

Guidance Note

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Key concepts

Product Terminology

Related Information

Operating Rules

Part 9

Recommended Audience

Trading Participants and
Clearing Entities

Derivatives Staff Members

Previous Issues:

Nil

GN 2 – Product Terminology in the Operating Rules

Introduction

The aim of this Guidance Note is to assist Trading Participants and Clearing Entities in their understanding of the following terminology used within the Operating Rules:

- FGL Product
- Individual FGL Product
- FGL Product Market
- FGL Contract

Guidance

FGL Product

FGL Product refers to the classes of Exchange Traded Derivatives that are available to Trade on the Exchange for example:

- FEX API5 Newcastle Coal (AUD)
- FEX ESPO Asia Crude

Individual FGL Product

Individual FGL Product refers to a particular settlement month for an Exchange Traded Derivative that is a Futures Contract and a particular settlement month, Exercise Price and put or call for an Exchange Traded Derivative that is an Option Contract for example:

- FEX API5 Newcastle Coal (AUD) December 2015
- FEX ESPO Asia Crude December 2015 6500 put

FGL Product Market

FGL Product Market refers to the market established by the Exchange for Trading FGL Products and Individual FGL Products for example:

- FEX API5 Newcastle Coal (AUD) market

FGL Contract

FGL Contract refers to either:

- 1 The contract that is formed when a Trade is initially matched (or executed) on a FGL Product Market i.e. initially a Market Contract is formed between the buy and sell Trading Participants; or

- 2 The contracts that are formed when the FGL Eligible Transaction resulting from a Market Contract is registered by the Clearing House as described in Operating Rule 9.5. i.e. the FGL Eligible Transaction becomes two (2) separate Open Contracts with the Clearing House becoming a buyer to the original seller (or that seller's Clearing Entity) and the seller to the original buyer (or that buyer's Clearing Entity).

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.