



New Zealand Financial Product Market Licence (NZX Limited) 2014

1 Title

This licence may be cited as the New Zealand Financial Product Market Licence (NZX Limited) 2014.

2 Definitions

(1) In this licence:

Act means the Financial Markets Conduct Act 2013.

Commencement Date means the date on which clause 42 of Schedule 4 of the Act commenced, being 1 December 2014.

Company means NZX Limited.

Contract Specifications has the meaning given to that term in the NZX Derivatives Market Rules.

Existing Markets means the markets that, immediately before the Commencement Date, were registered markets within the meaning of section 2(1) of the Securities Markets Act 1988, being NZSX, NZDX, NZAX and FSM operated by the Company, or an authorised futures market within the meaning of section 37(1) of that Act, being the NZX Derivatives Market operated by the Company.

FMA means the Financial Markets Authority.

FSM means the Fonterra Shareholders' Market operated by the Company.

Market Maker Programme has the meaning given to that term in the NZX Derivatives Market Rules.

Market Rules means the market rules, within the meaning of the Act, that applied to each Existing Market immediately before the Commencement Date, as amended or replaced from time to time.

NZAX means the NZX Alternative Market operated by the Company.

NZDX means the NZX Debt Market operated by the Company.

NZ Markets Disciplinary Tribunal Rules means the NZ Markets Disciplinary Tribunal Rules that applied to the Existing Markets immediately before the Commencement Date, as amended or replaced from time to time.

NZSX means the NZX Main Board market operated by the Company.

NZX Derivatives Market Rules means the Derivatives Market Rules that applied to the NZX Derivatives Market immediately before the Commencement Date, as amended or replaced from time to time.

Procedures means the Derivatives Market Procedures that applied to the NZX Derivatives Market immediately before the Commencement Date, as amended or replaced from time to time.

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

3 Licence and revocation

- (1) This licence is a deemed licence conferred under clause 42, Schedule 4 of the Act to operate the Existing Markets.
- (2) This licence is deemed to have been issued under section 316 of the Act.
- (3) This licence shall continue in force until revoked by the FMA.

4 Application

This deemed licence is subject to conditions set out in this licence and applicable requirements in the Act for licensed market operators.

5 Market Rules

The Market Rules for each Existing Market continue to have effect in relation to that market as if those rules had been approved under section 331 of the Act.

6 Operating condition

Under this licence the Company may operate only the Existing Markets.

7 Clearing and settlement arrangements conditions

The Company must have and maintain at all times clearing and settlement arrangements that have been approved by the FMA, for transactions effected through the Existing Markets.

8 Enforcement of Market Rules condition

The Company must maintain the arrangements set out in the NZ Markets Disciplinary Tribunal Rules for enforcing compliance with the Market Rules.

9 Notification conditions

(1) In relation to the NZX Derivatives Market, the Company must:

- (a) notify and obtain the written consent of the FMA (such consent not to be unreasonably withheld or delayed) in relation to any amendments to existing Contract Specifications or for designation of new Contract Specifications prior to such amendments or designations becoming effective; and
- (b) notify the FMA of any proposed amendments to the Procedures before they are effected, and must obtain the written consent of the FMA before making any amendments to the Procedures which, in the opinion of the FMA, materially modify the application of the NZX Derivatives Market Rules; and
- (c) provide the FMA with notice in writing, as soon as reasonably practicable, if the Company seeks to approve a Market Maker Programme under the NZX Derivatives Market Rules.

(2) In relation to the Existing Markets, the Company shall at all times ensure that the FMA has been given notice of the person the FMA should contact in the first instance about any matters arising.
