



## Australian CS Facility Licence (Chicago Mercantile Exchange Inc.) 2014

*Corporations Act 2001*

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I, MATHIAS CORMANN, Acting Assistant Treasurer, grant this License under subsection 824B(2) of the *Corporations Act 2001*.

Dated 30-P-2014 .....

Acting Assistant Treasurer

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### 1. Name of Licence

This Licence is the *Australian CS Facility Licence (Chicago Mercantile Exchange Inc.) 2014*.

### 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.

*Australian participant* means a participant to which services are provided under this Licence.

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

*CBOT market* means the financial market regulated by the US Securities Exchange Commission and the CFTC and operated by Board of Trade of the City of Chicago Inc.

*CFTC* means the Commodity Futures Trading Commission or any successor organisation in the United States of America responsible for the supervision of the overseas clearing and settlement facility.

*CME* means Chicago Mercantile Exchange Inc. (ARBN 103 432 391).

*CME market* means the financial market regulated by the US Securities Exchange Commission and the CFTC and operated by CME.

*financial market* has the meaning given by section 761A of the Act.

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

*interest rate 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 interest rate.

*overseas clearing and settlement facility* means the clearing and settlement facility CME, as a registered 'derivatives clearing organization' under the *Commodity Exchange Act 1936* (US), is authorised by the CFTC to operate in the United States of America.

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

*proprietary account* has the meaning given by Regulation 1.3(y) of the regulations made by the CFTC under the *Commodity Exchange Act 1936* (US) and published in Title 17 Chapter 1 of the US Code of Federal Regulations.

*RBA* means the Reserve Bank of Australia.

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

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

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

The class of financial products in respect of which the overseas clearing and settlement facility may provide services under this Licence is derivatives, limited to:

- (a) over-the-counter transactions in interest rate derivatives; and
- (b) non-Australian dollar denominated interest rate derivatives traded on the CME market or the CBOT market, for which CME permits portfolio margining with the over-the-counter interest rate derivatives referred to in paragraph (a).

#### **6. Standards and undertakings**

CME must:

- (a) comply with all Financial Stability Standards that CME 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.

## **7. Participants**

Services under this Licence may only be provided by CME to an Australian participant in respect of transactions for the Australian participant's proprietary account.

## **8. Jurisdiction of Australian courts**

CME must:

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