



**Australian
Competition &
Consumer
Commission**

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2 April 2014

By email

Dear Sir or Madam

Australian CFD Forum Limited & Ors – application for authorisation A91403 & A91404 – draft determination

The Australian Competition and Consumer Commission (the ACCC) has issued a draft determination in respect of the application for authorisation lodged by the Australian CFD Forum Limited and its members, CMC Markets Asia Pacific Pty Ltd, GFT Global Markets UK Limited and IG Markets Limited (the Applicants) on 23 December 2013.

Please see the ACCC's publication [Authorisation process - the basics](#) for a summary of the authorisation process and how to make a submission to the ACCC.

Members of the Australian CFD Forum Limited sell contracts for difference (CFDs). A CFD is a bilateral, non-transferable, over the counter agreement between two parties which allows the buyer or seller to make a profit or loss from fluctuations in price of an underlying asset, without owning the actual asset. In that regard, CFDs are classed as a derivatives product.

The Applicants have applied for authorisation to make and give effect to a mandatory code of practice contained within the Australian CFD Forum's membership rules. Adherence to the code of practice and the membership rules are required in order to become and maintain membership in the Australian CFD Forum. While adherence to the code of practice is mandatory for members of the Australian CFD Forum, membership is not a prerequisite for issuers of CFDs.

Full copies of the applications for authorisation are attached, and will be available on the ACCC's website.

Draft determination

A copy of the ACCC's draft determination and summary of its reasons is attached.

For the reasons set out in its draft determination, the ACCC proposes to grant authorisation for five years.

Next steps

Once the ACCC issues a draft determination, the Applicant or any interested party may make a written submission and/or request that the ACCC convene a 'pre-decision conference'.

If you wish to make a submission in response to the ACCC's draft determination, please lodge your submission by **28 April 2014**. "Submissions should be emailed to adjudication@acc.gov.au with the subject "A91403 & A91404 – Australian CFD Forum Limited & Ors – submission".

A pre-decision conference provides the opportunity for interested parties to make oral submissions in relation to the draft determination. Conferences are conducted informally and while legal or professional advisers are able to attend they are not entitled to participate in the discussion.

If you wish the ACCC to hold a pre-decision conference in relation to the draft determination you must notify the ACCC in writing by **17 April 2014**.

The ACCC will consider any submissions it receives, including any oral submissions made should a pre-decision conference be called, and will then release a final determination in relation to these applications.

Submissions will be placed on the ACCC's public register subject to any request for exclusion. Please see the ACCC's publication [Guidelines for excluding information from the public register](#).

Timetable

The ACCC will continue to progress its assessment of the application in a timely manner. An updated indicative timetable is set out below for your information.

Indicative date	Stage in assessment process
23 December 2013	Lodgement of application and supporting submission.
15 January 2014	Public consultation process begins.
April 2014	Draft determination.
April 2014	Public consultation on draft determination including any conference if called.
June 2014	Final determination.
23 December 2013	Lodgement of application and supporting submission.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter please do not hesitate to contact me on 02 6243 4925 or adjudication@acc.gov.au.

Yours sincerely

A handwritten signature in blue ink that reads "DChanning". The signature is stylized with a large, sweeping initial "D" and a long, horizontal flourish extending to the right.

Darrell Channing
Director
Adjudication Branch