



12 February 2021

ASX Limited
PO Box H224
Australia Square NSW 1215
ATTENTION: Bill Woods

By email: participants.compliance@asx.com.au

Dear Bill

ASX Consultation Paper – Trust and Client Segregated Accounts

As discussed, Chi-X Australia Pty Ltd (**Chi-X**) is grateful for the opportunity of providing a submission in response to the ASX Consultation Paper on Trust and Client Segregated Accounts (**the CP**).

The ASX Clear Operating Rules define cash market transactions to include those entered into on or reported to Chi-X, and this definition helps to ensure ASX Clear Operating Rules, including those relating to client money and other trust account issues, apply on a 'market neutral' basis.

Chi-X is therefore of the view that the Rules, Procedures, associated Annexures and Guidance, including those covered by the CP, should use market neutral wording. For example, Annexure 4.23.5 on page numbered 9 of the CP should refer also to Chi-X Market Participants and footnote 40 on page numbered 7 of the Guidance Note attached to the CP, should also refer to Chi-X market transactions.

Chi-X accepts that the word count on the Rules, Procedures, Annexures and Guidance Notes issued by ASX Clear is high, and it may therefore be argued that legacy issues can easily arise. However, it is important that the wording used transparently ensures that ASX Clear does not discriminate in favour of ASX market participants, ASX market transactions or ASX products in areas where ASX is subject to competition.

A clearer separation of the clearing and settlement functions within the ASX organisational structure, including at an operational, technology and staffing level, may assist in achieving this important goal.

I hope this submission is of assistance, please do not hesitate to contact me if you have any queries.

Yours sincerely

A handwritten signature in black ink that reads "Michael Somes".

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