

## Guidance Note

### Released:

07 June 2019

Version: 3

### Key concepts:

Financial records required to be kept

Related information

FGL Operating Rules

Part 3

### FEX Guidance Notes:

GN 4 – Net Tangible Assets

GN 15 – Investment of Segregated Clients' Account

GN 20 – Segregation of Client Property

### Recommended Audience:

Compliance Managers

Operations Managers

Derivatives Staff Members

### Previous Issues:

Nil

## GN 19 – Accounting and Financial Records

### Introduction

Under the ASIC Market Integrity Rules (FEX Market) and Part 3 of the Operating Rules, Trading Participants and Clearing Entities are required to establish and maintain accounting and financial records and these records must (on request) be made available for inspection by the Exchange.

This Guidance Note provides more detail on what financial records must be kept and made available to the Exchange.

### Guidance

Each Trading Participant and Clearing Entity is required to establish and maintain up to date and complete records to record and explain:

- the financial position of the Trading Participant or Clearing Entity; and
- all money and property used in connection with the Trading.

Participant's or Clearing Entity's Exchange Business – including records relating to Segregated Clients' Account and segregated Client property.

The Exchange may request to inspect and/or copy the accounting and financial records, and a Trading Participant or Clearing Entity is required to produce the records, or make them available, to the Exchange within the time specified.

Each Trading Participant and Clearing Entity must maintain these records:

- in writing (in English) or in a form capable of being reduced to writing (in English); and
- in a form that will enable them to be conveniently and properly audited and retained for at least 7 years.

Generally, FGL will only request to inspect or copy records relating to the financial position of the Trading Participant or Clearing Entity in order to ascertain compliance with Rule 3.3.4 - Duty of Compliance.

However, the Exchange may request accounting and financial records for other purposes where it considers appropriate – for example, to determine whether a Trading Participant or Clearing Entity has complied with the requirements in relation to conducting an Exchange for Physical transaction.

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