



Register of ASX Operating Warrant and AQUA Rule Waivers

16 to 30 April 2012

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

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

**For all product enquiries, please contact:
- Customer Service Centre on 131 279**

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Rule Number	7100 ETF
Date	16/04/2012
Participant	Participants (All)
Waiver Number	WPA120005-001
Decision	<p>Based solely on the information provided, and subject to the qualifications below, ASX grants a waiver pursuant to ASX Operating Rule 6030 as follows:</p> <p>ASX grants relief from the definition of "ETF" under ASX Operating Rule 7100 to allow the Vanguard Australian Government Bond Index ETF to be an "ETF" and therefore an "ETF Security" for the purpose of the definition of AQUA Products. Noting that this is in spite of the fact that the Vanguard Australian Government Bond Index ETF does not meet the requirement under the definition by providing for the issue of new Equity Securities in return for the subscriber transferring to the scheme a portfolio of Securities.</p> <p>The waiver applies to all Market Participants. The effect of the relief is that for the purposes of the ASX Operating Rules the Vanguard Australian Government Bond Index ETF is an ETF and ETF Security for the purpose of Schedule 10A, and ASX Operating Rules 3310 and Procedure 3310 will apply to the reporting of Special Trades of the Vanguard Australian Government Bond Index ETF.</p> <p>ASX's decision is solely related to its consideration of the application of ASX Operating Rule 7100, specifically the definitions of AQUA Product, ETF and ETF Security.</p>
Basis For Decision	<p>Underlying Policy ASX will list ETFs that satisfy the definition of an ETF which is currently defined in the ASX Operating Rules as: a registered managed investment scheme or a scheme which ASIC has exempted from the registration requirements:</p> <ul style="list-style-type: none"> (i) listed on ASX or admitted under Rule [2121]; (ii) with power and approval to continuously issue and have quoted on ASX Equity Securities in the scheme; (iii) which provides for the issue of new Equity Securities in return for the subscriber transferring to the scheme a portfolio of Securities; and (iv) for which the price of the Underlying Instrument is continuously disclosed or can be immediately ascertained. <p>Where it can be shown that an ETF substantially satisfies the current definition except for matters that may be unnecessarily restrictive, minor or inconsequential then ASX will assess the impact of these in the light of current market trends both in Australia and overseas. Many of the products currently being developed, while still an ETF under all other requirements of the rules, are not made up of underlying securities (e.g. Foreign Exchange or gold bullion) and thus provide for the issue of new Equity Securities in return for the subscriber transferring cash to the scheme rather than a portfolio of Securities as required by limb (iii).</p>

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There is also growing demand for the use of ETFs as an investment vehicle which is now being reflected in both market demand and public policy considerations.

Present Application

The Proposed ETF is designed to track the returns (income and capital appreciation) of the UBS Government Bond index. This will be achieved by investing in fixed income securities in the index or a representative sample.

The underlying policy provides that ASX may waive a requirement where it can be shown that the ETF substantially satisfies the current definition, except matters that are unnecessarily restrictive, minor or inconsequential.