



Australian Market Licence (SwapEx, LLC) 2019

Corporations Act 2001

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 16/12/2019

Signed 

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

1. Name

This is the *Australian Market Licence (SwapEx, LLC) 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 SwapEx, LLC ARBN 634 615 428.

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.

4. Grant of Licence

The Licensee is granted a licence to operate a financial market through which participants may make or accept offers to acquire or dispose of derivatives

5. Participants

- (1) It is a condition of this Licence that the Licensee must ensure that each Australian participant:
- (a) is a professional investor, or is a branch or office of an entity that is a professional investor; and
 - (b) only deals on the Market on their own behalf or on behalf of a person who is a professional investor.

6. 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 trades 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 trade; 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 trade,

so that the parties to the trade can settle the trade in accordance with arrangements agreed between them.

7. 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
Commodity derivatives	Agricultural derivatives, Energy derivatives, Metals derivatives, Index derivatives, Environmental derivatives, Freight derivatives, Multi Commodity derivatives
Credit derivatives	Index derivatives, Index Tranche derivatives, Single Name derivatives, Swaptions, Total Return Swap, Total Return Swap Index, Exotic derivatives

Equity derivatives	Swap, Portfolio Swap, Contract for Difference, Option, Forward, Other derivatives
Foreign Exchange derivatives	Forward, Vanilla Option, NDF, NDO, Continuous FX, Simple Exotic, Exotic, Complex Exotic
Interest Rate and Inflation derivatives	FRA, Interest Rate Swap, Cross Currency, Inflation Swap, Forward Debt, CapFloor, Swaption, Debt Option, Inflation CapFloor, Exotic

- (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; and
- (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) above.

8. Market ceases to operate

- (1) It is a condition of this Licence 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), as soon as reasonably practicable 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.