

Notice: 12/2011

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Affected products: FX Products

Amendments: Rulebook for Clearing with NOS Clearing ASA
Appendix 1 – Markets
Appendix 3 - Collateral and Settlement Account Agreement
for FX Products
Appendix 5 – Product Specifications
Appendix 11 – Supplementary Provisions for FX Contracts

NOS Clearing ASA (“NOS”) is pleased to launch clearing of FX Contracts from September 2011. The offering is Europe’s first for clearing of FX Products.

NOS has together with a major global FX bank developed a new concept of FX trading with clearing. The clearing members of NOS are given access to a trading facility for the world’s most traded currencies through NOS’ sister company Imarex Financial Services “IFS”. The FX bank will provide access to their superior liquidity pool, render access its trading platform and also act as NOS’ settlement bank. The FX Contracts being cleared will be defined in international industry standards.

Through this offering the clearing members of NOS are given the opportunity to trade FX Products in a state-of-the-art electronic trading system. NOS will interpose itself between sellers and buyers of FX Contracts as in other cleared market. The Clearing Member’s only counterpart and point of recourse will be NOS. FX Contracts will be subject to margin and marked-to-market evaluation.

Companies wishing to clear FX Products will become clients of IFS and clearing members of NOS. Companies already being members of NOS may begin trading FX Contracts after having been given access to the trading system and signing of a new Collateral and Settlement Account Agreement for FX Products.

The Rulebook for Clearing with NOS has in connection with the launch of FX Clearing been updated as described below. The launch of FX clearing will not have any effect on NOS’ current clearing services or the clearing members’ open position.

Rulebook:

1.3 Definitions

“Contracts” supplemented to include “if FX Products, as applicable”

“Forward Contract” supplemented to include “excluding FX Contracts”

“FX Contract” added as new definition

“FX Product” added as new definition

“FX Definitions” added as new definition

“Option Contract” supplemented to include “Contract that is not an FX”

“Products” supplemented to include “or, in the case of FX Products, Appendix 11”

3.1 General

3.1.1 amended to read:

“NOS will decide the Products available for Clearing from time to time. Standard terms for the Contracts in the Products are set out in the Product Specifications attached as Appendix 5, provided however that the standard terms of the FX Contracts are set out in the FX Definitions.”

3.1.4 added to read:

“The FX Definitions may be changed by the relevant Market and will override the Rules in case of any inconsistency.”

4.3 Approval of Electronic Transactions for Clearing

4.3.2 supplemented to include:

“provided, however, that Appendix 11 includes the provisions relevant to Electronic Transactions in FX Products.”

5.1 General

5.1.2 Second and third sub-paragraph amended to read:

“All Cleared Contracts between NOS and a Clearing Member shall be governed by the Rulebook and shall (with for the exception of FX Contracts) be treated as a single indivisible agreement governed by the Rules.

All FX Contracts between NOS and a Clearing Member shall be governed by the Rulebook supplemented by Appendix 11 and shall be treated as a single indivisible agreement governed by the Rules.”

5.2 Accounts

5.2.1 supplemented to include:

“Separate Clearing Accounts will be maintained for FX Products.”

5.2.5 supplemented to include:

“Separate Margin Accounts will be maintained for FX Products.”

5.2.6 supplemented to include:

“Separate Collateral and Settlement Accounts will be maintained for FX Products as further provided for in Appendix 11.”

5.3 General rules on settlement

5.3.1 supplemented to include:

“with the exception of FX Contracts, where settlement shall take place for as in Appendix 11.”

6.1 General

6.1.5 added to read:

“There shall be separate Margin and Collateral requirements for FX Contracts, as further provided for in appendix 11.”

6.2.2 supplemented to include:

“higher or lower Base Collateral”

7.3 Close-out Contracts

7.3.1 the following has been deleted:

“through the Markets”

7.3.2 “Contracts” replaced with “contracts”

7.5.3 supplemented to include:

“including for accounts for FX Contracts”

7.6 Realisation of Collateral

7.6.1 a) supplemented to include:

“including for accounts for FX Contracts”

7.6.2 supplemented to include:

“including for accounts for FX Contracts”

9.3 Choice of law

9.3.2 supplemented to include:

“other agreements between NOS and the Clearing Member”

Appendix 1 – Markets

A new definition of markets included.

Appendix 3 - Collateral and Settlement Account Agreement for FX Products

A new Collateral and Settlement Account Agreement for FX Products included.

Appendix 5 – Product Specifications

New definitions of products included.

Appendix 11 - Supplementary Provisions for FX Contracts

A new appendix with supplementary provisions for clearing members trading FX Products including:

- Introduction
- Definitions
- FX Contracts approved for clearing with NOS
- Trading and clearing
- FX account structure
- Margin requirements including pre-trade requirements
- Settlement
- FX disruption events and termination by the FX bank