



## ASX Investment Products Compliance ETP update - April 2025

### Mortgage or asset backed securities within an Eligible Debt Portfolio

This update is relevant to ETPs with portfolios that include mortgage or asset backed securities that are units in a securitisation trust.

ASX confirms that the trustee entity of a securitisation trust, in its capacity as trustee of the securitisation trust vehicle, can be treated as the 'issuer' of the mortgage or asset backed security for the purposes of paragraph (b) of the definition of Eligible Debt Portfolio in Operating Rule [7100]. This interpretation is only available for categorising mortgage or asset backed securities under paragraph (a)(iii) of the Eligible Debt Portfolio definition.

### What does this interpretation apply to?

This interpretation applies where the ETP issuer demonstrates that the securitisation arrangements appropriately protect investors from bankruptcy of the relevant trustee entity, including other trusts that they operate (i.e. they are 'insolvency remote'). If this cannot be adequately demonstrated, the trustee entity in its personal capacity will be treated as the issuer of the securities, rather than the entity in its capacity as trustee of the securitisation trust.

### Schedule 10A.3.3 Requirements for admission

- c. the capital value or distributions of the Financial Product must be linked to Underlying Instruments which are:
  - iii. an Eligible Debt Portfolio;

## Section 7100 of the ASX Operating Rules

**"Eligible Debt Portfolio"** means:

- a portfolio of Underlying Instruments that comprise:
  - i. investment grade debt;
  - ii. high yield corporate debt; or
  - iii. mortgage or asset backed securities;
- where no one issuer of the Underlying Instruments accounts for more than 10% of the net asset value of the portfolio; and
- where the Underlying Instruments are subject to a Reliable Pricing Framework.

### Further detail

The purpose or object of paragraph (b) of the Eligible Debt Portfolio definition is to protect investors from concentration risk by ensuring that ETPs are not overexposed to the credit risk of any one issuer of an Underlying Instrument (Underlying Issuer). The 10% limit aims to reduce the risk that a single Underlying Issuer's default will significantly impact the performance of the ETP by limiting the potential impact of any one default to no more than 10% of the ETP's net asset value.

If a securitisation trust is effectively structured to be insolvency remote, it is possible to satisfy the purpose or object of paragraph (b) by reference to the ETP's exposure to the underlying securitisation trust, as opposed to the total exposure to an individual Underlying Issuer. That is, provided the exposure to each underlying securitisation trust does not exceed 10%, the purpose or object of paragraph (b) is achieved even if the ETP's aggregate exposure to an Underlying Issuer of a number of separate securitisation trusts exceeds 10%.

ETP Issuers proposing to seek admission of an ETP under Schedule 10A of the ASX Operating Rules will need to ensure that the annexures provided in support of their application correctly characterise these Underlying Instruments under Rule 10A.3.3(c)(i). ETP Issuers may reference this ETP Update in the relevant annexures in support of their application.

This ETP Update only relates to the interpretation of paragraph (b) of the definition of 'Eligible Debt Portfolio' as it relates to mortgage or asset backed securities. It does not apply to any other paragraph or rule.

If you have any questions, please email [InvestmentProducts.Compliance@asx.com.au](mailto:InvestmentProducts.Compliance@asx.com.au).

Kind regards,  
ASX Investment Products Compliance



20 Bridge Street, Sydney, NSW, 2000, Australia

This email was sent to you from ASX Operations Pty Ltd

[Preference Centre](#)

[Unsubscribe from all emails](#) | [Privacy Policy](#)

Copyright © 2025 ASX Operations Pty Ltd, All Rights Reserved.