



ASX Disciplinary Matter – Macquarie Bank Limited

The Group Executive, ASX Supervision, has determined that Macquarie Bank Limited (**MBL**) did not comply with:

- (a) ASX Clear (Futures) Operating Rule (**ASXCRF**) 45.1, being MBL's obligation to settle an intra-day margin (**Intra-Day Margin**) of NZD \$1,213,498 by the prescribed time of 1:21pm on 11 November 2025.
- (b) ASXCRF 4.10, being MBL's obligation to at all times continue to satisfy the admission requirements set out under ASXCRF 4.2(e)¹, being to have adequate resources and processes to comply with its margin payment obligations under ASXCRF 45.1.
- (c) ASX Clear Operating Rule (**ASXCR**) 12.17.5, being MBL's obligation to settle a cash market margin (**CMM**) of AUD \$5,763,304.12 by the prescribed time of 10:30am on 14 November 2025.
- (d) ASXCR 4.1.1(a), being MBL's obligation to at all times continue to satisfy the admission requirements set out under ASXCR 3.2.1(e) and ASXCR 3.5.1, being to have adequate resources and processes to comply with its margin payment obligations under ASXCR 12.17.5.

Together, these matters constitute the '**Contraventions**'.

The Group Executive, ASX Supervision, imposed a total fine of \$165,000 (plus GST) for the Contraventions.

The circumstances of this matter are:

Event 1

On 11 November 2025, MBL failed to settle an Intra-Day Margin call for NZD \$1,213,498 by the prescribed time of 1:21pm in breach of ASXCRF 45.1. The Intra-Day Margin was subsequently settled at 1:22pm, approximately one minute after the prescribed deadline (**Event 1**).

MBL's failure to settle the Intra-Day Margin by the prescribed time in Event 1 arose from deficiencies in MBL's resourcing, supervision and operational processes for time-critical margin payments. The facts of Event 1 establish that:

- (a) shortly after receiving the Intra-Day Margin call from ASX, MBL's Market Operations Division (**MOD**) Futures Cash Team confirmed receipt of the call and booked the payment in MBL's internal systems in a timely manner;
- (b) as MBL had set the NZD payment limit at zero as a control for NZD funding, the payment entered MBL's internal queue and required manual review and release by a separate team, the MOD Funding Operations Team, before it could be paid; and
- (c) although four members of the MOD Funding Operations Team had authority to release NZD payments, responsibility for monitoring and actioning the relevant queue was ordinarily allocated to a primary team member. On this occasion, that team member was attending an internal meeting during the relevant period, with the result that the payment remained unactioned until the MOD Futures Cash Team sought an update on its status shortly before the ASX deadline.

Event 2

On 14 November 2025, MBL failed to settle a CMM payment of AUD \$5,763,304.12 by the prescribed time of 10:30am in breach of ASXCR 12.17.5. The CMM was subsequently settled at 10:54am, 24 minutes after the prescribed deadline (**Event 2**).

¹ As in force on 11 November 2025.

MBL's failure to settle the CMM by the prescribed time in Event 2 arose from deficiencies in MBL's resourcing, supervision and operational processes for time-critical margin payments. The facts of Event 2 establish that:

- (a) MBL received notice of the CMM obligation, and its MOD Cash Equities Team notified the MOD Funding Operations Team of the payment requirement and provided the documentation necessary to make the payment in a timely manner, in advance of the 10:30am cut-off;
- (b) the CMM payment required authorisation in MBL's Exigo system by an authorised member of the MOD Funding Operations Team before it could be released to ASX; and
- (c) during the relevant approval period, MBL did not have adequate authorised approver coverage within the MOD Funding Operations Team.

Considerations for Event 1 and Event 2

The late settlement of the Intra-Day Margin on 11 November 2025 and the CMM on 14 November 2025 both arose from failures within the same payment authorisation and release function operated by MBL's MOD Funding Operations Team. In each case, the underlying issue was a failure to ensure that the payment was reviewed, authorised, released and received by ASX within the prescribed timeframe.

The identified events occurred within a three-day period and exhibited similar characteristics. Both events involved time-critical margin payment obligations, both depended upon action by the MOD Funding Operations Team to authorise and release the relevant payment, and both arose in circumstances involving a deficiency in desk coverage, and related monitoring and escalation processes. ASX considers these matters significant because they demonstrate that the same critical control dependency failed twice within the same week.

In ASX's view, Event 1 exposed a material deficiency in MBL's resourcing and processes for the timely execution of margin payments, thereby highlighting a clear risk. Notwithstanding this, MBL failed to promptly remediate the deficiency, and the same resourcing and process weakness crystallised again in Event 2 only three days later.

ASX considers MBL's initial failure to adequately resource a key process, and its subsequent failure to address that deficiency once identified, to be significant concerns, with the latter representing a serious breakdown in MBL's control environment and risk management arrangements. ASX expects participants to maintain resilient arrangements, including adequate staffing, documented escalation and effective monitoring, so as to ensure their margin obligations are met within prescribed timeframes, and to implement immediate corrective measures where an event exposes weaknesses in those arrangements.

As such, ASX has formed the view that, in the circumstances, MBL did not maintain adequate resources and processes to ensure compliance with its margin payment obligations.²

MBL has confirmed to ASX that it has since implemented a range of remediation measures, including the addition of further payment approvers, procedural uplifts concerning escalation processes and staff training, to address the deficiencies identified by the events the subject of the disciplinary action.

In determining the penalty, the Group Executive, ASX Supervision, among other factors, took into account the following:

- (a) The Reserve Bank of Australia (**RBA**) has determined Financial Stability Standards (**FSS**) for licensed clearing facilities such as ASX Clear (**CCP Standards**). Under standard 6.4.2 of the CCP Standards, central counterparties are expected to establish and enforce timelines for margin collection payments, and to manage operational risks through appropriate systems, policies, procedures and controls.
- (b) The Contraventions arose from two related incidents within a short period.
- (c) Given the important role margins serve in protecting the integrity of ASX's markets and facilities, as a central counterparty ASX is required to establish and rigorously enforce relevant rules and timelines, such as ASXCRF 45.1 and ASXCR 12.17.5, for margin collections and payments.

² In breach of ASXCRF 4.10 for Event 1 and ASXCR 4.1.1(a) for Event 2.

- (d) Where a Participant:
 - i. fails to meet any obligation under the ASXCRF, or fails to pay any Initial Margins, Intra-Day Margins, or Daily Settlement Amounts, such failure may constitute an Event of Default; and
 - ii. fails to pay any amount due and payable to ASX under the ASXCR, such failure may constitute an Event of Default.
- (e) In accordance with the CCP Standards, ASXCR Guidance Note 1 and ASXCRF Guidance Note 1, as a component of the requirement for a participant to have adequate resources and processes to comply with its obligations under the ASXCRF and ASXCR, participants are expected to document and implement their key processes for meeting those obligations, including:
 - i. risk management frameworks, that is, its general processes for identifying and managing or mitigating the risks it faces, including but not limited to market risk, liquidity risk, counterparty risk, operational risk and cyber risk;
 - ii. processes for meeting its net payment obligations to ASX; and
 - iii. processes for meeting its initial margin and daily settlement amounts, as well as any intra-day and extra margins.
- (f) On 19 December 2023, ASX sent to all Participants a document titled “*ASX Participants Engagement – Margin Obligations*” which outlined what ASX considers to be best-practice examples of the controls and processes that participants should have in place to meet their margin settlement requirements (**ASX Margin Guidance**). ASX recommended that participants use the ASX Margin Guidance to self-assess their processes and identify any areas for improvement.
- (g) The Contraventions were inadvertent and unintentional.
- (h) Notwithstanding that the Contraventions were inadvertent and unintentional, ASX is of the view that the relevant breaches of the margin payment obligations were ones which ought to have been prevented or mitigated by appropriately embedded processes and adequate desk coverage.
- (i) MBL did not act unconscionably towards, or otherwise take advantage of, clients or counterparties.
- (j) MBL did not derive a financial benefit or other commercial advantage from the Contraventions and was always able to fund the margin payments to ASX.
- (k) MBL demonstrated a cooperative stance with ASX in its investigation of the breaches.
- (l) MBL has a good history in meeting its margin payments to ASX, both as an ASX Clear (Futures) and ASX Clear Participant.
- (m) MBL has since implemented remediation measures to prevent recurrence.

Sanction Guidelines

The Group Executive, ASX Supervision, has determined that, given the circumstances in this matter, a fine of \$165,000 (plus GST) is an appropriate sanction.

In making this determination, ASX re-emphasises to participants that the timely payment of margins, including Intra-Day Margin and Cash Market Margin, is critical to the integrity and stability of the ASX market. Timely payment ensures that exposures arising from trading activity are adequately collateralised, reducing the risk of participant default and limiting the potential impact across the market.