

## International Share Dealing<sub>v2</sub>

This document provides some further information about trading in overseas stocks using the Clubfinance Frequent Trader Service. Please see also the Frequent Trader Terms of Business. International share dealing has additional charges. These additional charges are detailed in the Clubfinance Frequent Trader Charges Schedule, which together with the Terms of Business, is available from the Clubfinance Frequent Trader website here: <http://www.frequent-trader.co.uk/documents.php>. In this document we use the word 'shares' to refer to securities in general.

### General information

Given different market opening times, overseas share trading is normally only undertaken using 'Limit Orders' or 'At Best' Orders – please see the Frequent Trader Terms of Business for more information.

In many cases, overseas Orders will need to be made by telephone (there is an additional charge for telephone trades). If you wish to place an Order using the online system you first need to ensure that the share you are interested in is listed when you search for it. If you cannot find the share, whilst logged into the online system please send a request via the 'Contact us' form asking to add a particular share to the platform. Please include the precise name, the market on which the share is traded, and if possible the ISIN number. If the ISIN number is not included this may delay the process. The share will normally become available on the online system to place an Order after 2 working days. Note that for some securities it is only possible to place an Order by telephone.

An 'At Best' or 'Market' Order means that the deal will be placed at the best price available to the dealer at the time your Order is executed, and that the Order will be carried out as soon as possible during normal market hours for the relevant market. Market prices can change quickly and therefore for an 'At Best' Order you accept that the price may change in the time it takes to carry out the transaction.

A 'Limit' Order is one where you set a specific price or better at which you will buy or sell the shares. If not immediately achievable, the 'Limit' Order will apply for a maximum of 24 hours for overseas trades. In placing a Limit Order, you accept that execution is not guaranteed. In certain market conditions the price of the investment may reach the limit but James Brearley, or the overseas dealer acting under instruction from James Brearley, may not be able to buy or sell at that price. It is important that you monitor your Limit Orders - if a Limit Order is unsuccessful, you will need to re-submit the Order to continue it for a further 24 hours.

By default, Limit Orders operate on an 'all or nothing' basis. If the entire amount of the Order cannot be fulfilled the Order will not be executed.

All Limit Orders have to be in the local currency relevant to the shares being traded.

James Brearley is not a member of any overseas exchange and, in the case of overseas shares, the obligation to achieve 'best execution' is shared with the entity that carries out the transaction on James Brearley's behalf. For Orders executed outside of normal UK market hours it is not possible for James Brearley to compare the relevant local price and currency exchange rate with those displayed on James Brearley's own pricing systems.

Some international shares may also have a London listing, in which case it is usually possible to trade in them on the London Stock Exchange.

In some circumstances, an international share may be classified as a Complex Financial Instruments and therefore you can only place an Order if you have successfully completed the Complex Financial Instrument Assessment.

### Options that may be available when placing a telephone order

Depending on the particular market and share, further dealing options may be available when placing an order via the telephone – please discuss these with the dealer. These include the following.

- Placing an Order on a 'minimum fill' rather than an 'all or nothing' basis. A 'minimum fill' is where you are happy to trade an amount of shares below your requested amount, provided it is above an amount agreed by you when you place the Order.
- In some circumstances where the overseas market is open during London Stock Exchange opening times, it may be possible for James Brearley to provide you with a real-time quoted price. However, due to the time lag involved in liaising with the overseas broker, the overseas broker may not be able to hold the quote until the Order can be executed.
- In some circumstances it may be possible to request to trade ahead of a market opening.

### Trading practices for specific countries

#### **United States**

In order to trade in US shares, you must first send in a current **W-8BEN** form. Holding US shares also incurs an additional annual administration fee. The W-8BEN form and the Clubfinance Frequent Trader Charges Schedule, which details the additional administration fee, are available from the Clubfinance Frequent Trader website: <http://www.frequent-trader.co.uk/documents.php>.

James Brearley's arrangements ensure that trades conducted during London Stock Exchange opening times are executed at the best price available in the local market. They monitor each trade, noting the bid to offer spread in the local currency, the exchange rate applied by the market maker and also record the current spot rate for comparison purposes.

In respect of successful orders left with the market overnight, the exchange rate applied to calculate the sterling price is based on that prevailing at the time the trade is reported to James Brearley's dealers.

**Canada**

James Brearley's arrangements ensure that trades conducted during London Stock Exchange opening times are executed at the best price available in the local market. They monitor each trade, noting the bid to offer spread in the local currency, the exchange rate applied by the market maker and also record the current spot rate for comparison purposes.

A Limit Order may only be placed via telephone, but it cannot run past 17:00 GMT on the day it is placed.

**Australia**

Due to the requirements of the Australian Market, Limit Orders left overnight must be allowed to be partially filled.

**Europe**

James Brearley's arrangements ensure that trades conducted during London Stock Exchange opening times are executed at the best price available in the local market. They monitor each trade, noting the bid to offer spread in the local currency, the exchange rate applied by the market maker and also record the current spot rate for comparison purposes.

**Far East**

Dealing in Far Eastern shares is not always possible due to the complexities of transacting in these markets. All Orders in Far Eastern shares are placed via telephone.

As James Brearley's London-based agents are not members of the underlying exchange, it is necessary for them to deal through a member firm of the appropriate exchange. James Brearley has access to market makers who will act for them on a pure 'best price' basis. The additional costs charged by the parties involved are passed on to you at cost. The costs to trade in Far Eastern shares can be significant - there may be other charges levied by registrar, governments or other parties. All additional charges faced by James Brearley in conducting the trade will be charged to your account. Please ensure you have obtained full details of the total charges before placing your Order.