



Register of FGL Operating Rules Rule Waivers

1 March 2021 to 31 March 2021

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Rule Waiver

Date	03 March 2021
Rule Number	FGL OR 4.2.10 Position Limits
Participant	All market participants
Decision	<p>FEX Global Pty Ltd (FGL) grants all market participants a waiver from FGL OR 4.2.10 for all products for a period of 6 months at which time this waiver will be reviewed by the FGL Board and revoked for developed products if practical, otherwise it will be renewed for another period of 6 months. All market participants will be provided with 3 months advanced notice of any changes to Position Limits for any Products.</p>
Basis	<p>As FGL is commencing a market from a position of no liquidity in any product and with a limited number of market participants it is impossible to define an initial Position Limit less than 100% that can be met with certainty by any market participant until such time as participation levels and liquidity levels grow sufficiently to support the desired tightening of position limits to reduce market concentration risks. Discussions with ASIC on this topic recognised this point.</p> <p>However, as an initial Position Limit of 100% within the FGL Operating Rules sends a false signal to the market, a documented position of 50% was established by FGL in the knowledge that an Operating Rule Waiver for Operating Rule 4.2.10 would need to be established during the commencement period for all new products offered in the new market.</p> <p>The development of liquidity in derivative products will vary greatly and therefore the timing of when a 50% or lower limit becomes appropriate and achievable for a given product will vary. The FGL Board will monitor product market growth closely and will refine the Position Limit settings for each product in line with the intent of managing the balance between initiating a market for a product and maintaining appropriate concentration risk management settings for a product as it commences its life.</p>