

1.

**Market Notice
2021/001****1 February 2021****Title:**Power Market
Transition
Arrangements**Attention:**

Trading Participants

For more information
please contact:Tom Price
+61 2 8024 5200
T.Price@fex.com.au**Power Market Transition Arrangements****Introduction**

FEX Global (FGL), a subsidiary of the Financial & Energy Exchange Group, was granted an Australian Market Licence by the Minister under s795B of the Corporations Act 2001 (Commonwealth of Australia) (the Act), enabling FGL to offer energy, commodity and environmental derivative products to retail and wholesale customers. Clearing services of the exchange will be provided by the global clearing house operated by the Chicago Mercantile Exchange Inc. (CME).

CME was granted a variation to its Australian Clearing and Settlement Facility Licence by the delegate of the Minister under s824B of the Act to deliver these services to FGL in February 2019.

FGL is currently executing the final implementation steps of its market launch. One implementation step that the Board of FGL has resolved to take is to align the availability of its Block Trading facility and Exchange for Physical (EFP) facility with the current operating hours of other markets offering comparable facilities for Power products to those available on FGL, for a limited transition period. To achieve this alignment the Board of FGL issues this Market Notice as a Direction to Trading Participants.

**Direction regarding operating hours for
Block and EFP facilities in relation to Power
products**

In order to provide a fair, orderly, transparent and flexible transition period for Trading Participants, the Board of FGL has resolved to temporarily adjust the time specified in the FGL Procedures relating to FGL Operating Rules 4.5.5, 4.5.6 and 4.6.5 by issuing this Direction.

From the Launch Date of the FGL Market and for a period of 4 months, unless another timeframe is designated prior to the conclusion of this initial time period, the FGL Procedures are to be interpreted as follows:

Current FGL Procedures:

4.5.5 Restrictions on conducting a Block Trade

Rule 4.5.5(b)(ii)

No later time has been specified for the purposes of Rule 4.5.5(b)(ii).

Amendment under this Direction:

4.5.5 Restrictions on conducting a Block Trade

Rule 4.5.5(b)(ii)

FGL Power products must be entered and confirmed in the Trading System within 30 minutes from the close of the day session for the purposes of Rule 4.5.5(b)(ii).

Current FGL Procedures:

4.5.6 Submission of a Block Trade request

Rule 4.5.6(a)

The following is specified for the purposes of Rule 4.5.6(a):

For all FGL products:

...

- (b) For a Block Trade to be cleared as a Trade on the current Trade Date it must be entered and confirmed in the Trading System **within 10 minutes from the close of the day session.**

Amendment under this Direction:

4.5.6 Submission of a Block Trade request

Rule 4.5.6(a)

The following is specified for the purposes of Rule 4.5.6(a):

For all FGL products:

...

- (b) For a Block Trade to be cleared as a Trade on the current Trade Date, **FGL Power products must be entered and confirmed in the Trading System within 30 minutes from the close of the day session and all other products must be entered and confirmed in the Trading System within 10 minutes from the close of the day session.**

Current FGL Procedures:

4.6.5 Submission of an EFP request

Rule 4.6.5(a)

The following times are specified for the purposes of Rule 4.6.5(a):

...

- (b) For an EFP to be cleared for the current Trade date it must be entered and confirmed in the Trading System **within 10 minutes from the close** of the day session.

Amendment under this Direction:

4.6.5 Submission of an EFP request

Rule 4.6.5(a)

The following times are specified for the purposes of Rule 4.6.5(a):

...

- (b) For an EFP to be cleared for the current Trade date, **FGL Power products must be entered and confirmed in the Trading System within 30 minutes from the close of the day session and all other products** must be entered and confirmed in the Trading System **within 10 minutes from the close** of the day session.

At the conclusion of the time period defined in this Direction, or a subsequent Direction, FGL Power Products will revert to the operating times specified in the FGL Procedures.

Participant Actions

No specific actions by Trading Participants are required. This Direction is made to align availability of these facilities should Trading Participants wish to access these two FGL facilities whilst executing any strategies they choose to use to transition between risk management products offered by different markets.