



## Australian Market Licence (Board of Trade of the City of Chicago Inc) 2005

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I, CHRIS PEARCE, Parliamentary Secretary to the Treasurer, grant this Licence under subsection 795B (2) of the *Corporations Act 2001*.

Dated 7th DECEMBER 2005

Parliamentary Secretary to the Treasurer

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### 1 Name of Licence

This Licence is the *Australian Market Licence (Board of Trade of the City of Chicago Inc) 2005*.

### 2 Commencement

This Licence commences when it is granted.

### 3 Definitions

In this Licence:

*Act* means the *Corporations Act 2001*.

*Australian-based market* means a market:

- (a) the principal place of operation of which is in Australia; and
- (b) that is operated by a person whose principal place of business is in Australia.

*Australian financial services licence* has the same meaning as in section 761A of the Act.

*Australian participant* means a person in Australia who is a participant (within the meaning of section 761A of the Act) in the financial market that CBOT is authorised to operate under this Licence.

*CBOT* means the Board of Trade of the City of Chicago Inc.

*clearing and settlement facility* has the same meaning as in section 768A of the Act.

*derivative* has the same meaning as in section 761D of the Act.

*financial market* has the same meaning as in section 767A of the Act.

*market* means the financial market that CBOT is authorised to operate in Australia under this Licence.

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

This Licence is granted to CBOT to operate the financial market that is the electronic trading system powered by the LIFFE CONNECT trading platform (currently known as e-cbot).

#### **5 Class of financial products**

The class of financial products that can be dealt with on the market is derivatives.

#### **6 Clearing and settlement arrangements**

Clearing and settlement arrangements for transactions effected through the market must be provided by:

- (a) CBOT; or
- (b) Chicago Mercantile Exchange Inc. in its role as a clearing house; or
- (c) another clearing and settlement facility approved by the Minister.

#### **7 Australian participants to be licensed**

CBOT must require an Australian participant to hold an Australian financial services licence that permits trade in products of the same kind as those that can be dealt with on the market unless the participant is exempt under Australian law from the requirement to hold such a licence in relation to participation in the market.

#### **8 Suspension or revocation of licence or trading permission**

CBOT must require an Australian participant to notify CBOT as soon as practicable if:

- (a) the Australian participant's permission to trade in products offered on the market; or
- (b) the licence under which that permission exists; is suspended or revoked.

## 9 Disclosure to Australian clients

CBOT must require a participant to disclose to a client in Australia, before accepting the first order from the client to deal on the market, the differences between trading derivatives on the market to which this Licence relates and an Australian-based market, including, but not limited to, the following:

- (a) that CBOT's principal place of business is located in the United States of America, and the market is regulated primarily under the regulatory regime of the United States of America;
- (b) that the rights and remedies of, and compensation arrangements for, investors who acquire products offered on the market may differ from the rights and remedies of, and compensation arrangements for, investors who acquire products offered on an Australian-based market;
- (c) that Australian investors who acquire products offered on the market may be subject to the effects of changes in currency exchange rates.

## 10 Reporting

- (1) CBOT must give the following information to ASIC within 30 days after the end of each reporting period:
  - (a) for each kind of contract that can be traded on the market — the total trade volume originating from Australian participants for the reporting period; and
  - (b) the proportion of worldwide trading volume on the market that was conducted by Australian participants for the reporting period; and
  - (c) the current name and business address in Australia of each Australian participant.
- (2) In this section:

*reporting period* means a period of 6 months, ending on 30 June or 31 December in each year, during which the market is operated in Australia.

## 11 Submission to jurisdiction

CBOT must submit to the non-exclusive jurisdiction of the Australian courts in actions brought by ASIC in relation to the market.