



**MAIN GROUP FX**  
**TRADE BETTER. GAIN MORE.**

# Client Categorization Policy



## CLIENT CATEGORIZATION POLICY

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REGULATION: Main Group FX Pty Ltd (ACN: 665 904 236)

## INTRODUCTION

Main Group FX is a trading name for MAIN GROUP FX PTY LTD.

MAIN GROUP FX PTY LTD is a company registered and authorized under the Australian Securities and Investments Commissions, under ACN 665 904 236, ABN 44 665 904 236 with a registered office at 465 Victoria Ave, Chatswood, NSW 2067, Australia.

This Policy applies to MAIN GROUP FX PTY LTD, in which the following terms “we”, “us”, “the company” or “Main Group FX” are used to refer to Main Group FX Pty Ltd and its related companies. This Client Categorization Policy (“Policy”) outlines our obligations on how we manage and

categorize our clients. It is emphasized that depending on the client's classification, different rules and levels apply.

The Corporations Act of 2001 ("Corporations Act") distinguishes between two different client types when providing financial services: retail and wholesale.

Differentiating between retail and wholesale clients is crucial because the compliance obligations and procedures for these two client types differ significantly. Retail clients are subject to requirements in relation to topics like disclosure, conduct, training, and compensation. The client's status in relation to each good or service offered to them is evaluated using the retail/wholesale test. A customer might simultaneously be a wholesale customer for one product and a retail customer for another.

## RETAIL CLIENTS

According to the Corporations Act of 2001 (Cth), any client who doesn't meet the specific criteria for a wholesale client is considered a retail client. However, the financial service offered will also be a factor. Retail Clients are eligible for protections under the Corporations Act, including but not limited to ASIC Corporations (Product Intervention Order – Contracts for Difference) Instrument 2020/986 and the right to request dispute resolution through the Australian Financial Complaints Authority (“AFCA”).

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Under the Corporations Act, a retail client will also receive a number of disclosure documents (such as the Product Disclosure Statement ("PDS") and Financial Services Guide ("FSG")).

## **WHOLESALE CLIENTS**

A client will be categorised as a wholesale client only if they meet one of the following tests:

### **WHOLESALE CLIENTS TEST**

(Non-sophisticated investors)

#### **A. Individual Wealth/Assets Test**

If the client can prove that they hold or control a trust or company that has:

- a) Net assets of at least \$2.5 million AUD; or
- b) Gross annual income of \$250,000 AUS for each of the last two (2) financial years.

The client cannot use Main Group FX products in connection with a business in order to qualify as a wholesale client under the individual wealth/assets test.

#### **B. Professional Investor Test**

If the client can be included in one of the following categories:

- a) a licensee of financial services in Australia;
- b) a superannuation product trustee with assets worth at least \$10 million;
- c) An entity that is listed or a related body corporate of an entity that is listed;
- d) An entity subject to Australian Prudential Regulation Authority ("APRA") regulation, excluding a trustee of a superannuation product;

OR

e) The client is a foreign entity that would fall under the provisions of the aforementioned sentences if it were established or incorporated in Australia.

f) At least \$10 million in gross assets, including any sums held in trust or by associates, are under the client's control or ownership.

#### **C. Large Business Test**

The entity associated with the Main Group FX trading account has at least 20 employees, or at least 100 if the company's primary activity is manufacturing goods.

#### **D. Related Body Corporate**

A related body corporate of a body corporate that is a wholesale client may be treated as such under section 761G(7)(4A) of the Corporations Act [as inserted by regulation 7.6.02AD].

### **SOPHISTICATED INVESTOR TEST**

Under section 761GA of the Corporations Act, a client may qualify to be categorized as a wholesale client if Main Group FX determines, based on reasonable grounds, that the client has prior experience using financial services and investing in financial products. This prior experience enables the client to evaluate:

- the merits of the product or service;
- the value of the product or service;

- the risks associated with holding the product;
- client's own information needs; and
- the adequacy of the information given by Main Group FX

In order for Main Group FX to determine if the prospect can be considered a “Sophisticated Investor”, one of the two following requirements should be met:

a) Trading Experience

- i. Minimum 12 months of trading experienced on leveraged securities
- ii. Minimum 40 trades and at least \$500K of traded volume per annum, within each of the last 3 years

OR

b) Relevant work experience

Have at least one year of experience in the financial sector working in a position requiring knowledge of or exposure to derivatives trading.

The above criteria is applicable only to individual traders. You cannot use Main Group Fx products or services in connection with a business.

Main Group FX is required to provide the prospect with a written statement setting out the reasons why Main Group FX considers the client satisfies the criteria, which the client must then acknowledge in writing.

### **Important Notice**

All financial products involve risk. Before taking action about any financial product, you should ensure that you understand the specific risks it involves and that it's suitable for you. Investing in certain assets (leveraged securities) carries a high level of risk, as you may incur losses that exceed your original investment. Before trading, please take into consideration your level of experience, and investment objectives and seek independent financial advice if necessary. It is the responsibility of the Client to ascertain whether he/she is permitted to use the services of the Main Group FX brand based on the legal requirements in his/her country of residence.

When a client is classified as a wholesale client, the client will forfeit some regulatory protections normally available to retail clients, such as:

- 1) protection against account negative balances and leverage restrictions under ASIC PIO;
- 2) potential exclusion from AFCA's dispute resolution service;
- 3) trading with Main Group FX without receiving disclosure statement; and
- 4) potential opt-out from ASIC client money rules.

The information on this website is not intended to be an inducement, offer or solicitation to anyone outside of Australia and is not intended for distribution to, or use by, any person in any country or jurisdiction where such distribution or use would be contrary to local law or regulation.



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