

## RG227 Client Appropriateness Assessment (Applicable for Australian Citizens and Residents Only)

Please provide the following details

Name (Individual/ Corporate/ Trust)	
Email id (As mentioned to OliveFX)	
Contact Number	
OliveFX Login id (if any)	

Please answer OR tick the appropriate option and send us back this form

The following test has been prepared pursuant to Australian Securities and Investments Commission Regulatory Guide 227 – OTC CFDs: Improving disclosure to retail investors. OliveFX is required to assess the appropriateness of retail clients with an interest in trading Contracts for Difference (CFDs) and/or Margined FX products.

We will assess the appropriateness of our products based on your answers to the questions within this questionnaire. Therefore, it is important that you answer as fully and accurately as possible. The questionnaire is designed to give us a clear picture of your knowledge and experience of the below investment types.

### 1. Which of the following statements best describe high volatility?

- A) When price increases greatly.
- B) When price fluctuates in a very wide range within a short period of time.
- C) A term used to describe a price decrease.

### 2. Which statement best describes a short position?

- A) When you sell a contract in the expectation that the price of the Underlying Instrument to which the contract relates will decrease.
- B) When you buy a contract in the expectation that the price of the Underlying Instrument to which the contract relates will increase.
- C) When you place a buy order and then put in place a stop loss in case the market moves against you.

### 3. Which of the following statements best describes a stop loss order?

- A) An order that prevents you making a loss on a trade.
- B) An order that guarantees a certain loss on a losing trade.
- C) An order that may limit the loss made on a trade but may not be executed at the stop loss price due to gapping in the market.

**4. Which of the following statements is correct about the risk on a Forex or CFD position?**

- A) Your risk is limited to the size of your trade.
- B) The maximum risk on a position can exceed the money you have deposited with us.
- C) Your risk is limited to the margin you have used for that trade.

**5. Which of the following best describes "gapping"?**

- A) A trading strategy designed to profit from falling markets.
- B) A trade that profits from the highest price and the lowest price in a day's trading range.
- C) A movement in price from one level to another, jumping over intervening price steps, usually caused by a market event that leaves a "gap" in the chart.

**6. To reduce the risk of trading leveraged products which of the following is important?**

- A) Keeping up with global news events which impact financial markets.
- B) Monitoring your open positions.
- C) Both the above.

**7. When markets are volatile, which of the following best describes trading leveraged products?**

- A) Safe.
- B) Conservative.
- C) Dangerous for inexperienced traders.

**8. Which of the following statements is true?**

- A) Margin FX and CFD contracts are over-the-counter (OTC) derivatives and are not traded on the Australian Stock Exchange.
- B) Margin FX and CFDs are traded on the Australian Stock Exchange.
- C) Margin FX and CFDs are traded on all global stock exchanges.

**9. Which of the following is NOT an order type used to trade CFDs and Forex?**

- A) Stop Loss Order.
- B) Margin Call.
- C) Limit Order.

**10. What does leverage mean in the context of CFDs?**

- A) Small changes in the value of the underlying asset are usually magnified.
- B) CFDs are not leveraged products.
- C) Leverage does not affect CFDs because they are exactly the same as equities.

**11. What best describes an example of Margin Capital?**

- A) It is the profit on my positions only.
- B) It is a buy order on foreign exchange.
- C) It is the capital in my account, and that capital and potentially more is at risk.



**12. What is the relationship between a CFD and the underlying asset?**

- A) There is no relationship.
- B) The value of a CFD usually moves in the same direction as the underlying asset but it is not an interest in the underlying asset.
- C) In buying a CFD, I have an interest in an underlying asset.

**13. Which of the following describe the processes and technologies used in trading?**

- A) Trades are submitted using paper orders.
- B) Trades are placed using a facsimile.
- C) The two-way price for a CFD is shown on the trading platform and trades are placed and executed electronically.

**14. Describe your previous experience in investing in financial products, including securities and derivatives.**

Please write your Answer here: