

Financial Markets Conduct (ICAP Brokers Pty Limited and ICAP New Zealand Limited) Exemption Notice 2025

This exemption is granted by the Financial Markets Authority under section 556 of the Financial Markets Conduct Act 2013 after being satisfied of the matters set out in section 557 of that Act.

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Notice

1 Title

This notice is the Financial Markets Conduct (ICAP Brokers Pty Limited and ICAP New Zealand Limited) Exemption Notice 2025.

2 Commencement

This notice comes into force on 1 December 2025.

3 Revocation

This notice is revoked on the close of 30 November 2030.

4 Interpretation

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

Act means the Financial Markets Conduct Act 2013

client money has the same meaning as in section 431W(5) of the Act

client property has the same meaning as in section 431W(5) of the Act

ICAP Brokers means ICAP Brokers Pty Limited (ACN 002 216 944)

ICAP Market means the financial product market operated by ICAP Brokers and ICAP NZ in New Zealand through voice broking services where the infrastructure used is limited to a non-

executable electronic pricing screen, telephone services, electronic chat communications, intercom and software products that verify client deals and issue trade confirmations

ICAP NZ means ICAP New Zealand Limited

ICAP market rules means the rules for trading specified financial products on the ICAP Market

market participant means, in relation to the ICAP Market, an entity that is authorised by ICAP Brokers and ICAP NZ to participate in that market

specified date means each of 31 March, 30 June, 30 September and 31 December in each year

specified financial product means any of the following:

- (a) a derivative entered into between market participants:
- (b) a debt security issued by a registered bank:
- (c) a debt security issued by the Crown

specified period—

- (a) means each period starting on the date immediately following a specified date and ending on the immediately following specified date after the commencement of this notice; and
- (b) includes the period starting on the commencement date of this notice and ending on the immediately following specified date

wholesale investor has the same meaning as in clause 3(2) of Schedule 1 of the Act.

- (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.

5 Exemption from section 310 of the Act

ICAP Brokers and ICAP NZ are exempted from section 310 of the Act in respect of the operation of the ICAP Market.

6 Conditions of exemption in clause 5

The exemption in clause 5 is subject to the following conditions:

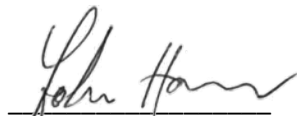
- (a) each of ICAP Brokers and ICAP NZ must not receive or hold client money or client property or operate any clearing and settlement facility in connection with its operation of the ICAP Market; and
- (b) each market participant must be an entity that is a wholesale investor acting on its own behalf as principal; and
- (c) each of ICAP Brokers and ICAP NZ must not trade on its own behalf, or as agent on behalf of others, on the ICAP Market; and
- (d) the only financial products that can be traded by market participants on the ICAP Market are specified financial products.

7 Exemption does not apply to period of non-compliance with certain obligations

- (1) The exemption in clause 5 does not apply to ICAP Brokers or ICAP NZ during the period that—
 - (a) starts when ICAP Brokers and ICAP NZ fail to comply with 1 or more duties set out in subclause (2); and

- (b) ends at the close of the date on which all of those failures have been remedied under subclause (3).
- (2) The duties are as follows:
- (a) ICAP Brokers and ICAP NZ must send a report to the FMA within 10 working days after the last day of a specified period that contains the following information:
 - (i) the total number of trades by market participants on the ICAP Market and the total value of those trades in New Zealand dollars for each type of specified financial product in that specified period; and
 - (ii) whether there have been any contraventions or possible contraventions by market participants of the ICAP market rules in that specified period and if so, details of the contravention or possible contravention:
 - (b) ICAP Brokers and ICAP NZ must notify the FMA as soon as practicable of any investigation, enforcement, or disciplinary action taken by any other New Zealand or overseas regulatory authority in relation to the ICAP Market.
- (3) The duties may be remedied as follows:
- (a) the duty under subclause 2(a) may be remedied by sending the report referred to in that paragraph to the FMA:
 - (b) the duty under subclause 2(b) may be remedied by notifying the FMA of the information required by that paragraph.

Dated at Wellington this 20th day of November 2025.



John Horner
Director, Markets, Investors and Reporting
Financial Markets Authority

Statement of Reasons

This notice, which comes into force on 1 December 2025 and is revoked on 30 November 2030, exempts ICAP Brokers Pty Limited (**ICAP Brokers**) and ICAP New Zealand Limited (**ICAP NZ**) from section 310 of the Financial Markets Conduct Act 2013 (**Act**) in respect of the operation of a financial product market that facilitates the trading of certain financial products through voice broking services and a non-executable pricing screen (**ICAP Market**). Section 310 of the Act requires that a person must not operate, or hold out that the person operates, a financial product market in New Zealand, unless the person holds a licence to operate that market under Part 5 of the Act, or the market is exempt from the licensing requirement under section 312 of the Act.

The Financial Markets Authority (**FMA**), after satisfying itself of the matters set out in section 557 of the Act, considers it appropriate to grant the exemption because—

- the information presented on the ICAP Market is simple in its format, the type of product that can be traded on the ICAP Market is limited to certain financial products, and the conditions of the exemption ensure that all participants in the ICAP Market are wholesale investors. Accordingly, the purposes of:
 - promoting informed participation of businesses, investors and consumers in the market; and
 - providing timely, accurate and understandable information to persons to assist those persons to make decisions relating to financial products or the provision of financial services,can be substantially achieved without ICAP being subject to licensing requirements with respect to the operation of the ICAP Market; and
- the exemption is subject to conditions that each of ICAP Brokers and ICAP NZ must not hold client money or property or operate any clearing and settlement facility in connection with the operation of the ICAP Market and must not trade on its own behalf, or on the behalf of others, on the ICAP Market. As such, it is not necessary to impose requirements in relation to those matters to achieve the purpose of the Act relating to governance arrangements and the management of governance risks; and
- given that the statutory purposes described above are substantially met without ICAP Brokers or ICAP NZ being subject to licensing requirements, the FMA is satisfied that it is desirable to grant the exemption in order to promote the purposes of the Act, specifically to promote flexibility in the financial markets and avoid unnecessary compliance costs.

Furthermore, taking into consideration:

- the matters set out in section 308 of the Act regarding the nature of the activities conducted, the size of the market, the nature of the financial products dealt with, the participants, and the technology used; and
- the purpose set out in section 229 of the Act to encourage a diversity of financial product markets that take account of the differing needs and objectives of issuers and investors,

the obligations arising out of the operation of subparts 7 and 8 of Part 5 of the Act are out of proportion to any benefits licensing ICAP Brokers or ICAP NZ may bring. From a regulatory perspective, the needs and objectives of the particular investors in relation to the particular products appear to be largely met by the existing arrangements. Also, to subject the issuers whose products are traded on the ICAP Market to listing rules and requirements would impose significant costs on ICAP Brokers, ICAP NZ and the issuers that are disproportionate to any benefit.

The exemption is subject to conditions limiting the nature of participant, the capacity in which they are participating, and the range of products traded on the ICAP Market. As such, the FMA is satisfied the exemption is not broader than reasonably necessary to address the matters that gave rise to the exemption.