

## Guidance Note

### Released:

07 June 2019

Version: 3

### Key concepts:

Adequate number and level of experience held by Derivatives Staff

### Related information:

FGL Operating Rules

Part 2

### Recommended Audience:

Compliance Managers

Office Managers

Heads of Trading

### Previous Issues:

Nil

## GN 12 - Derivative Staff Experience

### Introduction

As a condition of admission and on an ongoing basis, Trading Participants must demonstrate a clear commitment to maintaining the level, quality and experience of Derivatives staff within their organisation.

### Guidance

#### Experience

For the Derivatives Staff of an applicant to be considered appropriate during the admissions assessment process, the specific skills training, length of tenure in roles, levels of delegated authority and other relevant experience of all nominated individuals will be considered as a group. It is not expected that every individual is fully experienced in all aspects of the Trading Participant's business.

The FGL Compliance Department will look at staff skills, training plans, compliance records, regulator disqualification records and any other business records that provide evidence of relevant experience during this assessment.

Where an individual deals directly with Retail Clients, the Trading Participant is to ensure that the individuals have attained and maintain suitable ongoing training standards consistent with ASIC requirements described in Regulatory Guide RG146 (Formerly PS146).

It is expected that persons employed into more senior roles within a Trading Participant will have relevant practical experience of at least three years in the Derivatives industry.

A similar assessment will be made during the regular Compliance examination of a Trading Participant to ensure that the experience of Derivatives Staff is maintained over time.

#### Adequate Numbers

For the number of Derivatives Staff of an applicant to be considered appropriate during the admissions assessment process, the expected business activity levels and the business plans to manage the unavailability of any given staff member are relevant. The Trading Manager and Compliance Manager of the Trading Participant should expect the FGL Compliance Department to request an explanation of how their business would cope with resourcing under certain scenarios. All responses ought to have some evidence in company records or documented plans.

#### Relevant Training

In addition to a Trading Participants' AFSL obligations to ensure client-facing Derivatives Staff have attained and maintain suitable ongoing RG146 (formerly PS146) accreditation, the FGL Compliance Department will expect Trading Participants to have a relevant training plan for any staff member with responsibility for orders entered into the Trading System or for the technical connectivity between the Trading Participant and the Exchange.

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