
Chi-X Australia's licence and market rules extended to Derivatives *Investment Products initiative to commence in 2015*

Sydney 23 October 2015 Chi-X Australia Pty Ltd, a wholly owned subsidiary of market operator Chi-X Global Holdings LLC, has welcomed the Assistant Treasurer's granting of an expanded market trading licence* to encompass trading in derivatives on the Chi-X Australia platform. In a related move, amendments to ASIC's market integrity rules and Chi-X's operating rules have also been approved providing the regulatory framework for Chi-X's derivatives market platform.

The approvals and expanded licence are a key step in enabling Chi-X to offer a platform for trading derivatives and other investment products and expand the reach of its trading platform. Subject to final regulatory approvals, Chi-X Australia is well advanced on plans to commence warrants trading exclusively on Chi-X in November, and exchange traded funds (ETFs) in the first half of 2016.

Chi-X Australia CEO John Fildes said, "This is exciting news for Chi-X and Australian investors. We are working with issuers and market participants to revitalise warrant trading as a first step, and then bring more new markets and investment products to Australia's two trillion dollar savings sector in 2016.

"In our four years of operation, Australian retail investors have come to embrace our cash equities trading platform's efficient and fast execution, low trading fees and price improvement opportunities. We aim to build on this vibrant and growing marketplace with our investment products initiatives.

"Properly structured and marketed on an efficient Chi-X platform, we believe that products such as warrants and ETFs can provide investors such as SMSFs with new and appropriate investment products that give them leverage, downside protection and greater investment diversification through a well-regulated and transparently traded market."

Similar to its successful startup period on its equities trading platform, Chi-X will take a measured approach to building a warrants trading platform, with only a handful of products in the initial few weeks, and a staggered buildup coming into full operation in the first half of 2016.

Chi-X continues to build its disproportionately large share of transactions caused by retail investors' trades, and has been able to generate price improvement opportunities on almost half of its trades for market participants and their clients, leading to estimated savings for Australian investors of \$31.5 million during 2015 to date.

*Australian Market Licence (Chi-X Australia Pty Ltd) Variation Notice 2015 (No 1)

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About Chi-X® Australia

A subsidiary of global market operator Chi-X Global Holdings LLC, Chi-X Australia offers a valuable alternative for trading ASX securities using its low latency, high performance, proven trading system. Its launch introduced to the Australian market innovative new orders types, the potential for lower costs and a more efficient way to trade.

In April 2015 Chi-X won “Best Alternative Trading System” of the year by leading regional financial publication The Asian Banker.

About Chi-X® Global Holdings LLC

Owned by a consortium of major financial institutions, Chi-X Global operates market centers in Australia, Canada and Japan. Chi-Tech™, the technology services unit of Chi-X Global, provides technology to its business lines and the Chi-FX™ platform.

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