

eightcap

# Target Market Determination



# 1 Introduction

Eightcap Pty Ltd (referred to as **Eightcap, us, our** or **we**) operates a contracts for difference (**CFDs**) business. Eightcap issues two types of CFDs:

- Direct-to-client offering: this is where we act as both product issuer and distributor; and
- Embedded Derivatives offering: this is where we act *only* as the product issuer and a third party provider acts as our distributor.

We consider these offerings to be separate financial products, however they pose substantially similar risks. Hence, this Target Market Determination (**TMD**) applies to both of our CFD offerings. For a detailed explanation of both products, you can read their respective Product Disclosure Statements, which are available on our website.

The design and distribution obligations set out in Part 7.8A of the *Corporations Act 2001* (Cth) (**DD Obligations**) have applied to the issue and distribution of CFDs to retail clients (**Consumers**) since 5 October 2021.

We are regulated by the Australian Securities and Investments Commission (ASIC), and hold an Australian Financial Service Licence (Number 391441). Our registered office is located at Level 35, Rialto South Tower, 525 Collins Street, Melbourne, Victoria, 3000, 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. This includes taking reasonable steps to ensure that our clients are suitable for the products we offer.

## 1.1 Risk Profile of Underlying Assets

Each type of CFD we offer is subject to the price movements of an underlying asset. These assets may have unique characteristics and are subject to different levels of volatility, potentially magnifying losses. The leverage limits imposed by ASIC on each underlying asset seek to limit and moderate these differences, however CFDs are still a volatile financial product.

## 1.2 It may still be riskier trading a CFD of one particular underlying asset over a CFD of another underlying asset. Our target market, and consequently this determination, does not change despite the differences in underlying assets available to Consumers.

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.

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. This document is not suitable for the purpose of deciding whether to open a CFD trading account or trade in CFDs, and should not be taken to amount to a recommendation, suggestion or advice in relation to whether our product is right for your circumstances.**

## 1.3 Financial Products Issued by us

CFDs are complex leveraged financial products, which are traded over-the-counter (OTC) rather than through a regulated market/exchange. 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:**

- Currency Pairs (FX);
- Commodities, including precious metals;
- Indices, including stock market indices;
- Cryptoassets; and
- Shares.

## 2 Our Target Market

### The target market for our CFDs includes:

Retail clients who satisfy all of the following criteria:

1. are above the age of 18;
2. have the wealth and/or income to support ongoing losses including, and up to, the total sum of their deposit(s) without a material adverse impact on their financial circumstances;
3. are willing to bear and deal with losses that can equal the total sum of their deposit(s);
4. can demonstrate that they have a sound level of knowledge or understanding in:
  - a. the concepts of leverage, margin and volatility;
  - b. the nature of CFD trading, including that investor's are not entitled to any interest or right in the CFDs associated underlying asset;
  - c. the technologies and processes used in trading; and
  - d. the requirement to monitor and manage the risks of trading in CFDs;
5. have experience trading in financial markets (including digital assets markets); and
6. who:
  - a. have a high-risk, short term investment appetite; or
  - b. are seeking to hedge potential or actual gains/losses from investments in other financial products and may consequently be more risk adverse than those with a purely speculative objective.

For those retail clients who satisfy all of the above, a retail client will be within the target market for our product where they have any one (or more) of the following objectives:

1. seeking high returns through speculative trading with a high corresponding risk of loss;
2. using leverage to gain exposure to price movements of underlying assets, including where exposure to those underlying assets may not be otherwise as readily available, or where such exposure is required at short notice;
3. using leverage to gain exposure to price movements of falling and rising markets, foreign underlying assets or a range of underlying assets from a single account;
4. hedging (including hedging exposure to underlying assets and hedging positions taken in relation to other CFDs) to protect actual and/or future losses/gains from investments in other financial products.

## 2.1 Target Market – criteria, scope and key attributes

Further details regarding Eightcap’s target market for CFDs trading is set out below:

Criteria	Scope and attributes
<b>Client Type</b>	<p>Retail clients.</p> <p>This target market determination does not apply to wholesale clients, including sophisticated investors, net asset/wealth investors and professional investors.</p>
<b>Knowledge &amp; Experience</b>	<p>Only clients who have the requisite knowledge and experience to trade in CFDs, as assessed by Eightcap.</p> <p>Eightcap undertakes an assessment of the Consumer’s knowledge of trading in CFDs and financial markets experience prior to approving and distributing products to the client.</p>
<b>Ability to Bear Losses</b>	<p>Clients who are prepared to lose amounts that can be as great as the sum of their total deposits, but also have the wealth and/or income to support those losses.</p> <p>Note: Eightcap provides negative balance protection on all Retail accounts. This means that any negative balances will be returned to zero and we will waive our right to claim the deficit.</p>
<b>Tolerance to Risk</b>	<p>CFDs are suitable for clients with a high-risk investment tolerance or for those clients who are looking to hedge potential or actual gains/losses from investments in other financial products and as such may be more risk adverse than a client with a high-risk investment appetite.</p> <p>Please note that there are particular risks associated with trading CFDs. These include but are not limited to:</p> <ul style="list-style-type: none"> <li>• <b>No asset ownership</b> - when you trade CFDs with Eightcap, you speculate on the price of the underlying asset with leveraged CFDs. This means you don’t take ownership of the underlying asset. Unlike investing in physical assets, your profit or loss isn’t confined to the physical asset’s value;</li> <li>• <b>Geopolitics</b> and the material impact it has on the value of an underlying currency or asset;</li> <li>• <b>Exposure</b> - gaining exposure to an entire sector or economy via underlying assets such as indices may concentrate your overall risk;</li> <li>• <b>Significant changes or gaps in prices</b> over a weekend, a major news event, or the release of macroeconomic data;</li> <li>• <b>Market Volatility of underlying asset</b> – assets such as cryptocurrency prices can be extremely volatile, and as such they are considered one of the most high-risk assets to trade;</li> <li>• <b>A previously tested strategy failing to perform</b> in the same way, resulting in significant losses;</li> <li>• <b>Nature of leverage</b> - using leverage can lead to significant losses (including your entire deposit and any previously accrued profits) if the market moves against you;</li> <li>• <b>Magnified losses</b> - when trading with leverage, profits or losses can far outweigh the margin amount used to open a position as they are calculated based on the full position size, not just your margin. (Note: Because retail client accounts</li> </ul>

	have negative balance protection, losses are limited to the value of the funds in your account).
<b>Client Needs</b>	<p>Our CFDs and their key attributes are likely to be consistent with the objectives, financial situation and needs of those Consumers outlined in the target market above (see Section 2). CFDs are highly leveraged and volatile, therefore expected outcomes are unpredictable.</p> <p>You should consider the types of clients which we deem are unsuitable (see below). This will help you in determining whether our products are in line with your needs, circumstances and objectives.</p>

### 3 Consumers for whom CFDs are Unsuitable

CFDs are generally unsuitable for the following classes of Consumers:

- Consumers below the age of 18;
- Consumers who reside in a country which restricts or prohibits trading in CFDs;
- Consumers who are in financial hardship or going through bankruptcy;
- Consumers who do not have the requisite knowledge for trading in CFDs;
- Consumers who have a low tolerance to risk;
- Consumers who do not have the ability and willingness to lose the sum of their deposits;
- Consumers who have low levels of literacy or numeracy, financial literacy and technological literacy;
- Consumers who wish to trade using income or cash that the Consumer relies on for living expenses;
- Vulnerable Consumers, including Consumers who are vulnerable for any of the following reasons:
  - suffering an age-related impairment;
  - suffering any form of cognitive impairment;
  - suffering from elder or financial abuse;
  - job loss;
  - suffering from mental or other forms of serious illness affecting capacity;
  - suffering from any form of addiction; or
  - any other personal or financial circumstances causing significant detriment.

### 4 Distribution Conditions

Our CFDs are distributed by:

- Eightcap itself; and
- Third party referrers also involved in the distribution of our CFDs (Distributors).

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 of our products is consistent with our target market, we have several processes in place. These processes ensure that the Consumers who are potential clients are likely to fall within our target market. This includes, but is not limited to;

- maintaining a Client Qualification Policy which sets out;
  - the minimum qualification criteria that prospective clients need to demonstrate before we will open them an account, and
  - the processes Eightcap has in place to ensure that prospective clients who do not meet the qualification criteria are not able to open an account and trade CFDs;

- Qualifying question(s) in the application procedure that will prohibit an applicant from proceeding if their answer is not consistent with the defined target market in this document;
- approval processes for all marketing materials, communication channels, and general marketing strategies; and
- monitoring and review processes involving the collection and analysis of consumer, product performance, value and transaction data to ensure we are distributing CFDs appropriately, including the data collected as part of the Consumer onboarding process.

We take reasonable steps to ensure that our marketing strategy and the marketing strategy of Distributors targets potential clients who are likely to fall within our target market. Distributors are informed of our TMD and the need to establish and implement appropriate procedures to ensure that distribution occurs in accordance with this TMD. These processes are reviewed by us to ensure Distributor compliance with the DD Obligations.

## 5 Monitoring and Reviewing the TMD

### 5.1 Periodic Reviews

**We will perform periodic reviews of this TMD.**

This TMD has been reviewed in March 2026 for publication on 2<sup>nd</sup> March 2026.

Periodic reviews of the TMD will occur annually unless otherwise required by some review trigger, which are provided below.

### 5.2 Review Triggers – additional reviews

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

- where there are (or have been) significant dealings (issuing of CFDs) in Eightcap’s CFDs, which are not consistent with the target market or this TMD;
- where we or our Distributors have received a large volume of complaints from retail clients which suggest that this TMD may no longer be appropriate;
- where there is a significant increase in the number of complaints made to the Australian Financial Complaints Authority by eligible retail complainants which suggest that this TMD may no longer be appropriate;
- where we have received a complaint that indicates a group of Consumers is potentially outside of our target market;
- where there is a change of legislation, regulation or regulatory guidance concerning the DD Obligations that means this TMD and/or our processes or procedures may no longer be adequate;
- where the data we collect and monitor suggests that our systems, processes and procedures are no longer adequate; the data we collect and monitor suggests that Consumers outside of our target market are using our products who may be unsuitable and thus this TMD may no longer be appropriate
- where we have detected significant issues with the distribution of our CFDs through our monitoring of our own day-to-day activities, and/or the monitoring and supervision of our Distributors.

### 5.3 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;
- information and records of marketing material published in the previous quarter, including the target audience, method and placement of the marketing material (if any);
- the number of Consumers or potential Consumers that the Distributor has denied providing services to, on the basis of ineligibility under this TMD;
- any records of significant dealings that suggest Eightcap’s CFD product has been issued in a manner not consistent with this TMD;
- details of steps taken to ensure that their distribution of Eightcap’s product is consistent with this TMD.

No party may engage in the distribution of our CFDs unless they have entered into a Service Level Agreement/ written Design & Distribution agreement with us.

Please contact us for further information and for a copy of our prescribed reporting template if you wish to become a Distributor of our CFDs.

## 6 Contact

For more information about our Target Market Determination, please contact:

**Mail:** Level 35, Rialto South Tower, 525 Collins Street, Melbourne, 3000, Victoria, Australia

**Phone:** +61 3 8375 9700 or +61 3 8376 1319

**Email:** [customerservice@eightcap.com](mailto:customerservice@eightcap.com)

**Web:** [www.eightcap.com](http://www.eightcap.com)

***Eightcap Pty Ltd reserves 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 Eightcap Pty Ltd considers as a proper reason to amend the TMD.***



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