

Financial Markets Conduct (NZX Derivatives Market Rules) Approval of Rule Change Notice 8/2024

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 8/2024.

2 Commencement

This notice comes into force on 29 November 2024.

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

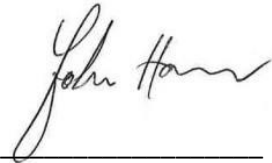
NZX means NZX Limited

(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 10 October 2024.

Dated at Wellington this 28th day of November 2024.



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 of which the material changes are:

- to provide NZX with a general discretion to determine the nature and frequency of position reporting required from derivatives participants and to share the reporting with New Zealand Clearing Limited,
- so that derivatives participants are required to have appropriate systems and controls to prevent orders resulting in wash trades, rather than stating that orders resulting in wash trades are prohibited. This aligns with the requirements in the NZX Participant Rules for equity and cash markets,
- to provide NZX with greater flexibility to both amend and cancel error trades. This also aligns with the settings in the NZX Participant Rules,
- relating to reporting that derivatives participants are required to provide to NZX confirming that they have complied with several specific requirements of the Rules. The amendments reduce the frequency of that reporting from monthly to quarterly. Capital adequacy reporting remains monthly. Similar changes are being made to the NZX Participant Rules.

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