

New Zealand Financial Product Market Licence (Singapore Exchange Derivatives Trading Limited) 2021

1 Title

This licence may be cited as the New Zealand Financial Product Market Licence (Singapore Exchange Derivatives Trading Limited) 2021.

2 Definitions

(1) In this licence:

Act means the Financial Markets Conduct Act 2013.

Clearing House means Singapore Exchange Derivatives Clearing Limited.

Commencement Date means the first business day after the date on which the licence is signed by the Minister of Commerce and Consumer Affairs.

FMA means the Financial Markets Authority.

Financial Product Market has the meaning given to it by section 309 of the Act.

MAS means Monetary Authority of Singapore.

Dairy Derivative means a derivative as that term is defined in section 8(4) of the Act in relation to a dairy product.

New Zealand Participant means a Participant who:

- (a) is resident or incorporated in New Zealand, or
- (b) is making offers of Dairy Derivatives to Retail Investors in New Zealand.
- (c) For the purposes of this licence, Dairy Derivatives are offered in New Zealand if an offer of the dairy derivative is received by a person in New Zealand regardless of where any resulting issue or transfer occurs and regardless of where the issuer or offeror is resident, incorporated, or carries on business.

Participant means a trading member of SGX-DT as defined in the SGX-DT Futures Trading Rules.

Retail Investor has the meaning given to it under section 6 of the Act.

SGX-DT means Singapore Exchange Derivatives Trading Limited.

SGX-DT Futures Trading Rules means SGX-DT market rules applicable to the operation of the SGX-DT Dairy Derivatives Market, as amended or replaced from time to time.

SGX-DT Dairy Derivatives Market means a financial product market operated by SGX-DT under the SGX-DT Futures Trading Rules in relation to Dairy Derivatives that are promoted to investors in New Zealand.

- (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 has been issued under section 317 of the Act.
- (2) This licence is effective from Commencement Date and shall continue in force until cancelled.

4 Application

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

5 Operating condition

Under this licence SGX-DT may operate only the SGX-DT Dairy Derivatives Market.

6 Conditions relating to the licensing of New Zealand Participants

SGX-DT must require New Zealand Participants to be licensed as a derivatives issuer under Part 6 of the Act to the extent they are required to hold such licence.

7 Disclosure by Participants to New Zealand clients

- (1) Before a Participant accepts the first order from a client in New Zealand to deal on the SGX-DT Dairy Derivative Market, SGX-DT must require the Participant to disclose to the client the significant differences between trading derivatives on the SGX-DT Dairy Derivative Market and trading derivatives on a New Zealand-based market.
- (2) The matters that must be disclosed include, but are not limited to, the following:

- (a) SGX-DT's principal place of business is located in Singapore;
- (b) the SGX-DT Dairy Derivatives Market is regulated primarily under the regulatory regime of Singapore;
- (c) the rights and remedies of, and compensation arrangements for, investors who acquire products offered on the SGX-DT Dairy Derivatives Market may differ from the rights and remedies of, and compensation arrangements for, investors who acquire products offered on a New Zealand-based market;
- (d) New Zealand investors who acquire products offered on the SGX-DT Dairy Derivatives Market may be subject to the effects of changes in currency exchange rates.

8 Clearing and settlement arrangements conditions

- (1) SGX-DT must have and maintain at all times adequate clearing and settlement arrangements for transactions effected through the SGX-DT Dairy Derivatives Market. The clearing and settlement arrangements are those provided by the Clearing House.
- (2) SGX-DT must notify the FMA of any material changes to its clearing and settlement arrangements, including material amendments to the rules and procedures of the Clearing House, that affect the SGX-DT Dairy Derivatives Market before such amendments are effected.

9 Enforcement of market rules condition

- (1) SGX-DT must have and maintain at all times adequate arrangements for enforcement of its market rules. The arrangements for enforcement of the market rules are those set out in the SGX-DT Futures Trading Rules.
- (2) SGX-DT must notify the FMA of any material changes to its enforcement arrangements, as set out in the SGX-DT Futures Trading Rules for enforcing compliance with its the market rules, that affect the SGX-DT Dairy Derivatives Market before such changes are effected.

10 Reporting obligations conditions

- (1) SGX-DT must give the FMA the following information:
 - (a) the current name and business address of each New Zealand Participant; and
 - (b) the name of the Clearing House clearing member used by each New Zealand Participant to clear the trades of that New Zealand Participant; and
 - (c) details of any written complaint received by SGX-DT during the reporting period concerning a New Zealand Participant or that New Zealand Participant's directors or other personnel where such complaint has not been resolved to the satisfaction of the complainant; and
 - (d) any disciplinary action SGX-DT has taken against any New Zealand Participants; and
 - (e) the volume of trades in respect of each product or product class traded on the SGX-DT Dairy Derivatives Market, during each reporting period by each New Zealand Participant.
- (2) SGX-DT must give the FMA the information required under clause 10(1) within 30 days of the end of each reporting period. For the purposes of this clause 10, the reporting period is each six-month period ending on 30 June or 31 December.
- (3) SGX-DT must notify the FMA as soon as practicable if:
 - (a) its licence to operate a derivatives market in the SGX-DT's place of incorporation is varied or revoked; or
 - (b) where SGX-DT becomes aware of matters which in its opinion may affect its ability to meet its regulatory obligations in New Zealand; or
 - (c) any statutory requirement applying to SGX-DT as a result of, or in connection with, its operation of a derivatives market is amended in a manner that materially alters an obligation or requirement imposed on the SGX-DT; or
 - (d) there is a material change to the SGX-DT operation of the SGX-DT Dairy Derivatives Market.
- (4) SGX-DT will provide written notification to the FMA:

- (a) for each Dairy Derivatives contract, and the applicable contract specifications prior to them being offered; and
 - (b) of any amendments to the Dairy Derivatives contracts specifications prior to such amendments becoming effective.
- (5) To the extent permissible by law, SGX-DT must immediately notify the FMA if:
 - (a) SGX-DT becomes aware that SGX-DT, or any of the SGX-DT's directors or senior management personnel, is subject to investigation by any regulatory or law enforcement agency; or
 - (b) SGX-DT, or any of the SGX-DT's directors or senior management personnel, is subject to any adverse finding by any Court, tribunal, regulatory authority, or disciplinary committee; or
 - (c) SGX-DT becomes aware that the Clearing House, or any of its directors or senior management personnel, is subject to investigation by any regulatory or law enforcement agency; or
 - (d) the Clearing House, or any of its directors or senior management personnel, is subject to any adverse finding by any Court, tribunal, regulatory authority, or disciplinary committee.
- (6) SGX-DT must immediately notify the FMA if SGX-DT knows or suspects that a New Zealand Participant has committed, is committing, or is likely to commit a significant contravention of any enactment effective in the SGX-DT's place of incorporation which the New Zealand Participant must comply with because of its participation in the SGX-DT Dairy Derivatives Market.
- (7) SGX-DT must at all times ensure that the FMA has been given notice of the person, or persons, the FMA should contact in the first instance about matters that require a response from SGX-DT.

11 Information Sharing and Co-operation Condition

SGX-DT must, if requested to do so in writing by the FMA and if not prohibited by any applicable law, provide information and documents, do all other things as may be reasonably required by the FMA, and answer any question asked by the FMA (or any person authorised by the FMA), that are necessary or desirable to enable the FMA to fulfil its functions. Where SGX-DT is unable to provide such

information and documents, SGX-DT will specify the reason why it is unable to provide information and documents.

12 Oversight by Monetary Authority of Singapore

To the extent permissible by law, SGX-DT must notify the FMA of any report materially affecting SGX-DT's operation of the SGX-DT Dairy Derivatives Market issued by MAS, or any other applicable regulatory agency, within three working days of a final report being received by SGX-DT, and unless prohibited by law provide a copy of such report to the FMA.

13 Condition relating to jurisdiction

SGX-DT must submit to the non-exclusive jurisdiction of the New Zealand courts in actions brought by the FMA.

14 Compliance report

For the purposes of section 337 of the Act, the reporting period is every second financial year of SGX-DT following the date of Financial Product Market licence variation.
