

1 May 2020

Attention: Diane Lewis
Office of General Counsel
ASX Limited
20 Bridge St
Sydney NSW 2000

By email: regulatorypolicy@asx.com

Dear Diane

CHESS REPLACEMENT: TRANCHE 2 RULE AMENDMENTS

The Stockbrokers and Financial Advisers Association (SAFAA) is the professional body for the stockbroking and investment advice industry. Our members are Market Participants and Advisory firms which provide securities and investment advice, execution services and equity capital-raising for Australian investors, both retail and wholesale, and for businesses. Practitioner Members are suitably qualified professionals who are employed in the securities and derivatives industry.

SAFAA did not respond to Tranche 1, due to the intense volume of regulatory change that Market Participants have had to digest since Q2 of 2019, which hindered engagement with that consultation. While we welcome the extension of time to respond to the consultation paper on the Tranche 2 rule amendments, Market Participants continue to struggle to devote the necessary time and attention to the very large volume of material in this tranche, particularly in light of the impact on global markets and business operations of COVID-19 and the staged release of Rule Amendments.

Members note in particular that the level of detail about what will be involved in implementing the system remains limited, and the full picture will not be known until the final Tranche 3 Rule Amendments are released later this year. They advise that, given the staged release of Rule Amendments, they are not confident that the full picture of the technical, legal and operational impact and requirements can be understood. For example, they note that it is difficult to understand why some rules will change when others will not. As ASX has not yet issued its response to submissions on Tranche 1, which were lodged in January, this adds further to the lack of clarity. Our members advise that only when they can see the rule changes in their entirety, compared to the current rules, can they comment with confidence on the proposed changes.

Our members advise therefore that they reserve the right to review the full suite of rule amendments when the final tranche is issued, when it is feasible to have a clear view of the end-to-end processes involved, before providing support.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J Fox', with a long horizontal stroke extending to the right from the top of the 'F'.

Judith Fox
Chief Executive Officer