

## PROPOSED AMENDMENTS TO FUTURES TRADING RULES

### Rule Amendments

#### CHAPTER 1 – GENERAL MATTERS

#### 1.6 Exclusion of Liability, Disclaimer of Warranties & Statutory Immunity

##### 1.6.1A Indemnity to the Exchange

(1) Each Trading Member indemnifies the Exchange and its directors, officers, employees, representatives and agents ("Indemnified Persons") against any loss or liability reasonably incurred or suffered by the Indemnified Persons where such loss or liability arose out of or in connection with:—

(a) any breach by the Trading Member of its obligations under the Rules; or

(b) any wilful, unlawful, reckless or negligent act or omission by the Trading Member.

(2) Without prejudice to the generality of Rule 1.6.1A(1), in the event that any legal, arbitration or other proceedings are brought to impose any liability on the Indemnified Persons for an alleged failure on the part of any Indemnified Person to prevent or to require action by a Trading Member or any of its directors, officers, employees, representatives or agents, the Trading Member shall reimburse the Exchange for:—

(a) all expenses and legal fees incurred by the Exchange in connection with such proceedings;

(b) any payment made by the Exchange with the approval of the Trading Member in connection with any settlement of such proceedings; and

(c) any payment made by the Exchange as a result of any order, award or judgment made in such proceedings.

The Trading Member shall render such co-operation as the Exchange reasonably requires in respect of such proceedings including without limitation the production of any document or records.

(3) Without prejudice to Rule 1.6.1A(2), the cost to the Exchange of producing, pursuant to a court order or other legal process, records relating to the business or affairs of a Trading Member may, at the absolute discretion of the Exchange, be required to be paid to the Exchange by such Trading Member, whether such production is required at the instance of such Trading Member or at the instance of any other party.

## **CHAPTER 2 – ACCESS AND MEMBERSHIP**

### **2.4 Licensing and Credit Rating Requirements for Members, their Employees and Agents**

A Bank Trading Member is required to satisfy the Exchange that it, or its parent bank, has obtained a credit rating that indicates, at least, adequate intrinsic safety and soundness, excluding external credit support, and a limited ability to withstand adverse business or economic conditions from any rating agency registered with an appropriate authority.:

- ~~(a) a financial strength rating of at least C from Moody's Investors Service;~~
- ~~(b) a bank fundamental strength rating of at least C from Standard & Poor's Corporation;~~
- ~~(c) a bank individual rating of at least C from Fitch, Inc; or~~
- ~~(d) an equivalent rating from any other international rating agency deemed acceptable by the Exchange.~~

#### **3.3.16A Separate Accounts**

## **CHAPTER 3 – CONDUCT OF MEMBERS, APPROVED TRADERS AND REPRESENTATIVES**

### **3.3 Duties of Members**

#### **3.3.16A Separate Accounts**

A Member must maintain separate accounts for each Person whose account is carried on the books of the Member.

<b>CHAPTER 4 – LISTING AND TRADING OF CONTRACTS</b>
<b>4.1 Rules Applicable to All Classes of Contracts Listed on the Markets</b>
<b>4.1.22 Emergencies</b>
<p>(1) If, in the opinion of the Exchange, any Emergency or circumstances calling for emergency action in the interests of maintaining a fair, orderly and transparent market or due performance of a Contract has developed or is developing, the Exchange may take such steps as it sees fit to provide for, correct or check the further development of those circumstances. These steps include the curtailment of trading in any Contract, revocation or suspension of access to QUEST, suspension of trading in a Market, deferment of delivery under any deliverable Futures Contract, designation of alternate delivery points or the modification of Contract Specifications.</p> <p>(2) <u>Without prejudice to the generality of Chapter 1, the Exchange shall not be liable to any Trading Member or any other Person in respect of any damage, loss, cost or expense of whatsoever nature (whether direct, indirect, special or consequential, including without limitation any loss of business, revenue, goodwill, bargain or profit), suffered or incurred by such Trading Member or other Person, arising out of or in connection with the exercise or non-exercise by the Exchange of its powers under Rule 4.1.22 or the determination by the Exchange of the satisfaction or non-satisfaction of any condition for the exercise of such powers.</u></p>
<b>CHAPTER 7 – ADVERSE EVENTS, RULE VIOLATIONS AND DISCIPLINARY ACTION</b>
<b>7.3 Exchange's Powers upon Occurrence of Adverse Events</b>
<b><u>7.3.8 Exchange's Liability</u></b>
<u>Without prejudice to the generality of Chapter 1, the Exchange shall not be liable to any Trading Member or any other Person in respect of any damage, loss, cost or expense of whatsoever nature (whether direct, indirect, special or consequential, including without limitation any loss of business, revenue, goodwill, bargain or profit), suffered or incurred by such Trading Member or other Person, arising out of or in connection with the exercise or non-exercise by the Exchange of its powers under Rule 7.3 or the determination by the Exchange of the satisfaction or non-satisfaction of any condition for the exercise of such powers.</u>

Blue struckthrough – deletions from existing rules  
Blue underlined – new rules

<b>CHAPTER 8 – DEFINITIONS AND INTERPRETATION</b>	
<b>8. Definitions and Interpretation</b>	
<b>8.1 Definitions</b>	
<b>“Acceptable Government Securities”</b>	Refers to securities issued by a government with a Moody's Investors Service sovereign rating of at least Aaa, Standard & Poor's Corporation sovereign rating of at least AAA, <del>or</del> Fitch, Inc sovereign rating of at least AAA; <u>or such other rating or such other government security as may otherwise be prescribed by and acceptable to the Exchange from time to time.</u>

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