

# ASX Operating Rules

## SECTION 1 ACCESS TO THE MARKET

[...]

### ONGOING REQUIREMENTS

[...]

[1401] A Trading Participant must at all times comply with the following Operational Requirements:

- (a) have and maintain the necessary organisational and technical resources and competencies to ensure that:
  - (i) Trading Messages submitted by the Trading Participant do not interfere with the operational efficiency or proper functioning of the Trading Platform; and
  - (ii) the Trading Participant complies with the Rules, including any resources and competencies specified in the Procedures;
- (b) have arrangements in place so that at all times the Trading Participant can determine the origin of all Orders and Trading Messages including the matters specified in the Procedures;
- (c) maintain and enforce at all times appropriate security arrangements which are designed to prevent unauthorised entry of Trading Messages; and
- (d) maintain records of the matters set out in the Procedures for the time set out in the Procedures;

[...]

### RESIGNATION OF MARKET ~~PARTICIPANT~~PARTICIPATION OR CESSATION OF TRADING PERMISSION

[...]

[1600A] If a Market Participant wishes to cease a Trading Permission it must:

- (a) give at least 20 Business Days' written notice to ASX of its intention to cease a Trading Permission and the proposed date of cessation of the Trading Permission;
- (b) satisfy ASX that it has taken, or will have taken before the proposed date of cessation, proper steps for the orderly winding down of its activities in respect of the relevant Trading Permission; and
- (c) comply with any reasonable direction of ASX in relation to the orderly winding down of its activities in respect of the relevant Trading Permission.

[1601] A notice given by a Market Participant under Rule [1600](a) or [1600A](a) is not effective until the notice is accepted by ASX in writing. ASX may accept a Market Participant's resignation of participation or cessation of a Trading Permission (as appropriate) when the Market Participant has:

- (a) complied with Rule [1600] or [1600A], as applicable; and
- (b) satisfied all its obligations to ASX including, without limitation, paid all outstanding fees owing to ASX by the Market Participant under these Rules.

ASX will not unreasonably refuse to accept a Market Participant's resignation of participation or cessation of a Trading Permission under this Rule [1601].

[...]

Entry into Combinations

[...]

[4051] Each component Market Transaction of a Derivatives Only Combination or a Derivative/Cash Combination is entered into and ceases to be contingent on each other when:

[...]

(c) a Special Crossing of the Combination is effected under Rule [48104].

[...]

## **SCHEDULE 1 CLEARING ARRANGEMENTS**

### **Third Party Clearing Arrangements**

[...]

1.1012 A Trading Participant must:

(a) ensure that all orders ~~of a client~~ are directed through the correct Open Interface Device, such that they are directed to the Relevant Clearing Participant; and

[...]

# ASX 24 Operating Rules

## SECTION 1 ACCESS TO THE MARKET

### ONGOING REQUIREMENTS

[1400] A Trading Participant must at all times comply with the following general requirements:

- (a) continue to satisfy the applicable Admission Requirements ~~(but subject to Rules [1500] to [1506]);~~
- (b) [...]

[...]

[1401] A Trading Participant must at all times comply with the following Operational Requirements:

- (a) have and maintain the necessary organisational and technical resources and competencies to ensure that:
  - (i) ~~T~~trading Messages submitted by the Trading Participant do not interfere with the proper functioning of the Trading Platform; and
  - (ii) the Trading Participant complies with the Rules;including any resources and competencies specified in the Procedures;
- (b) have arrangements in place so that at all times the Trading Participant can determine the origin of all ~~O~~rders and Trading Messages including the matters specified in the Procedures;
- (c) maintain and enforce at all times appropriate security arrangements which are designed to prevent unauthorised entry of Trading Messages; and
- (d) maintain records of the matters set out in the Procedures for the time set out in the Procedures.

[...]

### RESIGNATION OF TRADING ~~PARTICIPANT~~PARTICIPATION OR CESSATION OF TRADING PERMISSION

[...]

[1600A] If a Trading Participant wishes to cease a Trading Permission it must:

- (a) give at least 20 Business Days' written notice to the Market Operator of its intention to cease a Trading Permission and the proposed date of cessation of the Trading Permission;
- (b) satisfy the Market Operator that it has taken, or will have taken before the proposed date of cessation, proper steps for the orderly winding down of its activities in respect of the relevant Trading Permission; and
- (c) comply with any reasonable direction of the Market Operator in relation to the orderly winding down of its activities in respect of the relevant Trading Permission.

[1601] A notice given by a Trading Participant under Rule [1600](a) or [1600A](a) is not effective until the notice is accepted by the Market Operator in writing. The Market Operator may accept a Trading Participant's resignation of participation or cessation of a Trading Permission (as appropriate) when the Trading Participant has:

(a) complied with Rule [1600] [or \[1600A\], as the case requires](#); and

(b) satisfied all its obligations to the Market Operator including, without limitation, paid all outstanding fees owing to the Market Operator by the Trading Participant under these Rules.

The Market Operator will not unreasonably refuse to accept a Trading Participant's resignation [of participation or cessation of a Trading Permission](#) under this Rule [1601].

# ASX Clear Operating Rules

## SECTION 2 DEFINITIONS AND INTERPRETATION

### 2.10 DEFINITIONS AND INTERPRETATION

[...]

~~“Approved Representative” means a person recognised as an Approved Representative of a Participant under Sections 22 and 23.~~

[...]

## SECTION 7 CLIENT REQUIREMENTS

### 7.1 CLIENTS – DERIVATIVES MARKET TRANSACTIONS

[...]

#### 7.1.2 Terms of agreement with Client

Participants are required to enter into a written agreement incorporating the terms set out in Schedule 5 including provisions which provide for ~~the~~ and give effect to, the novation of the Client Agreement upon a change of Participant in accordance with Rule 7.1.5. The Client Agreement may include other terms and conditions agreed between the Participant and the Client, provided those terms are not inconsistent with the terms set out in Schedule 5. To the extent of any inconsistency, the terms set out in Schedule 5 prevail.

[...]

## ~~SECTION 22 TRANSITIONAL ARRANGEMENTS FOR EXISTING ASX PARTICIPATING ORGANISATIONS (CASH MARKET TRANSACTIONS)~~

~~Section 22 only applies to existing ASX Participating Organisations which were recognised as Clearing Participants able to clear ASX Transactions under the Old ASX Business Rules and which were admitted as Brokers under the Old SCH Business Rules. This section deals with:~~

- ~~(a) — transitioning Brokers under the Old SCH Business Rules as Participants under these Rules;~~
- ~~(b) — transitioning novated ASX Transactions under the Old SCH Business Rules as Cash CCP Transactions under these Rules;~~
- ~~(c) — transitioning the Clearing Agreement between ASX Trading Participants and ASX Clearing Participants to a Clearing Agreement between the same parties as that Approved Market Operator's Market Participant and that Participant under these Rules including Schedule 3; and~~
- ~~(d) — abolishing approval of partnership structures on the first anniversary after Implementation Date (i.e. the date these Rules come into effect).~~

### ~~22.1 INTERPRETATION AND APPLICATION OF THIS RULE~~

#### ~~22.1.1 Interpretation~~

~~In this Rule 22:~~

~~"Affiliate" means an Existing Affiliate or a New Affiliate.~~

~~"Affiliate Based CP" means an Existing Participant to which ASX granted recognition as a Participating Organisation under the Old ASX Recognition Rules on the basis that one or more directors of an Existing Participant were recognised as Affiliates.~~

~~"Approved Representative" means an Existing Approved Representative or a New Approved Representative;~~

~~"ASX Settlement" means ASX Settlement Pty Limited ABN 49 008 504 532.~~

~~"ASX Market Rules" means the business rules of ASX in force as at the Implementation Date.~~

~~"ASX Transaction" has the meaning given to it under the ASX Market Rules.~~

~~"Broker" has the meaning given to it under the Old SCH Business Rules.~~

~~"CCP" has the meaning given to it under the Old SCH Business Rules.~~

~~"CHESS Approved Financial Products" has the meaning given to it under the Old SCH Business Rules.~~

~~"Effective Time" means 2 December 2002 being the time which OCH notified Participants as being the time at which OCH Rule 1A became effective.~~

~~"Existing Affiliate" means a person who was recognised by ASX as an "Affiliate" under the Old ASX Business Rules.~~

~~"Existing Approved Representative" means a person who was an "Approved Representative" under the Old ASX Business Rules.~~

~~"Existing Participant" means a person which, immediately before the Implementation Date, was admitted by ASX Settlement as a Broker under Rule 2.1.1 of the Old SCH Business Rules.~~

~~"Implementation Date" means the time at which ASX Clear notifies Participants as being the time at which these Rules become effective.~~

~~"New Affiliate" means a person who becomes an Affiliate during the Recognition Transitional Period under Rule 22.4.1(e);~~

~~"New Approved Representative" means a person who becomes an Approved Representative during the Recognition Transitional Period under Rule 22.4.1(e).~~

~~"Novated CHESSTransaction" means a transaction in a CHESSTransaction Approved Financial Product which has been novated to CCP under the Old SCH Business Rules but in relation to which Settlement Obligations have not been discharged by the Implementation Date.~~

~~"OCH" means Options Clearing House Pty Limited ABN 48 001 314 503.~~

~~"Old ASX Business Recognition Rules" means the business rules of ASX governing the recognition of Participating Organisations of ASX and the role and conduct of Affiliates and Approved Representatives in force immediately prior to 16 July 2002 (being the date on which rule 5 of the business rules of ASX was amended).~~

~~"Old ASX Business Rules" means the ASX Business Rules in force immediately before the Implementation Date relating to the clearing and settlement of CHESSTransaction Approved Financial Products between ASX and its respective participants.~~

~~"Old SCH Business Rules" means the SCH Business Rules in force immediately before the Implementation Date relating to the clearing and settlement of CHESSTransaction Approved Financial Products between ASX Settlement and its respective participants.~~

~~"Recognition End Date" means the earlier of:~~

~~(a) — the date on which the Recognition Transitional Period ends; or~~

~~(b) — in the case of an Affiliate or an Approved Representative involved in the business of a particular Existing Participant, the date on which the Existing Participant makes an election under Rule 22.4.2.~~

~~"Recognition Transitional Period" means the period from the Implementation Date up to and including 15 July 2004, unless extended under Rule 22.4.4.~~

~~"SCH" means ASX Settlement as the operator of a licensed clearing and settlement facility under the Corporations Act.~~

~~"SCH Business Rules" means the business rules of ASX Settlement in force as at the Implementation Date.~~

~~"Trading Participant" has the meaning given to it under the Old ASX Business Rules.~~

## ~~22.1.2 Application~~

This Rule 22 applies to:

- ~~(a) Existing Participants;~~
- ~~(b) Existing Affiliates engaged in the business of an Existing Participant; and~~
- ~~(c) Existing Approved Representatives engaged in the business of an Existing Participant, in respect of admission under the Old SCH Business Rules, ASX Transactions under the Old ASX Business Rules and Novated CHES Transactions under the Old SCH Business Rules.~~

## ~~22.2 TRANSITION OF ADMISSION AND RELATED MATTERS~~

### ~~22.2.1 Transition~~

From the Implementation Date:

- ~~(a) each Existing Participant is taken to be admitted as a:
  - ~~(i) Direct Participant under these Rules; or~~
  - ~~(ii) General Participant under these Rules where the Existing Participant has entered into a Clearing Agreement under Old ASX Business Rule 2.1A.4;~~~~
- ~~(b) each Novated CHES Transaction at that time is taken to be a Cash CCP Transaction within the meaning of these Rules and the "Buying Broker" and "Selling Broker" of each of those Novated CHES Transactions under the Old SCH Business Rules are taken to be the receiving Participant and the delivering Participant respectively of each of the corresponding Cash CCP Transactions under these Rules;~~
- ~~(c) each Existing Affiliate and each Existing Approved Representative engaged in the business of an Existing Participant at the Implementation Date, is taken to be recognised as an Affiliate or Approved Representative (as applicable) under these Rules;~~
- ~~(d) each person recognised as a "Responsible Executive" under the Old ASX Business Rules is taken to be recognised as a Responsible Executive under these Rules;~~
- ~~(e) subject to Rule 22.2.2, the Old ASX Business Rules and the Old SCH Business Rules cease to apply to the Existing Participants, the Novated CHES Transactions, the Existing Affiliates and the Existing Approved Representatives referred to in paragraphs (a), (b), (c) and (d);~~
- ~~(f) where an agreement between an Existing Participant and a Client under Old ASX Business Rule 3.1A(2)(d) created a deemed agreement, or under Old ASX Business Rule 3.1A(4) created a written agreement, those terms continue to operate under these Rules following the Implementation Date until the relationship ceases or is replaced with another agreement between the parties in accordance with these Rules;~~
- ~~(g) where before the Implementation Date, an Existing Participant and a Trading Participant were party to a Clearing Agreement under Old ASX Business Rule 2.1A.4, those terms continue to operate under these Rules and to the extent of any inconsistency between the terms of that Clearing Agreement and the terms set out in these Rules (including without limitation, Rule 9.1 and Schedule 3) the terms set out in these Rules prevail;~~



- (h) — each Existing Participant is taken to be authorised to clear the categories of transaction that it was entitled to clear under the Old SCH Rules; and
- (i) — where a Participant has previously notified ASX, or since the Effective Time notified OCH, of the details of an Affiliate or Approved Representative, that Affiliate or Approved Representative is, for the purpose of the Corporations Act, a recognised affiliate of ASX Clear. Recognition continues for the purposes of ongoing jurisdiction in relation to that part of the business which is or was under the supervision and control of the Affiliate or Approved Representative.

Introduced 11/03/04 – Origin OCH 1A.2.1

## 22.2.2 Effect of transition on existing rights and obligations

Rule 22.2.1 does not affect any accrued rights which ASX, ASX Settlement, ASX Clear or any other person has against an Existing Participant or any other person under the Old ASX Business Rules or the Old SCH Business Rules or any accrued obligations which the Existing Participant or any other person has under the Old ASX Business Rules or the Old SCH Business Rules to ASX, ASX Settlement, ASX Clear or to any other person. Without limiting this Rule 22.2.2, following the Implementation Date:

- (a) — ASX will continue to have jurisdiction in respect of an Existing Participant concerning any conduct or any failure to comply with the Old ASX Business Rules which occurred before the Implementation Date;
- (b) — ASX Settlement will continue to have jurisdiction in respect of an Existing Participant concerning any conduct or any failure to comply with the Old SCH Business Rules which occurred before the Implementation Date;
- (c) — the Existing Participant continues to be bound by any warranty, undertaking or indemnity given by the Existing Participant under the Old ASX Business Rules to ASX, OCH or any other person;
- (d) — the Existing Participant continues to be bound by any warranty, undertaking or indemnity given by the Existing Participant under the Old SCH Business Rules to SCH or any other person;
- (e) — any authority to act granted by an Existing Participant to CCP or ASX Settlement under the Old SCH Business Rules in relation to matters falling within these Rules is taken to be granted by the Existing Participant to ASX Clear under these Rules;
- (f) — any condition, restriction or limitation imposed on an Existing Participant or any waiver granted to an Existing Participant under the Old SCH Business Rules to the extent that they are applicable to these Rules are taken to be imposed or granted under these Rules;
- (g) — other ASX Business Rules and SCH Business Rules continue to apply in respect of the Existing Participant and any Responsible Executive, Existing Affiliate and Existing Approved Representative to the extent required to give effect to paragraphs (a), (b), (c), (d), (e) and (f); and
- (h) — the ASX Business Rules continue to apply to the Existing Participant and any Responsible Executive, Existing Affiliates and Existing Approved Representatives to the extent that the Existing Participant continues to be a Participating Organisation of ASX in a capacity other than as a Participant under these Rules.

Introduced 11/03/04 – Origin OCH 1A.2.2

## ~~22.3—AFFILIATE BASED CP—END OF AFFILIATE STATUS AND APPROVED REPRESENTATIVES~~

### ~~22.3.1 Recognition ceases at Recognition End Date~~

~~On the Recognition End Date, ASX Clear will cease to recognise:~~

- ~~(a) Affiliates as "Affiliates"; and~~
- ~~(b) Approved Representatives as "Approved Representatives".~~

~~Introduced 11/03/04—Origin OCH 1A.3.1~~

### ~~22.3.2 Effect of end of recognition~~

~~The end of recognition under Rule 22.3.1 does not affect any accrued rights which ASX Clear or other persons have against an Affiliate or Approved Representative or any accrued obligations which the Affiliate or Approved Representative has to ASX Clear or to other persons. Without limiting this Rule 22.3.2, following the Recognition End Date:~~

- ~~(a) ASX Clear will continue to have jurisdiction in respect of the Affiliate or Approved Representative concerning any conduct or any failure to comply with the Rules which occurred before the Recognition End Date;~~
- ~~(b) the Affiliate or Approved Representative continues to be bound by any warranty, undertaking or indemnity given by the Affiliate or Approved Representative under the Rules;~~
- ~~(c) other Rules continue to apply in respect of the Affiliate or Approved Representative to the extent required to give effect to paragraphs (a) and (b); and~~
- ~~(d) the Participant remains responsible for each Affiliate and Approved Representative involved in its business in accordance with Rule 4.9.~~

~~Introduced 11/03/04—Origin OCH 1A.3.2~~

## ~~22.4—AFFILIATE BASED CP—ONGOING COMPLIANCE DURING TRANSITIONAL PERIOD~~

### ~~22.4.1 Transitional arrangements~~

~~Until its Recognition End Date:~~

- ~~(a) an Affiliate Based CP must continue to have as directors the number of Affiliates required under the Old ASX Business Rules and the majority of those directors must be resident in Australia;~~
- ~~(b) an Affiliate Based CP is not required to comply with Rule 4.22, nor any other requirement under these Rules in respect of "Responsible Executives";~~
- ~~(c) Rule 4.8.1 does not apply, but the Affiliate Based CP must have appropriate management structures in place to ensure that its directors and Affiliates have adequate supervision and effective control over all parts of the Existing Participant's business, wherever the business is located (and keep accurate records of its management structure and its allocation of responsibilities among its directors and Affiliates);~~
- ~~(d) Rule 4.8.2 does not apply to the Affiliate Based CP, but the Affiliate Based CP must ensure that any branch office of the Affiliate Based CP continues to be supervised by an Approved Representative or an Affiliate, as was required under the Old ASX Recognition Rules;~~
- ~~(e) an Affiliate Based CP may apply to have a person recognised as an Affiliate, or registered as an Approved Representative and ASX Clear will grant that recognition or registration if the~~

person complies with the requirements for recognition and registration of Affiliates and Approved Representatives which existed under the Old ASX Recognition Rules;

- (f) — each Affiliate and Approved Representative must continue to comply with the requirements for the recognition and registration of Affiliates and Approved Representatives which existed under the Old ASX Recognition Rules;
- (g) — each New Affiliate and New Approved Representative will be regarded as "Affiliates" and "Approved Representatives" respectively for the purposes of these Rules; and
- (h) — the Affiliate Based CP must ensure that each Affiliate and Approved Representative involved in the business complies with any continuing education requirements prescribed by ASX Clear.

For the purposes of this Rule 22.4.1, any obligation to comply with a requirement which existed under the Old ASX Recognition Rules, is to be construed as an obligation to comply with that requirement as if a reference in the relevant Old ASX Recognition Rule to the "Exchange" were a reference to "ASX Clear".

Introduced 11/03/04 Origin OCH 1A.4.1

#### ~~22.4.2 Election to comply with new requirements~~

~~An Affiliate Based CP may elect by giving notice in writing to ASX Clear, to no longer rely on the transitional arrangements under Rule 22.4.1. Once an Affiliate Based CP has made that election, it may not revoke it.~~

Introduced 11/03/04 Origin OCH 1A.4.2

#### ~~22.4.3 Compliance following end of recognition transitional period or election under Rule 22.4.2~~

~~Following the Recognition End Date, ASX Clear may terminate the admission of the Affiliate Based CP as a Participant unless it complies with all of the requirements of Section 3 and Section 4.~~

Introduced 11/03/04 Origin OCH 1A.4.3

#### ~~22.4.4 Extension of Transitional Arrangements~~

~~The ASX Clear may extend the Recognition Transitional Period in respect of a particular Affiliate Based CP following receipt by ASX Clear of a request in writing from the Affiliate Based CP.~~

Introduced 11/03/04 Origin OCH 1A.4.4

#### ~~22.4.5 Interpretation of Rules — Regulated Persons~~

~~In applying the Rules during the Recognition Transitional Period, a reference in the Rules to a Regulated Person includes a reference to an Affiliate and an Approved Representative.~~

Introduced 11/03/04

### ~~22.5 AFFILIATE BASED CP — APPROVED REPRESENTATIVES~~

#### ~~22.5.1 Change of details~~

~~An Affiliate Based CP must notify ASX Clear of the following events within 2 Business Days after the event occurs:~~

- (a) — any change of name or residential address of an Approved Representative; or
- (b) — any termination of the engagement of the Approved Representative, the date of that termination and the reasons for that termination; or
- (c) — the date of cancellation of a proper authority held by an Approved Representative from the Affiliate Based CP.

~~Introduced 11/03/04 Origin OCH 1A.5.1~~

### ~~22.5.2 Cancellation of registration~~

~~If in the opinion of ASX Clear:~~

- ~~(a) — an Approved Representative has failed adequately to supervise Employees of an Affiliate Based CP and the failure has contributed to a breach of the Rules by the Affiliate Based CP or any of its Employees; or~~
  - ~~(b) — an Approved Representative has not been engaged in the business of the Affiliated Based CP for a period of 12 months; or~~
  - ~~(c) — an Approved Representative no longer complies with the requirements for registration under the Old ASX Recognition Rules,~~
- ~~ASX Clear may, subject to Rule 22.6, cancel the registration of the Approved Representative.~~

~~Introduced 11/03/04 Origin OCH 1A.5.2~~

### ~~22.5.3 Notice of cancellation~~

~~ASX Clear must notify the Approved Representative and the Affiliate Based CP of the cancellation of the registration under Rule 22.5.2.~~

~~Introduced 11/03/04 Origin OCH 1A.5.3~~

## ~~22.6 APPEALS FROM DECISIONS OF ASX CLEAR~~

### ~~22.6.1 ASX Clear to give reasons~~

~~Where:~~

- ~~(a) — an Affiliate Based CP applies for a person to be registered as a New Approved Representative under Rule 22.4.1(e) and ASX Clear decides to refuse to register that person as a New Approved Representative;~~
- ~~(b) — an Affiliate Based CP applies for a person to be recognised as a New Affiliate under Rule 22.4.1(e) and ASX Clear decides to refuse to register that person as a New Affiliate;~~
- ~~(c) — ASX Clear decides to cancel the registration of an Approved Representative of an Affiliate Based CP;~~

~~ASX Clear must give notice to the Affiliate Based CP of the decision and the reasons in writing for its decision. Introduced 11/03/04 Origin OCH 1A.6.1~~

### ~~22.6.2 Right of Appeal~~

~~The Affiliate Based CP may appeal to the Appeal Tribunal against a decision referred to in Rule 22.6.1 in accordance with the provisions of the ASX Enforcement and Appeals Rulebook.~~

~~Introduced 11/03/04 Origin OCH 1A.6.2 Amended 31/03/08~~

## ~~22.7 TRANSITIONAL ARRANGEMENTS FOR PARTNERSHIPS — [DELETED]~~

### ~~22.7.1 Application — [Deleted]~~

~~Introduced 11/03/04 Origin OCH 1A.7.1 Deleted 15/06/15~~

### ~~22.7.2 Admission Requirements — [Deleted]~~

~~Introduced 11/03/04 Origin OCH 1A.7.2 Deleted 15/06/15~~

### ~~22.7.3 Conditions — [Deleted]~~

~~Introduced 11/03/04 Origin OCH 1A.7.3 Deleted 15/06/15~~

#### ~~22.7.4 Partnership treated as separate person — [Deleted]~~

~~Introduced 11/03/04 Origin OCH 1A.7.4 Deleted 15/06/15~~

#### ~~22.7.5 Breach of Rules — [Deleted]~~

~~Introduced 11/03/04 Origin OCH 1A.7.5 Deleted 15/06/15~~

#### ~~22.7.6 Change in composition of partnership — [Deleted]~~

~~Introduced 11/03/04 Origin OCH 1A.7.6 Deleted 15/06/15~~

#### ~~22.7.7 Overseas partnerships — [Deleted]~~

~~Introduced 11/03/04 Origin OCH 1A.7.7 Deleted 15/06/15~~

#### ~~22.7.8 Disciplinary action — [Deleted]~~

~~Introduced 11/03/04 Origin OCH 1A.7.8 Amended 01/08/10 Deleted 15/06/15~~

#### ~~22.7.9 Interpretation of Rules — [Deleted]~~

~~Introduced 11/03/04 Origin OCH 1A.7.9 Deleted 15/06/15~~

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## ~~SECTION 23 TRANSITIONAL ARRANGEMENTS FOR EXISTING ASX PARTICIPATING ORGANISATIONS (DERIVATIVES)~~

~~Section 23 only applies to Derivatives CCP Contracts and continues to govern OCH Clearing Participants which transitioned from being ASX Derivatives Clearing Participants in December 2002 as well as now dealing with:~~

- ~~(a) ——— transitioning Clearing Participants under the OCH Rules as Participants under these Rules;~~
- ~~(b) ——— transitioning novated open contracts under the OCH Rules as Derivative CCP Contracts under these Rules;~~
- ~~(c) ——— transitioning all cover under the OCH Rules as cover under these Rules;~~
- ~~(d) ——— transitioning the rights and obligations arising under existing terminology under the OCH Rules to new terminology and requirements under these Rules including Schedule 5 Client Agreement minimum terms;~~
- ~~(e) ——— transitioning the Clearing Agreement between ASX and ASXF Trading Participants and the OCH Clearing Participant to a Clearing Agreement between the same parties as that Approved Market Operator's Market Participant and that Participant under these Rules including Schedule 4;~~
- ~~(f) ——— abolishing approval of partnership structures on the first anniversary after Implementation Date (ie the date the ACH Rules come into effect).~~

### ~~23.1 INTERPRETATION AND APPLICATION OF THIS RULE~~

#### ~~23.1.1 Interpretation~~

~~In this Rule 23:~~

~~"Affiliate" means an Existing Affiliate or a New Affiliate;~~

~~"Affiliate Based CP" means an Existing Clearing Participant to which ASX granted recognition as a Participating Organisation under the Old Recognition Rules on the basis that one or more directors of an Existing Clearing Participant were recognised as Affiliates;~~

~~"Approved Representative" means an Existing Approved Representative or a New Approved Representative;~~

~~"Effective Time" means 2 December 2002 being the time which OCH notified Participants as being the time at which OCH Rule 1A became effective;~~

~~"Exchange Participant" has the meaning given to it under the OCH Rules;~~

~~"Existing Affiliate" means a person who was recognised by OCH as an "Affiliate" under the OCH Rules;~~

~~"Existing Approved Representative" means a person who was an "Approved Representative" under the OCH Rules;~~

**"Existing Clearing Participant"** means a person which, immediately before the Implementation Date was recognised by OCH as a Clearing Participant under the OCH Rules;

**"Implementation Date"** means the time which ASX Clear notifies Participants as being the time at which these Rules become effective.

**"New Affiliate"** means a person who becomes an Affiliate during the Recognition Transitional Period under Rule 23.4.1(e);

**"New Approved Representative"** means a person who becomes an Approved Representative during the Recognition Transitional Period under Rule 23.4.1(e);

**"OCH Rules"** means the operating rules of OCH immediately prior to the Implementation Date.

**"Old Recognition Rules"** means the business rules of ASX governing the recognition of Participating Organisations of ASX and the role and conduct of Affiliates and Approved Representatives in force immediately prior to 16 July 2002 (being the date on which rule 5 of the business rules of ASX was amended);

**"Old ASX Business Rules"** means the business rules of ASX in force immediately before the Effective Time relating to the clearing and settlement by ASX Clear and Existing Clearing Participants of exchange traded option contracts (including without limitation, low exercise price options (LEPOs)) entered into on markets operated by ASX;

**"Recognition End Date"** means the earlier of:

(a) the date on which the Recognition Transitional Period ends; or

(b) in the case of an Affiliate or an Approved Representative involved in the business of a particular Participant, the date on which the Participant makes an election under Rule 23.4.2; and

**"Recognition Transitional Period"** means the period from the Effective Time up to and including 15 July 2004, unless extended under Rule 23.4.4.

Introduced 11/03/04 – Origin OCH 1A.1.1

### ~~23.1.2 Application~~

This Rule 23 applies to:

(a) Existing Clearing Participants;

(b) Existing Affiliates engaged in the business of an Existing Clearing Participant; and

(c) Existing Approved Representatives engaged in the business of an Existing Clearing Participant;

in respect of recognition under the OCH Rules, Open Contracts under the OCH Rules and Derivatives CCP Contracts under these Rules.

Introduced 11/03/04 – Origin OCH 1A.1.2

## ~~23.2 TRANSITION OF RECOGNITION AND RELATED MATTERS~~

### ~~23.2.1 Transition~~

From the Implementation Date:

(a) each Existing Clearing Participant is taken to be admitted as a:

(i) Direct Participant under these Rules; or

- ~~(ii) — General Participant under these Rules where the Existing Clearing Participant has entered into a Clearing Agreement under OCH Rule 6.7.1;~~
- ~~(b) — each contract registered at that time with OCH as an "Open Contract" (within the meaning of the OCH Rules) at that time is taken to be a Derivatives CCP Contract within the meaning of these Rules and the "Buyer" and "Seller" respectively of the Open Contract under the OCH Rules are taken to be the "Buyer" and the "Seller" respectively of the Derivatives CCP Contract under these Rules;~~
- ~~(c) — all "Cover" (within the meaning of the OCH Rules) held by OCH at that time is taken to be Cover within the meaning of these Rules;~~
- ~~(d) — each Existing Affiliate and each Existing Approved Representative engaged in the business of an Existing Clearing Participant at the Effective Time is taken to be recognised as an Affiliate or Approved Representative (as applicable) under these Rules;~~
- ~~(e) — each person recognised as a "Responsible Executive" under the OCH Rules is taken to be recognised as a Responsible Executive under these Rules;~~
- ~~(f) — any circulars, notices, bulletins, explanatory memoranda or other communications issued or made by OCH under the OCH Rules are taken to be issued or made by ASX Clear under these Rules with such modifications to rule references and terminology as are necessary to give effect to the circular, notice, bulleting explanatory memorandum or communication;~~
- ~~(g) — any notices, acknowledgments or forms, including Collateral forms, provided by an Existing Clearing Participant to OCH under the OCH Rules are taken to be provided by the Existing Clearing Participant under these Rules;~~
- ~~(h) — subject to Rule 23.2.2, the OCH Rules cease to apply to the Existing Clearing Participants, the Open Contracts, the Cover, the Existing Affiliates and the Existing Approved Representatives referred to in paragraphs (a), (b), (c), (d) and (e);~~
- ~~(i) — to the extent of any inconsistency between the terms of an agreement between an Existing Clearing Participant and a Client under the OCH Rules and the terms set out in Schedule 5, the terms set out in Schedule 5 prevail;~~
- ~~(j) — each Existing Participant is taken to be authorised to clear the categories of transaction that it was recognised as being able to clear under the Old Rules;~~
- ~~(k) — where an Existing Clearing Participant and an Exchange Participant are party to a Clearing Agreement which was entered under OCH Rule 6.7.1, before the Implementation Date, the terms of that agreement are replaced by the terms set out in Rule 8.1.1 and Schedule 4;~~
- ~~(l) — where a Participant has previously notified ASX, or since the Effective Time has notified OCH, of the details of an Affiliate or Approved Representative, that Affiliate or Approved Representative is a suitability qualified affiliate, for the purpose of Section 761A of the Corporations Act, a recognised affiliate of ASX Clear. Recognition as a qualified affiliate continues for the purposes of ongoing jurisdiction in relation to that part of the business which is or was under the supervision and control of the Affiliate or Approved Representative.~~
- ~~(m) — any wholesale client agreement previously lodged with ASX under the Old ASX Business Rule 7.3.1.5 continues in effect and is deemed to have been provided to ASX Clear under Rule 7.1.3.~~



### ~~23.2.2 Effect of transition on existing rights and obligations~~

~~Rule 23.2.1 does not affect any accrued rights which ASX, ASX Clear or any other person has against an Existing Clearing Participant or any other person under the Old ASX Business Rules or the OCH Rules or any accrued obligations which the Existing Clearing Participant or any other person has under the Old ASX Business Rules or the OCH Rules to ASX, ASX Clear or to any other person. Without limiting this Rule 23.2.2, following the Effective Time or Implementation Date as the case may be:~~

- ~~(a) ASX will continue to have jurisdiction in respect of an Existing Clearing Participant and any Responsible Executive, Existing Affiliate and Existing Approved Representative concerning any conduct or any failure to comply with the Old ASX Business Rules which occurred before the Effective Time;~~
- ~~(b) OCH will continue to have jurisdiction in respect of an Existing Clearing Participant and any Responsible Executive, Existing Affiliate and Existing Approved Representative concerning any conduct or any failure to comply with the OCH Rules which occurred before the Implementation Date;~~
- ~~(c) the Existing Clearing Participant continues to be bound by any warranty, undertaking or indemnity given by the Existing Clearing Participant under the Old ASX Business Rules or the OCH Rules to ASX, OCH, or any other person;~~
- ~~(d) any authority to act granted by an Existing Clearing Participant to OCH under the OCH Rules is taken to be granted by the Existing Clearing Participant under these Rules;~~
- ~~(e) any condition, limitation or restriction imposed on an Existing Clearing Participant or any waiver granted to an Existing Clearing Participant under the OCH Rules are taken to be imposed or granted under these Rules;~~
- ~~(f) other ASX business rules and OCH Rules continue to apply in respect of the Existing Clearing Participant and any Responsible Executive, Existing Affiliate and Existing Approved Representative to the extent required to give effect to paragraphs (a), (b), (c), (d) and (e); and~~
- ~~(g) the business rules of ASX continue to apply to the Existing Clearing Participant and any Responsible Executive, Existing Affiliates and Existing Approved Representatives to the extent that the Existing Clearing Participant continues to be a Participating Organisation of ASX.~~

Introduced 11/03/04 Origin OCH 1A.2.2 Amended 10/06/04

### ~~23.3 AFFILIATE BASED CP — END OF AFFILIATE STATUS AND APPROVED REPRESENTATIVES~~

#### ~~23.3.1 Recognition ceases at Recognition End Date~~

~~On the Recognition End Date, ASX Clear will cease to recognise:~~

- ~~(a) Affiliates as "Affiliates"; and~~
- ~~(b) Approved Representatives as "Approved Representatives".~~

Introduced 11/03/04 Origin OCH 1A.3.1

#### ~~23.3.2 Effect of end of recognition~~

~~The end of recognition under Rule 23.3.1 does not affect any accrued rights which ASX Clear or other persons have against an Affiliate or Approved Representative or any accrued obligations which the~~

~~Affiliate or Approved Representative has to ASX Clear or to other persons. Without limiting this Rule 23.3.2, following the Recognition End Date:~~

- ~~(a) ASX Clear will continue to have jurisdiction in respect of the Affiliate or Approved Representative concerning any conduct or any failure to comply with the Rules which occurred before the Recognition End Date;~~
- ~~(b) the Affiliate or Approved Representative continues to be bound by any warranty, undertaking or indemnity given by the Affiliate or Approved Representative under the Rules;~~
- ~~(c) other Rules continue to apply in respect of the Affiliate or Approved Representative to the extent required to give effect to paragraphs (a) and (b); and~~
- ~~(d) the Participant remains responsible for each Affiliate and Approved Representative involved in its business in accordance with Rule 4.2.2.~~

Introduced 11/03/04 - Origin OCH 1A.3.2

## ~~23.4 AFFILIATE BASED CP - ONGOING COMPLIANCE DURING TRANSITIONAL PERIOD~~

### ~~23.4.1 Transitional arrangements~~

~~Until its Recognition End Date:~~

- ~~(a) an Affiliate Based CP must continue to have as directors the number of Affiliates required under the Old ASX Business Rules and the majority of those directors must be resident in Australia;~~
- ~~(b) an Affiliate Based CP is not required to comply with Rule 4.22, nor any other requirement under these Rules in respect of "Responsible Executives";~~
- ~~(c) Rule 4.8.1 does not apply, but the Affiliate Based CP must have appropriate management structures in place to ensure that its directors and Affiliates have adequate supervision and effective control over all parts of the Participant's business, wherever the business is located (and keep accurate records of its management structure and its allocation of responsibilities among its directors and Affiliates);~~
- ~~(d) Rule 4.8.2 does not apply to the Affiliate Based CP, but the Affiliate Based CP must ensure that any branch office of the Affiliate Based CP continues to be supervised by an Approved Representative or an Affiliate, as was required under the Old Recognition Rules;~~
- ~~(e) an Affiliate Based CP may apply to have a person recognised as an Affiliate, or registered as an Approved Representative and ASX Clear will grant that recognition or registration if the person complies with the requirements for recognition and registration of Affiliates and Approved Representatives which existed under the Old Recognition Rules;~~
- ~~(f) each Affiliate and Approved Representative must continue to comply with the requirements for the recognition and registration of Affiliates and Approved Representatives which existed under the Old Recognition Rules;~~
- ~~(g) each New Affiliate and New Approved Representative will be regarded as "Affiliates" and "Approved Representatives" respectively for the purposes of these Rules; and~~
- ~~(h) the Affiliate Based CP must ensure that each Affiliate and Approved Representative involved in the business complies with any continuing education requirements prescribed by ASX Clear.~~

For the purposes of this Rule 23.4.1, any obligation to comply with a requirement which existed under the Old Recognition Rules, is to be construed as an obligation to comply with that requirement as if a reference in the relevant Old Recognition Rule to the "Exchange" were a reference to "ASX Clear".

~~Introduced 11/03/04 Origin OCH 1A.4.1~~

#### ~~23.4.2 Election to comply with new requirements~~

~~An Affiliate Based CP may elect by giving notice in writing to ASX Clear, to no longer rely on the transitional arrangements under Rule 23.4.1. Once an Affiliate Based CP has made that election, it may not revoke it.~~

~~Introduced 11/03/04 Origin OCH 1A.4.2~~

#### ~~23.4.3 Compliance following end of recognition transitional period or election under Rule 23.4.2~~

~~Following the Recognition End Date, ASX Clear may terminate the admission of the Affiliate Based CP as a Participant unless it complies with all of the requirements of Rule 3 and Rule 4.~~

~~Introduced 11/03/04 Origin OCH 1A.4.3~~

#### ~~23.4.4 Extension of Transitional Arrangements~~

~~ASX Clear may extend the Recognition Transitional Period in respect of a particular Affiliate Based CP following receipt by ASX Clear of a request in writing from the Affiliate Based CP.~~

~~Introduced 11/03/04 Origin OCH 1A.4.4~~

#### ~~23.4.5 Interpretation of Rules — Regulated Persons~~

~~In applying the Rules during the Recognition Transitional Period, a reference in the Rules to a Regulated Person includes a reference to an Affiliate and Approved Representative.~~

~~Introduced 11/03/04~~

### ~~23.5 — AFFILIATE BASED CP — APPROVED REPRESENTATIVES~~

#### ~~23.5.1 Change of details~~

~~An Affiliate Based CP must notify ASX Clear of the following events within 2 Business Days after the event occurs:~~

- ~~(a) — any change of name or residential address of an Approved Representative; or~~
- ~~(b) — any termination of the engagement of the Approved Representative, the date of that termination and the reasons for that termination; or~~
- ~~(c) — the date of cancellation of a proper authority held by an Approved Representative from the Affiliate Based CP.~~

~~Introduced 11/03/04 Origin OCH 1A.5.1~~

#### ~~23.5.2 Cancellation of registration~~

~~If in the opinion of ASX Clear:~~

- ~~(a) — an Approved Representative has failed adequately to supervise Employees of an Affiliate Based CP and the failure has contributed to a breach of the Rules by the Affiliate Based CP or any of its Employees; or~~
- ~~(b) — an Approved Representative has not been engaged in the derivatives business of the Affiliate Based CP for a period of 12 months; or~~

~~(c) — an Approved Representative no longer complies with the requirements for registration under the Old Recognition Rules;  
ASX Clear may, subject to Rule 23.6, cancel the registration of the Approved Representative.~~

~~Introduced 11/03/04 — Origin OCH 1A.5.2~~

### ~~23.5.3 Notice of cancellation~~

~~ASX Clear must notify the Approved Representative and the Affiliate Based CP of the cancellation of the registration under Rule 23.5.2.~~

~~Introduced 11/03/04 — Origin OCH 1A.5.3~~

## ~~23.6 — APPEALS FROM DECISIONS OF ASX CLEAR~~

### ~~23.6.1 ASX Clear to give reasons~~

~~Where:~~

~~(a) — an Affiliate Based CP applies for a person to be registered as a New Approved Representative under Rule 23.4.1(e) and ASX Clear decides to refuse to register that person as a New Approved Representative;~~

~~(b) — an Affiliate Based CP applies for a person to be recognised as a New Affiliate under Rule 23.4.1(e) and ASX Clear decides to refuse to register that person as a New Affiliate;~~

~~(c) — ASX Clear decides to cancel the registration of an Approved Representative of an Affiliate Based CP;  
ASX Clear must give notice to the Affiliate Based CP of the decision and the reasons in writing for its decision.~~

~~Introduced 11/03/04 — Origin OCH 1A.6.1~~

### ~~23.6.2 Right of Appeal~~

~~The Affiliate Based CP may appeal to the Appeal Tribunal against a decision referred to in Rule 23.6.1 in accordance with the provisions of the ASX Enforcement and Appeals Rulebook.~~

~~Introduced 11/03/04 — Origin OCH 1A.6.2 — Amended 31/03/08~~

## ~~23.7 — TRANSITIONAL ARRANGEMENTS FOR PARTNERSHIPS — [DELETED]~~

### ~~23.7.1 Application — [Deleted]~~

~~Introduced 11/03/04 — Origin OCH 1A.7.1 — Deleted 15/06/15~~

### ~~23.7.2 Admission Requirements — [Deleted]~~

~~Introduced 11/03/04 — Origin OCH 1A.7.2 — Deleted 15/06/15~~

### ~~23.7.3 Conditions — [Deleted]~~

~~Introduced 11/03/04 — Origin OCH 1A.7.3 — Deleted 15/06/15~~

### ~~23.7.4 Partnership treated as separate person — [Deleted]~~

~~Introduced 11/03/04 — Origin OCH 1A.7.4 — Deleted 15/06/15~~

### ~~23.7.5 Breach of Rules — [Deleted]~~

~~Introduced 11/03/04 — Origin OCH 1A.7.5 — Deleted 15/06/15~~

### ~~23.7.6 Change in composition of partnership — [Deleted]~~

~~Introduced 11/03/04 — Origin OCH 1A.7.6 — Deleted 15/06/15~~

### ~~23.7.7 Overseas partnerships — [Deleted]~~

~~Introduced 11/03/04 — Origin OCH 1A.7.7 — Deleted 15/06/15~~

~~23.7.8 Disciplinary action — [Deleted]~~

~~Introduced 11/03/04 Origin OCH 1A.7.8 Amended 01/08/10 Deleted 15/06/15~~

~~23.7.9 Interpretation of Rules — [Deleted]~~

~~Introduced 11/03/04 Origin OCH 1A.7.9 Deleted 15/06/15~~

**End of Document**

~~[Deleted]~~

# ASX Clear (Futures) Operating Rules

## Futures Rules

### 71 Existence of Default

[...]

71.3 Events of Default referred to in Rule 71.1 are where:

[.....]

- (e) an administrator [or similar person is appointed to](#) the Clearing Participant or a related body corporate of the Clearing Participant ~~or similar person is appointed;~~

[...]

## OTC Rules

### 3 COMMITMENTS AND FINANCIAL REQUIREMENTS

[...]

#### 3.3 Financial Requirements of OTC Participants

An OTC Participant must:

- (a) have:
- (i) if it is an Australian Bank, a minimum Tier 1 capital of \$50,000,000; or
  - (ii) if it is not an Australian Bank, a minimum level of Net Tangible Assets equal to \$50,000,000. For this purpose, Net Tangible Assets has the same meaning as it has in the Futures Rules; and
- (b) lodge with ASX Clear (Futures) the following financial information:
- (i) if it is an Australian Bank, ~~a quarterly capital statement of its Tier 1 capital in the form prescribed by ASX Clear (Futures)~~ [the financial information prescribed in the OTC Handbook](#); or
  - (ii) if it is not an Australian Bank, the financial information required of a Clearing Participant in accordance with the Futures Rules; and
- (c) immediately advise ASX Clear (Futures) if any of the financial circumstances set out in the OTC Handbook occur in respect of the OTC Participant (if any such financial circumstances are set out in the OTC Handbook).

ASX Clear (Futures) may determine that the Financial Requirements of a particular OTC Participant are to exceed those specified above. ASX Clear (Futures) will make such a determination having regard to the number or value of OTC Open Contracts held by the OTC Participant, its assessment of the OTC Participant's risk under such OTC Open Contracts, the requirement of insurers or any other relevant factor. Where an OTC Participant is also a Futures Participant, ASX Clear (Futures) may also make such a determination having regard to both OTC Open Contracts and other Open Contracts. Any increased Financial Requirements determined by ASX Clear (Futures) apply to that OTC Participant until ASX Clear (Futures) determines otherwise.

An OTC Participant who is also a Futures Participant will only be required to comply with an amount equal to the greater of:

- (a) the Financial Requirements applicable to it as a Futures Participant; or
- (b) the Financial Requirements applicable to it as an OTC Participant,

unless otherwise provided under this OTC Rule 3.3.

# ASX Settlement Operating Rules

## SECTION 2 DEFINITIONS AND INTERPRETATION

### 2.13 DEFINITIONS

[...]

“**ETF Financial Products**” has the same meaning as:

(a) ~~ETF Securities under the operating rules of ASX; and-~~

~~(a)(b) ETF financial product under the operating rules of an Approved Market Operator.~~

[...]

“**Notice of Death**” means a death certificate or any other ~~formal~~ document ~~that is acceptable by ASX Settlement as which provides satisfactory~~ evidence of a Holder’s death.

[...]

“**Settlement Agent**” means a General Settlement Participant that ~~is~~ has a Settlement Agreement with a Clearing Participant.

[...]

### 10.15 SUSPENSION OF PARTICIPATION IF PAYMENT OBLIGATION IS NOT AUTHORISED

#### 10.15.1 Suspension of Participant

In addition to any rights or powers that ASX Settlement may have under Section 12 of these Rules, if, within the Scheduled Time, a Payments Provider does not authorise:

- (a) a net obligation to make payment from a Payment Facility of a Settlement Participant identified in a Batch Instruction included in Batch Settlement on that Business Day; or
- (b) an increased net obligation to make payment from a Payment Facility of a Settlement Participant identified in a Batch Instruction included in Batch Settlement on that Business Day,

ASX Settlement may suspend the participation of the Participant for a period not exceeding 10 Business Days and the following will apply:

(~~ac~~) the suspension will take effect immediately;

(~~bd~~) ASX Settlement must give Notice of the suspension to:

- (i) the Settlement Participant;
- (ii) if the Settlement Participant is a Market Participant of ASX, to ASX and SEGC, or in the case of a participant of an Approved Market Operator other than ASX, to that Approved Market Operator;
- (iii) if the Settlement Participant is a Clearing Participant, to the Approved Clearing Facility; and
- (iv) all Participants, within the Scheduled Time;

(~~ee~~) ASX Settlement may take any action referred to in Rules 12.19.8 to 12.19.11; and

(~~ef~~) if ASX Settlement takes any action under Rules 12.19.1 to 12.19.2, (including a determination not to suspend, restrict or terminate the participation of a Participant) the

suspension by ASX Settlement under this Rule 10.15.1 is terminated with effect from the time the decision of ASX Settlement takes effect.

[...]



# ASX Operating Rules Procedures

## SECTION 1 ACCESS TO THE MARKET

[...]

### ONGOING REQUIREMENTS

[...]

#### Procedure 1401(a)

A Trading Participant must have the resources and processes specified in ~~the Procedure to Rule 1000(f)~~. For the avoidance of doubt, this includes providing to ASX copies of the written certifications, annual notifications or further certifications that the Trading Participant has provided to ASIC under ASIC Market Integrity Rules 5.6.6, 5.6.8B and 5.6.11, and the confirmations that ASIC has provided to the Participant under ASIC Market Integrity Rule 5.6.6, in respect of the Trading Participant's Automated Order Processing system ~~each time that such certifications, annual notifications or confirmations are provided to, or received from, ASIC~~. The copies must be provided to ASX at the same time as they are provided to, or received from, ASIC (as the case may be) ~~although initial certifications provided to ASIC under ASIC Market Integrity Rule 5.6.6 can be provided to ASX upon receipt of the written confirmation from ASIC under ASIC Market Integrity Rule 5.6.6(1)(b))~~.

[...]

[...]

## Section 2 Products

### CASH MARKET PRODUCTS

#### Quotation

##### Procedure 2111

The following circumstances are exceptions to Rule [2111]:

##### *Exception if market for dealing is established*

A Trading Participant may deal on a Trading Platform in a Cash Market Product on a basis different to the existing quotation if a market for such dealing is established in accordance with the following process:

- (a) a Trading Participant has advised ~~Market Control~~Trading Operations of the proposal to deal on a different basis of quotation or ASX has advised ~~Market Control~~Trading Operations of the proposal to allow dealing on a different basis of quotation and ~~Market Control~~Trading Operations has then caused an announcement to be made to Trading Participants of the different basis of quotation in the Trading Platform;
- (b) dealing on the different basis of quotation will not commence until the expiry of a period of Pre-Notice Received Session State which is at least 15 minutes after the announcement in paragraph (a) has been made; and
- (c) trading on the different basis of quotation will only be permitted on the Trading Day on which the different basis of quotation was announced in accordance with paragraph (a).

For the avoidance of doubt, where the Trading Participant has advised ~~Market Control~~Trading Operations of the proposal to deal on a different basis of quotation, an announcement by ~~Market Control~~Trading Operations under paragraph (a) above is at the discretion of ~~Market Control~~Trading Operations.

[...]

I

## Section 3 Trading Rules

### ORDERLY TRADING

#### Technical failure

##### Procedure 3111

A Trading Participant must notify ASX ~~Market Control~~ Trading Operations by telephone if it is unable to transmit or receive Trading Messages.

[...]

#### Anomalous Order Thresholds

##### Procedure 3260

<b>Procedure 3260 – Anomalous Order Thresholds</b>	
<b>Application</b>	.....
	<b>Anomalous Order Threshold Reference Price</b> The AOT Reference Price is the same as the NCR Reference Price. It is a dynamic price updated approximately every <del>31</del> <u>31</u> minutes set at the same level as the extreme of the NCR for those products ...

[...]

## TRADING OF CASH MARKET PRODUCTS

### ETF Special Trades

##### Procedure 3310

#### 1. Trading Participant acting as agent for buyer and seller

Where a Trading Participant effects an ETF Special Trade in accordance with Rule [3310] and the Trading Participant acts as an agent for both the buyer and seller in the ETF Special Trade, the Trading Participant must:

- (a) Report the ETF Special Trade to the Trading Platform in accordance with paragraph (i), (ii) or (iii) below:
  - (i) if the ETF Special Trade is effected during all Session States other than the CSPA, System Maintenance and Close Session States, the Trading Participant must immediately report the ETF Special Trade to the Trading Platform in conjunction with the condition code ET;
  - (ii) if the ETF Special Trade is effected during the CSPA Session State, the Trading Participant must report the ETF Special Trade to the Trading Platform immediately following the CSPA Session State in conjunction with the condition code ET;
  - (iii) if the ETF Special Trade is effected during the System Maintenance and Close Session States, the Trading Participant must report the ETF Special Trade to the Trading Platform not later than 15 minutes prior to the

scheduled commencement of Open Session State on the next Trading Day (or on the same Trading Day, if the transaction is effected between midnight and the commencement of Open Session State on the Trading Day) in conjunction with the condition code ET.

- (b) Immediately advise ~~Market Control~~ Trading Operations once execution has taken place, via email, or if that is unavailable, by facsimile, of the following details:
  - (i) the identity of the Trading Participant and that the Trading Participant acts as agent for both the buyer and seller in the ETF Special Trade;
  - (ii) the ETF Security the subject of the ETF Special Trade;
  - (iii) the number of ETF Portfolios traded;
  - (iv) the total ETF Special Trade consideration;
  - (v) for each Security in the ETF Portfolio:
    - (A) the Security identifier;
    - (B) the number of Securities traded;
    - (C) the price of each trade;
    - (D) the consideration of each trade.

[....]

## 2. Trading Participant acting as Principal

Where a Trading Participant effects an ETF Special Trade in accordance with Rule [3310] and the Trading Participant acts as Principal, the Trading Participant must:

- (a) Immediately notify ~~Market Control~~ Trading Operations upon agreement to issue or redeem into an ETF, via email, or if that is unavailable, by facsimile, of the following details:
  - (i) the identity of the Trading Participant and that the Trading Participant acts as Principal in the ETF Special Trade;
  - (ii) the ETF Security the subject of the ETF Special Trade;
  - (iii) the number of ETF Portfolios traded.
- (b) Report the ETF Special Trade to the Trading Platform in conjunction with the condition code ET:
  - (i) not later than 15 minutes prior to the scheduled commencement of Open Session State on the next Trading Day if the trade is effected before 1:00 PM on the previous Trading Day; or
  - (ii) not later than 1:00 PM on the next Trading Day if the trade is effected after 1:00 PM on the previous Trading Day.
- (c) Immediately advise ~~Market Control~~ Trading Operations once execution has taken place, via email, or if that is unavailable, by facsimile, of the following details:
  - (i) the identity of the Trading Participant and that the Trading Participant acts as Principal in the ETF Special Trade;
  - (ii) the ETF Security the subject of the ETF Special Trade;
  - (iii) the number of ETF Portfolios traded;
  - (iv) the total ETF Special Trade consideration;
  - (v) for each Security in the ETF Portfolio:
    - (A) the Security identifier;
    - (B) the number of Securities traded;
    - (C) the price of each trade;

(D) the consideration of each trade.

[...]

## REPORTING

### Procedure 3500

#### PART B REPORTING OF DERIVATIVES MARKET TRANSACTIONS

[...]

##### Manner of Reporting

[...]

3. Special Crossings under Procedure 4810 Part B. Special Crossings in Futures Market Contracts over an Underlying Commodity which is grain and Special Crossings in Options Market Contracts over Futures Market Contracts over an Underlying Commodity which is grain must be reported on the Trading Day on which they are transacted between 8:00 AM and 7:00 PM (Sydney time). Special Crossings in Options over an Underlying Index or Futures over an Underlying Index must be reported on the Trading Day on which they are transacted between 7:00 AM and 7:00 PM (Sydney time). Special Crossings in all other Options and Futures must be reported on the Trading Day on which they are transacted between 9:00 AM and ~~6~~5:00 PM (Sydney time).

[...]

## SECTION 4 EXECUTION, QUOTE DISPLAY AND REPORTING SERVICES

### ORDER ENTRY

#### Procedure 4025

For the purposes of Rule [4025](a), ~~the guidelines concerning~~ an excessive number of Orders are a ratio of Orders entered to trades executed that equals or exceeds 50:1. This does not include Orders entered by a Trading Participant (either on its own behalf, on behalf of a Related Body Corporate or a client of the Trading Participant) which are entered in relation to satisfying the terms of a market maker agreement with the Market Operator and which can be separately identified for that purpose.

For the purposes of Rule [4025](b), ~~the guidelines concerning~~ an excessive number of Tailor-Made Combinations are those set out in the procedure for Rule [4111](d).

For the purposes of Rule [4025](c), ~~the guidelines concerning~~ an excessive number of Quote Requests are:

- (a) Quote Requests for more than 30 Option Series in any 1 minute interval per Class of Options Market Contract; or
- (b) Quote Requests that exceed a total of 6000 per Class of Options Market Contract, per trading day.

[...]

## TRADEMATCH

### Combinations

#### Procedure 4111

[...]

#### 3. Excessive number of Tailor-Made Combinations

For the purpose of Rule [4111](d), the guidelines concerning an excessive number of Tailor-Made Combinations are designed to minimise adverse impact on the system and to spread the Tailor-Made Combination finite capacity across all users (avoiding one or a few Trading Participants taking up all the capacity at the expense of the other Trading Participants).

~~Market Control~~Trading Operations will apply the following guidelines when assessing whether the number of Tailor-Made Combinations specified by a Trading Participant or in aggregate by all Trading Participants is excessive.

##### (a) Aggregate by Trading Participants

The aggregate number of Tailor-Made Combinations specified by all Trading Participants exceeds 80% of the system limit for the maximum aggregate number of Tailor Made Combinations possible at any one time (note: default setting 4,000 or otherwise as notified by ~~Market Control~~Trading Operations market message prior to commencement of trading on any given trading day).

When the aggregate number of derived Orders in any 30 second interval exceeds 4,000 (or otherwise the number as notified by ~~Market Control~~Trading Operations market message prior to commencement of trading on any given day) and dissemination of derived Order information has been automatically restricted to best Bid and Offer prices only.

[...]

#### Procedure 4810

#### Special Crossings

[...]

#### PART B SPECIAL CROSSINGS IN DERIVATIVES MARKET CONTRACTS

[...]

#### 8. Restrictions on Crossings of Derivatives Market Products

For avoidance of doubt, the following restrictions on Crossings of Derivatives Market Products ~~in~~ Procedure 4060 Part B paragraph ~~40-3~~ also apply to Special Crossings:

[...]

# ASX Operating Rules Procedures Appendices

## SECTION 3 TRADING RULES

### APPENDIX 3801 – 1

#### FUTURES CLIENT AGREEMENT – MINIMUM TERMS

[...]

##### **5. Appointment of ASX, ASX Clear and others as agent**

The Client irrevocably appoints severally ASX, ASX Clear Pty Limited, and every director, manager and assistant manager for the time being of ASX or ASX Clear, at the option of ASX or ASX Clear (as applicable) to do all acts and execute all documents on the Client's behalf for the purpose of exercising the powers conferred on ASX under Rules [\[5160\] to \[5169\]-28-4](#) and ASX Clear under Rule [42-15](#) of the ASX Clear Operating Rules.<sup>6</sup>

*Note 6: The ASX and ASX Clear have broad powers to deal with positions held by the Market Participant if the Market Participant commits an event of default under Rules [5160] to [5169] and Clearing Rule [152.1](#). The powers of ASX and ASX Clear are set out in Rules [5160] to [5169] and Clearing Rule [152.2](#) respectively.*

[...]

# ASX 24 Operating Rules Procedures

## Procedure 4025 – Excessive Order Limits

For the purposes of Rule [4025] ~~the guidelines concerning~~ an excessive number of Orders are a ratio of Orders entered to trades executed that equals or exceeds 50:1. [This does not include Orders entered by a Trading Participant \(either on its own behalf, on behalf of a Related Body Corporate or a Client of the Trading Participant\) which are entered in relation to satisfying the terms of a market maker agreement with the Market Operator and which can be separately identified for that purpose.](#)

There are no guidelines prescribed concerning an excessive number of Quote Requests.

## Procedure 6510 – Authorised Signatories

For the purposes of Rule [6510] the Trading Participant must submit a list to Trading Operations which specifies the title, function and contact details of each of the persons authorised by the Trading Participant to deal with trading issues (including requesting cancellations of trades or agreeing to requests for trade cancellations) in connection with the operation of its business as a [Market-Trading](#) Participant. The Participant must submit its list of Authorised Signatories via ASX Online.

# ASX Clear Operating Rules Procedures

## SECTION 2 DEFINITIONS AND INTERPRETATION

### 2.10 DEFINITIONS AND INTERPRETATION

[...]

[“Principal Trader” has the meaning given to it in the ASX Operating Rules.](#)

[...]

## SECTION 4 RIGHTS AND OBLIGATIONS OF PARTICIPANTS

[...]

### PROCEDURE 4.23.5 RECONCILIATION OF CLIENTS’ SEGREGATED ACCOUNTS

For the purposes of Clearing Rule 4.23.5, the time, form and manner in which a reconciliation must be prepared are as follows:

- (a) the reconciliation must be prepared by 7.00pm on the [Trading-Business](#) Day after the [Trading Business](#) Day to which the reconciliation relates; and
- (b) the reconciliation must be prepared in the form set out in Annexure 4.23.5.

### PROCEDURE 4.23.6 RECONCILIATION OF TRUST ACCOUNTS

For the purposes of Clearing Rule 4.23.6, the reconciliation must be prepared by 7.00pm on the [Trading Business](#) Day after the [Trading-Business](#) Day to which the reconciliation relates.

[...]

## SECTION 11 DERIVATIVES MARKET ~~CONTRACT TRANSACTION~~ – ALLOCATION, PRICE AVERAGING AND DESIGNATION

### PROCEDURE 11.1.1 PARTICIPANT MAY ALLOCATE DERIVATIVES MARKET CONTRACTS

[...]

- (2) Where the Derivatives Market Contract was entered by the sending Participant on the instruction of a Principal Trader in relation to an Options Market Contract, the sending Participant **must** allocate the Derivatives Market Contract to that [Principal Participant](#) Trader’s Participant. ASX Clear will then register the Derivatives Market Contract in the name of the receiving Participant in that [Principal Participant](#) Trader’s account.

If on the day the Derivatives Market Contract was entered, the receiving Participant or its [Principal Participant](#) Trader disputes the Derivatives Market Contract was entered on the instruction of the [Principal Participant](#) Trader and notifies this to ASX Clear **and** the sending Participant confirms to ASX Clear that the allocation was incorrectly made, the allocation to that [Principal Participant](#)



Trader will be cancelled and the Derivatives Market Contract will be returned to the sending Participant.

Under Rule 1.18.1, ASX Clear may charge Participants fees in respect of the services it provides to Participants. This includes fees relating to the allocation of Derivatives Market Contracts under Rule 11.1.1. Currently ASX Clear does not charge fees in respect of allocation of Derivatives Market Contracts.

[...]

## **SECTION 22 TRANSITIONAL ARRANGEMENTS FOR EXISTING ASX PARTICIPATING ORGANISATIONS (CASH MARKET TRANSACTIONS)**

~~There are no procedures in this section.~~ [\[Deleted\]](#)

**SECTION 23 TRANSITIONAL ARRANGEMENTS FOR  
EXISTING ASX MARKET  
PARTICIPANTS**

~~There are no procedures in this section.~~ [Deleted]

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# ASX Clear Operating Rules Procedures Annexures

## ANNEXURE 4.23.5

RECONCILIATION OF CLIENT FUNDS AS AT \_\_\_\_\_

PARTICIPANT NAME \_\_\_\_\_

[...]

The signature below evidences that the [Responsible-Executiveperson](#) believes, and has no reason not to believe, that the reconciliation is accurate in all respects.

**Name**

**Signature** .....

**Date:** .....

# ASX Clear (Futures) Operating Rules Procedures

## Futures Procedures, Determinations and Practice Notes

[...]

### Rule 7.1 Satisfaction of Obligations of ASX Clear (Futures)

- (a) For the purposes of Rule 7.1(c), the designated assets are: ~~(i) the proceeds of a subordinated loan to ASX Clear (Futures) by ASX Clearing Corporation Limited, under an agreement dated 27 April 2009 (as amended or replaced from time to time), up to a maximum amount of A\$90,000,000; and~~
- ~~ii) share capital invested in ASX Clear (Futures) by ASX Clearing Corporation Limited up to a maximum amount of A\$~~3120~~0,000,000.~~
- (b) For the purposes of Rule 7.1(e), the designated assets are share capital invested in ASX Clear (Futures) by ASX Clearing Corporation Limited (excluding share capital that is from time to time designated for the purposes of Rule 7.1(c)) up to a maximum amount of A\$150,000,000.
- (c) For the purposes of Rule 7.1(h), the designated assets are other monies or assets available to ASX Clear (Futures) including share capital invested in ASX Clear (Futures) by ASX Clearing Corporation Limited (excluding share capital that is from time to time designated for the purposes of Rules 7.1(c) and (e)) up to a maximum amount of A\$180,000,000.

[...]

## OTC Handbook

### 3 COMMITMENTS AND FINANCIAL REQUIREMENTS

[...]

#### 3.3 Financial requirements of OTC Participants

For OTC Rule 3.3(b)(i), no information is currently prescribed.

[...]

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# ASX Settlement Operating Rules Procedures

## PROCEDURE 4.7 TECHNICAL AND PERFORMANCE REQUIREMENTS

The technical and performance requirements are that, to the reasonable satisfaction of ASX Settlement:

- (a) ~~as shown by Pre-commencement Testing, the person has the capacity to communicate reliably with CHESS in accordance with the EIS;~~
- (b) ~~the person has such accounting, settlement, recording and reporting systems as are necessary for the purposes of the person's existing and anticipated operations; and~~
- (c) ~~the person employs or retains such personnel familiar with the Rules and the Procedures as are necessary to allow the person to generate, receive and process Messages in accordance with the Rules and the Procedures;~~
- (d) ~~the person has the necessary organisational and technical resources to ensure that messages submitted to ASX Settlement by the Participant do not interfere with the efficiency, integrity or proper function of the Settlement Facility;~~
- (e) ~~the person observes and gives effect to any advice or directions given by ASX Settlement to it in order to ensure that the person meets or continues to meet the requirements of paragraphs (a) to (d); and~~
- (f) ~~the person has appointed a person to be responsible for communication with ASX Settlement in connection with CHESS and has communicated the name of that person to ASX Settlement, both upon admission to participation and where there are any subsequent changes made.~~

## PROCEDURE 4.8.1 PERFORMANCE BONDS

A Settlement Bond and a Sponsorship Bond must be in a form approved by ASX Settlement and issued by:

- (a) ~~an Australian bank;~~
- (b) ~~an insurance company registered with the Commission under the Life Insurance Act 1945;~~
- (c) ~~an insurance company authorised to carry on insurance business under the Insurance Act 1973,~~  
other than the Participant or a subsidiary of the Participant).

[...]

## PROCEDURE 6.3A.3 RECONCILIATION OF ACCUMULATION ACCOUNT

For the purposes of Rule 6.3A.3, the reconciliation must be prepared on a daily basis by 7.00pm on the Trading Business Day after the Trading Business Day to which the reconciliation relates.