



Australian Market Licence (Cboe Futures Exchange, LLC) 2020

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 22 December 2020

Signed

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

1. Name

This is the *Australian Market Licence (Cboe Futures Exchange, LLC) 2020*.

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

foreign participant means a participant in the Market who is not an Australian participant.

Licensee means Cboe Futures Exchange, LLC ARBN 645 390 343.

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. Clearing and settlement arrangements

Clearing and settlement arrangements for transactions effected through the Market under this Licence must be provided by The Options Clearing Corporation.

6. Australian participants to be licensed

The Licensee must require an Australian participant to hold an Australian financial services licence that permits trade in products of the same kind as those that can be dealt with on the Market unless the Australian participant is exempt under Australian law from the requirement to hold such a licence in relation to participation in the Market.

7. Australian participants to notify of suspension or cancellation of Australian financial services licence or trading permission

The Licensee must require an Australian participant to notify the Licensee as soon as practicable if:

- (a) the participant's Australian financial services licence is suspended or cancelled; or
- (b) the participant's permission to trade in products dealt with on the Market is suspended or cancelled.

8. Disclosure by participants to Australian clients

- (1) Before a participant accepts the first order from a client in Australia to deal on the Market, the Licensee must require the participant to disclose to the client the significant differences between trading derivatives on the Market and trading derivatives on an Australian-based market.
- (2) The matters that must be disclosed include, but are not limited to the following:
 - (a) the Licensee 's principal place of business is located in the United States of America;
 - (b) the Market is regulated primarily under the regulatory regime of the United States of America;
 - (c) the rights and remedies of, and compensation arrangements for, investors who acquire products offered on the Market may differ from the rights and remedies of, and compensation arrangements for, investors who acquire products offered on an Australian-based market; and
 - (d) Australian investors who acquire products offered on the Market may be subject to the effects of changes in currency exchange rates.

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
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 financial products	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.

10. 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