

# NEWS RELEASE



## **CFD & FX Forum strongly welcomes Government legislation to better protect client monies in the Contracts for Difference (CFD) and Foreign Exchange (FX) retail derivatives sectors**

*8 November 2016:* The CFD & FX Forum, whose member Firms represent the majority of trading volumes in these sectors, has strongly welcomed [today's announcement by the Government](#) that it will move to introduce legislation to better protect client monies, saying the proposed legislation will lift investor confidence and enhances Australia's standing as a well-regulated financial centre with best practice investor protection legislation.

CFD & FX Forum Director and Chairman Paul Casey of CMC Markets said the Forum has consistently advocated this reform for many years and it is clear this loophole needed to be closed. "This is good news for clients and good news for the financial services industry. Over \$500 million in client funds have been put at risk for far too long," Paul Casey said.

"Most firms in the sector – including all Forum members - already self-regulate by voluntarily segregating client funds, and this legislation ensures that clients are not exposed to greater risk in the event of a Firm's insolvency or fraud.

"Protection of client money is the lynchpin of the best practise standards we have set for Forum members. The Government should be commended in bringing the rest of the industry into line with this benchmark and other jurisdictions around the world, and we will work closely with the Government, industry and [ASIC as they write the specific client money reporting and reconciliation rules](#)," Paul Casey said.

Fellow CFD & FX Forum Director and co-founder Tamas Szabo of IG Markets said, "The reforms will enhance investor confidence in CFD and FX investing and this is a major positive for all firms operating in what is, and will remain, an extremely competitive marketplace.

"This legislation brings the Australian regime into line with global standards and removes the current regulatory arbitrage, which led to firms with questionable practices setting up in Australia. ASIC has had to closely monitor the sector and [issue many corrective actions](#) which is not a good look," Tamas Szabo added.

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## **About the Australian CFD & FX Forum**

Representing over 60% of Australian CFD & FX providers by market share, the Australian CFD & FX Forum is determined to raise benchmarks within the industry. [Our 16 Best Practice Standards, authorised by the ACCC](#), include the mandatory full segregation of client money and greater capital adequacy standards, which we believe, along with the others, should be minimum standards for the entire industry

Website: <http://cdfxforum.com.au>