



Australian CS Facility Licence (LCH.Clearnet Limited) 2013

Corporations Act 2001

I, WILLIAM RICHARD SHORTEN, Minister for Financial Services & Superannuation and Minister for Employment & Workplace Relations, grant this Licence under subsection 824B(2) of the Corporations Act 2001.

Dated 4. April 2013

Minister for Financial Services & Superannuation and Minister for Employment & Workplace Relations

1. Name of Licence

This Licence is the *Australian CS Facility Licence (LCH.Clearnet Limited) 2013*.

2. Commencement

This Licence commences when it is granted.

3. Definitions

In this Licence:

Act means the *Corporations Act 2001*.

ASIC means the Australian Securities and Investments Commission.

Australian court has the meaning given by section 9 of the Act.

Australian financial services licence has the meaning given by section 761A of the Act.

derivative has the meaning given by section 761D of the Act.

energy derivatives means derivatives where the amount of consideration or the value of the arrangement is ultimately determined, derives from or varies by reference to the value of any of the following:

- (a) coal;
- (b) crude oil;
- (c) electricity;
- (d) natural gas.

environmental compliance scheme means arrangements relating to meeting some or all of a person's obligations about the generation of renewable energy or the emission of particular gases into the atmosphere.

environmental derivatives means derivatives where the amount of consideration or the value of the arrangement is ultimately determined, derives from or varies by reference to the value of an instrument, right or obligation in or arising from an environmental compliance scheme:

- (a) of the Commonwealth or of any State or of the Australian Capital Territory or of the Northern Territory or of Norfolk Island; or
- (b) that the Commonwealth or any State or the Australian Capital Territory or of the Northern Territory or of Norfolk Island is a party to or participates in; or
- (c) of any foreign state that may have been established to meet or assist in meeting the obligations that the foreign state may have under the United Nations Framework Convention on Climate Change done at New York on 9 May 1992, amended and in force from time to time, including any protocol to that convention, for example the Kyoto Protocol.

facility means the clearing and settlement facility that LCH is authorised to operate under this Licence.

FEX means FEX Global Pty Ltd (ACN 124 127 224).

FEX market means the financial market that FEX is authorised to operate under *Australian Market Licence (FEX Global Pty Ltd) 2013*.

Financial Stability Standard means a standard determined under section 827D of the Act.

FSA means the United Kingdom Financial Services Authority or any successor organisation in the United Kingdom responsible for the supervision of the overseas clearing and settlement facility.

LCH means LCH.Clearent Limited (ARBN 142 251 045).

overseas clearing and settlement facility means the clearing and settlement facility LCH is authorised to operate in the United Kingdom.

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

RBA means the Reserve Bank of Australia.

4. Grant of licence

This Licence is granted to LCH under subsection 824B(2) of the Act and authorises LCH to operate the overseas clearing and settlement facility in this jurisdiction.

5. Class of financial products

(1) The class of financial products in respect of which the facility can provide services under this Licence is derivatives, limited to:

- (a) commodity derivatives;
- (b) energy derivatives; and
- (c) environmental derivatives.

(2) LCH must not provide services under this Licence in respect of any financial product within the class of financial products referred to in subsection 5(1) unless:

- (a) LCH has obtained a written statement of non-objection from the FSA to provide clearing and settlement services for that financial product; and
- (b) ASIC and the RBA have notified LCH in writing that that financial product is an approved financial product for the purposes of this section.

6. Services

The facility may provide services under this Licence only in respect of transactions in the financial products referred to in section 5 that are entered into through the FEX market.

7. Standards and undertakings

LCH must:

- (a) comply with all Financial Stability Standards that LCH is required to comply with under subsection 827D(2) of the Act;
- (b) comply with all undertakings given to ASIC under paragraph 824B(2)(d) of the Act; and
- (c) comply with all undertakings given to the RBA under paragraph 824B(2)(d) of the Act.

8. Participants to be licensed

LCH must require a participant of the facility who carries on a financial services business in this jurisdiction in relation to its participation in the facility to hold an Australian financial services licence covering the provision of the financial services unless the participant is exempt under the Act from the requirement to hold such a licence in relation to its participation in the facility.

9. Jurisdiction of Australian courts

LCH must:

- (a) submit to the jurisdiction of an Australian court in an action brought by ASIC in relation to the facility or the operation of the facility; and
- (b) comply with any order of an Australian court for any matter relating to the facility or the operation of the facility.