

Financial Markets Conduct (Marex NZ 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 (Marex NZ Limited) Exemption Notice 2025.

2 Commencement

This notice comes into force on 21 February 2025.

3 Revocation

This notice is revoked on 20 February 2026.

4 Interpretation

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

Act means the Financial Markets Conduct Act 2013

Marex means Marex NZ Limited

Marex Financial Product Market means the financial product market to be operated by Marex in New Zealand through the Voice-broking Facility

Marex market rules means Marex's client access and trading terms from time to time

Regulations means the Financial Markets Conduct Regulations 2014

Voice-broking Facility means the facility by which Marex operates voice-broking services where the infrastructure used is limited to telephone services, electronic chat

communications, intercom and software products that verify client deals and issue trade confirmations.

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

5 Exemption from section 310 of the Act

Marex is exempted from section 310 of the Act in connection with operating, or holding out as operating, the Marex Financial Product Markets.

6 Conditions of exemption

- (1) The exemption is subject to the following conditions —

Market access and broking

- (a) Marex does not receive or hold client money or client property or operate any clearing and settlement facility in connection with its operation of the Marex Financial Product Markets;
- (b) each participant in a Marex Financial Product Market is an entity that is a wholesale investor (as defined in clause 3(2) of Schedule 1 of the Act) acting on its own behalf as principal;

Financial products offered

- (c) each Marex Financial Product Market is used only in relation to derivatives between participants in that Marex Financial Product Market or exchange-traded derivatives;

Financial product market operation

- (d) Marex does not describe itself as operating a licensed financial product market in New Zealand or hold out that any financial product market it operates is a licensed financial product market in New Zealand;

Reporting

- (e) Marex must:
- (i) report to the FMA every 6 months from the date this notice comes into force, for the prior 6 months, in relation to the financial products specified in clause 6(c) that are traded on the Marex Financial Product Market:
- (A) the total number of trades and the total value, in NZD-equivalent terms, of trades by all participants by type of financial product (i.e. derivatives); and
- (B) any instances of potential or actual breaches of Marex market rules; and
- (ii) advise the FMA within 10 working days of any potential or actual compliance breach that has been discussed with, or notified to or by, any other regulator (in New Zealand or overseas) in respect of any matters concerning the Marex Financial Product Market; and
- (iii) confirm at the same time that it submits the reporting above, that the Marex Financial Product Market is promoting and facilitating the development of fair, efficient, and transparent financial markets.

Dated at Wellington this 20th day of February 2025.

A handwritten signature in black ink, appearing to read "John Horner". The signature is written in a cursive style with a large initial 'J' and a long, sweeping underline.

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

Statement of reasons

This notice, which comes into force on 21 February 2025 and is revoked on 20 February 2026, exempts Marex NZ Limited (**Marex**) from section 310 of the Financial Markets Conduct Act 2013 (the **Act**). Section 310 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 set out in this notice for the following reasons—

- Marex’s financial product market is simple in its format, the type of products that can be traded are limited, and the conditions of the exemption ensure that all participants in the Marex financial product market are wholesale investors. Accordingly, the following purposes can be substantially achieved without a licence—
 - promoting informed participation of businesses, investors and consumers in the financial markets; and
 - promoting and facilitating the development of fair, efficient, and transparent financial markets; and
 - the additional purposes of 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; and
- Marex must not:
 - hold investor money or property in relation to any financial product market it operates; and
 - operate any clearing and settlement facility on such financial product 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 the statutory purposes described above can be substantially met without Marex being subject to licensing requirements, it is desirable to grant the exemption in order to promote the further statutory purpose of avoiding unnecessary compliance costs; and
- granting the exemption promotes innovation and flexibility in the financial markets, by facilitating the establishment of a new financial product market with appropriate regulatory settings; and
- 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 to 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 would be out of proportion to any benefits licensing Marex may bring in relation to the financial product market permitted by the conditions to the exemption in this notice; and

- the exemption is subject to conditions limiting the infrastructure of the facility, the nature of participants, the capacity in which they are participating, and the range of products traded on any facility that has the benefit of the exemption. The exemption is also subject to conditions requiring Marex to report frequently to the FMA, and is being granted for a 12 month period. As such, the FMA considers the exemption is not broader than reasonably necessary to address the matters that gave rise to the exemption.