



Australian Market Licence (EBS Service Company Limited) 2005

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

Dated 14TH MARCH 2005

Parliamentary Secretary to the Treasurer

1 Name of Licence

This Licence is the *Australian Market Licence (EBS Service Company Limited) 2005*.

2 Commencement

This Licence commences when it is granted.

3 Definitions

In this Licence:

Act means the *Corporations Act 2001*.

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 in the financial market.

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

foreign bank means a foreign corporation that is authorised to carry on banking business in a foreign country.

market means the financial market that EBS Service Company Limited is authorised to operate in Australia under this Licence.

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.

Note For the definitions of **ASIC** and **Australian ADI**, see section 9 of the Act.

4 Grant of licence

This Licence is granted to EBS Service Company Limited to operate the financial market, known at the time this Licence is granted as EBS Spot System, through which participants may enter into trades in the financial products mentioned in section 5.

5 Classes of financial products

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

- (a) financial products mentioned in paragraph 764A (1) (k) of the Act; and
- (b) derivatives that are transactions for the exchange of:
 - (i) one currency for another; or
 - (ii) gold or silver for currency.

6 Clearing and settlement arrangements

- (1) EBS Service Company Limited must, following the execution of a transaction on the market, notify each participant that is a party to the transaction of the identity of the other party.
- (2) EBS Service Company Limited must have operating rules that provide for transactions effected through the market to be settled by the parties to the transaction.

7 Participants

- (1) EBS Service Company Limited must ensure that each Australian participant is:
 - (a) an Australian ADI; or
 - (b) the Reserve Bank of Australia; or
 - (c) a subsidiary or a branch of a foreign bank; or
 - (d) a professional investor whose business substantially involves trading with counterparties (except trading solely for the purpose of risk hedging or for asset or liability management), both in the Australasian region and elsewhere, in any of the following financial products that, in the ordinary course of business, are traded between parties over the counter:
 - (i) foreign exchange contracts;
 - (ii) derivatives;
 - (iii) precious metals.

- (2) Participants in the market must trade either:
 - (a) on their own behalf; or
 - (b) on behalf of another party who is not a retail client.

8 Reporting

- (1) EBS Service Company Limited 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 trading volume originating from Australian participants for the reporting period;
 - (b) the proportion of worldwide trading volume on the market that was conducted by Australian participants for the reporting period, to the extent known by EBS Service Company Limited;
 - (c) the current name and business address in Australia of each Australian participant.
- (2) For this section, the kinds of contract that can be traded on the market are:
 - (a) for financial products mentioned in paragraph 764A (1) (k) of the Act — contracts for the exchange of each currency for each other currency; and
 - (b) for derivatives that are transactions for the exchange of one currency for another — contracts for the exchange of each currency for each other currency; and
 - (c) for derivatives that are transactions for the exchange of gold or silver for currency — contracts for the exchange of gold or silver for each currency.
- (3) In this section:

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

9 Submission to jurisdiction

EBS Service Company Limited must submit to the non-exclusive jurisdiction of the Australian courts in actions brought by ASIC in relation to the market.