

Financial Markets Conduct (NZX Rules) Approval of Rule Change Notice 2020 – Change in Regulatory Model

Pursuant to section 332(1) of the Financial Markets Conduct Act 2013, the Financial Markets Authority gives the following notice.

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Notice

1 Title

This notice is the Financial Markets Conduct (NZX Rules) Approval of Rule Change Notice 2020 – Change in Regulatory Model.

2 Commencement

This notice comes into force on 23 October 2020.

3 Interpretation

(1) In this notice, unless the context otherwise requires, —

Act means the Financial Markets Conduct Act 2013

FMA means the Financial Markets Authority

NZX means NZX Limited

NZX Rules means market rules specified in section 4 of this notice

RegCo means NZX Regulation Limited

(2) Any term or expression that is defined in the Act and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

4 Approval of rule changes

(1) Pursuant to section 331 of the Act, the FMA approves changes to the following rules in accordance with the proposed amendments provided for approval by NZX to the FMA on 31 August 2020, as further amended on 22 September 2020:

- NZX Listing Rules
- Derivatives Market Rules
- NZX Participant Rules
- Fonterra Share Market Listing Rules
- NZ Markets Disciplinary Tribunal Rules

Dated at Wellington this 23rd day of October 2020.



Sarah Vrede
Director of Capital Markets
Financial Markets Authority

Explanatory Note

This note is not part of the notice, but is intended to indicate its general effect.

This notice approves changes to the NZX market rules to enable NZX to implement a new regulatory model to regulate its licensed markets pursuant to an application submitted to the FMA for approval on 31 August 2020, and as further amended on 22 September 2020. A newly incorporated wholly-owned subsidiary of NZX, NZX Regulation Limited (**RegCo**) will undertake the functions currently performed by NZX Regulation. The new regulatory model will allow NZX to act by and through RegCo in performing any function or discharging any power that is set out in the following rule sets:

- NZX Listing Rules
- Derivatives Market Rules
- NZX Participant Rules
- FSM Listing Rules
- NZ Markets Disciplinary Tribunal Rules

The amended rules authorise RegCo to exercise the rights, powers, authorities and discretions under any delegated authority granted to it by NZX. This mechanism enables NZX as the licensed market operator to retain all of the necessary powers under the rule sets to operate its markets in a fair, orderly and transparent manner. These powers are then discharged by NZX by way of a delegation to RegCo.

The approved rule changes will come into effect on a date to be determined by NZX in accordance with the requirements of the relevant rule set.