



ETO Markets

Everyone's Trading Opportunities

ETO GROUP PTY LTD

Target Market Determination.

Margin FX Contracts and Contracts for difference (CFDs)

Underlying Asset Classes - Forex Currency Pairs, Commodities, Indices

Company:	ETO Group Pty Ltd
ABN:	66 155 680 890
AFSL No:	420224
Date:	2 May 2025

Introduction

ETO Group Pty Ltd (referred to as ETO, **us**, **our** or **we**) operates a financial service business and offers OTC derivatives such as Margin Forex Contracts and Contracts for Difference (**CFDs**). ETO is a product issuer and issues CFDs and Margin FX Contracts to clients, including retail clients. The design and distribution obligations ('DD Obligations') set out in Part 7.8A of the *Corporations Act 2001* (**DD Obligations**) apply to the issue and distribution of CFDs to retail clients (**Consumers**) from 5 October 2021.

We are authorised and regulated by the Australian Securities and Investments Commission (ASIC), with licence number 420224 and registered office located at Suite 1202 Tower B, Citadel Towers, 799 Pacific Highway, Chatswood, NSW 2067 Australia.

The DD Obligations aim to assist Consumers to obtain appropriate financial products by requiring product issuers and distributors to have a consumer-centric approach to the design and distribution of financial products.

The purpose of this target market determination (**TMD**) is to describe the target market of Consumers for our CFDs, and to address the DD Obligations that apply to TMDs.

If you are a retail client, you should refer to the relevant Product Disclosure Statement (**PDS**) before deciding whether to acquire or continue to hold the relevant product. You can get a copy of the relevant PDS from our website.

You should not base any decision to trade on the contents of this TMD, and this document is not suitable for the purpose of deciding whether to open a CFDs trading account or trade in CFDs.

Financial products issued by us

CFDs are complex and leveraged financial products, which are traded over-the-counter (OTC) and not through a regulated market. CFDs are agreements to exchange the difference in the value of a particular underlying asset. This allows Consumers to speculate on rising or falling prices of an underlying asset.

We issue CFDs in respect of the following underlying assets:

- Forex Currency Pairs, for more information, visit <https://www.etomarkets.com.au/english/forex.html>
- Commodities, including precious metals, for more information visit <https://www.etomarkets.com.au/english/pmetals.html>
- Indices, including stock market indices, for more information visit <https://www.etomarkets.com.au/english/indices.html>

This TMD has been prepared specifically in relation to our Margin FX Contracts, Commodity CFDs, Index CFDs. We have issued separate TMDs in respect of other kinds of our CFD offerings.

Target Market – Criteria and Key Attributes

The target market for ETO's Margin FX Contracts and Contracts for Difference (CFDs) comprises retail clients who fully satisfy all of the following criteria. CFDs are complex, leveraged financial products that are not suitable for the general public, and are only appropriate for a specific class of investor with a high-risk tolerance, suitable financial situation, and appropriate experience.

➤ Consumers for Whom the Product Is Likely Suitable

To be within the target market for our CFDs, Consumers must meet **all** of the following characteristics:

Demographic and Financial Profile

- Aged between 18 and 67 years old.
- Reside in a jurisdiction where CFD trading is permitted.
- Are employed or self-employed with a stable and sufficient level of income to support leveraged trading.
- Maintain readily accessible liquid savings, not required for day-to-day expenses, emergency use, or retirement purposes.
- Have adequate financial and technological literacy to operate trading platforms and understand product risks.

Knowledge and Experience

- Have sufficient experience and understanding of CFD trading and its associated risks.
- Successfully pass ETO's onboarding assessments to demonstrate competence in leveraged trading.

Risk Tolerance and Investment Objectives

- Possess a high risk appetite, and accept that losses may exceed initial deposits.
- Are prepared to bear the total loss of all funds deposited for CFD trading.
- Have a short-term investment horizon.
- Seek CFDs for purposes such as:
 - Speculative trading,
 - Hedging other exposures,
 - Gaining short-term exposure to Forex, Commodities, or Indices.



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Criteria	Scope and key attributes
Client type	Retail clients This target market determination does not apply to wholesale clients, including sophisticated investors and professional investors
Knowledge and experience	Only clients who have the requisite knowledge and experience to trade in CFDs, as assessed by ETO ETO undertakes assessment of the Consumer's experience and knowledge trading in CFDs prior to approving and distributing the products to the client
Ability to bear losses	Clients who are prepared to lose amounts that can be as great as the sum of their total deposits
Tolerance to risk	Margin FX Contracts and CFDs are suitable for clients with high investment risk tolerance.

➤ Consumers for Whom the Product Is Not Suitable

Consumers who meet **any** of the following characteristics are excluded from the target market and must not be distributed CFDs:

Demographic or Jurisdictional Exclusions

- Under 18 or over 67 years of age (particularly if exhibiting cognitive decline).
- Reside in a country or region where CFD trading is prohibited or restricted.

Financial Unsuitability

- Experiencing financial hardship, bankruptcy, or insolvency.
- Are unemployed, have unstable income, or rely primarily on government welfare.
- Intend to use retirement savings, protected income, or essential living expenses for trading purposes.
- Lack the financial resources to sustain potential losses from leveraged trading.

Knowledge and Experience Deficiency

- Have no prior experience or understanding of CFDs or leveraged products.
- Fail to meet onboarding requirements for knowledge and suitability.

Inadequate Risk Tolerance

- Have a low or moderate tolerance for investment risk.
- Are not prepared to lose the entire amount deposited.

Vulnerability Indicators

- Suffer from mental health conditions, addiction (e.g., gambling, substance abuse), or illness that impairs decision-making.
- Are subject to elder abuse, financial exploitation, or lack of personal financial control.
- Have low levels of financial literacy, numeracy, or technological skills.
- Belong to a culturally or linguistically diverse group experiencing disadvantage that affects comprehension of product risks.
- Identify as Aboriginal or Torres Strait Islander and are experiencing compounding vulnerability or disadvantage.

Distribution conditions and Restrictions

Distribution channels

Our CFDs are distributed by:

- ETO Group Pty Ltd and its Authorised Representatives; and
- various third parties are also involved in the distribution of our CFDs, including various introducing brokers and referrers (each a **Distributor**, and together, the **Distributors**).

This product has been designed to be mainly acquired online via our website (etomarkets.com.au). The web traffic sources can be categorised as follow:

- Paid online advertising (channel such as Google, Bing, AdRoll or Sydney today), which might target potential leads via search (e.g., user searching for industry related keywords such as 'trading forex') or display (e.g., showing our banners to users on third parties' website) analytics.
- Emails (we only email existing users who have agreed to receive our emails)
- Targeted social media posts (such as Facebook, Instagram, Twitter, Wechat or Weibo)
- Webinars
- Partners' website (industry related websites dedicated to CFD trading)
- Participation in financial Expos

All the channels mentioned above involve an extremely high level of targeting optimisation.

Potential leads rarely reach out to our number (inbound calls) to enquire about our services, and when this happens, they are welcomed by our support team and eventually redirected to an Account Manager. Meanwhile, outbound sales calls are only allowed for existing (qualified) leads who came from one of the channels mentioned above.

Face-to-face meetings are almost non-existent except for the ones requested by the client him/herself. We rarely run seminar for existing clients as well. These are the only occasions where clients meet our Account Managers face to face.

Distribution conditions

This product should be distributed under the following conditions:

- The continued use of the marketing and promotional material (approved by ETO Compliance) shall meet the terms of a TMD.
 - All the channels mentioned above must involve an extremely high level of targeting optimisation. We can target users by age, location, profession, and interest (provided they have disclosed the information to the platform we are using). This allows us to only target users who have already expressed an interest in our products or similar companies providing CFDs, or users specifically searching for a keyword related to our industry (the targeted advertising is set at the user search level).
 - All marketing materials shall be vetted and approved by the compliance department before they go out to the public.
 - A disclaimer highlighting the risk associated with our services and CFD

products and a reference to our disclosure documents shall always be a part of our advertising material.

- Specific contents about Margin FX Contracts, Commodity CFDs, Index CFDs, are placed on the website. Also, a special section on the website is dedicated to the disclosure documents which are easily accessible.
- Training shall be provided to the staff at call centre and online LiveChat, along with any scripts that may assist. Greater guidance shall be given to distributors to ensure that each consumer is within our target market.

We will take reasonable steps to ensure that both we and any Distributors, distribute the financial product to the identified target market.

To ensure that the distribution strategy is consistent with the identified target market, we have several processes in place to ensure that the Consumers who are potential clients fall within the identified target market. For instance, ETO will verify whether potential clients fall within the identified target market during the onboarding process, before approving them and allowing them to trade CFDs on the trading platform. ETO will also provide appropriate training to support staff operating in customer service and online LiveChat spaces.

We will also take reasonable steps to ensure that our marketing strategy and the marketing strategy of Distributors is targeting potential clients who fall within the identified target market. No Distributor may release marketing materials without obtaining our prior written consent. To ensure this, we constantly monitor any promotional activities conducted by the distributors, and any new marketing campaign shall be reviewed and approved by ETO prior to its publication, to check that it does not contain elements which may attract potential clients outside of the intended target market.

Adequacy of distribution conditions and restrictions

Therefore, we have determined that the distribution conditions and restrictions will make it likely that customers who purchase the product(s) are in the class of customers for which it has been designed. We consider that the distribution conditions and restrictions are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed.

Monitoring and reviewing the TMD

Periodic reviews

We will perform periodic reviews of this TMD.

The first review of this TMD will occur on 1 November 2021.

Subsequent reviews of the TMD will occur on each anniversary of the first review date, or whenever we find it necessary.

Review triggers – additional reviews

We will also review the TMD where the following review triggers occur where:

- there are significant dealings (issuing of CFDs) in ETO's CFDs, which are not consistent with the target market or this TMD. This trigger occurs where significant distribution is occurring outside the target market, and does not refer to any one particular dealing in CFDs;
- we have received a significant number of complaints or noted any relevant complaints trends;
- we have detected significant issues with the distribution of our CFDs through our monitoring of our own day-to-day activities, or the monitoring and supervision of our Distributors;
- there is a material change to the design or distribution of the product, including related documentation.
- External events such as adverse media coverage or regulatory attention occur
- distribution conditions were found to be inadequate, or any other event/circumstance where there is conduct that is not consistent with the TMD.

Where a review trigger has occurred, this TMD will be reviewed within 10 business days.



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Distributors – information collecting and reporting requirements

As part of the process of monitoring and reviewing the TMD to determine whether it is still appropriate, each Distributor must provide the following to us on a quarterly basis, within 10 business days of the end of each calendar quarter – 31 March, 30 June, 30 September and 31 December, each year:

- complaints data – information about the complaints received, including the number of complaints received;
- Consumer feedback (including regarding performance of the product);
- requests for information that the Distributor has received from clients;
- percentage of sales to clients who are not in the target market;
- volume of sales; and
- web analytics.

No party may engage in the distribution of our CFDs unless they have entered into a Service Level Agreement with us.

We reserve the right to amend the TMD at any time if such amendment is needed as a result of any changes to the law or regulations, regulatory guidance, or for any reason we consider as a proper reason to amend the TMD.



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Contact

For more information about your Target Market Determination – CFDs, please contact:

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This booklet is effective as of April 2024..