

# Global Clearing

G. H. Financials Quarterly Newsletter

Issue: #8 | March 2016

The global exchange-traded derivatives market place is one of the most dynamic markets in the world. G. H. Financials quarterly Newsletter – “Global Clearing” – aims to give our clients an overview and insight into how G. H. Financials is leading from the front in adapting to an ever-changing market landscape in order to give our clients market-leading service and support in their trading activities.

## INTRODUCTION



### Mark Ibbotson, Group CEO G. H. Financials

Regulation, regulation, regulation. Of course, regulatory change was inevitable and necessary after what happened back in 2008. But I like to think of it this way – the global powers that be decided that our listed derivatives model was the poster child for how markets should be organised – i.e. open, liquid, transparent and centrally cleared, and with a solid track record – so they set about rolling this model out for all derivatives.

We, in the futures world, should all feel pretty honoured by that. Only, the model needed adjusting to perform this wider role safely and likewise the rules for all the players had to be tightened. This has taken far too long and not everything has been perfect - far from it - but the direction of travel was right.

## REGULATION - NO TIME FOR COMPLACENCY

While I'm sure you will also echo my feeling that regulation still consumes too much of our time, at the expense of business development and innovation, I'm nevertheless making a plea that we all pay extra attention to it right now, particularly in Europe. We're naturally fatigued after so many years of regulatory change, and we could fall into the trap of becoming complacent, now MIFID II is clearly being delayed to January 2018.

Let me assure you that G. H. Financials is not complacent. The authorities only agreed to a delay because there simply wasn't going to be enough time to prepare, so let's not make the mistake of thinking there's now plenty of time. Sure, it's frustrating that some important details haven't been finished, but there's enough for us all to get started. Here are two examples. MIFID II will bring some proprietary trading groups inside the regulatory "authorisation" net for the first time, and there's a concern that these firms could, as a result, suffer from disproportionate "CRD IV" capital requirements.

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Thankfully, there's increasing confidence that the historical "local firm" exemption under CRD IV will continue to apply, so hopefully local firms should still benefit from this. But applicable firms should start preparing now to make sure they will be structured appropriately to benefit from exemptions like this.

Another example is for clearing brokers and trade reporting vendors who need to start preparing for the new reporting obligations. MIFID II significantly increases the number, type and content of reportable transactions. While specialist clearers like GHF will be looking to do whatever we can to insulate clients from these changes and help meet reporting obligations, industry vendors should be working on these changes as soon as possible, especially after the challenges our industry faced with EMIR reporting.

On matters like this, we at GHF are here to help, so do get in touch with us if anything is concerning you. My main message though is this - our industry as a whole needs to mobilise on MIFID II, despite the implementation delay, so please keep this front and centre of your agendas.

Mark Ibbotson: [mark.ibbotson@ghfinancials.com](mailto:mark.ibbotson@ghfinancials.com)

## NEWS

Awards:

### FOW's International Award for Non-Bank Futures Commission Merchant of the Year



**FOW**  
INTERNATIONAL  
AWARDS  
**2015**

Futures and Options World (FOW) has named G. H. Financials as **Non-Bank Futures Commission Merchant of the Year** as part of their International Awards - the second consecutive year that G. H. Financials has won this prestigious award.

Mark Ibbotson, Group CEO of G. H. Financials said:

*"GHF are committed to delivering innovative solutions for our growing customer base, as a leading specialist clearer of listed derivatives. We are honoured to be recognized once again by FOW as Non-Bank FCM of the Year."*

[www.ghfinancials.com/en/more/news/fow-award-2015](http://www.ghfinancials.com/en/more/news/fow-award-2015)

Personnel:

### Sharon, Shi Ning to Head Hong Kong office



G. H. Financials is pleased to announce Sharon, Shi Ning as head of its Hong Kong subsidiary, G. H. Financials (Hong Kong) Limited, succeeding Peter Lovell. Peter becomes special adviser to the Company. Sharon, Shi Ning has been Managing Director of G. H. Financials (Hong Kong) Limited (GHF HK) since the Company was launched in 2012.

Sharon, Shi Ning said:

*"I am honoured to succeed Peter as head of GHF HK, and grateful to continue to benefit from his on-going advice as GHF maintains its focus on delivering service excellence to our clients while expanding our business across Asia and globally."*

[www.ghfinancials.com/en/more/news/hong-kong-office-new-head](http://www.ghfinancials.com/en/more/news/hong-kong-office-new-head)



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## Board: New Board Appointments

G. H. Financials announced the following changes to its Group Board, which took place in December 2015:

- Having completed two terms as an Independent Non-Executive Director of GHF, and latterly as Chairman of the Board, **John Foyle** retired from the Group Board at the end of 2015;
- **Duncan Paterson**, an Independent Non-Executive Director, has stepped up to become Independent Non-Executive Chairman of the Board;
- **Robert Levy** joins the Board as an Independent Non-Executive Director;
- GHF's Group Executive Directors, **Mark Ibbotson** (CEO), **Justin van Wijngaarden** (CFO) and **Steve G. Martin** (COO) remain unchanged.

<http://ghfinancials.com/en/more/news/board-appointments>

## EXCHANGE FOCUS

### CME Group: Growing COMEX Copper Markets Add to Hedging Opportunities

With more than 75,000 contracts trading per day (up 6.2% YTD\*) and over 183,000 in open interest, COMEX Copper futures and options offer liquid, transparent tools for global price discovery and managing metals market uncertainty, streamlined, reliable delivery and 24-hour electronic access via CME Globex and CME ClearPort.



[www.cmegroup.com/education/featured-reports/erik-norland-discusses-copper-supply-and-demand-dynamics.html](http://www.cmegroup.com/education/featured-reports/erik-norland-discusses-copper-supply-and-demand-dynamics.html)

CME Group senior economist, Erik Norland discusses copper supply and demand dynamics.



\*data sourced on 2/18/16



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# UPCOMING EVENTS

## FOW's Derivatives World Asia

Renaissance Harbour  
View Hotel,  
Hong Kong

12-13 April 2016



G. H. Financials is pleased to be sponsoring FOW's Derivatives World Asia conference - Asia's most successful derivatives conference.

The conference is the leading derivatives event within the Asian market and features panellists from all the key international and regional players. Over 650 delegates will be attending the conference to hear the latest thinking on the Chinese and Asian derivatives markets.

[www.ghfinancials.com/en/more/events/derivatives-world-asia](http://www.ghfinancials.com/en/more/events/derivatives-world-asia)

# PREVIOUS EVENTS

## Chinese New Year with ASX & GHF

Hong Kong

24 February 2016

G. H. Financials and the Australian Securities Exchange (ASX) hosted a joint event to learn about the Clearing and Market Access solutions that G. H. Financials provides and to hear the latest developments from the ASX in Hong Kong, as well as to celebrate the start of the Chinese New Year.

## The Evolution of Professional Trading II

London

26 February 2016

The Evolution of Professional Trading returned for a second year. Bringing approximately 100 members of London's professional trading community together once again, this event focused on topics affecting the prop trading community. Mark Phelps, G. H. Financials Global Head of Sales & Marketing sat on the panel 'Word on the street'.

For the agenda overview and more information, please visit:

[www.fow.com/events/details/8854/the-evolution-of-professional-trading-ii/agenda.html](http://www.fow.com/events/details/8854/the-evolution-of-professional-trading-ii/agenda.html)

# NETWORKING

If you would like to meet G. H. Financials we will be in the following locations during March and April 2016.

Tel Aviv

1 March 2016

**Mark Phelps** (Global Head of Sales & Marketing, G. H. Financials, LLC) will be networking in Tel Aviv.

Singapore

1 March 2016

**Steve G. Martin** (COO, G. H. Financials Ltd.) and **Gemma Lloyd** (Global Head of Service Delivery, G. H. Financials Ltd.) will be in Singapore.



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Dubai  
2-3 March 2016

Mark Phelps will be in Dubai meeting with clients and prospects.

Boca Raton  
15-18 March 2016

Mark Ibbotson (Group CEO, G. H. Financials) and Russell Levens (CEO, G. H. Financials, LLC) will be attending the 41st Annual International Futures Industry Conference.

Hong Kong  
12-13 April 2016

Sharon, Shi Ning (Head, G. H. Financials (Hong Kong) Ltd.) will be attending FOW's Derivatives World Asia conference.

London  
26-27 April 2016

Stephanie Young (Global Marketing Manager, G. H. Financials, LLC) will be in London.

If you would like to arrange a meeting, please get in touch:

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Mark Ibbotson:	<a href="mailto:mark.ibbotson@ghfinancials.com">mark.ibbotson@ghfinancials.com</a>
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## FIND OUT MORE

If you want to find out more about any of the items covered in this newsletter, or find out how G. H. Financials could help your business, please get in touch with us:

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