

Financial Markets Conduct (NZX Derivatives Market Rules) Approval of Rule Change Notice 1/2025

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

Contents

	Page
1 Title	1
2 Commencement	1
3 Interpretation	1
4 Approval of market rules	2

Notice

1 Title

This notice is the Financial Markets Conduct (NZX Derivatives Market Rules) Approval of Rule Change Notice 1/2025

2 Commencement

This notice comes into force on 27 February 2025.

3 Interpretation

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

Act means the Financial Markets Conduct Act 2013

Rules means the NZX Derivatives Market Rules

NZX means NZX 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.

4 Approval of market rules

Pursuant to section 331 of the Act, the Financial Markets Authority approves changes to the Rules set out in the application for approval provided by NZX to the FMA dated 23 December 2024, the amended Rule changes provided on 11 February 2025 and information subsequently provided to the FMA in connection with the application.

Dated at Wellington this 26th day of February 2025.



John Horner
Director Markets, Investors and Reporting
Financial Markets Authority

Explanatory note

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

This notice approves amendments to the Rules to allow for the following alternative clearing and settlement arrangement to be used for trades on NZX's derivatives markets:

- a clearing participant to call margin directly from a trading participant's client, without the need to go through a trading participant as is currently the case; or
- a clearing participant to call margin to its customer, who then passes the margin call to the trading participant's client.

The key specific Rule amendments to enable the above arrangements include:

- requiring disclosure in the relevant client and trading agreements as to which clearing arrangement will apply;
- requiring disclosure in relation to the client fund protections that will apply for client funds received for the clearing and settlement of trades; and
- clarifying rights and obligations of clients under the existing and alternative clearing models.

The amendments also remove a requirement on trading participants to provide written disclosure to the client, as it is duplicative for a client to receive both a client agreement and a client disclosure document.

The amended Rules will become effective on a date as determined by NZX in accordance with the Rules.