



Corporations (State Street Bank and Trust Company) Exemption Notice 2004

I, ROSS CAMERON, Parliamentary Secretary to the Treasurer, issue this Notice under section 791C of the *Corporations Act 2001*.

Dated 9 March 2004

Parliamentary Secretary to the Treasurer

1 Name of Notice

This Notice is the *Corporations (State Street Bank and Trust Company) Exemption Notice 2004*.

2 Commencement

This Notice commences on 11 March 2004.

3 Definitions

In this Notice:

Act means the *Corporations Act 2001*.

FX Connect means the financial market that:

- (a) is operated by State Street Bank and Trust Company in respect of transactions in certain foreign exchange contracts; and
- (b) provides an electronic broking system for the following participants:
 - (i) professional investors;
 - (ii) entities that are registered or licensed by an overseas regulatory authority.

overseas regulatory authority means a regulatory authority or self-regulatory organisation in a foreign country whose regulatory responsibilities include regulation of the provision of financial services in the foreign country.

reporting period, for a financial market, means a calendar year in which the financial market is operated in Australia.

Note Other terms defined or used in the Act have the same meaning in this Notice (see *Acts Interpretation Act 1901*, section 46). These include:

- ASIC (section 9 of the Act)
- Australian financial services licence (section 761A of the Act)
- Australian law (section 9 of the Act)
- financial market (section 761A of the Act)
- financial services (section 761A of the Act)
- foreign exchange contract (section 761A of the Act)
- participant (section 761A of the Act).

4 Exemption

For section 791C of the Act, and subject to the conditions mentioned in sections 5 to 9 of this Notice, the financial market known as FX Connect operated by State Street Bank and Trust Company is exempt from the operation of Part 7.2 of the Act.

5 Licensing of State Street Bank and Trust Company

State Street Bank and Trust Company must hold an Australian financial services licence that covers the provision of the financial services involved in the operation of FX Connect.

6 Licensing of Australian participants

State Street Bank and Trust Company must require each Australian participant in FX Connect to hold an Australian financial services licence that covers participation in FX Connect, unless the participant is exempt under Australian law from the requirement to hold such a licence.

7 Operation of the financial markets

State Street Bank and Trust Company must operate FX Connect in all essential details in the way set out in the application for this exemption by State Street Bank and Trust Company dated 11 December 2003.

8 Reporting

State Street Bank and Trust Company must give the following information for FX Connect to ASIC within 30 days after the end of each reporting period:

- (a) for each kind of contract that can be traded on FX Connect — the total trade volume that was conducted by Australian participants for the reporting period;
- (b) the proportion of worldwide trading volume on FX Connect that was conducted by Australian participants for the reporting period, if applicable;
- (c) the current name and business address in Australia for each Australian participant.

9 Notice of certain events

State Street Bank and Trust Company must give ASIC a written notice of any of the following events within 7 days after the occurrence of the event:

- (a) State Street Bank and Trust Company, a related body corporate of State Street Bank and Trust Company, or a director or secretary of State Street Bank and Trust Company, is:
 - (i) the subject of a declaration of contravention in relation to a provision of the Act; or
 - (ii) found guilty of an offence under the Act; or
 - (iii) banned or disqualified from providing financial services;
- (b) a director or secretary of State Street Bank and Trust Company is disqualified from managing corporations;
- (c) State Street Bank and Trust Company, in the course of operating FX Connect, has reason to suspect that another person has committed, is committing or is likely to commit a contravention of the Act or the trading rules of FX Connect;
- (d) State Street Bank and Trust Company ceases to operate FX Connect.