

**Reprint
as at 1 December 2015**



**Futures Contracts (J.P. Morgan Securities Australia
Limited) Exemption Notice 2010**

(SR 2010/490)

Futures Contracts (J.P. Morgan Securities Australia Limited) Exemption Notice 2010: expired, on 1 December 2015, by clause 3.

Pursuant to section 48(1)(d) of the Securities Markets Act 1988, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

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Notice

1 Title

This notice is the Futures Contracts (J.P. Morgan Securities Australia Limited) Exemption Notice 2010.

2 Commencement

This notice comes into force on the day after the date of its notification in the *Gazette*.

Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint. Note 4 at the end of this reprint provides a list of the amendments incorporated.

This notice is administered by the Financial Markets Authority.

3 Expiry

This notice expires on the close of 30 November 2015.

4 Interpretation

- (1) In this notice, unless the context otherwise requires,—

AFS licence means JPMSAL's Australian financial services licence granted under the Corporations Act 2001 (Aust)

Corporations Act 2001 (Aust) means the Corporations Act 2001 of the Commonwealth of Australia

JPMSAL means J.P. Morgan Securities Australia Limited.

- (2) Any term or expression that is defined in the Securities Markets Act 1988 and used, but not defined, in this notice has the same meaning as in that Act.

5 Exemption

JPMSAL is exempt from compliance with the Futures Industry (Client Funds) Regulations 1990 in respect of its dealings in futures contracts.

6 Conditions of exemption

The exemption in clause 5 is subject to the following conditions:

- (a) JPMSAL must comply with the terms and conditions, if any, of its authorisation under section 38 of the Securities Markets Act 1988 to carry on the business of dealing in futures contracts; and
- (b) JPMSAL must, in respect of its dealings in futures contracts under the authorisation described in paragraph (a), hold client funds in a segregated client funds account in accordance with the provisions of the following:
- (i) the AFS licence:
 - (ii) the Corporations Act 2001 (Aust):
 - (iii) regulations made under the Corporations Act 2001 (Aust) that relate to the protection of client money or client property.

7 Further condition of exemption

- (1) This clause applies if JPMSAL receives an external auditor's report that shows that JPMSAL has not complied with any of the following:
- (a) the AFS licence:
 - (b) the Corporations Act 2001 (Aust):
 - (c) regulations made under the Corporations Act 2001 (Aust) that relate to the protection of client money or client property.

- (2) If this clause applies, the exemption in clause 5 is subject to the further condition that JPMSAL send the external auditor's report to the Commission as soon as is reasonably practicable after receiving it.

Dated at Wellington this 21st day of December 2010.

The Common Seal of the Securities Commission was affixed in the presence of:

[Seal]

D W Mayhew,
Member.

Statement of reasons

This notice, which comes into force on the day after the date of its notification in the *Gazette* and expires on the close of 30 November 2015, exempts J.P. Morgan Securities Australia Limited (**JPMSAL**), until the close of 30 November 2015, from the Futures Industry (Client Funds) Regulations 1990.

The Securities Commission considers that it is appropriate to grant the exemption for the following reasons:

- JPMSAL currently carries on business in Australia, and is subject to regulation by ASIC and ASX in Australia. The exemption will allow JPMSAL to carry on its business with New Zealand clients under the same rules as apply in respect of its dealings with Australian clients; and
- the requirements of Australian law in respect of client money and client property are broadly equivalent to those under the Futures Industry (Client Funds) Regulation 1990, and provide adequate protection for New Zealand clients' assets; and
- by requiring JPMSAL to hold client money in a segregated client funds account in accordance with the provisions of Australian law in relation to the protection of client money and client property, the conditions of exemption provide adequate alternative safeguards for the protection of client money and client property.

Reprints notes

1 *General*

This is a reprint of the Futures Contracts (J.P. Morgan Securities Australia Limited) Exemption Notice 2010 that incorporates all the amendments to that notice as at the date of the last amendment to it.

2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

4 *Amendments incorporated in this reprint*

Futures Contracts (J.P. Morgan Securities Australia Limited) Exemption Notice 2010 (SR 2010/490): clause 3