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## Disclaimer

This Guidance Note has been issued by NZX to promote Market certainty and to assist Market Participants. It sets out NZX's general approach to the interpretation of the NZX Participant Rules, but is not to be regarded as a definitive statement of the application of the Rules in every situation. NZX may replace Guidance Notes at any time and a Market Participant should ensure it has the most recent version. This does not constitute legal advice. NZX recommends that Market Participants take advice from qualified persons.

# GUIDANCE NOTE GN0004/04 – SCHEDULE OF REGISTERS, RECORDS AND TRAINING

## Introduction

This **Guidance Note** is published to provide Market Participants with a practical and hands on reference check for the registers, records and training required under the **NZX Participant Rules (Rules)**.

To ensure compliance with Good Broking Practice, the **Rules** require Market Participants to retain, record and provide NZX with selective information on aspects of a Market Participant's Broking Business. The purpose of this is to:

- (a) Ensure the broking practices of all Market Participants are consistent; and
- (b) To provide uniformity and assist with the inspection by NZX of the records kept by Market Participants.

In this Guidance Note is a table of the registers, records and training required and information to be provided to NZX under the **Rules**.

A Market Participant defined in **Section 1** of the **Rules** as:

*“A participant in the markets provided by NZX who has been accredited and approved by NZX as any of the following:*

- (a) *An NZX Trading and Advising Firm;*
- (b) *A Principal Book Only Dealer;*
- (c) *An NZX Advising Firm;*
- (d) *A Bank Only Participant;*
- (e) *A Post Trade Participant;*
- (f) *A FASTER Participant;*
- (g) *An NZX Sponsor;*
- (h) *A Distribution and Underwriting Sponsor; or*
- (i) *Any company, firm, organisation or corporation or any other business entity designed or approved as a Market Participant from time to time by NZX pursuant to Rule 3.18.”*

## Background

To set a standard of good practice in relation to the maintenance and provision of records and information, the **Rules** now contain exact details about what information must be provided to NZX, what records and registers must be kept by Market Participants and what training employees of Market Participants must undertake.

Rule Reference	Frequency	Comment
<b>Rule 3.10</b> Management Arrangements	As required	Market Participants (MPs) must keep a record of their management structures and provide NZX with copies of that structure. If the management structure of a MP changes then NZX must be advised of that change.
<b>Rule 3.27</b> Record Keeping	7 years	Records or documents that are kept and maintained in a register under the <b>Rules</b> must be kept for a minimum of <b>7 years</b> .
<b>Rule 4.3</b> Register of Dealers	As required	MPs must maintain a register of Dealers and advise NZX of those Dealers. MPs are also required to notify NZX of any changes to its Dealers pursuant to <b>Rule 4.7</b> .
<b>Rule 5.9.1</b> Register of NZX Advisors	As required	Client Advising Participants (CAP) are required to maintain an up to date register of NZX Advisors employed by, or contracted to, it and provide that list to NZX. Each time there is a change (if an NZX Advisor joins or leaves a CAP) an updated list must be forwarded to NZX.
<b>Rule 6.3.2 and 6.7</b> FASTER Settlement Officers Register	As required but within 5 Business Days of the change	All FASTER Settlement Officers must have their name entered into a register. NZX must be notified where there is any change in personnel holding the position of FASTER Settlement Officer and an updated register must be sent to NZX <b>within 5 Business Days</b> of the change being made.
<b>Rule 8.8.2</b> Beneficial Owners	As required but within 5 Business Days of the change	MPs (except those MPs who are also listed issuers) must maintain an up-to-date register containing, in the case of MP that is a company, a schedule of shareholders in the MP and, in the case of a MP that is a partnership, a schedule of partners and, if a partner is a company, a schedule of shareholders in that company. This register must be updated <b>within 5 Business Days</b> of a change being made.
<b>Rule 9.4.1</b> Discretionary Accounts	As required	A register must be maintained of all discretionary accounts operated by a CAP. All discretionary accounts must be formalised by way of agreement with a client.
<b>Rule 9.5</b> Hold Mail Accounts	As required	CAPs who conduct hold mail accounts for clients must maintain a register recording the name and details required by <b>Rule 9.5.2(a) to (g)</b> for all such clients.
<b>Rule 9.8.3</b> One-Off Sales	As required	CAPs must maintain a record of all of its one-off sale transactions in a one-off sale register. This must include copies of identity verification documents.
<b>Rule A10.7.1(b)</b> Annual Undertakings	Annual	Each TP, Advising Firm or Distribution & Underwriting Sponsors (DUS) must obtain an annual written undertaking from its employees that they have complied with the requirements of Rule A10.7.1
<b>A10.7.1A(c)</b> Employee Trading	Daily	Maintain records of the reconciliation checks of approvals sought under Rule A10.7.1 and trades completed
<b>A10.7.3A</b> Employee Trading	As required	Each TP, Advising Firm or DUS must maintain records of all requests for permission to trade and allotments of securities.

Rule Reference	Frequency	Comment
<b>Rule A10.8</b> Obligations of all TPs	As required	TPs must keep and maintain records of the time and date of receipt of each order as part of the accounting records.
<b>Rule A10.13.1</b> DMA Authorised Person Register	As required	TPs must keep a register of all DMA Authorised Persons, plus keep copies of written security arrangements the TP has with those DMA Authorised Persons.
<b>Rule A10.17.4</b> Trading Errors	As required	Each TP must keep an up to date record of all trading errors over the value of \$1,000.
<b>Rule 11.4/ Class waiver</b> CSNs	As required	The CSN class waiver issued 28/7/2006 allows use of a dummy CSN in circumstances where a selling client does not have a CSN, provided an audit trail of the circumstances are maintained.
<b>Rule 11.5.2</b> Insider Trading Records	As required	A written record must be maintained by the Compliance Manager of a CAP of all referrals of suspected insider trading. This record should contain details of the actions taken, referrals made and resolution.
<b>Rule 11.6</b> Client Complaints	As required	The responses to and resolution of all written client complaints must be overseen by the CAP's Compliance Manager and these must be maintained in a central register in date order.
<b>Rule 11.10</b> Conflict management records	As required	Sufficient documentation to evidence compliance with the CAP's own internal Conflict Management Procedures and include a register of Employee Security Holdings required by Rule 11.10.1A(d).
<b>Rule 11.10</b> Conflict management records	Annually	CAPs must obtain undertakings from employees that the employees will follow the internal conflict management procedures.
<b>Rule 11.11.9</b> Voice Recording Tapes	As required but held for a period of 10 Business Days from the time the client order is given to the CAP	All voice recording tapes of orders must be labelled and sorted and must be retained by a CAP for a period of <b>10 Business Days</b> from the time the client order is given to the CAP on the condition that if any issue arises in relation to that client order during that 10 Business Day period the voice recording tape must be kept for as long as the issue remains active and unresolved.
<b>Rule 11.12.1</b> Order Records	As required	CAPs must maintain appropriate audit trails for each order (this should include order/deal tickets, written order confirmation, copies of electronic instructions and the electronic order record on the CAP's in-house order system).
<b>Rule 13.16.4</b> Delivery Obligations – FINs	As required	Records of clients FINs may be stored providing the DSP has the client's written agreement to store the FIN and the FIN is electronically encrypted.
<b>Rule 13.16.7</b> Register of Transfers	As required	Each DSP must be able to immediately provide NZX with details all transfers of securities undertaken by the DSP.
<b>Rule 13.41.5</b> Client Inward Transfers	As required	A DSP must maintain a report for all completed CITs where the returned registered name and address at the registry differs from the records held by that DSP.

Rule Reference	Frequency	Comment
<b>Rule 13.42.2</b> Daily Exceptions Report	Daily	DSPs must produce a <b>daily</b> exceptions report of client addresses which are recorded differently on the Issuer's register to the addresses recorded by the DSP. DSPs are only required to complete a daily exceptions report for those client trades which are to settle at the end of that day.
<b>Rule 13.46</b> Reconciliation Requirements	As required (including daily where required)	DSPs must keep an accurate and up-to-date written record of all trades and related matters entered into by the DSP whether those trades have been successfully completed or not and perform daily reconciliation of its internal records against the FASTER records for securities and funds. All reconciliations performed must be signed off as accurate by the DSPs operational department manager.
<b>Rule 15.13</b> Checklist of Internal Controls	Monthly	MPRLC's must <b>each month</b> complete a checklist of in-house monitoring reconciliation and Liquid Capital Prescribed Level calculation in the form approved by NZX.
<b>Rule 16.1</b> MPs Accounts, Audit and Supply of Information	As required	MPs must keep books of account and records containing complete and accurate records and explanations of affairs and transactions of its Broking Business which must be: (a) Kept separate and distinct from the books and other records of any other business in which the MP may be involved; (b) In the information required by <b>Rule 16.6</b> ; and (c) Sufficient to enable an auditor to supply the assurance certificate and report as required by <b>Rule 16.2</b> .
<b>Rule 16.6.1</b> Accounting Records and Controls	As required	MPs must maintain accounting records in respect of its business activities and in respect of the assets, liabilities and transactions in its control or for which it is accountable. These records must be prepared in accordance with Generally Accepted Accounting Practice.
<b>Rule 17.10</b> Market Participant's obligation to report breaches	As required	MPs must report actual or likely "significant" breaches to NZX. Factors which should be used to determine what is "significant" would include the frequency of similar previous breaches, the impact of the breach, effect on compliance arrangements and financial impact. A breaches log is an efficient method of monitoring trends in compliance with the Rules.

### Information to be provided to NZX

Rule Reference	Frequency	Comment
<b>Rule 3.1</b> Application for Designation as a Market Participant	Upon initial application for designation as a MP	Applications for designation as a MP must be made in writing and provided with all information and supporting documentation required by <b>Appendix 1</b> to the <b>Rules</b> .

Rule Reference	Frequency	Comment
<b>Rule 3.2.1</b> Additional Information for Overseas Applicants	Upon initial application for designation as a MP	An applicant who is resident outside of New Zealand must include, together with its application and supporting documentation required by <b>Appendix 1</b> to the <b>Rules</b> , evidence that it is regulated by a Recognised Securities Exchange or other foreign regulatory authority recognised by NZX as upholding the same or similar standards as NZX.
<b>Rule 3.5</b> Statutory Declarations by new Directors of Market Participants	As required but no later than 5 Business Days of an appointment	Whenever a new director of a MP which is a company is appointed that director must provide NZX with a statutory declaration in the form of <b>Appendix 1D</b> to the <b>Rules</b> as soon as practical but <b>no later than 5 Business Days</b> from that directors appointment as such.
<b>Rule 3.6</b> Statutory Declarations by new Partners of Market Participants	As required but no later than 5 Business Days of an appointment	Whenever a new partner of a MP which is a partnership is appointed that partner must provide NZX with a statutory declaration in the form of <b>Appendix 1D</b> to the <b>Rules</b> as soon as practical but <b>no later than 5 Business Days</b> from that partners appointment as such.
<b>Rule 3.10</b> Management Arrangements	As required but no later than 5 Business Days of any change	MPs provide NZX with a copy of its management structures and advise NZX of any changes to that structure <b>no later than 5 Business Days</b> of any changes being made.
<b>Rule 3.11</b> Compliance Managers	As required but within 1 Business Day of any change	MPs must provide NZX with notice in writing of the name and position of the Compliance Manager and any other position held by that Compliance Manger. NZX must also be advised of the resignation or change of a MP's Compliance Manager within <b>1 Business Day</b> of that change being made.
<b>Rule 3.12</b> Grouping Provisions	As required but no later than <b>5 Business Days</b> after any change	MPs must provide NZX with notice in writing of all its group relationships (as defined in <b>Rule 3.12.1</b> ) and of any changes to any of those relationships <b>no later than 5 Business Days</b> after such a change is made.
<b>Rule 3.16</b> Resigning as a Market Participant	As required but not less than 20 Business Days before the intended resignation date	If a MP resolves to resign as a MP it must give NZX <b>not less than 20 Business Days</b> notice of that intention and the date upon which the proposed resignation will take effect.
<b>Rule 3.20</b> Notice of a Proposed Broking Office or Associate with another MP	As required but at least 15 Business Days	A MP wishing to open a further Broking Office in addition to its Principal Broking Office, or join in partnership or become associated with another MP, must give NZX <b>at least 15 Business Days</b> notice in writing of its intention to do so,
<b>Rule 3.26</b> Insurance	As required but as soon as any material claim is made against that insurance	MPs must take out and maintain at all times suitable and adequate insurance coverage, and provide to NZX details of that cover. MPs must notify NZX of any material claims on that insurance cover or another policy that is relevant to the MP's Broking Business as soon as any claim is made, including notification to NZX of the reasons why the material claim has been made.

Rule Reference	Frequency	Comment
<b>Rule 3.28</b> After Hours/Emergency Details	As required but within 1 Business Day of any change	MPs must notify NZX of the after hours/emergency contact details for that MP, and update NZX of any changes to those details <b>within 1 Business Day</b> .
<b>Rule 3.29</b> Additional Notifications	As required but within 20 Business Days or 10 Business Days from the intended change date (as applicable)	MPs must notify NZX of any changes to: <ul style="list-style-type: none"> <li>(a) The accredited client accounting software vendor used by the MP within <b>20 Business Days</b> prior to the change coming into effect if that change will in any way impact on the Trading System and/or the FASTER System; or</li> <li>(b) <b>10 Business Days</b> notice in writing if there is no impact to the Trading System and /or the FASTER System; or</li> <li>(c) The name of the MP <b>not less than 10 Business Days</b> before the name change is intended to be effected; and/or</li> <li>(d) The location of any of the MP's Broking Offices <b>not less than 10 Business Days</b> prior to the intended location change.</li> </ul>
<b>Rule 4.7</b> Dealers	As required but within 5 Business Days of the change being made	TPs must provide NZX with written notice of any changes to its Dealers as soon as that change has been made and in any case <b>within 5 Business Days</b> of the change being made.
<b>Rule 4.7</b> DMA Dealers	As required but within 5 Business Days of the change being made	TPs must provide NZX with written notice of any changes to its DMA Dealers as soon as that change has been made and in any case <b>within 5 Business Days</b> of the change being made.
<b>Rule 4.7</b> Notification of Dealers and DMA Dealers	As required	TP's must ensure that NZX has at all times an up-to-date list of all Dealers and DMA Dealers employed by or contracted to the TP
<b>Rule 4.10</b> Change of Status	As required, but no later than 10 Business Days before the effective date of termination	If a Trading Participant (TP) is also a Delivery and Settlement Participant (DSP) resolves to terminate its status as a DSP, that TP must provide NZX and all other parties effected by the TP's decision to cease being a DSP as soon as the resolution to cease operating as a DSP is finalized and in any case <b>no later than 10 Business Days</b> before the effective date of such termination.
<b>Rule 5.9.1</b> Register of NZX Advisors	As required	When an Advisor joins or leaves a CAP that CAP must forwarded an updated list of Advisors employed by it to NZX. Such notification must also contain the contact details of a resigning Advisor for the 6 month period after that Advisor has left the CAP's employment.
<b>Rule 6.7</b> NZX Designation of FASTER Settlement Officers	As required but with in 5 Business Days of the change being made	DSPs must provide NZX with notice in writing of any changes to the person(s) holding the position of FASTER Settlement Officer(s) of that DSP as soon as that change has been made but in any case <b>within 5 Business Days</b> of the change being made.

Rule Reference	Frequency	Comment
<b>Rule 6.7</b> Notification of FASTER Settlement Officers	As required	DSPs must: (a) Ensure that NZX has at all times an up-to-date list of all FASTER Settlement Officers employed or contracted to it; and (b) Immediately notify and provide an amended list to NZX whenever a FASTER Settlement Officer either commences employment or a contractual relationship, or ceases to be employed by or contracted to that DSP.
<b>Rule 7.2.4</b> Assurance of Authority to Act	As required	Primary Market Participants (with the exception of Distribution and Underwriting Sponsors) acting for an issue must request in writing an assurance from NZX that its authority to act in that issue has not been withdrawn.
<b>Rule 7.4.2</b> NZX Sponsors and Distribution and Underwriting Sponsors	As required but within 5 Business Days of a change being made	NZX Sponsors (NZXS) and Distribution and Underwriting Sponsors (DUS) must advise NZX as soon as practicable, and in any event <b>within 5 Business Days</b> of a change being made, of any changes in the personnel identified in that NZXS or DUS initial application for designation under the Rules that results in that NZXS or DUS no longer having personnel with the experience in those transactional areas.
<b>Rule 7.5</b> Instruction Sheets	As required	Primary Market Participants must provide NZX and other MPs with an instruction sheet containing the information outlined in <b>Rule 7.5.2</b> for a new issue of securities if that issue: (a) Is a non-renounceable issue; (b) Has timetable differences across geographic locations; (c) Involves a capital reconstruction; or (d) Involves any complex issue or event that has the potential to cause confusion in the market.
<b>Rule 8.1.1(d)</b> Information that a reasonable person would be expected to disclose to NZX	As required	MPs and their NZX Advisors are required to keep NZX promptly informed of anything that a reasonable person may reasonably be expected to disclose to NZX as a Registered Exchange. In the event that a MP or Advisor is in doubt about whether or not a matter may involve a significant breach of likely breach for the purposes of Rule 17.10 the MP or Advisor may inform NZX of the matter under Rule 8.1.1(d).
<b>Rule 8.3</b> Supply of Information	As required	MPs and their NZX Advisors may be required to provide information to NZX as requested by NZX at any time.
<b>Rule 8.8</b> Schedule of Shareholders in MP	Within 5 Business Days of a change to the shareholders in the MP	MPs are required to provide NZX, on an ongoing basis, with an up to date list of shareholders in the MP. The beneficial owners of those shares must be identified and the number of shares they hold disclosed. Changes must be notified <b>within 5 Business Days</b> . MPs who are Listed Issuers are excluded from this requirement.

Rule Reference	Frequency	Comment
<b>Rule 8.16.3</b> Business Continuity Plan and Emergency Procedures	As required	MPs need to have a business continuity plan and emergency procedures and provide that plan and procedures to NZX. In addition, a MP must notify NZX in writing if any emergency arises which results in that MP being unable to comply with the requirements as set out in the <b>Rules</b> . Any notification of an emergency must contain details of the specific steps being undertaken to remedy that emergency.
<b>Rule A10.7.3</b> Employee Trading	As required but before the event	Each TP, Advising Firm or DUS must notify NZX before offering shares in any IPO, subsequent Public Offering or non public offer to their employees. This notification must certify the details in A10.7.3(a) to (e)
<b>Rule 11.5.3</b> Insider Trading	As required	The Compliance Manager of a CAP must report to NZX any instances of suspected insider trading.
<b>Rule 12.8</b> Resignation as a Market Maker	As required but not less than 20 Business Days notice	Market Makers must advise NZX in writing of its intention to resign as a Market Maker or as a Market Maker in a specific security <b>not less than 20 Business Days</b> before the intended date of such resignation unless NZX consents to a shorter notice period.
<b>Rule 14.7.1</b> Requirements for client funds accounts	As required	Each Market Participant must (a) provide NZX with copies of the client funds trust letter in the format specified by NZX (b) advise material changes to the client funds accounts (new / closed accounts etc).
<b>Rule 14.7.2</b> Requirements for client funds accounts	As required	NZX must be notified immediately the Market Participant becomes aware that either the ledger or the physical bank account is overdrawn. This immediate notification includes situations where a bank error takes an account overdrawn even if the bank is to correct the situation with good value.
<b>Rule 15.2(a)(ii)</b> Current Assets	As required	If a short term loan, guarantee, bond facility or short term agreement is put in place NZX must be advised in writing.
<b>Rule 15.4</b> Disclosure of contingent liabilities	As required	Any contingent liabilities (for example claims, pending legal action, undertakings, guarantees, obligations) which are not recorded on the balance sheet must be disclosed to NZX
<b>Rule 15.6(f)(iv)</b> Underwriting Positions	Daily	A Market Participant Requiring Liquid Capital (MPRLC) who has entered into an underwriting or sub-underwriting arrangement and is required by NZX to do <b>daily</b> reporting of that underwriting position is required to provide that report in the form of an NZX FF4 Report.
<b>Rule 15.9.1</b> Daily Liquid Capital Reporting	Daily (no later than 11am)	MPRLCs must complete and report a full calculation of its prescribed and actual liquid capital levels on a <b>daily</b> basis ( <b>no later than 11am</b> ) in the format of NZX's FF3 Summary Report.



Rule Reference	Frequency	Comment
<b>Rule 15.9.5</b> Obligation to Calculate Liquid Capital Levels	Monthly	MPRLCs must supply to NZX on a <b>monthly</b> basis at: (a) Trial balance summary in the format of an NZX FF1 Report; (b) Liquidity statement in the format of an NZX FF2 Report; and (c) Internal Control Checklist.
<b>Rule 15.12</b> Requirement to notify	Immediately	MPRLCs must notify NZX <b>immediately</b> if: (a) There is any material change, loss or exposure which may affect the MPRLC's Liquid Capital position whether or not it continues to maintain Liquid Capital in excess of the Prescribed Level; or (b) The MPRLC's Liquid Capital position at any time falls below a threshold of 20% in excess of the Prescribed Level.
<b>Rule 15.13</b> Checklist of Internal Controls	Monthly	MPRLC's must <b>each month</b> complete a checklist of in-house monitoring reconciliation and Liquid Capital Prescribed Level calculation in the form approved by NZX and submit that completed checklist signed by the MPRLC's Managing Principal or Responsible Executive with the Liquid Capital Form FF2.
<b>Rule 16.2</b> Assurance Certificate and Report	When required by NZX	When notified by NZX a MP must, <b>within the time specified</b> by NZX, supply NZX an assurance certificate and report from a practicing chartered accountant. That assurance certificate and report must contain the information set out in <b>Rule 16.2.2</b> .
<b>Rule 16.4A</b> Determining Compliance with the Rules	When required by NZX	<b>When requested</b> , MPs must make available to NZX any account and other records of, or relating to, the MP.
<b>Rule 16.5</b> Financial Statements	Annually	MPs must provide copies of their <b>annual</b> audited financial statements to NZX within 90 days of the balance date. The MP must advise NZX immediately if there is a qualified audit opinion in respect of their financial statements.
<b>Rule 16.9</b> Powers of NZX	When requested by NZX	MPs must produce for inspection by NZX <b>without delay</b> all books and records relating to the MPs Broking Business, or allow NZX to inspect or have access to the network, system, equipment or processes, the accounting and internal control records of the MP and any other aspect of a MPs Broking Business as outlined in <b>Rule 16.9</b> .
<b>Rule 16.11</b> Supply of Information to NZX	When requested by NZX	MPs must provide NZX <b>on a continuing basis</b> such information as may be requested by NZX.
<b>Rule 16.13</b> Additional Requirements for Records	Monthly	MPs must provide NZX <b>no later than 10 Business Days</b> of each month, a copy of a trial balance as at the last day of the preceding month in the format of forms FF1 and FF2.
<b>Rule 17.10</b> Market Participant's Obligation to Report	Immediately	If a MP becomes aware that it or another MP has failed to meet any significant obligations under the <b>Rules</b> that MP must <b>promptly</b> notify NZX in writing of the circumstances of that failure.

Rule Reference	Frequency	Comment
<b>Rule 18.7.1</b> Specific Requirements	When requested	FASTER Registries must provide NZX <b>when requested</b> , certain security holder information including that information listed in <b>Rule 18.7.1(a) to (f)</b> .
<b>Rule 18.7.4</b> Specific Requirements	As required	FASTER Registries must provide as soon as reasonably possible, but in any event <b>within 5 Business Days</b> , any information requested by NZX to ensure the operation of a fair and orderly market.

## Client Documents

Rule Reference	Frequency	Comment
<b>Rule 9.4.5</b> Written Reports on Discretionary Accounts	Quarterly or 6 monthly and within <b>20 Business Days</b> of the end of the reporting period	CAPs must prepare and forward to a client for whom the CAP holds a discretionary account, a written report on a <b>quarterly basis</b> (or <b>6 monthly</b> as agreed with the client) setting out the points (a) to (c) of <b>Rule 9.4.5 within 20 Business Days</b> (unless the CAP and the client agree otherwise) after the end of the client reporting period.
<b>Rule 9.4.5</b> Written Reports on Discretionary Accounts	Annually	CAPs must prepare and send a tax year end summary of income dividends and taxes no later than the Inland Revenue deadlines.
<b>Rule 9.5.3</b> Contract Note for Hold Mail Accounts	As required	A copy of each contract note must be provided to each of the client's NZX Advisors and the Compliance Manager if the client's account is a Hold Mail Account.
<b>Rule 9.6.1</b> Client Agreement	As required	CAPs must enter into signed written agreements with each of its Retail Clients and those agreements should cover items (a) to (f) of <b>Rule 9.6.1</b> and maintain that agreement on the client's file or in a register of clients.
<b>Rule A10.3</b> Acting as Principal	As required	Trading Participants (TP) when acting as principal in a transaction shall record this on the contract note.
<b>Rule A10.4</b> Acting as Agent	As required	TPs when acting as agent for both parties in a transaction shall disclose this on the contract note and also disclose that they are earning income from both parties.
<b>Rule 11.16</b> Contract Notes	As required	CAPs must despatch contract notes to clients' postal addresses within the timeframes specified within Rule 11.16. CAPs must disclose on a client's contract note: <ul style="list-style-type: none"> <li>(a) Whether the CAP is paid or will be paid by both parties to a trade;</li> <li>(b) The full extent of any commission and margin charge; and</li> <li>(c) Any other benefit to that CAP or its representatives arising from the transaction.</li> </ul>

Rule Reference	Frequency	Comment
<b>Rule 14.14</b> Written Reports on Custody Accounts	Quarterly or 6 monthly and within <b>20 Business Days</b> of the end of the reporting period	CAPs must prepare and forward to a client for whom the CAP holds a Custody Account or Nominee Account, a written report on a <b>quarterly basis</b> (or <b>6 monthly</b> as agreed with the client) setting out the points (a) to (c) of <b>Rule 14.14.3 within 20 Business Days</b> (unless the CAP and the client agree otherwise) after the end of the client reporting period.
<b>Rule 14.14</b> Written Reports on Custody Accounts	Annually	CAPs must prepare and send a tax year end summary of income dividends and taxes no later than the Inland Revenue deadlines.

### Checks/Agreements and Approvals

Rule Reference	Frequency	Comment
<b>Rule 9.4.4</b> Discretionary Accounts	6 monthly	The Compliance Manager or suitably qualified delegate must review compliance with the Rules and the conduct of the account within the clients' requirements.
<b>Rule A10.7</b> Employee Trading	As required	Employees must obtain prior written approval (from their Compliance Managers, Managing Principal or delegate thereof) to trade for each individual order that they wish to place.
<b>Rule 13.4.4</b> Delivery Obligations	As required	DSPs must enter into a Post Trade Agreement with each TP for whom it is undertaking settlement and delivery.

### Accreditation and Trading

Rule Reference	Frequency	Comment
<b>Rule 3.4.2(b)</b> Responsible Executive Training	As required	To be approved by NZX as a Responsible Executive (RE), the RE must have completed any training or qualifications as required from time to time by NZX.
<b>Rule 3.11.4</b> Compliance Managers	As required	Each Compliance Manager (CM) must be adequately experienced and qualified for the role of CM.
<b>Rule 3.14</b> Employee Training	As required	Each Employee of an MP must: <ul style="list-style-type: none"> <li>(a) Be provided with training appropriate for their position</li> <li>(b) Be provided with on going training to ensure that they are kept up-to-date with the changes in securities law, security exchanges and market rules, practices and technology; and</li> <li>(c) Undergo such accreditation and/or receive such training from time to time as NZX may require. Such training must cover the relevant parts of the <b>Rules, Guidance Notes, and any directions given from time to time by NZX.</b></li> </ul>
<b>Rule 4.2</b> Dealers and DMA Dealers	As required	Dealers and DMA Dealers must be accredited and approved by NZX.

Rule Reference	Frequency	Comment
<b>Rule 4.3.3</b> Dealer Training	As required	Dealers and DMA Dealers must undergo training and accreditation, and ongoing training as required by NZX (please refer to <b>Guidance Note GN0005/04</b> for guidance).
<b>Rule 5.2</b> NZX Advisors and NZX Associate Advisors	As required	All employees who provide advice to clients must be designated as NZX Advisors or NZX Associate Advisors.
<b>Rule 5.3</b> NZDX Advisors	As required	All employees who provide advice to clients on the NZDX must be an NZX Advisor, NZX Associate Advisor or an NZDX Advisor.
<b>Rule 5.4</b> /NZDX Advisors	As required	NZX may require a candidate wishing to become an NZDX Advisor to undergo the accreditation and training to be designated an NZX Advisor, NZX Associate Advisor r.
<b>Rule 5.8</b> Continuing Requirements for Advisors	As required	NZX Advisors must comply with continuing professional development and training requirements as prescribed by NZX from time to time.
<b>Rule 6.2</b> FASTER Settlement Officers	As required	DSPs must have accredited FASTER Settlement Officers and those FASTER Settlement Officers must be suitably trained for the role.
<b>Rules 6.3.3 and 6.5</b> FASTER Settlement Officers	As required	NZX may require at any time FASTER Settlement Officers to undergo training and/or accreditation.
<b>Rule 8.1.2</b> Conduct of Market Participants and Advisors	As required	MPs must ensure that its employees comply with continuing professional development requirements as prescribed by NZX from time to time.