

Australian Derivative Trade Repository Licence (KOR Reporting Inc.) 2023

1. Name of Licence

This Licence is the *Australian Derivative Trade Repository Licence (KOR Reporting Inc.) 2023*.

2. Commencement

This Licence commences when it is granted.

3. Definitions

In this Licence:

Act means the *Corporations Act 2001*.

APRA means the Australian Prudential Regulation Authority.

ASIC means the Australian Securities and Investments Commission.

ASIC Data means Derivative Trade Data reported to KOR under the Reporting Rules and under exemptions from the Reporting Rules.

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

Business Day has the meaning given by section 9 of the Act.

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

Derivative Trade Data has the meaning given by section 761A of the Act.

Derivative Trade Repository has the meaning given by section 761A of the Act.

DTRRs means the *ASIC Derivative Trade Repository Rules 2023*.

Foreign Authorisation means an authorisation provided to KOR by an Overseas Regulatory Authority to operate a Derivative Trade Repository.

KOR means KOR Reporting Inc. (ARBN 669 460 468).

Overseas Regulatory Authority means a body established by a foreign government to regulate a foreign facility, service or product.

Participant has the meaning given by Rule 1.2.3 of the DTRRs.

RBA means the Reserve Bank of Australia.

Regulations means the *Corporations Regulations 2001*.

Reporting Rules means the *ASIC Derivative Transaction Rules (Reporting) 2022* and from 21 October 2024 means the *ASIC Derivative Transaction Rules (Reporting) 2024*.

4. Grant of Licence

This Licence is granted to KOR under section 905C of the Act.

5. Facility

KOR is authorised under this Licence to operate a Derivative Trade Repository in this jurisdiction.

6. Classes of Derivatives

The classes of Derivatives in respect of which KOR may provide services for the purposes of Part 7.5A of the Act are:

- (a) commodity derivatives;
- (b) credit derivatives;
- (c) equity derivatives;
- (d) foreign exchange derivatives; and
- (e) interest rate derivatives.

7. Requirement to notify ASIC of matters

It is a condition of this Licence that KOR notify ASIC in writing as soon as practicable and in any event within 2 Business Days of any of the following:

- (a) any application by KOR to an Overseas Regulatory Authority to cancel KOR's Foreign Authorisation;
- (b) becoming aware that an Overseas Regulatory Authority has revoked KOR's Foreign Authorisation, regardless of whether KOR intends to appeal the decision;
- (c) becoming aware that an Overseas Regulatory Authority intends to, or is taking action to, revoke KOR's Foreign Authorisation;
- (d) becoming aware that an Overseas Regulatory Authority has exercised its emergency powers in relation to KOR;
- (e) becoming aware that an Overseas Regulatory Authority intends to, is taking action to, or has given written notice to, vary the conditions and restrictions on KOR's Foreign Authorisation, or impose further conditions and restrictions on KOR's Foreign Authorisation; and
- (f) receiving a direction from an Overseas Regulatory Authority requiring the removal of an officer of KOR.

Note: KOR may also have an obligation to notify ASIC of these matters, and other matters, under section 904C of the Act.

8. Governing Law

(1) It is a condition of this Licence that:

- (a) KOR submits to the jurisdiction of Australian Courts in any action brought by ASIC in relation to KOR's Derivative Trade Repository in this jurisdiction or to the operation of KOR's Derivative Trade Repository in this jurisdiction; and
- (b) KOR must comply with any order of an Australian Court in relation to any matter relating to KOR's Derivative Trade Repository in this jurisdiction or to the operation of KOR's Derivative Trade Repository in this jurisdiction.

9. Access, validation and notification requirements for Derivative Trade Data and information that is created or derived from Derivative Trade Data

(1) It is a condition of this Licence that:

- (a) KOR notify ASIC, in writing, as soon as KOR becomes aware that Derivative Trade Data or information (including statistical data) that is created or derived from Derivative Trade Data, that has been provided to ASIC:
 - (i) is affected by material data quality issues due to technical faults; or
 - (ii) is materially incomplete or materially inaccurate;
- (b) KOR perform data validation checks when requested by ASIC, to determine whether Derivative Trade Data accepted by KOR from Participants:
 - (i) is in the correct format, of an appropriate type (e.g. numeric, alphabetic);
 - (ii) is within a particular value range (where a range is applied by KOR); and
 - (iii) to the extent appropriate, consistent with Derivative Trade Data previously reported in relation to the same Derivative (e.g. for data unaffected by a modification to the Derivative); and

- (iv) contains all required data fields;
- (c) KOR:
 - (i) if requested by ASIC, checks that its systems are operating to provide the ASIC with current Derivative Trade Data;
 - (ii) regularly monitors its weekly statistical data processes and data validation processes to check that those processes are operating satisfactorily; and
 - (iii) performs spot checks of the accuracy of its systems for processing position reports, where the volume of transactions materially increases or decreases compared to previous reporting dates;
- (d) KOR:
 - (i) notifies and consults ASIC, in writing, about any proposed changes which would materially impact the content or format of Derivative Trade Data made available to ASIC; and
 - (ii) does not implement any notified changes until one month has passed from the notification date, unless ASIC has agreed that the notified change may be implemented before one month has passed from the notification date.

10. Agreement to enter into service level agreements or other arrangements upon request

- (1) KOR must, upon request by APRA, ASIC and/or the RBA in accordance with this paragraph 10, enter into a service level agreement or other arrangement with the relevant agency concerning the method, timing and other specifics of access by the relevant agency to ASIC Data, and statistical data created by KOR from ASIC Data, that is retained in the Derivative Trade Repository and that is required by the relevant agency in connection with the performance its functions and exercise of its powers.
- (2) APRA, ASIC and/or the RBA may request that KOR enter into a service level agreement or other arrangement by giving written notice to KOR.
- (3) Upon receipt of a notice referred to in subparagraph (2), KOR must:
 - (a) negotiate the terms of the service level agreement or other arrangement with the relevant agency in good faith and using best endeavours to meet the reasonable requirements of the relevant agency concerning the method, timing and other specifics of access to ASIC Data, and statistical data created by KOR from ASIC Data, that is retained in the Derivative Trade Repository, taking into account the service level agreements or other arrangements agreed by related body corporates of KOR with regulators in comparable jurisdictions; and
 - (b) enter into the service level agreement or other arrangement within the time reasonably required by the relevant agency.
- (4) For the purposes of subparagraph (3)(a), the agency may require that the service level agreement or other arrangement:

- (a) describe the ASIC Data that KOR will provide to the agency and the type of electronic files that will be used;
 - (b) specify a secure method or methods acceptable to the agency that KOR will use to provide ASIC Data to the agency;
 - (c) document requirements for the quality of ASIC Data that KOR will provide to the agency, including requirements designed to provide ASIC Data to the agency:
 - (i) in a timely manner and in an accessible location and format;
 - (ii) which is accurate (taking into account the accuracy of ASIC Data reported to KOR and any quality checks performed by KOR), relevant for the performance of the agency's functions, or the exercise of the agency's powers, and able to be readily understood, used and analysed by the relevant agency (including able to be reconciled with other data that is available to the agency); and/or
 - (d) establish a service management framework that is based on the requirements documented by the Information Technology Infrastructure Library (or another source as agreed), and at a minimum addresses how KOR will manage incidents, problems, changes and service levels.
- (5) KOR must provide such reasonable assistance as the relevant agency requests in preparing the terms of the service level agreement or other arrangement.

Dated this 9th day of November 2023



Signed by Benjamin Cohn-Urbach

as a delegate of the Australian Securities and Investments Commission