

# TERMS OF BUSINESS FOR PROFESSIONAL CLIENTS AND ELIGIBLE COUNTERPARTIES

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AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED  
LONDON BRANCH

OCTOBER 2017



## 1. INTRODUCTION AND SCOPE

This document (the "**Terms**") sets out certain terms and disclosures required by the FCA Rules (including certain rules implementing Directive 2014/65/EU and Regulation 600/2014/EU (together, "**MIFID II**") and the terms and conditions which apply to ANZ London's relationship with you.

The Terms cover all MIFID or Equivalent Third Country Business provided to you by ANZ London from its establishment in the UK.

ANZ London executes all client transactions on a principal basis. All transactions are bilaterally negotiated and carried out with Professional Clients or Eligible Counterparties.

Transactions are based on a specific request by a client to buy or sell a Financial Instrument, or the acceptance by a client of a price quoted by ANZ London to buy or sell a Financial Instrument from ANZ London.

Unless the context suggests otherwise, references to "**we**", "**us**" and "**our**" in these Terms are references to ANZ London, and references to "**you**" and "**your**" are references to you as the client of ANZ London.

Unless otherwise indicated, all defined terms in these Terms have the meaning given to them in the FCA Rules or in clause 21 of these Terms.

## 2. COMMENCEMENT

These Terms constitute a legally binding contract, which you accept by and from the date of your dealing with or through us or otherwise requesting or accepting our services covered by these Terms.

These Terms (as may be amended from time to time) supersede any previous terms of business issued to you by ANZ London (but do not supersede any master agreement or transaction-specific agreement which you have entered into with ANZ).

These Terms may be supplemented by other terms and conditions, master agreements, confirmations and transaction specific agreement relating to specific products, services or transactions which we provide or carry out with you ("**Additional Terms**"). Such Additional Terms may already be in place between you and us and, for the avoidance of doubt, such Additional Terms shall remain in full force and effect unless we notify you otherwise. If there is any conflict between the Additional Terms and these Terms then the Additional Terms shall prevail in relation to the relevant products, services or transactions except to the extent that it is necessary for these Terms to prevail to comply with legal and regulatory requirements.

## 3. ANZ'S CORPORATE DETAILS

ANZ is registered with limited liability in the State of Victoria, Australia and incorporated in the Commonwealth of Australia. The registered office of ANZ is ANZ Centre Melbourne, Level 9, 833 Collins Street, Docklands, Victoria 3008, Australia.

## 4. REGULATORY INFORMATION

ANZ is authorised and regulated by the Australian Prudential Regulation Authority and the Australian Securities and Investments Commission. In the United Kingdom, ANZ carries on business through its London branch at 40 Bank Street, Canary Wharf, London E14 5EJ.

In the United Kingdom, ANZ London is authorised and subject to limited regulation by the Prudential Regulation Authority (20 Moorgate, London EC2R 6DA) and subject to regulation by the FCA (25 The North Colonnade, Canary Wharf, London E14 5HS). Details about the extent of ANZ London's regulation by the Prudential Regulation Authority are available from us on request.

## 5. SERVICES

- (a) ANZ London may provide the following Investment Services to you:
- i. dealing in Financial Instruments upon your instructions;
  - ii. arranging deals in Financial Instruments upon your instructions; and
  - iii. such other services as may be agreed between you and ANZ from time to time in writing.
- (b) ANZ London provides Investment Services in relation to the following asset classes:
- i. foreign exchange;
  - ii. government bonds;
  - iii. credit;
  - iv. commodities;
  - v. interest rate derivatives;
  - vi. emissions allowances; and
  - vii. structured investments (including structured deposits, product linked notes, packaged derivatives, and swaps and options linked to ANZ proprietary or other indices).
- (c) ANZ London may provide the MIFID ancillary service of investment research and financial analysis or other forms of general recommendation relating to the Investment Services provided to you. ANZ London considers the following research services to constitute minor non-monetary benefits for the purposes of MIFID II and the FCA Rules implementing it:
- i. widely published ANZ Research publications covering Australia, New Zealand, Asia, and the G3 (economics, foreign exchange, rates and commodities);
  - ii. publicly available Asia credit analysis (not formally part of ANZ Research);
  - iii. sales notes which cross reference published research and other overnight developments; and
  - iv. conference attendance, roadshows, third party meetings and calls, to the extent the service does not involve the allocation of significant resources.
- Other research services will be subject to charge, as may be separately communicated and agreed with you.
- (d) Except in circumstances where we expressly agree otherwise in writing, we shall not provide you with any Investment Advice under these Terms

## 6. METHODS OF COMMUNICATION

All communications, including all documents and other information, between ANZ London and you will be conducted in English.

All communications will be conducted via letter, telephone, electronic chat message, email or electronic platform.

## 7. REQUESTS TO DEAL

Orders and requests for quote can be received by ANZ London by voice (telephone), electronic chat message (such as Bloomberg chat) or electronic platform. ANZ London has absolute discretion on the method of receiving orders and will advise you of any restrictions at the time of transacting.

## 8. EXECUTION OF ORDERS

- (a) Best execution (as described further in the FCA Rules) is owed where ANZ London executes an order in relation to Financial Instruments on behalf of a Professional Client. A summary of ANZ London's approach to best execution is set out in **ANZ London's Best Execution Policy** available at <https://institutional.anz.com/content/dam/Institutional/en/documents/ANZ-MIFID-II-Best-Execution-Policy-October-2017.pdf>. By agreeing to these Terms and by providing instructions to us, you confirm that you have read and agree and consent to ANZ London's Best Execution Policy. We will notify you of material changes to ANZ London's Best Execution Policy.
- (b) Where you provide us with specific instructions, either relating to an order or a particular aspect of an order, we will execute the order in accordance with those instructions, even where such instructions would prevent us from following procedures under ANZ London's Best Execution Policy to achieve best execution.
- (c) ANZ London's Best Execution Policy does not apply if you have been categorised as an Eligible Counterparty.
- (d) ANZ London does not aggregate any client orders in respect of Financial Instruments. Client orders will be executed promptly and in a fair and expeditious manner, relative to other client orders or the trading interests of ANZ London. Comparable orders will be executed in accordance with the time of their receipt by ANZ London.
- (e) As client orders in respect of Financial Instruments are not aggregated with other client orders, ANZ London does not have an order allocation policy in respect of Financial Instruments.
- (f) ANZ London reserves the right to decline any order of any type or to offer you a new price prior to execution.

## 9. SUITABILITY, APPROPRIATENESS AND RISK DISCLOSURE

- (a) You acknowledge that, unless ANZ London expressly agrees to provide you with Investment Advice pursuant to clause 5(d), we are not required to assess the suitability of any Investment Service or Financial Instrument provided or offered to you and you are required to make your own assessment of any transaction that you are considering and should not rely on any information, proposal or other communication from ANZ London as being Investment Advice or any other advice in relation to that transaction.
- (b) As an Eligible Counterparty or Professional Client, you are deemed to have the necessary knowledge and experience to understand the risks involved in any Investment Service or Financial Instrument provided or offered to you under these Terms. Therefore, unless you inform us otherwise, the Investment Services and Financial Instruments that we provide to you under these Terms will be deemed appropriate for you when we are required by the FCA Rules to assess appropriateness for you.
- (c) Further guidance on the risks associated with investment in Financial Instruments is provided as part of **ANZ London's Risk Disclosure Statement** available at <https://institutional.anz.com/about-anz-institutional/disclosures>.

## 10. TRANSACTION REPORTING

Where ANZ executes a transaction in an applicable Financial Instrument, ANZ will comply with its obligations and report such transactions to the FCA, and any other applicable regulatory authority as may be required by applicable laws or regulations from time to time, and you waive any duty of confidentiality attaching to the information which we reasonably disclose.

## 11. ANZ'S RELATIONSHIP WITH YOU

- (a) In providing Investment Services to you, ANZ London deals solely on the basis that you act as its counterparty or client. ANZ London acts only in the capacities referred to in clause 5 above.
- (b) You acknowledge and agree that, insofar as is permissible under applicable law and regulation, ANZ London (unless otherwise agreed with you in writing) does not owe you any fiduciary duty or any similar obligation under these Terms of Business.

## 12. YOUR AUTHORITY

You warrant and undertake that you will obtain, and maintain in effect, in relation to all Investment Services provided to you, all necessary consents of any governmental, judicial or other regulatory body or authority applicable to each transaction and that you will comply with the terms of the same and all applicable laws, court orders, regulations and directives of such bodies and authorities. You will, upon request from ANZ London, deliver to ANZ London copies or evidence of all such consents and evidence of compliance with any such laws, court orders, regulations and directives as ANZ London may reasonably require.

### 13. CONFIRMATIONS

- (a) To the extent not agreed otherwise, having carried out an order on your behalf, ANZ London shall promptly provide you with the essential information concerning the execution of that order. Unless provided to you by another person, ANZ will by the end of the next Business Day after the Business Day on which a transaction is carried out, send to you, in a durable medium, whether in hard copy or electronically a confirmation recording the details of the transaction for each transaction carried out for you by ANZ London. On your request, we will supply information about the status of your order.
- (b) If you are an Eligible Counterparty confirmations will not include the following information:
  - a. Trading time;
  - b. Type of order;
  - c. Venue identification;
  - d. The nature of the order if it is other than buy or sell; and
  - e. The total sum of commissions and expenses.
- (c) It is your responsibility to inform us of the non-receipt of a confirmation, or whether any confirmations are incorrect before settlement. Confirmations shall, in the absence of manifest error, be conclusive and binding on you, unless we receive from you objection in writing within five Business Days of despatch to you or we notify you of an error in the confirmation within the same period.

### 14. COSTS AND CHARGES

- (a) We will disclose to you relevant information about the costs and charges associated with your transaction. Please find our **Costs and Charges Disclosure** at <https://institutional.anz.com/about-anz-institutional/disclosures>. As a professional client or eligible counterparty, you agree to receive disclosure on costs and charges in the limited form detailed in the Costs and Charges Disclosure for all of your transactions with us other than those that embed a derivative.
- (b) Where required by applicable law and regulation, the Costs and Charges Disclosure will provide for separate evidence of costs and charges where an Investment Service is packaged with another service or product or is provided as a condition for the same agreement or package.

### 15. CLIENT MONEY

- (a) ANZ London is a bank authorised in a third country for the purposes of the FCA Client Money Rules. Money received by ANZ London from you in respect of the Investment Services will be held by ANZ London as banker and not as trustee and as a result will not be held in accordance with the FCA Client Money Rules.
- (b) If we become subject to insolvency or analogous proceedings, the FCA Client Money Distribution Rules will not apply to the money we hold for you and so you will not be entitled to share in any distribution under the FCA Client Money Distribution Rules.
- (c) ANZ London internal records will show the name of the beneficiary of the account, providing that this information has been supplied to ANZ London.

## 16. CONFLICT OF INTEREST

- (a) ANZ provides a wide range of financial services across a number of jurisdictions. Accordingly from time to time, in connection with a transaction to be entered into with or for you, ANZ, or any relevant person or persons linked to ANZ by employment or association, may have any of the following:
  - i. a material interest in that transaction;
  - ii. a relationship that gives, or may give rise, to a conflict of interest in relation to the transaction;
  - iii. an interest in the transaction that is, or may be, in conflict with the interest of you or any of ANZ's other clients;
  - iv. other clients with conflicting interests in relation to the transaction; and/or
  - v. other entities within ANZ may have conflicting interests with you or the ANZ entity acting for you.
- (b) ANZ manages its conflicts of interest and has a conflicts of interest policy. The conflicts of interest policy includes a policy of independence which requires relevant ANZ employees to disregard any material interest or conflict of interest when providing Investment Services to you. In certain circumstances, ANZ may manage a conflict of interest by establishing and maintaining internal arrangements restricting the movement of information within ANZ.
- (c) ANZ's conflicts of interest policy includes measures to prevent the exchange of information between relevant persons or entities engaged in activities or providing services that may give rise to a conflict of interest.
- (d) You acknowledge and accept that notwithstanding the steps taken by ANZ to manage conflicts of interest referred to in paragraph (b), ANZ may have interests which conflict with your interests and may owe duties to other clients which would otherwise conflict with the duties owed by ANZ to you.
- (e) As a result of its other business activities and its relationship with other clients, ANZ may in exceptional circumstances be unable to manage a conflict of interest in accordance with paragraph (b) and provide Investment Services to you. In these circumstances, ANZ will seek your formal consent to proceed with the transaction or decline to act on your behalf.

## 17. TELEPHONE RECORDING AND MONITORING OF COMMUNICATIONS

- (a) You and any person connected to or representing you, accept that all or some communications (including telephone conversations) with ANZ London may be monitored, recorded and inspected as appropriate using monitoring devices or other technical or physical means. Such monitoring, recording and inspection may take place as required or permitted by any law or regulation including, without limitation, to record evidence of business transactions and so as to ensure compliance with ANZ London's policies and procedures. Such recordings will be the sole property of ANZ London and will, in the absence of manifest error, be conclusive evidence of the communications recorded and may be used as evidence in the event of a dispute.
- (b) A copy of all such recordings will be available upon request for a period of 5 years and, where requested by the FCA or other relevant regulatory authority, for a period of 7 years.

## 18. ANTI-MONEY LAUNDERING AND SANCTIONS

- (a) You must provide all information to ANZ which ANZ reasonably requires in order to manage its anti-money laundering, counter-terrorism financing or economic and trade sanctions risk or to comply with any laws or regulations in Australia, the UK or any other country. You agree that ANZ may disclose any information concerning you to:
  - i. any law enforcement, regulatory agency or court where required by any such law or regulation in the UK or elsewhere; and
  - ii. any correspondent ANZ uses to make the payment for the purpose of compliance with any such law or regulation.
- (b) Unless you have disclosed that you are acting in a trustee capacity or on behalf of another party, you warrant that you are acting on your own behalf.
- (c) You declare and undertake to ANZ that the processing of any transaction by ANZ in accordance with your instructions will not breach any laws or regulations in the UK or any other country.

## 19. COMPLAINTS

- (a) If you have any complaints about the quality of the service provided to you, in the first instance, contact your usual business contact at ANZ London.
- (b) If the issue is not resolved you should address it in writing to the Complaints Officer as listed on the FCA Financial Services Register, 40 Bank Street, Canary Wharf, London E14 5EJ. We will send you a written acknowledgement of your complaint promptly following receipt, enclosing details of our complaints handling process.
- (c) Details of the complaints handling process are available from the ANZ.com website and will be provided to you on request.

## 20. AMENDMENT

ANZ London may amend this document at any time without your consent by giving you not less than ten Business Days' notice of such amendment notified to you by email or electronic message, with update provided on our website. Any MIFID or Equivalent Third Country Business which ANZ London conducts with or for you from the date specified in such notice will be subject to this Terms of Business as so amended. However, no amendment will affect any order or transaction which is outstanding on such date or any legal rights or obligations which shall have arisen or accrued by such date, nor will any amendment take effect without your consent where your consent is required according to applicable laws or regulations.

## 21. DEFINITIONS

**ANZ** means Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).

**ANZ London** means ANZ London Branch as described in clause 4.

**Business Days** means a day, other than Saturday or Sunday, which is not a public holiday and on which banks are open for general business in London.

**Confidential Information** means all information of a confidential nature (which is marked "confidential" or is clearly by its nature confidential) disclosed by one party to the other.

**EU Trading Venue** means a regulated market, multilateral trading facility and/or an organised trading facility as those terms are defined in MIFID II.

**FCA** means Financial Conduct Authority or any successor body from time to time.

**FCA Rules** means the rules of the FCA contained in the FCA Handbook.

**Investment Advice** has the meaning given in MIFID II.

**Investment Services** means the services described in clause 5.