



Corporations (TradeWeb Europe Limited) Exemption Notice 2007

Corporations Act 2001

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

Dated 6TH SEPTEMBER 2007

Parliamentary Secretary to the Treasurer

1 Name of Notice

This Notice is the *Corporations (TradeWeb Europe Limited) Exemption Notice 2007*.

2 Commencement

This Notice commences on the day it is notified in the *Gazette*.

3 Definitions

In this Notice:

Act means the *Corporations Act 2001*.

Australian participant means a person in Australia who is a participant.

Class Order [CO 03/1099] means ASIC Class Order [CO 03/1099], entitled 'UK FSA regulated financial service providers':

- (a) issued by ASIC on 22 December 2003; and
- (b) notified in the *Gazette* on 23 December 2003; and
- (c) as in force on the commencement of this Notice.

Section 4

debenture means:

- (a) a debenture as defined in section 9 of the Act; or
- (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 a 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 a foreign bank to repay money deposited with it, or lent to it, in the ordinary course of its banking business.

foreign bank means a body corporate that:

- (a) is a foreign corporation within the meaning of paragraph 51 (xx) of the Constitution; and
- (b) is authorised to carry on banking business (within the meaning of subsection 5 (1) of the *Banking Act 1959*) in a foreign country.

foreign participant means a participant who is not an Australian participant.

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

TradeWeb means TradeWeb Europe Ltd.

TradeWeb System means the financial market mentioned in section 4 that is operated by TradeWeb in respect of the financial products mentioned in section 6.

Note Other terms defined or used in the Act have the same meaning in this Notice (see *Acts Interpretation Act 1901*, paragraph 46 (1) (b)). These include:

- **ASIC** (section 9 of the Act)
- **clearing and settlement facility** (section 768A of the Act)
- **declaration of contravention** (section 1317E of the Act)
- **derivative** (section 761D of the Act)
- **financial market** (section 761A of the Act)
- **participant** (section 761A of the Act)
- **professional investor** (section 9 of the Act).

4 Exemption

For section 791C of the Act, and subject to the conditions mentioned in sections 5 to 13 of this Notice, the TradeWeb System is exempt from the operation of Part 7.2 of the Act.

5 Condition — operation of the TradeWeb System

- (1) TradeWeb must operate the TradeWeb System in all essential details in the way set out in the application for this exemption by TradeWeb dated 13 December 2006.

- (2) TradeWeb must at all times hold a current Part IV permission from the United Kingdom Financial Services Authority, that covers the provision of the financial services provided by the TradeWeb System.
- (3) TradeWeb must, before commencing to operate the TradeWeb System, notify ASIC that it is complying with Class Order [CO 03/1099], in the form required by Class Order [CO 03/1099].
- (4) TradeWeb must continue to comply with Class Order [CO 03/1099].
- (5) TradeWeb, or an associate of TradeWeb, must not operate a clearing and settlement facility for the TradeWeb System.

6 Condition — financial products that may be traded on the TradeWeb System

TradeWeb must not trade in a financial product on the TradeWeb System, other than:

- (a) a debenture or bond, issued or proposed to be issued by:
 - (i) a government; or
 - (ii) an agency of a government; or
 - (iii) a semi-government agency; or
 - (iv) a body corporate; or
- (b) a derivative of:
 - (i) securities; or
 - (ii) interest rates; or
 - (iii) credit or credit-related indices;

that are typically entered into under the ISDA Master Agreement or another Master Agreement commonly used by counterparties for this purpose.

7 Condition — participants who may trade on the TradeWeb System

TradeWeb must not admit a participant to, or allow a participant to enter into a trade on, the TradeWeb System unless the participant is:

- (a) if the participant is an Australian participant — a professional investor who is trading:
 - (i) on its own behalf; or
 - (ii) on behalf of another professional investor; or
- (b) if the participant is a foreign participant — a professional or institutional investor in the jurisdiction in which the participant trades, trading:
 - (i) on its own behalf; or
 - (ii) on behalf of another professional investor.

8 Condition — TradeWeb to report certain events involving an Australian participant

- (1) If TradeWeb takes any disciplinary action against an Australian participant of the TradeWeb System, TradeWeb must, as soon as practicable, advise ASIC in writing of:
 - (a) the participant's name; and
 - (b) the reason for, and nature of, the action taken.
- (2) If TradeWeb has information that would cause a person to believe or suspect, on reasonable grounds, that an Australian participant has committed, is committing or is about to commit, a significant contravention of the Act or the TradeWeb System's operating rules, TradeWeb must, as soon as practicable, advise ASIC in writing of:
 - (a) the Australian participant's name; and
 - (b) details of the contravention or impending contravention; and
 - (c) TradeWeb's reason for that belief or suspicion.

9 Condition — TradeWeb to report certain events involving TradeWeb or a director or secretary of TradeWeb

- (1) TradeWeb must, within 14 days, advise ASIC in writing if TradeWeb becomes aware that TradeWeb, or a director or secretary of TradeWeb:
 - (a) is the subject of a declaration of contravention in relation to a provision of the Act; or
 - (b) has been convicted of an offence under the Act; or
 - (c) has been disqualified from managing a corporation; or
 - (d) has been banned or disqualified from providing financial services.
- (2) TradeWeb must, within 7 days, advise ASIC in writing of TradeWeb ceasing to operate the TradeWeb System in Australia.

10 Condition — TradeWeb to submit annual report

- (1) Within 3 months of the end of its financial year, TradeWeb must submit an annual report to ASIC that sets out the extent to which TradeWeb has complied with the conditions of this Exemption Notice.
- (2) A report mentioned in subsection (1) must include the following information:
 - (a) a description of the activities that TradeWeb has undertaken in the financial year in relation to the operation of the TradeWeb System;
 - (b) the number, duration, cause and resolution of material system outages that prevented Australian participants from using the TradeWeb System;
 - (c) the names and number of Australian participants authorised to access the TradeWeb System at the beginning and end of the financial year, respectively;

- (d) details of the volume of trading on the TradeWeb System by Australian participants;
- (e) the number and nature of significant complaints made to TradeWeb by Australian participants of the TradeWeb System, and the action taken by TradeWeb in response to each complaint;
- (f) any specific regulatory issues that TradeWeb encountered during the year (including any change in regulatory status in its home jurisdiction), and actions taken to resolve those issues (whether inside or outside Australia);
- (g) details of any significant conflicts of interest identified by TradeWeb in relation to its operation of the TradeWeb System, and how these were resolved.

11 Condition — Minister may require TradeWeb to submit to an audit

- (1) The Minister may, by notice in writing, require TradeWeb to obtain an audit report on the annual report mentioned in section 10 and on any information or statements accompanying the report.
- (2) The Minister may nominate:
 - (a) ASIC; or
 - (b) a specified person or body that is suitably qualified; to undertake an audit mentioned in subsection (1).

12 Condition — TradeWeb to give assistance to ASIC

- (1) TradeWeb must, if it receives a reasonable request to do so, give assistance to:
 - (a) ASIC; or
 - (b) a person authorised by ASIC; in relation to the performance of ASIC's functions regarding the operation of the TradeWeb System.
- (2) Assistance mentioned in subsection (1) may include access to any information, documents or books held by or relating to TradeWeb.

13 Condition — TradeWeb must enter into a written cooperation arrangement with ASIC

TradeWeb must enter into a written cooperation arrangement with ASIC for cooperation with ASIC in matters to which this Notice relates.