



## Corporations (GFI Group Pte Ltd) Exemption Notice Variation 2014 (No. 1)

*Corporations Act 2001*

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I, MATHIAS CORMANN, Acting Assistant Treasurer, make this Variation under subsection 791C(2) of the *Corporations Act 2001 (the Act)*.

Dated .....

*AL*  
*18-12-2014*

Acting Assistant Treasurer

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### 1. Name of Variation

This Variation is the *Corporations (GFI Group Pte Ltd) Exemption Notice Variation 2014 (No. 1)*.

### 2. Commencement

This Variation commences on the day it is published in the *Gazette*.

### 3. Variation

*Corporations (GFI Group Pte Ltd) Exemption Notice 2011* is varied as described in the Schedule.

## Schedule Variation

(Section 3)

### [1] Sections 3 to 23

*Omit sections 3 to 23 and substitute the following*

#### Where this exemption applies

4. This exemption applies where all of the following matters in this paragraph 4 are satisfied.

##### *Financial products*

- (a) Financial products that may be traded on the exempt market:

- (i) interest rate derivatives;
- (ii) Foreign exchange forward contracts;
- (iii) Foreign exchange options; and
- (iv) Non-deliverable forward currency contracts
- (v) Credit derivatives;
- (vi) Commodity derivatives;
- (vii) Property derivatives;
- (viii) Equity options that are cash settled;
- (ix) Debentures, stocks or bonds issued or proposed to be issued by a government (excluding listed debentures, stocks or bonds); and
- (x) Bonds (excluding listed bonds).

- (b) GFI must not allow dealing in respect of any financial product referred to in subsections 4(a)(i) to (x) unless, before such operation, ASIC has notified GFI in writing that the financial product is an approved financial product for the purposes of this section.

##### *Trading on the market: market operator*

- (c) GFI does not deal in financial products on the exempt market:
- (i) on its own behalf; or
  - (ii) on behalf of a person who is not a professional investor.

*Trading on the market: participant*

- (d) GFI ensures that a person carrying on business in this jurisdiction does not directly participate in the exempt market unless the person:
  - (i) is a professional investor dealing in a financial product on its own behalf; or
  - (ii) is a professional investor dealing in a financial product on behalf of a person who is a professional investor.

*Clearing and settlement facility*

- (e) Neither GFI nor an associate of GFI operates a clearing and settlement facility in relation to the exempt market.

Note: For the avoidance of doubt, paragraph (d) does not prohibit GFI or an associate from providing information about, or establishing procedures dealing with, the settlement of transactions effected through the exempt market.

*Cooperation with ASIC*

- (f) GFI has entered into a written arrangement with ASIC for cooperation with ASIC in relation to this exemption and the subject matter to which this exemption relates.

*Provision of financial services*

- (g) GFI must, at all times comply with Class Order [03/1102].
- (h) GFI must, at all times, hold a capital market services licence granted by the Monetary Authority of Singapore that covers the provision of financial services provided by GFI.

**Conditions**

5. This exemption ceases to apply if GFI fails to take reasonable steps to comply with any of the matters set out in this paragraph 5.

*Operation of the market*

- (a) GFI, in all material respects, must operate the exempt market in the way set out in the applications for exemption and variation.

*Conduct*

- (b) GFI must do all things necessary to ensure that any financial services provided by GFI in connection with the operation of the exempt market are provided efficiently, honestly and fairly.

*Resources*

- (c) GFI must have available adequate resources (including financial, technological and human resources) to provide the financial services in connection with the operation of the exempt market and to carry out supervisory arrangements.

*Managing conflicts of interest*

- (d) GFI must have adequate arrangements in place for managing its conflicts of interest arising from operating the exempt market.

*Reporting: adverse findings*

- (e) If GFI becomes aware that GFI or a director or secretary of GFI is covered by one or more of the following matters, GFI must, within 7 days after becoming aware of the matter, give a written notice to ASIC advising of the matter:
  - (i) the person is the subject of a declaration of contravention in relation to a provision of the Act;
  - (ii) the person has been convicted of an offence under the Act;
  - (iii) in the case of a director or secretary—the person has been disqualified from managing corporations under Part 2D.6 of the Act;
  - (iv) the person has been banned or disqualified from providing financial services under Division 8 of Part 7.6 of the Act.

*Reporting: disciplinary action against participant*

- (f) If GFI takes disciplinary action against an Australian participant of the exempt market, GFI must, as soon as practicable, give a written notice to ASIC that includes the following details:
  - (i) the participant's name;
  - (ii) the reason for and nature of the action taken;
  - (iii) when the action was taken.

*Reporting: suspected contraventions by participant*

- (g) If GFI has reason to suspect that an Australian participant has committed, is committing, or is about to commit, a contravention of the Act or a significant contravention of the obligations imposed by GFI in relation to the exempt market, GFI must, as soon as practicable, give a written notice to ASIC that includes the following details:
  - (i) the participant's name; and

- (ii) details of the contravention or impending contravention; and
- (iii) GFI's reason for that belief.

*Assistance to ASIC*

- (h) If GFI receives a reasonable request from ASIC to give assistance (which may include giving access to any information, document or books held by GFI) to ASIC, or to a person authorised by ASIC, in relation to the operation of the exempt market, GFI must provide that assistance.

*Record-keeping*

- (i) GFI must have adequate arrangements in place for the recording of order information and transactions effected through the exempt market.
- (j) GFI must keep for a period of at least 5 years the following records of order information and transactions effected through the exempt market:
  - (i) the date and time that the order was received;
  - (ii) the identity of the participant placing the order;
  - (iii) the name and quantity of the financial product to which the order applies;
  - (iv) the designation of the order as a buy or sell order;
  - (v) any limit or stop price prescribed by the order;
  - (vi) the date and time at which the order expires;
  - (vii) details of any modification or cancellation of the order;
  - (viii) the price, quantity, date and time of execution of the order; and
  - (ix) the identities of the counterparties to the transaction.

*Annual report*

- (k) GFI must, within three months after the end of its financial year, give ASIC an annual report that sets out:
  - (i) the extent to which GFI has complied with this exemption; and
  - (ii) the following information:
    - (A) a description of the activities that GFI undertook in the financial year in relation to the operation of the exempt market;

- (B) if any material system outages occurred during the financial year that prevented Australian participants from participating in the exempt market:
  - (I) the number of such outages; and
  - (II) the duration of each outage; and
  - (III) the cause of each outage; and
  - (IV) a description of the means by which each outage was resolved;
- (iii) the names and number of Australian participants who directly participated in the exempt market at any time throughout the financial year, identifying those Australian participants who, as at the last day of the financial year, were allowed to directly participate in the market;
- (iv) details of the volume of trading on the exempt market by Australian participants throughout the financial year;
- (v) the number and nature of significant complaints made to GFI by Australian participants who participated in the exempt market during the financial year, and the action taken by GFI in response to each complaint;
- (vi) any specific regulatory issues in relation to the exempt market operated by GFI in this jurisdiction or a financial market operated by GFI outside this jurisdiction, that GFI encountered during the financial year and actions taken to resolve those issues;
- (vii) details of any significant conflicts of interest identified by GFI in relation to its operation of the exempt market during the financial year, and how each conflict of interest was managed.

*Audit report*

- (I) If the Minister in writing requests GFI to obtain an audit report, prepared by either ASIC or another person or body that is a suitably qualified person, in relation to the annual report mentioned in paragraph (k) or on any information or statements accompanying the annual report, GFI must comply with the request.

*Reporting: operating status of market*

- 6. GFI must, within 7 days, notify ASIC in writing if it ceases to operate the exempt market in this jurisdiction.

## Interpretation

7. In this exemption:

- (a) italicised headings do not form part of this exemption;
- (b) ***applications for exemption and variation*** means:
  - (i) the application for an exemption from the operation of Part 7.2 of the Act, submitted to ASIC by GFI, dated 12 May 2011, and subsequent correspondence prior to the issuing of this notice and relating to the exemption application; and
  - (ii) the application for a variation to the exemption from the operation of Part 7.2 of the Act, submitted to ASIC by GFI, dated 1 April 2014, and subsequent correspondence prior to the issuing of this notice and relating to the variation application.

***Australian participant*** means a participant carrying on business in this jurisdiction.

***Bond*** means:

***(a) a debenture as defined in section 9 of the Act; and***

***(b) a chose in action that includes an undertaking by a government, a government agency or a semi-government agency to pay as a debt money deposited with or lent to the government or agency.***

***Class Order [CO 03/1102]*** means ASIC Class Order [03/1102], titled 'Singapore MAS regulated financial service providers':

- (a) issued by ASIC on 22 December 2003;
- (b) notified in the *Gazette* on 23 December 2003; and
- (c) in force on the commencement of this Notice.

***commodity derivatives*** for the purposes of this exemption is limited to the following:

- (a) Precious metals (gold, silver, platinum group metals);
- (b) Metals;
- (c) Iron ore;
- (d) Oil and gas;
- (e) Fuel oil;
- (f) Coal;

- (g) Agricultural derivatives (excluding grain and wool); and
- (h) Freight.

**exempt market** means the facility, being GFI's CreditMatch, ForexMatch and RatesMatch platforms, through which:

- (a) offers to acquire or dispose of financial products are regularly made or accepted; or
- (b) offers or invitations are regularly made to acquire or dispose of financial products that are intended to result or may reasonably be expected to result, directly or indirectly, in:
  - (i) the making of offers to acquire or dispose of financial products; or
  - (ii) the acceptance of such offers.

**financial services law** has the meaning given by section 761A of the Act.

**GFI** means GFI Group Pte Ltd, a private limited company formed under the law of Singapore.

**participant** has the meaning given by section 761A of the Act.