

## **SECTION 24 EXCHANGE FOR PHYSICAL (EFP) TRANSACTIONS – FUTURES MARKET TRANSACTIONS**

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## **SECTION 24 EXCHANGE FOR PHYSICAL (EFP) TRANSACTIONS – FUTURES MARKET TRANSACTIONS**

Section 24 provides for “exchange for physical” (“EFP”) transactions which comprise:

- (a) a Futures Market Transaction; and
- (b) a transaction in a physical commodity or instrument.

The Sections describes when EFPs may be entered into and how they must be reported.

### **24.1 EXCHANGE FOR PHYSICAL (EFP)**

#### **24.1.1 General**

An Exchange for Physical (EFP) consists of two separate but related transactions, being:

- (a) a Futures Market Transaction; and
- (b) a transaction in a physical commodity or instrument.

Introduced 11/03/04 Origin ASXF 9.5.1 Amended 28/11/05

### **24.2 PERMITTED EFPS**

#### **24.2.1 Conditions**

EFPS may only be effected in accordance with this Section 24 and the Procedures.

Introduced 11/03/04 Origin ASXF 9.5.2

### **24.3 ENTRY INTO EFPS**

#### **24.3.1 Conditions**

An EFP may only be entered into where:

- (a) a genuine transaction in a physical commodity or instrument is executed whereby actual physical delivery or cash settlement occurs either at the time the transaction is effected or at a later time as agreed between both parties;
- (b) at or about the same time as the transaction referred to in paragraph (a) is agreed a Trading Participant or Trading Participants enter into a Futures Market Transaction opposite in effect to the transaction referred to in paragraph (a);
- (c) the buyer of the Futures Market Transaction in paragraph (b) is the seller of the transaction in paragraph (a) and the seller of the Futures Market Transaction in paragraph (b) is the buyer of the transaction in paragraph (a); and

- (d) the transaction referred to in paragraph (a) is for the same or substantially similar value or amount of the commodity or instrument, (or a substantially similar commodity or instrument), as the subject of entered into in the Futures Market Transaction referred to in paragraph (b) as determined by reference to the Procedures.

Introduced 11/03/04 Origin ASXF 9.5.3 Amended 28/11/05, 12/12/07

## **24.4 REPORTING OF EFPS**

### **24.4.1 Reporting**

EFPS must be reported to ASX in accordance with Rule 21.5.

Introduced 11/03/04 Origin ASXF 9.5.4

## **24.5 REPORTING AND REGISTRATION OF THE FUTURES MARKET TRANSACTION**

### **24.5.1 Transaction effective only when Futures Market Transaction confirmed by ASX**

The Futures Market Transaction component of an EFP reported to ASX is only effective once ASX confirms the Futures Market Transaction in accordance with the Procedures and is otherwise satisfied with the EFP. Futures Market Transactions confirmed by ASX will be registered in accordance with Rule 21.5.

Introduced 11/03/04 Origin ASXF 9.5.5 Amended 28/11/05

## **24.6 PARTIES TO EFP TRANSACTIONS**

### **24.6.1 Restriction**

For the purposes of Rule 24.3 an EFP cannot be effected where a Trading Participant acts for a person or party that is transacting as the buyer of both components of the EFP referred to in Rule 24.3.1(a) and (b), or the seller of both components of the EFP referred to in Rule 24.3.1(a) and (b).

Introduced 11/03/04 Origin ASXF 9.5.6 Amended 28/11/05, 12/12/07

## **24.7 RETENTION OF RECORDS**

### **24.7.1 Appropriate evidence must be retained**

Trading Participants must retain appropriate evidence of transactions entered into under an EFP referred to in Rule 24.3.1(a).

Introduced 11/03/04 Origin ASXF 9.5.7 Amended 12/12/07