



## Australian Market Licence (BGC Partners (Australia) Pty Limited) 2006

*Corporations Act 2001*

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I, CHRIS PEARCE, Parliamentary Secretary to the Treasurer, grant this Licence under subsection 795B (1) of the *Corporations Act 2001*.

Dated 27th September 2006

Parliamentary Secretary to the Treasurer

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**1 Name of Licence**

This Licence is the *Australian Market Licence (BGC Partners (Australia) Pty Limited) 2006*.

**2 Commencement**

This Licence commences when it is granted.

**3 Definitions**

In this Licence:

*Act* means the *Corporations Act 2001*.

*Australian participant* means a person in Australia who is a participant.

*BGC's senior supervisory staff* means BGC staff authorised by BGC to make decisions in relation to supervisory issues that have been identified for the market.

**debenture** means:

- (a) a debenture defined in section 9 of the Act; or
- (b) a chose in action that includes an undertaking by a government to repay as a debt money deposited with or lent to the government; or
- (c) an undertaking to repay money deposited with or lent to a body by a person if:
  - (i) the person deposits or lends the money in the ordinary course of business carried on by the person; and
  - (ii) the body receives the money in the ordinary course of carrying on a business that neither comprises nor forms part of a business of borrowing money and providing finance; or
- (d) an undertaking by an Australian ADI to repay money deposited with it, or lent to it, in the ordinary course of its banking business.

**government in Australia** means:

- (a) the Government of the Commonwealth; or
- (b) the government of a State or Territory; or
- (c) a local government in Australia; or
- (d) a government agency, or semi-government agency, of any of the governments mentioned in paragraph (a), (b) or (c).

**market** means the market mentioned in section 4 and operated by BGC under this Licence.

**participant** has the same meaning as in section 761A of the Act.

*Note* The following terms are defined in section 9 of the Act:

- (a) **ASIC**
- (b) **Australian ADI**
- (c) **body**
- (d) **professional investor**.

#### **4 Grant of licence**

This Licence is granted to BGC Partners (Australia) Pty Limited (**BGC**) to operate the financial market to be established by BGC:

- (a) in which participants may enter into trades with each other in the classes of financial products mentioned in section 5; and
- (b) using the eSpeed<sup>sm</sup> electronic trading platform.

#### **5 Classes of financial products**

The classes of financial products that can be traded on the market are:

- (a) stocks or bonds issued, or proposed to be issued, by a government in Australia; and
- (b) stocks or bonds issued, or proposed to be issued, by the government of New Zealand; and
- (c) debentures.

## **6 Clearing and settlement arrangements**

- (1) After the execution of a transaction on the market, BGC must notify each party to the transaction of the identity of the other party to the transaction.
- (2) BGC must have operating rules for the market that provide for transactions effected through the market to be settled by the parties to the transaction.

## **7 Participants**

- (1) BGC must ensure that each Australian participant:
  - (a) is a professional investor; and
  - (b) is an authorised deposit-taking institution within the meaning of the *Banking Act 1959*; and
  - (c) holds any licence or authorisation required for the participant to make offers on, or enter into transactions on, the market.
- (2) BGC must ensure each participant who is not an Australian participant:
  - (a) is a professional investor; and
  - (b) holds any licence or authorisation required for the participant to make offers on, or enter into transactions on, the market.
- (3) BGC may allow a participant mentioned in this section to trade on the market only if:
  - (a) the participant is acting on the participant's own behalf; or
  - (b) in any other case — the participant is acting on behalf of a professional investor.

## **8 Reporting**

- (1) BGC must, within 30 days after the end of each 12 month period that ends within the first 2 years after the Licence is granted, give the following information to ASIC:
  - (a) a statement of cash flows for the period;
  - (b) a statement of financial performance for the period;
  - (c) a statement of financial position at the end of the period.
- (2) BGC must, within 30 days after the end of each 6 month period that ends within the first 2 years after the Licence is granted, give the following information to ASIC:
  - (a) all supervision issues identified by BGC during the period in relation to the market;
  - (b) any supervision issues referred to BGC's senior supervisory staff during the period in relation to the market;
  - (c) the outcome in relation to issues mentioned in paragraph (b), after consideration by BGC's senior supervisory staff.

**Section 8**

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(3) In this section:

*12 month period* means the period of 12 months ending on 31 December.

*6 month period* means the period of 6 months ending on:

- (a) 30 June; or
- (b) 31 December.