

# Financial Markets Conduct (NZX Participant Rules) Approval of Rule Change Notice 4/2024

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 Participant Rules) Approval of Rule Change Notice 4/2024.

### 2 Commencement

This notice comes into force on 18 October 2024.

### 3 Interpretation

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

**Act** means the Financial Markets Conduct Act 2013

**FMA** means the Financial Markets Authority

**Rules** means the NZX Participant Rules

**NZX** means NZX Limited

**Trading Participant** has the meaning set out in the Rules and is a type of participant accredited by NZX that is permitted to trade on behalf of clients or as principal on the markets provided by NZX and directly enter orders into the Trading System, and is responsible for the accuracy of orders and the security and control of access to the Trading System.

**Trading System** has the meaning set out in the Rules.

(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 FMA approves amendments to the Rules set out in the application for approval provided by NZX to the FMA dated 30 August 2024 and information subsequently provided to the FMA in connection with the application.

Dated at Wellington this 16<sup>th</sup> day of October 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 changes to the Rules to allow entities that are not Trading Participants on NZX's equity and debt markets to apply to be designated as a "designated market maker" on those markets. Previously, the Rules provided that an entity must be a Trading Participant in order to be a designated market maker.

The key changes set out how the Rules will apply to non-Trading Participant designated market makers and provide that:

- an entity must apply to the NZX to be a designated market maker,
- non-Trading Participants must be a client of a Trading Participant in order to apply, and must conduct its market making activity through that Trading Participant,
- market maker specific obligations (that currently only apply to Trading Participant designated market makers) would also apply to non-Trading Participant designated market makers. This includes obligations to separate market making activities from other business activities,
- non-Trading Participant designated market makers would be subject to certain general conduct obligations such as the prohibition against market manipulation, and
- NZX will have a range of supervision and enforcement powers in respect of non-Trading Participant designated market makers.

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