



Australian Market Licence (Bloomberg Tradebook Australia Pty Ltd) 2006

Corporations Act 2001

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

Dated 15TH NOVEMBER 2006

Parliamentary Secretary to the Treasurer

1 Name of Licence

This Licence is the *Australian Market Licence (Bloomberg Tradebook Australia Pty Ltd) 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.

BTA means Bloomberg Tradebook Australia Pty Ltd.

debenture means:

(a) a debenture defined in section 9 of the Act; or

Section 4

- (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.

ISDA Master Agreement means a master agreement issued by the International Swaps and Derivatives Association, Inc.

market means a financial market mentioned in section 4 and operated by BTA under this Licence.

National Securities Exchange means a securities exchange registered with the United States Securities and Exchange Commission.

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

retail client has the same meaning as in section 761G of the Act.

spot foreign exchange means a foreign exchange contract mentioned in paragraph 764A (1) (k) of the Act.

wholesale client has the same meaning as in section 761G of the Act.

Note The following terms are defined in Chapter 1, section 9 of the Act:

- ASIC
- body
- managed investment scheme.

4 Grant of licence

This Licence is granted to BTA to operate the financial market mentioned in an item in the table, for the financial products mentioned in the item.

Item	Financial market	Financial products
1	Bloomberg Electronic Transaction System	(a) debentures and bonds, including those issued or proposed to be issued by: <ul style="list-style-type: none">(i) a government; or(ii) any agency of a government; or(iii) any semi-government agency; or(iv) a body corporate; and

Item	Financial market	Financial products
2	Bloomberg BondTrader System	<ul style="list-style-type: none"> (b) derivatives in relation to the following, that are typically entered into under the ISDA Master Agreement or another master agreement commonly used by counterparties for this purpose: <ul style="list-style-type: none"> (i) foreign exchange; (ii) securities; (iii) interest rates; (iv) credit; (v) commodities; and (c) unlisted options over existing shares, the terms of which are directly negotiated between the relevant parties; and (d) spot foreign exchange. (a) debentures and bonds, including those issued or proposed to be issued by: <ul style="list-style-type: none"> (i) a government; or (ii) any agency of a government; or (iii) any semi-government agency; or (iv) a body corporate; and (b) derivatives in relation to the following, that are typically entered into under the ISDA Master Agreement or another master agreement commonly used by counterparties for this purpose: <ul style="list-style-type: none"> (i) foreign exchange; (ii) securities; (iii) interest rates; (iv) credit; (v) commodities.

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Item	Financial market	Financial products
3	Bloomberg Executable ALLQ	<p>(a) debentures and bonds, including those issued or proposed to be issued by:</p> <ul style="list-style-type: none">(i) a government; or(ii) any agency of a government; or(iii) any semi-government agency; or(iv) a body corporate; and <p>(b) derivatives in relation to the following, that are typically entered into under the ISDA Master Agreement or another master agreement commonly used by counterparties for this purpose:</p> <ul style="list-style-type: none">(i) foreign exchange;(ii) securities;(iii) interest rates;(iv) credit;(v) commodities;(vi) other financial instruments.
4	Bloomberg Tradebook System	Shares and interests in managed investment schemes listed on the New York Stock Exchange, Nasdaq or a National Securities Exchange, where orders in relation to the shares and interests are 'matched' on the Bloomberg Tradebook System.
5	Bloomberg Powermatch FX System	<p>(a) derivatives in relation to the following, that are typically entered into under the ISDA Master Agreement or another master agreement commonly used by counterparties for this purpose:</p> <ul style="list-style-type: none">(i) foreign exchange;(ii) commodities; and <p>(b) spot foreign exchange.</p>
6	Bloomberg Bond Auction System	<p>Debentures and bonds, including those issued or proposed to be issued by:</p> <ul style="list-style-type: none">(a) a government; or(b) any agency of a government; or(c) any semi-government agency; or(d) a body corporate.

Item	Financial market	Financial products
7	Bloomberg FX Dealing Service	(a) derivatives in relation to the following, that are typically entered into under the ISDA Master Agreement or another master agreement commonly used by counterparties for this purpose: <ul style="list-style-type: none"> (i) foreign exchange; (ii) commodities; and (b) spot foreign exchange.

5 Clearing and settlement arrangements

- (1) For the market known as the Bloomberg Tradebook System, mentioned in item 4 of the table in section 4, BTA must have operating rules that provide for transactions effected through that market to be settled by entities with whom BTA's related corporate bodies have an agreement for this purpose.
- (2) For each of the markets mentioned in the table in section 4, other than the market known as the Bloomberg Tradebook System mentioned in item 4 of the table in section 4:
 - (a) BTA must have operating rules for each market that provide for transactions to be effected through that market to be settled by the parties to the transaction; and
 - (b) BTA must ensure that the rules for each market allow a party to become aware of the identity of the other party to the transaction.

6 Condition of licence — Bloomberg Tradebook System

- (1) It is a condition of BTA's licence that the following must continue to be registered as a broker-dealer under the *Securities Exchange Act 1934 (US)*:
 - (a) B-Trade Services LLC and BNY Brokerage Inc; or
 - (b) if BTA ceases to use the broker-dealers mentioned in paragraph (a) — the relevant executing or clearing broker selected by BTA or its affiliates.
- (2) It is a condition of BTA's licence that Bloomberg Tradebook, LLC must continue to be authorised to operate Bloomberg Tradebook System in the United States of America.

7 Participants

BTA may allow a participant to enter into a trade in a market mentioned in the table in section 4 only if the participant is a wholesale client who is trading:

- (a) on the participant's own behalf; or
- (b) on behalf of a person who is not a retail client.

8 Reporting

- (1) BTA must, within 30 days after the end of each reporting period that ends after the Licence is granted, give the following information to ASIC:
 - (a) for trades that involve unlisted options over existing shares, the terms of which are directly negotiated between the relevant parties, mentioned in column 3 of item 1 of the table in section 4:
 - (i) the total number of trades; and
 - (ii) the total value of the trades;
made by Australian participants during the period, to the extent that BTA is aware of that information; and
 - (b) for trades that involve any other financial product mentioned in the table in section 4:
 - (i) the total number of trades; and
 - (ii) the total value of the trades;
made by Australian participants during the period; and
 - (c) the number of Bloomberg terminals:
 - (i) located in Australia; and
 - (ii) worldwide; and
 - (d) the name and business address in Australia of each Australian participant.
- (2) In this section:

reporting period means the period of 6 months ending on:

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

9 Intercompany agreements

- (1) BTA must enter into such intercompany agreements as are necessary to give effect to its obligations under this Licence.
- (2) BTA must at all times comply with its obligations under an intercompany agreement.
- (3) BTA must enforce its rights under an intercompany agreement with another party to ensure it fulfils its obligations under this Licence.
- (4) The terms of an intercompany agreement to which BTA is a party may be varied only if ASIC consents in writing.
- (5) In this section:

intercompany agreement means an agreement entered into by BTA and its related bodies corporate in order to meet its obligations under this licence.

10 Jurisdiction of Australian courts

It is a condition of this licence that BTA submit to the jurisdiction of an Australian Court in an action brought by ASIC.