

k) Call Options & Put Options

A Call Option gives the buyer the right to buy a Futures contract at a designated price at or before the Expiry Date of the option. The seller of a Call Option has the obligation to sell a Futures contract if the Futures option is exercised by the buyer.

A Put Option gives the buyer the right to sell a Futures contract at the Exercise Price. The seller of a Put Option has the obligation to purchase the Futures contract if the Put Option is exercised by the buyer.

l) Exercising Call Options & Put Options

The table below sets out the results from the buyer's and seller's viewpoint when the buyer exercises a Futures Call Option or Put Option: Example

BUYER EXERCISES		EFFECT ON SELLER	
Buyer Call Option->	Bought Futures (at the Exercise Price of the option)	Sold call option->	Sold Futures at the exercise price of the option
Buyer Put Option ->	Sold Futures (at the exercise price of the option)	Sold Put option->	Bought Futures at the exercise price of the option

m) More information

Information concerning international Derivative Exchanges and the types of Futures contracts traded on those exchanges can be found by visiting the relevant exchange's website. Please contact us if you require any international Futures information. For further information concerning Futures contracts traded on the SFE you are referred to the ASX website at "www.asx.com.au", where brochures regarding the various Futures contracts can be downloaded.

If you do not have access to a website to enable this information to be viewed, please contact IB and we will arrange for this material to be provided to you by alternate media.

4.MARGIN Overview

The US Federal Reserve Board and self-regulatory organizations (SROs), such as the New York Stock Exchange and FINRA, have clear rules regarding margin trading. In the United States, the Fed's Regulation T allows investors to borrow up to 50 percent of the price of the securities to be purchased on margin. As discussed above, the

percentage of the purchase price of securities that an investor must pay for is called the initial margin and in order, to buy securities on margin, the investor must first deposit enough cash or eligible securities with a broker to meet the initial margin requirement for that purchase.

Once an investor has started buying a stock on margin, the NYSE and FINRA require that a minimum amount of equity be maintained in the investor's margin account. These rules require investors to have at least 25 percent of the total market value of the securities they own in their margin account

This is called the maintenance margin. IB may set margin requirements that are higher than the regulatory minimum and these house requirements may change from time to time. For market participants identified as pattern day traders, the minimum maintenance margin requirement is \$25,000.

When the balance in the margin account falls below the maintenance requirement, the broker may issue a margin call requiring the investor to deposit more cash, or the broker can liquidate the position.

Example



Brokers also set their own minimum margin requirements called "house requirements". Some brokers extend more lenient lending conditions than others and lending terms may also vary from one client to the other but brokers must always operate within the parameters of margin requirements set by regulators. IB Margin Policies are detailed below. Margin requirements on a specific financial product may be determined via creation of a TWS order line for the product in question and subsequent utilization of the TWS "margin check" feature for the given orders. (Please refer to Section 12 for information on How to Trade Futures with IB)

b) IB Margin Information

IB Real-Time Margining and Real Time Monitoring

Interactive Brokers uses real-time margining to allow you to see your trading risk at any moment of the day. Our real-time margin system applies maintenance margin requirements throughout the day to new trades and trades already on the books and enforces initial margin requirements at the end of the day, with real-time liquidation of

positions instead of delayed margin calls. This system allows us to maintain our low commissions because we do not have to spread the cost of credit losses to customers in the form of higher costs.

Our real-time margin system allows you to see your trading risk at any moment of the day using the real-time activity monitoring features in Trader Workstation. For more information about real-time margin monitoring, see the Real-Time Monitoring Margin page. You can monitor most of the values used in the calculations described in real time in the Account Window in Trader Workstation. For more information about real-time margin monitoring, click the Real-Time Monitoring link at interactivebrokers.com.au.

It is your responsibility to actively monitor and manage your open positions and your obligations including ensuring that you meet your margin obligations. It is further your responsibility to ensure that you are aware of any changes in margin obligations. Margin requirements must be met immediately. This means that sufficient cleared funds must be on deposit in your account to enable you to meet margin requirements immediately.

Real-time Monitoring -The TWS Account Window

The Account window (example below) in Trader Workstation lets you monitor every aspect of your account activity, including the values used in IB's margin calculations. We present key account values as the default when you first open the Account window, and you can expand each section of the Account window to display all values. The Account window displays real-time values.

The screenshot shows the 'Account' window in Trader Workstation. It is divided into several sections, each with a table of financial data. The data is presented in real-time.

Balances			
Parameter	Total	Securities	Commodities
Net Liquidation Value	1,010,173.59 USD	1,007,513.55 USD	2,660.04 USD ✓
Equity With Loan Value	1,007,923.59 USD	1,007,513.55 USD	410.04 USD ✓
Previous Day Equity with Loan Value	1,007,430.71 USD	1,007,430.71 USD	
Reg T Equity with Loan Value	1,007,513.55 USD	1,007,513.55 USD	
Special Memorandum Account	1,535,444.69 USD	1,535,444.69 USD	
Securities Gross Position Value	61,778.04 USD	39,678.00 USD	
Cash	970,495.59 USD	967,835.55 USD	2,660.04 USD ✓
Settled Cash			
Accrued Interest	0.00 USD	0.00 USD	0.00 USD

Margin Requirements			
Parameter	Total	Securities	Commodities
RegT Margin	19,839.00 USD	19,839.00 USD	
Current Initial Margin	14,715.90 USD	11,903.40 USD	2,812.50 USD ✓
Current Maintenance Margin	14,153.40 USD	11,903.40 USD	2,250.00 USD ✓
Look Ahead Initial Margin	17,528.40 USD	11,903.40 USD	5,625.00 USD
Look Ahead Maintenance Margin	16,403.40 USD	11,903.40 USD	4,500.00 USD
Overnight Initial Margin	17,528.40 USD	11,903.40 USD	5,625.00 USD
Overnight Maintenance Margin	16,403.40 USD	11,903.40 USD	4,500.00 USD

Available for Trading			
Parameter	Total	Securities	Commodities
Current Available Funds	995,457.69 USD	995,610.15 USD	-152.46 USD ✓
Current Excess Liquidity	996,020.19 USD	995,610.15 USD	410.04 USD ✓
Look Ahead Available Funds	992,645.19 USD	995,610.15 USD	-2,964.96 USD
Look Ahead Excess Liquidity	993,770.19 USD	995,610.15 USD	-1,839.96 USD
Overnight Available Funds	992,645.19 USD	995,610.15 USD	-2,964.96 USD
Overnight Excess Liquidity	993,770.19 USD	995,610.15 USD	-1,839.96 USD
Buying Power	3,318,424.37 USD		
Leverage		0.04	
Look Ahead Next Change	@ 16:00:00		
Day Trades Left (T...T+4)	Unlimited		

Market Value											
Currency	Cash	Accrd Intrst	Stock	Options	Futures	FOPs	Fonds	Nt Lqdtn Vl	Unrizd P&L	Rizd P&L	Exchng
USD	970,495	0.00	19,678.00	0.00	440.04	0.00	0.00	1,010.1	2,661.04	0.00	1

The Account window displays real-time values, including those listed below.

Balances				
Parameter	Total	Securities	Commodities	
Net Liquidation Value	1,010,173.59 USD	1,007,513.55 USD	2,660.04 USD	<input checked="" type="checkbox"/>
Equity With Loan Value	1,007,923.59 USD	1,007,513.55 USD	410.04 USD	<input checked="" type="checkbox"/>
Previous Day Equity with Loan Value	1,007,430.71 USD	1,007,430.71 USD		<input type="checkbox"/>
Reg T Equity with Loan Value	1,007,513.55 USD	1,007,513.55 USD		<input type="checkbox"/>
Special Memorandum Account	1,535,444.69 USD	1,535,444.69 USD		<input type="checkbox"/>
Securities Gross Position Value	81,778.04 USD	39,678.00 USD		<input type="checkbox"/>
Cash	970,495.59 USD	967,835.55 USD	2,660.04 USD	<input checked="" type="checkbox"/>
Settled Cash				<input type="checkbox"/>
Accrued Interest	0.00 USD	0.00 USD	0.00 USD	<input type="checkbox"/>
Accrued Interest	0.00 USD	0.00 USD	0.00 USD	<input type="checkbox"/>
Settled Cash				<input type="checkbox"/>

Balances

For more information on any of the real-time monitoring features mentioned here, as well as a table containing definitions of all values, see the [TWS Users' Guide](#).

Margin Requirements				
Parameter	Total	Securities	Commodities	
RegT Margin	19,839.00 USD	19,839.00 USD		<input type="checkbox"/>
Current Initial Margin	14,715.90 USD	11,903.40 USD	2,812.50 USD	<input checked="" type="checkbox"/>
Current Maintenance Margin	14,153.40 USD	11,903.40 USD	2,250.00 USD	<input checked="" type="checkbox"/>
Look Ahead Initial Margin	17,528.40 USD	11,903.40 USD	5,625.00 USD	<input type="checkbox"/>
Look Ahead Maintenance Margin	16,403.40 USD	11,903.40 USD	4,500.00 USD	<input type="checkbox"/>
Overnight Initial Margin	17,528.40 USD	11,903.40 USD	5,625.00 USD	<input type="checkbox"/>
Overnight Maintenance Margin	16,403.40 USD	11,903.40 USD	4,500.00 USD	<input type="checkbox"/>
Overnight Maintenance Margin	16,403.40 USD	11,903.40 USD	4,500.00 USD	<input type="checkbox"/>
Overnight Initial Margin	17,528.40 USD	11,903.40 USD	5,625.00 USD	<input type="checkbox"/>

Margin Requirements

For more information on any of the real-time monitoring features mentioned here, as well as a table containing definitions of all values, see the [TWS Users' Guide](#).

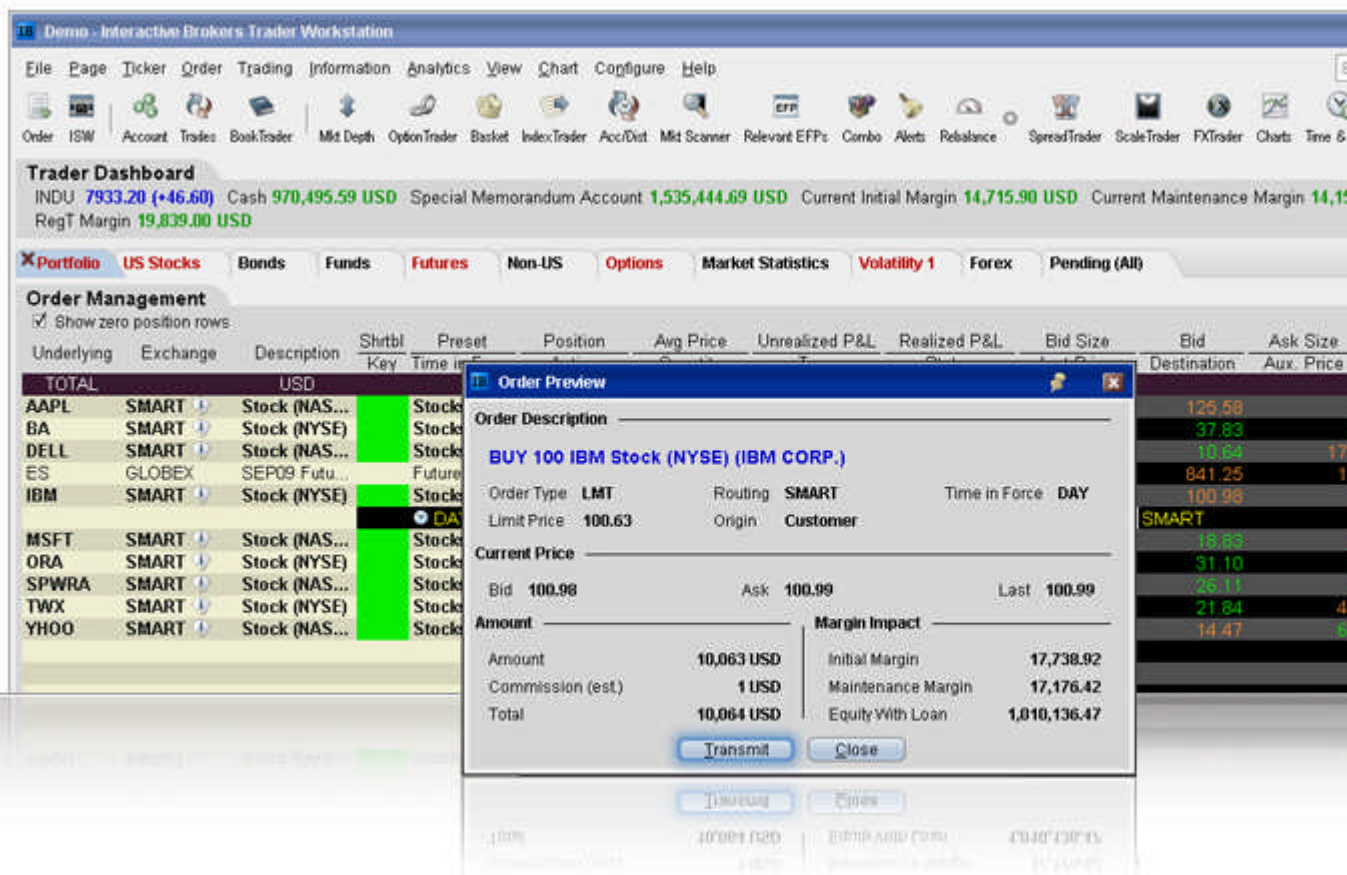
Available for Trading				
Parameter	Total	Securities	Commodities	
Current Available Funds	995,457.69 USD	995,610.15 USD	-152.46 USD	<input checked="" type="checkbox"/>
Current Excess Liquidity	996,020.19 USD	995,610.15 USD	410.04 USD	<input checked="" type="checkbox"/>
Look Ahead Available Funds	992,645.19 USD	995,610.15 USD	-2,964.96 USD	<input type="checkbox"/>
Look Ahead Excess Liquidity	993,770.19 USD	995,610.15 USD	-1,839.96 USD	<input type="checkbox"/>
Overnight Available Funds	992,645.19 USD	995,610.15 USD	-2,964.96 USD	<input type="checkbox"/>
Overnight Excess Liquidity	993,770.19 USD	995,610.15 USD	-1,839.96 USD	<input type="checkbox"/>
Buying Power	3,318,424.37 USD			<input checked="" type="checkbox"/>
Leverage		0.04		<input type="checkbox"/>
Look Ahead Next Change	@ 16:00:00			<input type="checkbox"/>
Day Trades Left (T,...,T+4)	Unlimited			<input type="checkbox"/>
Day Trades Left (T,...,T+4)	Unlimited			<input type="checkbox"/>
Look Ahead Next Change	@ 16:00:00			<input type="checkbox"/>

Available for Trading

For more information on any of the real-time monitoring features mentioned here, as well as a table containing definitions of all values, see the [TWS Users' Guide](#).

Margin What-Ifs

Margin scenarios provide the margin implications of any transaction before transmitting an order. From the trading window, right click any order row and select Preview Order/Check Margin. Commission for the trade is also displayed.



Customers who do not have a portfolio margin account can click to see how their account would look as a Portfolio Margin account. For more information about Portfolio Margining, click the Portfolio Margin tab above.

Margin Warnings

IB will automatically liquidate when the account falls below the minimum maintenance margin requirement. To help avoid this scenario, TWS provides pop-up warning messages and color-coded account information as a notification that you are approaching a margin deficiency. This allows you to take action such as entering margin-reducing trades instead of risking liquidations.

To help customers monitor margin deficiencies, TWS displays color-coded messages on the Account Screen and pop-up warning messages to notify customers that they are approaching their margin limits. This feature allows you to take action, such as entering margin-reducing trades, to avoid having IB liquidate your positions. The colors on the Account screen convey the following information at a glance:

Yellow - You have only a 5% cushion above the margin requirement.

Orange - Your margin cushion is depleted and you have a short time to enter into margin-reducing trades before IB begins to liquidate your positions. During this time you should be able to enter a trade that will decrease your margin requirement, but not increase.

Red - IB will shortly start to liquidate positions as necessary to bring your account back within the margin limits.

Margin Detail for Securities						
Description	Quantity	Price	Total Position Value	Initial Margin	Maintenance Margin	Mainte
USD						
CITIGROUP INC						
LongCallPosition			25.00	0.00	0.00	
C JAN10 40 C	10	0.02				
ISHARES RUSSELL 2000						
LongButterflyPosition			31,825.00	0.00	0.00	
IWM JAN10 70 P	-5	23.15				
IWM JAN10 60 P	-10	15.52				
IWM JAN10 50 P	5	9.45				
SpreadPosition			662.00	1,125.40	1,125.40	
IWM JAN10 65 C	2	2.94				
IWM JAN09 54 C	-2	0.36				
SpreadPosition			231.50	562.70	562.70	
IWM JAN10 70 C	1	1.95				
IWM JAN09 54 C	-1	0.36				
LongCallPosition			585.00	0.00	0.00	
IWM JAN10 70 C	3	1.95				
LongCallPosition			135.00	0.00	0.00	
IWM JAN10 90 C	-5	0.27				
LongCallPosition			15.50	0.00	0.00	
IWM JAN10 95 C	1	0.16				
RASER TECHNOLOGIES INC						
LongCallPosition			1,212.30	0.00	0.00	
RZ JAN11 5 C	5	2.42				
DRYSHIPS INC						
SpreadPosition			1,010.00	0.00	0.00	

Margin Reports

Margin reports show margin requirements for single and combination positions, and display both available and excess liquidity. Each day at 16:15 ET we record your margin and equity information across all asset classes and exchanges.

You can access your margin reports under the Margin Report menu item (Report Management) within Account Management. Here is an example of a portion of a margin report.

Any trading symbols displayed are for illustrative purposes only and are not intended to portray recommendations. For more information regarding any of the real-time monitoring features mentioned here, see the [TWS Users' Guide](#) at interactivebrokers.com.au.

PLEASE NOTE THAT:

IB GENERALLY WILL NOT ISSUE MARGIN CALLS, IB WILL NOT CREDIT YOUR ACCOUNT TO MEET INTRADAY MARGIN DEFICIENCIES, AND IB GENERALLY WILL LIQUIDATE POSITIONS IN YOUR ACCOUNT IN ORDER TO SATISFY MARGIN REQUIREMENTS WITHOUT PRIOR NOTICE TO YOU.

5 .IB MARGIN INFORMATION-General Information

We offer our customers two types of margin accounts:

- Reg T Margin
- Portfolio Margin.

Margin requirements are calculated either on a rules basis and/or a risk basis

Account Type	Description	How we calculate Margin
Reg T Margin	Borrowing to support equities trading, shorting of equities, options trading, futures/futures options trading, currency conversions and securities/commodities trading in multiple currency denominations available. Purchase and sale proceeds are immediately recognized.	<p>Margin requirements are computed in real-time under a rules-based calculation methodology, with immediate position liquidation if the minimum maintenance margin requirement is not met.</p> <p>Rule-Based Margin System: Predefined and static calculations are applied to each position or predefined groups of positions (“strategies”).</p>
Portfolio Margin	Borrowing to support equities trading, shorting of equities, options trading, futures/futures options trading, currency conversions and securities/commodities trading in multiple currency denominations available.	<p>Margin requirements are calculated based on a risk-based calculation methodology. Customers maintain account equity of USD 100,000 in order to use a portfolio margin account. Otherwise account restrictions will apply.</p> <p>Risk-Based Margin System: Exchanges consider the maximum one day risk on all the positions in a complete portfolio, or sub-portfolio together (for example, a future and all the options delivering that future).</p>

Futures

Futures margin requirements are determined by each exchange and can change frequently. All margin requirements are expressed in the currency of the traded product. The SPAN margin algorithm defines a set of standard set of market outcomes scenarios with a one day time horizon. A price scanning range is defined for each product by the respective clearing house. In addition to the exchange mandated margin models IB considers large move scenarios for equity based index products .IB will consider margin on extreme up and down moves in the underlying index products.(in addition to the SPAN range of 16 points IB will consider additional scenarios which incorporate extreme moves in the underlying.) Accordingly IB may require margin over and above the exchange mandated margin on short out-of –the-money options in order to account for the risk inherent in an extreme market move. Margin requirements on a specific option may be determined via creation of a TWS order line for the option in question and subsequent utilisation of the TWS “margin check” feature for the given order.

Note that for commodities including futures and futures options margin is the amount of cash a client must put up to support a futures contract.

Please see our website at www.interactivebrokers.com for exchange margin requirements. Please also see our website for further educational information.

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6. SIGNIFICANT BENEFITS EXPLAINED [Section 1013D (1) (b)]

There are a number of benefits in trading Futures, including the following:

(a) **Standardisation:** As discussed in section 3, because Futures contracts are standardised and therefore interchangeable, you may through the Derivatives Exchange open and close positions, depending on the liquidity of the market in the relevant contract.

(b) **Risk Management:** Through the processes of novation and margining, the Clearing House assumes and manages the risk of Futures positions entered into on the Derivatives Exchange. This reduces counterparty risk in a way which is not available in over-the-counter (OTC) derivatives transactions. Your broker has certainty that the other side of the Futures contract will be honoured, and your broker (and therefore you) will not be subject to risk that the counterparty to the original Futures contract may default in their obligations under the Futures contract.

(c) **Hedging:** You can use Futures to hedge exposure in the underlying commodity, instrument or security.

(d) **Speculation:** You can use Futures to speculate on market movements. Futures allow you to gain exposure to a particular underlying commodity, instrument or security without the need to buy or sell the underlying itself.

(e) **Range of market positions and strategies:** You can potentially profit both from rising and from falling markets depending on the strategy you have employed. Through the use of Futures and options, strategies can be tailored to suit almost any market view.

(f) **Leverage:** Futures generally involve a high degree of leverage. Futures contracts enable you to outlay a relatively small amount of money (in the form of Initial Margin) to secure an exposure to the underlying commodity, instrument or security.

For example, assume you have a positive view about the prospects of XYZ Ltd. You can either buy 1,000 XYZ Ltd shares at \$10.00 and pay your broker \$10,000 (plus costs) or you could buy a Futures contract over 1,000 XYZ Ltd shares and pay an Initial Margin at the time the Futures contract is entered (which is likely to be a small percentage of the contract value (plus costs)).

The same amount of exposure to the underlying shares has been achieved, but for a much smaller outlay. Given a movement in the price of XYZ shares, the percentage returns (positive or negative) from the Futures strategy are likely to be much higher.

Assume the Futures contract price is \$10.10, and the Initial Margin payable on the above Futures position is 10%. Each contract covers 1000 shares. The following table compares the returns, assuming that the XYZ share price rises to \$11.00 by maturity (transaction costs are ignored).

[Note: the example provided is for illustrative purposes only and does not necessarily reflect the outcome of any actual trading in Futures in similar circumstances.]

This leverage can work against you as well as for you. The use of leverage can lead to large losses as well as large gains. See section 6 for further information on risks.

	Shares	Futures
Opening Trade	Share price \$10.00 Buy 1,000 shares @ \$10.00 = \$10,000	Futures price \$10.10 Buy 1 Futures contract @ \$10.10 Pay 10% Initial Margin = \$1,010
Maturity	Share price \$11.00 Sell 1,000 shares @ \$11.00 = \$11,000	Futures price \$11.00 Sell 1 Futures contract @ \$11.00
Profit	\$1.00 x 1,000 = \$1,000	\$1.00 x 1,000 = \$1,000
Percentage Return	10 %	89%

7. SIGNIFICANT RISKS EXPLAINED [Section 1013D (1) (c)]

The risk of loss in trading in Futures contracts can be substantial. You should carefully consider whether trading is appropriate for you in light of your financial circumstances, degree of financial knowledge and experience, situation and needs.

You should be aware of the following matters:

- (a) Loss of Initial Margin: You could sustain a total loss of the Initial Margin that you deposit with your broker to establish or maintain a Futures contract.
- (b) Payment of maintenance Margin: If the Futures market moves against your position, you may be required, at short notice, to deposit with your broker maintenance Margin in order to maintain your position. Those additional funds may be substantial. If you fail to provide those additional funds within the required time, your position may be liquidated at a loss and you will be liable for any shortfall in your account resulting from that failure.
- (c) Losses beyond margin lodged: You may sustain a total loss of the funds that you deposit with your broker to establish or maintain a position in the Futures market. You may incur losses beyond the amounts that you lodge with your broker. You should not risk more funds than you can afford to lose. A good general rule is never to speculate with money which, if lost, would alter your standard of living.
- (d) Leverage: The high degree of leverage that is obtainable in trading Futures contracts can work against you as well as for you. The use of leverage can lead to large losses as well as large gains.

Returning to the example of XYZ shares used previously, consider the result if the share price, instead of rising to \$11.00, fell to \$8.00 at maturity. The following table shows the results (transaction costs are ignored).

	Shares	Futures
Opening Trade	Share price \$10.00 Buy 1,000 shares @ \$10.00 = \$10,000	Futures price \$10.10 Buy 1 Futures contract @ \$10.10 Pay 10% Initial Margin = \$1,010
Maturity	Share price \$8.00 Sell 1,000 shares @ \$8.00 = \$8,000	Futures price \$8.00 Sell 1 Futures contract @ \$8.00
Loss	\$2.00 x 1,000 = \$2,000	\$2.10 x 1,000 = \$2,100
Percentage Return	-20%	-20%

Leverage has served to multiply the loss suffered in percentage terms.

(e) Liquidity: Under certain market conditions, it could become difficult or impossible for you to close out a position, and the relationship between the prices of Futures contracts and the underlying market may be distorted or affected. Examples of when this may happen are:

- (i) If there is a significant change in the price of the underlying commodity, instrument or security over a short period of time;
- (ii) If there are insufficient willing buyers and sellers in either the Futures market or the underlying market;
- (iii) If the Futures market is suspended or disrupted for any reason.

Similarly, events such as these in relation to the market for the underlying asset may make it difficult for you to hedge or maintain your exposure under a Futures contract.

(f) Deliverable contracts and physical delivery: Where you have a position in a deliverable Futures contract and you hold this open position to maturity, you must be prepared to make or take physical delivery of the underlying asset if your position is matched.

(g) Placing orders in a moving market:

1) The placing of contingent orders (such as a 'stop-loss' order) may not always limit your losses to the amounts that you may want. Market conditions may make it impossible to execute such orders. For example, if the price of the underlying asset moves suddenly, your order may not be filled, or may be filled at a different price to that specified by you, and you may suffer losses as a result.

2) Slippage and gapping

As the markets are constantly moving, it may be good practice to place Contingent Orders on your open positions. By using a Contingent Order, you may be able to limit potential profits and losses on your open positions.

Contingent Orders allow you to preset the trigger conditions that automatically generate an order for you when the price for a particular Underlying Reference Instrument reaches these conditions. For example, a Contingent Order can be created to generate a Limit order to buy XXX at \$25.00 if/when XXX shares trade at \$24.95. Contingent Orders may help to limit losses. However, they should not be considered to guarantee to stop losses on open positions. For

example, a Contingent Order can be created to generate a sell order in respect of YYY Limited shares at \$3.99 if/when YYY Limited shares trade at \$4.00. However, if YYY Limited shares were to gap from \$4.01 down to \$3.98, the Contingent Order would not be executed. Contingent Orders are automatically executed or deleted as soon as the specified price point is reached. If you require the same market conditions to trigger a subsequent order placement, a new Contingent Order must be set.

Slippage on all contingent orders is possible during times when the market is closed, around fundamental announcements, and times of extreme market volatility. Slippage occurs when orders are filled at a price that is worse than the contingent price requested by the customer. Contingent orders may also be slipped during fundamental announcements and extreme market volatility. The release of fundamental data and extreme world events many times causes increased volatility in the market. When economic data or world events are announced, the market may “gap” in a particular direction. This means that there are no tradable prices between the actual price the market was trading prior to fundamental release or world event and the price available after the market has adjusted, following the release or event.

Prices may move very quickly and in some cases prices may move far away from the contingent price.

(h) Strategies: A “spread” position (which involves the simultaneous purchase and sale of Futures or Futures options) is not necessarily less risky than a simple “Long” or “Short” position.

(i) Options risk profile: If you propose to trade in Futures options, the maximum loss in buying an option is the premium paid, but the risks in selling an option are essentially unlimited.

(j) System failures: You may experience losses due to exchange or Clearing House system failures which may affect systems used by Participants. Participant systems may also fail which means your trades may not be executed.

(k) Foreign exchange movements: If you trade in Futures contracts denominated in currencies other than Australian dollars you may lose money due to exchange rate fluctuations. These losses may be in addition to any losses on the Futures contract itself.

(l) Market emergencies: You may incur losses that are caused by matters outside the broker’s control. For example, a regulatory authority exercising its powers during a market emergency may result in losses. A regulatory authority can, in extreme situations, suspend trading or alter the price at which a position is settled. This could also result in a loss.

(m) Market disruption: A market disruption may mean that you are unable to deal in a Futures contract when desired, and you may suffer a loss as a result. Common examples of disruption include the “crash” of the exchange electronic trading system, fire or other exchange or Clearing House emergency.

(n) Discretionary powers of Exchange and Clearing House: The exchange or Clearing House could exercise discretionary powers under their Operating Rules in relation to the market. They have powers to declare an undesirable situation has developed in a particular Futures contract and suspend trading.

(o) Disputes and trade cancellations: When a trade is subject to dispute, the exchange may have powers to request that participants amend or cancel a trade, which will in turn result in the Futures contract with the investor being amended or cancelled. Exchanges may also exercise discretionary powers to cancel transactions under their Operating Rules. These actions can affect your Futures positions.

(p) Differing exchange rules: You should be aware that when your broker places an order for you on an overseas exchange, or clears a trade for you at an overseas clearing house, that trade will be subject to that exchange’s or clearing house’s rules. These rules may differ significantly from the rules of Australian exchanges or clearing houses.

q) Dealings on foreign Derivatives Exchanges

Clients who deal on foreign Derivatives Exchanges should be aware of the following matters:

1) Dealing subject to foreign rules and laws

The execution and clearing of trades on foreign Derivatives Exchanges are subject to the rules of that exchange and the laws of the country in which that exchange is domiciled.

2) Australian regulators may not have any jurisdiction

Neither ASIC nor Australian exchanges regulate activities of foreign Derivatives Exchanges, nor do they have the power to compel enforcement of the operating rules of a foreign Derivatives Exchange or any applicable foreign laws. Generally, the foreign transaction will be governed by applicable foreign law. This is true even if the Derivatives Exchange is formally linked with an exchange in Australia.

3) Protection of clients' funds

Clients who trade on foreign Derivatives Exchanges may not have the benefit of protective measures provided by the Corporations Act and the Operating Rules of Australian exchanges. In particular, your funds may not have the same protection as funds deposited in Australia in a Participant's clients' segregated account.

4) Settlement

If you have a deliverable Futures contract open at the close of trading on the last day of trading you will be under an obligation to deliver, or take delivery of and pay for, the commodities described in the specifications. It is the policy of IB not to permit speculators to make or take delivery under a deliverable Futures contract (except where required by the Clearing House).

If you have a cash settled Futures contract open at the close of trading on the last day of trading you will be under an obligation to pay or have a right to receive an amount of money depending on the price movement.

The settlement of Futures options is more complex. For example, on the SFE all in-the-money or at-the-money options are automatically exercised by the Clearing House. The resulting position is settled as a Futures position. Not all exchanges automatically exercise at-the-money or in-the-money options at expiry, particularly US exchanges. Check with your broker before the Expiry Date, or the option may lapse with the result it will be worthless.

The settlement procedures for options over the underlying are different again. Because these instruments can be traded on Derivatives Exchanges and stock exchanges the procedures can vary widely.

8. FEES AND CHARGES [Section 1013D (1) (d) (I), (ii) and (iii), 1013D (2) and 1013D (1) (e)]

Pricing-Futures and Futures Options / Overview

IB offers two pricing structures for futures and futures options. For US, we offer two cost-plus pricing structures: *Flat Rate*, which charges a flat IB rate per contract exclusive of exchange and regulatory fees, and *Volume Tiered*, which uses volume-tiered pricing. For all other (non-US) futures and futures options, we offer the choice between an all-in *Bundled* structure and the *Unbundled* structure. The Volume Tiered adds a fixed IB fee (which varies by volume) to the fees charged by the exchanges and regulators. In addition, institutions and members (or participants in a member program) of a US or Canadian Futures exchange may qualify for discounted exchange fees. Click the *Exchange Incentive Program* tab for more information.

For a schedule of pricing structures, see the links along the top of the page under the tabset. Customers select their pricing structure during the registration process, and can switch at any time through Account Management/Account Administration. Changes will take effect as of the next statement date (cutoff is 16:00 ET).

Note:

- Modified orders will be treated as the cancellation and replacement of an existing order with a new order. On certain exchanges, this may result in modified orders being charged commission minimums as if they were new orders. For example, if you submit an order for 200 contracts 100 contracts fill, then you modify an order parameter, resubmit the order and the other 100 contracts fill, a commission minimum could be applied to both 100 contract orders.

Commissions and Fees by Product and Region

Commissions Futures and Futures Options / US

IB Flat Rate per Currency

Your total flat rate comprises the IB Flat Rate (which includes IB Execution, Clearing, and Carrying Fees) plus applicable [exchange and regulatory](#) fees.

	US	EUR	GBP	CAD	CHF	HKD	AUD	SEK	SGD	JPY
All	0.85	0.65	0.60	0.85	0.95	7.00	0.95	6.50	1.20	85.00

IB Volume Tiered Fees per Currency

Your total Volume Tiered commission will include IB Execution, IB Clearing, IB Carrying, and [exchange and regulatory](#) fees.

	US	EUR	GBP	CAD	CHF	HKD	AUD	SEK	SGD	JPY
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IB Execution fee/contract

Volume (per month)⁽¹⁾:

<=1,000 Contracts	0.60	0.45	0.40	0.60	0.65	5.00	0.65	4.50	0.85	60.00
1,001-10,000 Contracts	0.45	0.35	0.30	0.45	0.50	4.00	0.50	3.50	0.70	45.00
10,001-20,000 Contracts	0.35	0.30	0.20	0.35	0.40	3.00	0.40	3.00	0.50	35.00
>20,000 Contracts	0.25	0.20	0.15	0.25	0.30	2.00	0.30	2.00	0.35	25.00

IB Clearing fee price/contract

Volume (per month)⁽¹⁾:

<=1,000 Contracts	0.25	0.20	0.20	0.25	0.30	2.00	0.30	2.00	0.35	25.00
1,001 - 10,000 Contracts	0.20	0.15	0.15	0.20	0.25	1.50	0.25	1.50	0.30	20.00
10,001 - 20,000 Contracts	0.10	0.10	0.10	0.10	0.15	1.00	0.15	0.75	0.15	10.00
>20,000 Contracts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

IB Carrying fee price/contract⁽²⁾

	0.10	0.08	0.07	0.10	0.10	0.80	0.15	0.80	0.20	10.00
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Exchange and Regulatory Fees

Please see website of each relevant exchange for details.

Notes:



- Commissions apply to all order types.
- All fees are charged in the currency of the traded product.
- The standard commission will be charged for the exercise or assignment of any Futures or Future Options Contract.
- Single Stock Futures are not available for Volume Tiered pricing.
- ¹Volume tiers are applied based on monthly cumulative trade volume summed across all futures and futures options contracts at the time of the trade. Only contracts that are traded while under the Volume Tiered pricing structure will count towards the monthly volume. Contract volumes for advisor, institutions, and broker accounts are summed across all accounts for the purpose of determining volume breaks. These fees are applied on a marginal basis for a given calendar month. If for example, you execute 1,500 US contracts in a month, your IB execution costs would be:

1,000 contracts at USD 0.60

500 contracts at USD 0.45










- ²Carrying charges are applied for each net futures contract, net short call futures options, or net short put futures options on a single underlying for each business day the net futures position is held overnight.
- ³Non-member exchange and regulatory fees are applied, unless a customer is pre-qualified by IB. Contact your [sales person](#) for more information.

Commissions Futures and Futures Options / Bundled Canada and Mexico

Tier		Commissions per Contract	Minimum per Order	Example 1 Roundturn =
 Canada	All	CAD 2.40	CAD 2.40	CAD 4.80
 Mexico				
Forex Futures (USD)		MXN 20.00	MXN 20.00	MXN 40.00
AMXL, CEMEXCPO, FEMSAUBD, GCARSOA1, TELMEXL, Forex Futures (EUR)		MXN 25.00	MXN 25.00	MXN 50.00
BONO3, IPC Options		MXN 40.00	MXN 40.00	MXN 80.00
IPC, BONO10		MXN 50.00	MXN 50.00	MXN 100.00
Notes:				

- Commissions apply to all order types.
- All exchange and regulatory fees included.
- The standard commission will be charged for the exercise or assignment of any Futures or Future Options Contract

Commissions Futures and Futures Options / Bundled Europe

	Tier	Commissions per Contract	Minimum per Order	Example 1 Roundturn =
 Belgium	All	EUR 4.50	EUR 4.50	EUR 9.00
 France	All	EUR 2.00	EUR 2.00	EUR 4.00
 Germany	All	EUR 2.00	EUR 2.00	EUR 4.00
 Italy	SPMIB30	EUR 3.00	EUR 3.00	EUR 6.00
	MFIB			
	Mini MFIB30	EUR 2.00	EUR 2.00	EUR 4.00
 Netherlands	All	EUR 3.00	EUR 3.00	EUR 6.00
 Spain	IBEX35	EUR 3.00	EUR 3.00	EUR 6.00
	Mini IBEX35 Futures	EUR 1.25	EUR 1.25	EUR 2.50
	Mini IBEX35 Options	EUR 0.80	EUR 0.80	EUR 1.60
 Sweden	All	SEK 20.00	SEK 20.00	SEK 40.00
 Switzerland	All	CHF 4.00	CHF 4.00	CHF 8.00
 United Kingdom	All not listed below	GBP 1.70	GBP 1.70	GBP 3.40

LIFFE Coffee and Sugar	USD 3.10	USD 3.10	USD 6.20
Intercontinental Exchange (USD Denominated Contracts)	USD 2.40	USD 2.40	USD 4.80

Notes:


- Commissions apply to all order types.
- All exchange and regulatory fees included.
- The standard commission will be charged for the exercise or assignment of any Futures or Future Options Contract

Commissions Futures and Futures Options / Bundled Asia-Pacific

Tier	Commissions per Contract	Minimum per Order	Example 1 Roundturn =
 Australia			
All	AUD 5.00	AUD 5.00	AUD 10.00
 Hong Kong (includes all exchange fees)			
HSI	HKD 30.00	HKD 30.00	HKD 60.00
MHI	HKD 17.00	HKD 17.00	HKD 34.00
HFI.HK, HHI, MCH	HKD 20.00	HKD 20.00	HKD 40.00
Single Stock Futures	HKD 28.50	HKD 28.50	HKD 57.00
 India ⁽¹⁾ (plus Securities Transaction Tax, Exchange Charges, and Service Tax)			
=< 10 Crores ⁽²⁾	0.035% ⁽⁴⁾	INR 50	500 contracts x 50 ⁽³⁾ x 3,365 = 84,125,000 x 0.035% = INR 29,400
10 =< 20 Crores ⁽²⁾	0.025% ⁽⁴⁾	INR 50	900 contracts x 50 ⁽³⁾ x 3,365 = 151,425,000 x 0.025% = INR 37,856
=> 20 Crores ⁽²⁾	0.015% ⁽⁴⁾	INR 50	1,200 contracts x 50 ⁽³⁾ x 3,365 = 201,900,000 x 0.015% = INR 30,285
 Japan			
All products not listed below	JPY 500	JPY 500	JPY 1,000
JGB	JPY 750	JPY 750	JPY 1,500
N225 Mini , MNTPX	JPY 150	JPY 150	JPY 300

 Singapore

SSG	SGD 5.00	SGD 5.00	SGD 10.00
SEY, SJB, SGXNK, SGXNKM	JPY 300	JPY 300	JPY 600
APEX50, N225U, STW, XINA50, NIFTY	USD 2.85	USD 2.85	USD 5.70

 South Korea

Futures	0.004% of Trade Value	N/A	2 Contracts @ KRW 200 (500,000 Multiplier) = 200,000,0000 x 0.004% = KRW 8,000
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Notes:

- Commissions apply to all order types.
- All exchange and regulatory fees included.
- The standard commission will be charged for the exercise or assignment of any Futures or Future Options Contract.
- ¹The sliding scale for Indian commissions is incremental per tier per month.
- ²1 lac = approx. INR 100,000.
1 crore = approx. INR 10,000,000.
- ³50 = NIFTY contract multiplier.
- ⁴IB commissions will be charged only on the opening leg in case of intra-day trades on the NSE (positions opened and closed on the same day). No commissions will be charged on the closing leg, other charges apply on both legs (such as STT, reg fees, exchange fees and etc).

Commissions

Futures and Futures Options / Unbundled - Canada, Europe, Asia-Pacific

Your total unbundled commission will include IB execution and IB clearing fees (which vary by volume), IB carrying fee, and external costs (exchange+ clearing + regulatory fees).

IB Execution, IB Clearing, and IB Carrying Fees

Product Currency	US	EUR	GBP	CAD	CHF	HKD	AUD	SEK	SGD	JPY	
											All except N225M N225M FUT FUT
IB Execution fee/contract											
Volume (per month)⁽¹⁾:											
<=1,000 Contracts	0.75	0.65	0.45	0.90	1.00	6.00	2.65	6.00	1.60	130	60
1,001-10,000	0.45	0.40	0.30	0.55	0.60	3.50	2.00	3.50	1.00	90	30

Contracts											
10,001-20,000 Contracts	0.35	0.30	0.20	0.45	0.45	2.75	1.50	2.75	0.75	70	25
>20,000 Contracts	0.25	0.25	0.15	0.30	0.35	2.00	1.00	2.00	0.65	60	20
IB Clearing fee price/contract											
Volume (per month)⁽¹⁾:											
<=1,000 Contracts	0.30	0.25	0.20	0.35	0.40	2.50	0.90	2.50	0.65	100	20
1,001 - 10,000 Contracts	0.20	0.20	0.15	0.25	0.30	1.50	0.60	1.50	0.50	70	10
10,001 - 20,000 Contracts	0.10	0.10	0.10	0.15	0.15	0.75	0.30	0.75	0.25	45	10
>20,000 Contracts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0
IB Carrying fee price/contract ⁽²⁾											
	0.10	0.08	0.07	0.10	0.10	0.80	0.15	0.80	0.20	10	10

Exchange and Regulatory Fees

Please see website of relevant exchange for details.

Notes:

- Commissions apply to all order types.
- All fees are charged in the currency of the traded product.
- The standard commission will be charged for the exercise or assignment of any Futures or Future Options Contract.
- Single Stock Futures are not available for unbundled pricing.
- European and Asian Index Options are available for unbundled pricing
- ¹Volume tiers are applied based on monthly cumulative trade volume summed across all futures and futures options contracts at the time of the trade. Only contracts that are traded while under the unbundled pricing structure will count towards the monthly volume. Contract volumes for advisor, institutions, and broker accounts are summed across all accounts for the purpose of determining volume breaks. These fees are applied on a marginal basis for a given calendar month. If for example, you execute 1,500 EUR contracts in a month, your IB execution costs would be:

1,000 contracts at EUR 0.65
500 contracts at EUR 0.40

- ²Carrying charges are applied for each net futures contract, net short call futures options, or net short put futures options on a single underlying for each business day the net futures position is held overnight.

- ³Non-member regulatory fees are applied, unless a customer is pre-qualified by IB. Contact your [sales person](#) for more information.

Exchange Incentive Program

Members, arcades, and proprietary traders operating under a special exchange program are entitled to special pricing. In order to participate, you must choose IB unbundled futures pricing and complete the required exchange documentation. Please visit our website for applications and information.

All applications may be submitted to:

Kevin Keller
Attn: Incentive Programs
Interactive Brokers LLC
2 Pickwick Plaza
Greenwich, CT 06830

Please allow two weeks from submission for IB to fully process your application with the applicable exchange. Questions may be directed to memberpricing@interactivebrokers.com.

Notes:

- ¹ The European Incentive Program was replaced by the International Incentive Program in the beginning of 2009. Please see our website for full product list and pricing.

ii) Interest Payable and Interest Charged

Interest Paid by IB

After the deduction of any applicable fees and costs payable, interest will be paid on any remaining credit balance in your IB account only if:

- The overall credit balance in your account is in excess of your total margin requirements, and
- such excess amount exceeds US\$10,000 or its currency equivalent.

Interest is calculated separately on each currency balance in your account.

Interest Charged by IB

· If you have a debit balance on your account after all fees and costs have been deducted (in other words, you owe money to meet the margin requirement and other amounts) you will pay interest on the debit balance (notwithstanding any collateral you may have provided to IB LLC).

· Interest is calculated daily based on your positions, margin requirement and balances on your daily statement for that date. Interest is usually posted once a month on your account. This generally occurs within five business days following the end of the month.

Interactive Brokers uses internationally recognized benchmarks on overnight deposits as a basis for determining

interest rates to be paid by IB on credit balances in your account or to be paid by you on debit balances in your account. We then apply a spread around the benchmark interest rate (“BM”) in tiers, such that larger cash balances receive increasingly better rates, to determine an effective rate. For current benchmark interest rates and current applicable interest rates please go to www.interactivebrokers.com. We may vary the applicable interest rate at any time in response to changes in official interest rates

Calculations

In order to assist you in understanding interest payable and charged by IB we recommend you review the following calculations and also the examples on our website at interactivebrokers.com

Step 1: At the end of every day, IB looks at the following balances in each currency:

Cash balance in commodity sub-account (1)

Cash balance in security sub-account (1)

Collateral balance for settled short stock positions

These balances are reported on the Daily Statement with the heading “Ending Settled Cash”.

The collateral balance per short stock is calculated by multiplying the prior day’s closing price by 102%, rounding up to the nearest \$1.00. This new price is then multiplied by the number of shares.

Collateral Balance = (number of shares stock A) x (stock A prior day closing price x 102%, rounded up) + (number of shares stock B) x (stock B prior day closing price x 102%, rounded up)

Step 2: IB collects the overnight reference interest rate that will serve as the benchmark (“BM”) on which subsequent calculations are made. More information about these benchmarks is available at www.interactivebrokers.com

Step 3: IB calculates an Adjusted Cash Balance for the security sub-account by subtracting the short stock collateral value from the security sub-account’s “Ending Settled Cash”. Essentially, this removes the required collateral value derived from sales proceeds on short stock since interest on these funds is calculated using different tiers.

AdjustedCash = EndingSettledCash – ShortStockCollateralValue

Step 4: For each of the 3 adjusted balances (commodity, adjusted security, and short stock), we calculate how much money should be applied to each rate tier (see tier tables). Finally, we calculate the interest using the applicable rates (also from the tier tables):

Interest = (Balance tier1 * Rate tier1 / numberOfDaysInYear) +

(Balance tier2 * Rate tier2 / numberOfDaysInYear) +

(Balance tier3 * Rate tier3 / numberOfDaysInYear) +

etc

The numberOfDaysInYear are based on industry standards for money market activity.:

365: GBP, HKD, KRW

360: USD, CAD, EUR, CHF, JPY, AUD, SEK, NOK

Accruals

The results of the above calculations are booked each day to a special “Accrued Cash” sub-account for each currency. Accrued Cash has the following features and functions:

FUNDS FOR TRADING: accrued cash is applied to trading balances, both positively and negatively.

WITHDRAWALS: accrued cash does not affect Settled Cash balances and therefore cannot be withdrawn. Positive accrued cash balances do not increase the available funds for withdrawal. However, negative accrued cash will reduce the amount of funds available for withdrawal. This avoids the problem of accounts being closed and leaving

negative balances later on.

PATTERN DAY TRADING: accrued cash does not count toward Pattern Day Trading minimum balance requirements. Every day, the new calculations for accrued interest are added to the cumulative accrued cash balances from the previous day.

Statements: Whenever the balance of accrued cash exceeds \$1 (or USD equivalent), we will show the accrual on the Daily Statement. Accruals smaller than \$1, are recorded in IB's systems but are not reported on the statements.

iii) Market Data, Fundamentals and News

If you require live data then depending on the product you are trading and where that product is based may then you may be required to enter into a subscription agreement with the associated exchange. You are not required to enter into a data subscription to open an account with IB. Customers can subscribe to paid, real-time market data on exchanges around the world through the [Account Management](#) feature on their trading platform.

In addition, Interactive Brokers provides free delayed data as available, for any product listed on an exchange to which you do not subscribe. Delayed market data is managed in Trader Workstation (TWS), and ticker lines that use delayed data are highlighted in yellow for emphasis. For details on managing delayed market data, see the TWS Users' Guide.

We also provide real-time fundamentals and news via subscription-activated Reuters Worldwide Fundamentals and Reuters News Feed, along with various free RSS news feeds, all of which are seamlessly integrated into the TWS trading application.

To view, add, or delete Market Data and Reuters Fundamentals and News subscriptions, sign into the [Account Management](#) feature on your IB trading platform and go to *Trading Access* then *Market Data Subscriptions*. Fees are based on exchange or Reuters assessments and are applied on a per-user basis. Market data subscriptions provide data only; to trade you must receive trading permissions, in order to receive all the proper regulatory disclosures. There is no requirement to subscribe to market data in order to trade and customers are free to receive market data from another IB account or data vendor, or to use only delayed market data.

Charges for Market Data Fundamentals and News (other than that provided free by IB as described in this PDS) are subject to change from time to time. For current charges for market data, fundamentals and news please see the IB website at www.interactivebrokers.com.

iv) Other Fees and Charges

Other Fees that fall outside commissions, interest and market data are listed here. (Includes fees charged for order cancels/modifies, trade busts and adjustments, prime broker take-ups, deposits and withdrawals, exercise and assignments, American Depository Receipts (ADRs) and fees for bounced checks, stop payments etc.) Current list of other fees and charges are also available on the IB website at www.interactivebrokers.com

i) Cancel/Modify Orders

Many exchanges charge fees to their members for orders that are cancelled or modified, and IB charges certain related fees to its customers to help cover these exchange fees. Please note however, that the Modify/Cancel fees listed below may not be a direct "pass-through" of exchange fees in all cases as IB has created cancellation policy based on ease of implementation and proper resource allocation.

Asset/Order Origin	Routing Venue	Fee per Order ⁽⁶⁾	Execution Credit ^{(1) (4)}	Example
US Stock orders				
API Directed	All	USD 0.12	USD 0.24 per API Directed execution	
API Smart		None	N/A	
TWS Directed and Smart	All	None	N/A	
US Options orders ⁽²⁾				
	Smart ⁽³⁾	As charged by the exchange ⁽⁵⁾	USD 0.25 per executed contract, capped at USD 3.75 per order (up to 15 contracts per order)	<p>If a customer buys 20 contracts, the credit of \$0.25 is given only for the first 15 contracts , and is capped at 1/3 of the commissions paid for the first 15 contracts:</p> <p>20 contracts at \$0.25/contract in commissions = a credit of $15 * 0.25 * 1/3 = \\$1.25$</p>
	AMEX	USD 1.25	USD 0.20 per executed contract, capped at USD 1.20 per order (up to 6 contracts per order)	<p>If a customer buys 20 contracts, the credit of \$0.20 is given only for the first 6 contracts, and is capped at 1/3 of the commissions paid for the first 6 contracts.</p> <p>6 contracts at 0.70/contract in commissions: $\text{cap} = \min(\\$1.20, \\$0.70 * 6 * (1/3)) = \min(\\$1.20, \\$1.40) = \\1.20</p> <p>6 contracts at \$0.25/contract in commissions: $\text{cap} = \min(\\$1.20, \\$0.25 * 6 * (1/3)) = \min(\\$1.20, \\$0.50) = \\0.50</p>
	BOX	USD 0.10	USD 0.05 per executed contract, capped at USD 0.10 per order (up to 2	If a customer buys 20 contracts, the credit of \$0.05 is given only for the first 2 contracts

		contracts per order)	, and is capped at 1/3 of the commissions paid for the first 2 contracts.
			2 contracts at \$0.70/contract in commissions: cap = $\min(\$0.10, \$0.70 \cdot 2 \cdot 1/3) = \min(\$0.10, \$0.47) = \0.10
CBOE	USD 2.00	USD 0.33 per executed contract, capped at USD 1.98 per order (up to 6 contracts per order)	<p>If a customer buys 20 contracts, the credit of \$ 0.33 is given only for the first 6 contracts, and is capped at 1/3 of the commissions paid for the first 6 contracts.</p> <p>6 contracts at 0.25/contract in commissions: cap = $\min(\\$1.98, \\$0.25 \cdot 6 \cdot (1/3)) = \min(\\$1.98, \\$0.50) = \\0.50</p>
ISE	USD 2.00	USD 0.33 per executed contract, capped at USD 1.98 per order (up to 6 contracts per order)	<p>If a customer buys 20 contracts, the credit of \$0.33 is given only for the first 6 contracts, and is capped at 1/3 of the commissions paid for the first 6 contracts.</p> <p>6 contracts at 0.25/contract in commissions: cap = $\min(\\$1.98, \\$0.25 \cdot 6 \cdot (1/3)) = \min(\\$1.98, \\$0.50) = \\0.50</p>
PHLX	USD 2.10	USD 0.35 per executed contract, capped at USD 2.10 per order (up to 6 contracts per order)	<p>If a customer buys 20 contracts, the credit of \$0.35 is given only for the first 6 contracts, and is capped at 1/3 of the commissions paid for the first 6 contracts.</p> <p>6 contracts at 0.70/contract in commissions: cap = $\min(\\$2.10, \\$0.70 \cdot 6 \cdot (1/3)) = \min(\\$2.10, \\$1.40) = \\1.40</p>
PSE	USD 0.10	USD 0.05 per executed contract, capped at USD 0.10 per order (up to 2 contracts per order)	<p>If a customer buys 20 contracts, the credit of \$0.05 is given only for the first 2 contracts , and is capped at 1/3 of the commissions paid for the first 2 contracts.</p> <p>2 contracts at \$0.70/contract in commissions:</p>

$$\text{cap} = \min(\$0.10, \$0.70 * 2 * 1/3) = \min(\$0.10, \$0.47) = \$0.10$$

EUR Options and Futures orders

TWS and API	All	EUR 0.50	EUR 2.50 per Eurex execution in the same product on the same day.
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Orders with a time in force that specifies an expiration time, such as GTC, will be assessed cancel fees according to the above schedule.

Notes:

- ¹ Execution credits are applied against cancel or modify fees for the day. Execution credits cannot be greater than cancel/modify fees.
- ² Cancel/modify fees and execution credits are not applied to US Option combo orders
- ³ Smart-routed Continuous Update Volatility and Pegged-to-Stock orders will only be routed to BOX or PSE and will not incur modify fees.
- ⁴ For options, credit is the lesser of (1/3 of commissions paid on those contracts that count towards credit) and (Execution Credit).
- ⁵ For example, a smart-routed order routed to PHLX then cancelled would be charged the PHLX cancel fee of USD 2.10.
- ⁶ Unless otherwise specified, the per-order fee applies to both order cancellations and modifications.

ii) Trade Bust/Adjustments

If an exchange or other market centre charges Interactive Brokers a trade bust, trade cancel fee or trade adjust fee because of an order placed by an IB customer, or because of a customer bust or adjust request, the customer is fully responsible for the fee and the fee will be deducted from the customer's account.

In addition to fees charged by exchanges (and in cases where exchanges do not charge a fee), IB will charge the following fees for requests to have trades busted:

- \$50 for the first bust request in a calendar month.
- \$100 per incident for subsequent bust requests in the same calendar month.

iii) Corporate Actions Fees

IB will not charge for Corporate Actions affecting securities in your portfolio.

iv) Prime Broker Take-up Fees

Stocks (US only)

USD 1.00 per line item

Options (US only):

USD 1.00 per line item + Exchange Clearing Fees + Regulatory Fees (which combined are USD 0.05/contract)

Futures (US only)

USD 1.00 per line item + Exchange Clearing Fees + Regulatory Fees

Futures Options (US only)

USD 1.00 per line item + Exchange Clearing Fees + Regulatory Fees

Stocks (CAD only)

CAD 1.00 per line item

v) Withdrawals

After the first withdrawal (of any kind) in a month, IB will charge the following withdrawal fees for any subsequent withdrawal:

Base Currency	Wires	Checks	ACH/EFT	SEPA
AUD	15.00	N/A	N/A	N/A

vi) Exercise and Assignment Fees

Stock Options Free

US Index Options	Free
Non-US Index Options	Charged the option commission if in-the-money. Out-of-the-money - free.
Futures and Futures Options	Charged the futures options & futures commission. Charged fees at expiration. Bundled fees are charged even if the customer has elected unbundled schedule

vii) ADR (American Depository Receipt) Fees

The Depository Trust Company (DTC) collects custody fees on behalf of ADR agents for ADRs which do not pay periodic dividends. The fees are deducted by DTC in monthly billing and will be passed to accounts which held the ADR on the record date. For additional information on the fee IB recommends that you consult the ADR prospectus.

vii) Miscellaneous

Base Currency	Telephone Orders	Check Stop Payment	Bounced Check Fee	Archived Statements ⁽¹⁾	Cash Deposits ⁽²⁾
Australian Dollars (AUD)	AUD 40.00/order	N/A	N/A	AUD 150/first statement, AUD 50/each additional statement.	1%

Notes:

- Telephone orders are only allowed for closing orders, and the stated fee is in addition to all regular commission fees. Fees will be waived in the case of IB technology problems.
- ¹Annual statements older than last 3 full calendar years.

²Please be aware that it is against Interactive Brokers policy to accept physical currency (cash) deposits. Please make all deposits to your IB account by wire transfer, check, direct bank transfer (ACH), or via one of the other methods described in the Funds and Banking page on the IB website at www.interactivebrokers.com

9. OTHER INFORMATION

a) Required Minimums

Required balance, activity and commission minimums for retail and Introducing Broker accounts and for customers using a dedicated line FIX connection are as set out on the IB website at www.interactivebrokers.com Balance

The following minimums are required to open an account (1):

Category	Required Deposit
All Individuals not listed below,	USD 10,000 (or non-USD equivalent)
Individuals age 21 or younger	USD 3,000 (or non-USD equivalent)
Advisor and Broker Clients	USD 5,000 (or non-USD equivalent)

a) Adviser Mark Ups and Billings

Professional and Friends & Family Advisors may charge their clients for services rendered either through automatic billing, electronic invoice or direct billing. You determine the advisor mark-up at the time of the clients registration, and may modify these mark-ups at any time within [Account Management](#) feature on your IB trading platform from the *Funds Management/Client Fees* section. In the case of fee increases, the client will be required to acknowledge the fee increase with a signature. In addition to the advisor client fees specified, IB will charge its normal [commissions](#) to the client. Advisors may charge their clients for services rendered either through automatic billing, electronic invoice or direct billing. The available billing methods including caps and limitations are described at the IB website at www.interactivebrokers.com

10. CLIENT MONIES

a) Australian Legal position

Funds deposited with a Participant on a licensed market for Futures trading are deposited into that Participant's clients' segregated account in accordance with the requirements of the Corporations Act. Unless otherwise agreed with your broker, you waive the right to any interest on funds deposited with your broker. Money or property deposited with your broker may only be invested according to the Corporations Act, and such investments are at your sole risk.

For money deposited in your broker's clients' segregated account, you acknowledge that:

- individual client accounts are not separated from each other
- all clients' funds are deposited into the one clients' segregated account;
- Clients' segregated account provisions may not insulate any individual client's funds from a default in the Participant's clients' segregated account. Such a default may arise from any client's trading;
- assets in the clients' segregated account belonging to non-defaulting clients are potentially at risk, even though they did not cause the default;
- the Broker has the right to apply all clients' monies held in its clients' segregated account to meet the default in that account; and

The Clearing House has the right to apply all monies in the Client Clearing Account (or House Clearing Account) to meet any liabilities in the Client Clearing Account.

b) US Legal Position

IB protects your money by following a variety of regulatory requirements and then taking a number of other steps that are beyond the basic requirements. Here are the basics:

First, for cash in your IB account, IB is also subject to strict “reserve” and “segregation” requirements imposed by the Securities and Exchange Commission (“SEC”) and the Commodity Futures Trading Commission (“CFTC”), under which cash in IB customer accounts is kept in segregated accounts that are separate from the proprietary assets of IB. IB is required to perform daily (CFTC) and weekly (SEC) calculations to ensure that the proper amount of customer funds is set aside in these separate accounts.

Margin funds given to IB by customers to margin futures trades or option trades are deposited by IB in segregated customer-benefit accounts with the relevant clearinghouses (e.g., The Options Clearing Corporation or the CME Clearing House), or, for non-U.S. contracts, with an approved foreign clearinghouse or clearinghouse member. Clearinghouses eliminate direct counterparty risk in futures and options contracts by centralizing clearing and settlement of the contracts so that the clearinghouses (and not the exchange members) guarantee performance on the winning contracts. The clearinghouses are the lynchpin of the options and futures markets and are heavily regulated and well capitalized.

The above system of protections and checks and balances is monitored on a daily, weekly and monthly basis by IB systems and senior management. In addition, IB is audited by its own Internal Audit Department, its outside auditors Deloitte and Touche, and at least annually by the Financial Industry Regulatory Authority, Inc. (“FINRA”), the National Futures Association and other self-regulatory organizations.

Beyond all of the above, cash and securities held in IB customer securities accounts are protected by SIPC (Securities Investor Protection Corporation) coverage of up to \$500,000 (\$100,000 for cash) per customer. Funds that customers deposit for futures trading are not covered by SIPC, but IB addresses this by sweeping excess margin funds daily from the customer’s futures trading account into the customer’s securities account, where the funds are eligible for SIPC coverage

In addition to the standard SIPC coverage, IB has purchased excess SIPC coverage from Lloyd’s of London insurers. For customers who have received the full SIPC protection, the Lloyd’s policy provides up to an additional \$29.5 million (including \$900,000 for cash), subject to an aggregate limit of \$150 million across all customer accounts.

11. MARKET INFORMATION

A) EXCHANGES

As noted above, IB deals in Exchange-Traded Derivatives which are able to be traded on a number of Exchanges, the main ones of which are listed below and a link to website of each of these exchanges can be found on the IB website:

ASE - American Stock Exchange
ASX - Australian Securities Exchange
CBOE - Chicago Board Options Exchange
CBOT - Chicago Board of Trade
CME - Chicago Mercantile Exchange
Consiglio Di Borsa (Italian Stock Exchange Council)

DTB - Deutsche Terminbörse
EUREX - European Derivatives Market
HKFE - Hong Kong Exchanges & Clearing Limited
JSE - Johannesburg Stock Exchange
KBOT - Kansas City Board of Trade
KOFEX - Korea Futures Exchange
LIFFE - London International Financial Futures Exchange
MATIF - French Futures & Options Exchange
MEFF - Spanish Financial Futures & Options Exchange
MACE - Mid America Commodity Exchange
MGEX - Minneapolis Grain Exchange
MX - Montreal Exchange
NASDAQ
NBOT - New York Board of Trade
NYMEX - New York Mercantile Exchange
OM - Stockholm
OME - Osaka Mercantile Exchange
OSE - Osaka Securities ex SFE - Sydney Futures Exchange
SAFEX - South Africa Futures Exchange
SGX - Singapore Exchange
TGE - Tokyo Grain Exchange
WCE - Winnipeg Commodity Exchange
SAFEX - South Africa Futures Exchange
SGX - Singapore Exchange

You should refer to the website of each relevant exchange for informational material, details of contracts available for trading, contract specifications, operating rules, pricing information and clearing arrangements applicable to that exchange. If you are unable to access these websites, please contact us and we will endeavour to make the relevant information available to you through other means

12. HOW TO TRADE

You can trade with IB through its TW Trader Workstation trading platform. IB recommends that prior to engaging in trading you open a demo account to conduct simulated trading to become familiar with the platform and trading generally. When trading you should keep aware of all risks and benefits of derivatives trading (refer Sections 6 and 7)

IB Customers may route orders to IB through their Trader Workstation ("TWS"), Computer to Computer Interface ("CTCI") or an Application Programming Interface ("API"), by logging in through a secure username and password. As set forth in the IB Customer Agreement,

IB does not know whether an unauthorized person is entering orders with a customer's user name/password. Customers are fully responsible for the confidentiality and use of their user name/password and remain responsible for all transactions entered using their user name/password. Customers may also contact IB Customer Service using the details below should they experience technical difficulties.

e-mail: help@interactivebrokers.com (For urgent matters, please telephone IB customer service)

13. DISPUTE RESOLUTION [Section 1013D (1) (g)]

You may advise of any complaint or dissatisfaction with the services provided to you by IB ("complaint"). The following dispute procedure is in place to ensure that your complaint is handled efficiently

We encourage you to send your complaint via Account Management for the most expedient and efficient handling. This can be done by clicking on "Inquiry Ticket." Under "New Ticket" select the following:

Category: Other Regulatory

Sub-category: Submit a Complaint

Alternatively, customers may send their complaints by e-mail to help@interactivebrokers.com; by telephone to the customer service telephone numbers listed on the IB website at www.interactivebrokers.com; or by hard copy addressed to:

Legal & Compliance Department
Interactive Brokers LLC
One Pickwick Plaza
Greenwich, CT 06830

IB will attempt to resolve your complaint and will notify you of any proposed resolution.

If your complaint is not resolved to your satisfaction you may complain in writing to The Financial Ombudsman Service (FOS) of which IB is a member

The FOS can be contacted as below:
Financial Ombudsman Services:

GPO Box 3, Melbourne, Victoria 3001

Telephone 1300 780 808

Facsimile 9613 6399

Internet: wwwfos.org.au

This service is provided to you free of charge.

You may also refer the matter to the Australian Securities and Investments Commission ("ASIC"). ASIC may be contacted on their Info line on 1300 300 630.

Alternatively, customers who wish to file a complaint with, or initiate an arbitration or reparations proceeding against, IB, may consult the website of, or contact, a Self-Regulatory Organization ("SRO"), e.g., the Securities and Exchange Commission (www.sec.gov), the Financial Industry Regulatory Authority (www.finra.org), the National Futures Association (www.nfa.futures.org), the Commodity Futures Trading Commission (www.cftc.gov)

14. TAXATION IMPLICATIONS [Section 1013D (1) (h)]

It is important to note that your tax position when trading Exchange-Traded Derivatives will depend on your individual circumstances and you should consult your own taxation adviser before making any decisions to trade. The taxation consequences of trading in Exchange-Traded Derivatives are complex and will depend on your individual circumstances. It is therefore important that you ascertain whether you are a trader, a speculator or a hedger as the tax treatments for each may differ as discussed below. Given that we do not offer taxation advice, you should discuss any taxation issues with your tax adviser before entering or disposing of an Exchange-Traded Derivatives. This PDS does not cover every aspect of taxation as it relates to Exchange-Traded Derivatives. The information below acts as a summary of significant taxation considerations that should be considered by you before investing in Exchange-Traded Derivatives:

- ATO rulings need to be considered;
- Whether you are classified as a trader, speculator or hedger. Different tax treatments may apply to each classification depending on your trading strategy;
- Whether revenue hedging or capital hedging applies to you;
- The ATO position in relation to avoidance strategies and the generation of tax losses;
- There may be issues in relation to opening an option position in one year and closing it in the next year

15. COOLING-OFF ARRANGEMENTS [Section 1013D (1) (i)]

There are no cooling-off arrangements for exchange traded Futures contracts.

16. GLOSSARY OF TERMS

Below is a list of some words used in this PDS and their meanings.

ACH Australian Clearing House Pty Limited.

American Option An option which may be exercised at any time up to and including the Expiry Date.

ASIC Australian Securities and Investments Commission.

ASX Australian Securities Exchange Limited.

Call Option An option giving the buyer the right to buy the underlying asset at the Exercise Price on or before the Expiry Date.

Clearing The process by which Futures contracts executed on a Derivatives Exchange are registered and cleared in the name of a Clearing Participant with the relevant Clearing House.

Clearing House The clearing facility authorised by the relevant Derivatives Exchange. In practical terms a clearing house is a body that assumes the obligations or guarantees in respect of all Futures contracts and Futures options that are traded on the relevant Derivatives Exchange and registered with it. The clearing house holds all Initial and Variation margin requirements of the Clearing Participants. The clearing house handles all cash settlement within the exchange market and provides the documentation necessary to record all business on the relevant exchange. The clearing house for the SFE markets is SFE Clearing. The clearing house for the ASX market is Australian Clearing House.

Clearing Participant A Participant or member of a Clearing House.

Clients' Segregated Account The account maintained by the Participant under the Client Money Rules for the holding of client monies.

Client Money Rules The provisions in Part 7.8 of the Corporations Act and the Corporations Regulations made under those provisions that specify the manner in which financial services licensees are to deal with client moneys and property. In other jurisdictions, client money rules may be found in the relevant legislation or operating rules of the relevant Derivatives Exchange.

Corporations Act The Corporations Act 2001 of the Commonwealth of Australia.

Derivatives Exchange SFE, ASX or other applicable derivatives exchange.

European Option An option which may only be exercised at expiry.

Exercise Price The price at which an option buyer may purchase or sell the underlying Futures contract upon exercise of the Futures option contract.

Expiry Date In relation to a Futures option, the date on which the option expires as designated in the contract specifications.

Futures Derivatives which are traded on a Derivatives Exchange which are commonly known as futures contracts (both deliverable and cash-settled); options over a futures contract and options over the underlying.

Initial Margin The amount that a client is required to pay to establish a position in a Futures contract.

Long A bought position in a Futures contract.

Margin Call A demand for additional funds to be deposited in an account to meet margin requirements.

Market Order An order to buy or sell a Futures contract immediately at the current price.

Operating Rules In relation to a Derivatives Exchange or Clearing House, the articles, constitution, rules, by-laws, regulations, customs and practices of that Derivatives Exchange and Clearing House.

Option Premium The price paid to buy an option.

Participant Participant or member of a Derivatives Exchange.

Put Option An option giving the buyer the right to sell the underlying asset at the Exercise Price on or before the Expiry Date.

SFE Sydney Futures Exchange Limited.

SFE Clearing SFE Clearing Corporation Pty Ltd, the Clearing House for the SFE markets.

Short A sold position in a Futures contract

Strike Price Another term for the Exercise Price.

Variation Margin The difference between the value of a Futures contract when it is initially bought or sold and its value marked to market at any given time.