

Guidance Note

Released:

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Version: 3

Key concepts

FGL provides assistance in relation to the security systems of Trading Participants.

Related information

FGL Operating Rules

Part 3 and Part 4

FGL Procedures

Part 4

Recommended Audience

Operations Managers

Derivatives Staff Members

Compliance Managers

Previous Issues:

Nil

GN 41 – Security Assistance with Electronic Access

Introduction

Under the Operating Rules, FGL may review and make recommendations regarding the security measures of a Trading Participant in relation to any Order Router Facility. This Guidance Note intends to make clear that this review does not constitute an approval of the security measures by FGL.

Guidance

Conformance testing

Before a Trading Participant may implement an Order Routing Facility to connect to FGL it must pass conformance testing as detailed in the FGL Procedures.

FGL will make available appropriate FGL technical staff to liaise with a Trading Participant and, where appropriate, its independent software vendor (ISV) during the conformance testing process.

The FGL conformance testing procedure is not an evaluation or certification or approval of an Order Router Facility. Passing FGL conformance testing does not guarantee any particular level of performance by an Order Routing Facility nor does it guarantee that FGL will not exercise its powers to:

- (a) Suspend or terminate all or part of a Trading Participant's access to the Trading System; or
- (b) Direct a Trading Participant to suspend or terminate any access to an Order Router Facility.

If FGL believes that the access to the Trading System is compromising the operation of a fair, orderly and transparent market.

Review of security measures

FGL may review a Trading Participant's security measures, make recommendations for changes and require that these changes are implemented.

When FGL technical staff undertake reviews of a Trading Participant's security measures, they are an advisory resource only. FGL does not approve the relevant security measures nor is FGL (or the FGL technical staff) liable for any losses arising from their recommendations.

Each Trading Participant must implement adequate measures to ensure the security and protection of the Trading System, Trading equipment and any other FGL property. Any review of security measures by FGL, and the adoption of any recommendations regarding the security measures made by FGL, does not, of itself, satisfy this obligation. Each

Trading Participant needs to monitor its security measures on an ongoing basis to ensure the security and protection of the Trading System, and take appropriate action, as required, to ensure the continuing security and protection of the Trading System.

Where FGL sustains loss or damage which (directly or indirectly) is caused by a Trading Participant's failure to implement security measures as required the Trading Participant must indemnify FGL and make good the loss. This is the case even if FGL has reviewed the security measures and The Trading Participant has adopted all recommendations made by FGL technical staff.

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.