



**Australian Benchmark Administrator Licence (ASX Benchmarks
Pty Ltd) 2019**

Corporations Act 2001

I, Nathan Bourne, Senior Executive Leader, delegate of the Australian Securities and Investments Commission grant this licence under subsection 908BC(1) of the *Corporations Act 2001*.

Dated 27/6/2019

Signed 

Nathan Bourne

1 Name of Licence

This licence is the *Australian Benchmark Administrator Licence (ASX Benchmarks Pty Limited) 2019*.

2 Commencement

This licence commences on 1 July 2019.

3 Definitions

In this licence:

Act means the *Corporations Act 2001*.

Approved Trading Venue has the same meaning as in the BBSW Conventions.

ASIC means the Australian Securities and Investments Commission.

Austraclear Data means data submitted to Austraclear Limited ABN 94 002 060 773 under the Austraclear Regulations in relation to Bank Paper that is a Paper Security or a Non-Paper Security.

Austraclear Regulations means the Austraclear Regulations as made and updated by Austraclear Limited ABN 94 002 060 773.

Bank Bill Trade Data means data submitted to the Licensee by Approved Trading Venues that relates to trades in Bank Paper and that is used in generating BBSW.

Bank Paper has the same meaning as in the BBSW Conventions.

BBSW means the Australian Bank Bill Swap Rate.

BBSW Conventions means the ASX Bank Bill Swap (BBSW) Conventions as made and updated by ASX Limited ABN 98 008 624 691.

BBSW Data: see condition 8(1).

BBSW Trading Guidelines means the written guidelines that the Licensee is required to have under Rule 2.5.1(1) of the *ASIC Financial Benchmark (Administration) Rules 2018*.

BBSW Submitters Code of Conduct means the BBSW Submitters Code of Conduct as made and updated by ASX Limited ABN 98 008 624 691.

Contributor has the same meaning as in the *ASIC Financial Benchmark (Administration) Rules 2018*.

Licensee means ASX Benchmarks Pty Limited ABN 38 616 075 417.

NBBO Data means data comprising quotes submitted to the Licensee by Approved Trading Venues for the purposes of the NBBO Calculation Method under the BBSW Conventions.

Non-Paper Security has the same meaning as in the Austraclear Regulations.

Paper Security has the same meaning as in the Austraclear Regulations.

Prime Bank means a bank determined to be an ASX Prime Bank under the Prime Bank Conventions.

Prime Bank Conventions means the ASX Prime Bank Conventions as made and updated by ASX Limited ABN 98 008 624 691.

Specified Contributors means Approved Trading Venues and Prime Banks.

Submissions under the Final Stage Method means the data submitted to the Licensee for the purposes of the BBSW Final Stage Methodology and Code of Conduct under the BBSW Conventions.

Subscribers means parties that pay a fee to the Licensee or a related entity of the Licensee for access to the BBSW or publication of information about the BBSW.

4 Grant of benchmark administrator licence

The Licensee is granted a licence to administer BBSW.

5 Annual compliance report

The Licensee must, within three months after the end of each financial year of the Licensee, give ASIC a written report on the extent to which the Licensee has complied during the financial year with its obligations as a benchmark administrator licensee under the Act.

Note: The obligations of a benchmark administrator licensee under the Act include the obligation to comply with conditions on its licence (see section 908BP of the Act) and the obligation to comply with the provisions financial benchmark rules and the compelled financial benchmark rules that apply to the licensee (see section 908CF of the Act).

6 Approved Trading Venues

The Licensee must consult with ASIC before adding or removing an entity as an Approved Trading Venue and must notify ASIC in writing as soon as practicable after adding or removing an entity as an Approved Trading Venue.

7 Prime Banks

The Licensee must use best endeavours to consult with ASIC before adding or removing an entity as a Prime Bank and must notify ASIC in writing as soon as practicable after adding or removing an entity as a Prime Bank.

8 Data feed to ASIC

(1) The Licensee must provide ASIC with the following data (*BBSW Data*):

(a) Bank Bill Trade Data;

(b) Austraclear Data;

Note: As Austraclear Data is submitted to Austraclear Limited ABN 94 002 060 773, the Licensee will need to have arrangements in place with Austraclear to ensure that it is able to provide the Austraclear Data to ASIC.

(c) NBBO Data;

(d) Submissions under the Final Stage Method.

(2) The Licensee must provide ASIC with the BBSW Data in a manner, and to a location, as reasonably required by ASIC.

(3) The Licensee must:

(a) notify ASIC as soon as the Licensee becomes aware that any BBSW Data provided to ASIC is materially incomplete or materially inaccurate; and

(b) if requested by ASIC, review its systems to ensure that the BBSW Data provided to ASIC is accurate, current and complete; and

(c) maintain and regularly monitor and update its data validation processes for BBSW Data to ensure that those processes are operating satisfactorily; and

(d) notify ASIC as soon as practicable of any material changes the Licensee proposes to make to the content or format of the BBSW Data provided to ASIC; and

- (e) not implement any proposed change referred to in paragraph (d) until a period of one month has passed from the date of notification, unless otherwise agreed with ASIC.

9 Disclosure of proceedings

The Licensee must notify ASIC in writing as soon as practicable after the Licensee becomes aware of any of the following:

- (a) any civil or criminal legal proceedings instituted against the Licensee or an officer of the Licensee, other than by ASIC, whether or not in Australia;
- (b) any civil or criminal legal proceedings instituted (other than by ASIC and whether or not in Australia) against a related entity of the Licensee or an officer of a related entity, to the extent relevant to the administration or generation of BBSW or compliance by the Licensee with the obligations of the Licensee in relation to the administration or generation of BBSW;
- (c) any disciplinary action taken against the Licensee or an officer of the Licensee by any regulatory authority other than ASIC, whether or not in Australia;
- (d) any disciplinary action taken (other than by ASIC and whether or not in Australia) against a related entity of the Licensee or an officer of a related entity, to the extent relevant to the administration or generation of BBSW or compliance by the Licensee with the obligations of the Licensee in relation to the administration or generation of BBSW.

10 Fees

- (1) The Licensee must disclose, on a publicly accessible section of its website and at no charge, a comprehensive description of the fees, rates and charges for access to BBSW.
- (2) If the Licensee proposes to make a change to the fees, rates and charges for access to BBSW, the Licensee must notify ASIC and Subscribers in writing about the change at least five business days before the change is implemented.

11 Governance

(1) The Licensee must ensure that:

- (a) each director and company secretary of the Licensee is of sufficient seniority, fit for office, and has the experience, qualifications and skills needed to perform their role in the governance of the Licensee; and
- (b) the BBSW Trading Guidelines include guidelines dealing with the following:
 - (i) governance standards that must be complied with by Contributors;
 - (ii) a requirement that Contributors must make provision for alternative arrangements to replace BBSW in the event BBSW is permanently discontinued;
 - (iii) a guideline requiring each Specified Contributor to provide the Licensee with an attestation (*attestation of compliance*) identifying whether the Specified Contributor has complied with the BBSW Trading Guidelines at least once every calendar year and, if not, identifying the extent of any non-compliance; and

Note: The Licensee must monitor compliance by each Contributor with the BBSW Trading Guidelines: subrule 2.5.1(3) of the *ASIC Financial Benchmark (Administration) Rules 2018*.

- (c) attestations of compliance with the BBSW Trading Guidelines for Specified Contributors are received or followed up if not received; and
- (d) the web pages and electronic and paper documents published by the Licensee and related entities of the Licensee that refer to BBSW include a clear and prominent warning that users of BBSW should have robust fall back provisions for alternative arrangements to come into place in the event BBSW is permanently discontinued.

12 Market Surveillance

(1) The Licensee must have in place:

- (a) appropriate policies, procedures, systems and analytics that are designed to identify irregularities in trading activity in bank bills that may not reflect a genuine business purpose; and

- (b) arrangements to monitor the use of BBSW to identify actions that threaten the integrity, reliability or credibility of BBSW, across the financial markets and clearing and settlement facilities operated by the following entities:
 - (i) Australian Securities Exchange Limited;
 - (ii) ASX Clear (Futures) Pty Limited; and
 - (c) staff with appropriate experience and competence to monitor the bank bill market to ensure the Licensee complies with the requirements specified in paragraphs (a) and (b).
- (2) The Licensee must notify ASIC if it has reason to suspect that a person has committed, is committing or is likely to commit a significant contravention of the Act or the BBSW Trading Guidelines. Such a notice to ASIC must be provided as soon as practicable, and must include the following information:
- (a) the person's name;
 - (b) the details of the contravention or likely contravention; and
 - (c) the Licensee's reasons for that belief.
- (3) The Licensee must notify ASIC and the RBA as soon as practicable of any matters that may adversely impact the generation or administration of BBSW.
- (4) The Licensee must, at least every two years, review, and if necessary update, the BBSW Trading Guidelines to ensure they continue to meet the requirements of Rule 2.5.1 of the *ASIC Financial Benchmarks (Administration) Rules 2018* and reflect any developments to the bank bills market.

13 Changes of ownership

- (1) The Licensee must notify ASIC as soon as practicable after the Licensee becomes aware that a person will or has come to have, or has ceased to have, more than 15% of the total voting power in the Licensee or in a holding company of the Licensee.

14 Operational risk

- (1) The Licensee must, on written request by ASIC, obtain a report on outsourcing arrangements and ancillary services of the Licensee related to the functions involved in generating or administering the BBSW, prepared by such specified person or body as ASIC nominates or accepts as suitably qualified to prepare the report.
- (2) The Licensee must notify in writing ASIC of any planned significant technology changes, that create a risk of disruption in the generation or administration of BBSW, 20 working days prior to the planned implementation of the technology changes.
- (3) If Licensee experiences:
 - (a) a disruption of, delay in, or suspension or termination of any of the Licensee's systems for the acceptance, retention, use, disclosure or provision of access to data used in generating and administering BBSW, including as a result of any system failure; or
 - (b) a breach of the integrity, security, or confidentiality of the data retained by the Licensee in relation to BBSW;the Licensee must:
 - (c) as soon as practicable, notify ASIC of the occurrence of the circumstance; and
 - (d) .within 14 days of the occurrence of the circumstance, submit a written report to ASIC describing the cause and results of the occurrence of the circumstance, and any remedial actions already taken or planned by the Licensee in response to the occurrence of the circumstance.