

**ASX Settlement Corporation
Bulletin**

Date: 30 August 2013

Key topics

1. Enforcement Activity

Reading List

Compliance Managers
Office Managers
Operations Managers (back
office)

Authorised by

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

PARTICIPANT BULLETIN

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 that were finalised during the 3 month period ended 31 August 2013. Investigations in relation to other enforcement matters are ongoing.

Breach of ETO crossing requirements

ASX issued a formal warning letter to an ASX participant for apparent breaches of ASX Operating Rule 4060 for failing to effect crossings of exchange traded options in the circumstances set out in ASX Operating Rule Procedure 4060, in particular the requirements of ASX Operating Rule Procedure 4060 Part B 2(b).

There were five separate transactions over approximately a two month period where it appears the participant failed to offer to sell (or to buy then sell) 50% of the number of contracts that the participant wished to cross.

Given the lack of evidence of any pre-arrangement of the trades in question, the small number of trades involved, and the fact that the participant corrected its crossing procedures after the matter had been brought to its attention by ASX, ASX deemed that a formal warning was an appropriate response in the circumstances.

Kevin Lewis
Chief Compliance Officer



ASX

AUSTRALIAN SECURITIES EXCHANGE

ASX Circular

Date: 30 August 2013

Key topics

1. Enforcement Activity

Reading List

Compliance Managers
Office Managers
Operations Managers (back office)

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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 that were finalised during the 3 month period ended 31 August 2013. Investigations in relation to other enforcement matters are ongoing.

Breach of ETO crossing requirements

ASX issued a formal warning letter to an ASX participant for apparent breaches of ASX Operating Rule 4060 for failing to effect crossings of exchange traded options in the circumstances set out in ASX Operating Rule Procedure 4060, in particular the requirements of ASX Operating Rule Procedure 4060 Part B 2(b).

There were five separate transactions over approximately a two month period where it appears the participant failed to offer to sell (or to buy then sell) 50% of the number of contracts that the participant wished to cross.

Given the lack of evidence of any pre-arrangement of the trades in question, the small number of trades involved, and the fact that the participant corrected its crossing procedures after the matter had been brought to its attention by ASX, ASX deemed that a formal warning was an appropriate response in the circumstances.

Kevin Lewis
Chief Compliance Officer



ASX 24 NOTICE NO. 150/13

Date of Issue: 30 August 2013
Effective Date: 30 August 2013

ASX Clear (Futures) 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 that were finalised during the 3 month period ended 31 August 2013. Investigations in relation to other enforcement matters are ongoing.

Breach of ETO crossing requirements

ASX issued a formal warning letter to an ASX participant for apparent breaches of ASX Operating Rule 4060 for failing to effect crossings of exchange traded options in the circumstances set out in ASX Operating Rule Procedure 4060, in particular the requirements of ASX Operating Rule Procedure 4060 Part B 2(b).

There were five separate transactions over approximately a two month period where it appears the participant failed to offer to sell (or to buy then sell) 50% of the number of contracts that the participant wished to cross.

Given the lack of evidence of any pre-arrangement of the trades in question, the small number of trades involved, and the fact that the participant corrected its crossing procedures after the matter had been brought to its attention by ASX, ASX deemed that a formal warning was an appropriate response in the circumstances.

Kevin Lewis
Chief Compliance Officer
ASX Limited
20 Bridge St
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ASX 24 NOTICE NO. 149/13

Date of Issue: 30 August 2013
Effective Date: 30 August 2013

ASX 24 - 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 that were finalised during the 3 month period ended 31 August 2013. Investigations in relation to other enforcement matters are ongoing.

Breach of ETO crossing requirements

ASX issued a formal warning letter to an ASX participant for apparent breaches of ASX Operating Rule 4060 for failing to effect crossings of exchange traded options in the circumstances set out in ASX Operating Rule Procedure 4060, in particular the requirements of ASX Operating Rule Procedure 4060 Part B 2(b).

There were five separate transactions over approximately a two month period where it appears the participant failed to offer to sell (or to buy then sell) 50% of the number of contracts that the participant wished to cross.

Given the lack of evidence of any pre-arrangement of the trades in question, the small number of trades involved, and the fact that the participant corrected its crossing procedures after the matter had been brought to its attention by ASX, ASX deemed that a formal warning was an appropriate response in the circumstances.

Kevin Lewis
Chief Compliance Officer
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ASX

CLEARING CORPORATION

**ASX Clearing Corporation
Notice**

Date: 30 August 2013

Key topics

1. Enforcement Activity

Reading List

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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 that were finalised during the 3 month period ended 31 August 2013. Investigations in relation to other enforcement matters are ongoing.

Breach of ETO crossing requirements

ASX issued a formal warning letter to an ASX participant for apparent breaches of ASX Operating Rule 4060 for failing to effect crossings of exchange traded options in the circumstances set out in ASX Operating Rule Procedure 4060, in particular the requirements of ASX Operating Rule Procedure 4060 Part B 2(b).

There were five separate transactions over approximately a two month period where it appears the participant failed to offer to sell (or to buy then sell) 50% of the number of contracts that the participant wished to cross.

Given the lack of evidence of any pre-arrangement of the trades in question, the small number of trades involved, and the fact that the participant corrected its crossing procedures after the matter had been brought to its attention by ASX, ASX deemed that a formal warning was an appropriate response in the circumstances.

Kevin Lewis
Chief Compliance Officer