

Guidance Note

Released:

07 June 2019
Version: 3

Key concepts

Equality of information disclosure

Related Information

FGL Operating Rules

3.7.6, 4.2.7, 4.3.1(a), 4.5, and 4.6

Recommended Audience

Trading Managers

Derivatives Staff

Compliance Managers

Chief Executives and Managing Directors

Previous Issues:

Nil

GN 10 - Non-Disclosure of Client Order Information

Introduction

Client Order Information is only available for disclosure after it has been entered into the trading system, and then only the disclosure of the subset of information that is visible to all traders is permitted. The only exceptions to this position relate to Off-Market arrangements, including pre-negotiation of certain products, in accordance with the FGL Operating Rules. All other disclosures would breach the FGL Operating Rules.

Guidance

Disclosure

Information regarding client orders may not be disclosed until that information has been made known to the rest of the market. For instance, where a Trading Participant received instructions that give discretion to the Trading Participant and the Trading Participant does not represent that discretion in the market through an order, the Trading Participant cannot disclose to any party that such discretion exists and may only disclose the order once it has been entered.

Disclosure of the identity of the Client behind any order is not permitted. Disclosure of price flexibility is not permitted, even after an order has been entered into the trading system, except through modification of the visible price of the order.

Withholding

A Trading Participant would be in breach of the FGL Operating Rule 4.3.1(a) and the Market Integrity Rules if, upon receipt of an instruction to enter an order, the Trading Participant fails to enter the order in a timely manner. Further, it would be a more serious breach of the FGL Operating Rules if the Trading Participant failed to enter the order in a timely manner and obtains or attempts to obtain the opposing side to the order.

Exceptions

A Trading Participant may only disclose the existence of an order when an Off-Market arrangement or pre-negotiation of a specified FGL Product is being undertaken in accordance with the FGL Operating Rules, namely Block Trades and Exchange for Physicals (FGL Operating Rules 4.5 and 4.6) or an FGL product designated as acceptable for pre-negotiation by the Exchange. During these Off-market arrangements a Trading Participant must not disclose the Client identity to any party.

FGL has issued this Guidance Note to give general assistance to Trading Participants and Clearing Entities in their compliance with the Operating Rules. FGL is not bound by this Guidance Note in any particular case. This Guidance Note is not legal advice and Trading Participants and Clearing Entities should seek their own professional advice on their obligations under the Operating Rules in their particular circumstances. FGL may replace this Guidance Note at any time. Current Guidance Notes are available at www.fex.com.au/Guidance or by contacting FGL on enquiries@fex.com.au or on +61 2 8024 5200

Defined terms in this Guidance Note have the meaning given in the Operating Rules.