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### **Chi-X Compensation Arrangements**

There are two different compensation arrangements that may provide protection for retail investors trading on Chi-X: NGF Arrangements or Division 3 Arrangements. This is because on 26 October 2020, Chi-X became a member of the SEGC, which operates the National Guarantee Fund (NGF).

When do the NGF Arrangements apply? From 26 October 2020, the National Guarantee Fund (NGF) may apply in the circumstances set out in Division 4 of Part 7.5 of the Corporations Act 2001 and Corporations Regulations 2001. Transitional arrangements apply and these are set out on SEGC's website at [www.segc.com.au](http://www.segc.com.au). For further information on the National Guarantee Fund and what it covers, please contact SEGC, see the SEGC website and refer to Division 4 of Part 7.5 of the Corporations Regulations 2001 (Cth).

When do the Division 3 Compensation Arrangements apply? Where a retail investor suffers a loss in respect of conduct, a transaction or insolvency that occurred before 26 October 2020, that loss may be covered by the division 3 compensation arrangements. Section 11 of the Chi-X Operating Rules outlines the Division 3 compensation arrangements, including the cessation of the arrangements on 25 October 2027 and the requirement, while the arrangements are in place, to make a claim no later than six months after becoming aware of the loss to which the claim relates. Section 11 also outlines that the losses covered by Division 3 are those resulting from defalcation or fraudulent misuse of your money, property or authority by a Chi-X participant.