



## **MEDIA RELEASE**

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### **US bank branches able to use ASX OTC derivatives clearing service**

ASX has received regulatory relief from the US Commodity Futures Trading Commission (CFTC), allowing ASX's derivatives clearing house – ASX Clear (Futures) – to clear Australian and New Zealand dollar-denominated interest rate swaps for US bank branches in Australia.

Elmer Funke Kupper, ASX's Managing Director and CEO, said: "This is good news for Australia's financial markets and Australian investors. It clears the way for US bank branches in Australia to participate fully in ASX's new OTC derivatives clearing service, which gives local investors access to world-class financial infrastructure."

ASX launched its dealer-to-dealer OTC derivatives clearing service on 1 July 2013. Eight major domestic and global banks have qualified as Foundation Customers, accounting for approximately 80 to 90% share of the \$15 trillion per annum Australian dollar OTC interest rate derivatives market, one of the largest of its kind in the world. The service will be extended to Australian clients in April 2014.

The CFTC relief complements the transitional relief from the European regulator in place since September 2013, which enables European banks in Australia to directly use ASX's OTC derivatives clearing service. ASX expects to be in a position to provide full operational support for the activity of US bank branches in the second quarter of this calendar year.

Mr Funke Kupper continued: "These favourable regulatory outcomes, combined with the \$553 million capital that ASX raised in July 2013 to support ASX's clearing infrastructure, ensure ASX meets the highest global capital standards that our customers demand."

"Australian investors can have confidence that a world-class and well capitalised financial infrastructure is being put in place in Australia, with the protection of their collateral and risk being managed under Australian law."

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