NZX Limited

NZX Participant Rule Procedures

Client Asset review
Notification version

~~November~~ October 2026~~5~~

Contents

Section A: Interpretation and Construction

A.1 Interpretation

A.1.1 Definitions incorporated by reference: Capitalised terms defined in the NZX Limited Participant Rules have the same meaning when used in these Procedures, unless expressly stated or the context requires otherwise.

A.2 Construction

A.2.1 Without limiting any provision in a Rule relating to the application of that Rule to one or more Procedures, the following Rules shall also apply to these Procedures, with such necessary modifications to assist such application, including references to “a Rule” or “these Rules” being replaced with references to “a Procedure” or “these Procedures” mutatis mutandis:

Rules 1.2, 1.5, 10.1, 10.2 and 10.3.

Section 1:
Error Trade Cancellation Procedure

Procedures for Rules 10.14.1, 10.14.2, 10.14.4 and 10.14.10

Rule 10.14.1
Rule 10.14.2
Rule 10.14.4
Rule 10.14.10

10.14.1 If a Trading Participant considers that an Error has occurred in respect of a Trade and wishes to have or retain the right to request to have that Trade cancelled or amended under this Rule 10.14, the Trading Participant must notify NZX of the Error by the time and in the manner set out in Procedures and request that the Trade be cancelled or amended in accordance with this Rule 10.14.

10.14.2 If a Trading Participant becomes aware that an Error has occurred in respect of a Trade and the Error may have a Market Impact, then the Trading Participant must notify NZX of the Error immediately.

10.14.4 Upon receipt of a request for cancellation or amendment of a Trade under Rule 10.14.1 NZX will:

(a) Use its reasonable endeavours to either confirm or query the request within the time set out in Procedures;

(b) If required, use reasonable endeavours to contact the counterparty Trading Participant to the Trade within the time set out in Procedures to ascertain whether the counterparty Trading Participant agrees to the cancellation or amendment to the trade.

10.14.10 Each Trading Participant must keep a record of all Errors and cancellations of that Trading Participant's Trades resulting from Errors in accordance with Procedures.

1.1 Notice by Trading Participant

Rule 10.14.1
Rule 10.14.2

1.1.1 A Trading Participant must notify NZX of an Error in respect of a Trade within the time set out in the table below.

Type of Trade	Participant must notify NZX
Crossing (not having a Market Impact)	15 minutes after the Crossing has been reported through the Trading System
Negotiated Deal (not having a Market Impact)	30 minutes after the negotiated deal has been confirmed through the Trading System
Trade effected as a result of matching of Orders in the Trading System (not having a Market Impact)	15 minutes after the matching of Orders in the Trading System
Any Trade that may have a Market Impact	Immediately when the Trading Participant becomes aware that there is an Error

1.2 NZX Action

Rule 10.14.4

1.2.1 NZX will use its reasonable endeavours to:

(a) either confirm or query a request; and

(b) if required, contact the counterparty Trading Participant to the Trade to ascertain whether the counterparty Trading Participant agrees to the cancellation or amendment to the Trade; and

(c) as soon as possible within the time set out in the table below:

Type of Trade	Time by which NZX will endeavour to respond to the Trading Participant's Request
Crossing (not having a Market Impact)	30 minutes after being notified by the Trading Participant
Negotiated Deal (not having a Market Impact)	30 minutes after being notified by the Trading Participant
Trade effected as a result of matching of Orders in the Trading System (not having a Market Impact)	30 minutes after being notified by the Trading Participant
Any Trade that may have a Market Impact	60 minutes after being notified by the Trading Participant

1.3 Information to be provided to NZX

1.3.1 A Trading Participant must notify or make a request by contacting NZX Surveillance by telephone or by chat through the Trading System or NZX Client & Market Services by telephone providing the following information:

(a) date of notice or request;

(b) Trade date;

(c) deal ID/Trade reference number;

(d) security code;

(e) number of Securities;

(f) price;

(g) counterparty (if known); and

(h) nature of Error and reason for seeking cancellation.

Rule 10.14.10

1.4 Trading Error Register

1.4.1 A Trading Participant or an NZX Advising Firm must keep a record of all Trades and Crossings with a value of $1,000 or more in respect of which an Error has occurred. The Trading Error register must, as a minimum, contain the following information:

(a) the nature of the Error;

(b) the Security the Error related to;

(c) any effect the Error has had on that Trading Participant and/or client of that Trading Participant;

(d) whether, and if so how, the Error was remedied;

(e) the date the Error was made and who made the Error; and

(f) the date the Error was remedied.

Section 2:
Trade Flags

Procedure for Rule 10.1.5

10.1.5 Each Trading Participant must ensure that all Orders entered or submitted into the Trading System by that Trading Participant are entered or submitted with the trading flags and data required by Procedures. This Rule extends to all Orders entered or submitted into the Trading System by a Trading Participant's Dealers and by DMA Authorised Persons authorised by that Trading Participant to enter or submit Orders.

2.1 Required Trading Flags

2.1.1 All Orders submitted into the Trading System must include the appropriate flag in the "Account" field to indicate whether the order relates to a Retail Client, Wholesale Client, Employee /Prescribed Person, or the Trading Participant is Acting as Principal, as follows:

Account Type	Trading Flag
Retail	R
Wholesale	W
Employee/Prescribed Person	E
Principal	P
Market Maker	M

Where more than one of the available options applies, the flag which represents the majority of the volume of that Order should be selected. However, where any part of the Order is as Principal the Principal flag should be selected. In all of these cases, Trading Participants should also indicate that multiple Orders have been included by noting "m" in the "CSN" field.

2.1.2 All Off-Market Trades entered/reported into the Trading System must include the applicable flag(s) in the "Trade Source" field to indicate the nature of the transaction. Where more than one of the available options applies, the Trade Source flags must be prioritised in the following order:

(a) Late Reported/Late Trade

(b) Put Through

(c) Portfolio

(d) Special

(e) VWAP

(f) Private Negotiated Deal

2.1.3 All Orders, or Trades, that are Short Sales of Securities must be entered into the Trading System with the designated "Short Sale" field selected.

Section 3: Recognised Markets, BPOT Jurisdictions and Indices

Procedures for Rule 1.1,

1.1 "Recognised Market Index" means an index specified in the Procedures;

1.1 "Recognised Market" means a market specified in the Procedures;

Rule 1.1

3.1 Recognised Market Index

3.1.1 Each of the indices specified in the following table is a Recognised Market Index:

Country	Index
Australia	S&P/ASX200
Austria	ATX
Belgium	BEL 20
Canada	TSE 35
France	CAC 40
Germany	DAX
Hong Kong	Hang Seng
Italy	MIB 30
Japan	Nikkei 225
Netherlands	EOE 25
Spain	IBEX 35
Sweden	OMX
Switzerland	SMI
UK	FTSE 100; FTSE mid-250
US	S&P 500

3.2 Recognised Market

3.2.1 Each of the markets specified below (and any successor thereof) is a Recognised Market:

Australian Securities Exchange
Toronto Stock Exchange
Deutsche Borse
Hong Kong Exchange
Tokyo Stock Exchange
Singapore Exchange
SIX Swiss Exchange
NASDAQ OMX
London Stock Exchange
NYSE Euronext

3.3 Recognised BPOT Jurisdiction

3.3.1 Each of the jurisdictions specified below is a Recognised BPOT Jurisdiction:

Australia
Canada
Hong Kong
New Zealand
United Kingdom
United States of America
Singapore
Japan

3.3.2 NZX may specify additional jurisdictions as Recognised BPOT Jurisdictions from time to time which will be specified on NZX's website.

Section 4: [DELETED]

Section 5: Automated systems for Prescribed Person Order approvals

Procedure for Rule 10.5.4(d)

10.5.4 The written authority required under Rules 10.5.2 and 10.5.3 must be provided by:

(d) an automated system that meets the requirements of the Procedures.

5.1 Automated system requirements

5.1.1 An automated system must provide a Trading Participant or NZX Advising Firm with the capability to intervene to prevent written authority being provided for an Order, and must record the reasons for the Trading Participant or NZX Advising Firm's decision not to grant approval for the Order.

5.1.2 An automated system must, as a minimum, ensure:

(a) checks for activity in potential price-sensitive information have been completed and are recorded;

(b) filters reject the approval request where the relevant Trading Participant or NZX Advising Firm's Employee, or Prescribed Person that is not its Employee:

(i) has requested to trade a Security for the account of a Prescribed Person which is on the Trading Participant or NZX Advising Firm's restricted list;

(ii) is aware that the Trading Participant or NZX Advising Firm has completed unpublished research in relation to the Issuer to which the Order relates; or

(iii) is acting on a current transaction for the Issuer to which the Order relates;

(c) filters reject approval requests for trades for the account of an Employee who is restricted by a wall crossing, or for the account of a Prescribed Person who is related to that Employee; and

(d) Holding Periods have been observed, where relevant.

Section 6: Client Assets

Procedure for Rule 18.4.4

18.4.4 If a Client Funds Account becomes overdrawn for any reason, or an associated general ledger bank book is overdrawn at end of day, the Market Participant Accepting Client Assets must immediately notify NZX and include in the notification the information required by the Procedures.

6.1 Information required when notifying an overdrawn Client Funds Account

6.1.1 For the purposes of Rule 18.4.4, a notification must include the information contained in the table below.

Information required	Information from the Market Participant
Participant	
Date of overdraft	
Date overdraft identified and reported	
CFA general ledger name and number of the overdrawn account(s)	
Bank, branch, account name and account number of the overdrawn CFA	
Amount and currency of the overdraft	
Details of the transaction causing the overdraft (date, amount, other party/account)	
Did the overdraft occur on the physical Bank account or the general ledger, or both?	
Did the overdraft occur intraday only, or was the CFA overdrawn at the end of a Business Day?	
Did the overdraft result in Client Assets being less than Outstanding Obligations?	
Details of the how the overdraft occurred – what happened, why it happened, and the parties involved	

What is being done to resolve the problem and is the firm being given backdated value for the funds?	
The time frame to resolution and any actions to be taken pending resolution?	
Actions being taken to prevent an overdraft occurring again	

6.1.2 Where reporting an overdrawn Client Funds Account, the Market Participant Accepting Client Assets must also include:

(a) the Bank statement relating to the overdrawn Client Funds Account for the affected Business Day/s;

(b) the general ledger statement relating to the overdrawn Client Funds Account for the affected Business Day/s; and

(c) the Client Assets reconciliation in the form of Appendix C for the affected Business Day/s.