

## Guidance Note

### Released:

07 June 2019  
Version: 3

### Key concepts

Market continuity

### Related Information

FGL Operating Rules

*Part 5*

FGL Procedures

*Part 5*

### Recommended Audience

All Market Participants

### Previous Issues:

Nil

## GN 43 - System Failures and Market Halts

### Introduction

The FGL Trading System can be halted both automatically and manually by the Exchange. The system may be halted for any of the following reasons:

- FGL Trading System failure (automatic);
- communications failure (automatic or manual);
- world event (manual);
- physical emergency (manual);
- impediment to performance (manual); and
- regulatory reasons (manual).

### Guidance

FGL Trading Participants, when possible, will be informed of this halt as soon as practically possible. The following information will be outlined at this time:

- whether the halt was manual or automatic;
- if manually halted, the reasoning behind the market halt;
- an indication of the timeframe that the Market halt will be in place; and
- the process to be undertaken to resume the market (if known) such as Pre-opening periods, extension of session trading hours, etc.

The Exchange will keep Trading Participants informed of developments whilst the Market Halt is in place. Dependant on the issue, the FGL Exchange message facility may be unavailable for use, therefore the following avenues will be used:

- the FGL Trading System message facility (where available);
- updates to each Trading Participant's Primary Contact, the Clearing House, Data Vendors, ASIC and Offshore Regulators (if appropriate) by email and/ or telephone; and
- the FGL public website.

Dependant on the availability of a Trading Participant to connect to the FGL Exchange system, the Trading Participants can perform the following:

- the Trading Participant may cancel any Orders if it is able to access the Trading System; and
- the Trading Participant may request the Exchange to cancel any Orders if it is not able to access the Trading System. This request may be made via telephone to FGL Market Control and will need to be confirmed in writing.

Please note; FGL cancels orders on a “best endeavours” basis.

*For more information on this please refer to FGL Procedures 4.2.12.*

Once the Exchange has identified and resolved the original reason for the FGL Exchange system to be halted, they will review, but not be limited to, the following to ensure the resumption of trading is fair and orderly:

- a sufficient number of Trading Participants and their connection id's have re-connected to the FGL Exchange system;
- the FGL Exchange system is stable and ready to resume open trading;
- all Trading Participants are given ample time to cancel existing orders; and
- the steps, process and format for which the markets will be re-opened have been disseminated clearly and concisely to all Trading Participants, ISV's and Data Vendors.

At this point the FGL Exchange system will resume active trading, where stipulated by the above conditions.

#### FGL Product Market or Individual FGL Product halt

An individual FGL Product can be halted both automatically and manually by the Exchange. The product/s may be halted for any of the following reasons:

- price limits triggering (automatic); and
- in the best interest of a Fair, Orderly and Transparent market (manual).

FGL Trading Participants, when possible, will be informed of this halt as soon as practically possible. The following information will be outlined at this time:

- whether the halt was manual or automatic;
- if manually halted, the reasoning behind the market halt;
- an indication of the timeframe that the Market Halt will be in place; and
- the process to be undertaken to resume the market (if known) such as Pre-Opening periods, extension of session trading hours, etc.

The Exchange will keep Trading Participants informed of developments whilst the product is halted utilising:

- FGL Exchange system message facility; and
- updates to each Trading Participant's Primary Contact, the Clearing House, Data Vendors, ASIC and Offshore Regulators (if appropriate) by email and/ or telephone.

Dependant on the availability of a Trading Participant to connect to the FGL Exchange system, the Trading Participants can perform the following:

- the Trading Participant may cancel any Orders.

The Trading Participant may request the Exchange to cancel any Orders if it is not able to access the Trading System. This request may be made via telephone to FGL Market Control and will need to be confirmed in writing.

Please note; the Exchange cancels orders on a “best endeavours” basis.

*For more information on this please refer to FGL Procedures 4.2.12.*

Once the Exchange has identified and resolved the original reason causing the FGL Product to be halted, they will review, but not be limited to, the following to ensure the resumption of trading is fair and orderly:

- the FGL Exchange system is stable and ready to resume open trading;
- all Trading Participants are given ample time to cancel existing orders in the FGL Product; and
- the steps, process and format for which the markets will be re-opened have been disseminated clearly and concisely to all Trading Participants, ISV's and Data Vendors.

At this point the FGL Exchange system will resume active trading, where stipulated by the above conditions.

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](http://www.fex.com.au/Guidance) or by contacting FGL on [enquiries@fex.com.au](mailto:enquiries@fex.com.au) or on +61 2 8024 5200

Defined terms in this Guidance Note have the meaning given in the Operating Rules.