



15th ANNUAL AFM CONFERENCE

Pre-Conference Workshop on March 7: Regulations and Surveillance

March 8-9, 2012 ••• Budapest Marriott Hotel, Hungary



Association of Futures Markets



Dear Participant,

As the President, it is my pleasure to welcome you to the Annual AFM Conference in Budapest, Hungary. This is a landmark event, as we will be celebrating the 15th anniversary of the Association of Futures Markets. As you may know, the prime objective of our association is to promote and encourage the establishment of new derivatives and related markets, and again this year's conference will draw attendance of delegates of established and emerging markets.

The conference is an excellent occasion for you to meet with AFM (associate) members and other experts in the industry from all over the world. It gives you the opportunity to share your views with the panels, for networking, collaboration, sharing of information and the building of relationships internationally. As always, we extend a warm welcome to all our colleagues who have been so good to commit themselves to participate at the roundtables.

This year's conference starts on Wednesday 7 March 2012 with a pre-conference session dedicated to Market Regulation & Surveillance, followed by our main conference on Thursday 8 March and Friday 9 March. Our 15th Anniversary Gala Event is scheduled for the evening of March 8 - organized in the Budapest Gerbeaud House. I would like to express my gratitude to all participants who have sponsored the program and special thanks for the Budapest Stock Exchange, KELER Central Counterparty Ltd. and the HUPX Hungarian Power Exchange Ltd. who are so kind to host the conference this year.

The beautiful city of Budapest provides the setting of the 15th Annual AFM Conference. Budapest is one of Europe's most delightful and enjoyable cities. Thanks to the perfect location (the river Danube is the world's most international river, linking 19 countries and 81 million people), inhabitants' hospitality and memorable monuments it is mentioned as the Pearl of Danube. For the participants of our conference this will provide a beautiful atmosphere and the mood for work and friendship.

Looking forward to meet you,

Best regards,



*Alan van Griethuysen
President of the Association of Futures Markets*

How to contact AFM

For more information on AFM, its members and its conferences, please contact Krisztina Kasza, Secretary of AFM at krisztina@afmorg.net, (36-30) 34 35 370 (phone) or (36-1) 249 0057 (fax) or visit the AFM website at www.afmorg.net.

CONFERENCE AGENDA

Wednesday, March 7

Room: Erzsebet, Hotel Marriott

Pre-conference workshop: REGULATIONS AND SURVEILLANCE

This interactive workshop on a core function enabling the integrity of any exchange business will allow conference participants an opportunity to learn, share and debate how this important part of the exchange business keeps us all honest!

11:00 – 12:15 **Session I**

Surveillance tools: what are available from the technology providers to transform the deluge of trading data into useful information; tools to link exchange-owned information to other intelligence sources; would graphical representation of data be helpful to conduct investigation?

Moderator: Paul Constantinou, Trayport

*Presenters: Gökhan Ugan, TURKDEX
Lorne Chambers, SMARTS
Harde Kader, Cinnober*

12:15 – 13:45 **Lunch**

13:45 – 14:45 **Session II**

A survey of the legal framework in different jurisdictions: who is in charge and who does what; types of violations, civil or criminal charge, and respective penalty; how cross-market regulation is carried out; notable cases in recent history. What international organisations are around and do they add value?

Moderator: Roderick Gravelet-Blondin, Honorary Member of AFM

*Presenters: Ed Dasso and Karen Wuertz, National Futures Association, USA
Marc Strategier, NYSE Euronext*

14:45 – 15:15 **Coffee**

15:15 – 16:15 **Session III**

Case study: Through a practical case study report on a successful crack down; detail how the case arose and how it was identified, what interaction with the market or other regulators was required, the logic applied and legal nature of the investigation (also mention if there is a difference between cash settled products and physical settled), examine the difficulties encountered in enforcing regulation through market surveillance. Finally what, if any, changes were required to rules to ensure better compliance;

Moderator: Roderick-Gravelet-Blondin, Honorary AFM Member

*Presenters: Sean Chuang, TAIFEX
Ivana Gazic, Zagreb Stock Exchange
Marc Strategier, NYSE Euronext*

18:00 **AFM General Assembly**

20:15 **Cocktails in the Hotel Marriott**

sponsored by CME Group  **CME Group**

21:00 **Opening Dinner in the Hotel Marriott**

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Thursday, March 8

08:00 – 09:00 Registration

09:00 – 09:15 Welcoming Remarks

*Mr. Huang Naikuan on behalf of AFM Chairman Tony Fan
Mr. György Dudás, Chairman, KELER, Incoming AFM Chairman*

09:15 – 09:30 Keynote Address

dr. Károly Szász, President, Hungarian Financial Supervisory Authority

09:30 – 10:45 **Roundtable 1:**
Interactive Panel Discussion on the East European Market: Local vs. Regional

Moderator: Mr. Otto Naegeli, Chairman, Swiss Futures and Options Association

*Panelists: Attila Tóth, Budapest Stock Exchange
Piotr Borowski, Warsaw Stock Exchange
Ivana Gazic, Zagreb Stock Exchange
Sinisa Krneta, Belgrade Stock Exchange
Daniel Nevidal, Intercapital Securities, Croatia*

10:45 – 11:15 Coffee break

11:15 – 12:30 **Roundtable 2:**
Lessons Learned in Emerging Countries and Further Opportunities: Africa, South America and the CIS Region

Moderator: TBD

*Panelists: Eleni Gabre-Madhin, Ethiopia Commodity Exchange
Vladimir Torchyk, Marketing, Belorussian Universal Commodity Exchange
Kristian Schach Moller, ACE Africa
Robert Ray, CME Group*

12:30 – 14:00 Lunch

sponsored by NYSE Liffe  NYSE Liffe

14:00 – 15:30 **Roundtable 3:**
Power Exchanges in Europe – Get to Understand the Market Structure, What drives pricing dynamics, How Delivery takes place, Cross-Border Trades, Settlement, Linkages with the Carbon Market

Moderator: Mr. Michael Jesch, Partner, bankon Management Consulting

*Panelists: Mr. Zoltán Medveczki, HUPX Hungarian Power Exchange Ltd.
Clive Furness, Contango Markets, UK
Peter Boehmwalder, NASDAQ OMX
Oliver Maibaum, European Power Exchange
Ireneusz Lazor, Polish Power Exchange*

15:30 – 16:00 Coffee Break

16:00 – 17:00 **Roundtable 4:**
The Derivatives Market Outlook for Emerging Markets in Eurasia and Asia

Moderator: Simon Rostron, Rostron Parry Ltd.
Panelists: Huang Naikuan, TAIEX
Samir Ahmed, Pakistan Mercantile Exchange
Mustafa Baltaci, Federation of Euro-Asian Exchanges
Alan van Griethuysen, NYSE Euronext

20:00 **Conference Gala Programme**
in the Budapest Gerbeaud House



sponsored by the Budapest Stock Exchange, KELER and the HUPX Hungarian Power Exchange Ltd.



Friday, March 9

09:30 – 09:45 **Regulation & Surveillance – Conclusions from the Pre-Conference Seminar**

Roderick Gravelet-Blondin, Honorary AFM Member
Paul Constantinou, Trayport

09:45 – 10:15 **Presentation: The Possible Implications of MF Global's Bankruptcy and Lessons Learned**

John J. Lothian, John J. Lothian and Company

10:15 – 10:45 **Coffee break**

10:45 – 12:15 **Roundtable 5:**
Technology: Pie in the Sky

- High frequency trading, how emerging markets are handling this issue?
- Faster order processing vs more exchange functionality
- Cloud computing for emerging markets, is this an enabler for future development
- The future of exchange connectivity: Native API, FIX, FIX FAST

Moderator: Chip Dempsey, Morgan Stanley
Panelists: Mr. Cetin Ali Dönmez, Turkish Derivatives Exchange
Dewald Marais, Securities Trading Technology, South Africa
Patrick Thornton-Smith, Traiana
Adam Kostyal, NASDAQ OMX
Harde Kader, Cinnober

12:15 – 13:45 **Lunch**

sponsored by NASDAQ OMX **NASDAQ OMX**

13:45 – 15:00 **Roundtable 6:**
Product Development (Agricultural, Currency, Equities, Gold etc.): Engage with panelists to find out what's new, what's old and where to in this space...Why some highly demanded underlying, products have never been successfully developed into popular contracts? And some old stuff, such as gold, have never been out of fashion almost anywhere?

Moderator: John Mathias, JM Consulting
Panelists: Chris Sturgess, JSE Limited
Gary Delany, Options Industry Council
Michelle Janke, STT South Africa
Cetin Ali Dönmez, Turkish Derivatives Exchange

15:00 – 15:15 **Coffee break**

15:15 -16:30 **Roundtable 7:**
Trading International Benchmark Indexes/Products: how, why and can this lead to success?

Moderator: Paul Meier, Honorary Member, AFM
Panelists: Chris Sturgess, JSE Limited
Christian Sima, SIBEX
Konrad Sippel, STOXX
David Feltes, CME

17:00 **Farewell Program:**
Thematic Tour of one of the Jewels of Budapest – the Andrassy Street

Visit of KOGART Gallery followed by a reception (www.kogart.hu)

sponsored by SFOA



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CONFERENCE HOST ORGANISATIONS



In May 2002 **KELER Ltd.** was one of the first institutions in Europe to launch the central counterparty (CCP) system for cash transactions. Since 2009 KELER CCP Ltd. provides central counterparty services instead of KELER Ltd. but with the joint and several liability of KELER Ltd. KELER CCP Ltd. as central counterparty guarantees transactions concluded on the guaranteed markets (spot and derivatives) of the Budapest Stock Exchange to its clients. The operation of KELER CCP Ltd. makes it possible that guaranteed stock exchange transactions made by the market players are concluded without risk. KELER CCP Ltd. that is a part of the KELER Group and the Group itself has expanded the range of services provided: new markets were launched (gas and power market settlements) and in addition to providing high quality services to Hungarian clients they plan to enter international markets also.

For more information about KELER CCP, visit www.kelerkszf.hu



Budapest Stock Exchange Ltd's most important task is to provide a transparent and liquid market for Hungarian securities and securities issued abroad. The Stock Exchange, a key player on the Hungarian capital markets, allows economic operators access to financial resources and also provides profitable investment opportunities for investors. By concentrating supply and demand, the Stock Exchange makes information public about the changes in price of the traded products. The Stock Exchange, as the primary trading venue for Hungarian securities, sets out to become a financial hub and to compete favourably for issuers. The Stock Exchange accomplishes these objectives by operating in a customer-oriented way, continuously improving its services and adopting effective technological solutions. The Stock Exchange's strategic goals include improving financial culture and education about finances in Hungary. It cooperates with its partner institutions to play an active part in that effort. The Stock Exchange's regional presence is increased by the fact that the Budapest Stock Exchange is a member of CEESEG AG Holding (along with the stock exchanges of Vienna, Ljubljana and Prague) since 2010.

For more information please visit: www.bse.hu



The primary goal of **HUPX Hungarian Power Exchange Ltd.** is to deliver a reliable price reference in Hungary and facilitates the integration of power markets in the CEE region.

HUPX offers a unique service on the Hungarian power market: anonymous trading in day-ahead and physical futures market cleared by the European Commodity Clearing AG (ECC). Members benefit from high level standards both in terms of trading and clearing services, which is a key success factor for a competitive exchange.

HUPX has strategically important role due to it has central geographic location and connects Central West, Central East and South East regions.

Should you be interested to receive further information, please feel free to contact info@hupx.hu or visit www.hupx.hu

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Taiwan Futures Exchange (TAIFEX), established in 1997, is the first and only derivatives exchange in Taiwan. It provides a wide range of products, including stock index futures and options, single stock futures and options, interest rate futures and commodity futures and options. TAIFEX has continuously enhanced its technology and services in trading, clearing and settlement to ensure a fair and orderly marketplace. www.taifex.com.tw



NYSE Liffe is the European derivatives business of NYSE Euronext comprising the Amsterdam, Brussels, London, Lisbon and Paris derivatives markets. It is the second-largest in the world, by value of the business traded every day. NYSE Liffe offers customers worldwide an unrivalled range of global futures and options products on its state-of-the-art trading platform. Further services, like Bclear, provide users of the over-the-counter markets the security of trading on an exchange. For further information please visit <https://globalderivatives.nyx.com/>



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The **Swiss Futures and Options Association (SFOA)** was founded in 1979 as a non-profit professional Association for the purpose of promoting derivative financial instruments, particularly standard futures and options contracts on financial instruments and commodities, to the widest possible audience, and to serve the interests of its members. SFOA is mostly known by its Bürgenstock conference (which will be held this year in Interlaken from Sept 7 - 9, 2011), the regulators' meeting, the Emerging Market Forum as well as newly the Structured Products Forum preceding the conference. Additionally SFOA is publishing the Swiss Derivatives Review. SFOA also supports its members by organizing roadshows for them in Switzerland. For more details please consult the webpage: www.sfoa.org.



CME Group Helping the World Advance

As the world's leading and most diverse derivatives marketplace, CME Group is where the world comes to manage risk. We offer the widest range of global benchmark products across all major asset classes. Helping businesses everywhere mitigate the myriad risks they face in today's uncertain global economy allows them to operate more effectively, create more jobs, and pass benefits on to consumers.

www.cmegroup.com



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Belarusian Universal Commodity Exchange OJSC (BUCE) is one of the largest commodity exchanges in Eastern Europe in terms of concluded transactions volume (spot market). Its electronic trading system allows buyers and sellers to trade in a wide range of commodities. BUCE includes more than 9 500 participants from 55 countries (2011).

The volume of exchange transactions in 2011 is more than 1 bln EUR (spot market).

BUCE includes the following sections:

- metal products,
- timber,
- agricultural products,
- industrial and consumer goods (incl. a wide range of products from food to high-tech goods),
- public procurement of goods (works, services).

Additional information can be found at: www.butb.by.

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