



Register of ASX Clear Operating Rule Waivers

16 to 30 September 2022

The purpose of this register is to record when ASX has exercised its discretion and granted a waiver from the ASX Clear Operating rules. Waivers are published bi-monthly and include information such as :

- Organisation**
- Rule Number**
- Decision Details**
- Basis for Decision**

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Rule Number	5.1.1
Date	5/09/2022
Participant	Barrenjoey Markets Pty Limited
Waiver Number	WPA220003-001
Decision	<p>ASX Clear Pty Limited ("ASXCL") grants Barrenjoey Markets Pty Limited ("Barrenjoey") a waiver of ASX Clear Rule 5.1.1 to the extent that, for the purpose of calculating counterparty risk amounts under the Risk Based Capital Requirements contained in Schedule 1, centrally cleared interest rate swaps are not deemed to be a Debt Derivative under Rule S1.1.1.</p> <p>Centrally cleared interest rate swaps for the purpose of this waiver are defined as interest rate swaps:</p> <ul style="list-style-type: none"> * which are cleared through a central counterparty clearing house; * which are margined on a daily basis; and * where Barrenjoey's counterparty is the clearing member facing the central counterparty clearing house. <p>Calculation of a counterparty risk amount for centrally cleared interest rate swaps should be done under the margined financial instruments method (Rule S1, Annexure 1, clause 5).</p>
Basis For Decision	<p>Underlying Policy</p> <p>Interest rate swaps fall within the Rule S1.1.1 definition of "Debt Derivative", "Derivative" and "OTC Derivative". This means that the rules technically require counterparty risk for interest rate swaps held as principal to be calculated under the OTC derivatives and warrants executed as principal method (Rule S1, Annexure 1, clause 6).</p> <p>Present Application</p> <p>In the case where interest rate swaps are cleared through a central counterparty clearing house and margined on a daily basis, it would be more appropriate for these swaps to be treated no differently to futures in determining a counterparty risk amount, using the margined financial instruments method.</p>

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