



Become a NZX Participant

BECOME A NZX PARTICIPANT ▼

For more than 150 years we have been creating opportunities for investors, both local and global, to grow their personal wealth, and assisting New Zealand businesses to prosper. As New Zealand's Exchange, we are proud of our record in supporting the growth of local companies to reach their global potential.

NZX operates New Zealand's equity, debt, funds, derivatives, and energy markets. To support the growth of our markets, we provide trading, clearing, settlement, depository, and data services for our customers.

Our global connections with NASDAQ, Toronto (TMX), Singapore (SGX), London (LSE), Hong Kong (HKEX), Shanghai (SSE), Australia (ASX), South Pacific (SPX), World Federation of Exchanges (WFE), Sustainable Stock Exchanges (SSE) and the European Energy Exchange (EEX), alongside our other global alliances, mark a step-change in our engagement with markets around the world.



NZX PARTICIPANTS ▼

We offer a variety of membership options across both our cash and derivatives market, which are designed to incorporate Trading, Clearing and Depository activities.

NZX works in close partnership with our clients to ensure that we have a thorough understanding of your needs and requirements to support your business. As New Zealand's Exchange we provide fit for purpose technological and regulatory framework for successful trading and clearing.

► BENEFITS OF BEING A NZX PARTICIPANT

Liquidity

Access to over 400 listed products and 200 listed issuers across the equity and debt markets.

NZX is the dominant liquidity venue in dual-listed securities offering best execution outcomes for you and your clients.

Because of continuous development of NZX market conditions, products have never been easier to trade.

Integrity

NZX is a member of the World Federation of Exchanges (WFE) and is a trusted institution- having run New Zealand's Capital Markets for over 150 years.

We have an independently governed regulatory arm which keeps us to the highest standard of market integrity.

Growth

The S&P/NZX 50 has proven to be resilient over the years, with strong growth that have historically outperformed major indices.

Connectivity to NZX allows for greater portfolio diversification and opportunity for you and your clients to access high-quality established, growing and emerging companies.

Partnership

Align with NZX, and the powerful positioning of the New Zealand brand, to ensure the best outcomes for your business and clients.

Enjoy an extensive range of membership options for international based firms who wish to gain access to our markets.

▶ NZX PARTICIPANT TYPES

A firm may hold multiple accreditations.

NZX MARKETS: EQUITY, DEBT & DERIVATIVES

NZX TRADING

NZX CLEARING

ADVISING
PARTICIPANT

TRADING &
ADVISING
PARTICIPANT

CLEARING
PARTICIPANT

DEPOSITORY
PARTICIPANT



Advising Participant

An Advising Participant's primary role is to advise clients on the products quoted on the NZX Markets.

Advising Participants are not able to directly enter and/or settle trades and must enter into a Trading Agreement with an NZX-accredited Trading Participant for the execution of trades.

Advising Participants must meet minimum capital adequacy requirements on an initial and ongoing basis.

Trading & Advising Participant

An NZX Trading & Advising Participant has the ability to trade on behalf of clients or as Principal in the markets provided by NZX. Trading & Advising Participants must meet minimum capital adequacy requirements on an initial and ongoing basis.

A Trading & Advising Participant who is not also a Clearing Participant must have a clearing & settlement arrangement with an accredited General Clearing Participant in order to clear and settle their settlement obligations.

Clearing Participant

An NZX Clearing Participant is able to clear and settle transactions on the NZX Markets. There are several different types of Clearing Participants catering to your preferred clearing operations:

- Individual Clearing Participant (ICP)
- General Clearing Participant (GCP)
- Default Clearing Participant (DCP)

All Clearing Participants are also Depository Participants for settlement and offering access to the exchange-owned Central Security Depository and Legal Title Transfer System.

Clearing Participants must meet minimum capital adequacy requirements on an initial and ongoing basis.

Depository Participant

A Depository Participant is a Participant that has been authorised to participate in the NZX Central Security Depository.

Depository Participants can access the Legal Title Transfer system in relation to any admitted product in the NZX Depository.

Depository Participants have the ability to utilise the NZX Corporate Actions Solution for efficient and seamless corporate actions management.

Note: This guide is intended for Cash Market Secondary Market Participation and does not cover Primary Market Participants (NZX Sponsors). For further information on all NZX Market Participants please refer here: <https://www.nzx.com/services/market-participants/become-a-participant>

MARKET TECHNOLOGY & CONNECTIVITY

NZX Trading Technology

NZX operates the Nasdaq Matching Engine and provides connectivity via the Native FIX, ITCH and OUCH Message Protocols.

Trading Participants may connect to the Trading system via the Nasdaq ME Workstation GUI or via a supported Independent System Vendor (ISV). Participants who develop their own in-house trading software are welcome to develop directly to the exchanges message specification requirements.

NZX offers a range of order types and additional functionality to assist Participants in managing their compliance obligations.

NZX Clearing Technology

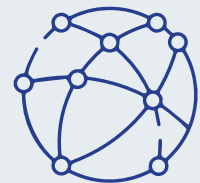
NZX Clearing operates the TCS BaNCS Market Infrastructure platform.

NZX provides SWIFT market infrastructure connectivity into TCS BaNCS. Any SWIFT member or customer of a SWIFT bureau can send and receive ISO 15022 messages using this network.

BaNCS interfaces with various Back Office Systems as well as offering a Web-based GUI, providing flexible connectivity options for Clearing & Depository Participants.

CONNECTIVITY OPTIONS

NZX offers a wide range of connectivity options regardless of location. The right option will depend on your preference and the NZX services you are interested in.



Connectivity options include:

- Sydney PoP
- Leased Line Circuit
- Third Party Provider
 - BT Radianz
 - IPC Network Services
 - TNSI (Transaction Network Systems International)
- Virtual Private Network (VPN)

NZX will work with you to ensure the connectivity outcomes that suit your business needs now and in the future.

NZX PARTICIPANT APPLICATION PROCESS

NZX provides a highly efficient and collaborative onboarding process, comprising a regulatory accreditation process and a business and operations establishment phase. This is completed in parallel with the support of dedicated relationship managers.



▶ **STEP 1: CONSULTATION**

The NZX Markets Development team will be your key commercial contacts throughout the application process.

NZX Markets Development works with clients to determine what type of accreditation is best for their needs and help clients to navigate through the application process.



▶ **STEP 2: TESTING & SUPPORT**

We will set you up with a team of subject matter experts across NZX markets, data, technology and compliance to support and guide you on your accreditation journey.

For firms looking to connect new front or back office technology, this step will include a technical conformance to ensure that your technology is fit for purpose.

Clients are required to develop robust operational procedures to manage their obligations as NZX Participants.



▶ **STEP 3: APPLICATION AND ACCREDITATION**

Once an application is submitted the NZX Participant Compliance Team will review your documentation to validate and ensure that firms accredited for NZX's markets meet the highest of standards, enabling overall market integrity to be maintained.

The formal accreditation process confirms that the applicant is legally, technically and operationally capable of managing their obligations as an NZX Participant.

Note: During the application process all correspondence related to the accreditation must be provided to NZX Participant Compliance, not your relationship manager, who will determine eligibility for NZX Participant status.



▶ **STEP 4: GO LIVE LAUNCH**

Upon successful accreditation, the NZX Team will ensure a smooth go live transition providing pre and post-launch services.

This includes dedicated go live resources and support networks to ensure your successful assimilation into the NZX Participant environment.

This relationship management and client-centric approach continues as firms become valued members of the NZX and the New Zealand Capital Markets.

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