



**ASX**

CLEARING CORPORATION

**ASX Clearing Corporation  
Notice**

**Date:** 1 March, 2013

**Key topics**

1. Enforcement Activity

**Reading List**

Compliance Managers  
Office Managers  
Operations Managers (back office)

**Authorised by**

Kevin Lewis

**Contact**

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Internet: <http://www.asx.com.au>

No responsibility is accepted for any inaccuracies contained in the matter published.

## ASX CLEARING CORPORATION PARTICIPANT NOTICE

### ASX COMPLIANCE ENFORCEMENT ACTIVITY

Under the Corporations Act, as a licensed operator of financial markets, ASX is obliged to have adequate arrangements for monitoring and enforcing compliance with the operating rules of those markets. It is also obliged, as a licensed operator of clearing and settlement facilities, to have adequate arrangements for supervising those facilities and for enforcing compliance with their operating rules.

The purpose of this circular is to notify Participants in those markets and facilities of some of the enforcement activities recently undertaken by ASX Compliance, so that they are aware of potential areas of concern for ASX and of ASX's enforcement activities in those areas.

This circular covers enforcement activities for the 3 month period ended 28 February 2013.

#### 1. Failure to pay the required Daily Settlement Amount by the prescribed time

ASX issued a formal warning letter to an ASX Clear (Futures) Participant for an apparent breach of ASX Clear (Futures) Operating Rules 43.1 and 44.4 for failing to pay the required Daily Settlement Amount by the prescribed time of 11am.

The requirement for participants to meet their payment obligations to ASX Clear (Futures) on time is fundamental to the efficient operation of the ASX Clear (Futures) clearing and settlement facility.

The Participant failed to identify and escalate its inability to meet its Daily Settlement Amount payment obligation on time and this resulted in delays in making the required payment until 11.03am, 3 minutes after the prescribed deadline of 11am. This followed on from two earlier similar incidents involving the Participant. It appears that the Participant did not have appropriate controls in place to identify and escalate the issue itself, relying instead on ASX to notify the Participant of the issue.

ASX has recommended changes that the Participant can implement to its controls to help avoid future breaches.

#### 2. Breach of Order Record Requirements

An ASX 24 Participant was fined a total of \$50,000 plus GST by the ASX Disciplinary Tribunal for a contravention of former Sydney Futures Exchange Operating Rule 2.2.23(a) (requirement to maintain internal records of instructions received from clients and trades executed for clients for a period of not less than five years).

The finding related to conduct that occurred prior to 1 August 2010, when responsibility for market supervision was transferred from ASX to ASIC. This particular rule now forms part of the ASIC Market Integrity Rules (ASX 24 Market) 2010.

Further details of the matter can be found in ASX Circular 591/12 dated 10 December 2012, available online at:

[http://www.asx.com.au/supervision/pdf/asx\\_035607.pdf](http://www.asx.com.au/supervision/pdf/asx_035607.pdf)

Kevin Lewis  
Chief Compliance Officer



## ASX 24 NOTICE NO. 037/13

Date of Issue: 1 March 2013  
Effective Date: 1 March 2013

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Kevin Lewis  
Chief Compliance Officer



ASX 24 NOTICE NO. 038/13

Date of Issue: 1 March 2013  
Effective Date: 1 March 2013

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Kevin Lewis  
Chief Compliance Officer



ASX

AUSTRALIAN SECURITIES EXCHANGE

## ASX Circular

## ASX COMPLIANCE ENFORCEMENT ACTIVITY

Date: 1 March 2013

## Key topics

1. Enforcement Activity

## Reading List

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Office Managers  
Operations Managers (back office)

## Authorised by

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Ben Wachter

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Kevin Lewis  
Chief Compliance Officer



## ASX Settlement Corporation Bulletin

Date: 1 March 2013

### Key topics

1. Enforcement Activity

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Compliance Managers  
Office Managers  
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## PARTICIPANT BULLETIN

### ASX COMPLIANCE ENFORCEMENT ACTIVITY

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