1 Standard Contract Specifications for all ASX CFDs

1.1 Initial Margins

Initial margins are determined by SFE Clearing Corporation Pty Limited (SFECC) and payable the next trading day based on the open position.

1.2 Variation Margins

Variation Margins are determined by SFECC using the ASX CFD Settlement Price and payable the next trading day

1.3 ASX CFD Settlement Price

The CFD Settlement Price for ASX Equity and Index CFDs is determined by SFE and is equal to that of the closing price of the underlying market – this being the price quoted by the underlying instrument owner (e.g. ASX, index price provider, etc). The CFD Settlement Price for FX and ASX Gold CFDs is determined by SFE and is equal to the mid-rate of the underlying interbank market sourced from Reuters at the close of the ASX CFD trading session.

1.4 Transaction Fees

A Transaction Fee is applicable on all trades and payable the following business day.

1.5 Exchange for Physical (EFP)

Exchange for Physical functionality is possible on some CFDs. See the Detailed Contract Specifications for details. A Transaction Fee is applicable for any CFD subject to an EFP.

1.6 Contract Expiry

ASX CFDs do not expire.

1.7 Contract Interest

Contract Interest is calculated daily on all open positions held at the close of trade. Holders of long positions pay Contract Interest on the next trading day. Holders of short positions receive Contract Interest on the next trading day. Contract interest is calculated using the formula detailed below:

Contract Interest = I x SP x N/D x C x X

Where:

I	=	The Contract Interest Base Rate
SP	=	The Exchange Traded CFD Settlement Price
N	=	The number of days for which the contract interest is being calculated
D	=	The number of days used in the interest calculation (based on market convention)
C	=	Open positions in the contract at the client account level
X	=	The number of units of the underlying per lot of the ASX CFD contract

Contract Interest is always charged in the contract currency of the ASX CFD. SFE uses the days of the year convention (i.e. 365 or 360) that corresponds to the contract currency of the ASX CFD.

1.8 Dividend / Yield Cashflow (DYC)

Dividends for shares underlying an ASX CFD contract are routinely declared and paid to the market. These are Dividend Cashflows and are receipted/paid to holders of ASX CFD contracts that have dividend payments specified (eg ASX Equity and Index CFDs). A Yield Cashflow on an underlying ASX FX CFD contract is payable/receipted based on the relevant cash rate applicable for the opposite currency to that of the contract currency of the respective ASX FX CFD

Holders of short ASX Equity CFD positions pay the Equity Dividend on the ex-dividend date based on short positions held at the close of trade on the day before the ex-dividend date. Holders of long ASX Equity CFD positions receive the Equity Dividend on the ex-dividend date based on long positions held at the close of trade on the day before the ex-dividend date.

Holders of short ASX Index CFD positions pay the Index Dividend on the ex-dividend date of any stock in the constitute index that pays a dividend on the ex-dividend date. Short positions are those held at the close of trade on the day prior to the payment of a dividend by a stock in the constitute index. Holders of long ASX Index CFD positions receive the Index Dividend on the ex-dividend date of any stock in the constitute index that pays a dividend on the ex-dividend date. Long positions are those held at the close of trade on the day prior to the payment of a dividend by a stock in the constitute index.

ASX FX CFD holders of short positions at the close of trade pay the Yield the following trading day. ASX FX CFD holders of long positions at the close of trade receive the Yield on the following trading day.

The formula for determining the dividend payment/receipt for **ASX Equity CFDs** is:

Equity Dividend = Di x C x X

Where:

Di = Net Scheduled Dividend payment in dollars and cents of the currency the dividend is paid as advised by ASX.
C = Open positions in the contract at the client account level
X = The number of units of the underlying per lot of the ASX CFD contract

The formula for determining the dividend payment/receipt for **ASX Index CFDs** is:

Index Dividend = Ei x C x X

Where:

Ei = Ex-dividend adjustment amount for the Index and determined by SFECC
C = Open positions in the contract at the client account level
X = The number of units of the underlying per lot of the ASX CFD contract

Dividends will always be charged in the contract currency of the ASX CFD.

The formula for determining the yield payment/receipt for **ASX FX CFDs** is

Yield = I x N / D x C x X

Where:

I = Yield interest rate for the contract
N = The number of days for which the Yield Cashflow is calculated
D = Number of days used in the Interest Calculation (based on market convention)
C = Open positions in the contract at the client account level
X = The number of units of the underlying per lot of the ASX CFD contract

The Yield Cashflow is always charged in the opposing currency in the FX pair (the first currency quoted). ASX uses the days of the year convention (i.e. 365 or 360) that corresponds to the currency in which the cashflow is calculated.

1.9 Open Interest Charge (OIC)

The Open Interest Charge (OIC) is paid by holders of either a net long or net short position in an ASX CFD held at the end of a trading day.

The formula for calculating The OIC is as follows:

OIC Charge = OICrate x (N / D) x SP x C x X

Where:

OIC Rate	=	Open Interest Charge Rate as determined by SFE Clearing applied to open positions. Note: The OIC rate may differ depending on whether position is long or short.*
C	=	Open positions in the contract at the client account level
SP	=	The ASX CFD Settlement Price
N	=	The number of days for which the OIC is being calculated
D	=	The number of days in the year (based on market convention) **
X	=	The number of units of the underlying per lot of the ASX CFD contract

* For ASX Equity CFDs the rate at which the OIC is calculated differs between clients holding net long and net short positions. For all other ASX CFDs the OIC rate will be identical whether a client holds a net long or net short position.

** OIC is always charged in the contract currency of the ASX CFD and SFE will use the days of the year convention (i.e. 365 or 360) that corresponds to the contract currency of the ASX CFD.

1.10 Franking Credit Cashflow (FCC) – Long and Short

The FCC applies only to ASX Equity CFDs. The FCC is a cashflow which represents the monetary equivalent of the franking credit declared on a particular stock. As such the FCC is to be treated from a taxation perspective like the Dividend Cashflow.

All holders of a short ASX Equity CFD position at the close of trading on the day before an ex-dividend date pay the Short FCC based on the following formula:

Short Franking Credit Cashflow = Fs x Cs x X

Where:

Fs	=	Short Franking credit per share as calculated by SFE
Cs	=	Net short open position in each contract at the client account level
X	=	The number of units of the underlying per lot of the ASX CFD Contract

Holders of long positions receive a reduced Franking Credit per share when DPMs have an overall short position in the contract. The amount received is based on the formula:

Long Franking Credit Cashflow = [Ts/(Ts + Ds)] x Fl x X

Where:

Fl	=	Long Franking credit per share as calculated by SFE
X	=	The number of units of the underlying per lot of the ASX CFD Contract

Ds = Total open short positions held by designated price makers in the ASX Equity CFD contract after a mandatory close out is performed by SFE Clearing of the designated price maker long and short positions which are able to be offset against each other.

Ts = Total open short positions held by all non-designated price maker clients in the ASX Equity CFD contract

Note that Franking Credit cashflow payments and receipts are notified and settled on the **day after** the ex-dividend date.

Franking Credit Cashflow is always charged in the contract currency of the ASX CFD.