

Guidance Note

Released:

07 June 2019

Version: 3

Key concepts

Training compliance responsibility taken seriously

Related information

FGL Operating Rules

Part 2

Recommended Audience

Compliance Managers

Legal counsels

Chief Executives and Managing Directors

Previous Issues:

Nil

GN 13 – Training of Directors, Officers and Derivatives Staff

Introduction

Trading Participants must demonstrate, on an ongoing basis, a clear commitment to the obligations of a Trading Participant specified in the FGL Operating Rules. This commitment will be verified by FGL Compliance Department. Verification is performed by auditing the steps taken by the Trading Participants towards staff training and education. Verification of ongoing action will be done on a regular basis.

Guidance

Communication of obligations

The FGL Compliance Department will expect all Trading Participants to have in place a policy on staff awareness towards their Exchange obligations and a process by which new Directors, Officers and Derivatives Staff are made aware of the organisational obligations upon joining the Trading Participant.

The FGL Compliance Department will also expect that the Trading Participant recruitment process, at all levels of the business, will ensure that only persons of good fame, character and repute will be employed and that, in line with Australian Financial Service Licence (AFSL) obligations, no disqualified persons are permitted to act in any capacity recognised by the FGL Operating Rules. 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.

Relevant Training

In addition to 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. The training plans will be expected to keep staff abreast of all changes to the FGL Operating Rules and changes to the technical capabilities of the infrastructure used by the Trading Participant for its market access.

A Trading Participant remains responsible for meeting all obligations within the FGL Operating Rules irrespective of whether a third-party was used to implement elements of the technical connectivity that automated certain obligations, such as the obligation to implement client limits. If the third-party service reduces its functional capabilities, the Trading Participant must ensure that its obligations to the Exchange continue to be achieved and that its internal processes remain current.

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.