



**Australian Market Licence (EquiLend LLC) 2019**

*Corporations Act 2001*

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I, Nathan Bourne, Senior Executive Leader, Australian Securities and Investments Commission grant this Licence under subsection 795B(2) of the *Corporations Act 2001* (the Act) and impose conditions on this Licence under subsection 796A(1) of the Act.

Dated ..... 4/7/2019 .....

Signed .....  .....

as a delegate of the Minister under section 1101J of the Act

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**1. Name**

This is the *Australian Market Licence (EquiLend LLC) 2019*.

Note: This instrument should be read in conjunction with the *Corporations (EquiLend LLC) Exemption Notice 2019*.

**2. Commencement**

This Licence commences when it is granted.

**3. Definitions**

In this Licence unless the contrary intention appears, terms defined in the Act have the same meaning in this Licence and:

*Act* means the *Corporations Act 2001*.

*ASIC* means the Australian Securities and Investments Commission.

*Australian client* means, in relation to a participant in the Market, a person in this jurisdiction on whose behalf the participant deals on the Market.

*Australian participant* means:

- (a) an Australian entity that is a participant in the Market;
- (b) a foreign branch or office of an Australian entity where:
  - (i) the foreign branch or office is a participant in the Market; or
  - (ii) the Australian entity is a participant in the Market.
- (c) an Australian branch or office of a foreign entity where:
  - (i) the Australian branch or office is a participant in the Market; or
  - (ii) the foreign entity is a participant in the Market.

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

*Licensee* means EquiLend LLC ARBN 632 138 053.

*Market* means the financial market the Licensee is authorised to operate under this Licence.

*reporting period* means each period of 3 months or part thereof, during which the Market is operated in Australia, ending on 31 March, 30 June, 30 September, or 31 December.

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

#### **4. Grant of Licence**

- (1) The Licensee is granted a licence to operate a financial market through which participants may make or accept offers to acquire or dispose of, under a securities lending arrangement or a repurchase arrangement, any of the following financial products:
  - (a) securities;
  - (b) financial products mentioned in paragraphs 764A(1)(b) and 764A(1)(ba) of the Act;
  - (c) derivatives limited to convertible debt instruments converting into existing shares; or
  - (d) a debenture, stock or bond issued or proposed to be issued by a government.

#### **5. Participants**

- (1) It is a condition of this Licence that the Licensee must ensure that each:
  - (a) Australian participant:
    - (i) is a professional investor, or a branch or office of an entity that is a professional investor; and
    - (ii) only deals on the Market on their own behalf or on behalf of a professional investor.
  - (b) foreign participant only deals on the Market:
    - (i) on their own behalf; or
    - (ii) on behalf of a person who is not an Australian client; or
    - (iii) if the foreign participant is a professional investor—on behalf of an Australian client who is a professional investor.

#### **6. Information about the operation of the Market**

It is a condition of this Licence that the Licensee must at all times make available to Participants information, including updated information, about the operation of the Market.

#### **7. Clearing and settlement arrangements**

- (1) It is a condition of this licence that the Licensee must:
  - (a) clearly inform participants of the Market of their respective responsibilities in relation to the clearing and/or settlement of trades entered into on the Market; and

- (b) have in place adequate arrangements to facilitate the efficient clearing and/or settlement of trades entered into on the Market, which must be arrangements of one or more of the following types:
  - (i) arrangements for the clearing and settlement of the transactions with a clearing and settlement facility; or
  - (ii) arrangements to:
    - (A) notify each party to a trade entered into on the Market of the identity of the other party to the transaction; or
    - (B) otherwise be satisfied that each party to a trade entered into on the Market knows the identity of the other party to the transaction,so that the parties to the trade can settle the transaction in accordance with arrangements agreed between them.

## 8. Quarterly notifications

- (1) It is a condition of this Licence that the Licensee must notify ASIC of details of the following matters, within 30 days after the end of each reporting period:
  - (a) details of any kind of disciplinary action taken by the Licensee against a participant including the participant's name and the reason for and nature of the action taken;
  - (b) if the Licensee became aware of:
    - (i) a matter that the Licensee considers has adversely affected, is adversely affecting, or may adversely affect the ability of a participant, who is a financial services licensee, to meet the participant's obligations as a financial services licensee; or
    - (ii) a matter, concerning a participant who is a financial services licensee, that is of a kind prescribed under Reg 7.2.01 of the Corporations Regulations 2001;
  - (c) if the Licensee became aware that a person had come to have, or had ceased to have, more than 15% of the voting power in or in a holding company of the Licensee;
  - (d) if a person became or ceased to be a director, secretary or senior manager of the Licensee (including when a person changes from one of those positions to another); and
  - (e) details of any changes to its operating rules in a notice that must:
    - (i) set out the text of the change; and
    - (ii) specify the date on which the change was made; and
    - (iii) contain an explanation of the purpose of the change.

- (2) The requirement in sub-clause (1)(a) has effect only to the extent that:
- (a) the participant in the Market against whom disciplinary action is taken is in this jurisdiction; or
  - (b) the activity giving rise to the disciplinary action may significantly affect:
    - (i) another participant in the Market who is in this jurisdiction; or
    - (ii) a client, of a participant in the Market, whom the Licensee believes to be in this jurisdiction.

## 9. Periodic trade reporting

- (1) It is a condition of this Licence that the Licensee must give to ASIC, in a machine-readable format, at least the following information within 30 days after the end of each reporting period, for each product specified in the following table:

Category	Products
Equity financial products	Products that are each of (a), (b), (c), (d), (e) and (f) in the definition of Equity Securities in rule 1.4.3. of <i>ASIC Market Integrity Rules (Securities Markets) 2017</i>
Interest Rate financial products	Australian Commonwealth Government debt instruments, Australian State or Local Government debt instruments, Supranational and Foreign Government debt instruments, Corporate debt instruments

- (a) the total number of trades and their total value, in AUD-equivalent terms, of trades during the reporting period by all participants; and
- (b) the total number of trades and their total value, in AUD-equivalent terms, of trades during the reporting period by each Australian participant, identifying each Australian participant by their registered name and, if applicable, their branch name and if available, their Legal Entity Identifier;
- (c) the total number of trades and their total value, in AUD-equivalent terms, of trades during the reporting period by each foreign participant but only in relation to the trades that the Licensee believes to be trades on behalf of one or more Australian clients, identifying each foreign participant by their registered name and, if applicable, their branch name and, if available, their Legal Entity Identifier; and

- (d) the total number of trades and their total value, in AUD-equivalent terms, of the trades that are included in the information in (b) and (c) above and which are trades between any two participants listed in (b) and (c).

#### **10. Annual report**

It is a condition of this Licence that the Licensee must include in its annual report to ASIC under section 792F of the Act details of any new class of financial services provided by the Licensee that is incidental to the operation of the Market.

#### **11. Record keeping**

- (1) It is a condition of this Licence that the Licensee must have adequate arrangements in place for the recording of order information and trades effected through the Market.
- (2) It is a condition of this Licence that the Licensee must keep for a period of at least 7 years the records of order information and trades effected through the Market.

#### **12. Market ceases to operate**

- (1) It is a condition of this Licence that, where the Licensee intends to cease operating the Market in this jurisdiction, the Licensee must:
  - (a) establish, document and implement adequate arrangements for ensuring, as applicable, the orderly cessation of the Market;
  - (b) notify ASIC:
    - (i) that the Licensee intends to cease operating the Market in this jurisdiction, as soon as reasonably practicable;
    - (ii) of the arrangements referred to in paragraph (a), at least 4 weeks before ceasing to operate the Market in this jurisdiction; and
    - (iii) of any changes to the arrangements referred to in paragraph (a) following the notification in subparagraph (ii), as soon as reasonably practicable after making those changes.



## Corporations (EquiLend LLC) Exemption Notice 2019

*Corporations Act 2001*

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I, Nathan Bourne, Senior Executive Leader, Australian Securities and Investments Commission make this notice under subsection 791C(1) of the *Corporations Act 2001* (the Act).

Dated ..... 4 / 7 / 2019 .....

Signed .....  .....

as a delegate of the Minister under section 1101J of the Act

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## 1 Name

This is the *Corporations (EquiLend LLC) Exemption Notice 2019*.

Note: This instrument should be read in conjunction with the *Australian Market Licence (EquiLend LLC) 2019*.

## 2 Authority

This instrument is made under subsection 791C(1) of the *Corporations Act 2001*.

## 3 Commencement

This instrument commences on the later of:

- (a) the time that is immediately after the commencement of the *Australian Market Licence (EquiLend LLC) 2019*; and
- (b) the date of execution.

## 4 Definitions

In this instrument, unless the contrary intention appears, terms defined in the Act have the same meaning in this instrument and:

*Act* means the *Corporations Act 2001*.

*ASIC* means the Australian Securities and Investments Commission;

*Corporations Regulations* means the *Corporations Regulations 2001*.

*Licensee* means EquiLend LLC ARBN 632 138 053

*Market* means the financial market operated by the Licensee under the *Australian Market Licence (EquiLend LLC) 2019*.

## 5 Exemption – Notifications to ASIC

- (1) The Licensee does not have to comply with any of the following provisions of the Act in relation to the Market:
  - (i) paragraph 792B(2)(a) – relating to notifying ASIC of a new class of financial service incidental to the operation of a financial market;
  - (ii) paragraph 792B(2)(b) – relating to notifying ASIC of disciplinary action taken against a participant;
  - (iii) paragraph 792B(3)(a) – relating to notifying ASIC of a matter that has (or may) adversely affect the ability of a participant, who is a financial services Licensee, to meet the participant's obligations as a financial services Licensee;



- (iv) paragraph 792B(3)(b) – relating to notifying ASIC of a matter concerning a participant who is a financial services Licensee, of a kind prescribed by the regulations made for the purposes of paragraph 792B(3)(b);

Note: See Corporations Regulation 7.2.01 for the matters prescribed for the purposes of paragraph 792B(3)(b).

- (v) paragraph 792B(5)(a) – relating to notifying ASIC of a person becoming or ceasing to be a director, secretary or senior manager of the Licensee or of a holding company of the Licensee; and
- (vi) paragraph 792B(5)(b) – relating to notifying of voting power of more than 15% in the Licensee or a holding company of the Licensee.

## **6 Exemption – Changing the operating rules**

The Licensee does not have to comply with section 793D of the Act in relation to changes to the operating rules of the Market.

## **7 Exemption – Content of written procedures**

The Licensee does not have to comply with section 793A(4) of the Act in relation to having certain written procedures.