



# ASX 24 OPERATING RULES

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## SECTION 3 TRADING RULES

### GENERAL OBLIGATIONS

- [3000] A Trading Participant is responsible for the accuracy of details, the integrity and bona fides of all Trading Messages that are submitted containing their unique identifier, regardless of the method by which the Trading Message is submitted.
- [3001] If a Trading Message embedded with a Trading Participant's unique identifier is submitted, the Trading Message is taken for all purposes under these Rules to have been submitted in a Trading Platform by or with the knowledge of the Trading Participant and the Trading Participant is responsible for that message.
- [3002] Except as otherwise permitted in these Rules or permitted in writing by the Market Operator, Derivatives Market Transactions must be made in a Trading Platform in accordance with these Rules.

*Amended 20/03/17*

#### Procedure 3000-3002 – General Obligations

There are no prescribed Procedures.

## ORDERLY TRADING

### Fair and Orderly Markets

- [3100] The Market Operator may take any action it considers necessary to ensure that a market for one or more Products is fair, orderly and transparent, including, without limitation:
- (a) suspending or halting trading in one or more Products for any period of time;
  - (b) cancelling or amending any Transaction;
  - (c) directing any Trading Participant to take, or not to take, a specified action in connection with the affected markets;
  - (d) modifying or restricting access to the Trading Platform by one or more Trading Participants;
  - (e) taking, or refraining from taking, any other action which the Market Operator considers is appropriate having regard to Rule [6120];
  - (f) requesting any relevant Approved Clearing Facility (or any relevant Alternative Clearing Facility) to exercise its powers relating to the situation or practice; and
  - (g) directing that Products be offered or settled at a price other than that provided for by the Rules, in such manner and on such conditions as it may determine.

Amended 20/03/17

- [3101] A Trading Participant must:
- (a) not do anything which results in a Market for a Product not being both fair and orderly, or fail to do anything where failure has that effect;
  - (b) not take advantage of a situation arising as a result of a breakdown or malfunction in the Market Operator's procedures or systems or an error in any Trading Message submitted by the Market Operator; and
  - (c) ensure that a representative of the Trading Participant is available to receive communications from other Trading Participants or from the Market Operator during the times set out in the Procedures.

Amended 20/03/17

### Technical failure

- [3110] Without limiting the Market Operator's powers under Rule [3130], if access to a Trading Platform is affected because of a systems or communication failure the Market Operator may:
- (a) suspend or restrict trading in one or more Products;
  - (b) impose such Session States it considers appropriate in relation to a Product; or
  - (c) take any other steps which it considers appropriate having regard to Rule [6120].

The Procedures may set out further consequences of a suspension or restriction under this Rule and any further steps prior to the resumption of trading.

Amended 20/03/17

[3111] A Trading Participant must notify the Market Operator as soon as practicable, by the means set out in the Procedures, if it is unable to transmit or receive Trading Messages due to a systems or communication failure other than due to an action taken by the Market Operator pursuant to these Rules. The Procedures may set out further steps to be taken by the Trading Participant after notifying the Market Operator.

Amended 20/03/17

[3112] If a Trading Platform registers that a Trading Participant is no longer able to transmit Trading Messages because of a systems or communications failure or a Trading Participant has notified the Market Operator under Rule [3111]:

- (a) the Market Operator may cancel in the Trading Platform all Orders of a Trading Participant (after the period and in the manner set out in the Procedures) unless, before cancellation is effected, the Trading Participant has requested the Market Operator not to effect the cancellation; and
- (b) the Trading Participant may request the Market Operator, on a reasonable endeavours basis, to cancel orders in a Trading Platform on the Trading Participant's behalf.

Amended 20/03/17

[3113] In relation to any action taken or failure to take action by the Market Operator (or its officers, employees, agents, delegates or contractors) under Rule [3112]:

- (a) the Trading Participant agrees that the Market Operator has no liability for activities conducted on behalf of a Trading Participant;
- (b) the Trading Participant indemnifies and will keep indemnified the Market Operator against all actions, proceedings, claims, demands, damages, costs, expenses and any other amounts against or incurred by the Market Operator.

Amended 20/03/17

### **Communications with a Trading Platform**

[3120] If the Market Operator reasonably believes there is some fact or matter which may impair the ability of a Trading Participant to communicate Trading Messages reliably with a Trading Platform or to correctly process those Trading Messages, the Market Operator may on reasonable notice require a Trading Participant to undertake testing as specified by the Market Operator.

Amended 20/03/17

[3121] If the testing referred to in Rule [3120]:

- (a) has been completed and the Market Operator continues to reasonably believe there is some fact or matter which may impair the ability of a Trading Participant to communicate Trading Messages reliably with a Trading Platform or to correctly process those Trading Messages; or
- (b) is not completed within the time specified by the Market Operator;

the Market Operator may immediately take any steps which it considers appropriate having regard to Rule [3120] including any steps specified in the Procedures. The Market Operator must immediately notify a Trading Participant of any steps taken.

Amended 20/03/17

## **Efficiency and Proper Functioning of market or Trading Platform**

[3130] The Market Operator may take any action it considers appropriate, having regard to Rule [6120], to maintain the operational efficiency and proper functioning of a market or the Trading Platform. That action may include, without limitation:

- (a) suspending Trading Permission of a Trading Participant whose actions have, in the opinion of the Market Operator, adversely impacted on the operational efficiency or proper functioning of a market or the Trading Platform;
- (b) modifying the access to, or the functioning of, a Trading Platform in respect of that Trading Participant; or
- (c) suspending or modifying the operation of a Trading Platform generally.

If the Market Operator takes action under this Rule in relation to a Trading Participant referred to in (a) or (b) or Trading Participants generally the Market Operator must notify as soon as reasonably practicable the Trading Participant concerned or Trading Participants generally, as applicable.

Amended 20/03/17

## **State of Emergency**

[3140] If the Market Operator determines that a State of Emergency exists, it may do any or all of the following:

- (a) suspend trading in one or more Products or a Trading Platform;
- (b) direct Trading Participants to take, or refrain from taking, a specified action in connection with the affected Products or a Trading Platform;
- (c) take, or refrain from taking, any other action which the Market Operator considers is appropriate having regard to Rule [6120]; and
- (d) request an Approved Clearing Facility (or any relevant Alternative Clearing Facility) to exercise its powers relating to emergencies.

Amended 20/03/17

## Procedures 3100-3140 – Orderly Trading

### Procedure 3101(c) – Fair and Orderly Markets

For the purpose of Rule [3101], unless otherwise determined and notified by the Market Operator, the representative referred to in that Rule must be contactable during Open Session State for any of the Products.

Amended 20/03/17

### Procedure 3110(c) – Technical Failure

#### 1. Consequences of suspension or restriction of trading for technical failure

The Trading Platform will be placed in the Pre-Open Session State prior to the re-commencement of normal trading (in Open, or other appropriate, Session State).

The Market Operator will:

- (a) If possible, restore the Central Order Book as they appeared prior to the suspension taking effect; and

- (b) notify Trading Participants of the times that the Pre-Open Session State will begin, when normal trading will resume and if applicable whether the Central Order Book has been restored.

2. Resumption of trading following suspension or restriction of trading for technical failure

Following a suspension or restriction of trading under Rule [3110], the Market Operator will notify Trading Participants of the time at which trading will resume and if it will be possible to restore the Trading Platform to how it appeared prior to the suspension or restriction taking effect. The Procedures may set out further steps prior to the resumption of trading.

Amended 20/03/17

Procedure 3111

A Trading Participant must notify the Market Operator by telephone if it is unable to transmit or receive Trading Messages.

Amended 20/03/17

Procedure 3120 – Communications with a Trading Platform

If the testing referred to in Rule [3120]:

- (a) has been completed and the Market Operator continues to reasonably believe there is some fact or matter which may impair the ability of a Trading Participant to communicate Trading Messages reliably with a Trading Platform or to correctly process those Trading Messages; or
- (b) is not completed within the time specified by the Market Operator;

the Market Operator may immediately take any steps which it considers appropriate having regard to Rule [6120] including any steps specified in the Procedures. The Market Operator must immediately notify a Trading Participant of any steps taken.

Steps which may be taken by the Market Operator under Rule [3120] include the following:

- (a) giving instructions or directions to the Trading Participant to prevent or minimise impairment to those communications of Trading Messages with a Trading Platform or the correct processing of those Trading Messages;
- (b) suspending the Trading Permission of the Trading Participant until the Market Operator is satisfied that the ability of the Trading Participant to communicate Trading Messages reliably with a Trading Platform or to correctly process those Trading Messages is or will no longer be impaired; or
- (c) suspending the connection to a Trading Platform of any Open Interface Device of the Trading Participant

until the Market Operator is satisfied that the ability of the Trading Participant to communicate Trading Messages reliably with a Trading Platform, or to correctly process those Trading Messages is or will no longer be impaired.

Amended 20/03/17

## CANCELLATIONS AND DEALING DISPUTES

### **Request for Cancellation**

- [3200] If a Trading Participant submits an Order incorrectly which is subsequently executed, and the Trading Participant wants that trade be considered for cancellation, it must submit a request to the Market Operator to obtain the consent of the counterparty to cancel the trade if certain conditions specified in the Procedures are met. Subject to the exceptions specified in the Procedures, if the conditions are met the Market Operator will cancel the trade.

Amended 31/03/13, 20/03/17

### **Market Operator Cancellation of Trades in the Extreme Trade Range**

- [3210] The Market Operator will, subject to the exceptions specified in the Procedures, undertake an Market Operator enforced cancellation of trades in the Extreme Trade Range on such conditions as specified in the Procedures.

Amended 28/11/11, 31/03/13, 20/03/17

### **Dealing Disputes**

- [3220] A Trading Participant may notify the Market Operator if it believes another Trading Participant has executed a trade in the Extreme Trade Range (a 'Dealing Dispute'). The Market Operator will promptly consider whether Rule [3210] applies to the situation and commence the process under that Rule.

Amended 28/11/11, 20/03/17

### **Appeal of Decisions of Market Operator**

- [3230] If a Trading Participant is dissatisfied with the actions taken by the Market Operator under Rules [3200] to [3220] the Trading Participant may appeal to the Appeal Tribunal in accordance with the provisions of the ASX Enforcement and Appeals Rulebook.

Amended 20/03/17

### **Market Operator Power Not Limited**

- [3240] Nothing in Rules [3200] to [3220] limits or precludes the Market Operator exercising its powers under Rules [3100] to [3140] in relation to circumstances which are covered by Rules [3200] to [3220].

Amended 20/03/17

- [3241] Nothing in Rules [3200] to [3220] precludes the Market Operator from taking any other action which it is permitted to take under these Rules in connection with the circumstances giving rise to the Dealing Dispute including, without limitation, the taking of enforcement action or exercising any power under the ASX Enforcement and Appeals Rulebook.

Amended 28/11/11, 20/03/17

### **No Liability of the Market Operator**

- [3250] Without limiting Rules [6800] to [6802], none of the Market Operator, its officers, employees, agents or contractors are liable to a Trading Participant or any other person for any loss, liability, damage, cost or expense arising in any way (including,



without limitation, by negligence) from the bona fide exercise of any power, right or discretion conferred upon the Market Operator by Rules [3200] to [3220].

Amended 20/03/17

## Procedures 3200-3250 – Cancellations and Dealing Disputes

### Procedure 3200 – Request for Cancellation

#### **Procedure 3200.1 – Application**

This Procedure applies to all transactions and products other than those specifically excluded.

Amended 28/11/11

#### **Procedure 3200.2 – Notification to the Market Operator**

- (a) A Participant, via its Authorised Signatories, must notify the Market Operator by telephone within 30 minutes of the trade occurring if it requests a trade to be considered for cancellation if it is within the Qualifying Cancellation Range (QCR).
- (b) After the telephone request, the request for cancellation must be emailed to the Market Operator (Tradingoperations@asx.com.au) within 10 minutes of the telephone request and shall include the following information:
  - time of execution;
  - security/symbol;
  - number of contracts;
  - price;
  - deal number; and/or
  - order number

Amended 28/11/11, 31/03/13, 20/03/17

#### **Procedure 3200.3 – Notification by the Market Operator**

- (a) Where the trade may be within the QCR or ETR, the Market Operator shall, as soon as possible, send a message to the market notifying that a cancellation is being requested and will provide the deal number(s) for the trade(s) if it is available and the Market Operator can identify the trade. The Market Operator may send this notification prior to receiving the email from the Participant so as to give the market warning about the trade investigation. However, if the Participant email is not received by the Market Operator within the 10 minute time frame the Market Operator will not continue to action the request for cancellation.
- (b) Where a decision regarding cancellation of a trade has been effected, the Market Operator shall notify the affected Participants of the decision and send a message to the market and will clearly identify the deal number(s) of the trade(s) on the Trading Platform.

Amended 28/11/11, 31/03/13, 20/03/17

#### **Procedure 3200.4 – Time Limit**

The Market Operator will not facilitate the cancellation of a trade where the request was not made in accordance with Procedure 3200.2 and/or 10 minutes has elapsed since the close of trading on the relevant Trading Day.

Amended 28/11/11, 20/03/17

## Procedure 3200.5 – Market Operator Determinations and Cancellation Ranges

- (a) On receipt of the email request, the Market Operator will refer to the Reference Price for the contract and then assess whether the trade qualifies for cancellation as follows:

Range	Outcome
At or within the NCR (No Cancellation Range)	The trade will not be cancelled
At or within the QCR (Qualifying Cancellation Range)	The trade will only be cancelled if the Participant counterparty to the trade consents within 5 minutes of the request.
At or within the ETR (Extreme Trade Range)	The Market Operator will cancel the trade subject to any exception under Rule [3210]. If a Participant has requested a cancellation and the trade is determined by the Market Operator to be within the ETR, Rule [3200] ceases to apply and Rule [3210] applies.

- (b) The cancellation ranges and Reference Price are set out below.
- (c) The Market Operator will not accept the financial loss incurred by a Participant as grounds for cancellation.
- (d) The cancellation may be subject to such condition(s) as the Market Operator sees fit, including but not limited to, the following:
- (i) the acceptance, by the Participant who has requested the cancellation, or has originally executed the trade, of a trade executed by another Participant in reliance on the trade cancelled; or
  - (ii) the acceptance of a trade to cancel the trade.
- The Participant shall comply with any such condition.
- (e) Each trade will be individually assessed on the basis of price regardless of whether the trade was part of any strategy or contingency trade or combination trade subject to the following exception:

### **Cancellation of Non-ETR leg of contingent or combination trade**

A Participant that is party to a strategy, contingent or combination order that results in a trade within the ETR (and is to be cancelled) can request that the leg of the trade that is not within the ETR is cancelled. The ASX will only be able to facilitate this in the following circumstances:

- (i) there is only one counterparty to all legs of the trade;
- (ii) the Participant requesting the non-ETR trade cancellation and the Participant consenting to the non-ETR trade cancellation are able to produce their clients' consent within 5 minutes of the request for cancellation being made.

Amended 28/11/11, 31/03/13, 20/03/17

## Procedure 3200.6 – Actions Once Market Operator determines the trade is within the Qualifying Cancellation Range

- (a) If the trade is within the QCR and therefore, eligible for cancellation under Rule [3200], the Market Operator will contact the authorised signatory (under Rule [6510]) of the Participant that is the counterparty to the market transaction(s) and

communicate the request that the trade be cancelled. The Participant counterparty to the transaction(s) is under no obligation to agree to the trade cancellation request.

- (b) If the Participant counter party does not agree to the trade cancellation within 5 minutes of notification, the initiator Participant will be informed and the trades will stand.
- (c) If an agreement is reached, the Market Operator will inform the initiator Participant and will then facilitate the cancellation of the trade(s). The Market Operator will notify the relevant Approved Clearing Facility of the cancellation.
- (d) The parties to the market transaction will remain anonymous unless their identity is already disclosed in accordance with the Rules.
- (e) Counterparty Client Consent  
Where the Market Operator obtains relevant counterparty consent for the trade to be cancelled such consent is provided on the understanding that the counterparty has sought and received its Client's consent for such cancellation and can produce that consent at that time.

Amended 28/11/11, 20/03/17

### **Procedure 3200.7 – Cancellation Fee**

The Market Operator will impose a cancellation fee as specified in the Fee Schedule on [www.asx.com.au](http://www.asx.com.au) on the Participant responsible for the trade. The fee will be levied individually on each order that results in a trade being cancelled under this Rule capped at 5 orders.

Amended 28/11/11, 20/03/17

### **Procedure 3200.8 – Exceptions to Application of Rule 3200**

#### **(a) Specific types of Trades**

Rule [3200] and this Procedure does not apply to the following transactions and the cancellation of these trades is dealt with in the trade specific Rules and Procedures:

- EFPs;
- Block Trades.

Unintentional Crossing Prevention (UCP) trades are not eligible for cancellation.

#### **(b) Market Operator System or Process Issue**

In the event that trades result from any Market Operator system or process issue, any resulting trade notified to the Market Operator may, in the Market Operator's discretion, be cancelled (regardless of the range the trade falls within or when the Market Operator identifies the issue).

Where the Trading Platform allocates leg prices where two Market Operator Defined or User Defined Strategy Orders – Fixed Leg Price Combinations or Net Price Combinations match that are not a true reflection of current market levels, as determined by the Market Operator, the Market Operator may re-book the trade where the net price is maintained and there is not more than two counterparties to the trade.

#### **(c) Other Market Operator Rules and Approved Clearing Facility Rules**

Rule [3200] and this Procedure are subject to and may be overridden by any Market Operator Rule that allows or disallows cancellation and any cancellation rule of an Approved Clearing Facility.

Amended 28/11/11, 27/02/12, 31/03/13, 20/03/17, 09/10/17

**Procedure 3200.9 – Reference Price and Cancellation Ranges for Contracts not subject to the ASIC Competition Market Integrity Rules (ASIC Competition MIRs)**

All Contracts other than:

- SPI 200
- Mini SPI 200
- S&P/ASX 200 Resources Index
- S&P/ASX 200 Financials-x-A-REIT Index Futures Contracts
- S&P/ASX 200 A-REIT Index Futures Contracts

**Reference Price**

The Reference Price is established by the Market Operator using any or a combination of the following criteria:

- Valid last trade price preceding the entry of the asserted error trade
- Valid bid or ask available in the market
- Preceding Daily Settlement Price
- Intra and inter spread relationships
- Market conditions immediately before and after the transaction(s)
- Theoretical valuation
- Independent third parties
- Physical markets
- Utilisation of RFQ's

No automated AOT/NCR applies to futures contracts not subject to the ASIC Competition MIRs so no orders will be automatically rejected. No Regulatory Halt will be applied.

Amended 28/11/11, 26/05/14, 27/10/14, 20/03/17

**Ranges for Interest Rate Futures Products**

<b>Futures Contracts</b>	<b>NCR</b>	<b>QCR (Lower Limit)</b>	<b>QCR (Upper Limit)</b>	<b>Start of ETR</b>
<b>Australian 30 Day Inter Bank</b>	5.0 Basis Points	5.5 Basis Points	49.5 Basis Points	50.0 Basis Points
<b>Australian 90 Day Bank Bills (includes Packs and Bundles Strip Orders)</b>	5.0 Basis Points	6.0 Basis Points	49.0 Basis Points	50.0 Basis Points
<b>Australian 3 Year Treasury Bond</b>	5.0 Basis Points	5.5 Basis Points	49.5 Basis Points	50.0 Basis Points
<b>Australian 10 Year Treasury Bond</b>	5.0 Basis Points	5.5 Basis Points	49.5 Basis Points	50.0 Basis Points
<b>Australian 20 Year Treasury Bond</b>	5.0 Basis Points	5.5 Basis Points	49.5 Basis Points	50.0 Basis Points
<b>Australian 3 Year Interest Rate Swap</b>	5.0 Basis Points	5.5 Basis Points	49.5 Basis Points	50.0 Basis Points
<b>Australian 10 Year Interest Rate Swap</b>	5.0 Basis Points	5.5 Basis Points	49.5 Basis Points	50.0 Basis Points

<b>Futures Contracts</b>	<b>NCR</b>	<b>QCR (Lower Limit)</b>	<b>QCR (Upper Limit)</b>	<b>Start of ETR</b>
<b>NZ 30 Day Official Cash Rate</b>	5.0 Basis Points	5.5 Basis Points	49.5 Basis Points	50.0 Basis Points
<b>NZ 90 Day Bank Bills</b>	5.0 Basis Points	6.0 Basis Points	49.0 Basis Points	50.0 Basis Points
<b>NZ 3 Year Government Bond</b>	5.0 Basis Points	6.0 Basis Points	49.0 Basis Points	50.0 Basis Points
<b>NZ 10 Year Government Bond</b>	5.0 Basis Points	6.0 Basis Points	49.0 Basis Points	50.0 Basis Points

Amended 28/11/11, 27/02/12, 31/03/13, 01/12/14, 21/09/15, 20/03/17

### Ranges for Volatility Index Futures Products

<b>ASX VIX Futures Contracts % means distance from Reference Price</b>	<b>NCR</b>	<b>QCR (Lower Limit)</b>	<b>QCR (Upper Limit)</b>	<b>Start of ETR</b>
<b>S&amp;P/ASX 200 VIX Futures Contract</b>	5% DP	> 5% DP	≤ 30% DP	> 30% DP

Introduced 21/10/13

### Ranges for Commodity Futures Products

<b>Futures Contracts</b>	<b>NCR</b>	<b>QCR (Lower Limit)</b>	<b>QCR (Upper Limit)</b>	<b>Start of ETR</b>
<b>Eastern Australia Wheat</b>	\$5.00	\$5.10	\$14.90	\$15
<b>NSW Wheat</b>	\$5.00	\$5.10	\$14.90	\$15
<b>WA Wheat</b>	\$5.00	\$5.10	\$14.90	\$15
<b>Eastern Australia Feed Barley</b>	\$5.00	\$5.10	\$14.90	\$15
<b>Australian Sorghum</b>	\$5.00	\$5.10	\$14.90	\$15
<b>Eastern Australia Canola</b>	\$5.00	\$5.10	\$14.90	\$15

Amended 24/10/11, 28/11/11, 31/03/13, 12/10/15

### Ranges for Energy Futures Products

<b>Futures Contracts % means distance from Reference Price</b>	<b>NCR</b>	<b>QCR (Lower Limit)</b>	<b>QCR (Upper Limit)</b>	<b>Start of ETR</b>
<b>Base Load Electricity</b>	1.5% DP	> 1.5% DP	≤ 15% DP	> 15% DP
<b>Peak Load Electricity</b>	1.5% DP	> 1.5% DP	≤ 15% DP	> 15% DP
<b>Base Load Electricity Strip</b>	1.5% DP	> 1.5% DP	≤ 12% DP	> 12% DP
<b>Peak Load Electricity Strip</b>	1.5% DP	> 1.5% DP	≤ 15% DP	> 15% DP
<b>Base Load Electricity Cap</b>	3% DP	> 3% DP	≤ 15% DP	> 15% DP
<b>Base Load Electricity Cap Strip</b>	1.5% DP	> 1.5% DP	≤ 15% DP	> 15% DP
<b>VIC Gas</b>	1.5% DP	> 1.5% DP	≤ 15% DP	> 15% DP

<b>Futures Contracts % means distance from Reference Price</b>	<b>NCR</b>	<b>QCR (Lower Limit)</b>	<b>QCR (Upper Limit)</b>	<b>Start of ETR</b>
<b>VIC Gas Strip</b>	1.5% DP	> 1.5% DP	≤ 15% DP	> 15% DP
<b>NZ Gas</b>	1.5% DP	> 1.5% DP	≤ 15% DP	> 15% DP
<b>Wallumbilla Gas</b>	1.5% DP	> 1.5% DP	≤ 15% DP	> 15% DP

Amended 24/10/11, 28/11/11, 31/03/13, 07/04/15, 08/08/16

### Ranges for Environmental Futures Products

<b>Futures Contracts % means distance from Reference Price</b>	<b>NCR</b>	<b>QCR (Lower Limit)</b>	<b>QCR (Upper Limit)</b>	<b>Start of ETR</b>
<b>Renewable Energy Certificates (REC's)</b>	1.5% DP	> 1.5% DP	≤ 15% DP	> 15% DP

Amended 28/11/11, 31/03/13

### Ranges for Options Contracts

<b>Option Contracts</b>	<b>NCR</b>	<b>QCR (Lower Limit)</b>	<b>QCR (Upper Limit)</b>	<b>Start of ETR</b>
<b>Interest Rate Option Products</b>				
<b>Australian 90 Day Bank Bills</b>	5 Basis Points	5.5 Basis Points	19.5 Basis Points	20 Basis Points
<b>Australian 30 Day Inter Bank</b>	5 Basis Points	5.5 Basis Points	19.5 Basis Points	20 Basis Points
<b>NZ 90 Day Bank Bills</b>	5 Basis Points	5.5 Basis Points	19.5 Basis Points	20 Basis Points
<b>Australian 3 Year Treasury Bond</b>	5 Basis Points	5.5 Basis Points	19.5 Basis Points	20 Basis Points
<b>Australian 10 Year Treasury Bond</b>	5 Basis Points	5.5 Basis Points	19.5 Basis Points	20 Basis Points
<b>NZ 3 Year Government Bond</b>	5 Basis Points	5.5 Basis Points	19.5 Basis Points	20 Basis Points
<b>NZ 10 Year Government Bond</b>	5 Basis Points	5.5 Basis Points	19.5 Basis Points	20 Basis Points
<b>Australian 3 Year Treasury Bond SSO</b>	3 Basis Points	3.5 Basis Points	7.5 Basis Points	8 Basis Points
<b>Australian 10 Year Treasury Bond SSO</b>	3 Basis Points	3.5 Basis Points	7.5 Basis Points	8 Basis Points
<b>Equity Option Products</b>				
<b>SPI 200</b>	25.0 Points	25.5 Points	99.5 Points	100.0 Points
<b>Commodity Option Products</b>				
<b>Eastern Australia Wheat</b>	\$5.00	\$5.10	\$19.90	\$20
<b>NSW Wheat</b>	\$5.00	\$5.10	\$19.90	\$20
<b>WA Wheat</b>	\$5.00	\$5.10	\$19.90	\$20

Option Contracts	NCR	QCR (Lower Limit)	QCR (Upper Limit)	Start of ETR
Eastern Australia Feed Barley	\$5.00	\$5.10	\$19.90	\$20
Australian Sorghum	\$5.00	\$5.10	\$19.90	\$20
Eastern Australia Canola	\$5.00	\$5.10	\$19.90	\$20
<b>Energy Option Products</b>				
Australian Average Rate Base Load Electricity	25 Cents	26 Cents	99 Cents	100 Cents
NZ Average Rate Base Load Electricity	25 Cents*	26 Cents*	99 Cents*	100 Cents*
Australian Base Load Electricity Strip	25 Cents	26 Cents	99 Cents	100 Cents
NZ Base Load Electricity Strip	25 Cents*	26 Cents*	99 Cents*	100 Cents*
VIC Gas Strip	5 Cents	6 Cents	24 Cents	25 Cents
<b>Environmental Option Products</b>				
Renewable Energy Certificates	25 Cents	26 Cents	99 Cents	100 Cents

\* New Zealand Dollars (NZD)

Determined Price of Option (determined by ASX 24)	% of Options NCR and ETR
5 Minimum Tick Increments and below	20%
Between 5.1 and 20 Minimum Tick Increments	40%
Between 20.1 and 50 Minimum Tick Increments	60%
Between 50.1 and 100 Minimum Tick Increments	80%
Greater than 100 Minimum Tick Increments	100%

Amended 01/03/11, 24/10/11, 28/11/11, 31/03/13, 12/09/13, 09/12/13, 20/01/14, 12/10/15

### **Procedure 3200.10 – Reference Price, Anomalous Order Threshold, Regulatory Halts and Cancellation Ranges for Futures Contracts subject to the ASIC Competition MIRs**

#### **Reference Price for futures contracts subject to the ASIC Competition Market Integrity Rules (ASIC Competition MIRs)**

For the

- SPI 200,
- Mini SPI 200,
- S&P/ASX 200 Resources Index,
- S&P/ASX 200 Financials-x-A-REIT Index Futures Contracts, and
- S&P/ASX 200 A-REIT Index Futures Contracts

there will be one VWAP Reference Price for each Contract dynamically updated every 30 seconds.

Pursuant to an ASIC waiver from ASIC Competition MIR 2.2.2(1) the ETR Reference Price is the same as the dynamic Anomalous Order Threshold (AOT)/NCR Reference Price.

## **Determination of the AOT/NCR Reference Price on the initial commencement of trading on a Trading Day**

The AOT/NCR Reference Price will be determined by one of the futures Contracts within the Contract expiry months called the eligible Contract. For the remaining expiry months, the AOT/NCR Reference Price established by the eligible Contract will set the AOT/NCR Reference price for all the other futures Contracts using the prior day settlement price delta adjustment from the eligible Contract.

The eligible Contract will be selected based on the following criteria:

- (a) The futures Contract that is the nearest month, and
- (b) The futures Contract is not a futures serial month (where a futures serial month is one of the two nearest contracts that are non-quarter months in a product that normally only defines quarter month contracts), and
- (c) The futures Contract is in an open trading state, and
- (d) The futures Contract is not on the last trading date.

If a Contract meets all of the above conditions, then it is considered to be the eligible Contract and trading activity in this contract will set the initial AOT/NCR Reference Price and be used to set the VWAP price.

At the initial commencement of trading on a Trading Day the NCR/AOT Reference Price for the eligible Contract will be established as follows in accordance with ASIC Competition MIRs 2.2.1 (being the determination of an initial ETR Reference Price):

- (a) if there is an auction in the relevant product and before the opening transaction, the price established by the auction;
- (b) if:
  - (i) the Market Operator determines that the price established by the auction referred to in paragraph (a) is Invalid;
  - (ii) the auction referred to in paragraph (a) does not establish a price; or
  - (iii) there is no auction in the relevant product after the auction and before the opening transaction,the price of the opening transaction; or
- (c) if paragraph (a) or (b) applies and the price of the opening transaction is invalid, a price determined by the Market Operator to be not invalid. The Market Operator will use the reference price criteria for futures contracts not subject to the ASIC Competition MIRs to determine the initial Reference Price as follows:

The Reference Price is established by the Market Operator using any or a combination of the following criteria:

- Valid last trade price preceding the entry of the asserted error trade
- Valid bid or ask available in the market
- Preceding Daily Settlement Price
- Intra and inter spread relationships
- Market conditions immediately before and after the transaction(s)
- Theoretical valuation
- Independent third parties
- Physical markets
- Utilisation of RFQ's



This manually determined Reference Price will be used to determine whether the initial trade is within the NCR, QCR or ETR.

Pursuant to an ASIC waiver from ASIC Competition MIR 2.2.2C if the Market Operator determines that the initial trade is outside the manually determined ETR, the Market Operator will apply a manual Regulatory Halt Session State to facilitate the resetting of the AOT/NCR Reference Price. At the commencement of this Regulatory Halt, all Spread Orders and User Defined Strategy Orders for the product will be purged from all Contract months. Following the Regulatory Halt, a Pre\_Open period of 2 minutes will be applied before Open trading resumes.

If the Market Operator determines that the initial trade is in the NCR or QCR, the Market Operator may either determine that the initial AOT/NCR Reference Price will stand and there will be no Regulatory Halt or may determine that a Regulatory Halt will be invoked to reset the AOT/NCR Reference Price.

### **Determination of the AOT/NCR Reference Price on Spot Month Contract Expiry Day**

If the spot month is not set as the eligible Contract due to failing eligible Contract condition (d), where the spot month Contract is on the last trading date, the next to expire Contract month meeting all of the eligible Contract conditions will become the eligible Contract.

For the last trade date only, there will be two independent AOT/NCR Reference Prices distributed, one for the spot month Contract and one for the eligible Contract, where the eligible Contract will be the AOT/NCR Reference Price (with the prior day settlement delta adjustment) for the remaining months, excluding the spot month.

Where there are two Contracts that can establish an AOT/NCR Reference Price and an auction doesn't establish an AOT/NCR Reference Price in one of the Contract months, the established AOT/NCR Reference Price will be used to determine an AOT/NCR Reference Price for all the remaining futures Contracts.

Where neither Contract establishes an AOT/NCR Reference Price from an auction, then the first opening transaction price from either the spot month Contract or the eligible Contract will be used to determine an AOT/NCR Reference Price for all the remaining futures Contracts.

### **Determination of the AOT/NCR Reference Price on a discretionary early close or halt of the eligible Contract where the eligible Contract will open again**

Where the eligible Contract is halted or closed, the AOT/NCR Reference Price will be generated by the next Contract that meets the eligible Contract conditions. The next VWAP calculation will commence 30 seconds after the old eligible Contract is closed or halted.

If the original eligible Contract is re-opened, then the original eligible Contract will resume the AOT/NCR Reference Price from that point in time and the next VWAP calculation will commence 30 seconds after it has re-opened.

### **Process for Market Operator determination that the price established by the auction or opening transaction is Invalid**

A Participant, via its Authorised Signatories, must notify the Market Operator by telephone within 10 minutes of the trade occurring and initial AOT/ETR Reference Price being set if it considers that the price is invalid otherwise the price will stand.

### **Prices used in determining the AOT/NCR Reference Price**

All traded prices are used other than a traded price from a Block Trade, EFP, User Defined Strategy-to-User Defined Strategy or Spread-To-Spread.

Where:

- i. a Spread-to-Spread order executes and the resulting trade price is calculated using a relative price based on the outright market, i.e. the bid-ask midpoint of the existing underlying top-of-book orders, or
  - ii. a User Defined Strategy-to-User Defined Strategy Order executes,
- the resulting trade price will not set the AOT/NCR Reference Price or be used in any subsequent AOT/NCR Reference Price calculations.

### Regulatory Halt/Trading Pause

The Market Operator will apply a manual Regulatory Halt Session State (referred to as a Trading Pause under the ASIC Competition MIRs) as follows:

- during continuous trading the NCR/AOT range has moved such that trades would occur in the ETR (an ETR Event under the ASIC Competition MIRs) so that the ETR Reference Price, ETR and NCR/AOT range may be reset.
- to reset the AOT/NCR Reference Price where the Market Operator has determined the **initial opening** auction price is invalid or an auction does not establish a price or the Market Operator has determined the opening transaction price is invalid.

Pursuant to an ASIC waiver from ASIC Competition MIR 2.2.2C the Regulatory Halt can be manually applied and not automated and can be for longer or shorter than 2 minutes.

The Market Operator may determine that a Regulatory Halt will be invoked to reset the AOT/NCR Reference Price.

A Regulatory Halt will halt all of the futures months and options Contracts for that product and any Intra-Spread, Inter-Spread, or User Defined Strategy Orders will be purged where those orders are related to the product, i.e. one or more legs are an outright contract in the product subject to the Regulatory Halt.

Following the Regulatory Halt, a Pre\_Open period of 2 minutes will be applied before open trading resumes.

Pursuant to an ASIC waiver from ASIC Competition MIR 2.2.2C the Market Operator will **not** apply a Regulatory Halt where any part of the Regulatory Halt would be applied during in the 2 minute period prior to the Close Session States.

A Regulatory Halt in any Contract month of a product will result in a Regulatory Halt in all other Contract months and the complement option Contracts (if option Contracts are defined).

### Anomalous Order Threshold/No Cancellation Range

The AOT/NCR automatically updates as the AOT/NCR Reference Price updates. The AOT/NCR applies during continuous trading defined in the ASIC Competition MIRs as trading other than a time during which:

- (a) Orders are not matched and Transactions are not executed on a continuous basis on the Relevant Order Book; or
- (b) an auction is being conducted on the Relevant Order Book.

The AOT/NCR will be determined for each Contract month calculated from the eligible Contract AOT/NCR Reference Price. For Contract months other than the eligible Contract the AOT/NCR equals:

$$\begin{aligned} \text{Contract Reference Price} &= \text{Eligible Contract AOT/NCR Reference Price} \\ &\quad + \text{prior day settlement price} \\ &\quad - \text{Eligible Contract prior day settlement price} \end{aligned}$$

$Contract\ AOT/NCR\ Range = Contract\ AOT/NCR\ Reference\ Price \pm (Contract\ Reference\ Price \times percentage)$

OR

$Contract\ AOT/NCR\ Range = Contract\ AOT/NCR\ Reference\ Price \pm Contract\ Adjustment\ Factor\ Basis\ Points$

Orders outside the AOT/NCR range, on applicable order types, will be rejected.

The AOT/NCR percentage or adjustment factor for each Contract is:

<b>Futures Contracts</b>	<b>Spot AOT/NCR</b>	<b>Spot +1 AOT/NCR</b>	<b>Spot +2 AOT/NCR</b>	<b>Spot +3 AOT/NCR</b>	<b>Spot +4 AOT/NCR</b>	<b>Spot +5 AOT/NCR</b>	<b>Spot +6 AOT/NCR</b>	<b>Spot +7 AOT/NCR</b>
<b>SPI 200</b>	0.50%	0.50%	0.50%	0.50%	0.90%	0.90%	1.00%	1.00%
Adjustment Factor Basis Points	25	25	25	25	45	45	50	50
<b>Mini SPI 200</b>	1.00%	1.00%	1.00%	1.00%	-	-	-	-
Adjustment Factor Basis Points	25	25	25	25	-	-	-	-
<b>S&amp;P/ASX 200 Resources Index Futures Contracts</b>	1.00%	1.00%	1.00%	1.00%	-	-	-	-
Adjustment Factor	50	50	50	50	-	-	-	-
<b>S&amp;P/ASX 200 Financials –x-A-REIT Index Futures Contracts</b>	1.00%	1.00%	1.00%	1.00%	-	-	-	-
Adjustment Factor	50	50	50	50	-	-	-	-
<b>S&amp;P/ASX 200 A-REIT Index Futures Contracts</b>	1.00%	1.00%	1.00%	1.00%	-	-	-	-
Adjustment Factor	50	50	50	50	-	-	-	-

### **AOT/NCR Rounding**

The AOT/NCR Reference Price and AOT/NCR upper and lower ranges, will be rounded to the nearest minimum price tick for the contract.

### **Rejection of Orders that Exceed the AOT/NCR**

Aggressive orders (an incoming order that can execute an order that already resides on the order book (i.e. against a passive order)) that are:

- Limit, Market-To-Limit and GTC orders for single legged contracts, Where the AOT/NCR has been established for the contract, and
  - i. The aggressive order ask price is below the AOT/NCR lower range, or

- ii. The aggressive order bid price is above the AOT/NCR upper range, or
- iii. The best bid price is above the AOT/NCR upper range and aggressive order ask price is equal to or less than the best bid price, or
- iv. The best ask price is below the AOT/NCR lower range and the aggressive order bid price is equal to or greater than the best ask price, then

The order will be rejected.

- User Defined Strategy Orders

User Defined Strategy orders will have the AOT/NCR applied and checked at the time of entry so that for each leg, if:

- i. The contract leg is subject to the ASIC Competition MIRs, and
- ii. The AOT/NCR has been established for the contract leg, and
- iii. The leg price is outside the AOT/NCR contract range, then

the entire order will be rejected.

- Intra-Spread Orders

Intra-spread orders will have the AOT/NCR applied and checked at the time of entry so that the intra-spread order will be rejected if:

- i. The underlying contract (near and/or far) is subject to the ASIC Competition MIRs, and
- ii. The AOT/NCR Reference Price has been established for the underlying contract, and
- iii. The spread price generates an implied-out price in the underlying contract leg that is outside the AOT/NCR range for one or both underlying contract legs of the spread.
- iv. Where there are no outright prices, intra-spread rejection will be based on the spread range of the near AOT/NCR upper – far AOT/NCR lower for the bid spread price, or the near AOT/NCR lower – far AOT/NCR upper for the spread ask price.

- Inter-Spread Orders

Inter-spread orders will have the AOT/NCR applied and checked at the time of entry so that the inter-spread order will be rejected if:

- i. One or both underlying contracts are subject to the ASIC Competition MIRs, and
- ii. The AOT/NCR Reference Price has been established for one or both underlying contracts, and
- iii. The spread price generates a “shadow” price in the underlying contract leg that is outside the AOT/NCR range for one or both underlying contract legs of the spread.

Pursuant to an ASIC waiver from ASIC Competition MIR 2.1.3 the AOT/NCR does not apply to the following orders:

- Spread-To-Spread orders

The AOT/NCR will be applied to spread orders upon entry as indicated for intra-spread and inter-spread orders.

Where a spread-to-spread executes, and the resulting trade of one leg is outside the AOT range, the trade prices will be adjusted such that both legs are within the AOT range and the net trade price condition is met.

If the spread to spread trade price algorithm is unable to satisfy the net price condition, the resulting trade price may fall outside the AOT range.

No AOT/NCR applies to Block Trades and EFPs.

Note: Details of the spread trade price algorithm is located in the Trading Platform Release Notes and User Guide.

### Ranges for Equity Index Futures Products subject to the ASIC Competition MIRs

Futures Contracts	NCR/AOT	QCR (Lower Limit)	QCR (Upper Limit)	Start of ETR
<b>SPI 200</b>	See table above	>0.5%	< 5%	5%
<b>Mini SPI 200</b>	See table above	>0.5%	< 5%	5%
<b>S&amp;P/ASX 200 Resources Index Futures Contracts</b>	See table above	> 1%	< 5%	5%
<b>S&amp;P/ASX 200 Financials –x-A-REIT Index Futures Contracts</b>	See table above	> 1%	< 5%	5%
<b>S&amp;P/ASX 200 A-REIT Index Futures Contracts</b>	See table above	> 1%	< 5%	5%

Introduced 26/05/14 Amended 27/10/14, 01/06/15, 12/10/15, 08/08/16, 20/03/17

### Procedure 3210 – Market Operator Cancellation of trades in the Extreme Trade Range

3210.1 The Market Operator may cancel trades under this Rule whether or not it has received a request from a Participant under Rule [3200] – Request for Cancellation.

Amended 28/11/11, 20/03/17

### **Procedure 3210.3 – Notification by Market Operator of Outcome**

- (a) Where the trade is notified to the Market Operator or identified by the Market Operator as likely to be within the ETR, the Market Operator shall, as soon as possible, send a message to the market notifying the deal number(s). Where a non-ETR trade results from a strategy, contingent or combination trade that is related to the ETR trade and that non-ETR trade is requested to be cancelled, the Market Operator will also provide the deal number(s) for that trade(s).
- (b) Where a decision regarding cancellation of a trade has been effected, the Market Operator shall on a best endeavours basis notify the affected Participants of the decision prior to the cancellation and send a message to the market and will clearly identify the deal number(s) of the trade(s) on the Trading Platform.

Introduced 28/11/11 Amended 27/02/12, 31/03/13, 20/03/17

### **Procedure 3210.4 – Trades within the Extreme Trade Range**

If a trade has a price at or within the ETR it will be cancelled unless:

#### **(a) Time limit is exceeded – non-ASIC Competition MIR Contracts only**

The Market Operator will not cancel trades in the ETR if the trade is identified by or to the Market Operator more than 30 minutes after the time of trade execution or 10 minutes has elapsed since the close of trading on the relevant Trading Day, whichever is sooner.

**(b) The ETR Trade is Repriced**

Where a trade results from a strategy, contingent or combination order the Participant that is a party to the trade within the ETR can request that the trade is repriced to the price point immediately before the ETR commences. The Market Operator will only be able to facilitate this in the following circumstances:

- (i) there is only one counterparty to all legs of the trade;
- (ii) the Participant requesting the repricing and the Participant consenting to the repricing are able to produce their clients consent within 5 minutes of the request for repricing being made;
- (iii) the original net price is maintained.

**(c) Other exceptions**

The other exceptions referred to in Procedure 3210.7 apply.

Introduced 28/11/11 Amended 27/02/12, 31/03/13, 26/05/14, 20/03/17

**Procedure 3210.5 – Cancellation Condition**

The cancellation may be subject to such condition(s) as the Market Operator sees fit, including but not limited to, the following:

- (a) the acceptance, by the Participant who has requested the cancellation (if applicable), or has originally executed the trade, of a trade executed by another Participant in reliance on the trade cancelled; or
- (b) the acceptance of a trade to cancel the trade.

The Participant shall comply with any such condition.

Amended 28/11/11, 20/03/17

**Procedure 3210.6 – Cancellation Fee**

The Market Operator will impose a cancellation fee as specified in the Fee Schedule on [www.asx.com.au](http://www.asx.com.au) on the Participant responsible for the trade. The fee will be levied individually on each order that results in a trade being cancelled under this Rule capped at 5 orders.

Amended 28/11/11, 20/03/17

**Procedure 3210.7 – Exceptions to Application of Rule [3210]**

**(a) Specific types of Trades**

Rule [3210] and this Procedure do not apply to the following transactions and the cancellation of these trades is dealt with in the trade specific Rules and Procedures:

- EFPs;
- Block Trades.

Unintentional Crossing Prevention (UCP) trades are not eligible for cancellation.

**(b) Market Operator System or Process Issue**

In the event that trades result from any Market Operator system or process issue, any resulting trade notified to the Market Operator may, in the Market Operator's discretion, be cancelled (regardless of the range the trade falls within or when the Market Operator identifies the issue).

Where the Trading Platform allocates leg prices where two Market Operator Defined or User Defined Strategy Orders – Fixed Leg Price Combinations or Net Price Combinations match that are not a true reflection of current market levels, as determined by the Market Operator, the Market Operator may re-book the trade

where the net price is maintained and there is not more than two counterparties to the trade.

**(c) Other Market Operator Rules and Approved Clearing Facility Rules**

Rule [3210] and this Procedure are subject to and may be overridden by any Market Operator Rule that allows or disallows cancellation and any cancellation rule of an Approved Clearing Facility.

**(d) Time Limits and Repricing**

Trades in the Extreme Trade Range will not be cancelled where the time limit has been exceeded or the trade has been repriced as set out in Procedure 3210.4.

*Amended 28/11/11, 27/02/12, 31/03/13, 20/03/17, 09/10/17*

**Procedure 3220 – Dealing Disputes**

A Trading Participant that is not a party to the trade may refer a trade to the Market Operator if the Trading Participant suspects that the trade is erroneous. The trade will then be assessed in accordance with Rule [3210].

*Amended 20/03/17*

## TRADING OF DERIVATIVES MARKET CONTRACTS

### Position Limits

[3400] The Market Operator may set out in the Procedures (or otherwise notify to Trading Participants) a limit on the number of Derivatives Market Contracts in a Contract Series or Class which may be entered into or registered with an Approved Clearing Facility (either generally or in one or more Accounts or in respect of one or more persons). The Market Operator will notify Trading Participants of a change to a Position Limit before the change becomes effective.

*Amended 20/03/17*

[3401] A Trading Participant must not enter into a Derivatives Market Transaction if the registration of that Derivatives Market Transaction with an Approved Clearing Facility or entering that Derivatives Market Transaction will have the effect that a Position Limit is exceeded.

### Exercise limits

[3410] The Market Operator may set out in the Procedures (or otherwise notify to Trading Participants) a limit on the exercise of Options Market Contracts in a Contract Series or Class (either generally or in one or more accounts or in respect of one or more persons). The Market Operator will notify Trading Participants of a change to an Exercise Limit before the change becomes effective.

*Amended 20/03/17*

[3411] A Trading Participant must not exercise an Options Market Contract if the exercise will have the effect that an Exercise Limit is exceeded.

### Restrictions on Exercise

[3420] The Market Operator may at any time impose a restriction on the exercise of Options Market Contracts if it considers the restriction is appropriate having regard to Rule [6120]. A Trading Participant must only exercise Options Market Contracts in accordance with the terms of this restriction. Unless the Market Operator specifically advises to the contrary, any Exercise Limit ceases to be effective during the 10 Business Days immediately prior to and including the date on which the relevant Options Series Expires.

*Amended 20/03/17*

### Transactions outside Trading Hours

[3430] Unless the Rules expressly provide otherwise, Trading Participants must only enter into a Derivatives Market Transaction during Trading Hours.

[3431] A Trading Participant may enter into, amend or cancel a Derivatives Market Transaction after Trading Close and before the time set out in the Procedures if the Trading Participant complies with the steps set out in the Procedures. A Derivatives Market Transaction is entered into when the Trading Participant has complied with those steps.

[3432] A Trading Participant may enter into a Derivatives Market Transaction outside of Trading Hours on behalf of an overseas client at the time and in the circumstances set out in the Procedures. A Derivatives Market Transaction is entered into when the Trading Participant has complied with those steps.



## Procedure 3400

For the purposes of Rule [3400] the number the permitted number of Open Positions which may be held by Trading Participants on behalf of any market user is as follows:

	<b>3-Year Commonwealth Treasury Bond Futures Contracts</b>	<b>10-Year Commonwealth Treasury Bond Futures Contracts</b>	<b>20-Year Commonwealth Treasury Bond Futures Contracts</b>
Maximum number of spot month net Open Positions to be held at close of trading on T-1 and the remaining life of the contract at a corporate 'group' level	37,500	28,500	15,000

These expiry concentration position limits should be considered by market users as hard limits applicable to all market users (with beneficial ownership applied at 'group'<sup>1</sup> level), regardless of the particular type or style of trading activity undertaken. The Market Operator may vary the limits on an exceptional case-by-case basis, with such discretion likely to be exercised on an infrequent and judicious basis only.

Where multiple Trading Participants hold positions on behalf of a single market user, these limits include all holdings by that market user. To this end, Participants are advised to regularly consult with such clients to ensure that they are not to exceed these limits.

These limits have been based upon consideration of a number of factors including:

- The Market Operator's assessment of overall futures market size and a maximum acceptable degree of Open Interest concentration;
- physical market turnover and liquidity on expiry day (i.e. the size of the cash market); and
- turnover and liquidity within the repo market.

Participants are referred to Bulletins 47/04 and 76/04 for further detail.

In relation to Interest Rate Swap Futures Contracts, a Trading Participant that is not an OTC Clearing Participant or does not have a clearing arrangement with an OTC Clearing Participant must have closed out any Open Positions for a market user that that is not an OTC Clearing Participant or does not have a clearing arrangement with an OTC Clearing Participant in Interest Rate Swap Futures Contracts five Trading Days prior to the Final Trading Day of the Contract.

In the event of or in order to prevent an undesirable market situation, the Market Operator may – in order to ensure fair, orderly and transparent markets under Rule [3100](c) – instruct Trading Participants to trade in a particular manner on behalf of their own account or those of other market users, potentially including an instruction to hold no more than a certain number of positions. In such an event, no further notification may occur before the issuance of such an instruction.

Amended 26/02/14, 21/09/15, 30/11/15, 20/03/17

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<sup>1</sup> Application of limits at a 'group' level as the default (i.e. consolidating all affiliated corporate entities) is considered to be the most straightforward and reasonable basis. However, genuine disparate holdings by international branches of a global institution, or by proprietary trading and funds management divisions of a bank may be examples where the Market Operator would utilise its discretion to vary limits as required.

## **Exercise limits**

### Procedure 3410

No exercise limits have been set for the purpose of Rule [3410].

## **Transactions outside Trading Hours**

### Procedure 3431

Only Block Trades and EFP transactions are currently prescribed to occur outside Trading Hours. Cancellations may only be effected in accordance with Rules [3200] and [3210].

### Procedure 3432

No transactions are currently prescribed to occur outside Trading Hours for overseas clients.

## REGISTRATION WITH THE APPROVED CLEARING FACILITY, ALLOCATION AND DESIGNATION

### **Original Contract Extinguished on Registration with Approved Clearing Facility**

[3700] Upon the registration of each contract with the Approved Clearing Facility such contract so registered shall be extinguished and replaced by a contract or contracts with the Approved Clearing Facility in accordance with the Clearing Rules and the original parties shall be released from their obligations to each other.

### **No Recognition of Rights of Other Parties**

- [3701] (a) All trading on the Markets of the Market Operator or otherwise pursuant to the Rules shall be between Trading Participants as principals and the Market Operator shall not be obliged to recognise the interest of any other party other than such Trading Participants; and
- (b) Upon the registration of a contract with the Approved Clearing Facility the Market Operator shall not be obliged to recognise the interest of any party other than the party to a contract with the Approved Clearing Facility arising from such contract.

*Amended 20/03/17*

### **Approved Clearing Facility Clearing as Party**

[3702] Where a Contract is traded on the Markets of the Market Operator or otherwise traded pursuant to the Rules and registered with the Approved Clearing Facility, references in the Rules to the Buyer or Seller of a Contract shall be read as a reference to the other party to a contract with the Approved Clearing Facility as a party.

*Amended 20/03/17*

### **Transmission by Market Operator to Approved Clearing Facility**

[3703] Particulars of all Trades executed on the Trading Platform shall be promptly transmitted by the Market Operator to the Approved Clearing Facility and shall be available for registration in accordance with the Clearing Rules.

*Amended 20/03/17*

### **Definition of Client**

[3704] In Rules [3704] and for the purposes of the definition of "Client" in the Clearing Rules, "Client" shall mean a Client within the meaning of Section 981A(1) of the Corporations Act or a person whose monies are required or authorised to be placed in a clients' segregated account by the Corporations Act.

### **Recording of Trades in Clearing System**

- [3705] Trades may be recorded in the Clearing System in the name of:
- (a) the Trading Participant which executed the Trade or which is responsible for the Trade; or
- (b) another Trading Participant or Clearing Participant to whom a Trade is Allocated.

- (c) Trades may only be Allocated by a Trading Participant referred to in Rule [3705](a).
- (d) Trades may only be Allocated to a Trading Participant or a Clearing Participant.

#### **Deemed Confirmation of Trades upon Recording**

[3706] All Trades recorded as having been Traded by the Trading Platform shall be deemed Confirmed by both parties immediately upon such recording.

#### **Deemed Confirmation where there has been an Objection**

[3707] Upon the resolution of a Dealing Dispute in accordance with Rule [3220] the Trade(s) as determined by the Market Operator shall be deemed to be Confirmed by the parties and the Market Operator shall correct any entries in the Clearing System accordingly.

Amended 20/03/17

#### **Action by Participant on Entering a Trade in the Clearing System**

- [3708] Where a Trade is entered into the Clearing System in the name of a Trading Participant the Trading Participant shall:
- (a) Designate the Trade in the Clearing System as a House Trade or a Client Trade; or
  - (b) Allocate the Trade to another Trading Participant entitled to receive Allocations.

#### **Action by Participant who Receives an Allocation of a Trade within the Clearing System**

- [3709] Where a Trading Participant receives an Allocation of a Trade within the Clearing System it may either:
- (a) Designate the Trade in the Clearing System as a House Trade or a Client Trade; or
  - (b) Allocate the Trade to another Trading Participant entitled to receive Allocations.

#### **The Party Deemed to have Confirmed the Trade**

- [3710] (a) Where a Trade has been Designated pursuant to Rule [3709](a) the Trading Participant who Designated the Trade shall be deemed to have Confirmed the Trade.
- (b) Where a Trade has been Allocated pursuant to Rule [3709](b) the Trading Participant who Allocated the Trade shall be deemed to have Confirmed the Trade and such Confirmation stands until the Trade is Confirmed by the other Trading Participant to whom the Trade has been Allocated.
- (c) Where a Trade has been Allocated pursuant to Rule [3709](b) to a Trading Participant that is a Facility Participant, the Trading Participant who Allocated the Trade shall be deemed to have Confirmed the Trade.

#### **Failure to Designate or Allocate a Trade**

[3711] Where a Trade is Confirmed pursuant to Rule [3706] a failure to Designate or Allocate such Trade by 6.30 pm on the Trading Date, or such other time set out in

the Procedures, shall, subject to any provision of the Rules or the Clearing Rules, be deemed to have been Designated as a House Trade.

### **Where Executing Participant is Not a Clearing Participant**

[3712] Where the Trading Participant which executed the Trade is a Trading Participant which is not a Clearing Participant then:

- (a) Confirmation of the Trade by the Trading Participant shall also be deemed to be a confirmation by the Guarantor Clearing Participant of the Trading Participant;
- (b) the Trade shall be deemed to be immediately Allocated to the Guarantor Clearing Participant of the Trading Participant; and
- (c) an Allocation deemed to be made under sub-paragraph (b) shall cease to apply upon the Trading Participant Allocating a Trade to another Trading Participant and the Allocation being confirmed by that Trading Participant.

### **Time to Designate and Allocate**

- [3713] (a) All Designations and Allocations shall be effected by the time set out in the Procedures.
- (b) The Market Operator may grant an extension of time to Allocate or Designate but is under no obligation to grant such an extension.

Amended 20/03/17

### **Registration of Trades**

[3714] A Trading Participant shall ensure that all transactions it enters into on the Markets of the Market Operator are registered in its name if the Trading Participant is a Clearing Participant or in the name of its Guarantor Clearing Participant, if it is not a Clearing Participant.

Amended 20/03/17

## Procedures 3700-3713 – Registration with the Approved Clearing Facility, Allocation and Designation

### Procedures 3713 – Time to designate and allocate

The Market Operator has determined the following times to designate and allocate:

<b>Session</b>	<b>Allocation and Assignments</b>	<b>Assignments of Allocations In</b>
Overnight	9.00 am	9.30 am
Morning/Afternoon	6.00 pm	6.30 pm
NZ	3.30 pm (5.30 pm NZ time)	3.30 pm (5.30 pm NZ time)

Amended 15/06/15, 20/03/17

## DOCUMENTS TO BE GIVEN TO A CLIENT AND CLIENT AGREEMENTS

[3801] A Trading Participant must include the minimum terms specified in the Procedures in Client Agreements in the circumstances set out in the Procedures. The Client Agreement may include other terms and conditions agreed between the Trading Participant and the client, provided those terms are not inconsistent with the terms set out in the Procedures. To the extent of any inconsistency, the terms set out in the Procedures will prevail.

### Procedure 3801 – Documents to be given to a Client and Client Agreements

A Client agreement required under ASIC Market Integrity Rule 2.2.5 in relation to Futures Market Contracts must incorporate the following minimum terms:

(a) Governing Law and Rules

The Client and Trading Participant are bound by the Market Operator Rules and the customs, usages and practices of the Market Operator's Markets.

(b) Client to Provide Information

In relation to the Client's trading on the Market Operator, the Client will upon the Trading Participant's request, provide all information and documentation relevant to that trading, to the Trading Participant and the Trading Participant is authorised by the Client to provide the information and documentation to the Market Operator.

(c) Benefit to Participant of Contract Registration with the Approved Clearing Facility

Any benefit or right obtained by any Trading Participant upon registration of a contract with the Approved Clearing Facility by way of assumption of liability of the Approved Clearing Facility under any contract or any other legal result of such registration is personal to the Trading Participant and the benefit of such benefit or right does not pass to the Client.

(d) Client only has rights against Participant

In relation to all trades conducted on the Market Operator by the Trading Participant and all Contracts registered by the Trading Participant with the Approved Clearing Facility the Client has no rights whether by way of subrogation or otherwise, against any person or corporation other than the Trading Participant.

(e) Appointment of Attorney

An appointment by the Client of the Managing Director of the Approved Clearing Facility as the Client's attorney to do all things necessary to transfer any Open Position held by the Trading Participant on the Client's behalf to another Trading Participant where the Trading Participant status of the Trading Participant has been suspended or terminated.

(f) Market Operator Data

An acknowledgment by the Client who has access to electronic order facilities that:

- (i) data made available to the Client by access to electronic order entry facilities is not the property of the Participant and remains the valuable property of the Market Operator; and
- (ii) the client is prohibited from publicly displaying, redistributing or re-transmitting the data in any way without having executed a Market Data Distribution Agreement or similar agreement with the Market Operator.

## Note

A clause regarding Market Operator data to the effect of (f) is not required where a Client does not have access to electronic order facilities.

This Rule and Procedure does not apply:

- (i) to a Principal Trader;
- (ii) where the Client is another Trading Participant, in which case an agreement containing this term is deemed to have been entered and come into effect immediately upon the Trading Participant accepting the first instruction from the Client to enter a contract on the Market Operator's Markets; or
- (iii) where the Trading Participant is performing execution business only and has an agreement in place with the Client that incorporates all the terms of an agreement determined by the Market Operator to be appropriate for use when a Trading Participant is performing execution business only.

The Market Operator has determined, that the provisions set out in the International Uniform Brokerage ("Give-Up" Agreement) (both client and trader versions) approved from time to time by the Futures Industry Association and Futures and Options Association is appropriate for use by a Trading Participant when performing execution business only.

## Grain Futures Client Agreement – Minimum Terms

### Interpretation

**"ASX Clear (Futures)"** means ASX Clear (Futures) Pty Limited.

**"Current Season"** means:

- (a) in relation to an Underlying Commodity (other than Sorghum and Feed Barley):
  - (i) the commodity has been harvested in the same industry accepted crop season within which the Settlement Month falls; or
  - (ii) the commodity has been upgraded by the Bulk Handler as if it had been harvested in the same industry accepted crop season within which the Settlement Month falls;
- (b) in relation to Sorghum and Feed Barley the commodity may be harvested in any industry accepted crop season so long as there is no regulatory control over that particular crop year.

**"Interest"** means, in relation to an Underlying Commodity which is grain, a reference to the interest which ASX Clear (Futures) has in the Underlying Commodity under the terms of the Bulk Handler Agreement.

### 1. The nature of the Grain Futures Contracts and the Underlying Commodity

The Client acknowledges that:

- (a) ASX Clear (Futures) operates a clearing and settlement facility for deliverable Futures Contracts over an Underlying Commodity which is grain;
- (b) Under the ASX Clear (Futures) Operating Rules, a Clearing Participant which is a Seller under a Futures Contract must ensure that ASX Clear (Futures) holds, prior to the settlement of the contract by effecting delivery of the Underlying Commodity, an Interest in the Underlying Commodity and that Interest will be held by ASX Clear (Futures) for the benefit of that Clearing Participant;

- (c) ASX Clear (Futures) will hold the Interest in the Underlying Commodity for the benefit of a Clearing Participant which is a Buyer where the Buyer has taken delivery in accordance with the ASX Clear (Futures) Operating Rules;
- (d) ASX Clear (Futures) will not generally take or make actual physical delivery of the Underlying Commodity from or to a Clearing Participant;
- (e) the Underlying Commodity in which ASX Clear (Futures) holds the Interest is held by a Bulk Handler in a Delivery Depot and the physical storage, transfer and physical delivery of the Underlying Commodity is governed by the terms of the relevant Bulk Handler Agreements;
- (f) the Bulk Handler will hold the Underlying Commodity for a number of Clients of the Bulk Handler (one of which is ASX Clear (Futures)) and will recognise the interest of ASX Clear (Futures) in the stored Underlying Commodity with the other Clients of the Bulk Handler (as owners in common);
- (g) the Bulk Handler will only recognise ASX Clear (Futures)'s Interest and is not bound to recognise that ASX Clear (Futures) may hold the Interest, or any part of the Interest, for the benefit of a Clearing Participant or the Client;
- (h) ASX Clear (Futures) may deal with, and exercise all rights attached to, its Interest in accordance with the ASX Clear (Futures) Operating Rules and any Bulk Handler Agreement and need not, subject to the ASX Clear (Futures) Operating Rules, have regard to any interest the Client or Clearing Participant might have in the Underlying Commodity; and
- (i) ASX Clear (Futures) has no obligation to insure any Interest or any Underlying Commodity represented by that Interest.

## 2. No representations and warranties

The Client acknowledges that neither the Market Operator nor ASX Clear (Futures) makes any warranty or representation to the Client or the Trading Participant:

- (a) concerning the quality or suitability for any purpose of any Underlying Commodity or the correspondence of any Underlying Commodity with any description or sample;
- (b) that any Bulk Handler Agreement or any similar agreement between the Bulk Handler and any other person is valid or enforceable;
- (c) that the interest conferred on ASX Clear (Futures) under any Bulk Handler Agreement is a valid and enforceable interest or that it confers on or through ASX Clear (Futures) a proprietary interest in the relevant Underlying Commodity; or
- (d) concerning the suitability or financial viability of, or the services provided by, the Bulk Handler.

The application of the United Nations Convention on Contracts for the International Sale of Goods is excluded from any contract created or contemplated by the ASX 24 Operating Rules.

## 3. Instructions

The following term must be included in the Client agreement between the Trading Participant and its Client, where the Client does not also have an agreement with the Clearing Participant governing the clearing of Market Transactions:

*The Trading Participant will notify the Client of procedures for the Client to give instructions for the lodgement of tender documentation prior to the*



*settlement of Open Contracts including, without limitation, the latest time at which those instructions will be accepted.*

#### **4. Pre-settlement arrangements for Sellers**

Prior to the Client instructing the Trading Participant to settle a Grain Futures Contract by effecting delivery of the Underlying Commodity, the Client must have transferred, or procured the transfer, through a Clearing Participant to ASX Clear (Futures) an Interest in the Underlying Commodity at least two Business Days prior to instructing the Trading Participant to effect tender in accordance with the ASX Clear (Futures) Operating Rules and Clearing Procedures.

#### **5. Authority**

If the Client transfers or delivers, or provides for transfers or delivery, of the Underlying Commodity to the Clearing Participant to enable the Clearing Participant to meet its obligations to ASX Clear (Futures) under the ASX Clear (Futures) Operating Rules, the Client represents and warrants to each of the Trading Participant and the relevant Clearing Participant that:

- (a) it has capacity and authority to transfer or deliver (as applicable) the Underlying Commodity to the Clearing Participant;
- (b) the Clearing Participant is authorised to transfer or deliver (as applicable) the Underlying Commodity (or an interest in the Underlying Commodity) to ASX Clear (Futures); and
- (c) the Underlying Commodity (or an interest in the Underlying Commodity) is free from any encumbrance or lien.

#### **6. Conversion of "old season grain" to "new season grain"**

The Client acknowledges that the Bulk Handler Agreement may give ASX Clear (Futures), as the holder of the Interest, the right to convert "old season grain" to "new season grain" and the Clearing Participant is, under the ASX Clear (Futures) Operating Rules, required to indemnify ASX Clear (Futures) against any costs and expenses incurred by ASX Clear (Futures) where ASX Clear (Futures) exercises any right in respect of such conversion.

#### **7. ASX Clear (Futures) directions**

The Client acknowledges that ASX Clear (Futures) may make a direction to the Clearing Participant to either:

- (a) accept the transfer from ASX Clear (Futures) of all or part of the Interest which ASX Clear (Futures) holds for the benefit of the Clearing Participant; or
- (b) accept physical delivery from ASX Clear (Futures) (or its agent) of all or part of the Underlying Commodity represented by that Interest.

The Client also acknowledges that if the ASX Clear (Futures) Clearing Participant does not comply with a direction of that kind from ASX Clear (Futures), ASX Clear (Futures) has powers under the ASX Clear (Futures) Operating Rules to dispose of the Interest or the Underlying Commodity represented by the Interest.

#### **8. Clearing Participant directions**

Where the Clearing Participant holds or receives the Underlying Commodity or any interest in the Underlying Commodity for the benefit of the Client, the Client must in turn comply with any direction given in connection with the holding, transfer or delivery of the interest or the Underlying Commodity which the Clearing Participant considers necessary to comply with its obligations under the ASX Clear (Futures)

Operating Rules or any agreement between the Clearing Participant and a Bulk Handler. The Trading Participant may take all necessary steps, including the execution of all necessary documents, to give effect to that direction.

Introduced 24/10/11 Amended xx/xx16

**End of Section. Next page is no. 401.**