



## **Australian Market Licence (PO Capital Markets Pty Limited) 2023**

*Corporations Act 2001*

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I, Calissa Aldridge, Australian Securities and Investments Commission grant this Licence under subsection 795B(1) of the *Corporations Act 2001* (the Act) and impose conditions on this Licence under subsection 796A(1) of the Act.

Dated 11 May 2023

A handwritten signature in black ink, appearing to read 'Calissa Aldridge', written in a cursive style.

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 (PO Capital Markets Pty Limited) 2023*.

*Note: This instrument should be read in conjunction with the Corporations (PO Capital Markets Pty Limited) Exemption Notice 2023.*

## 2. Commencement

This Licence commences when it is granted.

## 3. Definitions

*Act* means the *Corporations Act 2001*.

*Australian ADI* means an Australian Entity that is an Australian ADI within the meaning of section 9 of the Act.

*Australian Entity* means an entity (including a corporation, partnership, managed investment scheme or trust) that is incorporated or formed in this jurisdiction.

*Foreign ADI* has the meaning given by section 5 of the *Banking Act 1959*.

*Legal Entity Identifier* means a legal entity identifier code in the format and structure specified in ISO 17442.

*Licensee* means PO Capital Markets Pty Limited ACN 642 321 891.

*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.

*Note: the following terms are defined in the Act:*

- (a) ASIC;
- (b) clearing and settlement facility;
- (c) deal;
- (d) debenture;
- (e) derivative;
- (f) financial market;
- (g) financial product;
- (h) financial service;
- (i) financial services licensee;
- (j) participant.

#### **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 that are interest rate derivatives.

#### **5. Participants**

- (1) It is a condition of this Licence that the Licensee must ensure that each participant:
  - (a) is an Australian ADI or a Foreign ADI; and
  - (b) only deals on the Market on their own behalf or on behalf of an Australian ADI or a Foreign ADI.

#### **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 trades by 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.

## **8. Operating rules**

It is a condition of this Licence that the Licensee must notify ASIC of the details of any proposed changes to its operating rules, within a reasonable period before implementing any such changes.

## **9. Quarterly Notifications**

- (1) It is a condition of this Licence that the Licensee must notify ASIC of the 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 Regulation 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; and
  - (d) if a person became or ceased to be a director, secretary or senior manager of the Licensee or of a holding company of the Licensee (including when a person changes from one of those positions to another).

## 10. 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 of the products specified in column 2 of the following table:

Category	Products known as
Interest rate derivatives	FRA, Interest Rate Swap, Cross Currency, Forward Debt, CapFloor, Swaption, Debt Option, 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 participant, identifying each participant by their registered name and, if applicable, their branch name and, if available, their Legal Entity Identifier.
- (2) It is a condition of this Licence that, during the first 12 months that the Licensee operates the Market, the Licensee must give to ASIC, in a machine-readable format, the information set out in 10(1) above within 5 business days after the end of each month.

## 11. 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.

## 12. 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 entered into 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 entered into through the Market.

## 13. 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 (PO Capital Markets Pty Limited) Exemption Notice 2023**

*Corporations Act 2001*

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I, Calissa Aldridge, Australian Securities and Investments Commission make this notice under subsection 791C(1) of the *Corporations Act 2001* (the Act).

Dated 11 May 2023

A handwritten signature in black ink, appearing to read 'Calissa Aldridge', written in a cursive style.

Signed

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

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## 1. Name

This is the *Corporations (PO Capital Markets Pty Limited) Exemption Notice 2023*.

*Note:* This instrument should be read in conjunction with the *Australian Market Licence (PO Capital Markets Pty Limited) 2023*.

## 2. Authority

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

## 3. Commencement

(1) This instrument commences on the later of:

- (a) the time that is immediately after the commencement of the *Australian Market Licence (PO Capital Markets Pty Limited) 2023*; 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*.

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

*Licensee* means PO Capital Markets Pty Limited ACN 642 321 891.

*Market* means the financial market operated by the Licensee under the *Australian Market Licence (PO Capital Markets Pty Limited) 2023*.

*Note: the following terms are defined in the Act:*

- (a) ASIC;
- (b) deal;
- (c) financial market;
- (d) financial service;
- (e) financial services licensee;
- (f) participant.

## 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:
- (a) paragraph 792B(2)(a) – relating to notifying ASIC of a new class of financial service incidental to the operation of the Market;
  - (b) paragraph 792B(2)(b) – relating to notifying ASIC of disciplinary action taken against a participant;
  - (c) 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;
  - (d) 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).
  - (e) 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
  - (f) paragraph 792B(5)(b) – relating to notifying of voting power of more than 15% in the Licensee or in 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 operating rules**

- (1) The Licensee does not have to comply with any of the following in relation to the Market:
- (a) Corporations Regulation 7.2.07(b)(ii) – relating to operating rules for the monitoring of participants' compliance with the operating rules;
  - (b) Corporations Regulation 7.2.07(b)(v) – relating to operating rules for the expulsion or suspension of a participant for breaches of Chapter 7 of the Act or regulations made under that Chapter;
  - (c) Corporations Regulation 7.2.07(b)(vii) – relating to operating rules for the expulsion or suspension of, or enforcement action against, a participant for failing to meet obligations under commitments entered into on the market;
  - (d) Corporations Regulation 7.2.07(f) – relating to operating rules dealing with the terms of the contract formed between participants;
  - (e) Corporations Regulation 7.2.07(h) – relating to operating rules to deal with mechanisms for settling market-related disputes between participants; and

- (f) Corporations Regulation 7.2.07(i) – relating to operating rules to deal with assessment and investigation of market-related disputes between participants.
- (2) The Licensee is exempt from the requirement to have market operating rules that comply with paragraph 798DA(2) of the Act.

**8. Exemption - Content of written procedures**

The Licensee does not have to comply with Corporations Regulation 7.2.08 relating to written procedures for the Market for the matters specified under the regulation.