



# CHES Replacement

**Tranche 3 and Combined Rule  
Amendments  
Response to Consultation Feedback**

June 2022

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Attachment A: Summary of Submissions received on draft ASX Settlement Operating Rules, ASX Clear Operating Rules, ASX Operating Rules and ASX Appeals and Enforcement Rules

Attachment B: Overview of further tranche 3 and combined rule amendments following consultation feedback and ASX identified rule changes

Attachment C: Combined Rule Amendments – ASX Settlement Operating Rules and Procedures

Attachment D: Combined Rule Amendments – ASX Clear Operating Rules and Procedures

Attachment E: Combined Rule Amendments – ASX Operating Rules and Procedures

Attachment F: Combined Rule Amendments – ASX Enforcement and Appeals Rulebook and Procedures

## 1. Response to Tranche 3 and Combined Rule Amendments Consultation Paper

### 1.1. Tranche 3 and combined rules consultation and response

On 30 August 2021, ASX released a Consultation Paper relating to the tranche 3 and combined rule amendments for the CHESSE replacement system.<sup>1</sup> These rule amendments addressed netting, settlement reporting and miscellaneous amendments for 'Day 1' implementation of the new system, including as revised to reflect changes to netting and settlement workflows as consulted on in 2021. As part of the miscellaneous amendments, they also included transitional rules addressing migration aspects for the cutover to the new system.

This paper:

- contains a summary of the feedback received in stakeholder submissions and ASX's response to that feedback, including addressing respondents' requests for clarification and further information (see **Attachment A**);
- includes the draft rule changes made to the ASX Settlement Operating Rules and Procedures and ASX Clear Operating Rules and Procedures, which take into account feedback received (see a summary of these rule changes in **Attachment B**); and
- includes a full set of consolidated rule amendments (including the rule changes identified in Attachment B), which encompass the ASX Settlement Operating Rules and Procedures (**Attachment C**), ASX Clear Operating Rules and Procedures (**Attachment D**), ASX Operating Rules and Procedures (**Attachment E**) and ASX Appeals and Enforcement Rules and Procedures (**Attachment F**).

### 1.2. Submissions received

ASX received 8 submissions from a range of stakeholders including participants, payment providers, industry bodies and a registry. Five of these submissions were provided on a confidential basis. ASX has published non-confidential submissions on the [ASX website](#).

ASX thanks all stakeholders who shared their views and provided submissions in response to the tranche 3 and combined rules consultation paper.

## 2. Summary of the feedback received

### 2.1. Feedback received

Stakeholders provided both general and specific drafting feedback on the proposed tranche 3 and combined rule amendments. This feedback is summarised on an anonymised basis in the table in Attachment A. Attachment A also contains ASX's response to feedback received, and indicates whether amendments to the rules have been made in response to this feedback.

### 2.2. Matters raised

A number of matters were raised by stakeholders in relation to tranche 3, including with respect to:

- Batch settlement, including redesign of netting and settlement workflows;
- Reporting;
- Static and Pass-through Investor Data;
- System authentication and set up;
- Transitional rules (including migration); and
- Data governance.

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<sup>1</sup> The tranche 3 and combined consultation paper is available here: <https://www2.asx.com.au/content/dam/asx/markets/clearing-and-settlement-services/tranche-3-combined-rules-package-public-consultation-version-31-aug-2021.PDF>.

In addition, some feedback was provided by stakeholders specifically relating to tranche 1 (account and holder creation; locking and unlocking, and holding adjustments; issuer sponsored transfers; and demand and settlement instructions) and tranche 2 (corporate actions).

### 2.3. Specific feedback raised

More specific feedback was received on particular rule amendments. A high level summary of the feedback received is set out below. This has been broken up into Tranche 3 (which also contains some general feedback), Tranche 1 and Tranche 2.

Please refer to **Attachment A** for a more detailed summary of all feedback received.

#### Tranche 3 (including general feedback)

- Two stakeholders sought further clarity in relation to the timing and details of notifications regarding the rescheduling of CCP Market Trade Batch Instructions on a net basis as a CCP Rescheduled Batch Instruction if batch settlement is cancelled;
- Two stakeholders sought further clarity as to whether projected shortfall information and payment obligation information is available in real time before settlement cut-off;
- One stakeholder raised a concern in relation to the communication of foreign currency payment information between participants and issuers;
- One stakeholder raised a concern relating to the aggregation of authentication credentials and the need for the relevant rule to clarify that it facilitates the services of Third Party Providers;
- One stakeholder raised a concern about the extent of consultation in relation to the migration of Instructions as CCP Rescheduled Batch Instructions;
- One stakeholder questioned the relevance of transitional rules since most are only relevant to the Transition Period;
- Three stakeholders expressed support for aspects relating to Holder Record migration, but suggested consideration of the introduction of an enforcement regime attaching to issuer compliance with new system requirements;
- One stakeholder expressed concern with the overall strategy for, and certain specific aspects of, the proposed approach for Holder Record data migration;
- One stakeholder sought further clarity on the indemnity in ASXSOR 5.27.1;
- Three stakeholders asked for clarification on the requirement under ASXSOR 8.18.2(b) for participants to take 'all reasonable steps' 'as soon as reasonably practicable' to obtain correct holder record details where a participant becomes aware that those details are incorrect as a result of a returned or undelivered Holding statement or other Notice;
- Three stakeholders encouraged ASX to consider restricting the use of all data to what is required for the 'primary' or 'key' purpose;
- One stakeholder encouraged ASX to consider additional measures to protect data provided under CHES, including:
  - documentation and implementation of controls, assurance, review and monitoring over data handling (including data transfers and handling by third parties);
  - an enforcement framework for data misuse beyond what is currently available; and
  - a data breach reporting regime targeted at entities that collect or handle data on behalf of ASX.
- Three stakeholders had queries in relation to terminology used;

- Three stakeholders noted an expectation that rule amendments be subject to the successful completion of industry wide testing and migration dress rehearsals and suggested that additional time be considered if further consultation on rules is needed.

#### Tranche 1

- Three stakeholders requested that ASX provide further information on the allowable number of joint holders for CHESSE holdings;
- Three stakeholders requested clarification regarding functionality and transitional matters regarding Named Holder Indicator for joint Holdings in the event of death or bankruptcy;
- One stakeholder asked for further clarification in relation to the interaction between holding adjustments, holder record locks and court orders;
- One stakeholder had concerns in relation to transfers to the CHESSE register and the removal of the Custodial Settlement Participant category;
- Three stakeholders raised concerns regarding an increase in unmatched messages needing to be reentered as a consequence of changes to daily housekeeping timing.

#### Tranche 2

- One stakeholder raised concerns regarding the validation of Plan Records for DRP/BSP Elections and the practical consequences of ASXSOR 5.19A attaching to those Plan Records, including in relation to cancellation of elections and election enquiry functionality;
- One stakeholder recommended that ASX revisit the technical and legal design of the electronic entitlement acceptances and related RTGS electronic payment for entitlement offers functionality prior to its reintroduction to the new system.

### 3. ASX response to feedback received

#### 3.1. ASX response to feedback

ASX is grateful for the feedback provided by stakeholders. **Attachment A** sets out ASX's response to each of the aspects raised in submissions, including:

- Providing further information (or links to further information) in relation to the proposed rule amendments, functionality design or consultation process where such information was requested.
- Responding to specific drafting comments on the rule amendments, adopting the drafting comments where appropriate or explaining why such drafting comments have not been adopted.
- Seeking to provide further clarification on the proposed rule amendments.

#### 3.2. Changes to draft rules in response to feedback

In response to stakeholder feedback received, ASX is making the following changes to the draft rules:

- ASX has decided that the CHESSE name will be retained for the replacement system. CHESSE will continue to be capitalised, but will no longer be an acronym for 'Clearing House Electronic Subregister System'. ASX has amended the definition of CHESSE in ASXSOR 2.13 and ASXCOR 2.13 to reflect this.
- ASXSOR 8.18.2(b) will be amended to clarify the obligation, which is intended to mirror the corresponding Privacy Act requirement, by replacing 'all reasonable steps' with 'such steps (if any) as are reasonable in the circumstances'.
- ASXSOR 16.14.1 will be amended to make clear that ASX can allocate an aggregated authentication credential across multiple issuers (as opposed to on a per Facility User basis). Further, the reference to Facility Users will be

extended to Third Party Providers such that Facility Users and Third Party Providers can use one set of aggregated authentication credentials in the new system.

- In ASXCOR 12.6.2A(c) the reference in the second line to ‘or a CCP Gross Batch Instruction’ has been deleted. ‘CCP Gross Batch Instruction’ is a concept in existing CHES that does not apply in the new system, and is being replaced by ‘CCP Market Trade Batch Instruction’.

Each of these changes are identified in the last column in **Attachment A** within the relevant row which explains that change. Refer to **Attachment B** for the details of these changes.

## 4. Further rule amendments

### 4.1. Other changes to draft rules

ASX has also made some additional minor rule changes relevant to the topics covered by the tranche 3 and combined rule amendments that are not directly related to feedback received from stakeholders, but have been identified following further consideration of the proposed rule amendments.

- Correct the cross referencing error in ASXSOR 4.4.2. The reference in this rule to 4.4.1(f) should be to (e).
- Correct formatting and cross referencing errors in ASXSOR 8.5.1(a)(i) and 8.5.1(a)(ii). The references in these rules to 8.5.1(d) should be to 8.5.1(e).
- Update the heading in ASXSOR 8.16.11 from “Action following removal of a Settlement Lock on request” to “Action following the removal of a Settlement Lock”, which reflects that the grounds for removal of a Settlement Lock covered in ASXSOR 8.16 extends beyond a request and can be pursuant to a unilateral ASX Settlement action. This heading has already been updated in ASXSOR Procedure 8.16.11.
- Correct typographical and formatting errors in ASXSOR 8.5.1(b), 10.11.7, 10.11.7A, 11.22.1, 16.12.1 (heading), the introduction box for Section 18, 19.5.2 and ASXSOR Procedure 19.2.7 (heading).
- The definition of ‘external administration’ under the Payment Systems and Netting Act includes the appointment of a statutory manager under the Banking Act, Insurance Act or Life Insurance Act. The appointment of a statutory manager is not currently included in ASXSOR 12.18.1 but is required to support ASX’s application for approval of CHES as an approved RTGS system (for the repurposed RTGS service) under Part 2 of the Payment Systems and Netting Act. Updates to ASXSOR 12.18.1 have been made to reflect this. A further change has also been made to align insolvency events for bodies corporate in the ASXSOR with the amended definition of ‘Chapter 5 body corporate’ as defined in the Corporations Act.
- Correct the cross referencing errors in ASXSOR 16.3.1(a) and 16.9.2(c), (d) and (e).
- In December 2021, after the tranche 3 and combined rules consultation paper had been issued, changes were made to various sections of the ASXSOR Procedures, including ASXSOR Procedure 8.18.3, to reflect the commencement of electronic CHES statements and notifications. ASXSOR Procedure 8.18.3 reflects those changes which are now effective and are highlighted in grey in Attachment B for ease of reference.
- ASXSOR Procedure 19.1.2 and ASXCOR Procedure 24.1.2 relate to the commencement times for a number of transitional rules. ASX has made certain refinements to the indicative times set out in the tranche 3 and combined rules consultation paper to reflect the required effective times for each transitional provision (which includes inserting a new row for ASXSOR 19.3.5).
- Minor corrections to ASXSOR Procedure 19.2.6(l) (for the purposes of ASXSOR 19.2.6(a) and (c)) and to the interpretive note to ASXSOR 19.2.7. Procedure 19.2.6 has been updated to more accurately reflect holder record migration specifications. The note to ASXSOR 19.2.7 has been updated to specify treatment of unlocked accounts.

Refer to **Attachment B** for the details of these changes.

We have also made some administrative tidy-up changes in order to ensure consistency where rules have been deleted. These relate to showing the history of rule changes, and retaining sub-headings of rules which have been deleted

(noting that the whole of Section 17 has been deleted without retaining sub-headings). These have not been shown as changes in Attachment B given these are not substantive in nature, but are merely administrative adjustments.

## 5. Consultation process

### 5.1. Feedback on consultation process

One stakeholder raised concerns around the consultation process that:

- the number of submissions received in tranches 1 and 2 of the consultation, and the expected number of submissions in the current consultation, raise a question as to whether this amounts to effective engagement if all stakeholders are to rely on this process;
- consultation is not just about giving stakeholders the opportunity to provide input, it should also ensure that the rules work, achieve the same outcome as the new platform and are not detrimental to the market, which can only be achieved if all stakeholders have actively engaged in the process;
- ASX did not directly engage and educate stakeholders on the intent and impact of the rule amendments;
- contending with iterative amendments to the same rules through various tranches and post-consultation responses, mark-up of rules against obsolete versions of the current rules then revised, is problematic;
- the risk to the project timeline is exacerbated by the need for ASX to finalise the rules framework, factoring the 4-week non-disallowance period and 6 month exposure timeframe prior to the go-live date.

The key principles underpinning ASX's approach to the rules consultation are transparency and providing the opportunity to all interested stakeholders to comment. Our public consultation processes, which involved seeking written submissions, running stakeholder forums, facilitating bilateral discussions and then publishing our responses to stakeholder feedback, have ensured we have been very transparent with impacted stakeholders and provided multiple avenues for stakeholders to engage with the process to make it easy for them to provide feedback in a way that suits them.

ASX released the proposed rule amendments for the new system in three tranches, consistent with our iterative solution design process for the new system. Each tranche was grouped into related sets of rules, reflecting the logical development of clearing and settlement functionality. Releasing the rule amendments in three tranches ensured that the rules were made available to the market at an early stage, rather than waiting until all rules were available following completion of the solution design process. This phased approach provided stakeholders with an opportunity to provide feedback at each stage of the project, offered multiple opportunities for engagement with ASX, and has assisted in progressively evaluating the operation of the draft rule amendments, including any unintended consequences and associated impacts.

ASX has sought to meet the diverse needs of stakeholders in our presentation of the consultation documentation. Each consultation paper has clearly articulated the functionality covered in the relevant tranche, invited stakeholder feedback with direct contacts listed, and underlined next steps. The consultation papers have each included a summary of rule amendments, a mark-up of the relevant rules, and a rules change index for easy navigation of the documentation.

ASX received 12 responses to the Tranche 1 consultation, 11 responses to the Tranche 2 consultation and 8 responses to the most recent consultation. The responses included submissions from industry bodies. In addition, some stakeholders chose to engage directly with ASX through stakeholder forums and bilateral discussions rather than making submissions. ASX actively encouraged and participated in these bilateral discussions. ASX also arranged briefings for stakeholders on particular topics where requested. We expect, as with many consultations, that some stakeholders reviewed the material but did not consider it necessary to make a formal submission.

Feedback from the process described above for all three tranches of rules has been considered and the rules have been amended to address concerns about detriment to the market or particular stakeholders. In cases where different

stakeholders have different interests, we have sought to achieve a balanced and fair outcome. We consider that the overall process has facilitated an effective consultation and engagement on the operating rule amendments.

## 5.2. Regulatory clearance process

All rule amendments, including any changes made through the public consultation process, will be subject to the usual regulatory clearance processes. Following the regulatory clearance process, a final set of rule changes will be released.

Given the recently announced delay to the go-live timing for the project, ASX proposes to formally lodge the combined rules package with ASIC later than was originally planned in September 2022. Subject to further engagement with the regulatory agencies, consideration is being given to formally lodging the combined rules package in the fourth quarter of calendar year 2022.

The final form of the rule amendments will become effective at the time of go-live of the new system (with the exception of the Transitional Rules in Section 19 of the ASXSORs and Section 24 of the ASXCORs which will have an earlier commencement date). The final rule changes will be published at least 6 months prior to go-live of the new system.

## 6. Other matters

ASX received feedback from a stakeholder on non-rule related project matters in their submission to the Consultation Paper. The matters raised by the stakeholder are set out below, together with ASX's corresponding responses:

- The need for timely stakeholder communication regarding any material risks to go-live timing
  - ASX is committed to going-live in a safe and timely manner, and to provide transparency to stakeholders on the project's progress. Stakeholders are updated on project progress through a number of mechanisms, including market announcements, the Business Committee, working groups, regular stakeholder newsletters and the publication of other project documentation through the CHES replacement documentation portal and project pages of the ASX website.
  - In accordance with best practice governance practices for projects, ASX is continually raising and assessing potential risks to the project, and putting in place mitigations given the size and complexity of the project. Where material risks to project milestones have emerged that could not be effectively mitigated by the project team, ASX has provided the relevant market updates. The most recent project update advised that the April 2023 go-live timing was no longer viable due to a delay to the remaining delivery of application software. The update can be found [here](#).
- The lack of disclosure of the project's risk register
  - The risk register for the project includes significant technical information, some of which may include the IP of our partners. It is also continually being updated in-line with the dynamic changes occurring on a large and complex technology project. Publication of the register with this type of technical information at a point in time would not only risk confusing market stakeholders but it may not represent the most current and accurate profile of any given risks.
  - ASX has strong governance arrangements in place for the management of risks and issues on the project, which is subject to the assurance program for the project and review by the Independent Expert appointed under the Licence Condition imposed by ASIC. ASX also provides full transparency of the risk register to the regulatory agencies and engages with them on the context of material risks being raised and associated mitigations, and the trends over time. Risk and issue governance, including the risk register, has been subject to regular external independent review as part of the assurance program for the project. To date, EY has undertaken 3 project governance reviews on the project which considered project risk and issue management.
- The lack of disclosure of a detailed business case for the project



- CHES is a critical clearing and settlement system for the Australian cash equity market that is almost 30 years old. ASX Clear Pty Limited and ASX Settlement Pty Limited, as licensed CS facilities, are required to ensure they have sufficient resources, including technological, to operate and the replacement system is required to be efficient, resilient, reliable and scalable to meet existing and future needs of the market and participants.
- ASX acknowledges the operational impacts and investments market users will need to make to connect to this significant update to critical financial market infrastructure, and has provided users with different options to access the replacement system, including traditional message-based access. This will enable users to continue to conduct their businesses in a similar manner as today. It also provides significant flexibility for users to make their own decisions on how they connect to and use the replacement system informed by their own business cases around access to their data in the new system (ledger API access) and the new services they may take up, depending on what they want to use themselves or provide to their customers. To that end, we have sought to provide as much information as possible to users as the project has progressed to assist with their assessment of these costs and benefits. This has also included a commitment to not increase fees for existing equity clearing, settlement and issuer services to pay for the replacement of CHES. This would apply for the economic lifespan of the replacement system, but does not preclude other drivers impacting pricing.
- Potential for a lack of alignment between the rules and the technical system design
  - ASX appreciates the feedback that has been provided by stakeholders on instances where the proposed rules and the system design have not been aligned. It demonstrates the important role that transparent and effective consultation processes with stakeholders have played in this project.
  - ASX considers that the extensive consultation undertaken with stakeholders on the solution design and the proposed rule changes over the last two and a half years has significantly minimised the risk of there being a misalignment between the rules and the technical system design. Consultation has been undertaken through a number of stakeholder forums convened to obtain input for each phase in the project lifecycle covering the business requirements and functionality, detailed solution design, detailed messaging specifications and associated business workflows, connectivity to the system, and implementation and transition issues. This has included extensive engagement with the market on changes in the design of the new system as the project has evolved, including those most recently focused on the netting and settlement changes and associated ISO messaging changes.
  - Consultation on the proposed rule changes has also been undertaken in an iterative manner to allow stakeholders to engage with the rule changes in timing that was more closely aligned to when discussions with stakeholders were occurring about the solution design and the release of functional code.
  - ASX also recognises the importance of considering all of the proposed rule changes together taking account of the changes reflecting feedback received from earlier consultation on the rules and the final solution design. ASX has considered the rule changes as a package and sought further feedback from stakeholders on the consolidated rules package through the current process, which commenced on 30 August 2021.
- A lack of cost impact to issuers
  - On 3 March 2022, ASX released a [Discussion Paper Issuer Services: New Pricing](#) on a proposed new pricing model for ASX issuer services. ASX is proposing a simpler subscription pricing model based on the number of holders managed in CHES for an issuer. The proposal also includes the removal of a number of fees based on messages delivered by an issuer or its share registry. This pricing model is expected to provide issuers with a greater ability to forecast ASX charges for issuer services. Feedback on the Discussion Paper was due by 14 April 2022 and ASX's response to feedback received is available [here](#).

- In September 2021, ASX released [system access pricing](#) for clearing and settlement participants, PISPs, and other CHES users including payment providers, issuers and their share registries. It included details on the different system access costs for AMQP, Ledger API, SWIFTNet and CHES User Interface. It was provided to assist users’ investment and budgeting decisions well in advance of CHES replacement go-live.
- A request for further information on the implications of the recommendations from the IBM Report for the CHES replacement project and stakeholders
  - EY completed a review of the CHES replacement project against the IBM recommendations in late 2021. There were no high risk findings and with respect to the 18 medium risk findings, EY noted that the project already had many of the actions to address their recommendations underway. As at the time of publication, almost all of the recommendations have been addressed. On this basis, ASX does not expect the need to address the IBM recommendations to have an impact on the project schedule or otherwise adversely impact stakeholders.
- A request for further formal mechanisms to engage with stakeholders collaboratively and across market segments in a timely and transparent manner on the resolution of defects and other required system modifications
  - Over the course of the project, a range of stakeholder engagement forums have been convened to meet the information needs of stakeholders and to obtain stakeholder input on key matters relevant to each phase of the project. In the current phase of the project, there is an Implementation and Transition Working Group consisting of representatives across all user groups, which has been meeting on approximately a monthly basis. There are now also working groups in place for all key user groups - software providers, participants, share registries, PISPs and market operators - and a payment provider working group will be convened shortly.
  - ASX will also continue to provide timely updates on software releases, and on any known system issues and limitations through its dedicated documentation portal.
- A request for the Independent Expert under ASIC’s Licence Condition to proactively engage with market participants
  - EY has been appointed as the Independent Expert to assess the assurance program for the CHES replacement project under the Licence Condition imposed by ASIC. As part of the agreed statement of work, EY will engage with a cross-section of CHES users in its pre go-live readiness review under the licence condition in the lead up to system implementation. Separately, EY will also engage with a cross-section of relevant stakeholders under its review of the project replan, which will take place from July – September.
  - EY’s report on its recently completed review of the design of the assurance program for the CHES replacement project is available [here](#).
- A request for consideration to be given to requiring an accreditation process ensuring market participants are cognizant of the new rules and procedures, and that they have the technical, operational and resources available to support the new system
  - All CHES users will be required to provide an attestation to ASX confirming that they are technically and operationally ready for go-live. The attestation will be required to be provided following the final market migration dress rehearsal by an authorized representative of each CHES user. The attestation will relate to having performed their end-to-end business workflows on accredited software, having completed the exit criteria for operational readiness, having completed the exit criteria for industry wide testing and having successfully participated in 3 migration dress rehearsals.
  - ASX Participants Compliance will also be engaging with all market participants on their operational readiness in the 6 months prior to go-live. Further to this, an external review of customer readiness will also be undertaken through the assurance program in the lead up to go-live.

- A request that ASX publicly communicates 2 to 3 times in 2022 and again ahead of go-live that all necessary testing has been undertaken and that accreditations are in place to ensure a successful implementation
  - ASX will continue to report on project progress as the testing and operational readiness phases are undertaken and readiness for each proceeding key project milestone is assessed. As referred to above, ASX is also planning to commission an external review of customer readiness in the lead up to go-live.
  - Under the Licence Condition, EY will also undertake a pre go-live readiness review which will be publicly released prior to go-live.

## Attachment A: Summary of Submissions received on draft ASX Settlement Operating Rules, ASX Clear Operating Rules, ASX Operating Rules and ASX Appeals and Enforcement Rules

This table summarises the feedback received from stakeholders in response to the tranche 3 and combined rules consultation paper, and ASX's response to that feedback.

Issue	Feedback	ASX response	Rule changes
<b>Tranche 3</b>			
<b>Batch settlement (including redesign of netting and settlement workflows)</b> (see rows 8 to 24 of part 1 tranche 3 of the table in Attachment A of our tranche 3 and combined rules consultation paper)			
1. Cancellation of batch settlement	In the event batch settlement is cancelled and a CCP Market Trade Batch Instruction is rescheduled on a net basis as a CCP Rescheduled Batch Instruction, clarity is sought on: <ul style="list-style-type: none"> <li>the details for notification</li> <li>timing, including the latest time a participant is notified of the cancellation</li> </ul>	In the event that batch settlement is cancelled and a CCP Market Trade Batch Instruction is rescheduled on a net basis as a CCP Rescheduled Batch Instruction, the following notices will be generated by the new system for the purposes of ASXSOR 10.14.2: <ul style="list-style-type: none"> <li>Settlement Participants will receive:               <ul style="list-style-type: none"> <li>A <i>Settlement Instruction Generation Notification</i> (sett_130) message notifying them of the novated settlement failure and will include the reason code CANC (Scheduled Batch Settlement Cancelled). Note that this message is used to inform the relevant Participant of settlement instructions which have failed and have been subsequently rescheduled to the next settlement date and the creation of the NSF &amp; NRI pair as a result of a CCP Market Trade Batch Instruction reschedule; and</li> <li>an <i>Event Notification</i> message (sett_170) with the event code CSET (Cancellation of Settlement); and</li> </ul> </li> <li>Payment Providers will receive an Event Notification message (sett_131) specifying the relevant Transaction ID and Settlement Date.</li> </ul>	

Issue	Feedback	ASX response	Rule changes
<p style="text-align: center;">In terms of timing, each message is generated and sent at the time that Batch Settlement is cancelled.</p>			
<p><b>Reporting</b> (see rows 25 to 29 of part 1 tranche 3 of the table in Attachment A of our tranche 3 and combined rules consultation paper)</p>			
2. Projected shortfall information	<p>Can projected shortfall information and payment obligation information in real time before settlement cut-off be obtained?</p> <p>If not, the daily novated net delivery position (NNDP) and vendor reporting to support the requirement for real time script and funding positions would be used</p>	<p>The new system will no longer provide notification of projected net payment obligations and unit shortfalls to settlement participants.</p> <p>Notifications relating to projected net payment obligations in respect of a Payment Facility will continue to be provided to Payments Providers in the new system (in accordance with the payments provider deed).</p>	
<p><b>Static and Pass-through Investor Data</b> (see rows 30 to 31 of part 1 tranche 3 of the table in Attachment A of our tranche 3 and combined rules consultation paper)</p>			
3. Foreign Bank Account details	<p>No effective mechanism for participants and issuers to communicate in relation to availability of foreign payments services and terms offered. Likely lead to a high number of rejections of foreign banking details</p>	<p>The new system is not designed to perform any validation regarding whether an Issuer offers a payment in a foreign currency. Note that this was not identified as a business requirement for the new system in the initial CHES consultation process in 2018.</p>	
<p><b>System authentication and set up</b> (see rows 34 to 37 of part 1 tranche 3 of the table in Attachment A of our tranche 3 and combined rules consultation paper)</p>			
4. Aggregation of multiple UICs	<p>Amendments to ASXSOR 16.14.1 are not consistent with the way CHES operates</p>	<p>ASX has updated Rule 16.14.1 to clarify that it did not intend to change the way in which the system will operate in relation to the aggregation of multiple UICs. Under the new system, ASX Settlement will allocate, on request from either a</p>	<p>ASXSOR 16.14.1</p>

Issue	Feedback	ASX response	Rule changes
	in relation to the aggregation of multiple UICs to one AIC	Facility User or Third Party Provider, a unique set of authentication credentials in relation to two or more UICs.	
<b>Transitional rules including migration</b> (see rows 38 to 42 of part 1 tranche 3 of the table in Attachment A of our tranche 3 and combined rules consultation paper)			
5. Batch instructions	<p>Lack of consultation/explanation in relation to batch instructions being migrated as a CCP Rescheduled Batch Instruction</p> <p>Further information requested on whether a CCP Offsetting Transaction Arrangement Batch Instruction will be applied over migration activities and whether it will result in messaging to clearing and settlement participants</p>	<p>ASX notes that the migration of batch instructions as CCP Rescheduled Batch Instructions was subject to stakeholder consultation in the following IWT sessions:<sup>1</sup></p> <ul style="list-style-type: none"> <li>pre redesign: 26 August 2020 and 23 February 2021<sup>2</sup>; and</li> <li>post redesign on 27 October 2021 and 15 December 2021.</li> </ul> <p>ASX's February 2021 Consultation Paper "CHES Replacement: Proposed changes to netting and settlement workflow" addressed key migrations considerations as part of the system scalability redesign.<sup>3</sup></p> <p>For completeness, technical documentation in relation to this process (including how Settlement Instructions will be migrated based on Settlement Scalability changes) was released in November 2021.</p>	
6. 'Cut over' activity	Consideration be given to the relevance of Section 19 of the ASXSOR given a number of items are only	Section 19 of the ASXSORs seeks to address specific transitional and migration matters that are not otherwise addressed in the balance of the ASXSORs. As such, the rules in section 19, as well	

<sup>1</sup> Slide packs for past IWT sessions are available at: <https://www2.asx.com.au/markets/clearing-and-settlement-services/chess-replacement/stakeholder-engagement/engagement-forums>

<sup>2</sup> Note that the proposed approach to migration of in-flight batch instructions was addressed in later ITW sessions, referred to in the dot points below.

<sup>3</sup> Refer to "Proposed changes to netting and settlement workflow" consultation paper released 18 February 2021, section 5.1 available at <https://www2.asx.com.au/content/dam/asx/participants/clearing-and-settlement/chess-replacement/stakeholder-communications/asx-chess-replacement-project-consultation-paper-proposed-changes-to-netting-and-settlement-workflow.pdf> and the related response to consultation feedback released 30 June 2021 available at <https://www2.asx.com.au/content/dam/asx/markets/clearing-and-settlement-services/chess-replacement-response-to-consultation-feedback-confirmed-changes-to-netting-and-settlement-workflow.pdf>.

Issue	Feedback	ASX response	Rule changes
	<p>relevant to the 'cut over' activity</p>	<p>as section 24 of the ASXCORs, are necessary to provide a rules basis to support the relevant transition or migration process.</p> <p>ASX notes that the Procedures to section 19 specify the commencement date and the end date for those the rules in section 19. For completeness, it is noted that the Procedures to section 24 of the ASXCORs support section 24 of those rules in a similar way.</p>	
<p>7. Remediation of Registration Details by Participants prior to migration</p>	<p>Support for the new ASXSOR 19.2.6 however recommended ASX considers an enforcement regime for issuers to comply with the requirement of participants in ASXSOR 19.2.6 to address outstanding non-compliance of registration details with ISO 20022 standards.</p> <p>Where an SRN containing registration details that are not compliant, a participant will not be in a position to generate a Registration Identifier under ASXSOR 8.30.1, which is detrimental to participants.</p> <p>Recommendation that issuers have same data standards apply to them as participants do</p>	<p>ASX acknowledges this feedback. For the sake of clarity, ASX notes that ASXSOR 19.2.6 relates to ASX remediation powers, so we assume this reference was directed more towards ASXSOR 19.2.2, which relates to the remediation of non-compliant accounts prior to migration.</p> <p>In addition to the transitional provisions under ASXSOR 19.2, ASX is engaging with stakeholders in a phased approach with the objective of achieving compliance with ISO 20022 standards. At a high level, this phased approach involves:</p> <ul style="list-style-type: none"> <li>• <b>Before cutover:</b> Participant remediation of non-compliant registration details.</li> <li>• <b>During cutover:</b> ASX remediation of any remaining non-compliant registration details, conversion of registration details in CHES to ISO 20022 format, and removal of non-compliant inactive accounts (no holdings or live instructions).</li> <li>• <b>Post cutover:</b> Participant updates to uncategorised entity type.</li> </ul> <p>From a practical perspective, having regard to the information flow in CHES, registration detail information is provided by Participants to Issuers via CHES in respect of CHES holdings (rather than from Issuers to Participants). Consequently, ASX</p>	

Issue	Feedback	ASX response	Rule changes
		<p>considers that the proposed approach for transitioning and migrating those details is appropriate.</p> <p>Additionally, ASX does not currently impose obligations on Issuers in relation to their data (e.g. for SRNs). ASX does not intend to do this for transitional purposes. In particular, it is noted that the RGID carries the SRN registration details of the delivering/receiving account on the issuer sponsored sub-register and is used to facilitate validations by the Issuer's Registry. No Issuer details are required when creating an RGID.</p>	
8. Migration of Holder Records	<p>Concern with overall strategy for migration of Holder Record data, where participants, ASX and issuers (via their registries) are required to each re-format data to the standards required by the new system. Feedback suggests this contradicts a fundamental principle that CHES registration data is controlled and amended only by the relevant controlling participant for the HIN and risks creation of divergent data sets across the market for CHES holdings.</p>	<p>Refer to row 5 above regarding the broader process ASX is undertaking in respect of Holder Record data migration. In particular, ASX is engaging participants pre-cutover with a view to ensuring that Holder Record data is consistent with ISO 20022 requirements before that weekend.</p> <p>As noted in row 38 of the tranche 3 and combined rules consultation paper, ASX has prepared transitional rules to support the remediation, conversion and migration of holder records to the new system. In particular, these transitional rules include remediation requirements for participants prior to cutover to address outstanding non-compliance of Registration Details with the ISO 20022 standards specified for Registration Details in the new system. These transitional rules support the existing rules for change of Holder Record details under ASXSOR 8.18. In both cases the relevant Controlling Participant remains responsible for initiating any changes to Holder Registration Details.</p> <p>In addition to including a rules framework to support the remediation of Registration Details in the six months prior to cutover, ASX has taken the following steps to facilitate</p>	



Issue	Feedback	ASX response	Rule changes
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consistent updates to Holder Record data in anticipation of new system go-live:

- Undertaking compliance checks of Registration Details and engaging directly with participants to identify and support remediation of Registration Details in need of remediation
- Releasing the Registration Details tool to support participants to identify and remediate existing Registration Details
- Publishing detailed guidance on the compliance parameters for Registration Details in the new system.<sup>4</sup>

The transitional rules for the above include transitional provisions with a very limited effective period (immediately prior to and during the cutover weekend only) to take specified actions necessary to remediate certain Registration Details that remain non-compliant after the Old System End Date. ASX considers that this is a necessary and reasonable safeguard to implement with a view to ensuring accounts can be migrated before the New System Start Date, are migrated correctly, and to reduce the risk of issues arising in connection with non-compliant Registration Details after the New System Start Date.

In practice, ASX's phased approach to this migration, particularly the pre-cutover work described above, is a key control in relation to the concern raised. ASX Settlement's transitional period remediation safeguard is further supported by:

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<sup>4</sup> See <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/856719933/Exceptions+Warnings+and+Errors>

Issue	Feedback	ASX response	Rule changes
	<p>(Participant remediation of registration data) As participants are responsible for creating, maintaining and updating CHESS Holder Records, feedback suggests they should be required to actively review all Holder Records and remediate non-compliant data. The participant should indemnify ASX and issuers for any losses suffered as a result of a failure to identify and rectify non-compliant data, rather than the more limited indemnity offered by draft ASXSOR 19.2.5.</p>	<ul style="list-style-type: none"> <li>• Prescribed actions that ASX Settlement may take in the event of particular instances of non-compliance: ASXSOR Procedure 19.2.6</li> <li>• Making the conversion logic for Holder Record migration publicly available</li> <li>• ASX Settlement being required to notify participants, issuers and participant sponsored holders (as applicable) of a remediation of Registration Details.</li> </ul> <p>ASX considers that the proposed indemnity framework under ASXSOR 19.2.5 provides appropriate indemnities in relation to the failure to correctly remediate Holder Registration Details. In particular, the failure to remediate non-compliance (in response to an ASX direction or self-identification by the participant) is covered by the indemnity under ASXSOR 19.2.5(b).</p> <p>Where a participant has provided incorrect details that cause loss, the indemnity under 19.2.5(a) applies to any losses, damages, costs and expenses ASX Settlement or the Issuer may suffer or incur <i>in connection with</i> any inaccuracy in those details. If not already covered by the indemnity under ASXSOR 19.2.5(b), any losses resulting from a failure to rectify would still be in connection with the relevant inaccuracy, and so continue to be covered by the indemnity under ASXSOR 19.2.5(a).</p>	
	<p>(Participant Indemnities) Clarification sought in relation to how ASXSOR 19.2.5 can apply retroactively to actions taken</p>	<p>ASXSOR 19.2 is a transitional rule which will support the broader pre commencement implementation and transition process in advance of cutover. The effective date of ASXSORs 19.2.5 is six months ahead of the cutover weekend.</p>	

Issue	Feedback	ASX response	Rule changes
	<p>to remediate non-compliant data prior to effectiveness of ASXSOR 19.2.2, if the indemnity provision itself is not effective until the same date as ASXSOR 19.2.2. If such retroactive operation of the indemnity is intended, how could this be administered in the event of a loss arising prior to the Effective Period?</p> <p><i>(Updating entity type)</i> Where the post-migration Entity Type for a Holder is recorded as 'unknown' in the new system, draft ASXSOR 19.2.12 (Confirmation of Entity Type for uncategorised Holder Records from new system Start Date) will require participants that are otherwise updating Holder Record details in accordance with ASXSOR 8.18 to also update the Entity Type at that time. Query why this requirement is contingent on</p>	<p>Further, where a material change to Registration Details is required, i.e. a change that involves a change to the substance of those details,<sup>5</sup> that change is expected to be processed in accordance with ASXSOR 8.18 and so would be subject to related indemnities.</p> <p>Regarding the post cutover approach to including Entity Types, this was a design decision made with the aim of ensuring the accuracy of Entity Type data ultimately attributed to a Holder Record.</p> <p>Given the significant number of, and permutations to, Holder Record and Entity Type combinations, together with the nature of certain entries not necessarily including information that would enable a particular Entity Type to be attributed with certainty, it was determined that the entry of this data warrants the direct attention and input from the relevant participant.</p> <p>While the prompt entry of this data will be encouraged, ASX considers that the proposed approach is appropriate having regard to the nature of the information and the amount of time that could be required of participants to update all 'Unknown' Entity Types immediately post-migration.</p>	

<sup>5</sup> Refer to <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/856719933/Exceptions+Warnings+and+Errors>

Issue	Feedback	ASX response	Rule changes
	<p>the participant otherwise acting to amend Holder Record details rather than pro-actively requiring them to update this field for all 'Unknown' types post-migration and clarification sought on any potential impact arising from the inaccurate field type before updating</p>		
<b>Miscellaneous changes - data governance</b> (see rows 45 to 49 of part 1 of tranche 3 of the table in Attachment A of our tranche 3 and combined rules consultation paper)			
9. Use or disclosure of Personal information received under CHES	Clarity sought in relation to drafting changes to ASXSOR 5.27.1 (relating to indemnity)	<p>ASX Settlement discloses personal information in connection with Holders to Issuers and their share registries under the ASXSORs.</p> <p>ASXSOR 5.27.1 provides that Issuers must not use or disclose any such personal information for a purpose that is not an Approved Purpose, which includes any purpose for which the Issuer is permitted by law to use or disclose the personal information (see paragraph (e) in the definition). The definition of Approved Purpose also expressly identifies certain other purposes as Approved Purposes, such as performing obligations or taking actions under the ASXSORs, maintaining the accuracy of the Issuer's register and sending information to the Holder that is connected to their Holding with the Issuer.</p> <p>This requirement and the associated indemnity in ASXSOR 5.27.1 is an additional safeguard to encourage Issuers to ensure that personal information about Holders that they receive under CHES is not subject to misuse or unauthorised disclosure</p>	

Issue	Feedback	ASX response	Rule changes
		<p>by the Issuer or their Third Party Provider<sup>6</sup> (e.g. where the information is handled in breach of the Privacy Act 1988 (Cth) (<b>Privacy Act</b>)), and to protect ASX Settlement from any loss it may suffer if that occurs.</p>	
10. Action following change of Registration Details	<p>Queries about requirement on participants under Rule 8.18.2 to take ‘all reasonable steps’ ‘as soon as reasonably practicable’ to obtain correct Holder Records as a result of a returned or undelivered Holding statement or other Notice</p>	<p>New ASXSOR 8.18.2(b) seeks to support ASX’s compliance with its obligations under the Privacy Act, as outlined in the Combined Rule Amendments Consultation Paper (section 1.11).</p> <p>‘APP entities’, including ASX, are under an obligation to take such steps (if any) as are reasonable in the circumstances to ensure that the personal information that they collect, use and disclose is accurate, up-to-date and complete.<sup>7</sup> If an APP entity, such as ASX, is satisfied that, having regard to the purpose for which it holds personal information about an individual, that information is inaccurate, out of date, incomplete, irrelevant or misleading, the entity must take such steps (if any) as are reasonable in the circumstances to correct that information to ensure it is accurate, up to date, complete, relevant and not misleading.<sup>8</sup></p> <p>ASX expects that participants would also be subject to such obligations under the Privacy Act in connection with their collection, use or disclosure of a Holder’s Registration Details. ASX is not seeking to introduce a ‘reasonable steps’ requirement which goes beyond, or changes, the Privacy Act requirements. To clarify the obligation in ASXSOR 8.18.2(b), ASX will be amending the rule by replacing “all reasonable steps”</p>	<p>ASXSOR 8.18.2(b)</p>

<sup>6</sup> In accordance with existing ASXSORs 2.4.2 and 5.1.1, the use or disclosure of Personal Information by a Third Party Provider retained by the Issuer to perform functions or obligations on its behalf is deemed to be use or disclosure by the Issuer for the purposes of this rule. Refer to section 1.11 of the tranche 3 and combined rule amendments consultation paper, available here:

<https://www2.asx.com.au/content/dam/asx/markets/clearing-and-settlement-services/tranche-3-combined-rules-package-public-consultation-version-31-aug-2021.PDF>

<sup>7</sup> Australian Privacy Principle 10.

<sup>8</sup> Australian Privacy Principle 13.

Issue	Feedback	ASX response	Rule changes
		<p>with “such steps (if any) as are reasonable in the circumstances”, which mirrors the wording in the Privacy Act.</p> <p>ASX anticipates that in complying with this rule participants will have regard to their own policies and procedures for keeping Holder details up to date, in accordance with their existing obligations under the Privacy Act, as outlined in the tranche 3 and combined rule amendments consultation paper in section 1.11. In this regard, ASX refers to the guidance provided in relation to the Privacy Act by the OAIC.<sup>9</sup></p> <p>In this way, ASXSOR 8.18.2(b) seeks to leverage compliance by participants with their existing legal obligations (since it is participants who have the relevant relationship with the Holder) to seek to ensure ASX can meet its own obligations.</p> <p>ASX notes that in some circumstances a participant may already be taking reasonable steps and there may be no further reasonable steps required to comply with ASXSOR 8.18.2(b). This may be the case where a participant already has adequate processes and procedures in place or has already taken reasonable measures to update a Holder’s details that have become out of date (for example, including a notification or other mechanism in an online portal through which a Holder accesses their account with the participant, which requires the Holder to update their details).</p> <p>The requirement to take the relevant steps as soon as reasonably practicable reflects the need for participants to act in a timely way to seek to obtain the correct details from the</p>	

<sup>9</sup> The OAIC’s guidance is available here: <https://www.oaic.gov.au/privacy/australian-privacy-principles-guidelines/chapter-13-app-13-correction-of-personal-information#grounds-for-correcting-personal-information>. See for example the OAIC Guidance at 13.47 which states that a decision as to what constitutes ‘reasonable steps’ spans a range of options and will depend on a number of considerations, including the purpose and sensitivity of the information, the possible consequences for an individual if a correction is not made, and the practicability, including time and cost involved.

Issue	Feedback	ASX response	Rule changes
		<p>Holder, having regard to the purposes for which those details are held and used. Those purposes include the provision of CHES Holding statements to Holders, which is an important measure to reduce fraud risk. This is consistent with the general obligation in ASXSOR 6.2.2 for a participant to promptly notify ASX Settlement if it becomes aware that information which it has given previously to ASX Settlement was or has become incomplete, inaccurate or misleading. What is reasonably practicable will need to be assessed by the participant in the relevant circumstances.</p>	
	<p>Clarity around when participants can assume the details are incorrect (in relation to number of bounce-backs or other indicators)</p>	<p>Following the commencement of the ASX e-statements functionality, participants will have access to reports containing details of any emails that were undelivered and/or any mail that has been returned in respect of one or more HINs sponsored by the participant.</p> <p>Reports generated are proposed to be made available in CSV format on a twice-weekly basis for download through the ASX Online Participants portal. Participants will also have the option of accessing reports via a Secure File Transfer Protocol (SFTP) service.</p> <p>An email will be considered to be ‘undelivered’ and will be included in a report when certain criteria are met which indicate that the email did not reach the intended recipient (referred to as a ‘hard bounce’). This may include, for example, an indication that the email address does not exist.</p> <p>Further details on the reports and how they can be accessed are contained in the “Electronic Delivery of CHES Holding</p>	

Issue	Feedback	ASX response	Rule changes
		<p>Statements and Notifications – Technical and Process Fact Sheet” (refer to section 3).<sup>10</sup></p> <p>For the purposes of ASXSOR 8.18.2(b), participants will be notified of undelivered or returned Holding statements or other Notices through this report. Inclusion in this report will indicate that the relevant email address or mailing address details (as applicable) recorded in the Holder Record are incorrect.</p>	
	<p>What constitutes ‘all reasonable steps’ ‘as soon as reasonable practicable’ to obtain correct Holder Records as a result of a returned or undelivered Holding statement or other Notice? Is a positive confirmation from the client required?</p> <p>Feedback suggests that requiring ‘All’ reasonable steps is overly restrictive, and can only be complied with on further guidance from ASX. Request that rule remove ‘All’ or alternatively specify what the expectation of participants is, and ensure that ‘written’ authority is at the participants discretion</p>	<p>Please refer to the above response in row 10 for further detail on the reasonable steps requirement.</p> <p>As outlined in row 10, ASX notes that ASXSOR 8.18.2(b) will be amended by replacing ‘all reasonable steps’ with ‘such steps (if any) as are reasonable in the circumstances’. ASX understands that this amendment has addressed the concerns raised in the relevant feedback regarding the term ‘all’.</p> <p>It is an existing requirement under the ASXSORs that a participant have the Holder’s written authority to effect a change in the Registration Details for that Holder. Refer to ASXSORs 8.18.1 and 8.18.2. The requirement that a participant have the Holder’s written authority to effect a correction to the Registration Details under the new ASXSOR 8.18.2(b) is consistent with that existing framework.</p> <p>ASX acknowledges feedback received in relation to the existing requirement to obtain written authority in respect of changes to holder Registration Details. ASX will consider the wording in the ASXSOR 8.18.2 in relation to that requirement and whether any amendments are appropriate as part of our normal review processes. Any amendments that are determined to be</p>	<p>ASXSOR 8.18.2(b)</p>

<sup>10</sup> The Fact Sheet is available at: <https://www.asxonline.com/content/dam/asxonline/public/notices/2022/june/electronic-communications-technical-guide-june-2022-with-mark-ups.pdf>



Issue	Feedback	ASX response	Rule changes
		<p>appropriate would be introduced separately to the CHES Replacement project rule amendments.</p>	
	<p>Whether a participant can suspend the account whilst taking reasonable steps to get correct details (and if so, for how long)</p>	<p>Participants should consider the terms in their client documentation to determine whether or not an account can be suspended and if so, in what circumstances.</p> <p>ASX notes that such action may not be required in order to meet the requirement in ASXSOR 8.18.2(b), if a participant can be satisfied that it has otherwise taken reasonable steps by taking other measures. Refer to the above responses in row 10.</p>	
	<p>Clarity in relation to when a participant can close the account to cap the risk where the details are known to be incorrect (for example a new Default Event)</p>	<p>Participants should consider the requirements for closing an account in the terms of their client documentation. This includes the minimum terms for Sponsorship Agreements which are prescribed in Appendix 3 to the ASXSORs. Those minimum terms include a term providing that, subject to the ASXSORs, the Sponsorship Agreement will be terminated upon the occurrence of any of the following events:</p> <ul style="list-style-type: none"> <li>• written notice from either the Participant Sponsored Holder or the Participant to the other party;</li> <li>• the Participant becoming insolvent;</li> <li>• the termination or suspension of the Participant; or</li> <li>• the giving of withdrawal instructions by a Participant Sponsored Holder to a Controlling Participant in accordance with ASXSOR 7.1.10(c). (Refer to clause 7.1).</li> </ul> <p>ASX notes that an event of default is a concept under the ASXCORs. Please refer to clause 7.1 of the Sponsorship Agreement (referred to above) for the circumstances in which a Sponsorship Agreement will be terminated.</p>	

Issue	Feedback	ASX response	Rule changes
		<p>If a participant seeks to terminate a client agreement by written notice, it will need to ensure that the notice given satisfies the requirements of the client agreement.</p> <p>ASX notes that such action may not be required in order to meet the requirement in ASXSOR 8.18.2(b), if a participant can be satisfied that it has otherwise taken reasonable steps by taking other measures. Refer to the above responses in row 10.</p>	
11. Use of data supplied by participants	Emphasised the importance that use of data supplied by Participants to ASX be tightly restricted to the key purpose to ensure security and confidentiality is maintained	<p>ASX acknowledges this feedback. Refer to the “Information Paper: ASX Data Governance under CHES and CHES Replacement”<sup>11</sup>. As set out in the Information Paper:</p> <ul style="list-style-type: none"> <li>ASX Settlement uses and discloses data received by CHES in accordance with the framework under the ASXSORs to perform its functions and provide its services. If ASX Settlement intended to use or disclose data received by CHES for another purpose in the future, ASX Settlement would ensure that any such use or disclosure would be in accordance with the operating rules (including any relevant rule amendments made via the usual rule amendment process) and any applicable data protection laws. Refer to section 2.2 of the Information Paper.</li> <li>ASX Settlement only uses or discloses personal information received by CHES for the purposes for which it was collected under the ASXSORs and will not use or disclose that information for any other purpose unless it is permitted to do so under applicable privacy laws. Refer to section 2.7.3 of the Information Paper.</li> </ul>	

<sup>11</sup> The Information Paper is available here: <https://www2.asx.com.au/content/dam/asx/markets/clearing-and-settlement-services/information-paper-asx-data-governance-under-chess-and-chess-replacement.pdf>

Issue	Feedback	ASX response	Rule changes
		<p>The ASXSORs also contain express restrictions on the disclosure of the data to protect it from unauthorised access or disclosure. For example, unless required under the rules or by law, the ASXSORs restrict the disclosure by ASX Settlement of information about Financial Products in a Holding other than to the Holder, their Controlling Participant, the Issuer or the bid offeror (in the event of a takeover): Refer to ASXSOR 8.11.3. This restriction is subject to limited exceptions in ASXSOR 8.11.4. Refer to section 2.3 of the Information Paper.</p> <p>Refer also to sections 2.4 and 2.5 in the Information Paper for a description of the security and access arrangements in place for CHES which support the maintenance of confidentiality of the data received by CHES.</p>	
12. Handling of data	<p>Encouraged ASX to consider implementation of stronger protections with regards to handling of data, specifically:</p> <ul style="list-style-type: none"> <li>Prohibiting the processing or handling of data beyond what is required for its primary purpose, regardless of whether the data is de-identified. Suggestion that the ASX Privacy Statement include wording from the ASX</li> </ul>	<p>ASX acknowledges this feedback. The collection, use and disclosure of data received by CHES is governed by the ASXSORs, as set out in section 2.2 of the Information Paper<sup>12</sup>. The ASXSORs specify what data needs to be provided and the purpose for which it is provided.</p> <p>ASX notes that it has also recently published an updated Privacy Statement<sup>13</sup> which provides further clarity on the types of personal information received by CHES and how that personal information is handled by ASX. See sections 1 and 4 of the Privacy Statement.</p> <p>In relation to use of information and the express restrictions on disclosure under the ASXSORs, refer to the sections of the Information Paper outlined in row 11 above.</p>	

<sup>12</sup> The Information Paper is available here: : <https://www2.asx.com.au/content/dam/asx/markets/clearing-and-settlement-services/information-paper-asx-data-governance-under-ches-and-ches-replacement.pdf>

<sup>13</sup> The Privacy Statement is available here: <https://www2.asx.com.au/legals/privacy-statement>.

Issue	Feedback	ASX response	Rule changes
	<p>Information Paper that states that all data collected will have a clear primary purpose as defined in the ASXSOR and that ASX will only use the data for that primary purpose.</p> <ul style="list-style-type: none"> <li>ASXSORs should include definitions of primary purpose for all data elements and prohibitions on the use of data beyond the primary purpose to all third parties accessing the data.</li> <li>Documentation and implementation of controls, assurance, review and monitoring over data handling, including where data is transferred, as well as handling by third parties.</li> <li>Enforcement framework over data handling misuse in line with the ASXSOR beyond what is currently available</li> </ul>	<p>ASX's data governance arrangements under CHES are consistent with its obligations under applicable data protection laws, including the Privacy Act, as noted in the Information Paper (refer to section 2.7.1). ASX expects that participants and Issuers that collect, use and disclose data under CHES will also comply with their own obligations under applicable data protection laws. However, ASX is introducing the obligation and associated indemnity in ASXSOR 5.27.1 as an additional safeguard to encourage Issuers to ensure that the data received by Issuers and their registries under CHES is not subject to misuse. Refer to row 9 above.</p> <p>In light of the above, ASX considers that including definitions of a "primary purpose" for all data elements, and restricting the use of all data, including de-identified data, to what is required for the "primary purpose" for both ASX and all third parties accessing the data, is unlikely to be a necessary or appropriate measure. Further, it is noted that:</p> <ul style="list-style-type: none"> <li>"Primary purpose" is a concept under the Privacy Act, but not all of the data received under CHES is personal information to which the Act would apply. Such a measure would also go beyond the requirements of the Privacy Act with respect to the handling of personal information. In particular, refer to Australian Privacy Principle 6 which specifies circumstances in which personal information may be used or disclosed for a purpose other than the "primary purpose" for which it was collected (a "secondary purpose"). This includes where the use or disclosure is required or authorised by law or court order.</li> <li>Data received under CHES may be used, in accordance with the ASXSOR framework and applicable laws, for purposes other than the purpose for which it was</li> </ul>	

Issue	Feedback	ASX response	Rule changes
	<ul style="list-style-type: none"> <li>Data reporting regime where there is a potential or confirmed unauthorised access or unauthorised disclosure of data, targeted at entities that collect or handle data on behalf of ASX</li> </ul>	<p>initially received by CHES. This may include, for example, the use of data by ASX to monitor and enforce compliance with the ASXSORs, in accordance with its obligations as a licensed clearing and settlement facility operator.</p> <p>ASX has a group-wide Data Governance Framework designed to ensure that the data received and held across the organisation will be adequately protected and appropriately handled, as set out in Section 1 of the Information Paper. This includes where data held by ASX is transferred to third parties. This framework applies to all data across ASX, including data received by CHES. The framework establishes accountability and oversight arrangements and group-wide processes and procedures for the management of data. It includes rules, controls and systems to support the management and protection of data, including privacy and confidentiality arrangements where applicable. Refer to Section 1 of the Information Paper for a description of the key features of the framework and relevant documentation.</p> <p>Where ASX engages third party providers to manage data on its behalf, ASX's contracts include appropriate protections for that data such as requiring the third party to keep the data confidential and secure and treat it in accordance with applicable laws and regulations. This includes data breach reporting obligations and audit rights where appropriate.</p> <p>ASX also has a Data Breach Response Plan which sets out the relevant lines of authority and procedures to be followed by ASX staff in the event of an actual or suspected data breach, in respect of data held by ASX and/or its agents and vendors. The key objectives of the plan include enabling ASX to contain, assess and respond to a data breach in a timely manner, mitigate any potential harm to affected parties, and comply</p>	

Issue	Feedback	ASX response	Rule changes
		<p>with ASX’s obligations under privacy laws, the operating rules and its other contractual arrangements. Refer to Section 1.3 of the Information Paper.</p>	
<b>Miscellaneous</b>			
13. Terminology	<p>Will the name of the new clearing and settlement platform remain as CHES?</p>	<p>Yes. ASX has decided that the CHES name will be retained for the replacement system.</p> <p>The CHES name is understood across all customers, including investors, and is a well-established brand, both domestically and overseas.</p> <p>To avoid confusion between ‘old CHES’ and ‘new CHES’, ASX will continue to use CHES and the CHES replacement system to distinguish between the two versions.</p> <p>The term ‘CSP’ (clearing and settlement platform) has been widely used to date (for example in functional specifications and messaging requirements). ASX does not intend to update references to ‘CSP’ in documentation, however ‘CSP’ will be less frequently used going forward.</p> <p>CHES will continue to be capitalised and refer to the Australian equity post trade system operated by ASX Clear and ASX Settlement.</p>	<p>ASXSOR 2.13 (Definition of CHES)</p> <p>ASXCOR 2.13 (Definition of CHES)</p>
<p>Will the term ‘Account’ replace ‘HIN’ or is ‘HIN’ a proxy for ‘Account’ (replacing the term ‘Holder’)?</p>		<p>No, the term ‘Account’ is not replacing the term ‘HIN’.</p> <p>The term ‘Account’ used in the User Technical Documentation is equivalent to the term ‘HIN’ defined in the ASXSOR. The term ‘holder’ used in the User Technical Documentation is equivalent to the term ‘Holder’ defined in the ASXSOR (noting there may be more than one Holder for each Holder Record).</p>	

Issue	Feedback	ASX response	Rule changes
	<p>Preference that this terminology remain unchanged if possible</p>	<p>ASX has sought to keep the terms currently used in ASX rulebooks in place despite the terms used in the User Technical Documentation.</p> <p>Please also see Attachment K of our tranche 3 and combined rules consultation paper, which contains a diagram explaining how the account and holder terminology and account structure referred to in the User Technical Documentation aligned to the terminology and account structure used in the rulebooks.</p>	
	<p>Suggested that reference in ASXCOR 12.6.2A(c) to ‘CCP Gross Batch Instruction’ should be updated to say ‘CCP Isolate Counterparty Batch Instruction’</p>	<p>The reference in the second line to ‘or a CCP Gross Batch Instruction’ should be deleted. ‘CCP Gross Batch Instruction’ is a concept in existing CHES that does not apply in the new system, and is being replaced by ‘CCP Market Trade Batch Instruction’.</p>	<p>ASXCOR 12.6.2A(c)</p>
	<p>Requested a definition of ‘Accrued Batch Instruction’ be included in the ASXSOR</p>	<p>This term is already defined in the ASXSOR.</p> <p>No changes have been made to the definition, so this was not included in the tranche 3 and combined rules consultation paper.</p>	
<p>14. Rule amendment, consultation process and technical documentation</p>	<p>Expectation that rule amendments may be subject to the successful completion of industry wide testing and migration dress rehearsals. How will any changes to the rules arising from the completion of these activities be addressed?</p>	<p>As noted above, ASX is taking a phased approach to the proposed rule amendments, which will be subject to industry wide testing. If industry wide testing identifies any outcomes inconsistent with technical specifications these will be considered and addressed. Naturally, if any corrections are identified they would need to be prioritised from a development and testing perspective.</p> <p>For completeness, regarding the transitional rules to support migration, the effective dates for those rules are provided for in ASX Settlement Operating Rule Procedure 19.1.2 and ASX Clear</p>	

Issue	Feedback	ASX response	Rule changes
	<p>Feedback suggesting that it is critical that technical requirements are finalised with no further changes, to avoid further technical work and ensure operating rules align with technical requirements and are locked in</p> <p>Appreciated that consultation process has been a complex task, however review of rulebook changes has taken considerable resourcing effort. Suggest that additional time be considered if further consultation on rules needed</p>	<p>Operating Rule Procedure 24.1.2. These dates are tailored having regard to the subject matter and objective of the relevant rule. The earliest commencement date is six months ahead of go-live.</p> <p>ASX notes that the transitional rules to support the remediation of Holder Records will commence earlier than the balance of the transitional rules. A longer effective period of 6 months before the Transition Period is to facilitate the phased approach referred to in row 7 above.</p> <p>ASX acknowledges the comment about the consultation process. The timeline has been designed to ensure that the opportunity for consultation is aligned with the broader CHES Replacement time frame, and to ensure that all rule amendments are available to the market 6 months prior to go-live. We greatly appreciate the efforts of stakeholders in this process.</p>	

### Tranche 1

#### Account and holder creation (see rows 1 to 9 of part 2 tranche 1 of the table in Attachment A of our tranche 3 and combined rules consultation paper)

15. Number of joint holders	<p>Recommendation that ASX provide participants with a mechanism for the allowable number of joint holders for each CHES-eligible product, to avoid participants having to set a restriction of three joint holders and the administrative burden of</p>	<p>In CHES today, registration details are recorded in an unstructured format. This means there is no practical system restriction in CHES on the number of holders that may be identified as holders of each HIN.</p> <p>Standardised registration details were a new business requirement identified in the “CHES Replacement: New Scope and Implementation Plan Consultation Paper” issued in April 2018 (<b>April 2018 CP</b>). One rationale for these changes was to assist in avoiding instances where two or more holdings are</p>
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Issue	Feedback	ASX response	Rule changes
	<p>checking an issuer's constitution for any restrictions. Without this information, participants are unable to comply with ASXSOR 8.10.1 without limiting the maximum number of holders to three.</p>	<p>created in respect of the same holder but where the registration details are recorded slightly differently. ASX received support for this new business requirement as part of feedback received to the April 2018 CP.</p> <p>The new system seeks to impose a system limitation to prevent the recording of more than four holders, as outlined in the tranche 1 response to consultation. This record will be in a structured format. However, the number of joint holders that, under the operating rules, participants will be able to record will continue to be determined with reference to each issuer's constitution.</p> <p>ASX understands that in most instances, issuer constitutions limit the number of allowable joint holders to three. If an issuer's constitution contains a limitation on the number of joint holders, ASX suggests that issuers may wish to use this opportunity to remove the restriction or amend the limit on the number of holders based on the changes to the new system.</p> <p>ASX remains of the view that:</p> <ul style="list-style-type: none"> <li>• it is up to the issuer to determine whether it will allow joint holdings by more than 3 persons. ASX does not consider it appropriate for ASX to provide participants with the allowed number of joint holders;</li> <li>• no changes to existing ASXSOR 8.10.1, or to amendments to the Listing Rules to mandate that issues each permit up to either a maximum of three or four joint holders, are contemplated at this time.</li> </ul> <p>However, ASX has had, and will continue to have, engagement with issuers and registries in relation to these changes, with a particular focus on highlighting the need for issuers to review their constitutions to ensure they are in accordance with the</p>	

Issue	Feedback	ASX response	Rule changes
		<p>requirements of the new system, and the Treasury Laws Amendment (Self Managed Superannuation Funds) Bill 2020 which amended the <i>Superannuation Industry (Supervision) Act 1993</i>, <i>Corporations Act 2001</i>, <i>Income Tax Assessment Act 1997</i>, <i>Superannuation Industry (Supervision) Act 1993</i> and <i>Superannuation (Unclaimed Money and Lost Members) Act 1999</i>) (as applicable) to increase the maximum number of allowed members in SMSFs from four to six.</p> <p>ASX would only consider making system changes to allow for a further increase in the maximum number of allowed members following the replacement of the new system if there was significant feedback received and demand for this from stakeholders and regulators.</p>	
<b>Locking and unlocking</b> (see rows 13 to 20 of part 2 tranche 1 of the table in Attachment A of our tranche 3 and combined rules consultation paper)			
16. Notification of death or bankruptcy of Participant Sponsored Holder	<p>Feedback suggests inconsistency in approach with regards to notification of death or bankruptcy of a Participant Sponsored Holder.</p> <p>The consultation paper notes that where there has been a death or bankruptcy of a Participant Sponsored Holder, the new system places a 'Named Holder Indicator' on that Holder, to indicate that the relevant Holder relates to the death</p>	<p>Where there has been a death or bankruptcy of a Participant Sponsored Holder, the new system will place an identifier called a "Named Holder Indicator" on that Holder. In short, the existing process regarding a joint account is to be followed in the new system where a new HIN is to be created in the surviving holder's name when a death is notified.</p> <p>The Named Holder Indicator is an identifier only, i.e. it is an indicator that the relevant Holder relates to the death or bankruptcy and allows the new system to identify the Holder that has died or is bankrupt. The removal of a Named Holder Indicator is paired with the removal of the related Holder Record Lock either at the request of the relevant participant, or and the end of the period specified by that participant: ASXSOR 8.16.3A.</p>	

Issue	Feedback	ASX response	Rule changes
	<p>or the bankruptcy. Technical Documentation for migration of data to the new system and data cleansing requirement, which stipulates that all joint Holdings should have a survivorship processed, rather than applying for a Holder Record Lock to the joint Holding (pursuant to ASXSOR 8.15.9).</p> <p>Clarification sought on whether the reference to Named Holder Indicator on a joint Holding is a transitional outcome, or whether there are other cases not documented of a joint Holder Record being locked due to death or bankruptcy.</p>	<p>The Holder Record Lock is different to a Named Holder Indicator in the replacement system. Other than for automating the processing of the Holder Record Lock as indicated above, the existing process for the imposition of a Holder Record Lock by a Controlling Participant in response to a death or bankruptcy remains unchanged.</p> <p>For completeness, the interpretative note to transitional rule ASXSOR 19.2.7 reflects a transitional mechanism since the Named holder Indicator is new functionality.</p>	
<p><b>Locking and unlocking and holding adjustments</b> (see rows 13 to 20 of part 2 tranche 1 and rows 23 to 29 of Part 3 Tranche 2 of the table in Attachment A of our tranche 3 and combined rules consultation paper)</p>			
<p>17. Holder Record Locks and Holding Adjustments</p>	<p>Queries were received about Holder Record Locks and Holding Adjustments, in particular:</p> <ul style="list-style-type: none"> <li>the interaction of the subregister status and Holder Record Locks</li> </ul>	<p>In CHESS:</p> <ul style="list-style-type: none"> <li>issuers may request ASX to impose a Holding Lock, being a lock that applies to specific holdings under a HIN;</li> <li>controlling participants may request ASX to impose a Holder Record Lock, being a lock that applies to all holdings under a HIN.</li> </ul>	

Issue	Feedback	ASX response	Rule changes
	<p>imposed by court order</p> <ul style="list-style-type: none"> <li>whether Holder Record Locks will continue to prevent adjustments applied by an issuer if a subregister is closed or suspended</li> <li>whether issuers are at risk of breaching draft ASXSOR 8.14.2 if there cannot be a debit of securities from Locked Holdings where the subregister is suspended or closed</li> <li>the need for further clarity to establish operational and regulatory certainty</li> </ul>	<p>Under the new system, and as outlined in the tranche 1 consultation paper and tranche 3 and combined rules consultation paper:</p> <ul style="list-style-type: none"> <li>Settlement Participants will be able to request that a Holder Record Lock is applied to a Holder Record in the event that they are served with a court order requiring all Holdings in a Holder Record to be frozen. ASX Settlement will also be able to apply a Holder Record Lock to a Holder Record if the court order is served on ASX Settlement;</li> <li>ASX is introducing an ability for Holding Locks and Holder Record Locks to be time limited (e.g. to effect the terms of a court order).</li> </ul> <p>A Holder Record Lock can be applied whether the subregister is open, suspended, closed or archived.</p> <p>A holding adjustment, which results in an increase in securities in a CHESS holding, can be effected if the subregister is open, closed or suspended, regardless of whether this is subject to a Holding Lock or Holder Record Lock for any reason (including court-ordered, or for reasons of bankruptcy or death of a holder).</p> <p>A holding adjustment which results in a decrease in securities in a CHESS holding:</p> <ul style="list-style-type: none"> <li>cannot be effected if there has been a court-ordered Holder Record Lock or Holding Lock applied<sup>14</sup>. This lock would need</li> </ul>	

<sup>14</sup> There is an exception to this. If the security is undergoing a share consolidation, the related holding adjustments which result in a decrease in securities in a CHESS holding can still be effected if there has been a court-ordered Holder Record Lock or Holding Lock applied.

Issue	Feedback	ASX response	Rule changes
		<p>to be removed (in accordance with the court order) before there could be a decrease in securities (if required by the circumstances, a Holder Record Lock or Holding Lock could be reapplied if ASX is notified of the relevant order);</p> <ul style="list-style-type: none"> <li>• can be effected for reasons of bankruptcy or death of a holder.</li> </ul> <p>Holding adjustments cannot be effected if a subregister is archived (there can be no holding balance in an archived state).</p> <p>In relation to the query concerning ASXSOR 8.14.2, this rule states that an Issuer is required to use best endeavours to ensure outstanding processing of affected CHESS Holdings is completed before the CHESS subregister is closed. While each case would depend on the circumstances, if securities are in a locked holding this would be taken into account when considering if the Issuer had used best endeavours. We note that existing ASXSOR 8.14.1(d) contains a similar obligation on Issuers to use best endeavours in relation to a closure of a CHESS subregister (other than where Financial Products lapse, expire, mature etc.).</p>	
<b>Issuer Sponsored Subregister to CHESS Subregister Transfers and Conversions</b> (see rows 43 to 48 of part 2 tranche 1 and rows 52 to 61 of part 1 tranche 3 of the table in Attachment A of our tranche 3 and combined rules consultation paper)			
18. Issuer sponsored to CHESS transfers	Expressed concerns a new and inappropriate liability risk for issuers is created in relation to proposed changes to issuer sponsored to CHESS transfers, with the removal of the Custodial Settlement Participant category.	In April 2018 it was proposed that a number of business requirements be progressed in parallel with the CHESS replacement project, in order to achieve timely delivery to the market, with the expectation that these are delivered prior to the delivery of CHESS replacement (see 'CHESS Replacement: New Scope and Implementation Plan Consultation Paper' ( <b>April 2018 CP</b> )).	

Issue	Feedback	ASX response	Rule changes
	<p>Feedback that ASX has not provided additional rationale and addressed concerns in relation to this</p>	<p>Transfers between subregisters was one business requirement which was progressed as part of this process<sup>15</sup>.</p> <p>The rationale for the removal of the registerable transfer document requirement (which was explained in the April 2018 CP and the 'Transfers to the CHESS Subregister Consultation paper' issued in July 2018<sup>16</sup>) was the alignment of treatment of settlement participants as well as streamlining the process for giving effect to the transfers as:</p> <ul style="list-style-type: none"> <li>• Settlement participants (that are not trading participants) will no longer be required to send their clients a transfer document for signing when they have already received their client's authorisation;</li> <li>• Processing times will be reduced in actioning client instructions; and</li> <li>• Manual processes will be removed as issuers' share registries will not need to wait for and store transfer documents.</li> </ul> <p>The removal of the obligation to produce a transfer document is not considered to involve a lessening of protections against unauthorised transfers, because the registry has no means by which they can validate the signature of the transferor on the transfer document.</p> <p>The tranche 1 rule changes will replace the process for transfers to the CHESS subregister under the previous rule amendments which were introduced on 18 December 2019 (following the publication of the August 2019 response). The introduction of a custodial settlement participant sub-class in the previous rule</p>	

<sup>15</sup> Confirmed in CHESS Replacement: New Scope and Implementation Plan: Response to consultation feedback' paper issued in September 2018.

<sup>16</sup> The 'Transfers to the CHESS Subregister: Response to Consultation' was published in August 2019.

Issue	Feedback	ASX response	Rule changes
		<p>amendments was intended to be an interim step until the new system is in place, which will allow validation to be done electronically.</p> <p>It remains ASX’s view that the changes will create greater efficiencies across participants, issuers and their share registries by aligning the processing of transfers across all settlement participants and by removing manual paper based processes.</p> <p>Investor protection is supported by:</p> <ul style="list-style-type: none"> <li>the pre-transfer validation processes across all participants (rather than a post transfer check); and</li> <li>having issuers check that the holder registration details included in a request to transfer holdings match the registration details maintained by the issuer for that holding prior to processing the transfer.</li> </ul> <p>ASX considers this to be preferable to post transfer checks by the participant.</p>	
<b>Demand and settlement instructions</b> (see rows 51 to 61 of part 2 tranche 1 of the table in Attachment A of our tranche 3 and combined rules consultation paper)			
19. Changes to daily housekeeping of unmatched instructions	<p>Concerns that proposed reduction in housekeeping period in ASXSOR 9.5.8 may result in significant increase in re-entry of unmatched messages.</p> <p>Recommendation that ASX retain current timing for unmatched Bilateral Demand Instructions; alternatively a</p>	<p>ASX acknowledges this feedback. Consistent with previous stakeholder discussions in relation to this issue, ASX does not propose to reverse the change to the relevant housekeeping period.</p> <p>ASX is happy to engage with participants in relation to system updates required to support the new housekeeping functionality.</p>	

Issue	Feedback	ASX response	Rule changes
	future Cash Settlement Platform fee be established that does not lead to double charging		
<b>Tranche 2</b>			
<b>Corporate Actions</b> (see rows 1 to 2 of part 3 tranche 2 of the table in Attachment A of our tranche 3 and combined rules consultation paper)			
20. General	<p><i>(Dividend Reinvestment Plan and Bonus Share Plane Election Messaging)</i> Plan Records for plans prior to system migration will only be created if sufficient information is publically available. There is no mechanism to validate whether a plan has a Plan Record when responding to related messages.</p> <p>While many of the requirements under Rule 5.19A are specifically only triggered if ASX creates a Plan Record, other provisions (Cancellation of Election and Enquiry Facility) imply that some election-related messaging may be transmitted in the absence of a Plan Record. It is critical</p>	<p>ASX acknowledges the feedback.</p> <p>ASX will be undertaking a review of DRP Plans prior to go live so that those Issuers with DRP/BSP plans will be identified as such in nCore and to ensure that the new system validation against the relevant Plan Record (as recorded by ASX) can be effectively supported.</p> <p>Issuers will be required to advise ASX and CHESS of the operation of a DRP/BSP under the new rules.</p> <p>With regard to election cancellations and enquiry functionality, the same validation does not apply in the new system. In particular, it may be possible that DRP/BSP instructions have long been held at the Issuer (e.g. with a Plan suspended, or not active at the time of go-live). ASX does not intend to prevent or prohibit an enquiry and subsequent cancellation on account of this.</p> <p>Regarding the scope of the indemnity under ASXSOR 5.19A.10, ASX acknowledges this feedback. As drafted, the scope of the relevant warranty under ASXSOR 5.19A.10 and the related indemnity under ASXSOR 5.19A.11 are currently expressly limited to the accuracy of the details of the election status notified in the relevant election status message, and only at the</p>	



Issue	Feedback	ASX response	Rule changes
	<p>that there is no uncertainty in the legal obligations related to handling of election messages and therefore we urge ASX to clarify the points below and ensure alignment between the rule provisions and the technical structure of the election facility</p> <p><i>(Cancellation of Election)</i>            ASXSOR 5.19A.4(a)(ii) (which provides for participants to seek to cancel an election recorded by an issuer, including an election notified under ASXSOR 5.19A.2(b)(ii) and confirmed under ASXSOR 5.19A.2(c)) is not expressly subject to ASX creating a Plan Record for the plan. The use of 'including' suggests that ASX intends to allow Participants to cancel elections that were notified to the issuer by other means. Feedback suggests that from a technical perspective, messages should not be received unless a Plan Record is created.</p>	<p>time that the relevant message is transmitted. Consequently, ASX does not consider that further amendment is necessary in respect of these rules.</p>	

Issue	Feedback	ASX response	Rule changes
	<p>Clarification should be provided on how this rule aligns with the technical design</p> <p><i>(Enquiry Facility)</i> ASXSOR 5.19.9 does not appear constrained to those plans with a Plan Record. Requested confirmation as to whether this is the intended operation of the rule and the new enquiry facility. If so, what is the intention of this functionality given participants cannot lodge an electronic election in respect of such plans.</p> <p>Clarification sought on the extent of the issuer indemnity provided under ASXSOR 5.19A.10. An issuer that provides an election status in response to a participant request via the enquiry facility is taken to warrant the accuracy of that election status recorded by it at the time that the message was transmitted. ASXSOR 5.19A.11 further provides an issuer indemnity for any loss</p>		

Issue	Feedback	ASX response	Rule changes
	<p>suffered by the participant, ASX or the holder in the event that the election status as notified was not accurate at that time. Feedback suggested that the election status communicated via the enquiry facility is a warranty regarding the entitlement of the holder to participate in the plan at that time, not at record date and that it is possible that a holder whose election has been validly recorded may become ineligible to participate under the plan rules when validated again on the record date. Suggest that a caveat to the indemnity be included to ensure there is no potential misunderstanding regarding the entitlement of a holder based on the reporting of an election status at a particular point in time.</p>		
21. General	Urges ASX to revisit the technical and legal design of the electronic entitlement	ASX will take account of this feedback.	

Issue	Feedback	ASX response	Rule changes
	acceptances and related RTGS electronic payment for entitlement offers functionality (out of scope for Day 1) prior to its reintroduction		

## Attachment B: Overview of further tranche 3 and combined rule amendments following consultation feedback and ASX identified rule changes

Tables 1 to 4 below set out the changes ASX is making to the tranche 3 and combined rule amendments following consultation feedback, together with a number of self-identified rule changes. Changes are proposed to the ASX Settlement Operating Rules (see Table 1), ASX Settlement Operating Rule Procedures, (see Table 2) ASX Clear Operating Rules (see Table 3) and ASX Clear Operating Rule Procedures (see Table 4). No further changes are proposed to the ASX Operating Rules or ASX Enforcement and Appeals Rulebook as a result of consultation feedback or amendments identified by ASX.

- The column “Change proposed in tranche 3 and combined rules consultation paper” shows the original rule amendments (marked up in blue against the existing rule).
- The column “Revised change following tranche 3 and combined rules feedback or ASX identified” shows the revised mark-up proposed to the rule (also marked up against the existing rule). ASX has made these further changes clear in this column in red mark-up.

**Table 1: ASX Settlement Operating Rules**

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
2.13	[No change proposed]	<p>“CHESS” <del>means the post trade system stands for the Clearing House Electronic Subregister System</del> operated by:</p> <p>(a) ASX Clear for the purpose of clearing Cash Market Transactions and Cash CCP Transactions; and</p> <p>(b) ASX Settlement for the purpose of settling transactions in Approved Financial Products, <del>Transferring</del> <u>Transferring</u> Financial Products and registering Transfers.</p> <p><i>Note: <u>The CHESS system was previously called the Clearing House Electronic Subregister System.</u></i></p>	Row 13

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
4.4.2	<p data-bbox="443 459 1122 547"><b>4.4.2 Specialist Settlement Participant acting only as a Participant Bidder <u>or Participant Offeror</u></b></p> <p data-bbox="593 587 1111 746">If a Specialist Settlement Participant will be admitted for the limited purpose of acting as a Participant Bidder <u>or Participant Offeror</u>, requirements in Rule 4.4.1(c) and (f) will not apply.</p>	<p data-bbox="1155 459 1839 547"><b>4.4.2 Specialist Settlement Participant acting only as a Participant Bidder <u>or Participant Offeror</u></b></p> <p data-bbox="1305 587 1823 746">If a Specialist Settlement Participant will be admitted for the limited purpose of acting as a Participant Bidder <u>or Participant Offeror</u>, requirements in Rule 4.4.1(c) and (<del>f</del>) will not apply.</p>	ASX identified
<b>8.5.1(a)(i) – (ii) and 8.5.1(b)</b>	<p data-bbox="443 831 1122 887"><b>8.5.1 Action taken by ASX Settlement upon suspension</b></p> <p data-bbox="593 919 1077 1015">Subject to Rule 8.5.2, if ASX Settlement suspends approval of a class of an Issuer's Financial Products, ASX Settlement must:</p> <p data-bbox="593 1046 1122 1412">(a) if an Instruction or Message would affect a CHESSE Holding of Financial Products in that class:</p> <p data-bbox="707 1174 1122 1412">(i) suspend all:</p> <p data-bbox="822 1230 1099 1286"><u>(A)</u> such Instructions it has already received;</p> <p data-bbox="822 1318 1122 1412"><u>(B)</u> <u>CCP Rescheduled Batch Instructions</u> it subsequently</p>	<p data-bbox="1155 831 1839 887"><b>8.5.1 Action taken by ASX Settlement upon suspension</b></p> <p data-bbox="1305 919 1789 1015">Subject to Rule 8.5.2, if ASX Settlement suspends approval of a class of an Issuer's Financial Products, ASX Settlement must:</p> <p data-bbox="1305 1046 1834 1142">(a) if an Instruction or Message would affect a CHESSE Holding of Financial Products in that class:</p> <p data-bbox="1420 1174 1677 1198">(i) suspend all:</p> <p data-bbox="1534 1230 1812 1286"><u>(A)</u> such Instructions it has already received;</p> <p data-bbox="1534 1318 1839 1412"><u>(B)</u> <u>CCP Rescheduled Batch Instructions</u> it subsequently</p>	ASX identified

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
	<p><u>receives in respect of suspended CCP Market Trade Batch Instructions notified to the Approved Clearing Facility pursuant to Rule 8.5.1(d); and</u></p> <p>(ii) reject all such Instructions or Messages that are subsequently received <u>other than for CCP Rescheduled Batch Instructions in respect of suspended CCP Market Trade Batch Instructions notified to the Approved Clearing Facility pursuant to Rule 8.5.1(d);</u></p> <p>(aa) <u>to the extent ASX Settlement considers reasonably necessary, give notice of the suspension or rejection of such Instructions or Messages to other Facility Users;</u></p>	<p><u>receives in respect of suspended CCP Market Trade Batch Instructions notified to the Approved Clearing Facility pursuant to Rule 8.5.1<del>(d)</del>; and</u></p> <p>(ii) reject all such Instructions or Messages that are subsequently received <u>other than for CCP Rescheduled Batch Instructions in respect of suspended CCP Market Trade Batch Instructions notified to the Approved Clearing Facility pursuant to Rule 8.5.1<del>(d)</del>;</u></p> <p>(aa) <u>to the extent ASX Settlement considers reasonably necessary, give notice of the suspension or rejection of such Instructions or Messages to other Facility Users;</u></p>	

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
	<p>(ab) <u>remove any Settlement Lock or Demand Lock applied in relation to the suspended Financial Products;</u></p> <p>(b) on each Business Day that the class of Financial Products remains suspended, reschedule any suspended Instructions <u>other than CCP Market Trade Batch Instructions that were included in Batch Settlement on that Business Day</u>, for settlement on the next Business Day;</p> <p>(c) <u>give notice to each affected Settlement Participant that the Instruction has been rescheduled;</u> <u>and</u></p> <p>(de) <u>subject to Rule 8.5.2</u>, cancel any Instruction that remains suspended on the <u>15th 10th</u> Business Day after suspension of approval. <u>For the purposes of this Rule 8.5.1(c), ASX Settlement may, in its absolute discretion, cancel any Instruction that remains suspended on or after</u></p>	<p>(ab) <u>remove any Settlement Lock or Demand Lock applied in relation to the suspended Financial Products;</u></p> <p>(b) on each Business Day that the class of Financial Products remains suspended, reschedule any suspended Instructions <u>other than CCP Market Trade Batch Instructions that were included in Batch Settlement on that Business Day</u>, for settlement on the next Business Day; <del>and</del></p> <p>(c) <u>give notice to each affected Settlement Participant that the Instruction has been rescheduled;</u> <u>and</u></p> <p>(de) <u>subject to Rule 8.5.2</u>, cancel any Instruction that remains suspended on the <u>15th 10th</u> Business Day after suspension of approval. <u>For the purposes of this Rule 8.5.1(c), ASX Settlement may, in its absolute discretion, cancel any Instruction that remains suspended on or after</u></p>	



Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
	<p><u>the 10th Business Day after the relevant suspension of approval.</u></p>	<p><u>the 10th Business Day after the relevant suspension of approval.</u></p>	
	<p><u>For CCP Market Trade Batch Instructions scheduled for settlement on the day that ASX Settlement suspends approval of a class of an Issuer’s Financial Products or on a subsequent Business Day, which ASX Settlement suspends under Rule 8.5.1(a)(i), ASX Settlement:</u></p>	<p><u>For CCP Market Trade Batch Instructions scheduled for settlement on the day that ASX Settlement suspends approval of a class of an Issuer’s Financial Products or on a subsequent Business Day, which ASX Settlement suspends under Rule 8.5.1(a)(i), ASX Settlement:</u></p>	
	<p><u>(e) will notify the Approved Clearing Facility of the suspended CCP Market Trade Batch Instructions;</u></p>	<p><u>(e) will notify the Approved Clearing Facility of the suspended CCP Market Trade Batch Instructions;</u> <b>and</b></p>	
	<p><u>(f) has no obligations in relation to those CCP Market Trade Batch Instructions.</u></p>	<p><u>(f) has no obligations in relation to those CCP Market Trade Batch Instructions.</u></p>	
	<p><u>Note: Where there are CCP Market Trade Batch Instructions scheduled for settlement on the day that ASX Settlement suspends approval of a class of an Issuer’s Financial Products or on a subsequent Business Day, which ASX suspends under Rule 8.5.1(a)(i), ASX Clear will generate a CCP Rescheduled Batch Instruction in accordance with Rule</u></p>	<p><u>Note: Where there are CCP Market Trade Batch Instructions scheduled for settlement on the day that ASX Settlement suspends approval of a class of an Issuer’s Financial Products or on a subsequent Business Day, which ASX suspends under Rule 8.5.1(a)(i), ASX Clear will generate a CCP Rescheduled Batch</u></p>	

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
	<i><u>12.6.2B of the ASX Clear Operating Rules in respect of those CCP Market Trade Batch Instructions for settlement on the next Business Day.</u></i>		<i><u>Instruction in accordance with Rule 12.6.2B of the ASX Clear Operating Rules in respect of those CCP Market Trade Batch Instructions for settlement on the next Business Day.</u></i>
8.16.11 (heading)	<b><u>8.16.11 Action following removal of a Settlement Lock on request</u></b> ...	<b><u>8.16.11 Action following <del>the</del> removal of a Settlement Lock <del>on request</del></u></b> ...	ASX identified
8.18.2	<b>8.18.2 Action following change of Registration Details</b>  <b>(a)</b> If there is any change to the Registration Details recorded in a Holder Record for a person on behalf of whom a Participant is authorised to operate one or more CHESSE Holdings, the Participant must within 2 Business Days of receiving written authority from the Holder to effect that change, notify ASX Settlement of the change to the Registration Details in accordance with the Procedures.	<b>8.18.2 Action following change of Registration Details</b>  <b>(a)</b> If there is any change to the Registration Details recorded in a Holder Record for a person on behalf of whom a Participant is authorised to operate one or more CHESSE Holdings, the Participant must within 2 Business Days of receiving written authority from the Holder to effect that change, notify ASX Settlement of the change to the Registration Details in accordance with the Procedures.	Row 10

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
	<p>(b) <u>If a Participant becomes aware, as a result of a returned or undelivered Holding statement or other Notice sent or given to a Participant Sponsored Holder, that any of the Registration Details recorded in a Holder Record for the Participant Sponsored Holder are incorrect, the Participant must as soon as reasonably practicable take all reasonable steps to obtain:</u></p> <p>(i) <u>the correct details from the Holder; and</u></p> <p>(ii) <u>the Holder’s written authority to effect the correction to the Registration Details.</u></p> <p><u>The Participant must within 2 Business Days of receiving written authority from the Holder to effect that correction, notify ASX Settlement of the corrected details in accordance with the Procedures.</u></p>	<p>(b) <u>If a Participant becomes aware, as a result of a returned or undelivered Holding statement or other Notice sent or given to a Participant Sponsored Holder, that any of the Registration Details recorded in a Holder Record for the Participant Sponsored Holder are incorrect, the Participant must as soon as reasonably practicable take <del>all</del> <u>reasonable steps such steps (if any) as are reasonable in the circumstances to obtain:</u></u></p> <p>(i) <u>the correct details from the Holder; and</u></p> <p>(ii) <u>the Holder’s written authority to effect the correction to the Registration Details.</u></p> <p><u>The Participant must within 2 Business Days of receiving written authority from the Holder to effect that correction, notify ASX Settlement of the corrected details in accordance with the Procedures.</u></p>	

Rule	Change proposed in tranche 3 and combined rules consultation paper		Revised change following tranche 3 and combined rules feedback or ASX identified		Reference to Attachment A or ASX identified
10.11.7	10.11.7	<b>Consequences of Failing a Batch Instruction</b>  If a Batch Instruction is Failed under Rule <a href="#">10.9.18</a> , <a href="#">10.19.9</a> , 10.11.2, 10.11.3 or 10.11.4 ASX Settlement will:	10.11.7	<b>Consequences of Failing a Batch Instruction</b>  If a Batch Instruction is Failed under Rule <a href="#">10.9.18</a> , <a href="#">10.19.9</a> , 10.11.2, 10.11.3 or 10.11.4 ASX Settlement will:	ASX identified
		(a) if the Batch Instruction is a Batch Instruction for value, adjust the net obligation to make payment or the net entitlement to receive payment of the Payment Facility of each Settlement Participant affected by the Fail in accordance with Rule 10.11.9 or 10.11.10, as the case requires;  (b) adjust the net obligation to deliver or the net entitlement to receive Financial Products or Entitlements for the Holding of each Participant affected by the Fail;  (ca) adjust the net obligation to make payment to or net entitlement to receive payment from the Client Trust Account under Rule 10.10A for the relevant Settlement Participant affected by the Fail by reference to		(a) if the Batch Instruction is a Batch Instruction for value, adjust the net obligation to make payment or the net entitlement to receive payment of the Payment Facility of each Settlement Participant affected by the Fail in accordance with Rule 10.11.9 or 10.11.10, as the case requires;  (b) adjust the net obligation to deliver or the net entitlement to receive Financial Products or Entitlements for the Holding of each Participant affected by the Fail;  (ca) adjust the net obligation to make payment to or net entitlement to receive payment from the Client Trust Account under Rule 10.10A for the relevant Settlement Participant affected by the Fail by reference to	

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
	<p>the Client Trust Receivable Amount or the Client Trust Deductible Amount specified in the <a href="#">Single Entry Unilateral</a> Batch Instruction (as applicable);</p>		
	<p>(c) remove the Batch Instruction or part of the Batch Instruction, as the case requires, from Batch Settlement on that Business Day;</p>	<p>(c) remove the Batch Instruction or part of the Batch Instruction, as the case requires, from Batch Settlement on that Business Day;</p>	
	<p>(d) other than where the Batch Instruction is a CCP Derivatives Payment Batch Instruction, <a href="#">a CCP Market Trade Batch Instruction referred to in Rule 10.11.7(e)</a> or a CCP Batch Instruction referred to in Rule 10.11.7A, if the Batch Instruction has been Failed in full, reschedule the Batch Instruction for settlement on the next Business Day;</p>	<p>(d) other than where the Batch Instruction is a CCP Derivatives Payment Batch Instruction, <a href="#">a CCP Market Trade Batch Instruction referred to in Rule 10.11.7(e)</a> or a CCP Batch Instruction referred to in Rule 10.11.7A, if the Batch Instruction has been Failed in full, reschedule the Batch Instruction for settlement on the next Business Day;</p>	
	<p>(e) <a href="#">if the Batch Instruction is a CCP Market Trade Batch Instruction that has been Failed in full due to a Financial Products Shortfall under Rule 10.11.2(c) or 10.11.3(c), notify the Approved Clearing Facility;</a></p>	<p>(e) <a href="#">if the Batch Instruction is a CCP Market Trade Batch Instruction that has been Failed in full due to a Financial Products Shortfall under Rule 10.11.2(c) or 10.11.3(c), notify the Approved Clearing Facility;</a></p>	

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
	<p>(ef) if the Batch Instruction has been Failed in part:</p> <p>(i) process the Batch Instruction in respect of that part of the Batch Instruction that is to be settled; <del>and</del></p> <p>(ii) other than where the Batch Instruction is a <a href="#">CCP Market Trade Batch Instruction referred to in Rule 10.11.7(f)(iii) or a</a> CCP Batch Instruction referred to in Rule 10.11.7A, reschedule that part of the Batch Instruction that is to be Failed, for settlement on the next Business Day; and</p> <p>(iii) <a href="#">if the Batch Instruction is a CCP Market Trade Batch Instruction that has been Failed due to a Financial Products Shortfall under Rule 10.11.2(c) or 10.11.3(c).</a></p>	<p>(ef) if the Batch Instruction has been Failed in part:</p> <p>(i) process the Batch Instruction in respect of that part of the Batch Instruction that is to be settled; <del>and</del></p> <p>(ii) other than where the Batch Instruction is a <a href="#">CCP Market Trade Batch Instruction referred to in Rule 10.11.7(f)(iii) or a</a> CCP Batch Instruction referred to in Rule 10.11.7A, reschedule that part of the Batch Instruction that is to be Failed, for settlement on the next Business Day; and</p> <p>(iii) <a href="#">if the Batch Instruction is a CCP Market Trade Batch Instruction that has been Failed due to a Financial Products Shortfall under Rule 10.11.2(c) or 10.11.3(c).</a></p>	

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
	<p style="text-align: center;"><u>notify the Approved Clearing Facility; and</u></p> <p>(gf) notify both Settlement Participants.</p> <p><u>Where ASX Settlement has removed a CCP Market Trade Batch Instruction from Batch Settlement and notified that Failed CCP Batch Instruction to the Approved Clearing Facility under Rule 10.11.7(e) or Rule 10.11.7(f)(iii), ASX Settlement has no obligation in relation to that Instruction.</u></p> <p><u>Note: In the case of CCP Market Trade Batch Instructions that have been Failed, notification of their removal occurs on a net basis across those CCP Market Trade Batch Instructions in respect of a Settlement Account of the Settlement Participant for a class of Financial Products and is identified through the generation of a CCP Rescheduled Batch Instruction or a CCP Offsetting Transaction Arrangement Batch Instruction in respect of those CCP Market Trade Batch Instructions.</u></p>	<p style="text-align: center;"><u>notify the Approved Clearing Facility; and</u></p> <p>(gf) notify both Settlement Participants.</p> <p><u>Where ASX Settlement has removed a CCP Market Trade Batch Instruction from Batch Settlement and notified that Failed CCP Batch Instruction to the Approved Clearing Facility under Rule 10.11.7(e) or Rule 10.11.7(f)(iii), ASX Settlement has no obligation in relation to that Instruction.</u></p> <p><u>Note: In the case of CCP Market Trade Batch Instructions that have been Failed, notification of their removal occurs on a net basis across those CCP Market Trade Batch Instructions in respect of a Settlement Account of the Settlement Participant for a class of Financial Products and is identified through the generation of a CCP Rescheduled Batch Instruction or a CCP Offsetting Transaction Arrangement Batch Instruction in respect of those CCP Market Trade Batch Instructions.</u></p>	

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
10.11.7A	<p data-bbox="443 459 539 480"><b>10.11.7A</b></p> <p data-bbox="595 459 1066 547"><b>Failed CCP Batch Instructions due to Payment Shortfall settled through Offsetting Transaction Arrangements</b></p> <p data-bbox="595 587 1122 842">A CCP Batch Instruction (where the CCP is ASX Clear) that has been Failed by ASX Settlement under Rule <a href="#">10.19.9</a>, 10.11.2, 10.11.3 or 10.11.4 due to a Payments Shortfall (or to limit a Settlement Participant’s net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)), will be:</p> <ul style="list-style-type: none"> <li data-bbox="595 882 1099 970">(a) removed by ASX Settlement from Batch Settlement on that Business Day;</li> <li data-bbox="595 1010 1003 1031">(b) notified to ASX Clear; and</li> <li data-bbox="595 1070 1122 1331">(c) other than for the defaulting Clearing Participant, subject to set-off against entitlements and obligations under the first leg of an Offsetting Transaction Arrangement entered into in respect of the Failed CCP Batch Instruction under the ASX Clear Operating Rules.</li> </ul>	<p data-bbox="1155 459 1252 480"><b>10.11.7A</b></p> <p data-bbox="1308 459 1778 547"><b>Failed CCP Batch Instructions due to Payment Shortfall settled through Offsetting Transaction Arrangements</b></p> <p data-bbox="1308 587 1834 842">A CCP Batch Instruction (where the CCP is ASX Clear) that has been Failed by ASX Settlement under Rule <del>10.19.9</del>, 10.11.2, 10.11.3 or 10.11.4 due to a Payments Shortfall (or to limit a Settlement Participant’s net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)), will be:</p> <ul style="list-style-type: none"> <li data-bbox="1308 882 1812 970">(a) removed by ASX Settlement from Batch Settlement on that Business Day;</li> <li data-bbox="1308 1010 1720 1031">(b) notified to ASX Clear; and</li> <li data-bbox="1308 1070 1839 1331">(c) other than for the defaulting Clearing Participant, subject to set-off against entitlements and obligations under the first leg of an Offsetting Transaction Arrangement entered into in respect of the Failed CCP Batch Instruction under the ASX Clear Operating Rules.</li> </ul>	ASX identified



Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
	<p>Where ASX Settlement has removed a CCP Batch Instruction from Batch Settlement and notified that Failed <a href="#">CCP</a> Batch Instruction to ASX Clear under this Rule 10.11.7A, ASX Settlement has no obligation in relation to that Instruction.</p>	<p>Where ASX Settlement has removed a CCP Batch Instruction from Batch Settlement and notified that Failed <a href="#">CCP</a> Batch Instruction to ASX Clear under this Rule 10.11.7A, ASX Settlement has no obligation in relation to that Instruction.</p>	
11.22.1	<p><b>11.22.1 Commencement of RTGS Settling Phase</b></p> <p>The RTGS Settling Phase, in relation to an RTGS Instruction held in the Feeder System Queue, <del>follows the satisfactory completion of testing in CHES</del> and will be taken to have commenced immediately ASX Settlement has:</p> <p>(a) <del>received a Valid Message from the RTGS Payments Provider that is required to perform the Payment Obligation identified in that RTGS Instruction, authorising that Payment Obligation; and</del></p> <p>(b) in the case of a <a href="#">Bilateral Demand Settlement DvP RTGS</a> Instruction, <del>applied a Demand Lock over Reserved</del> the number of Financial Products <del>identified in that RTGS Instruction.</del>;</p>	<p><b>11.22.1 Commencement of RTGS Settling Phase</b></p> <p>The RTGS Settling Phase, in relation to an RTGS Instruction held in the Feeder System Queue, <del>follows the satisfactory completion of testing in CHES</del> and will be taken to have commenced immediately <b>after</b> ASX Settlement has:</p> <p>(a) <del>received a Valid Message from the RTGS Payments Provider that is required to perform the Payment Obligation identified in that RTGS Instruction, authorising that Payment Obligation; and</del></p> <p>(b) in the case of a <a href="#">Bilateral Demand Settlement DvP RTGS</a> Instruction, <del>applied a Demand Lock over Reserved</del> the number of Financial Products <del>identified in that RTGS Instruction.</del>;</p>	ASX identified

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
	<p>(b) <del>in any other case, recorded as an unsettled debit against the affected Net Position Record of the RTGS Participant that is the payer, an amount equal to the amount of the Payment Obligation, identified in that RTGS Instruction.</del></p> <p><i>Note: <del>A Net Position Record cannot be marked as contemplated by Rule 11.22.1(b), when Rule 11.20 applies, unless ASX Settlement has determined the payment to be Debit Cap Compliant: see Rules 11.20.2 and 11.20.4. ASX Settlement will, in the ordinary course, indicatively mark the payment against the payer's Net Position Record after completing all relevant aspects of intra-CHESS testing for any RTGS Instruction.</del></i></p>	<p>(b) <del>in any other case, recorded as an unsettled debit against the affected Net Position Record of the RTGS Participant that is the payer, an amount equal to the amount of the Payment Obligation, identified in that RTGS Instruction.</del></p> <p><i>Note: <del>A Net Position Record cannot be marked as contemplated by Rule 11.22.1(b), when Rule 11.20 applies, unless ASX Settlement has determined the payment to be Debit Cap Compliant: see Rules 11.20.2 and 11.20.4. ASX Settlement will, in the ordinary course, indicatively mark the payment against the payer's Net Position Record after completing all relevant aspects of intra-CHESS testing for any RTGS Instruction.</del></i></p>	

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
12.18.1	<p data-bbox="593 459 862 480"><b>12.18.1 Notice by Participant</b></p> <p data-bbox="443 523 1115 611">A Participant must give Notice of non-Compliance to ASX Settlement immediately upon the happening of any of the following Events of Non-Compliance:</p> <ul style="list-style-type: none"> <li data-bbox="443 651 1120 778">(a) the Participant ceases to comply with any Participation Requirement that applies to the Participant and has not been waived under Rule 4.2.3;</li> <li data-bbox="443 786 1120 938">(b) the Participant reasonably suspects that the Payments Provider that provides a Payment Facility for the participant will or may not authorise a net payment obligation under Section 10 of these Rules;</li> <li data-bbox="443 946 1120 1169">(c) the Participant or any of its Employees is the subject of any regulatory, disciplinary or enforcement action by any market licensee, another clearing and settlement facility, the Commission or any other regulatory authority that relates in any way to its activities as a Participant;</li> <li data-bbox="443 1177 1120 1364">(d) the Participant:               <ul style="list-style-type: none"> <li data-bbox="593 1209 913 1230">(i) takes a step; or</li> <li data-bbox="593 1238 1064 1364">(ii) becomes aware that another person has taken a step, that may in any way affect the ability or entitlement of ASX Settlement to obtain</li> </ul> </li> </ul>	<p data-bbox="1155 459 1574 480"><b>12.18.1 Notice by Participant</b></p> <p data-bbox="1155 523 1827 611">A Participant must give Notice of non-Compliance to ASX Settlement immediately upon the happening of any of the following Events of Non-Compliance:</p> <ul style="list-style-type: none"> <li data-bbox="1155 651 1832 778">(a) the Participant ceases to comply with any Participation Requirement that applies to the Participant and has not been waived under Rule 4.2.3;</li> <li data-bbox="1155 786 1832 938">(b) the Participant reasonably suspects that the Payments Provider that provides a Payment Facility for the participant will or may not authorise a net payment obligation under Section 10 of these Rules;</li> <li data-bbox="1155 946 1832 1169">(c) the Participant or any of its Employees is the subject of any regulatory, disciplinary or enforcement action by any market licensee, another clearing and settlement facility, the Commission or any other regulatory authority that relates in any way to its activities as a Participant;</li> <li data-bbox="1155 1177 1832 1364">(d) the Participant:               <ul style="list-style-type: none"> <li data-bbox="1305 1209 1626 1230">(i) takes a step; or</li> <li data-bbox="1305 1238 1776 1364">(ii) becomes aware that another person has taken a step, that may in any way affect the ability or entitlement of ASX Settlement to obtain</li> </ul> </li> </ul>	ASX identified

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| <p>(e) payment of the relevant amount under the Performance Bond lodged by the Participant; if the Participant is a body:</p> <ul style="list-style-type: none"> <li>(i) that body becomes a Chapter 5 body corporate as defined in section 9 of the Corporations Act;</li> <li>(ii) that body reasonably suspects that it may become a Chapter 5 body corporate as defined in section 9 of the Corporations Act;</li> <li>(iii) that body takes a step or becomes aware that another person has taken a step that is intended to lead to the body becoming externally administered;</li> <li>(iv) someone takes control of the body's property for the benefit of the body's creditors because the body is, or is likely to become, insolvent;</li> </ul> <p><i>Note: this sub-Rule 12.18.1(e) is intended to cover the definition of external administration in the Payment Systems and Netting Act.</i></p> <p>(f) if the Participant is an individual or consists of two or more partners or trustees:</p> <ul style="list-style-type: none"> <li>(i) the individual or partner or a trustee becomes an insolvent under administration;</li> <li>(ii) the individual or partner or a trustee reasonably suspects that it may become an insolvent under administration;</li> <li>(iii) the individual or a partner or a trustee takes a step or becomes</li> </ul> | <p>(e) payment of the relevant amount under the Performance Bond lodged by the Participant; if the Participant is a body:</p> <ul style="list-style-type: none"> <li>(i) that body becomes a Chapter 5 body corporate as defined in section 9 of the Corporations Act;</li> <li>(ii) that body reasonably suspects that it may become a Chapter 5 body corporate as defined in section 9 of the Corporations Act;</li> <li>(iii) that body takes a step or becomes aware that another person has taken a step that is intended to lead to the body becoming <u>a Chapter 5 body corporate as defined in section 9 of the Corporations Act</u> externally administered;</li> <li>(iv) someone takes control of the body's property for the benefit of the body's creditors because the body is, or is likely to become, insolvent;</li> <li><del>(v) a Banking Act statutory manager takes control of the body's business under the Banking Act 1959;</del></li> <li><del>(vi) an Insurance Act statutory manager takes control of the body's business under the Insurance Act 1973;</del></li> <li><del>(vii) a Life Insurance Act statutory manager takes control of the</del></li> </ul> |
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- aware that another person has taken a step that is intended to lead to the individual or the partner or trustee, as the case requires, becoming an insolvent under administration; or
- (iv) someone takes control of the property of that individual, partner or trustee for the benefit of creditors because the individual, partner or trustee is, or is likely to become, insolvent;
- Note:* *this sub-Rule 12.18.1(f) is intended to cover the definition of external administration in the Payment Systems and Netting Act.*
- (g) if the Payments Provider that provides a Payment Facility for the Participant becomes [a Chapter 5 body corporate as defined in section 9 of the Corporations Act](#)~~an externally administered body corporate~~ or an insolvent under administration;
- (h) if the Participant reasonably suspects that the Payments Provider that provides a Payment Facility for the Participant may become [a Chapter 5 body corporate as defined in section 9 of the Corporations Act](#)~~an externally administered body corporate~~ or an insolvent under administration;
- (i) in the case of a Participant who is a participant of an Approved Market Operator or Approved Clearing Facility, in addition to the Events of Non-Compliance in
- body's business under the Life Insurance Act 1995;
- (viii) the body comes under judicial management under the Insurance Act 1973; or
- (ix) the body, or a part of the body's business, comes under judicial management under the Life Insurance Act 1995;
- Note:* *this sub-Rule 12.18.1(e) is intended to cover the definition of external administration in the Payment Systems and Netting Act.*
- (f) if the Participant is an individual or consists of two or more partners or trustees:
- (i) the individual or partner or a trustee becomes an insolvent under administration;
- (ii) the individual or partner or a trustee reasonably suspects that it may become an insolvent under administration;
- (iii) the individual or a partner or a trustee takes a step or becomes aware that another person has taken a step that is intended to lead to the individual or the partner or trustee, as the case requires, becoming an insolvent under administration; ~~or~~
- (iv) someone takes control of the property of that individual, partner or trustee for the benefit of creditors because the

	Rule 12.18.1(a),(b),(c),(d),(e),(f), (g) and (h):		individual, partner or trustee is, or is likely to become, insolvent;
(i)	that Participant ceases to be a participant of the relevant Approved Market Operator or Approved Clearing Facility;	<u>(v)</u>	<u>the individual or partner or a trustee becomes a Chapter 5 body corporate as defined in section 9 of the Corporations Act;</u>
(ii)	that Participant ceases to be entitled to carry on business as a participant of the relevant Approved Market Operator or Approved Clearing Facility;	<u>(vi)</u>	<u>the individual or partner or a trustee reasonably suspects that it may become a Chapter 5 body corporate as defined in section 9 of the Corporations Act;</u>
(iii)	that Participant is suspended from all or any of the privileges in relation to being a participant of the relevant Approved Market Operator or Approved Clearing Facility;	<u>(vii)</u>	<u>the individual or a partner or a trustee takes a step or becomes aware that another person has taken a step that is intended to lead to the individual, partner or trustee becoming a Chapter 5 body corporate as defined in section 9 of the Corporations Act;</u>
(iv)	that Participant is prohibited from transacting any business with or through any participant of the relevant Approved Market Operator or Approved Clearing Facility on such terms and conditions as that Approved Market Operator or Approved Clearing Facility imposes;	<u>(viii)</u>	<u>a Banking Act statutory manager takes control of the business of the individual or partner or trustee under the Banking Act 1959;</u>
(j)	if the Participant becomes aware that it has breached any of the Rules or the Procedures and that breach is significant;	<u>(ix)</u>	<u>an Insurance Act statutory manager takes control of the business of the individual or partner or trustee under the Insurance Act 1973;</u>
(k)	the Participant suspects or becomes aware of any Employee has engaged in fraudulent conduct; or	<u>(x)</u>	<u>a Life Insurance Act statutory manager takes control of the business of the individual or partner or trustee under the Life Insurance Act 1995;</u>
(l)	the Participant becomes aware of any other event or circumstance which adversely affects		

or may adversely affect its financial position or solvency or its ability to comply with the Rules or the Procedures.

- (xi) ~~the individual or partner or trustee comes under judicial management under the Insurance Act 1973; or~~
- (xii) ~~the individual or partner or trustee, or part of their business, comes under judicial management under the Life Insurance Act 1995;~~

Note: *this sub-Rule 12.18.1(f) is intended to cover the definition of external administration in the Payment Systems and Netting Act.*

- (g) if the Payments Provider that provides a Payment Facility for the Participant becomes ~~a Chapter 5 body corporate as defined in section 9 of the Corporations Act~~ an externally administered body corporate or an insolvent under administration;
- (h) if the Participant reasonably suspects that the Payments Provider that provides a Payment Facility for the Participant may become ~~a Chapter 5 body corporate as defined in section 9 of the Corporations Act~~ an externally administered body corporate or an insolvent under administration;
- (i) in the case of a Participant who is a participant of an Approved Market Operator or Approved Clearing Facility, in addition to the Events of Non-Compliance in Rule 12.18.1(a),(b),(c),(d),(e),(f), (g) and (h):
  - (i) that Participant ceases to be a participant of the relevant Approved Market Operator or Approved Clearing Facility;

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- (ii) that Participant ceases to be entitled to carry on business as a participant of the relevant Approved Market Operator or Approved Clearing Facility;
  - (iii) that Participant is suspended from all or any of the privileges in relation to being a participant of the relevant Approved Market Operator or Approved Clearing Facility;
  - (iv) that Participant is prohibited from transacting any business with or through any participant of the relevant Approved Market Operator or Approved Clearing Facility on such terms and conditions as that Approved Market Operator or Approved Clearing Facility imposes;
  - (j) if the Participant becomes aware that it has breached any of the Rules or the Procedures and that breach is significant;
  - (k) the Participant suspects or becomes aware of any Employee has engaged in fraudulent conduct; or
  - (l) the Participant becomes aware of any other event or circumstance which adversely affects or may adversely affect its financial position or solvency or its ability to comply with the Rules or the Procedures.

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 16.3.1

16.3.1 Facility User's capacity to communicate with CHES impaired

16.3.1 Facility User's capacity to communicate with CHES impaired

 ASX  
 Identified



Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
	<p>If:</p> <p>(a) a Facility User gives Notice to ASX Settlement under Rule 16.1(c);</p> <p>(b) ASX Settlement gives Notice to a Facility User under Rule 16.2; or</p> <p>(c) ASX Settlement has required a Facility User to undertake additional testing by providing Notice under Rule 16.9 and:</p> <p>(i) the Facility User has undertaken the testing as required by ASX Settlement; or</p> <p>(ii) the Facility User has not complied with the Notice from ASX Settlement requiring it to undertake further testing within the time specified by ASX Settlement, and ASX Settlement reasonably believes that the Facility User's capacity to communicate reliably with CHES in accordance with the <a href="#">EIS User Technical Documentation</a> is or will be impaired, then ASX Settlement may take such steps as it considers necessary or desirable for the integrity or orderly operation of CHES, including:</p> <p>(d) giving advice or directions to the Facility User to:</p> <p>(i) restore communications; or</p> <p>(ii) prevent or minimise impairment to communications, between ASX Settlement and that Facility User, as the case requires; and</p>	<p>If:</p> <p>(a) a Facility User gives Notice to ASX Settlement under Rule 16.1.1(c);</p> <p>(b) ASX Settlement gives Notice to a Facility User under Rule 16.2; or</p> <p>(c) ASX Settlement has required a Facility User to undertake additional testing by providing Notice under Rule 16.9 and:</p> <p>(i) the Facility User has undertaken the testing as required by ASX Settlement; or</p> <p>(ii) the Facility User has not complied with the Notice from ASX Settlement requiring it to undertake further testing within the time specified by ASX Settlement, and ASX Settlement reasonably believes that the Facility User's capacity to communicate reliably with CHES in accordance with the <a href="#">EIS User Technical Documentation</a> is or will be impaired, then ASX Settlement may take such steps as it considers necessary or desirable for the integrity or orderly operation of CHES, including:</p> <p>(d) giving advice or directions to the Facility User to:</p> <p>(i) restore communications; or</p> <p>(ii) prevent or minimise impairment to communications, between ASX Settlement and that Facility User, as the case requires; and</p>	

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
	(e) suspending processing of Messages or classes of Messages between ASX Settlement and the Facility User.	(e) suspending processing of Messages or classes of Messages between ASX Settlement and the Facility User.	
16.9.2	<p><b>16.9.2 ASX Settlement may require Facility User to undertake additional testing</b></p> <p>Without in any way limiting the advice or directions that may be given by ASX Settlement to a Facility User, ASX Settlement may on reasonable Notice require a Facility User to undertake additional testing of the Facility User's ability to meet the Technical and Performance Requirements if:</p> <p>(a) ASX Settlement reasonably believes that the number of erroneous Messages Transmitted by, or electronic communications problems with, that Facility User warrants such action; or</p> <p>(b) ASX Settlement introduces significant new CHES Software changes that will or may affect that Facility User's ability to meet those Technical and Performance Requirements;</p> <p>(c) the Facility User gives Notice to ASX Settlement under Rule 16.1(c);</p> <p>(d) the Facility User fails to give Notice to ASX Settlement under Rule 16.1(c) but ASX Settlement becomes aware that the Facility User has effected or proposes to effect:</p> <p>(i) any change to its interface with CHES;</p>	<p><b>16.9.2 ASX Settlement may require Facility User to undertake additional testing</b></p> <p>Without in any way limiting the advice or directions that may be given by ASX Settlement to a Facility User, ASX Settlement may on reasonable Notice require a Facility User to undertake additional testing of the Facility User's ability to meet the Technical and Performance Requirements if:</p> <p>(a) ASX Settlement reasonably believes that the number of erroneous Messages Transmitted by, or electronic communications problems with, that Facility User warrants such action; or</p> <p>(b) ASX Settlement introduces significant new CHES Software changes that will or may affect that Facility User's ability to meet those Technical and Performance Requirements;</p> <p>(c) the Facility User gives Notice to ASX Settlement under Rule 16.1.1(c);</p> <p>(d) the Facility User fails to give Notice to ASX Settlement under Rule 16.1.1(c) but ASX Settlement becomes aware that the Facility User has effected or proposes to effect:</p> <p>(i) any change to its interface with CHES;</p>	ASX Identified

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
	<p>(ii) any change of Third Party Provider; or</p> <p>(iii) any changes to its interface with CHES or computing environment, including any change that may be made by a Third Party Provider that alters or may alter its capacity, or the Third Party Provider's capacity, to communicate with CHES; or</p> <p>(e) ASX Settlement reasonably believes that there is some fact or matter that may impair the Facility User's capacity to communicate reliably with CHES in accordance with the EIS User Technical Documentation and the Facility User has failed to give notice to ASX Settlement under Rule 16.1(c).</p>	<p>(ii) any change of Third Party Provider; or</p> <p>(iii) any changes to its interface with CHES or computing environment, including any change that may be made by a Third Party Provider that alters or may alter its capacity, or the Third Party Provider's capacity, to communicate with CHES; or</p> <p>(e) ASX Settlement reasonably believes that there is some fact or matter that may impair the Facility User's capacity to communicate reliably with CHES in accordance with the EIS User Technical Documentation and the Facility User has failed to give notice to ASX Settlement under Rule 16.1(c).</p>	
16.12 (heading)	<p>16.12.1 Faculty User to encrypt Message</p> <p>...</p>	<p>16.12.1 Faculty User to encrypt Message</p> <p>...</p>	ASX identified
16.14	<p><u>16.14 AGGREGATION OF MULTIPLE UICS UNDER A UNIQUE SET OF AUTHENTICATION CREDENTIALS ALLOCATION OF AIC</u></p> <p>16.14.1 <del>ASX Settlement to allocate an AIC for each Recognised Physical Access Point</del> Facility User may request aggregation of multiple UICs</p> <p><u>In accordance with the User Technical Documentation, ASX Settlement will allocate on request from a Facility User, a unique set of authentication credentials in relation to two or more UICs allocated or attributed to a Facility User. <del>an AIC for each Recognised Physical Access Point of</del></u></p>	<p><u>16.14 AGGREGATION OF MULTIPLE UICS UNDER A UNIQUE SET OF AUTHENTICATION CREDENTIALS ALLOCATION OF AIC</u></p> <p>16.14.1 ASX Settlement to allocate <u>a unique set of authentication credentials in relation to two or more UICs an AIC for each Recognised Physical Access Point</u> Facility User may request aggregation of multiple UICs</p> <p><u>In accordance with the User Technical Documentation, ASX Settlement will allocate on request from a Facility User or Third Party Provider, a unique set of authentication credentials in relation to two or more UICs.</u></p>	Row 4

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
	<del>a Facility User's interface with CHES.</del>	<del>allocated or attributed to a Facility User. -an AIC for each Recognised Physical Access Point of a Facility User's interface with CHES.</del>	
<b>Section 18 (Introduction box)</b>	<p>This Section contains rules relating specifically to the settlement of AQUA Products including:</p> <ul style="list-style-type: none"> <li>(a) processing of requests for issue and redemption of AQUA Products <del>and requests to Switch between AQUA Products;</del></li> <li>(b) cancellation of requests for issue or redemption <del>of AQUA Products or Switch;</del></li> <li>(c) notification of changes to details for requests for issue or redemption <del>or Switch of</del> AQUA Products; <del>and</del></li> <li>(d) actions that ASX Settlement may take in the event of failure by a Product Issuer Settlement Participant to settle issues and redemptions of AQUA Products; <del>and</del></li> <li><del>(e) the provision of distribution and re investment advices to Holders of AQUA Products.</del></li> </ul>	<p>This Section contains rules relating specifically to the settlement of AQUA Products including:</p> <ul style="list-style-type: none"> <li>(a) processing of requests for issue and redemption of AQUA Products <del>and requests to Switch between AQUA Products;</del></li> <li>(b) cancellation of requests for issue or redemption <del>of AQUA Products or Switch;</del></li> <li>(c) notification of changes to details for requests for issue or redemption <del>or Switch of</del> AQUA Products; <del>and</del></li> <li>(d) actions that ASX Settlement may take in the event of failure by a Product Issuer Settlement Participant to settle issues and redemptions of AQUA Products; <del>and</del></li> <li><del>(e) the provision of distribution and re investment advices to Holders of AQUA Products.</del></li> </ul>	ASX identified

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
19.2.7	<p><u>19.2.7 Conversion and migration of Holder Records</u></p> <p><u>During the Transition Period, ASX Settlement will:</u></p> <p>(a) <u>subject to Rule 19.2.8:</u></p> <p style="padding-left: 40px;">(i) <u>convert the Holder Records in the Old System in accordance with the conversion logic that is published by ASX Settlement as referred to in the Procedures; and</u></p> <p style="padding-left: 40px;">(ii) <u>record those converted Holder Records in the New System; and</u></p> <p>(b) <u>in respect of each Holder Record in the Old System that pursuant to Rule 19.2.8 ASX Settlement does not convert and migrate under paragraph (a) above:</u></p> <p style="padding-left: 40px;">(i) <u>not record the Holder Record in the New System; and</u></p> <p style="padding-left: 40px;">(ii) <u>within the Scheduled Time, give notice to the persons identified in the Procedures of the matters specified in the Procedures.</u></p>	<p><u>19.2.7 Conversion and migration of Holder Records</u></p> <p><u>During the Transition Period, ASX Settlement will:</u></p> <p>(a) <u>subject to Rule 19.2.8:</u></p> <p style="padding-left: 40px;">(i) <u>convert the Holder Records in the Old System in accordance with the conversion logic that is published by ASX Settlement as referred to in the Procedures; and</u></p> <p style="padding-left: 40px;">(ii) <u>record those converted Holder Records in the New System; and</u></p> <p>(b) <u>in respect of each Holder Record in the Old System that pursuant to Rule 19.2.8 ASX Settlement does not convert and migrate under paragraph (a) above:</u></p> <p style="padding-left: 40px;">(i) <u>not record the Holder Record in the New System; and</u></p> <p style="padding-left: 40px;">(ii) <u>within the Scheduled Time, give notice to the persons identified in the Procedures of the matters specified in the Procedures.</u></p>	ASX identified
	<p><i>Note: For the purposes of converting Holder Records under Rule 19.2.7, where a Holder Record contains Registration Details for more than one Holder and is subject to a Holder Record Lock due to the death or bankruptcy of one or more Holders, ASX will apply a named holder</i></p>	<p><i>Note: For the purposes of converting Holder Records under Rule 19.2.7, where a Holder Record contains Registration Details for more than one Holder and is, or has previously been, subject to a Holder Record Lock due to the death or bankruptcy of one or more Holders,</i></p>	

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
	<p><u>indicator to the first named Holder that is recorded on the relevant Holder Record.</u></p> <p><u>Where a Holder Record has not been recorded in the New System under paragraph (a) above, that Holder Record will not be available for use to record Holdings of that Holder. Accordingly another Holder Record (whether new or existing) will need to be used to record Holdings of that Holder.</u></p>	<p><u>ASX will apply a named holder indicator to the first named Holder that is recorded on the relevant Holder Record.</u></p> <p><u>Where a Holder Record has not been recorded in the New System under paragraph (a) above, that Holder Record will not be available for use to record Holdings of that Holder. Accordingly another Holder Record (whether new or existing) will need to be used to record Holdings of that Holder.</u></p>	
19.5.2	<p><b><u>19.5.2 Initial application for issue of AQUA Products</u></b></p> <p><u>Subject to Rule 19.5.1, in respect of a request for the issue of AQUA Products initiated by a Settlement Participant in accordance with Rule 18.3.1 before AQUA Product Request Cut-Off, if ASX Settlement has not received a Valid Originating Message containing all the matters required under Rule 18.3.1 by End of Day on the Old System Close Date, ASX Settlement will cancel the Originating Message relating to the request and notify the Settlement Participant of such cancellation.</u></p> <p><u>Note: This Rule 19.5.2 is subject to Rule 19.5.1. If ASX Settlement has not received a Valid Originating Message in respect of the relevant request for issue of AQUA Products before AQUA Product Request Cut-Off, a Sponsoring</u></p>	<p><b><u>19.5.2 Initial application for issue of AQUA Products</u></b></p> <p><u>Subject to Rule 19.5.1, in respect of a request for the issue of AQUA Products initiated by a Settlement Participant in accordance with Rule 18.3.1 before AQUA Product Request Cut-Off, if ASX Settlement has not received a Valid Originating Message containing all the matters required under Rule 18.3.1 by End of Day on the Old System Close Date, ASX Settlement will cancel the Originating Message relating to the request and notify the Settlement Participant of such cancellation.</u></p> <p><u>Note: This Rule 19.5.2 is subject to Rule 19.5.1. If ASX Settlement has not received a Valid Originating Message in respect of the relevant request for issue of AQUA Products before AQUA Product Request Cut-Off, a Sponsoring</u></p>	ASX identified

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A or ASX identified
	<u>Participant will next be able initiate the relevant request on or after the New System Start Date.</u>	<u>Participant will next be able <b>to</b> initiate the relevant request on or after the New System Start Date.</u>	

Table 2: ASX Settlement Operating Rule Procedures

Procedure	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A
8.18.3	<p><b>PROCEDURE 8.18.3</b></p> <p>The Notice to be given by ASX Settlement is a <u>N</u>notice:</p> <p>(a) notifying:</p> <p>(i) the Controlling Participant that the requested change has been made; and</p> <p>(ii) in respect of each class of Financial Products in a CHESS Holding of that person, the Issuer of those Financial Products that there has been a change of Holder Record details for that person; and</p> <p>(b) if the Holder Record has been established on behalf of a Participant Sponsored Holder, <u>ASX Settlement must</u>:</p> <p>(i) give Notice of the change to that Participant Sponsored Holder; and</p> <p>(ii) if the change to the Holder Record includes is a change of address, send the Notice to the old address of that Participant Sponsored Holder.</p>	<p><b>PROCEDURE 8.18.3</b></p> <p>The Notice to be given by ASX Settlement is a <u>N</u>notice:</p> <p>(a) notifying:</p> <p>(i) the Controlling Participant that the requested change has been made; and</p> <p>(ii) in respect of each class of Financial Products in a CHESS Holding of that person, the Issuer of those Financial Products that there has been a change of Holder Record details for that person; and</p> <p>(b) if the Holder Record has been established on behalf of a Participant Sponsored Holder, <u>ASX Settlement must</u>:</p> <p>(i) give Notice of the change to that Participant Sponsored Holder; and</p> <p>(ii) if the change to the Holder Record includes <del>is</del> <u>(A) a change of address, where that Participant Sponsored Holder has not indicated a preference to receive ASX Settlement communications by delivery to an email address</u>, send</p>	ASX identified <sup>1</sup>

<sup>1</sup> Note: Mark-up highlighted in grey reflects amendments made for the commencement of electronic CHESS statements and notifications which are now effective.



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the Notice to the old address of that Participant Sponsored Holder;

(B) a change of email address, where that Participant Sponsored Holder has indicated a preference to receive ASX Settlement communications by delivery to an email address, send the Notice to the old email address of that Participant Sponsored Holder;

(C) a preference to receive ASX Settlement communications by delivery to an email address, rather than by post, send the Notice to the address of that Participant Sponsored Holder;

(D) the removal of a preference to receive ASX Settlement communications by delivery to an email address, send the Notice to that email address of that Participant Sponsored Holder.

*Note:* For the purpose of Procedure 8.18.3(b)(ii), references to a preference to receive ASX Settlement communications by delivery to an email address relate only to indications of such preference received by ASX Settlement by way of Message on or after the e-statements

*commencement date (as referred to in the definition of Email Purpose in Procedure 2.13.1).*

19.1.2

**PROCEDURE 19.1.2 COMMENCEMENT**

For the purposes of Rule 19.1.2, the Rules in Section 19 become effective from the dates specified in the table below:

Rule	Effective Period
<b>Rule 19.1.1</b>	The period commencing on the date [6 months prior to the Old System Close Date ( <i>insert earliest start date in this table</i> )] [and ending on the date which ASX Settlement notifies Facility Users on which Section 19 ceases to be effective].
<b>Rule 19.1.2</b>	The period commencing on the date [6 months prior to the Old System Close Date ( <i>insert earliest start date in this table</i> )] [and ending on the date which ASX Settlement notifies Facility Users on which Section 19 ceases to be effective].
<b>Rule 19.2.1</b>	The period commencing on the date that is [6 months prior to the Old System Close Date] and ending [at the start of the Transition Period].
<b>Rule 19.2.2</b>	The period commencing on the date that is [6 months prior to the Old System Close Date] and ending [at the start of the Transition Period].
<b>Rule 19.2.3</b>	The period commencing on the date that is [6 months prior to the Old System Close Date] and ending on [at the end of the Transition Period].

**PROCEDURE 19.1.2 COMMENCEMENT**

For the purposes of Rule 19.1.2, the Rules in Section 19 become effective from the dates specified in the table below:

Rule	Effective Period
<b>Rule 19.1.1</b>	The period commencing on the date <del>[6 months prior to the Old System Close Date (<i>insert earliest start date in this table</i>)]</del> [and ending on the date which ASX Settlement notifies Facility Users on which Section 19 ceases to be effective].
<b>Rule 19.1.2</b>	The period commencing on the date <del>[6 months prior to the Old System Close Date (<i>insert earliest start date in this table</i>)]</del> [and ending on the date which ASX Settlement notifies Facility Users on which Section 19 ceases to be effective].
<b>Rule 19.2.1</b>	The period commencing on the date that is <del>[6 months prior to the Old System Close Date]</del> and ending <del>[at the start of the Transition Period]</del> .
<b>Rule 19.2.2</b>	The period commencing on the date that is <del>[6 months prior to the Old System Close Date]</del> and ending <del>[at the start of the Transition Period]</del> .
<b>Rule 19.2.3</b>	The period commencing on the date that is <del>[6 months prior to the Old System Close Date]</del> and ending <del>[at the end of the Transition Period]</del> .

ASX identified

<b>Rule 19.2.4</b>	The period commencing on the date that is <u>[6 months prior to the Old System Close Date]</u> .		<del>ending at the Scheduled Time for Rule 19.2.3</del> <del>at the end of the Transition Period]</del> .
<b>Rule 19.2.5</b>	The period commencing on the date that is <u>[6 months prior to the Old System Close Date]</u> .	<b>Rule 19.2.4</b>	The period commencing on the date that is <del>[6 months prior to the Old System Close Date]</del> .
<b>Rule 19.2.6</b>	The Transition Period.	<b>Rule 19.2.5</b>	The period commencing on the date that is <del>[6 months prior to the Old System Close Date]</del> .
<b>Rule 19.2.7</b>	The Transition Period.	<b>Rule 19.2.6</b>	The period commencing at the start of the Transition Period and ending at the Scheduled Time for Rule 19.2.6.
<b>Rule 19.2.8</b>	The Transition Period. <u>[Consider if this should be open ended.]</u>	<b>Rule 19.2.7</b>	The period commencing at the start of the Transition Period and ending at the Scheduled Time for Rule 19.2.7.
<b>Rule 19.2.9</b>	The period commencing <u>[at the end of the Transition Period]</u> .	<b>Rule 19.2.8</b>	The Transition Period. <del>[Consider if this should be open ended.]</del>
<b>Rule 19.2.10</b>	The period commencing <u>[at the end of the Transition Period]</u> .	<b>Rule 19.2.9</b>	The period commencing at the start of the Transition Period and ending at the Scheduled Time for Rule 19.2.9 <del>at the end of the Transition Period]</del> .
<b>Rule 19.2.11</b>	The period commencing <u>[at the end of the Transition Period]</u> .	<b>Rule 19.2.10</b>	The period commencing at the start of the Transition Period and ending at the Scheduled Time for Rule 19.2.10 <del>at the end of the Transition Period]</del> .
<b>Rule 19.2.12</b>	The period commencing <u>[at the end of the Transition Period]</u> .	<b>Rule 19.2.11</b>	The period commencing at the start of the Transition Period <del>[at the end of the Transition Period]</del> .
<b>Rule 19.3.1</b>	The period commencing <u>[at the start of the Transition Period]</u> .	<b>Rule 19.2.12</b>	The period commencing <del>[at the end of the Transition Period]</del> .
<b>Rule 19.3.2</b>	The period commencing on the date that is <u>[2 Business Days prior to the Old System Close Date]</u> .	<b>Rule 19.3.1</b>	The period commencing <del>[at the start of the Transition Period]</del> .
<b>Rule 19.3.3</b>	The period commencing on the date that is <u>[2 Business Days prior to the Old System Close Date]</u> .		

<b>Rule 19.3.4</b>	The period commencing on the date that is <del>[2 Business Days prior to the Old System Close Date]</del> .	<b>Rule 19.3.2</b>	The period commencing on the date that is <del>[2 Business Days prior to the Old System Close Date]</del> .
<b>Rule 19.4.1</b>	The period commencing on the date that is <del>[2 Business Days prior to the Old System Close Date]</del> .	<b>Rule 19.3.3</b>	The period commencing on the date that is <del>[2 Business Days prior to the Old System Close Date]</del> .
<b>Rule 19.4.2</b>	The period commencing on the date that is <del>[2 Business Days prior to the Old System Close Date]</del> .	<b>Rule 19.3.4</b>	The period commencing on the date that is <del>[2 Business Days prior to the Old System Close Date]</del> .
<b>Rule 19.4.3</b>	The period commencing on the date that is <del>[2 Business Days prior to the Old System Close Date]</del> .	<b>Rule 19.3.5</b>	The period commencing at the start of the Transition Period.
<b>Rule 19.5.1</b>	The period commencing on the date that is <del>[4 Business Days prior to the Old System Close Date]</del> and ending <del>[at the end of the Transition Period]</del> .	<b>Rule 19.4.1</b>	The period commencing on the date that is <del>[2 Business Days prior to the Old System Close Date]</del> .
<b>Rule 19.5.2</b>	The period commencing on the date that is <del>[4 Business Days prior to the Old System Close Date]</del> and ending <del>[at the end of the Transition Period]</del> .	<b>Rule 19.4.2</b>	The period commencing on the date that is <del>[2 Business Days prior to the Old System Close Date]</del> .
<b>Rule 19.5.3</b>	The period commencing on the date that is <del>[4 Business Days prior to the Old System Close Date]</del> and ending <del>[at the end of the Transition Period]</del> .	<b>Rule 19.4.3</b>	The period commencing on the date that is <del>[2 Business Days prior to the Old System Close Date]</del> .
<b>Rule 19.5.4</b>	The period commencing on the date that is <del>[4 Business Days prior to the Old System Close Date]</del> and ending <del>[at the end of the Transition Period]</del> .	<b>Rule 19.5.1</b>	The period commencing at Fund Request Cut-Off on the date that is <del>[43 Business Days prior to the Old System Close Date]</del> and ending <del>[at the end of the Transition Period]</del> .  <b>Note:</b> To illustrate, if the Old System Close Date is on a Friday, this Rule commences at 11:00am on the Tuesday before the Old System Close Date.
		<b>Rule 19.5.2</b>	The period commencing at Fund Request Cut-Off on the date that is <del>[43 Business Days prior</del>

<b>Rule 19.5.5</b>	The period commencing on the date that is <del>4</del> Business Days prior to the Old System Close Date].	to the Old System Close Date] and ending <del>at</del> the end of the Transition Period].  <i>Note: To illustrate, if the Old System Close Date is on a Friday, this Rule commences at 11:00am on the Tuesday before the Old System Close Date.</i>
<b>Rule 19.5.6</b>	The period commencing on the date that is <del>4</del> Business Days prior to the Old System Close Date].	<b>Rule 19.5.3</b> The period commencing at Fund Request Cut-Off on the date that is <del>4</del> 3 Business Days prior to the Old System Close Date] and ending <del>at</del> the end of the Transition Period].  <i>Note: To illustrate, if the Old System Close Date is on a Friday, this Rule commences at 11:00am on the Tuesday before the Old System Close Date.</i>
<b>Rule 19.5.7</b>	The period commencing on the date that is <del>4</del> Business Days prior to the Old System Close Date].	<b>Rule 19.5.4</b> The period commencing at Fund Request Cut-Off on the date that is <del>4</del> 3 Business Days prior to the Old System Close Date] and ending <del>at</del> the end of the Transition Period].  <i>Note: To illustrate, if the Old System Close Date is on a Friday, this Rule commences at 11:00am on the Tuesday before the Old System Close Date.</i>
		<b>Rule 19.5.5</b> The period commencing at Fund Request Cut-Off on the date that is <del>3</del> 4 Business Days prior to the Old System Close Date].  <i>Note: To illustrate, if the Old System Close Date is on a Friday, this Rule commences at 11:00am on the Tuesday before the Old System Close Date.</i>
		<b>Rule 19.5.6</b> The period commencing at Fund Request Cut-Off on the date that is <del>3</del> 4 Business Days prior to the Old System Close Date].  <i>Note: To illustrate, if the Old System Close Date is on a Friday, this Rule commences at 11:00am on the Tuesday before the Old System Close Date.</i>

	<u>Rule 19.5.7</u>	<p>The period commencing at <u>Fund Request Cut-Off</u> on the date that is <del>3</del><sup>4</sup> Business Days prior to the <u>Old System Close Date</u>.</p> <p><u>Note: To illustrate, if the Old System Close Date is on a Friday, this Rule commences at 11:00am on the Tuesday before the Old System Close Date.</u></p>
<p><b>19.2.6</b>    <u>PROCEDURE 19.2.6 REMEDIATION OF REGISTRATION DETAILS BY ASX SETTLEMENT DURING TRANSITION PERIOD</u></p> <p><u>For the purposes of Rule 19.2.6(a), the types of Non-Compliance are:</u></p> <p>(a) <u>more than one Holder name is recorded and the Holder Record relates to a Direct Account or Clearing Account;</u></p> <p>(b) <u>more than four Holder names are recorded and the Holder Record relates to a Participant Sponsored Account;</u></p> <p>(c) <u>no comma character is recorded;</u></p> <p>(d) <u>more than one comma character is recorded;</u></p> <p>(e) <u>one or more characters is recorded between:</u></p> <p style="padding-left: 20px;">(i) <u>a closed angle bracket which ASX Settlement reasonably considers to represent the end of a designation; and</u></p> <p style="padding-left: 20px;">(ii) <u>a comma character which ASX Settlement reasonably considers to represent the end of the Holder name and designation field;</u></p> <p>(f) <u>an invalid country code is recorded;</u></p>	<p><u>PROCEDURE 19.2.6 REMEDIATION OF REGISTRATION DETAILS BY ASX SETTLEMENT DURING TRANSITION PERIOD</u></p> <p><u>For the purposes of Rule 19.2.6(a), the types of Non-Compliance are:</u></p> <p>(a) <u>more than one Holder name is recorded and the Holder Record relates to a Direct Account or Clearing Account;</u></p> <p>(b) <u>more than four Holder names are recorded and the Holder Record relates to a Participant Sponsored Account;</u></p> <p>(c) <u>no comma character is recorded;</u></p> <p>(d) <u>more than one comma character is recorded;</u></p> <p>(e) <u>one or more characters is recorded between:</u></p> <p style="padding-left: 20px;">(i) <u>a closed angle bracket which ASX Settlement reasonably considers to represent the end of a designation; and</u></p> <p style="padding-left: 20px;">(ii) <u>a comma character which ASX Settlement reasonably considers to represent the end of the Holder name and designation field;</u></p> <p>(f) <u>an invalid country code is recorded;</u></p>	<p>ASX identified</p>

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- (g) a Holder name is recorded that contains more than 80 characters;
  - (h) a designation is recorded that contains more than 35 characters;
  - (i) no character or characters are recorded for the Holder name or address;
  - (j) no character or characters are recorded for the Holder name after plus (“+”) character;
  - (k) a Residency Indicator of “M” is recorded and the Holder Record relates to a Clearing Account;
  - (l) no “EST” is recorded before the name of the deceased Holder in a Holder Record to which a Holder Record Lock has been applied due to Notice of Death of the relevant Holder; or
  - (m) any other Non-Compliance exists as determined by ASX Settlement in its absolute discretion.

For the purposes of Rule 19.2.6(c), where ASX Settlement identifies a Non-Compliance of a type specified in the Procedure for Rule 19.2.6(a) as reproduced below, ASX Settlement will make the following remediations of Registration Details:

- (a) where more than one Holder name is recorded and the Holder Record relates to a Direct Account or Clearing Account, ASX Settlement will remove the name of each Holder other than the first-named Holder;
- (b) where more than four Holders are recorded and the Holder Record relates to a Participant Sponsored Account, ASX Settlement will remove the Holder

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- (g) a Holder name is recorded that contains more than 80 characters;
  - (h) a designation is recorded that contains more than 35 characters;
  - (i) no character or characters are recorded for the Holder name or address;
  - (j) no character or characters are recorded for the Holder name after plus (“+”) character;
  - (k) a Residency Indicator of “M” is recorded and the Holder Record relates to a Clearing Account; or
  - ~~(l) no “EST” is recorded before the name of the deceased Holder in a Holder Record to which a Holder Record Lock has been applied due to Notice of Death of the relevant Holder; or~~
  - (lm) any other Non-Compliance exists as determined by ASX Settlement in its absolute discretion.

For the purposes of Rule 19.2.6(c), where ASX Settlement identifies a Non-Compliance of a type specified in the Procedure for Rule 19.2.6(a) as reproduced below, ASX Settlement will make the following remediations of Registration Details:

- (a) where more than one Holder name is recorded and the Holder Record relates to a Direct Account or Clearing Account, ASX Settlement will remove the name of each Holder other than the first-named Holder;
  - (b) where more than four Holders are recorded and the Holder Record relates to a Participant Sponsored Account, ASX Settlement will remove the Holder
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<p><u>names that are recorded after the fourth-named Holder;</u></p> <p><u>(c) where the Registration Details do not contain a comma character, ASX Settlement will insert a comma character immediately after what ASX Settlement reasonably considers to be:</u></p> <p><u>(i) if a designation is present, the closed angle bracket at the end of the designation;</u></p> <p><u>(ii) if a designation is not present, the name of the Holder (in the case of a Holder Record with a single Holder) or last-named Holder (in the case of a Holder Record with joint Holders);</u></p> <p><u>(d) where the Registration Details contain more than one comma character, ASX Settlement will remove any comma character that is not placed immediately after what ASX Settlement reasonably considers to be:</u></p> <p><u>(i) if a designation is present, the closed angle bracket at the end of the designation;</u></p> <p><u>(ii) if a designation is not present, the name of the Holder (in the case of a Holder Record with a single Holder) or last-named Holder (in the case of a Holder Record with joint Holders);</u></p> <p><u>(e) where the Registration Details contain one or more characters between:</u></p>	<p><u>names that are recorded after the fourth-named Holder;</u></p> <p><u>(c) where the Registration Details do not contain a comma character, ASX Settlement will insert a comma character immediately after what ASX Settlement reasonably considers to be:</u></p> <p><u>(i) if a designation is present, the closed angle bracket at the end of the designation;</u></p> <p><u>(ii) if a designation is not present, the name of the Holder (in the case of a Holder Record with a single Holder) or last-named Holder (in the case of a Holder Record with joint Holders);</u></p> <p><u>(d) where the Registration Details contain more than one comma character, ASX Settlement will remove any comma character that is not placed immediately after what ASX Settlement reasonably considers to be:</u></p> <p><u>(i) if a designation is present, the closed angle bracket at the end of the designation;</u></p> <p><u>(ii) if a designation is not present, the name of the Holder (in the case of a Holder Record with a single Holder) or last-named Holder (in the case of a Holder Record with joint Holders);</u></p> <p><u>(e) where the Registration Details contain one or more characters between:</u></p>
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- (i) a closed angle bracket which ASX Settlement reasonably considers to represent the end of a designation; and
  - (ii) a comma character which ASX Settlement reasonably considers to represent the end of the Holder name and designation field.

ASX Settlement will move that comma character so that it is located immediately after the closed angle bracket;

- (f) where the Registration Details contain an invalid country code, ASX Settlement will:
  - (i) if ASX Settlement can reasonably infer the correct country code by reference to the address specified in the Registration Details, replace the country code with what ASX Settlement reasonably considers to be the correct country code; or
  - (ii) if ASX is unable to reasonably infer the correct country code by reference to the address specified in the Registration Details, change the country code to “ZZ”;
- (g) where a Holder name in the Registration Details contains more than 80 characters, ASX Settlement will remove the characters in the name of that Holder which occur after the 80th character;
- (h) where a designation in the Registration Details contains more than 35 characters, ASX Settlement will remove the characters in the designation which occur after the 35th character;

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- (i) a closed angle bracket which ASX Settlement reasonably considers to represent the end of a designation; and
  - (ii) a comma character which ASX Settlement reasonably considers to represent the end of the Holder name and designation field.

ASX Settlement will move that comma character so that it is located immediately after the closed angle bracket;

- (f) where the Registration Details contain an invalid country code, ASX Settlement will:
    - (i) if ASX Settlement can reasonably infer the correct country code by reference to the address specified in the Registration Details, replace the country code with what ASX Settlement reasonably considers to be the correct country code; or
    - (ii) if ASX is unable to reasonably infer the correct country code by reference to the address specified in the Registration Details, change the country code to “ZZ”;
  - (g) where a Holder name in the Registration Details contains more than 80 characters, ASX Settlement will remove the characters in the name of that Holder which occur after the 80th character;
  - (h) where a designation in the Registration Details contains more than 35 characters, ASX Settlement will remove the characters in the designation which occur after the 35th character;
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- (i) where the address or name in the Registration Details is missing, ASX Settlement will insert one dash character (“-”) as the relevant address or name (as applicable);
- (j) where no character or characters are recorded for the Holder name after a plus (“+”) character, ASX Settlement will remove the plus (“+”) character;
- (k) where a Residency Indicator of “M” is recorded and the Holder Record relates to a Clearing Account, ASX Settlement will change the Residency Indicator if it is notified of a change to the Residency Indicator during the Transition Period;
- (l) where no “EST” is recorded before the name of the deceased Holder in a Holder Record to which a Holder Record Lock has been applied due to Notice of Death of the relevant Holder, ASX Settlement will prepend “EST” before the name of the deceased Holder; or
- (m) where any other kind of Non-Compliance exists in the Registration Details, ASX Settlement may change the Registration Details as it considers appropriate to address the Non-Compliance.

For the purposes of Rule 19.2.6(d), the notice to be given by ASX Settlement is a notice:

- (a) notifying:
- (i) the Participant authorised to operate one or more Holdings linked to the Holder Record that there has been a remediation of the Registration Details recorded in the Holder Record;

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- (i) where the address or name in the Registration Details is missing, ASX Settlement will insert one dash character (“-”) as the relevant address or name (as applicable);
- (j) where no character or characters are recorded for the Holder name after a plus (“+”) character, ASX Settlement will remove the plus (“+”) character;
- (k) where a Residency Indicator of “M” is recorded and the Holder Record relates to a Clearing Account, ASX Settlement will change the Residency Indicator if it is notified of a change to the Residency Indicator during the Transition Period; or
- ~~(l) where no “EST” is recorded before the name of the deceased Holder in a Holder Record to which a Holder Record Lock has been applied due to Notice of Death of the relevant Holder, ASX Settlement will prepend “EST” before the name of the deceased Holder; or~~
- ~~(m) where any other kind of Non-Compliance exists in the Registration Details, ASX Settlement may change the Registration Details as it considers appropriate to address the Non-Compliance.~~

For the purposes of Rule 19.2.6(d), the notice to be given by ASX Settlement is a notice:

- (a) notifying:
- (i) the Participant authorised to operate one or more Holdings linked to the Holder Record that there has been a remediation of the Registration Details recorded in the Holder Record;

	<p>(ii) <u>in respect of each class of Financial Products in a CHESS Holding linked to the Holder Record, the Issuer of those Financial Products that there has been a remediation of Registration Details recorded in the Holder Record; and</u></p> <p>(b) <u>if the Holder Record has been established on behalf of a Participant Sponsored Holder, notifying the Participant Sponsored Holder that there has been a remediation of Registration Details recorded in the Holder Record.</u></p>	<p>(ii) <u>in respect of each class of Financial Products in a CHESS Holding linked to the Holder Record, the Issuer of those Financial Products that there has been a remediation of Registration Details recorded in the Holder Record; and</u></p> <p>(b) <u>if the Holder Record has been established on behalf of a Participant Sponsored Holder, notifying the Participant Sponsored Holder that there has been a remediation of Registration Details recorded in the Holder Record.</u></p>	
19.2.7 (heading)	PROCEDURE 19.2.7 CONVERSION AND MIGRATION OF HOLDER RECORDS	PROCEDURE 19.2.7 CONVERSION AND MIGRATION OF HOLDER RECORDS	ASX identified
	....	....	

Table 3: ASX Clear Operating Rules

Rule	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A
2.13	[No change proposed]	<p><del>“CHESS” means the post trade system stands for the Clearing House Electronic Subregister System as</del> operated by:</p> <p>(a) ASX Clear for the purpose of clearing Cash Market Transactions and Cash CCP Transactions; and</p> <p>(b) ASX Settlement for the purpose of settling transactions in Approved Financial Products,</p>	Row 13

transferring Financial Products and registering transfers.

*Note: The CHES system was previously called the Clearing House Electronic Subregister System.*

12.6.2A	12.6.2A Obligations under Offsetting Transaction Arrangement relating to Failed CCP <del>Net</del> Batch Instruction	12.6.2A Obligations under Offsetting Transaction Arrangement relating to Failed CCP <del>Net</del> Batch Instruction	Row 13
	<p>Where the Approved Settlement Facility notifies ASX Clear of Failed CCP <del>Net</del> Batch Instructions under Rule 12.8A and pursuant to that Rule ASX Clear enters into an Offsetting Transaction Arrangement with the Participant that has obligations or entitlements under the Failed CCP <del>Net</del> Batch Instruction, then:</p>	<p>Where the Approved Settlement Facility notifies ASX Clear of Failed CCP <del>Net</del> Batch Instructions under Rule 12.8A and pursuant to that Rule ASX Clear enters into an Offsetting Transaction Arrangement with the Participant that has obligations or entitlements under the Failed CCP <del>Net</del> Batch Instruction, then:</p>	
	<p>(a) obligations and entitlements under the first leg of an Offsetting Transaction Arrangement entered into in respect of each such Failed CCP <del>Net</del> Batch Instruction will be set-off against and discharged by equal but opposite obligations and entitlements under the Failed CCP <del>Net</del> Batch Instruction in the manner set out in Rule 12.8A;</p>	<p>(a) obligations and entitlements under the first leg of an Offsetting Transaction Arrangement entered into in respect of each such Failed CCP <del>Net</del> Batch Instruction will be set-off against and discharged by equal but opposite obligations and entitlements under the Failed CCP <del>Net</del> Batch Instruction in the manner set out in Rule 12.8A;</p>	
	<p>(b) obligations and entitlements under the second leg of an Offsetting Transaction Arrangement entered into in respect of each such Failed CCP <del>Net</del> Batch Instruction will also be included as delivery and payment obligations or entitlements (as applicable) of the Participant for the PID to which those</p>	<p>(b) obligations and entitlements under the second leg of an Offsetting Transaction Arrangement entered into in respect of each such Failed CCP <del>Net</del> Batch Instruction will also be included as delivery and payment obligations or entitlements (as applicable) of the Participant for the PID to which those</p>	

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Failed CCP ~~Net~~-Batch Instructions related in the class of Financial Products due for settlement on the next Business Day;

(c) where the Failed CCP Batch Instruction is a CCP Market Trade Batch Instruction or a CCP Gross Batch Instruction, ASX Clear will, within the time specified in the Procedures, send to the Approved Settlement Facility a CCP Offsetting Transaction Arrangement Batch Instruction containing the details specified in the Procedures in respect of:

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(i) the net delivery obligation or entitlement of a Participant for each PID under the second leg of the Offsetting Transaction Arrangements entered into in respect of all CCP Market Trade Batch Instructions that are Failed on a Settlement Date in that class of Financial Product; and

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(ii) the associated net payment obligation or entitlement of the Participant for each PID under the second leg of the Offsetting Transaction Arrangements entered into in respect of all CCP Market Trade Batch Instructions that are Failed on that

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Failed CCP ~~Net~~-Batch Instructions related in the class of Financial Products due for settlement on the next Business Day;

(c) where the Failed CCP Batch Instruction is a CCP Market Trade Batch Instruction ~~or a CCP Gross Batch Instruction~~, ASX Clear will, within the time specified in the Procedures, send to the Approved Settlement Facility a CCP Offsetting Transaction Arrangement Batch Instruction containing the details specified in the Procedures in respect of:

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(i) the net delivery obligation or entitlement of a Participant for each PID under the second leg of the Offsetting Transaction Arrangements entered into in respect of all CCP Market Trade Batch Instructions that are Failed on a Settlement Date in that class of Financial Product; and

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(ii) the associated net payment obligation or entitlement of the Participant for each PID under the second leg of the Offsetting Transaction Arrangements entered into in respect of all CCP Market Trade Batch Instructions that are Failed on that

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Settlement Date in that class of Financial Product; and

- (iii) where both of the following apply:
- (A) a Participant (or its Settlement Agent) operates multiple Settlement Accounts for the settlement of CCP Batch Instructions in respect of a PID of the Participant; and
  - (B) the CCP Market Trade Batch Instructions in a class of Financial Products that are Failed on a Settlement Date relate to more than one of those Settlement Accounts.  
ASX Clear will send to the Approved Settlement Facility a separate CCP Offsetting Transaction Arrangement Batch Instruction in respect of each Settlement Account to which the Failed CCP Market Trade Batch Instructions relate.

Settlement Date in that class of Financial Product; and

- (iii) where both of the following apply:
- (A) a Participant (or its Settlement Agent) operates multiple Settlement Accounts for the settlement of CCP Batch Instructions in respect of a PID of the Participant; and
  - (B) the CCP Market Trade Batch Instructions in a class of Financial Products that are Failed on a Settlement Date relate to more than one of those Settlement Accounts.  
ASX Clear will send to the Approved Settlement Facility a separate CCP Offsetting Transaction Arrangement Batch Instruction in respect of each Settlement Account to which the Failed CCP Market Trade Batch Instructions relate.
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and will notify the Participant of the  
CCP Offsetting Transaction  
Arrangement Batch Instruction; and

(d) where the Failed CCP Batch Instruction  
is a CCP Rescheduled Batch Instruction,  
a CCP Offsetting Transaction  
Arrangement Batch Instruction or a  
CCP Isolate Counterparty Batch  
Instruction:

(i) the CCP Net Batch Instructions  
due for settlement on a Business  
Day in respect of that Participant  
will ~~, in addition to the CCP Net  
Batch Instructions notified  
under Rule 12.6.2, also~~ include  
separate ~~CCP Net Batch  
Instructions~~ CCP Offsetting  
Transaction Arrangement Batch  
Instructions containing details of  
delivery and payment  
obligations and entitlements (as  
applicable) of the Participant  
under the second leg of each  
Offsetting Transaction  
Arrangement entered into in  
respect of a CCP Rescheduled  
Batch Instruction, CCP  
Offsetting Transaction  
Arrangement Batch Instruction  
or CCP Isolate Counterparty  
Batch Instruction ~~CCP Net Batch  
Instruction~~ (and representing  
equivalent delivery and payment

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and will notify the Participant of the  
CCP Offsetting Transaction  
Arrangement Batch Instruction; and

(d) where the Failed CCP Batch Instruction  
is a CCP Rescheduled Batch Instruction,  
a CCP Offsetting Transaction  
Arrangement Batch Instruction or a  
CCP Isolate Counterparty Batch  
Instruction:

(i) the CCP Net Batch Instructions  
due for settlement on a Business  
Day in respect of that Participant  
will ~~, in addition to the CCP Net  
Batch Instructions notified  
under Rule 12.6.2, also~~ include  
separate ~~CCP Net Batch  
Instructions~~ CCP Offsetting  
Transaction Arrangement Batch  
Instructions containing details of  
delivery and payment  
obligations and entitlements (as  
applicable) of the Participant  
under the second leg of each  
Offsetting Transaction  
Arrangement entered into in  
respect of a CCP Rescheduled  
Batch Instruction, CCP  
Offsetting Transaction  
Arrangement Batch Instruction  
or CCP Isolate Counterparty  
Batch Instruction ~~CCP Net Batch  
Instruction~~ (and representing  
equivalent delivery and payment

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obligations and entitlements of the Participant (as applicable) as under the [CCP Net Batch Instruction](#)[CCP Rescheduled Batch Instruction](#), [CCP Offsetting Transaction Arrangement Batch Instruction](#) or [CCP Isolate Counterparty Batch Instruction](#)) Failed on the previous Business Day relating to that PID and class of Financial Products; and

(~~ii~~) ~~an instruction~~[CCP Offsetting Transaction Arrangement Batch Instructions](#) will be deemed to have been generated by ASX Clear and sent to the Approved Settlement Facility which contains the details referred to in (~~ed~~)(~~i~~) above.

obligations and entitlements of the Participant (as applicable) as under the [CCP Net Batch Instruction](#)[CCP Rescheduled Batch Instruction](#), [CCP Offsetting Transaction Arrangement Batch Instruction](#) or [CCP Isolate Counterparty Batch Instruction](#)) Failed on the previous Business Day relating to that PID and class of Financial Products; and

(~~ii~~) ~~an instruction~~[CCP Offsetting Transaction Arrangement Batch Instructions](#) will be deemed to have been generated by ASX Clear and sent to the Approved Settlement Facility which contains the details referred to in (~~ed~~)(~~i~~) above.

**Table 4: ASX Clear Operating Rules Procedures**

Procedure	Change proposed in tranche 3 and combined rules consultation paper	Revised change following tranche 3 and combined rules feedback or ASX identified	Reference to Attachment A								
24.1.2	<a href="#">For the purposes of Rule 24.1.2, the Rules in Section 24 becomes effective from the dates specified in the table below:</a>	<a href="#">For the purposes of Rule 24.1.2, the Rules in Section 24 becomes effective from the dates specified in the table below:</a>	ASX identified								
	<table border="1"> <thead> <tr> <th>Rule</th> <th>Effective Period</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Rule	Effective Period			<table border="1"> <thead> <tr> <th>Rule</th> <th>Effective Period</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Rule	Effective Period			
Rule	Effective Period										
Rule	Effective Period										



<b>Rule 24.1.1</b>	The period commencing on the date [6 months prior to the Old System Close Date ( <i>insert earliest start date in this table</i> )] [and ending on the date which ASX Clear notifies Facility Users on which Section 24 ceases to be effective].	<b>Rule 24.1.1</b>	The period commencing on the date <del>6</del> months prior to the Old System Close Date ( <i>insert earliest start date in this table</i> ) <del>] [and ending on the date which ASX Clear notifies Facility Users on which Section 24 ceases to be effective]</del> .
<b>Rule 24.1.2</b>	The period commencing on the date [6 months prior to the Old System Close Date ( <i>insert earliest start date in this table</i> )] [and ending on the date which ASX Clear notifies Facility Users on which Section 24 ceases to be effective].	<b>Rule 24.1.2</b>	The period commencing on the date <del>6</del> months prior to the Old System Close Date ( <i>insert earliest start date in this table</i> ) <del>] [and ending on the date which ASX Clear notifies Facility Users on which Section 24 ceases to be effective]</del> .
<b>Rule 24.2.1</b>	The period commencing on the date that is [2 Business Days prior to the Old System Close Date].	<b>Rule 24.2.1</b>	The period commencing on the date that is <del>2</del> Business Days prior to the Old System Close Date <del>].</del>
<b>Rule 24.2.2</b>	The period commencing on the date that is [2 Business Days prior to the Old System Close Date].	<b>Rule 24.2.2</b>	The period commencing on the date that is <del>2</del> Business Days prior to the Old System Close Date <del>].</del>
<b>Rule 24.3.1</b>	The period commencing on the date that is [1 Business Day prior to the Old System Close Date].	<b>Rule 24.3.1</b>	The period commencing on the date that is <del>1</del> Business Day prior to the Old System Close Date <del>].</del>
<b>Rule 24.4.1</b>	The period commencing on the date that is [2 Business Days prior to the Old System Close Date].	<b>Rule 24.4.1</b>	The period commencing on the date that is <del>2</del> Business Days prior to the Old System Close Date <del>].</del>
<b>Rule 24.4.2</b>	The period commencing on the date that is [2 Business Days prior to the Old System Close Date].	<b>Rule 24.4.2</b>	The period commencing on the date that is <del>2</del> Business Days prior to the Old System Close Date <del>].</del>

## ASX SETTLEMENT OPERATING RULES

### SECTION 1 INTRODUCTION AND GENERAL RULES

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#### 1.10 NOTICE, NOTIFICATION AND SERVICE OF DOCUMENTS

##### 1.10.1 Interpretation

In these Rules, a reference to notifying a person of any matters includes a reference to:

- (a) giving Notice of those matters to the person; or
- (b) Transmitting a Message containing those matters to the person.

For the purposes of these Rules, a Message which is Transmitted by ASX Settlement or a Facility User will be taken to be received when the Message is made available for collection by the other party in ~~the a~~ Message collection facility in accordance with the User Technical Documentation~~provided in the Settlement Facility for Messages passing between ASX Settlement and Facility Users.~~

If any Rule requires or permits the giving of Notice of any matters to a person, the Rule requires or permits the giving to that person of a written document containing those matters. Without limiting any other provision of this Rule 1.10, any Notice to be given by a Facility User to ASX Settlement must be given to the person holding the position notified by ASX Settlement to Facility Users and may be given in the manner set out in the Procedures. Any Notice to be given by ASX Settlement to a person, firm or corporation may be given in the manner set out in the Procedures.

Introduced 11/03/04 Origin SCH 21.7.1, 21.7.2, 21.7.3 Amended 09/07/08

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### SECTION 2 DEFINITIONS AND INTERPRETATION

This Section contains the definitions and sets out a number of general principles by which these Rules are to be interpreted.

#### 2.1 GENERAL PRINCIPLES OF INTERPRETATION

In these Rules, unless the context otherwise requires:

- (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any regulation or statutory instrument issued under, that legislation or legislative provision;
- (b) a reference to the operating rules of an Approved Clearing Facility, the operating rules of an Approved Market Operator, the Listing Rules, the ASX Enforcement and Appeals Rulebook, these Rules, the Procedures or the Fees and Charges Schedule is a reference to the operating rules, the Listing Rules, that rulebook, these Rules, the Procedures or the Schedule as modified or amended from time to time;
- (c) the singular includes the plural and vice-versa;
- (d) a reference to person, body, corporation, trust, partnership, unincorporated body, firm, association, authority or government includes any of them;
- (e) a word denoting any gender includes all genders;
- (f) if a word or expression is given a particular meaning, another part of speech or grammatical form of that word or expression has a corresponding meaning;
- (g) a reference to power includes a reference to authority and discretion;
- (h) a reference to a Rule (eg Rule 2.4) includes a reference to all sub-Rules included under that Rule (eg Rule 2.5.4);
- (i) a reference to a Section (eg Section 2) includes a reference to all Rules and sub-Rules within that Section;
- (j) a reference to any Rule or Procedure is a reference to that Rule or Procedure as amended from time to time;
- (k) a reference to time is to the time in Sydney, Australia;
- (l) a reference to currency is a reference to Australian currency;
- (m) a reference to writing includes typing, printing, lithography, photography, telex, facsimile or any other mode of representing or reproducing words in a visible form;
- (n) where there is a reference to the power of ASX Settlement to make, demand or impose a requirement there is a corresponding obligation of the relevant Participant to comply with that demand or requirement in all respects;
- (o) a reference to ASX Settlement notifying or giving notice to a Participant or vice-versa is a reference to notifying or giving notice in accordance with Rule 1.10;  
~~and~~
- (p) a reference to records includes any documents and any electronic records which ASX Settlement considers are relevant for the purposes of performing its functions under the Rules; ~~and~~

(q) a reference to a document includes any record of information including when in electronic form.

Introduced 11/03/04 Origin SCH 21.1 Amended 01/08/10, 01/01/12

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## 2.13 DEFINITIONS

### 2.13.1 Definitions used in the Rules

In these Rules, unless the context otherwise requires:

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**“Acceptance Form”** means a document that enables a person to communicate to an Issuer an election in relation to a Corporate Action, including (without limitation):

- (a) an entitlement & acceptance form;
- (b) a provisional letter of issue; ~~and~~
- (c) an application form (whether or not attached to a ~~prospectus~~disclosure document); ~~and~~

(d) a Valid Election Participant Notification Message.

Amended 04/03/1.

...

~~“Accrued RTGS Instruction” mean an RTGS Instruction generated by ASX Settlement to effect a distribution of Financial Products arising from a Corporate Action.~~

...

~~“AIC” stands for Access Identification Code and means a unique code allocated by ASX Settlement under Rule 16.14.~~

...

**“Approved Purpose”** means:

- (a) performing obligations or taking any action under these Rules;
- (b) maintaining the accuracy of the Issuer’s register;
- (c) sending information to the Holder that is connected to the Holder’s Holding with the Issuer;
- (d) any other purpose in respect of which each individual whose Personal Information is being used or disclosed has provided consent; or

(e) any other purpose for which the Issuer may use or disclose the Personal Information as permitted by law.

...

**“Available Financial Products”** means Financial Products that are:

- (a) not in a Locked Holding;
- (b) in the case of Financial Products in an Issuer Sponsored Holding, not reserved under the Listing Rules for the benefit of an Offeror in relation to a takeover scheme;
- (c) in the case of Financial Products in a CHES Holding, not reserved in a Subposition;
- (d) not the subject of a Client Trust Account Amount Message which ASX Settlement treats as a Unilateral Batch Instruction that has been scheduled for settlement.

Amended 25/05/15

...

**“Batch Instruction”** means an instruction to ASX Settlement to effect:

- (a) a Settlement Transfer in Batch Settlement and, if the instruction is for value, payment in DvP Batch Settlement; or
- (b) in respect of a Payment Batch Instruction, payment in Batch Settlement,

and includes:

- (a) a CCP Market Trade ~~Net~~ Batch Instruction;
- (b) a CCP Rescheduled Batch Instruction;
- (c) a CCP Offsetting Transaction Arrangement Instruction;
- (~~d~~) a CCP Isolate Counterparty ~~Gross~~ Batch Instruction;
- (~~e~~) a CCP Derivatives Payment Batch Instruction;
- (~~f~~) a ~~Dual Entry~~ Bilateral Batch Instruction;
- (~~e~~) ~~a Dual Entry Payment Batch Instruction;~~
- (~~g~~) a ~~Single Entry~~ Unilateral Batch Instruction;
- (h) an Accrued Batch Instruction;
- (~~g~~) a Direct Batch Instruction; and
- (~~h~~) an AQUA Payment Batch Instruction.

...

Amended 21/03/14

....

“BIC” stands for business identifier code.

....

“~~Bilateral~~~~Dual Entry~~ **Batch Instruction**” means a Batch Instruction that results from Matched ~~Bilateral~~~~Dual Entry~~ Settlement Messages.

“~~Bilateral~~~~Dual Entry~~ **Batch Message**” means a Message that complies with Rule 10.9.2.

“~~Bilateral~~~~Dual Entry~~ **Demand Message**” means a Message that complies with Rule 9.5.1.

“~~Bilateral~~~~Dual Entry~~ **Demand Transfer**” means a Demand Transfer of Financial Products that gives effect to a ~~Bilateral~~~~Dual Entry~~ Demand Message.

“Bilateral Demand Settlement Instruction” means a RTGS Instruction that results from Matched Bilateral Demand Settlement Messages.

“Bilateral Demand Settlement Message” means a Message that complies with Rule 9.5A.1.

“Bilateral Demand Settlement Transfer” means a Settlement Transfer of Financial Products that results from Matched Bilateral Demand Settlement Messages and gives effect to a RTGS Instruction.

“Bilateral Settlement Message” means a Message that complies with Rule 10.9.2.

...

“Cash CCP Transaction” has the meaning given under the operating rules of the Approved Clearing Facility.

...

~~“Cash Sub-record” means a CHES record:~~

~~(a) — ancillary to a Participant’s Net Position Record; and~~

~~(b) — tagged with an RTGS Account Identifier,~~

~~that tracks amounts to be debited or credited, on settlement of an RTGS Instruction, to the account of the Participant linked to that RTGS Account Identifier.~~

...

“**CCP Batch Instruction**” means ~~either~~ a CCP ~~Gross~~ Market Trade Batch Instruction, ~~or~~ a CCP ~~Net~~ Isolate Counterparty Batch Instruction, a CCP Rescheduled Batch Instruction or a CCP Offsetting Transaction Arrangement Batch Instruction.

...

~~“CCP Gross RTGS Instruction” means an RTGS Instruction to give effect to a transaction that has been novated to CCP but that has not been netted in accordance with the operating rules of the Approved Clearing Facility.~~

...

~~“CCP **Gross Isolate Counterparty Batch Instruction**” means a Batch Instruction generated (excluding a Dual Entry Payment Batch Instruction) to give effect to a transaction that has been novated to CCP but that has not been netted in accordance with the operating rules of the Approved Clearing Facility to give effect to a request to isolate a counterparty in relation to a CCP Rescheduled Batch Instruction or a CCP Offsetting Transaction Arrangement Batch Instruction (as applicable) or a Batch Instruction to give effect to an Offsetting Transaction Arrangement entered into in respect of a Failed CCP Gross Batch Instruction.~~

~~“CCP **Net Market Trade Batch Instruction**” means a Batch Instruction (excluding a Dual Entry Payment Batch Instruction) to give effect to a transaction that has been novated to CCP and netted in accordance with the operating rules of the Approved Clearing Facility or a Batch Instruction to give effect to an Offsetting Transaction Arrangement entered into in respect of a Failed CCP Net Batch Instruction.~~

“CCP **Offsetting Transaction Arrangement Batch Instruction**” means a Batch Instruction generated or deemed to be generated in accordance with the operating rules of the Approved Clearing Facility to give effect to an Offsetting Transaction Arrangement entered into in respect of a Failed CCP Batch Instruction.

“CCP **Rescheduled Batch Instruction**” means a Batch Instruction generated in accordance with the operating rules of the Approved Clearing Facility to give effect to CCP Market Trade Batch Instructions that are:

- (a) Failed due to a Financial Products Shortfall;
- (b) suspended due to the suspension of the approval of a class of an Issuer’s Financial Products; or
- (c) scheduled for settlement on a Business Day that Batch Settlement is cancelled.

...

~~“CHES” stands for the Clearing House Electronic Subregister System~~ means the post trade system operated by:

- (a) ASX Clear for the purpose of clearing Cash Market Transactions and Cash CCP Transactions; and
- (b) ASX Settlement for the purpose of settling transactions in Approved Financial Products, ~~Transferring~~ Transferring Financial Products and registering Transfers.

Note: The CHES system was previously called the Clearing House Electronic Subregister System.

...

**“Client Trust Account Amount Message”** means a Valid ~~Single Entry~~ Unilateral Batch Message to Transfer Financial Products to or from a Settlement Participant’s Settlement Account in connection with the sale or purchase of the Financial Products under a Cash Market Transaction as referred to in Rules 6.3B.2, 6.3B.3 and 6.3B.4.

Introduced 25/05/15

....

**“Communication Preference”** means a code used to indicate whether a Holder of a CHESS Holding wishes to receive communications electronically or by post from ASX Settlement and the Issuer regarding Financial Products in the CHESS Holding.

...

**“Confirmed FOR Indicator”** means, when specified in a Message transmitted by a Participant, that the Participant is seeking to effect a Transfer or Conversion as a Foreign to Foreign Allocation.

*Note:* the indicator to be set in such instances is ~~“OR”~~ identified in the User Technical Documentation

**“Confirmed FOR Financial Products”** means the lesser of either:

- (a) the number of FOR Financial Products in a Holding whose Residency Indicator is recorded by ASX Settlement as ~~“F”~~ foreign, calculated as the current Holding Balance of FOR Financial Products; or
- (b) the number of FOR Financial Products in a Holding whose Residency Indicator is recorded as ~~“F”~~ foreign, at Start of Day, adjusted by:
  - (i) those Financial Products transferred into the Holding pursuant to a Foreign to Foreign Allocation during that Business Day; and
  - (ii) any Conversions of those Financial Products into or out of the Holding; and
  - (iii) those Holding Adjustments initiated by an Issuer pursuant to Rule 5.12.4; less
  - (iv) that number of Financial Products transferred out of the Holding pursuant to a Foreign to Foreign Allocation during that Business Day.

...

**“Corporate Action Election Status Advice Message”** means a Message pursuant to Rule 5.19A.2(c) or 5.19A.4(c) that enables the Issuer to communicate to the Controlling Participant whether an election or a cancellation of an election in relation to a dividend or other distribution reinvestment plan or bonus share plan communicated by the Controlling Participant under Rule 5.19A.2(a) or 5.19A.4(a) has been acknowledged or rejected by the Issuer.



...

~~“Custodial Settlement Participant” means a Settlement Participant that ASX Settlement has determined also meets the requirements set out in Rule 4.19.~~

Introduced 18/12/19

...

~~“Debit Cap” in relation to a Net Position Record for an RTGS Participant, means a facility within the Feeder System that, if activated, enables the Participant’s Net Position Record to go into debit up to the Debit Limit, at any time when the relevant RTGS Payments Provider is deemed to have made the election set out in Rule 11.9.2.~~

~~“Debit Cap Compliant” in Section 11, has the meaning given in Rule 11.20.2.~~

~~“Debit Cap Status” means at any time the status of a Debit Cap as authorised at that time by the RTGS Payments Provider for the relevant RTGS Participant, being either:~~

~~(a) — active; or~~

~~(b) — null (inactive).~~

~~“Debit Limit” in relation to a Debit Cap at any time, means the dollar amount:~~

~~(a) — most recently notified in accordance with Rules 11.9.1(c) and 11.9.3(c); and~~

~~(b) — recorded by ASX Settlement against the Net Position Record to which that Debit Cap applies.~~

~~“Delivery Obligation” in relation to a [DvP](#) RTGS Instruction, means an obligation on the part of one party to deliver certain Financial Products to the other on settlement.~~

...

“Demand Lock” means in relation to a CHES Holding, a facility which prevents the relevant number of Financial Products (including any Entitlements) from being deducted from a Holding unless pursuant to a:

(a) — Bilateral Demand Transfer under Rule 9.5.4; or

(b) — Bilateral Demand Settlement Transfer in connection with a Bilateral Demand Settlement Instruction under Rule 9.5A.6.

...

~~“Dual Entry Payment Batch Instruction” means a Batch Instruction that results from Matched Dual Entry Payment Batch Messages.~~

~~“Dual Entry Payment Batch Message” means a Message that complies with Rule 10.9.2.~~

~~“Dual Entry RTGS Instruction” means an RTGS Instruction that results from Matched Dual Entry RTGS Messages.~~

~~“Dual Entry RTGS Message” means an RTGS Message that relates to a DvP RTGS Transaction.~~

~~“Dual Entry Switch to Batch Settlement Message” in relation to a Dual Entry RTGS Instruction, means a Message that, in accordance with the requirements of the EIS, requests that an RTGS Instruction be removed from Real Time Gross Settlement and included in Batch Settlement under Section 10.~~

~~“Dual Entry Switch to RTGS Message” means a Message that, in accordance with the requirements of the EIS, requests that an Batch Instruction be removed from DvP Batch Settlement and included in Real Time Gross Settlement under Section 11.~~

...

**“DvP Notification”** means the notification of DvP and Payments Only Declaration to be given by ASX Settlement to a Payments Provider under the Standard ~~Client Bank Deed~~ Payments Provider Deed.

...

**“DvP RTGS Instruction”** means a Bilateral Demand Settlement Instruction ~~n RTGS Instruction that identifies a Payment Obligation and a Delivery Obligation.~~

....

**“Election Cancellation Message”** means a Message pursuant to Rule 5.19A.4(a) or 5.19A.4(e) that enables the Controlling Participant or the Issuer to communicate to the Issuer or the Controlling Participant (as applicable) a cancellation of a pending election request or an election in relation to a dividend or other distribution reinvestment plan or bonus share plan for a CHESS Holding.

...

**“Election Option Type”** means an election for cash or for the issue of Financial Products under a dividend or other distribution reinvestment plan or bonus share plan.

**“Election Participant Notification Message”** means a Message pursuant to Rule 5.19A.2(a) that enables the Controlling Participant to communicate to the Issuer an election in relation to a dividend or other distribution reinvestment plan or bonus share plan for a CHESS Holding.

...

**“Entity Type”** means a code used to indicate the entity type of each Holder (for example a natural person or company).

...

**“Excess Financial Products”** means:

- (a) those FOR Financial Products determined by an Issuer that cause the Foreign Ownership Percentage Level to be exceeded; or

- (b) with the exception of a Foreign to Foreign Allocation, those FOR Financial Products determined by an Issuer, where the Issuer is authorised to do so under its constitution or governing legislation, to have been transferred into a Holding with a Residency Indicator of [foreign \(as identified in the User Technical Documentation\)](#) “F”, on the day when the Foreign Ownership Percentage Level Foreign Holder Percentage Level is exceeded.

...

~~“Excluded Cash Sub-record” means a Cash Sub-record so designated by an RTGS Participant for the purposes of Rule 11.20.~~

....

“Feeder System Queue” means the facility within the Feeder System to:

- (a) [enable an RTGS Payments Provider to authorise within CHES a Payment Obligation it is required to perform in respect of an RTGS Instruction](#) ~~test RTGS Instructions within CHES~~ in the manner contemplated by Rules ~~11.22, 11.18, 11.19 and 11.20~~; and
- (b) hold and allow ASX Settlement to monitor unsettled RTGS Instructions during the RTGS Settling Phase.

....

“Financial Products Shortfall” means (the number that is greater than zero, where the number is calculated by the total number of Financial Products of a class projected to be delivered from a Holding in Scheduled Settlement on a Business Day) less the sum of the [available](#) number of Financial Products of that class in that Holding at Settlement Cut-Off on that Business Day and of the total number of Financial Products of that class projected to be received into that Holding in Scheduled Settlement on that Business Day where:

$SS = D - (H + R)$  and:

SS is the Financial Products Shortfall

D is the total number of Financial Products of a class projected to be delivered from the Holding

H is the number of [available](#) Financial Products of a class in the Holding

R is the total number of Financial Products of a class projected to be received into the Holding.

...

~~“Foreign Confirmed Holding Net Movement Report” means a report that:~~

- ~~(a) ——— for the specified period; and~~

~~(b) in respect of each CHESS Holding containing Confirmed FOR Financial Products in the specified~~

~~sets out a summary on a daily basis of:~~

~~(c) total units added to the Holding pursuant to Foreign to Foreign Allocations;~~

~~(d) total units deducted from the Holding pursuant to Foreign to Foreign Allocations;~~

~~(e) total units added to the Holding of Confirmed FOR Financial Products as a result of registry authorised transactions;~~

~~(f) total units deducted from the Holding of Confirmed FOR Financial Products as a result of registry authorised transactions; and~~

~~(g) the end of day closing balance for the Holding.~~

“Foreign Bank” means a foreign corporation that is authorised to carry on banking or deposit-taking business in a country other than Australia.

“Foreign Bank Account” means an account held with a Foreign Bank.

...

“**Foreign Person**” means, where specified pursuant to Rule 8.7.2, that the Holder has notified the Controlling Participant that the beneficial owner of the Financial Products in the Holding, for the purposes of legislation or under the constitution of an Issuer whose Financial Products are included in Schedule 1:

(a) is a foreign person;

(b) is an associate of a foreign person; or

(c) has a beneficial interest in the Financial Products, part of that beneficial interest vesting in a Foreign Person,

other than persons, associates or interests which the legislation or constitution ignores or excludes for the purposes of aggregate foreign ownership restrictions.

*Note:* a Residency Indicator of foreign (as identified in the User Technical Documentation) “~~F~~” denotes a Foreign Person

...

“**Foreign to Foreign Allocation**” means a Transfer or Conversion of Confirmed FOR Financial Products, including a Transfer pursuant to a transaction effected in accordance with the operating rules of an Approved Market Operator, where the Residency Indicator of both the Source and Target Holdings is foreign (as identified in the User Technical Documentation) “~~F~~”, thus resulting in a Holding of Confirmed FOR Financial Products.

Amended 18/12/06

...

**“Holder Record”** means [the information recorded by ASX Settlement in CHESS in relation to a HIN for the purpose of operating one or more CHESS Holdings, including the Registration Details, the HIN, and the Holder Type, Ownership Type, Communication Preference, the UUID for each Holder and Entity Type for each Holder as recorded by ASX Settlement in CHESS for the purpose of operating one or more CHESS Holdings.](#)

**“Holder Record Lock”** means a facility that prevents Financial Products from being ~~deduced~~ [deducted](#) from any current Holding to which the relevant Holder Record applies, pursuant to a Transfer or Conversion.

...

**“Holding Net Movement Report”** means a report that:

- (a) for the specified period; and
- (b) in respect of each CHESS Holding of Financial Products in the specified class that has undergone a Holding Balance change during the specified period,
- (c) sets out, a summary ~~on a daily basis~~ of [the following for the specified period](#):
  - (i) total units added to the Holding;
  - (ii) total units deducted from the Holding;
  - (iii) total units added to the Holding as a result of registry authorised transactions;
  - (iv) total units deducted from the Holding as a result of registry authorised transactions; and
  - (v) the ~~End of Day~~ closing balance for the Holding.

*Note: [In relation to a CHESS Holding containing Confirmed FOR Financial Products, the Holding Net Movement Report will also include details regarding those Confirmed FOR Financial Products, including setting out a summary of total units added to or deducted from the Holding of Confirmed FOR Financial Products, including pursuant to Foreign to Foreign Allocations.](#)*

...

**“Linked CCP Instructions”** means [CCP Isolate Counterparty Batch Instructions that are linked for the purpose of Batch Settlement under Rule 10.9.19.](#)

**“Linked Instructions”** means [Bilateral Batch Instructions or Unilateral Batch Instructions that are linked for the purpose of Batch Settlement under Rule 10.9.18.](#)

....

**“Locked”** in relation to a Holding, means subject to a Holding Lock, [Settlement Lock](#), [Demand Lock](#) or a Holder Record Lock.

...

~~“MAC” stands for Message Authentication Code, and means a code appended to a Message by ASX Settlement or a Facility User for the purpose of enabling the recipient of the Message to confirm the identity of the Facility User Transmitting the Message.~~

...

“Matched Messages” means:

- ~~(a) in relation to Dual Entry RTGS Messages, Messages that are Matched under Rule 9.5A.4 or 11.13.3;~~
- ~~(a**b**)~~ in relation to ~~Dual Entry~~ Bilateral Batch Messages, Messages that are Matched under Rule ~~9.5.2 or~~ 10.9.3;
- ~~(c) in relation to Dual Entry Switch to Batch Settlement Messages, Messages that are Matched under Rule 11.12.3;~~
- ~~(d) in relation to Dual Entry Switch to RTGS Messages, Messages that are Matched under Rule 10.6.1 or 10.11.8; and~~
- ~~(b~~ e) in relation to Bilateral Demand Messages, Messages that are Matched under Rule 9.5.2; ~~in relation to Dual Entry Payment Batch Messages, Messages that are Matched under Rule 10.8.3; and~~
- ~~(c~~ f) in relation to Bilateral Demand Settlement Messages, Messages that are Matched under Rule 9.5A.4.

and in any other case means Valid Messages that are Matched.

....

“Matching Reference” in relation to a Bilateral Demand Message, Bilateral Demand Settlement Message or a Bilateral Batch Message, means an optional unique identification reference specified in the Message by the Participant as an additional message field that requires mandatory matching.

...

“Message” means an electronic message of a kind specified in the EIS User Technical Documentation for use in CHES.

...

“Named Holder Indicator” means an indicator that identifies a Holder that is relevant to a death or bankruptcy.

...

~~“Net Position Record” in relation to an RTGS Participant, means a facility established within CHES through which ASX Settlement tracks and records the outcome of RTGS Instructions due for settlement on any RTGS Business Day, that relate to a particular Payment Facility of that Participant.~~

~~“Net Position Record Status” means at any time the status of a Net Position Record as authorised at that time by the RTGS Payments Provider that maintains the Payment Facility to which that Net Position Record is linked, being either:~~

~~(a) active; or~~

~~(b) inactive.~~

...

~~“Standing Settlement HIN~~Nominated Settlement HIN” means a HIN notified to ASX Settlement under Rule 6.4.2.

...

“Non-Takeover Offer Event” in relation to a Financial Product in a class of Approved Financial Products means:

(a) a buy back offer; or

(b) a reinvestment offer.

“Non-Takeover Offer Event Consideration Code” in relation to a Non-Takeover Offer Event means a unique code allocated by the Approved Listing Market Operator in respect of each alternate form of consideration offered under the relevant Non-Takeover Offer Event.

“Non-Takeover Offer Event Transfer” means a Transfer of Financial Products from a CHESS Holding pursuant to an acceptance of an offer for the Financial Products made under a Non-Takeover Offer Event.

“Non-Takeover Offer Event Transferee Holding” means a CHESS Holding to which Financial Products are to be Transferred pursuant to acceptances of offers made under a Non-Takeover Offer Event.

...

**“Offer Accepted Subposition”** means a Subposition for the reservation of Financial Products in a CHESS Holding which are the subject of an acceptance under a takeover bid or a Non-Takeover Offer Event.

...

“Override Tolerance Amount” means a settlement tolerance amount specified by a Participant in a Bilateral Batch Message or a Bilateral Demand Settlement Message which is greater than the Settlement Amount Tolerance.

...

“Ownership Type” means a code used to indicate whether a Holding is held by one person or jointly by more than one person.

...

**“Parent Batch Instruction”** means a Batch Instruction that gives rise to an Accrued Batch Instruction, [Settlement Adjustment, transfer, payment or other adjustment, compensation or redress mechanism pursuant to Rules 10.17 to 10.23](#) as a result of a Corporate Action.

...

~~“Parent DvP RTGS Instruction” means a Parent RTGS Instruction with a Settlement Amount scheduled to settle in DvP Real Time Gross Settlement.~~

...

~~“Parent RTGS Instruction” means an RTGS Instruction that gives rise to an Accrued RTGS Instruction as a result of a Corporate Action.~~

...

~~“Participant Managed” in relation to the attributes of a Net Position Record, means any of the matters set out in Rule 11.9.11.~~

...

[“Participant Offeror” means a Participant entitled or authorised \(whether as the offeror or on behalf of the offeror\) to receive acceptances of offers made under a Non-Takeover Offer Event in accordance with these Rules.](#)

...

**“Payment Batch Instruction”** means:

(a) a CCP Derivatives Payment Batch Instruction; or

~~(b) a Dual Entry Payment Batch Instruction; or~~

(e**b**) an AQUA Payment Batch Instruction.

Amended 21/03/14

....

**“Payment Facility”** means a ~~f~~Facility operated for a Participant at a Payments Provider for the purposes of paying and receiving payments in Batch Settlement [or Real Time Gross Settlement](#).

....

**“Payments Provider”** means a person that:

(a) operates an exchange settlement account with the Reserve Bank of Australia in its own name;

(b) has the operational capacity to:

(i) authorise and make payments on behalf of Participants;



- (ii) make payments to Participants; and
- (iii) register entries in the Payments Provider User Group for the purpose of discharging its net obligation to make payment to the Bank or its net entitlement to receive payment from the Bank in accordance with the Standard Payments Provider Deed;
- (c) meets the technical and performance requirements prescribed by ASX Settlement to ensure that the person does not affect the integrity or orderly operation of CHESS; and
- (d) is a person who facilitates Batch Settlement by approving or making payments in accordance with the terms and conditions of the relevant Standard Payments Providers Deed.

~~“Payments Provider Managed” in relation to the attributes of a Net Position Record, means any of the matters set out in Rule 11.9.3(a) to (f).~~

...

“Personal Information” means all personal information (as defined under the Privacy Act 1998 (Cth)) in connection with a Holder.

...

“PID” stands for participant identifier and means a UIC allocated or attributed by ASX Settlement to a Participant that is:

- (a) used as the identification code, or one of the identification codes, of the Participant that controls a Holding on the CHESS Subregister; and
- (b) included in a Message header to identify the source and/or destination of the Message~~CHESS Data Messages~~.

ASX Settlement may allocate or attribute up to a maximum number of PIDs per Participant as specified in the Procedures.

Amended 08/08/13

...

“Plan Election Date” means the date by which a person must submit an Acceptance Form to an Issuer if the person wishes to subscribe for new or additional Financial Products or to receive cash instead of new or additional Financial Products (as applicable) in respect of a dividend or other distribution reinvestment plan or bonus share plan.

...

“Plan Record” means a CHESS record of a dividend or other distribution reinvestment plan or bonus share plan created by ASX Settlement in accordance with Rule 5.19A.1.

...

“**Procedures**” means any document, electronic file or other information (recorded by any mode of representing words or reproducing words) approved by ASX Settlement and given where applicable to Participants, Issuers and third party service providers in accordance with Rule 1.4 and, without limitation, includes any [EIS User Technical Documentation](#) and the ASX Settlement Procedures as amended from time to time.

Amended 18/12/06

...

“**Real Time Gross Settlement**” means the processing and settling of:

(a) \_\_\_\_\_ payment and delivery obligations; or

(b) \_\_\_\_\_ payment obligations only.

in real time and on a gross, not net, basis, the fundamental characteristic of which is that the payment and delivery components (as applicable) of an Instruction ~~transaction~~ become irrevocable at the time of settlement and, in relation to CHESSE, is effected in accordance with systems and procedures contained in Section 11.

...

“**Reconstruction**” means an alteration to the issued capital of an Issuer, which affects the number, or nature, of Financial Products held by a Holder and includes (without limitation) a reorganisation ~~or a merger~~.

~~“**Recognised Physical Access Point**” means:-~~

~~(a) \_\_\_\_\_ in the case of a Facility User, the physical location of an application system that the Facility User employs to operate an interface with CHESSE; or~~

~~(b) \_\_\_\_\_ in the case of ASX Settlement, the physical location of the application system that operates CHESSE.~~

...

“**Registrable Transfer Document**” means any document that an Issuer is entitled to accept as a valid instrument of transfer ~~or a Transfer Request Document~~.

...

“**Registration Details**” means the name, address, Email Details (if any) and Residency Indicator recorded in relation to a HIN or SRN (as applicable) ~~of a Holder~~.

...

“**Registration Identifier**” means a temporary object containing information of the type recorded in a Holder Record for the purpose of facilitating Transfers between the CHESSE Subregister and Issuer Operated Subregister.

...

**“Rescheduled Batch Instruction”** means a Batch Instruction which has been Failed (in whole or part) under Rule 10.11.2 and rescheduled for settlement under Rule 10.11.7 [or a CCP Market Trade Batch Instruction which has been Failed \(in whole or part\) under Rule 10.11.2 and is scheduled for settlement as a CCP Rescheduled Batch Instruction generated in respect of that Failed CCP Market Trade Batch Instruction](#). It does not include a Batch Instruction which is Failed under Rule 10.11.3 as a consequence of the Failure of another Batch Instruction.

...

**“Reporting Point”** means a particular point during a Business Day when information is stored by CHESSE for the purposes of reporting data to Facility Users. Acceptable values comprise:

- (a) end of Settlement Processing Phase;
- (b) Trade Instruction Cut-Off;
- (c) End of Day.

...

~~“Reserve” in Section 11 in relation to Financial Products, has the meaning given in Rule 11.19.1(d).~~

...

**“Residency Indicator”** means a code used to indicate the status of the ultimate beneficial owner or owners of FOR Financial Products in a Holding on the CHESSE Subregister or an Issuer Operated Subregister, for the purposes of settling transactions in FOR Financial Products. (i.e. ~~“D” for Domestic~~, [foreign “F”](#) for Foreign Person, and in the case of Holdings of Financial Products where beneficial ownership is both domestic and foreign, ~~“M” for Mixed~~).

*[Note: The indicator for “domestic”, “foreign” and “mixed” is identified in the User Technical Documentation](#)*

...

[“RGID” means a number used to identify a Registration Identifier or information derived from a Registration Identifier.](#)

...

~~“Routine Reporting” means electronic reporting that is generated automatically by CHESSE as transactions are processed.~~

...

~~“RTGS Account Identifier” means a numeric identifier (that may, but need not, be an account number) agreed between an RTGS Participant and an RTGS Payments Provider to uniquely identify the Participant's account that is to be debited, or credited, with the~~

~~amount of any Payment Obligation, on settlement of an RTGS Instruction in accordance with Rule 11.25.~~

...

“RTGS Bank Account” means, in relation to an RTGS Participant at any time, a bank account with an RTGS Payments Provider opened by the RTGS Participant, and subject to a current notification by that RTGS Participant in accordance with Rule 11.4.3.

...

~~“RTGS Delivery Shortfall” in relation to Financial Products of a particular class in a Holding at any time on the RTGS Settlement Date for a particular RTGS Instruction, means that the sum of:~~

- ~~(a) — the number of Financial Products of that class required to be delivered from that Holding in Real Time Gross Settlement under that RTGS Instruction on that day;~~
- ~~(b) — the number of Financial Products of that class Reserved against that Holding in relation to RTGS Instructions at that time in the RTGS Settling Phase, and~~
- ~~(c) — prior to ASX Settlement recording under Rule 10.12.1(f)(ii) a movement of Financial Products of that class against that Holding to effect DvP Net Settlement on that day, the number of Financial Products of that class that ASX Settlement has determined at Settlement Cut-off will be so recorded as a movement against that holding at DvP Notification on that day,~~

~~is greater than:~~

- ~~(d) — the total number of Available Financial Products at that time in the Holding.~~

~~“RTGS Eligible” in relation to Financial Products, has the meaning set out in Rule 11.1.1.~~

~~“RTGS End of Day” means on any RTGS Business Day, 5.00pm-5.15pm Sydney time or such other time as ASX Settlement may from time to time determine.~~

“RTGS Instruction” means an instruction to ASX Settlement to effect a payment in Real Time Gross Settlement through the CHESSE Feeder System (including in connection with a Settlement Transfer that occurs in CHESSE), and includes a Bilateral Demand Settlement Instruction ~~to settle an RTGS Transaction in Real Time Gross Settlement through the CHESSE Feeder System, and includes a DvP RTGS Instruction, a CCP Gross RTGS Instruction and a Dual Entry RTGS Instruction.~~

...

~~“RTGS Mandatory” in relation to an RTGS Transaction, has the meaning set out in Rule 11.3.1.~~

“RTGS Message” means a Bilateral Demand Settlement Message~~Message that, in accordance with the requirements of the EIS, instructs ASX Settlement to settle an RTGS Transaction in Real Time Gross Settlement.~~

**“RTGS Participant”** means a [General Settlement Participant](#):

(a) ~~that satisfies the criteria for participation in Real Time Gross Settlement set out in Rule 11.5;~~ **and**

(b) ~~for which a Net Position Record has been established under the Rules that records the Net Position Record Status as active.~~

~~“RTGS Participation Requirements” in relation to a Participant, means any technical and performance requirements notified by ASX Settlement to the Participant to ensure that it is capable of operating in Real Time Gross Settlement.~~

...

~~“RTGS Pre-commencement Testing” means testing at the direction of ASX Settlement to establish whether a prospective RTGS Participant meets the RTGS Participation Requirements.~~

~~“RTGS Settlement Date” means the RTGS Business Day specified, or taken to be specified, in an “RTGS Instruction as the date on which the counterparties intend that RTGS Instruction to settle in Real Time Gross Settlement.~~

...

[“Secondary Matching Flag” means, a specification in a Message that, if indicated as applying, requires each counterpart Message from each Participant to specify the same the Matching Reference in order for those Messages to Match.](#)

...

**“Security Key”** means an electronic code that is:

(a) [allocated to each Facility User in accordance with the User Technical Documentation](#) ~~generated by ASX Settlement~~; and

(b) used to ensure secure communications between ASX Settlement and Facility Users.

...

**“Settlement Adjustment”** means an adjustment to the Settlement Amount of a DvP Batch Instruction ~~or a DvP RTGS Instruction.~~

...

[“Settlement Link ID” means a unique identifier code included in Bilateral Batch Messages or Unilateral Batch Messages by a Participant in order for Instructions resulting from those Messages to be Linked Instructions.](#)

[“Settlement Lock” means in relation to a CHES Holding, a facility which prevents the relevant number of Financial Products \(including any Entitlements\) from being deducted from a Holding unless pursuant to a Settlement Transfer in connection with:](#)

(a) a Bilateral Batch Instruction under Rule 10.9.3; or

(b) a Unilateral Batch Instruction under Rule 10.9.11.

...

“**Settlement Processing Phase**” in relation to DvP ~~Net-Batch~~ Settlement, means, on any Business Day, the time period commencing after Settlement Cut-off during which Settlement Transfers are processed by ASX Settlement against CHESS Holdings.

...

~~“**Standing Buy Account Identifier**” means an RTGS Account Identifier that is notified to ASX Settlement under Rule 11.9.11 or Rule 11.9.15 for the purposes of an RTGS Instruction where the Participant will, on settlement, be the payer of the Payment Obligation identified in that RTGS Instruction.~~

....

~~“**Standing HIN**” means a HIN that is notified to ASX Settlement under Rule 6.4.2.~~

...

“**Standing Report**” means one of a series of Messages periodically Transmitted by ASX Settlement to a Facility User, each of which provides information about CHESS Holdings or CHESS Subregister movements ~~in accordance with parameters specified by the Facility User.~~

...

~~“**Standing Sell Account Identifier**” means an RTGS Sell Account Identifier that is notified to ASX Settlement under Rule 11.9.11 or Rule 11.9.15 for the purposes of an RTGS Instruction where the Participant will, on settlement, be the payee of the Payment Obligation identified in that RTGS Instruction.~~

...

~~“**Standard Client Bank Deed**” means a standard deed executed by ASX Settlement and a bank.~~

...

“**Standard Payments Provider Deed**” means a standard deed executed by ASX Settlement and a Payments Provider ~~and includes a Standard Client Bank Deed.~~

...

~~“**Surveillance Report**” means a report generated by CHESS that identifies changes to:~~

~~(a) Batch Instructions notified to ASX Settlement by an Approved Market Operator under Rule 10.9.1; and~~

~~(b) Batch Instructions that result from Matched Dual Entry Batch Messages,~~

~~(c) to assist ASX Settlement in monitoring compliance with these Rules.~~

...

~~“Switch” means, in respect of a Holding of AQUA Products, a process comprising the redemption by the Holder of a specified quantity of the AQUA Products followed by the investment by the Holder of the proceeds of redemption in AQUA Products of the same Product Issuer Settlement Participant.~~

...

~~“Switch to Batch Settlement Message” means a Message that, in accordance with the requirements of the EIS, requests that an RTGS Instruction be removed from Real Time Gross Settlement in CHESS and settled in Batch Settlement.~~

...

~~“Transfer Request Document” means a document supplied by a Settlement Participant which is not a Market Participant or a Custodial Settlement Participant to an Issuer that entitles the Issuer to authorise a Transfer of Financial Products from an Issuer Sponsored Holding to a CHESS Holding.~~

...

~~“Transition Period” means the period from 11 March 2002 to 10 March 2004 or such later date as determined by the Commission.~~

...

“Transmit” means, for Messages passing between ASX Settlement and Facility Users, cause a Message to be made available for collection by the other party in the a Message collection facility in accordance with the User Technical Documentation~~provided in CHESS for Messages passing between ASX Settlement and Facility Users.~~

*Note: Rule 16.17 specifies when a Facility User or ASX Settlement is taken to have Transmitted a Message.*

...

“UIC” stands for User Identification Code and means a unique numeric code allocated or attributed by ASX Settlement to ASX Settlement and each Facility User in accordance with the User Technical Documentation for the purpose of identifying the source and destination of Messages and which may be:

- (a) the UIC of an Issuer;
- (b) a PID; or
- (c) such other numeric code allocated or attributed by ASX Settlement in accordance with the User Technical Documentation.

*Note: A UIC will be ‘attributed’ by ASX Settlement where such code is allocated to ASX Settlement or the Facility User by a person other than ASX Settlement but is*

attributed by ASX Settlement to ASX Settlement or the Facility User for the purposes outlined above.

“~~Unilateral~~~~Single Entry~~ **Batch Message**” means a Message that complies with Rule 10.9.11.

“~~Unilateral~~~~Single Entry~~ **Batch Instruction**” means a Batch Instruction that gives effect to a ~~Unilateral~~~~Single Entry~~ Batch Message.

“~~Unilateral~~~~Single Entry~~ **Demand Message**” means a Message that complies with Rule 9.4.1 or Rule 9.13.1.

“~~Unilateral~~~~Single Entry~~ **Transfer Request**” means a Demand Transfer of Financial Products that gives effect to a ~~Unilateral~~~~Single Entry~~ Demand Message.

...

“~~EIS~~” stands for ~~External Interface Specification~~, and “~~User Technical Documentation~~” means the documentation in relation to CHESSE that are published by ASX Settlement as referred to in the Procedures, a document, made by ASX Settlement, that provides detailed information about protocols, message formats and security features for communications between Facility Users and ASX Settlement.

...

“UUID” stands for a universally unique identifier and means a series of numbers and letters used to identify each Holder.

...

“**Valid**” in relation to a Message, means a Message that in accordance with the relevant User Technical Documentation:

- (a) identifies the source of the Message in the Message header ~~specifying a current source UIC that is compatible with the specified AIC;~~
- (b) correctly identifies the destination of the Message in the Message header ~~the current UIC for the targeted Message recipient;~~
- (c) is formatted in accordance with the relevant Message specifications and ~~contains~~ satisfies all ~~the applicable~~ mandatory data requirements ~~specified in the EIS;~~
- (d) has been properly authenticated, ~~(determined by reference to the MAC);~~ and
- (e) satisfies all applicable transport ~~meets CHESSE~~ encryption requirements ~~specified in the EIS.~~



## SECTION 3 FUNCTIONS, POWERS, RIGHTS AND OBLIGATIONS OF ASX SETTLEMENT

...

### 3.6 LIABILITY AND INDEMNITY PROVISIONS

#### 3.6.7 ASX Settlement indemnity

Subject to Rules 3.6.8 to 3.6.10, ASX Settlement indemnifies the Issuer against all losses, damages, costs and expenses that the Issuer may suffer or incur if:

- (a) ASX Settlement Transmits a Report to the Issuer relating to Approved Financial Products of the Issuer that contains incorrect information; or
- (b) ASX Settlement Transmits a Message to the Issuer relating to Approved Financial Products of the Issuer which contains:
  - (i) inaccurate Change of Registration Details; or
  - (ii) a TFN or ABN of a **H**holder which is not the TFN or ABN supplied by a Participant with respect to that **H**holder.

Introduced 11/03/04 Origin SCH 1.11.1, 1.11.2

...

#### 3.6.11 Exclusion of ASX Settlement liability provisions

Rules 1.2.3, 1.2.4, 1.2.5, 1.3.2 and 3.6.7 are subject to this Rule 3.6.11 which applies whether or not ASX Settlement is negligent or in wilful default.

ASX Settlement is not liable to compensate any person for loss suffered in consequence of any of the following events (whether or not ASX Settlement is negligent or in wilful default):

- (a) a failure to admit a person as a Participant under Section 4, and its liability in these circumstances is limited to such liability as may be incurred in complying with the procedure for Appeal under Section 4;
- (b) a failure to provide a Settlement Facilitation Service to a person under Rule 4.1A;
- (c) suspension or revocation of ASX Settlement approval of any class of Financial Products;
- (d) any enforcement action, Proceeding or Appeal against a Facility User whether in accordance with these Rules or not;
- (e) any enforcement action taken by ASX Settlement in accordance with a determination of the Old Tribunal (as defined in Rule 12.23) or the Appeal Tribunal;
- (f) any action to:

- (i) impose Restrictions on;
- (ii) suspend; or
- (iii) terminate,

the participation of a Participant under Section 12;

- (g) the application or removal of a Holding Lock, [Holder Record Lock](#), [Demand Lock or Settlement Lock](#) in accordance with Section 8, [Section 9 or Section 10](#); or
- (h) the effecting of a Holding Adjustment or Financial Products Transformation in accordance with Section 9.

Introduced 11/03/04 Origin SCH 1.12.1, 1.12.2, 1.12.3, 1.1

...

### 3.6.17 Acknowledgments by Facility Users and others

Each Facility User and ASX Settlement acknowledges that the Reserve Bank of Australia, as operator of RITS, provides a facility for the simultaneous settlement of interbank obligations arising from DvP Batch Settlement in CHES.

Each Facility User and each RTGS Payments Provider acknowledges that:

- (a) to facilitate Real Time Gross Settlement in CHES, the Reserve Bank of Australia has approved CHES as a feeder system to RITS/RTGS under the RITS Regulations and has agreed to provide a feeder interface process in RITS/RTGS;
- (b) for so long as CHES remains such a feeder system, the Reserve Bank of Australia will deal with all requests for settlement, recall or other messages sent by ASX Settlement across the Feeder System interface to RITS/RTGS in accordance with, and subject to, RITS Regulations; and
- (c) the Reserve Bank of Australia expressly disclaims liability to any person, to the full extent permitted by law, in the following circumstances:
  - (i) liability in respect of any other aspect of the administration of CHES than set out in this Rule 3.6.178; and
  - (ii) liability which arises or might otherwise have arisen in circumstances where a provision of the RITS Regulations excluded liability of the Reserve Bank to any person, ~~including without limitation any applicable circumstances referred to in RITS Regulation 2.4, 2.6, 2.7, 2.8 or 2.9.~~

*Note: The arrangements between the Reserve Bank of Australia and ASX Settlement for the CHES Feeder System interface with RITS/RTGS include exclusions of liability on the part of the Reserve Bank in substantially similar terms to the RITS Regulations, ~~referred to in this Rule.~~*

### 3.6.18 Exclusion of ASX Settlement liability

ASX Settlement will not be liable to compensate, indemnify or pay any liquidated sum to any Facility User, RTGS Payments Provider or other person:

- (a) for loss suffered in consequence of a circumstance arising in respect of which the Reserve Bank of Australia has excluded its liability; or
- (b) for any loss suffered in consequence of ~~an RTGS Participant Payments Provider~~ failing to authorise an RTGS Instruction in respect of which it is required to perform a Payment Obligation in accordance with ~~settlement processing in terms of~~ Rule 11.18.84.

## SECTION 4 PARTICIPATION IN THE SETTLEMENT FACILITY

The purpose of this Section 4 is to set out the basis on which persons may participate in the Settlement Facility or be provided with a Settlement Facilitation Service.

Without limiting in any way what a person who participates in the Settlement Facility may do or be permitted to do under these Rules, participation in the Settlement Facility is broadly divided into the following classes:

- (a) **General Settlement Participants** - being those persons who are admitted for purposes including the holding, transfer and settlement in Batch Settlement of Approved Financial Products in the Settlement Facility. A General Settlement Participant may also act in the Settlement Facility as a settlement agent on behalf of a Clearing Participant. A General Settlement Participant may also establish and maintain Participant Sponsored Holdings;
- (b) **Account Participants** – being those persons who participate in certain aspects of the holding and transfer of Approved Financial Products but who do not participate in Batch Settlement in the Settlement Facility. An Account Participant may also establish and maintain Participant Sponsored Holdings;
- (c) **Specialist Settlement Participants** – being those persons who are admitted for limited purposes including acting as a Participant Bidder [or a Participant Offeror](#); and
- (d) **Product Issuer Settlement Participants** – being those persons who are admitted for limited purposes including facilitating the settlement in Batch Settlement of transactions relating to requests for issue and redemption of AQUA Products. A Product Issuer Settlement Participant may not establish or maintain Participant Sponsored Holdings.

ASX Settlement may also provide a service to an Approved Listing Market Operator for the holding, transfer and settlement of Approved Financial Products that are quoted or admitted to trading status on the market of that Approved Listing Market Operator.

### 4.1 CLASSES OF PARTICIPATION IN THE SETTLEMENT FACILITY

#### 4.1.1 Settlement Participants

A Settlement Participant:

- (a) is a person who is permitted to participate in Batch Settlement and establish CHES Holdings in accordance with these Rules;
- (b) may be either:
  - (i) a person admitted as a General Settlement Participant under Rule 4.3.1; or
  - (ii) a person admitted as a Specialist Settlement Participant under Rule 4.4.1; or

(iii) a person admitted as a Product Issuer Settlement Participant under Rule 4.4A;

(c) is not permitted to participate in RTGS unless it is also an RTGS Participant.

*Note: A Settlement Participant must meet the additional technical and payment facility requirements of Section 11 before it will be permitted to settle transactions in Real Time Gross Settlement.*

*Any reference in these Rules to a Settlement Participant includes a reference to a Settlement Agent. See Rule 4.3.3*

Introduced 11/03/04 Amended 21/03/14

#### **4.1.2 Account Participants**

An Account Participant is a person who is permitted to establish CHES Holdings in accordance with these Rules but who is not permitted to participate in Batch Settlement.

Introduced 11/03/04

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## **4.4 ADMISSION OF SPECIALIST SETTLEMENT PARTICIPANTS**

### **4.4.1 Admission of Specialist Settlement Participants**

Subject to Rules 4.2.3A and 4.4.2, ASX Settlement will admit a person as a Specialist Settlement Participant if ASX Settlement is satisfied that the person;

- (a) has applied for admission as a Participant in accordance with Rule 4.2.1;
- (b) meets the technical and performance requirements of this Section;
- (c) meets the performance bond requirements of this Section;
- (d) meets the capacity requirements of this Section;
- (e) meets the location requirements of this Section (subject to Rule 4.4.2);
- (f) meets the payment facility requirements of this Section; and
- (g) meets the organisational requirements of this Section.

*Note: a person admitted as a Specialist Settlement Participant under this Rule 4.4.1 may not act as a Sponsoring Participant.*

Introduced 11/03/04 Origin SCH 2.3.2 Amended 23/10/09, 15/06/15, 05/12/19

#### 4.4.2 **Specialist Settlement Participant acting only as a Participant Bidder or Participant Offeror**

If a Specialist Settlement Participant will be admitted for the limited purpose of acting as a Participant Bidder or Participant Offeror, requirements in Rule 4.4.1(c) and (e) will not apply.

Introduced 23/10/09 Amended 05/12/19

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## 4.7 **TECHNICAL AND PERFORMANCE REQUIREMENTS**

### 4.7.1 **When a person meets the technical and performance requirements**

A person will meet technical and performance requirements to the reasonable satisfaction of ASX Settlement if:

- (a) as shown by Pre-commencement Testing, the person has the capacity to communicate reliably with CHES in accordance with the [User Technical Documentation](#)~~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;
- (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 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 functioning 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 CHES and has communicated the name of that person to ASX Settlement, both upon admission to participation and where there are any subsequent changes made.

Introduced 11/03/04 Origin SCH 2.6

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## 4.9 **PERFORMANCE BONDS**

### 4.9.1 **Settlement Participant to lodge Settlement Bond**

A Settlement Participant, other than a Participant that:

- (a) is prudentially supervised;

- (b) is a CS Facility that complies with the Reserve Bank of Australia's financial stability standards; or
- (c) acts only as a Participant Bidder [or Participant Offeror](#),

must ensure that at all times while the Participant remains a Settlement Participant there is lodged with ASX Settlement a valid Settlement Bond.

For the purposes of this Rule 4.9, a Participant is prudentially supervised if it is:

- (d) required to comply with the operating rules of an:
  - (i) Approved Market Operator specified in the Procedures; or
  - (ii) Approved Clearing Facility;that relate to NTA or risk based financial requirements; or
- (e) regulated by APRA.

Introduced 11/03/04 Origin SCH 10.19.1, 10.19.1A, 10.19.1B Amended 04/04/05, 18/12/06, 27/06/11

...

## 4.10 CAPACITY REQUIREMENTS

### 4.10.1 When a person meets the capacity requirements

The capacity requirements of these Rules are:

- (a) for a body, that:
  - (i) if the body is a body corporate, the body is not a [Chapter 5 body corporate as defined in section 9 of the Corporations Act](#) ~~n-externally administered body corporate~~; or
  - (ii) if the body is not a body corporate, the body is not under any equivalent form of insolvent administration;
- (b) for a natural person, that:
  - (i) the person is at least 18 years of age;
  - (ii) the person is not an insolvent under administration;
  - (iii) no person has been appointed under any Incapacity Law to administer the estate of the person; and
  - (iv) no order has been made under the Corporations Act prohibiting the person from managing a corporation; and
- (c) for a body that consists of two or more partners or trustees, that each of those persons complies with paragraph (a) or (b) as the case requires.

...

## **4.13 PAYMENT FACILITY REQUIREMENTS**

### **4.13.1 Person to have a Payment Facility**

The payment facility requirements of this Section are that:

- (a) for the purposes of making and receiving payments in respect of payment obligations and entitlements under Section 10 [or Section 11](#) of these Rules, the person has in place at all times at least the number of Payment Facilities specified in the Procedures with one or more Payments Providers; and
- (b) each Payment Facility is either:
  - (i) held in the name of, and operated for the benefit of, the person or a Related Body Corporate of the person;
  - (ii) held in the name of a party unrelated to the person but operated for the benefit of the person, where the party operating the Payment Facility has agreed to be bound by the Rules which relate to the operation and suspension of Payment Facilities as if it was an ASX Settlement Participant.

Introduced 11/03/04 Origin SCH 2.12.1 Amended 21/03/14

...

## **4.16 INACTIVE PARTICIPANTS**

### **4.16.1 ASX Settlement may give notice**

Where ASX Settlement considers that a Participant has not settled any Instructions under these Rules, for a continuous period of 6 months, ASX Settlement may notify the Participant that it intends to terminate the Participant's recognition as a Participant.

Introduced 11/03/04 Origin ASX 5.4.1, OCH 2.5A.1

### **4.16.2 Participant may make submissions**

On receipt of a notice given under Rule 4.16.1, the Participant may make written submissions to ASX Settlement explaining why, in its view, the Participant's participation in the Settlement Facility should not be terminated. Any written submission must be received by ASX Settlement within 10 Business Days following receipt of the notice from ASX Settlement, unless ASX Settlement grants an extension in writing.

Introduced 11/03/04 Origin ASX 5.4.2, OCH 2.5A.2

### **4.16.3 Termination of participation if no submission received**

Where no submission is received by ASX Settlement under Rule 4.16.2, ASX Settlement may terminate the Participant's participation in the Settlement Facility following the end of the 10 Business Day period, or any extension referred to in that Rule.

Introduced 11/03/04 Origin ASX 5.4.3, OCH 2.5A.3



#### 4.16.4 Termination of participation if submission received

Where a submission is received by ASX Settlement under Rule 4.16.2, if:

- (a) ASX Settlement is not satisfied that the Participant will settle any Instructions under these Rules within a further 20 Business Days following the receipt of the submission; or
- (b) the Participant fails to settle such a transaction in that period,

ASX Settlement may terminate the Participant's participation as a Participant.

Introduced 11/03/04 Origin ASX 5.4.4, OCH 2.5A.4 Amended 18/12/06

#### 4.16.4A Termination of participation as a Specialist Settlement Participant

In addition to any other rights or powers ASX Settlement may have under this Rule 4.16, where a Specialist Settlement Participant has been admitted for the limited purpose of acting as a Participant Bidder in relation to a takeover bid [or a Participant Offeror in relation to a Non-Takeover Offer Event](#) and ASX Settlement is satisfied that the takeover bid [or Non-Takeover Offer Event \(as applicable\)](#) is complete or has been withdrawn, ASX Settlement may by written notice to the Specialist Settlement Participant terminate its participation as a Specialist Settlement Participant.

Introduced 05/12/19

#### 4.16.5 Ceasing to be a Participant

For the avoidance of doubt, a Participant who is no longer recognised in any category has ceased to be a Participant.

Introduced 11/03/04

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### 4.19 CUSTODIAL SETTLEMENT PARTICIPANTS - ~~[DELETED]~~

#### 4.19.1 Custodial Settlement Participant eligibility - ~~[Deleted]~~

~~To be classified as a Custodial Settlement Participant by ASX Settlement, a Settlement Participant must:~~

- ~~(a) — satisfy the eligibility criteria specified in the Procedures; and~~
- ~~(b) — provide to ASX Settlement, the documentation set out in the Procedures as evidence that the Settlement Participant does satisfy the eligibility criteria.~~

Introduced 18/12/19

#### 4.19.2 Classification as a Custodial Settlement Participant in ASX Settlement's discretion - ~~[Deleted]~~

~~The decision as to whether a Settlement Participant meets the requirements set out in Rule 4.19 is at the absolute discretion of ASX Settlement. ASX Settlement may determine that a Settlement Participant meets or does not meet the requirements set out in Rule 4.19 without giving any reasons.~~

Introduced 18/12/19

**4.19.3 Custodial Settlement Participant notification – [\[Deleted\]](#)**

~~A Custodial Settlement Participant must immediately notify ASX Settlement as soon as it becomes aware that it is no longer eligible to be a Custodial Settlement Participant~~

Introduced 18/12/19

## SECTION 5 RIGHTS AND OBLIGATIONS OF ISSUERS

This Section sets out the rights and obligations of Issuers to, amongst other things:

- (a) observe the Rules;
- (b) authorise ASX Settlement to establish and administer, on behalf of Issuers, CHESSE and Issuer Operated Subregisters;
- (c) reconcile and report errors and anomalies including the auditing of registry functions and the giving of notice to ASX Settlement of changed circumstances; and
- (d) in relation to the collection of Messages, access to CHESSE and Issuer Sponsored Holdings, Corporate Actions, Financial Products subject to foreign ownership restrictions, the determining of voting entitlements and the divestment or forfeiture of Financial Products.

The Section also deals with Issuer's liabilities for Holding Locks, Holding Adjustments and Financial Products Transformations.

[This Section also sets out the framework for the electronic transmission and processing of elections in relation to dividend or other distribution reinvestment plans and bonus share plans.](#)

...

### 5.3 ESTABLISHING A CHESSE SUBREGISTER IN RESPECT OF AN OFFER OF APPROVED FINANCIAL PRODUCTS

#### 5.3.1 Initiating a Holding Adjustment

If:

- (a) an Issuer makes available forms of application for an Offer of Approved Financial Products; and
- (b) the Approved Listing Market Operator gives that Issuer approval for quotation of those Financial Products,

the Issuer must, other than where it is bound by the provisions of Rules 15.27 or 15.28, not later than End of Day on the Issue Date for the Financial Products, Transmit to ASX Settlement a Message that initiates a Holding Adjustment to establish a CHESSE Holding in respect of each person who has:

- (c) lodged an application with, and been allocated Financial Products pursuant to the Offer by, the Issuer; and

- (d) instructed the Issuer that any Financial Products so allocated be held in a CHESSE Holding by specifying a HIN on the application.

Introduced 11/03/04 Origin SCH 5.4A.1 Amended 27/06/11, 04/03/13

### 5.3.2 Establishing of CHESSE Holding

If:

- (a) ASX Settlement receives a Valid Message from an Issuer under Rule 5.3.1; and
- (b) a Holder Record for the HIN specified in that Message has been established under Rule 8.7.2,

ASX Settlement will, within the Scheduled Time:

- (c) enter the number of Financial Products into the CHESSE Holding specified in that Message;
- (d) notify the Issuer:
  - (i) that the CHESSE Holding has been established; and
  - (ii) of the [relevant](#) Holder Record details for the CHESSE Holding; and
- (e) notify the Controlling Participant that the CHESSE Holding has been established.

Introduced 11/03/04 Origin SCH 5.4A.2

### 5.3.3 Rejection of Messages initiating a Holding Adjustment

If:

- (a) ASX Settlement receives a Valid Message from an Issuer under Rule 5.3.1; and
- (b) a Holder Record for the HIN specified in that Message has not been established under Rule 8.7.2,

ASX Settlement must, within the Scheduled Time:

- (c) reject the Message; and
- (d) notify the Issuer that the Message has been rejected.

Introduced 11/03/04 Origin SCH 5.4A.3

### 5.3.4 Transmission of further Messages

If:

- (a) an Issuer receives notification that a CHESSE Holding has been established under Rule 5.3.2(d)(i); and
- (b) the Registration Details ~~and, where applicable, the Residency Indicator~~ specified in that notification do not match the Registration Details ~~and~~

~~Residency Indicator~~ specified in the application form lodged with the Issuer by the person to whom the Financial Products have been allocated,

the Issuer must, within the Scheduled Time, Transmit to ASX Settlement a further Message that initiates a Holding Adjustment to deduct the Financial Products from that CHESS Holding.

Introduced 11/03/04 Origin SCH 5.4A.4

### **5.3.5 Deduction of Financial Products from a CHESS Holding**

If ASX Settlement receives a Valid Message that initiates a Holding Adjustment from an Issuer under Rule 5.3.4, ASX Settlement will, within the Scheduled Time;

- (a) deduct the number of Financial Products from the CHESS Holding specified in the Message; and
- (b) notify:
  - (i) the Issuer; and
  - (ii) the Controlling Participant for the CHESS Holding,

that the Financial Products have been deducted from that Holding.

Introduced 11/03/04 Origin SCH 5.4A.5

### **5.3.6 Entering Financial Products into a Holding**

If an Issuer receives notification from ASX Settlement under Rule 5.3.3 ~~or 5.3.5~~, the Issuer must immediately enter the Financial Products specified in that Message into a Holding with Registration Details that match the Registration Details specified in the application form lodged with the Issuer by the person to whom the Financial Products have been allocated on the Issuer Sponsored Subregister.

Introduced 11/03/04 Origin SCH 5.4A.6

### **5.3.7 Issuer's Obligations**

If an Issuer is required to enter Financial Products into an Issuer Sponsored Holding under Rule 5.3.6, the Issuer must, if the Financial Products are entered into an Issuer Sponsored Holding:

- (a) issue a Transaction Statement to the Holder; or
- (b) send to the Holder a Notice that sets out the SRN, the Registration Details and the Holding Balance for the Issuer Sponsored Holding,

within the time specified in the Listing Rules.

Introduced 11/03/04 Origin SCH 5.4A.7

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## 5.17 NOTICE TO ASX SETTLEMENT OF CHANGED CIRCUMSTANCES

### 5.17.1 Issuer to give Notice

An Issuer must give Notice to ASX Settlement if:

- (a) the Issuer changes its name or address;
- (b) the Issuer becomes a [Chapter 5 body corporate as defined in section 9 of the Corporations Act](#)~~n-externally administered body corporate~~;
- (c) the Issuer takes a step or becomes aware that another person has taken a step that is intended to lead to it becoming a [Chapter 5 body corporate as defined in section 9 of the Corporations Act](#)~~externally administered~~;
- (d) the Issuer's Financial Products are subject to any change of jurisdictional nexus for stamp duty purposes; or
- (e) the Issuer effects any change of Third Party Provider.

The Notice must be given within 1 Business Day of the happening of any of the events or circumstances referred to in paragraphs (a) to (e).

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### 5.18.1 Request to include Financial Products in Schedule 1

An Issuer of Approved Financial Products may request ASX Settlement to include a class of its Financial Products which is subject to aggregate foreign ownership restrictions pursuant to legislation or under the Issuer's constitution, in Schedule 1 and, in respect of any such Financial Products included in Schedule 1, the Issuer:

- (a) must accept electronic notification of the residency status of Holders on the CHESS Subregister;
- (b) must accept electronic notification of the residency status of transferees specified in CHESS to Issuer Operated Subregister Transfers;
- (c) must give effect to and recognise the status of Foreign to Foreign Allocations effected through CHESS;
- (d) must monitor the Foreign Ownership Percentage Level on a daily basis ~~by requesting a Foreign Holding Net Movement Report in respect of each Business Day~~, and where the Issuer determines it is necessary, take such action as is required under Rule 5.18.3; and
- (e) acknowledges that the Issuer bears sole responsibility for monitoring the Foreign Ownership Percentage Level.

*Note: The obligations of an Issuer whose Financial Products are included in Schedule 1, as outlined in Rule 5.18.1, are in addition to the statutory contract between an Issuer and ASX Settlement under Section 1.2.*

Introduced 11/03/04 Origin SCH 8.20.1, 8.20.2

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## 5.19A CORPORATE ACTIONS – DIVIDEND REINVESTMENT PLAN AND BONUS SHARE PLAN ELECTION MESSAGING

### 5.19A.1 Plan Record creation and removal

(a) If an Issuer, in respect of Approved Financial Products, publicly releases a market announcement of a dividend or other distribution reinvestment plan or bonus share plan through the public announcement platform of the Approved Listing Market Operator in accordance with its:

(i) Listing Rules; or

(ii) operating rules under which the Issuer applied for admission of the class of Financial Products to trading status,

the Issuer must also immediately notify ASX Settlement of that announcement.

(b) ASX Settlement will create a Plan Record in respect of the Issuer for the relevant dividend or other distribution reinvestment plan or bonus share plan announced through the public announcement platform of the Approved Listing Market Operator as referred to in Rule 5.19A.1(a):

(i) on or after the commencement date of that Rule, of which ASX Settlement is aware, including where it has been notified of that announcement under Rule 5.19A.1(a); or

(ii) prior to the commencement date of Rule 5.19A.1(a), of which ASX Settlement is aware (and is not otherwise aware of an announcement as to the cancellation of that plan).

(c) If the Issuer, in respect of Approved Financial Products, publicly releases a market announcement of any change to, or cancellation of, a dividend or other distribution reinvestment plan or bonus share plan through the public announcement platform of the Approved Listing Market Operator in accordance with its:

(i) Listing Rules; or

(ii) operating rules under which the Issuer applied for admission of the class of Financial Products to trading status,

the Issuer must also immediately notify ASX Settlement of the details of that announcement.

(d) ASX Settlement will for a Plan Record created under Rule 5.19A.1(b), update or remove that Plan Record for a change or cancellation announced through the public announcement platform of the Approved Listing Market Operator as referred to in Rule 5.19A.1(c) (as applicable) of which ASX Settlement is aware, including where it has been notified of that announcement under Rule 5.19A.1(c).

Note: For the purposes of this Rule 5.19A.1, Issuers are not required to notify ASX Settlement of dividend or other distribution reinvestment plan or bonus share plan announcements prior to the commencement date of Rule 5.19A.1. For a dividend or other distribution reinvestment plan or bonus share plan announced prior to the commencement date of Rule 5.19A.1, ASX Settlement will look to create a Plan Record in respect of the Issuer based on available information.

#### **5.19A.2 Corporate Action election – notification by Controlling Participant**

(a) A Controlling Participant may provide notification to an Issuer of an election for all or part of a CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan by Transmitting to ASX Settlement a Valid Election Participant Notification Message within the Scheduled Time in accordance with the Procedures.

Note: For the purposes of this Rule 5.19A, it is noted that the term “election” refers to the choice of the relevant Holder in response to the options available to that Holder under the terms of the relevant plan, and could include an application, instruction, acceptance, or other means of communicating the choice of the relevant Holder, howsoever described in the relevant plan terms.

(b) If ASX Settlement receives a Valid Election Participant Notification Message under Rule 5.19A.2(a) and a Plan Record for the relevant dividend or other distribution reinvestment plan or bonus share plan has been created and has not been removed in accordance with Rule 5.19A.1, ASX Settlement will:

(i) record a pending election request in relation to the election;

(ii) Transmit a Message to the Issuer notifying it of the election in accordance with the Originating Message; and

(iii) notify the Controlling Participant that initiated the election that a pending election request has been recorded in relation to the election.

(c) If an Issuer receives a Valid Message from ASX Settlement under Rule 5.19A.2(b)(ii), the Issuer must, unless the Issuer is notified of the cancellation of the pending election request under Rule 5.19A.4(b)(ii)(A), either acknowledge or reject the relevant election and must Transmit a Corporate Action Election Status Advice Message to ASX Settlement within the Scheduled Time in accordance with the Procedures, notifying of the acknowledgement or rejection of the election by the Issuer.

(d) If ASX Settlement receives a Valid Corporate Action Election Status Advice Message under Rule 5.19A.2(c), ASX Settlement will:

(i) remove the pending election request recorded under 5.19A.2(b)(i);

(ii) Transmit a Message to the Controlling Participant that notified the relevant election under Rule 5.19A.2(a), notifying it of the acknowledgement or rejection of that election by the Issuer in accordance with the Corporate Action Election Status Advice Message; and



- (iii) Transmit a Message to the Issuer acknowledging the receipt of the Corporate Action Election Status Advice Message under Rule 5.19A.2(c).

Note: The election and issue of Approved Financial Products under an election, including for which an acknowledgement has been notified by the Issuer under a Corporate Action Election Status Advice Message, continues to be subject to processing and validation by the Issuer in accordance with the relevant plan rules.

### **5.19A.3 Priority of elections**

For the avoidance of doubt, if in relation to a dividend or other distribution reinvestment plan or bonus share plan for all or part of a CHESS Holding, the Issuer is notified of multiple elections under Rule 5.19A.2(b)(ii) or otherwise, or is notified of a cancellation of an election under Rule 5.19A.4(b)(ii)(A) or otherwise, the Issuer may determine the sequence in which the notifications were received and which takes priority for the purpose of its processing such elections or cancellations under its dividend or other distribution reinvestment plan or bonus share plan (including its acceptance or rejection of a notified election or cancellation).

### **5.19A.4 Cancellation of election**

(a) If for:

- (i) a pending election request recorded by ASX Settlement for all or part of a CHESS Holding under Rule 5.19A.2(b)(i) which has not been removed under Rule 5.19A.2(d)(i); or
- (ii) an election recorded by the Issuer for all or part of a CHESS Holding (including an election notified by ASX Settlement for all or part of a CHESS Holding under Rule 5.19A.2(b)(ii) which the Issuer has acknowledged under Rule 5.19A.2(c)).

the Controlling Participant seeks to cancel that pending election request or election, the Controlling Participant:

- (iii) must (in the case of a pending election request referred to in Rule 5.19A.4(a)(i)); or
- (iv) may (in the case of an election referred to in Rule 5.19A.4(a)(ii)),

Transmit to ASX Settlement a Valid Election Cancellation Message within the Scheduled Time in accordance with the Procedures, notifying of that cancellation.

(b) If ASX Settlement receives a Valid Election Cancellation Message under Rule 5.19A.4(a), ASX Settlement will:

(i) in the case of a cancellation of:

- (A) a pending election request recorded by ASX Settlement as referred to in Rule 5.19A.4(a)(i), remove the pending election request recorded under Rule 5.19A.2(b)(i); or

(B) an election recorded by the Issuer as referred to in Rule 5.19A.4(a)(ii), record a pending cancellation request in relation to the election;

(ii) Transmit a Message to:

(A) the Issuer notifying of the cancellation in accordance with the Election Cancellation Message; and

(B) the Controlling Participant that initiated the cancellation, notifying in the case of a cancellation of:

a. a pending election request recorded by ASX Settlement as referred to in Rule 5.19A.4(a)(i), of the cancellation and removal of ASX Settlement's record of the pending election request under Rule 5.19A.4(b)(i)(A); or

b. an election recorded by the Issuer as referred to in Rule 5.19A.4(a)(ii), that a pending cancellation request has been recorded in relation to that election.

Note: The cancellation of an election under Rule 5.19.5(a) which is notified to the Issuer under Rule 5.19A.4(b) continues to be subject to the processing and validation of that cancellation by the Issuer in accordance with the relevant plan rules.

(c) If an Issuer receives a Valid Message from ASX Settlement under Rule 5.19A.4(b)(ii)(A) (other than in relation to the cancellation of a pending election request recorded by ASX Settlement as referred to in Rule 5.19A.4(a)(i)), the Issuer must either acknowledge or reject the relevant cancellation, and must Transmit a Corporate Action Election Status Advice Message to ASX Settlement within the Scheduled Time in accordance with the Procedures, notifying of the acknowledgement or rejection of the cancellation by the Issuer.

(d) If ASX Settlement receives a Valid Corporate Action Election Status Advice Message under Rule 5.19A.4(c), ASX Settlement will:

(i) remove the pending cancellation request recorded under Rule 5.19A.4(b)(i)(B);

(ii) Transmit a Message to the Controlling Participant that notified the relevant cancellation under Rule 5.19A.4(a), notifying it of the acknowledgement or rejection of that cancellation by the Issuer in accordance with the Corporate Action Election Status Advice Message; and

(iii) Transmit a Message to the Issuer acknowledging the receipt of the Corporate Action Election Status Advice Message under Rule 5.19A.4(c).

(e) If for an election notified to an Issuer for all or part of a CHESS Holding under Rule 5.19A.2(b)(ii) which the Issuer has acknowledged under Rule 5.19A.2(c), the Issuer cancels that election at the Issuer's instigation, the Issuer must Transmit to ASX Settlement a Valid Election Cancellation Message within the

Scheduled Time in accordance with the Procedures, notifying of that cancellation.

Note: Rule 5.19A.4(e) is limited to issuer-instigated cancellations. The rule does not extend to cancellations notified to Issuers under Rule 5.19A.4(b)(ii)(A) or cancellations notified directly to the Issuer by Holders.

(f) If ASX Settlement receives a Valid Election Cancellation Message under Rule 5.19A.4(e), ASX Settlement will:

(i) Transmit a Message to the Controlling Participant for that CHES Holding, notifying it of the cancellation of the election by the Issuer in accordance with the Election Cancellation Message; and

(ii) Transmit a Message to the Issuer acknowledging the receipt of the Election Cancellation Message under Rule 5.19A.4(e).

#### **5.19A.5 Housekeeping of pending elections**

If for:

(a) a pending election request recorded in accordance with Rule 5.19A.2(b)(i); or

(b) a pending cancellation request recorded in accordance with Rule 5.19A.4(b)(i),

a Corporate Action Status Advice Message has not been received by ASX Settlement from the Issuer within the Scheduled Time, ASX Settlement will remove the pending election request recorded under Rule 5.19A.2(b)(i) or pending cancellation request under Rule 5.19A.4(b)(i) (as applicable) and notify the relevant Controlling Participant and Issuer of such cancellation.

#### **5.19A.6 Warranty by Controlling Participant or Issuer**

A:

(a) Controlling Participant that Transmits an Election Participant Notification Message under Rule 5.19A.2(a);

(b) Controlling Participant that Transmits an Election Cancellation Message under Rule 5.19A.4(a); or

(c) Issuer that Transmits an Election Cancellation Message under Rule 5.19A.4(e).

is taken to have warranted that the Controlling Participant was authorised or the Issuer was legally entitled to notify an election or cancellation of an election for all or part of a CHES Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) pursuant to such Transmitted Message.

Note: The legal entitlement or authority of a Controlling Participant or Issuer for the purpose of the warranty under Rule 5.19A.6 could for example be as a result of an instruction by the Holder of the CHES Holding to the Controlling Participant or due to a change in the plan terms or cancellation of the plan by the Issuer.

### 5.19A.7 Controlling Participant or Issuer Indemnity

If a Controlling Participant or Issuer is taken under Rule 5.19A.6 to have warranted that it was legally entitled or authorised (as applicable) to notify an election or cancellation of an election for all or part of a CHESS Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) and the Controlling Participant or Issuer was not so legally entitled or authorised, the Controlling Participant or Issuer (as applicable) indemnifies:

- (a) the Issuer or Controlling Participant (as applicable);
- (b) ASX Settlement; and
- (c) the Holder,

against all losses, damages, costs and expenses arising from the Controlling Participant or Issuer (as applicable) not having been so legally entitled or authorised.

### 5.19A.8 Warranty and Indemnity by Issuer

(a) In respect of a dividend or other distribution reinvestment plan or bonus share plan that has been announced through the public announcement platform of an Approved Listing Market Operator for which a Plan Record has been created and has not been removed in accordance with Rule 5.19A.1, the Issuer is taken to have warranted that a Holder that is eligible under the terms and conditions of the relevant dividend or other distribution reinvestment plan or bonus share plan to submit an election or to cancel an election for all or part of their CHESS Holding, can:

- (i) submit such an election by their Controlling Participant Transmitting a Valid Election Participant Notification Message under Rule 5.19A.2(a); and
- (ii) submit such a cancellation of an election by their Controlling Participant Transmitting a Valid Election Cancellation Message under Rule 5.19A.4(a),

under the terms and conditions of the relevant dividend or other distribution reinvestment plan or bonus share plan.

(b) If an Issuer is taken under Rule 5.19A.8(a) to have warranted that a Holder can submit an election or cancellation of an election in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan by their Controlling Participant Transmitting a Valid Election Participant Notification Message under Rule 5.19A.2(a) or a Valid Election Cancellation Message under Rule 5.19A.4(a) (as applicable) under the terms and conditions of the relevant dividend or other distribution reinvestment plan or bonus share plan, and the Holder was not able to submit such election or cancellation in that manner under the terms and conditions of the relevant dividend or other distribution reinvestment plan or bonus share plan, the Issuer indemnifies:

(i) the Controlling Participant;

(ii) ASX Settlement; and

(iii) the Holder.

against all losses, damages, costs and expenses arising from the Holder not being able to submit the election or cancellation of the election in that manner.

#### **5.19A.9 Enquiry request for details of election status for dividend or other distribution reinvestment plan or bonus share plan**

- (a) A Controlling Participant may initiate a request for the details of the existing election status recorded by the Issuer for a CHESS Holding in relation to a dividend or other distribution reinvestment plan or bonus share plan (as applicable) by Transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.
- (b) If an Originating Message Transmitted to ASX Settlement complies with Rule 5.19A.9(a), ASX Settlement will Transmit to the Issuer a Message requesting the Issuer to provide the details of the election status requested in the Originating Message.
- (c) If an Issuer receives a Valid Message under Rule 5.19A.9(b), the Issuer must, within the Scheduled Time, Transmit a Valid Message to ASX Settlement with the requested details of the election status.
- (d) If ASX Settlement receives a Valid Message under Rule 5.19A.9(c), it must send a Message to the Controlling Participant that initiated the request under Rule 5.19A.9(a), providing the election status details included in the Message from the Issuer under Rule 5.19A.9(c).
- (e) If an Issuer receives a Message from ASX Settlement under Rule 5.19A.9(b) and does not respond to ASX Settlement under Rule 5.19A.9(c) within the relevant Scheduled Time for response, ASX Settlement may remove the relevant request and notify the relevant Controlling Participant and Issuer of such cancellation.

#### **5.19A.10 Warranty by Controlling Participant and Issuer**

- (a) A Controlling Participant that Transmits a Message under Rule 5.19A.9(a) is taken to have warranted that the Controlling Participant was legally entitled or authorised to request the details of the election status for the CHESS Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) pursuant to such Transmitted Message;
- (b) An Issuer that Transmits a Message under Rule 5.19A.9(c) is taken to have warranted that the details of the election status notified in such Message accurately represent the details of the existing election status recorded by the Issuer for the CHESS Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) at the time such Message was Transmitted.

## 5.19A.11 Controlling Participant and Issuer Indemnities

(a) If a Controlling Participant is taken under Rule 5.19A.10(a) to have warranted that it was legally entitled or authorised to request the details of the election status for a CHESS Holding in relation to a dividend or other distribution reinvestment plan or bonus share plan (as applicable) and the Controlling Participant was not so legally entitled or authorised, the Controlling Participant indemnifies:

(i) the Issuer;

(ii) ASX Settlement; and

(iii) the Holder.

against all losses, damages, costs and expenses arising from the Controlling Participant not having been so legally entitled or authorised.

(b) If an Issuer is taken under Rule 5.19A.10(b) to have warranted that the details of the election status notified in a Message Transmitted under Rule 5.19A.9(c) represent the details of the existing election status recorded by the Issuer for the CHESS Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) at the time such Message was Transmitted and the details of the election status notified did not represent the details of the relevant existing election status recorded by the Issuer at that time, the Issuer indemnifies:

(i) the Controlling Participant;

(ii) ASX Settlement; and

(iii) the Holder.

against all losses, damages, costs and expenses arising from the details of the election status notified by the Issuer not accurately representing the details of the relevant existing election status recorded by the Issuer at that time.

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## **5.22 CORPORATE ACTIONS – CHANGES TO HOLDINGS**

### **5.22.1 Issue of Financial Products to a CHESS Holding**

If an Issuer receives a duly completed Acceptance Form, Standard Conversion Form or Standard Exercise Form and that document~~form~~ includes:

- (a) other than in relation to an Election Participant Notification Message, instructions or a notation to the effect that the applicant or Holder wishes to hold the Financial Products on the CHESS Subregister; and
- (b) the HIN of that applicant or Holder,

the Issuer must Issue the relevant Financial Products to the HIN specified on the document~~form~~.

Introduced 11/03/04 Origin SCH 13.7 Amended 18/12/06, 04/03/13

### 5.22.2 Issuer to send ~~valid~~ Valid Message

If as a result of a Corporate Action, an Issuer is required to Issue Approved Financial Products to a CHESS Holding and neither Rule 5.21.1(a) or 5.21.5 applies, the Issuer must do so by Transmitting a Valid Message to ASX Settlement before the End of Day on the Issue Date for that Corporate Action that:

- (a) ~~initiates a Holding Adjustment if the Issue does not require an adjustment to a CHESS Holding of another class of the Issuer's Financial Products;~~ or
- (b) ~~initiates a Financial Products Transformation if the Issue requires an adjustment to a CHESS Holding of another class of the Issuer's Financial Products.~~

Introduced 11/03/04 Amended 10/06/04, 04/03/13

### 5.22.3 Removal of Financial Products by Holding Adjustment

If an Issuer, in accordance with the terms of a Corporate Action, may reduce the Holding Balance of a CHESS Holding affected by the Corporate Action, the Issuer may Transmit a Message to ASX Settlement to initiate a Holding Adjustment to effect that reduction.

Introduced 11/03/04 Origin SCH 13.8.1

## 5.26 RECONSTRUCTIONS – CHANGES TO HOLDINGS

### 5.26.1 Issuer to send Valid Message

If as a result of a Reconstruction or merger, an Issuer is required to initiate a Holding Adjustment or Financial Products Transformation, the Issuer must do so by Transmitting a Valid Message to ASX Settlement.

## 5.27 INDEMNITY

### 5.27.1 Use or disclosure of Personal Information provided by ASX Settlement

An Issuer must not use or disclose any Personal Information provided by ASX Settlement under these Rules to the Issuer for any purpose other than an Approved Purpose. If the Issuer uses or discloses such Personal Information for a purpose other than an Approved Purpose, the Issuer indemnifies ASX Settlement against all losses, damages, costs and expenses that ASX Settlement may suffer or incur directly or indirectly in connection with the Issuer's actions.

## SECTION 6 RIGHTS AND OBLIGATIONS OF PARTICIPANTS

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### 6.3 HOLDINGS UNDER A PARTICIPANT'S CONTROL

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#### 6.3.4 Settlement and Accumulation Accounts

A Settlement Participant:

- (a) must unless otherwise agreed by ASX Settlement or specified in the Procedures, establish:
  - (i) one Settlement Account and one Accumulation Account to facilitate the settlement of transactions in Approved Financial Products; and
  - (ii) where a Settlement Participant provides settlement services on behalf of Clearing Participants, one Settlement Account and one Accumulation Account for and in the name of each Clearing Participant to facilitate the settlement of transactions in Approved Financial Products;
- (b) unless otherwise agreed by ASX Settlement or specified in the Procedures, must establish one Settlement Account and one Accumulation Account with a Residency Indicator of [foreign \(as identified in the User Technical Documentation\)](#) ~~"F"~~ to facilitate Foreign to Foreign Allocations;
- (c) may establish the Settlement Account and Accumulation Account in the name of the same Nominee Company; and
- (d) except as provided for in Rule 6.3.5, must not, without ASX Settlement's written consent, use a Settlement Holding or an Accumulation Holding for Custodial Purposes. Where ASX Settlement provides such consent, the Settlement Participant must comply with any terms or conditions imposed by ASX Settlement and any failure by the Settlement Participant to do so will constitute a breach of this Rule.

ASX Settlement will not provide consent under paragraphs (d) above to the use of Settlement Holding or Accumulation Holding for Custodial Purposes if in its opinion a lessening of investor protection may result.

*Note: ASX Settlement may, at its discretion, exempt a Settlement Participant from the requirement to operate "Foreign" entropot accounts where ASX Settlement is satisfied that the Settlement Participant will not participate in "Foreign to Foreign" trades.*

Introduced 11/03/04 Origin SCH 9.2.2, 9.2.3, 10.2.2, 10.2.3



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## 6.3B TRANSFERS TO FACILITATE SETTLEMENT

### 6.3B.1 Transfers or Conversions of Financial Products from a Holding to Settlement Account

Subject to Rule 6.3B.7, a Settlement Participant must not Transfer or Convert Financial Products from a Holding to its Settlement Account in connection with the sale of Financial Products under a Cash Market Transaction, other than where:

- (a) for Financial Products in any Holding (including a CHESS Holding), the Settlement Participant:
  - i. Transfers or Converts (as applicable) the Financial Products from the Holding to its Accumulation Account prior to being Transferred to the Settlement Account; and
  - ii. complies with Rule 6.3B.2 when Transferring the Financial Products from its Accumulation Account to the Settlement Account; or
- (b) for Financial Products in a CHESS Holding (other than its Accumulation Account), the Settlement Participant complies with Rule 6.3B.3 when Transferring the Financial Products from the CHESS Holding to the Settlement Account.

The Settlement Participant can satisfy the requirements under this Rule 6.3B.1 by complying with either paragraph (a) or (b) above, as applicable.

Introduced 25/05/15

### 6.3B.2 Transfer of Financial Products from Accumulation Account to Settlement Account

Subject to Rule 6.3B.7, in order to Transfer Financial Products from its Accumulation Account to its Settlement Account in connection with the sale of Financial Products under a Cash Market Transaction, a Settlement Participant must Transmit a Valid ~~Single Entry~~ Unilateral Batch Message that contains the Client Trust Receivable Amount in respect of those Financial Products, in the manner set out in the Procedures.

If there are sufficient Available Financial Products in the Accumulation Account and ASX Settlement treats the Message as a ~~Single Entry~~ Unilateral Batch Instruction which it schedules for settlement in accordance with Rule 10.9.11:

- (a) ASX Settlement must promptly apply a Settlement Lock to the Financial Products identified in the Valid Unilateral Batch Message; and,
- (b) such Client Trust Receivable Amount will be scheduled to be paid by the Settlement Participant to the Client Trust Account on the relevant Settlement Date in accordance with Rule 10.10A.

Introduced 25/05/15

### **6.3B.3 Transfer of Financial Products from a CHESS Holding (other than Accumulation Account) to Settlement Account**

Subject to Rule 6.3B.7, in order to Transfer Financial Products from a CHESS Holding (other than its Accumulation Account) to its Settlement Account in connection with the sale of Financial Products under a Cash Market Transaction, a Settlement Participant must Transmit a Valid ~~Single Entry~~ [Unilateral](#) Batch Message that contains the Client Trust Receivable Amount in respect of those Financial Products, in the manner set out in the Procedures.

If there are sufficient Available Financial Products in the CHESS Holding (having regard to other Batch Instructions affecting the CHESS Holding scheduled for settlement on or prior to the relevant Settlement Date) and ASX Settlement treats the Message as a ~~Single Entry~~ [Unilateral](#) Batch Instruction which it schedules for settlement in accordance with Rule 10.9.11, such Client Trust Receivable Amount will be scheduled to be paid by the Settlement Participant to the Client Trust Account on the relevant Settlement Date in accordance with Rule 10.10A.

Introduced 25/05/15

### **6.3B.4 Transfer of Financial Products from Settlement Account to a Holding other than Accumulation Account**

Subject to Rule 6.3B.7, a Settlement Participant may use a Valid ~~Single Entry~~ [Unilateral](#) Batch Message to Transfer Financial Products from its Settlement Account to a CHESS Holding (other than its Accumulation Account) in connection with the purchase of Financial Products under a Cash Market Transaction which includes the Client Trust Deductible Amount (or part thereof) in respect of those Financial Products, in the manner set out in the Procedures.

If there are sufficient Available Financial Products in the Settlement Account (having regard to other Batch Instructions affecting the Settlement Account scheduled for settlement on or prior to the relevant Settlement Date) and ASX Settlement treats the Message as a ~~Single Entry~~ [Unilateral](#) Batch Instruction which it schedules for settlement in accordance with Rule 10.9.11, the Client Trust Deductible Amount specified in the Valid ~~Single Entry~~ [Unilateral](#) Batch Message will be scheduled to be receivable by the Settlement Participant from the Client Trust Account on the relevant Settlement Date in accordance with Rule 10.10A.

Subject to Rule 6.3B.4A, a Settlement Participant must not specify a Client Trust Deductible Amount in a Message under this Rule 6.3B.4 which exceeds the Client Trust Deductible Amount which applies in respect of the Transfer of those Financial Products at the time of transmitting that Message.

*Note: Pursuant to the definition of Client Trust Deductible Amount in Rule 6.3B.8, in order for a Client Trust Deductible Amount to be included in a Message under this Rule 6.3B.4 this money must have been received and be held in the Client Trust Account at the time of Transmitting the Message. Rule 6.3B.4A provides an exception for cash contra transactions where the Client Trust Deductible Amount specified in a Message Transmitted under Rule 6.3B.4 relies on the future payment of monies into the Client Trust Account pursuant to a Message under Rule 6.3B.2*

*to move Financial Products from the Participant's Accumulation Account to its Settlement Account which is settling on the same day.*

Introduced 25/05/15 Amended 18/04/16

#### **6.3B.4A Client Trust Deductible Amount under Rule 6.3B.4 in respect of cash contra transactions**

Where a Settlement Participant (or, if the Settlement Participant is acting as a Settlement Agent for a Clearing Participant for settling Cash Market Transactions, the Clearing Participant) is relying on the consideration from the sell side of a cash contra transaction in order to be able to withdraw money from the Client Trust Account in connection with the buy side of the cash contra transaction, and each of the following requirements are satisfied:

- (a) the sell side and the buy side of the cash contra transaction are:
  - (i) undertaken for the same client;
  - (ii) in respect of different Financial Products; and
  - (iii) to be settled on the same day;
- (b) the Settlement Participant has Transmitted a Valid ~~Single Entry~~Unilateral Batch Message under Rule 6.3B.2 in connection with the sell side of the cash contra transaction and the Message is treated by ASX Settlement as a ~~Single Entry~~Unilateral Batch Instruction which has been scheduled for settlement in accordance with Rule 10.9.11; and
- (c) the Settlement Participant seeks to Transmit a Valid ~~Single Entry~~Unilateral Batch Message under Rule 6.3B.4 in connection with the buy side of the cash contra transaction which specifies the date on which the ~~Single Entry~~Unilateral Batch Instruction referred to in paragraph (b) is scheduled for settlement as the scheduled Settlement Date in respect of the Transfer of Financial Products under the Batch Instruction arising from that Message,

then for the purposes of the Client Trust Deductible Amount which may be specified in the Message referred to in paragraph (c), the consideration from the sell side of the cash contra transaction included in the Client Trust Receivable Amount contained in the Message referred to in paragraph (b) is deemed to have been received by the Settlement Participant (or, if the Settlement Participant is acting as a Settlement Agent for a Clearing Participant for settling Cash Market Transactions, the Clearing Participant) and be held in the Client Trust Account at the time of Transmitting the Message referred to in paragraph (c), notwithstanding that Batch Settlement in respect of the Message referred to in paragraph (b) above has yet to occur.

Where the Message referred to in paragraph (b) is cancelled by the Settlement Participant pursuant to Rule 10.9.12 and the Settlement Participant had included in the Message referred to in paragraph (c) a Client Trust Deductible Amount which pursuant to this Rule 6.3B.4A relied on consideration from the sell side of the cash contra transaction, the Settlement Participant must cancel the Message referred to in paragraph (c) pursuant to Rule 10.9.12 prior to Batch Settlement on the scheduled Settlement Date for that Message.

*Note: The ability to include in a Valid ~~Single Entry~~ Unilateral Batch Message under Rule 6.3B.4 the Client Trust Deductible Amount (or part thereof) in connection with the buy side of the cash contra transaction pursuant to this Rule 6.3B.4A remains subject to the Settlement Participant (or if the Settlement Participant is acting as a Settlement Agent for a Clearing Participant for settling Cash Market Transactions, the Clearing Participant) also being entitled to withdraw that amount from the Client Trust Account under ASX Clear Operating Rule 4.24 in accordance with the ordinary operation of the definition of Client Trust Deductible Amount.*

Introduced 18/04/16

### **6.3B.5 Payment to Client Trust Account for Transfers from Accumulation Account to any Holding**

Subject to Rule 6.3B.7, a Settlement Participant must ensure for any Financial Products held in its Accumulation Account, that where those Financial Products are Transferred to:

- (a) its Settlement Account in connection with the sale of those Financial Products under a Cash Market Transaction, that the Client Trust Receivable Amount in respect of those Financial Products under Rule 6.3B.2 is paid to the Client Trust Account concurrent with Batch Settlement on the day of the Transfer (and by no later than the completion of Batch Settlement on that day) in accordance with Rule 10.10A; or
- (b) a Holding (other than the Settlement Account) in connection with the sale of those Financial Products under a Cash Market Transaction, that the Client Trust Receivable Amount in respect of those Financial Products is paid to the Client Trust Account on the day of the Transfer.

For the purposes of Rule 6.3B.5(a), a Client Trust Receivable Amount included in a Message under Rule 6.3B.2 can be set-off against a Client Trust Deductible Amount included in a Message under Rule 6.3B.4 which is scheduled for settlement on the same day, in accordance with Rule 10.10A.

Introduced 25/05/15

### **6.3B.6 Payment to Client Trust Account for Transfers from CHESS Holding (other than Accumulation Account) to Settlement Account**

Subject to Rule 6.3B.7, a Settlement Participant must ensure for any Financial Products held in a CHESS Holding (other than its Accumulation Account), that where those Financial Products are Transferred to its Settlement Account in connection with the sale of those Financial Products under a Cash Market Transaction, that the Client Trust Receivable Amount in respect of those Financial Products under Rule 6.3B.3 is paid to the Client Trust Account concurrent with Batch Settlement on the day of the Transfer (and by no later than the completion of Batch Settlement on that day) in accordance with Rule 10.10A.

For the purposes of this Rule 6.3B.6, a Client Trust Receivable Amount included in a Message under Rule 6.3B.3 can be set-off against a Client Trust Deductible Amount

included in a Message under Rule 6.3B.4 which is scheduled for settlement on the same day, in accordance with Rule 10.10A.

Introduced 25/05/15

### **6.3B.7 Certain Transfers not subject to above requirements**

Rules 6.3B.1 to 6.3B.6 do not apply to a Transfer of Financial Products effected:

- (a) by a Settlement Participant from one of its Accumulation Accounts to another of its Accumulation Accounts;
- (b) by a Settlement Participant from one of its Settlement Accounts to another of its Settlement Accounts; or
- (c) between two Participants as result of giving effect to a ~~Dual Entry~~ [Bilateral Demand Transfer](#) ~~or~~, a ~~Dual Entry~~ [Bilateral Batch Instruction](#) ~~or a Dual Entry Payment Batch Instruction~~.

Introduced 25/05/15

### **6.3B.8 Client Trust Receivable Amount and Client Trust Deductible Amount**

For the purposes of these Rules, the 'Client Trust Receivable Amount' in respect of Financial Products is the consideration for the sale of those Financial Products under the relevant Cash Market Transaction other than to the extent that:

- (a) the relevant Financial Products were not Financial Products of a client (or from a person acting on behalf of a client) or for the benefit of a client;
- (b) the Client Trust Receivable Amount has already been paid to the Client Trust Account; or
- (c) the Settlement Participant, or, if the Settlement Participant is acting as a Settlement Agent for a Clearing Participant for settling Cash Market Transactions, the Clearing Participant, is entitled to deduct from the consideration remuneration payable to it in connection with the sale of the Financial Products under that Cash Market Transaction and the Settlement Participant or the Clearing Participant (as applicable) deducts such amount.

For the purposes of these Rules, subject to Rule 6.3B.4A the 'Client Trust Deductible Amount' in respect of Financial Products is the money received by the Settlement Participant, or, if the Settlement Participant is acting as a Settlement Agent for a Clearing Participant for settling Cash Market Transactions, the Clearing Participant, in connection with the purchase of the Financial Products under the relevant Cash Market Transaction held in the Client Trust Account which the Settlement Participant or the Clearing Participant (as applicable) is entitled to withdraw from the Client Trust Account under ASX Clear Operating Rule 4.24.

Introduced 25/05/15 Amended 18/04/16

### 6.3B.9 Notification of non-compliance

Without limitation to Rule 12.18, a Settlement Participant must notify ASX Settlement immediately upon it becoming aware that it has breached any of Rules 6.3B.1 to 6.3B.6.

Introduced 25/05/15

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## 6.4 HOLDER IDENTIFICATION NUMBERS

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### 6.4.2 Participant may nominate a ~~Standing Nominated Settlement~~ HIN ~~for Messages~~

A Participant may by Notice to ASX Settlement nominate one ~~Standing Nominated Settlement~~ HIN ~~to be specified on CCP Batch Instructions for each Message type listed in Appendix 2 of these Rules.~~

Introduced 11/03/04 Origin SCH 9.3.1, 10.4.1

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## 6.7 ELECTRONIC ACCESS TO HOLDING BALANCE AND SRN DETAILS BY PARTICIPANTS

### 6.7.1 Participant ~~must have valid Sponsorship Bond~~ access

Only a Sponsoring Participant that has lodged with ASX Settlement a valid Sponsorship Bond, ~~or a Sponsoring Participant that is not required to provide a Sponsorship Bond pursuant to Rule 4.9.3,~~ may request Issuer Sponsored Holding Balance and SRN Details by CHES Message ~~pursuant to Rule 9.14.~~

Introduced 11/03/04 Origin SCH 10.7A.1

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### 6.9.1 Participant to advise Issuer of number of units

If a Participant:

(a) controls a Holding which has a Residency Indicator of ~~mixed (as identified in the User Technical Documentation)~~ "M"; and

(b) FOR Financial Products are entered into that Holding,

the Participant must advise each relevant Issuer of FOR Financial Products, at intervals determined by the relevant Issuer, of:

(c) the aggregate number of units in the Holding which is beneficially owned by a Foreign Person; and

- (d) the level of increase or decrease in the number of units, whichever is relevant, which are beneficially owned by a Foreign Person:
  - (i) since the previous report to the relevant Issuer;
  - (ii) if no previous report was submitted, since the FOR Financial Products were entered into the Holding.

*Note: Beneficial ownership by a foreign person will be determined by reference to the relevant Issuer's constitution or governing legislation.*

Introduced 11/03/04 Origin SCH 9.12A, 10.11A

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## 6.13 PARTICIPANTS' IDENTIFICATION CODES ~~UNDER THE LAW~~

### 6.13.1 ASX Settlement to allocate or attribute PID

ASX Settlement will allocate or attribute to each Participant a unique code which will be that Participant's PID which:

- (a) must be used by that Participant in accordance with these Rules; and
- (b) is that Participant's identification code for the purposes of Division 4 of Part 7.11 of the Corporations Regulations.

*Note: Where a Settlement Participant acts as a Settlement Agent on behalf of a Clearing Participant, ASX Settlement will allocate or attribute to that Settlement Agent a PID in the name of each Clearing Participant for which it acts as Settlement Agent.*

Introduced 11/03/04 Origin SCH 9.17

### 6.13.2 Use of BIC as a PID of a Participant

A Participant may request that ASX Settlement attribute to the Participant as one of its PIDs the BIC allocated to the Participant by a person other than ASX Settlement, for inclusion in Messages from or to the Participant as an alternative to the inclusion in such Messages of a PID allocated by ASX Settlement to the Participant. Where this occurs:

- (a) the Participant must nominate the PID allocated by ASX Settlement to the Participant that the BIC is referable to;
- (b) a Message received from the Participant which includes the Participant's BIC will be treated as a Message from the nominated PID that the BIC is referable to, and not as a Message from the BIC as a separate PID to that nominated PID;
- (c) for the purpose of obligations or entitlements of a Participant under these Rules in respect of each PID, including (without limitation) for the purpose of:
  - (i) the Settlement Account and Accumulation Account required to be established for each PID under Rule 6.3.4;



(ii) the Payment Facilities required to be established by the Participant for each PID under Rule 6.15(1)(c);

(iii) calculations of settlement obligations or entitlements of a Participant for each PID under Rule 10.10;

those obligations and entitlements will apply in respect of the nominated PID that the BIC is referable to, and not as obligations and entitlements in respect of the BIC as a separate PID to that nominated PID; and

(d) the BIC will not be included in calculating the maximum number of PIDs per Participant for the purposes of the definition of PID.

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## 6.15 ESTABLISHING A PAYMENT FACILITY

### 6.15.1 Payment Facilities

A Settlement Participant must have in place at all times at least the number of Payment Facilities required under Rule 4.13 to facilitate settlement of Instructions and, in relation to those Payment Facilities:

- (a) the Settlement Participant must give Notice to ASX Settlement in the form prescribed by ASX Settlement from time to time. Without limitation, such Notice must identify in respect of each Payment Facility the relevant facility subtype as specified in the User Technical Documentation;
- (b) a Payment Facility will not be available to facilitate settlement of Instructions until a Payments Provider acknowledges to ASX Settlement that it will operate the Payment Facility on behalf of the Settlement Participant;
- (c) a separate Payment Facility must be established for each PID allocated or attributed by ASX Settlement to the Settlement Participant;
- (ca) a Payment Facility may be used to facilitate settlement of both Batch Instructions and RTGS Instructions;
- (d) in relation to DvP Settlement:
  - (i) each Payment Facility must be linked to at least one CHES Holding;
  - (ii) ~~a~~ CHES Holding must not be linked to more than one Payment Facility; and
  - (iii) a Settlement Participant which is a Clearing Participant must use the same Payment Facility to facilitate settlement of all CCP Batch Instructions in respect of a PID. A Settlement Participant that acts for more than one Clearing Participant may use multiple Payment Facilities, but must only maintain one Payment Facility per Clearing Participant on whose behalf it acts; ~~and~~
- (e) in relation to Payment Batch Instructions:



- (i) each payment type as determined by ASX Settlement must be linked to a separate Payment Facility; and
- (ii) unless otherwise agreed in writing by ASX Settlement, a payment type must not be linked to more than one Payment Facility; and

(f) in relation to Real Time Gross Settlement, a Settlement Participant which is an RTGS Participant must give ASX Settlement Notice of the RTGS Bank Account referable to each Payment Facility used to settle RTGS Instructions in accordance with Rule 11.4.3.

Introduced 11/03/04 Origin SCH 9.20, 10.21 Amended 08/08/13, 21/03/14

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### 6.15.3 ASX Settlement to reject Messages if no Payment Facility

If a Settlement Participant Transmits a Valid Message in relation to:

- (a) an Instruction that specifies a HIN<sub>x</sub> or in the case of a CCP Batch Instruction that incorporates a ~~Standing Nominated~~ Settlement HIN<sub>x</sub> for a CHES Holding and a Payment Facility for that Holding has not been established; ~~or~~
- (b) a Payment Batch Instruction and a Payment Facility for the relevant payment type has not been established; or
- (c) an RTGS Instruction and a Payment Facility for the relevant payment type has not been established.

ASX Settlement must reject the Message.

Introduced 11/03/04 Origin SCH 9.20.8, 10.21.7

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## 6.17 AUTHORITY TO EFFECT SETTLEMENT AND TO INCLUDE A SETTLEMENT PARTICIPANT'S PID IN AN INSTRUCTION

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### 6.17.2 Participant authority to include PID

Each Settlement Participant irrevocably authorises ASX Settlement to include its PID or the PID of a Clearing Participant for which it acts as Settlement Agent in each:

- (a) CCP Batch Instruction; and
- (b) Accrued Batch Instruction; ~~and~~
- ~~(c) Accrued RTGS Instruction,~~

as the PID of the delivering Participant or receiving Participant, as the case requires.

Introduced 11/03/04 Origin SCH 9.22.2, 10.25.2

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## 6.18 DEMAND TRANSFER FOLLOWING A FAIL IN ASX SETTLEMENT BATCH SETTLEMENT

### 6.18.1 Delivery of part settlement

If a receiving Participant designates an Instruction as not available for settlement in part and in relation to that Instruction:

- (a) the delivering Participant designates the Instruction as available for settlement in part;
- (b) during Batch Settlement the Instruction Fails; and
- (c) the delivering Participant gives Notice to the receiving Participant by the Scheduled Time that it can deliver the number and class of Financial Products specified in the Instruction on that Business Day,

the receiving Participant must, subject to Rule 6.18.2, accept the delivery of Financial Products.

Introduced 11/03/04 Origin SCH 9.23.1, 10.23.1

### 6.18.2 Transmitting Messages to effect part settlement

If a delivering Participant:

- (a) gives Notice to the receiving Participant under Rule 6.18.1(c);
- (b) Transmits a Message to ASX Settlement within the Scheduled Time to cancel the Instruction that has been rescheduled for settlement on the next Business Day; and
- (c) Transmits a Message to ASX Settlement within the Scheduled Time to initiate a [Dual Entry Bilateral](#) Demand Transfer to Transfer the Financial Products to the receiving Participant under Rule 9.5.4.

the receiving Participant must:

- (d) Transmit a Message to ASX Settlement within the Scheduled Time to enable ASX Settlement to Match the request to cancel the Instruction that has been rescheduled for settlement on the next Business Day;
- (e) Transmit a Message to ASX Settlement within the Scheduled Time to enable ASX Settlement to Match the [Dual Entry Bilateral](#) Demand Message to Transfer the Financial Products to the receiving Participant; and
- (f) pay to the delivering Participant an amount equal to the Settlement Amount specified in the rescheduled Instruction.

Introduced 11/03/04 Origin SCH 9.23.2, 10.23.2

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## 6.20 REMOVAL OF INSTRUCTION FROM BATCH SETTLEMENT BY ASX SETTLEMENT

### 6.20.1 Giving notice to ASX Settlement

If:

- (a) a Settlement Participant (the first Settlement Participant) is a counterparty to an Instruction with a Settlement Participant that owes obligations to the CCP (the second Settlement Participant);
- (b) the first Settlement Participant is acting as an agent for a non Participant in relation to that Instruction;
- (c) the non Participant is a client of the second Settlement Participant; and
- (d) the non Participant becomes externally administered before the Settlement Date of the Instruction,

the first Settlement Participant may by providing to ASX Settlement within the Scheduled Time a Notice in the prescribed form and adequate documentation to evidence the external administration of the non Participant, request ASX Settlement to remove the Instruction to which it is counterparty from Batch Settlement ~~or Real Time Gross Settlement, as the case may be.~~

Introduced 11/03/04 Origin SCH 9.24.1, 10.24.1

### 6.20.2 Action by ASX Settlement

If ASX Settlement:

- (a) receives a Notice under Rule 6.20.1; and
- (b) is satisfied that the documentation referred to in that Rule is adequate to evidence the external administration of the non Participant,

ASX Settlement must, subject to the Rules, within the Scheduled Time:

- (c) remove the Instruction from Batch Settlement ~~or, if applicable, Real Time Gross Settlement;~~ and
- (d) give Notice to the Settlement Participant providing the Notice and the counterparty Settlement Participant that the Instruction has been so removed.

Introduced 11/03/04 Origin SCH 10.24.3

## SECTION 7 PARTICIPANT CLIENT ARRANGEMENTS

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### 7.4 AQUA PRODUCTS

#### 7.4.1 AQUA Products

ASX Settlement will not ~~process~~~~accept~~ a Message as to the ~~Notice of~~ change of Controlling Participant under Rule 8.17 where Holdings to which the Message~~Notice~~ relates comprise AQUA Products and the new Controlling Participant is not accredited in accordance with Section 18 of the Rules to facilitate the settlement of AQUA Products. In this instance, the existing Controlling Participant must convert the AQUA Product Holdings to Holdings on the Issuer Sponsored Subregister. If the existing Controlling Participant fails to convert the AQUA Product Holdings to Holdings on the Issuer Sponsored Subregister, ASX Settlement may convert the AQUA Product Holdings to Holdings on the Issuer Sponsored Subregister.

## SECTION 8 HOLDING FINANCIAL PRODUCTS IN THE SETTLEMENT FACILITY

### 8.5 EFFECTS OF SUSPENSION AND REVOCATION OF APPROVAL

#### 8.5.1 Action taken by ASX Settlement upon suspension

Subject to Rule 8.5.2, if ASX Settlement suspends approval of a class of an Issuer's Financial Products, ASX Settlement must:

- (a) if an Instruction or Message would affect a CHESS Holding of Financial Products in that class:
  - (i) suspend all:
    - (A) such Instructions it has already received;
    - (B) CCP Rescheduled Batch Instructions it subsequently receives in respect of suspended CCP Market Trade Batch Instructions notified to the Approved Clearing Facility pursuant to Rule 8.5.1(e); and
  - (ii) reject all such Instructions or Messages that are subsequently received other than for CCP Rescheduled Batch Instructions in respect of suspended CCP Market Trade Batch Instructions notified to the Approved Clearing Facility pursuant to Rule 8.5.1(e);
- (aa) to the extent ASX Settlement considers reasonably necessary, give notice of the suspension or rejection of such Instructions or Messages to other Facility Users;
- (ab) remove any Settlement Lock or Demand Lock applied in relation to the suspended Financial Products;
- (b) on each Business Day that the class of Financial Products remains suspended, reschedule any suspended Instructions other than CCP Market Trade Batch Instructions that were included in Batch Settlement on that Business Day, for settlement on the next Business Day; ~~and~~
- (c) give notice to each affected Settlement Participant that the Instruction has been rescheduled; and
- (de) subject to Rule 8.5.2, cancel any Instruction that remains suspended on the 15th ~~10th~~ Business Day after suspension of approval. For the purposes of this Rule 8.5.1(c), ASX Settlement may, in its absolute discretion, cancel any Instruction that remains suspended on or after the 10th Business Day after the relevant suspension of approval.

For CCP Market Trade Batch Instructions scheduled for settlement on the day that ASX Settlement suspends approval of a class of an Issuer's Financial Products or on a subsequent Business Day, which ASX Settlement suspends under Rule 8.5.1(a)(i), ASX Settlement:

(e) will notify the Approved Clearing Facility of the suspended CCP Market Trade Batch Instructions; and

(f) has no obligations in relation to those CCP Market Trade Batch Instructions.

Note: Where there are CCP Market Trade Batch Instructions scheduled for settlement on the day that ASX Settlement suspends approval of a class of an Issuer's Financial Products or on a subsequent Business Day, which ASX suspends under Rule 8.5.1(a)(i), ASX Clear will generate a CCP Rescheduled Batch Instruction in accordance with Rule 12.6.2B of the ASX Clear Operating Rules in respect of those CCP Market Trade Batch Instructions for settlement on the next Business Day.

Introduced 11/03/04 Origin SCH 3.5.1 Amended 10/06/04

### **8.5.2 Discretion to allow Instruction**

If ASX Settlement suspends approval of a class of an Issuer's Financial Products, ASX Settlement may in its discretion determine to give effect to an Instruction or a class of Instructions or a Message or a class of Messages that would affect a CHES Holding of Financial Products in that class and if ASX Settlement so determines it must give notice to:

- (a) the Issuer;
- (b) the Approved Listing Market Operator; and
- (c) to the extent that ASX Settlement considers reasonably necessary, other Facility Users.

Introduced 11/03/04 Origin SCH 3.5.2, 3.5.3 Amended 10/06/04, 18/12/06, 27/06/11

### **8.5.3 Removal of suspension**

If ASX Settlement is satisfied that the circumstances that gave rise to a suspension no longer exist, ASX Settlement must:

- (a) remove the suspension; and
- (b) give ~~Notice~~-notice to:
  - (i) the Issuer;
  - (ii) the relevant ~~Approv~~ed Market Operator; and
  - (iii) to the extent ASX Settlement considers reasonably necessary, other Facility Users.

Introduced 11/03/04 Origin SCH 3.5.4

### **8.5.4 Revocation if suspension continues – [Deleted]**

Introduced 11/03/04 Origin SCH 3.5.6 Amended 10/06/04 Deleted 25/05/15

### **8.5.5 Effect of revocation**

If ASX Settlement revokes approval of a class of an Issuer's Financial Products, ASX Settlement must, from the effective date of the revocation:

- (a) reject all Instructions or Messages that would affect a CHESS Holding of Financial Products in that class; and
- (b) close the CHESS Subregister for that class of Financial Products in accordance with Rule 8.14.1.

Introduced 11/03/04 Origin SCH 3.6.1 Amended 10/06/04

## **8.6 CHESS SUBREGISTERS**

### **8.6.1 Status of CHESS Subregister**

ASX Settlement must administer, as agent of an Issuer in accordance with these Rules, a CHESS Subregister for each class of the Issuer's Approved Financial Products to which the following provisions apply:

- (a) subject to paragraph (b), the CHESS Subregister for a class of an Issuer's Approved Financial Products forms part of the Issuer's principal register for that class of Financial Products; and
- (b) if an Issuer's principal register for a class of Approved Financial Products is located outside Australia, the CHESS Subregister forms part of the Issuer's principal Australian register, notwithstanding the fact that the Australian register is a branch register and forms a part of the Issuer's principal register outside Australia.

Introduced 11/03/04 Origin SCH 5.1

### **8.6.2 Information recorded and maintained on a CHESS Subregister**

ASX Settlement must record and maintain on a CHESS Subregister for a class of Approved Financial Products:

- (a) the [name and address recorded as part of the](#) Registration Details ~~and HIN~~ of ~~each person a~~ [Holder](#) with a CHESS Holding of Financial Products in that class; and
- (b) in relation to each such person, the number of Financial Products held.

Introduced 11/03/04 Origin SCH 5.2.1

### **[8.6.3A Additional information recorded and maintained by ASX Settlement](#)**

[ASX Settlement may also record and maintain information about a Holder in a Holder Record in addition to the information described in Rule 8.6.2.](#)

### **8.6.3 HIN [and other details](#) not to be taken to be included in a register**

Except to the extent required by these Rules or the law, an Issuer must not include a HIN [or any other details that do not form part of a register of members required to be maintained under the Corporations Act](#) in a register for the purpose of:

- (a) the register being open for inspection; or
- (b) furnishing a copy of the register or any part of the register.

Introduced 11/03/04 Origin SCH 5.2.2

## 8.7 ESTABLISHING A HOLDER RECORD

### 8.7.1 Restrictions on establishing a Holder Record

A Participant must not Transmit a Message to establish a Holder Record in relation to a person under Rule 8.7.2 unless:

- (a) the person is a Related Body Corporate of the Participant; or
- (b) the Participant holds a current Sponsorship Agreement executed by the Participant and the person.

Introduced 11/03/04 Origin SCH 5.4.1A

### 8.7.2 Establishing a Holder Record

If a Participant Transmits a Valid Message to ASX Settlement requesting ASX Settlement to establish a Holder Record that includes the matters specified in the Procedures, ASX Settlement must:

- (a) establish a Holder Record on CHES for that person;
- (b) allocate a HIN to that Holder; ~~and~~
- (c) allocate a UUID to each Holder; and
- (d) if the Holder Record has been established for a Participant Sponsored Holder, promptly send a Notice in relation to that Holder Record to that Participant Sponsored Holder.

If the Holder Record is in relation to a person that is a Participant Sponsored Holder, the Participant must, in the absence of any specific alternative written authority from that other person specify as the current Registration Details in the Message, the name, address and, if applicable, Email details of the person as recorded in the Sponsorship Agreement.

Introduced 11/03/04 Origin SCH 5.4.1, 5.4.1B Amended 02/11/09

### 8.7.3 Holder Record for Holding of FOR Financial Products

A Participant must determine whether the Residency Indicator of a Holder Record is applicable to any new Holding of FOR Financial Products, and if it is not applicable to the new Holding of FOR Financial Products and there is no existing Holder Record with the appropriate Residency Indicator, the Participant must:

- (a) establish a separate Holder Record for that new Holding with the appropriate Residency Indicator; and
- (b) transfer that Holding to that Holder Record.

*Note: Because of differing definitions of "Foreign Person" under the governing legislation or constitution of different Issuers with aggregate foreign ownership restrictions, a Holder's status (for the purposes of settling transactions in FOR Financial Products) may differ between Issuers.*



*Where these circumstances apply, Holders must have two distinct Holder Records in CHESS; one with a Residency Indicator of [foreign \(as identified in the User Technical Documentation\)](#) ~~“F”~~ and another with a Residency Indicator of [domestic \(as identified in the User Technical Documentation\)](#) ~~“D”~~. Holdings of particular Financial Products must then be linked to the appropriate Holder Record.*

Introduced 11/03/04 Origin SCH 5.4.3

#### **8.7.4 Indemnity by Participant where Holder Record established incorrectly**

If, under Rule 8.7.2, a Participant has Transmitted a Valid Message requesting ASX Settlement to establish a Holder Record and that Message specifies the Holder Type as Participant Sponsored Holder or specifies a Residency Indicator and any of the following apply:

- (a) the Participant is not authorised to establish the Holder Record;
- (b) the Participant has provided incorrect details in the Message; or
- (c) the Participant has provided an incorrect Residency Indicator in the Message,

subject to Rule 8.7.5 the Participant indemnifies:

- (d) ASX Settlement from and against all losses, damages, costs and expenses which ASX Settlement may suffer or incur by reason of [or as a result of](#), that unauthorised request or that Transmission of incorrect Holder Record details or an incorrect Residency Indicator; and
- (e) if a Holding is established using incorrect Holder Record details or an incorrect Residency Indicator, the Issuer from and against all losses, damages, costs and expenses which the Issuer may suffer or incur by reason of [or as a result of](#), that Holding being established.

Introduced 11/03/04 Origin SCH 5.4.4, 5.4.5

#### **8.7.5 Limitation on Participant indemnity**

A Participant is not liable to indemnify ASX Settlement or an Issuer under Rule 8.7.4 if the Participant has provided details which are consistent with the directions of the relevant Holder for the purposes of holding FOR Financial Products and the Participant had no reason to believe that those directions were incorrect.

Introduced 11/03/04 Origin SCH 5.4.6

## **8.8 ESTABLISHING A CHESS HOLDING**

### **8.8.1 A CHESS Holding may be established**

If a Holder Record for a person has been established and a HIN allocated and a Message specifying that HIN to identify the Target Holding is Transmitted in any of the following circumstances:

- (a) a Participant Transmits a Valid Originating Message that initiates a Demand Transfer or Conversion;

- (b) ASX Settlement Transmits a Valid Originating Message that initiates a Settlement Transfer; or
- (c) an Issuer Transmits a Valid Message to initiate a Holding Adjustment or a Financial Products Transformation,

a CHESSE Holding may be established by entering the Financial Products specified in the Message into the Target Holding and, if a new CHESSE Holding is established ASX Settlement must notify the Issuer:

- (d) that a new Holding has been established; and
- (e) of the [relevant](#) Holder Record details.

Introduced 11/03/04 Origin SCH 5.5

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## 8.11 CONFIDENTIALITY

### 8.11.1 No disclosure except in certain circumstances

Unless required by these Rules or the law, or with the express consent of the Holder, or of the duly appointed attorney, agent or legal personal representative of that Holder, neither an Issuer nor a Participant may mail (either in writing or electronically), release, publish, disseminate or disclose:

- (a) the HIN of a CHESSE Holding;
- (b) the PID of the Controlling Participant of a CHESSE Holding; ~~or~~
- (c) the SRN for the Holder of an Issuer Sponsored Holding, or
- (d) the UUID of the Holder;

other than to:

- ~~(d)~~ the Holder of that Holding, or in relation to (d) the Holder to which the UUID relates;
- ~~(e)~~ the Holder's duly appointed attorney, agent or legal personal representative, or in relation to (d) the duly appointed attorney, agent or legal personal representative of the Holder to which the UUID relates;
- ~~(f)~~ if the Holding is a CHESSE Holding, the Controlling Participant for that Holding; or
- ~~(g)~~ ASX Settlement.

Introduced 11/03/04 Origin SCH 5.9.1 Amended 23/10/09

### 8.11.2 Request for information by a Participant

For the purpose of Rule 8.11.1(~~e~~), if a Participant provides a request to an Issuer in acceptable form or a written request to another Participant for:

- (a) details of the SRN of a Holding on the Issuer Sponsored Subregister;
- (b) the Holding Balance of a Holding on the Issuer Sponsored Subregister;
- (c) the HIN of a CHESS Holder; ~~or~~
- (d) the PID of the Controlling Participant of the CHESS Holding; or
- (e) the UUID of a Holder,

the requesting Participant:

- ~~(e)~~ is taken to have warranted to the Issuer or the other Participant that it is the duly appointed agent of the Holder for the purposes of obtaining the details requested;
- ~~(f)~~ indemnifies the Issuer or the other Participant in respect of any loss which the Issuer or the other Participant may suffer as a result of the requesting Participant not being authorised to request the information provided; and
- ~~(g)~~ is, in the case of a request to the Issuer, taken to have acknowledged that:
  - (i) the details provided by the Issuer represent information currently available to the Issuer at the time of response and excludes unregistered transactions; and
  - (ii) the Issuer will not be liable for any loss incurred by the Holder or the Participant as a result of reliance on the details provided, in the absence of information not available to the Issuer at the time of providing those details.

*Note:* A Participant may request SRN and Issuer Sponsored Holding Balance details from an Issuer via CHESS message where the Participant is permitted to establish and maintain Sponsored Holdings under Rule 6.3 and has provided ASX Settlement with a Sponsorship Bond of \$500,000 or is not required to provide a Sponsorship Bond pursuant to Rule 4.9.3. ~~Refer~~ Rule 6.7.

Introduced 11/03/04 Origin SCH 5.9.2, 5.9.3 Amended 04/04/05

### **8.11.3 Disclosure of information regarding Financial Products**

Subject to Rule 8.11.4, or unless otherwise required by these Rules or the law, ASX Settlement must not disclose any information regarding Financial Products in a CHESS Holding other than to:

- (a) the Holder of that Holding;
- (b) the Controlling Participant for that Holding;
- (c) the Issuer of the Financial Products; or
- (d) if Rule 14.13 applies in relation to a takeover bid any of the following:
  - (i) the bidder;

- (ii) the ~~CHES~~Participant Bidder; or
- (iii) any agent that the bidder or the ~~CHES~~Participant Bidder engages to prepare and distribute offer documentation or process takeover acceptances.

Introduced 11/03/04 Origin SCH 5.9.4

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## 8.14 CLOSURE OF A CHES SUBREGISTER

### 8.14.1 Closure of a CHES Subregister - other than where Financial Products lapse, expire, mature etc.

Unless Rule 8.14.2 applies, if:

- (a) ASX Settlement revokes Approval of a class of an Issuer's Financial Products under Rule 8.4.1(b); or
- (b) Approval of a class of an Issuer's Financial Products ceases under Rule 8.4.8, subject to Rule 8.14.4. ASX Settlement and the Issuer must take such steps as may be necessary to effect the orderly closure of any affected CHES Subregister, including without limitation:
  - (c) ASX Settlement giving such notice ~~Notice~~ as is reasonably practicable to the Issuer and each Participant of:
    - (i) the date of closure of the CHES Subregister; and
    - (ii) the last day on which ASX Settlement will process Messages or classes of Messages Transmitted by the Issuer or Participants;
  - (d) the Issuer using its best endeavours to ensure that all outstanding processing that affects CHES Holdings in that class is completed prior to the date of closure of the CHES Subregister;
  - (e) ASX Settlement, on the date of closure of the CHES Subregister:
    - (i) removing all Holdings on that Subregister to an Issuer Sponsored Subregister; and
    - (ii) giving notice ~~Notice~~ to the Issuer that the CHES Subregister has been closed;
  - (f) ASX Settlement sending a Holding statement in accordance with Rule ~~8.20.1~~8.18.6 to each Participant Sponsored Holder of Financial Products on the CHES Subregister advising that the Holding has been Converted to an Issuer Operated Subregister; and
  - (g) on the day of such closure or on any subsequent Business Day ASX Settlement may archive that CHES Subregister provided that on the archiving day it must notify the Issuer and Participants confirming the archival of that Subregister.

Note: ASX Settlement will not ordinarily archive a CHESS Subregister if a Holding is recorded on the CHESS Subregister.

Introduced 11/03/04 Origin SCH 5.12.1, 5.12.2 Amended 25/05/15

#### **8.14.2 Closure of a CHESS Subregister – where Financial Products lapse, expire, mature etc.**

If a class of Approved Financial Products ceases to be quoted because the Financial Products have lapsed, expired, matured or have been redeemed, paid up or Reconstructed, subject to Rules 8.14.3, 8.14.4, and 14.21.4, ASX Settlement and the Issuer must take such steps as may be necessary to effect the orderly closure of any affected CHESS Subregister, including without limitation:

- (a) the Issuer using its best endeavours to ensure that all outstanding processing that affects CHESS Holdings in that class is completed prior to the date of closure of the CHESS Subregister;
- (b) ASX Settlement, on the date of closure of the CHESS Subregister giving notice to the Issuer that the CHESS Subregister has been closed; and
- (c) ASX Settlement may archive the CHESS Subregister for that class of Financial Products:
  - (i) ~~a~~ in the case of the class of Approved Financial Products being warrants eligible to be traded under the operating rules of an Approved Market Operator not less than 10 Business Days after the date on which the cessation occurred;
  - (ii) ~~b~~ in the case of any other class of Approved Financial Products not less than 20 Business Days after the date on which the cessation occurred; and

if ASX Settlement archives a CHESS Subregister under this Rule 8.14.2, ASX Settlement must:

- (iii) ~~e~~ subject to Rule 8.14.3, reject all Messages Transmitted by the Issuer or Participants that affect a CHESS Holding on that Subregister; and
- (iv) ~~d~~ notify the Issuer, and each Participant confirming the archival of that Subregister.

Note: ASX Settlement will not ordinarily archive a CHESS Subregister if a Holding is recorded on the CHESS Subregister.

Introduced 11/03/04 Origin SCH 5.13.1, 5.13.2 Amended 10/06/04

#### **8.14.3 Report facilities to be provided by ASX Settlement**

ASX Settlement must provide Report facilities to the Issuer and Participants for a period of not less than 10 Business Days for warrants eligible to be traded under the operating rules of an Approved Market Operator and not less than 20 Business Days in the case of any other class of Approved Financial Products following the cessation of a CHESS Subregister under Rule 8.14.2.

#### 8.14.4 Discretion to allow Instruction

If Approval of a class of an Issuer's Financial Products is revoked or ceases in the circumstances referred to in Rule 8.14.1 or a class of Approved Financial Products ceases to be quoted in the circumstances referred to in Rule 8.14.2, ASX Settlement may in its discretion determine to give effect to an Instruction or a class of Instructions or a Message or a class of Messages that would affect a CHESS Holding of Financial Products in that class and if ASX Settlement so determines it must give notice to:

- (a) \_\_\_\_\_ the Issuer;
- (b) \_\_\_\_\_ the Approved Listing Market Operator; and
- (c) \_\_\_\_\_ to the extent that ASX Settlement considers reasonably necessary, other Facility Users.

### 8.15 **HOLDING LOCKS, ~~AND~~ HOLDER RECORD LOCKS, DEMAND LOCKS AND SETTLEMENT LOCKS**

#### 8.15.1 **Court order restricting transfer of Financial Products**

If a court order that restricts a Holder's capacity to Transfer Financial Products:

(a) \_\_\_\_\_ in a CHESS Holding:

\_\_\_\_\_ (i) is served on an Issuer, the Issuer must immediately give Notice in the form specified by ASX Settlement requesting ASX Settlement to apply a Holding Lock to that Holding and ASX Settlement must promptly apply a Holding Lock to the CHESS Holding specified in that Notice; or

\_\_\_\_\_ (bii) is served on ASX Settlement, ASX Settlement must promptly apply a Holding Lock to that Holding; or

(b) \_\_\_\_\_ in all current CHESS Holdings under a Holder Record:

\_\_\_\_\_ (i) is served on a Controlling Participant, that Participant must immediately Transmit a Valid Message to ASX Settlement requesting ASX Settlement to apply a Holder Record Lock to all CHESS Holdings under the Holder Record and ASX Settlement must promptly apply the requested Holder Record Lock; or

\_\_\_\_\_ (ii) is served on ASX Settlement, ASX Settlement must promptly apply a Holder Record Lock to that Holder Record.

#### 8.15.2 **Lien on Financial Products**

If, in accordance with its constitution and the Listing Rules, an Issuer has a lien on Financial Products in a CHESS Holding, the Issuer may give Notice in the form specified by ASX Settlement requesting ASX Settlement to apply a Holding Lock to that Holding.

### 8.15.3 Employee Incentive Scheme Financial Products

If, in accordance with Rule 8.3.2, ASX Settlement gives approval to a class of an Issuer's Financial Products that are the subject of an employee incentive scheme, the Issuer must:

- (a) in respect of those Financial Products held on an Issuer Operated Subregister, apply a Holding Lock to all Holdings of Financial Products that have not been quoted by the Approved Listing Market Operator; and
- (b) in respect of those Financial Products held on the CHESSE Subregister, give Notice in the form specified by ASX Settlement requesting ASX Settlement to apply a Holding Lock to all Holdings of Financial Products that have not been quoted by the Approved Listing Market Operator.

*Note: Action taken in reliance on ASX Listing Rule 8.10.1(i) will not breach the Holding Lock provisions in this section where the Holding concerned is recorded on an Issuer Operated Subregister.*

### 8.15.4 Transfer in contravention of law or Foreign Ownership Percentage

If ASX Settlement believes on reasonable grounds that a transfer of Financial Products from a CHESSE Holding would, if effected:

- (a) contravene a minimum shareholding provision of a law of the Commonwealth, a State or a Territory; or
- (b) contravene, or will be likely to contravene the Foreign Ownership Percentage Level of an Issuer whose Financial Products are included in Schedule 1, and the Issuer is unable, due to circumstances that fall within paragraph (a) of the definition of State of Emergency, to comply with the requirements of Rule 5.18.1(d) or Rule 5.18.3,

the Issuer of the Financial Products may by Notice in the form specified by ASX Settlement, request ASX Settlement to apply a Holding Lock to that Holding.

*Note: Application of a Holding Lock in these circumstances will prevent the creation of a proper ASTC transfer.*

### 8.15.5 Application of Holding Lock [or Holder Record Lock](#) by ASX Settlement ~~to a CHESSE Holding~~

If ASX Settlement receives a Notice requesting ASX Settlement to apply a Holding Lock [or Holder Record Lock](#) under this Rule 8.15, ASX Settlement must promptly apply a Holding Lock to the [requested CHESSE Holdings](#) [or Holder Record Lock to all CHESSE Holdings under the Holder Record](#) specified in that Notice.

[A Holding Lock can apply to all or part of a CHESSE Holding as specified in the Notice provided to ASX Settlement under this Rule 8.15.](#)

### 8.15.6 Holding Lock applying to only some Financial Products in a Holding ~~[Deleted]~~

~~If a court order or lien requires that ASX Settlement apply a Holding Lock to some, but not all, of the Financial Products in an existing Holding, ASX Settlement must promptly apply a Holding Lock to the Holding specified in the Notice and give Notice to the Controlling Participant for that Holding requesting that the Controlling Participant:~~

- ~~(a) — establish a new Holder Record with the same Registration Details as the existing Holding; and~~
- ~~(b) — give Notice to ASX Settlement, in the form specified by ASX Settlement, requesting that ASX Settlement:
  - ~~(i) — remove the Holding Lock from the existing Holding;~~
  - ~~(ii) — deduct from the Holding the number of Financial Products which are affected by the court order or lien; and~~
  - ~~(iii) — enter that number of Financial Products into the new CHESSE Holding using the Holder Record established under Rule 8.15.6(a), and~~~~

~~ASX Settlement must apply a Holding Lock to the new CHESSE Holding in accordance with Rule 8.15.1.~~

### 8.15.7 Action following the application of a Holding Lock

On application of a Holding Lock to a CHESSE Holding, ASX Settlement must give Notice in accordance with and to the persons identified in the Procedures.

### 8.15.8 Notification of Death or Bankruptcy of a Participant Sponsored Holder

If the Controlling Participant for Holdings under a Holder Record receives:

- (a) Notice of Death of the relevant Holder; or
- (b) a request from the trustee in Bankruptcy of the relevant Holder to initiate a Holder Record Lock,

the Controlling Participant must within 1 Business Day Transmit a Valid Originating Message requesting ASX Settlement to apply:

- (c) a Holder Record Lock to all CHESSE Holdings under that Holder Record; and
- (d) a Named Holder Indicator to identify the deceased or bankrupt Participant Sponsored Holder.

### 8.15.9 Notification of death of a joint Participant Sponsored Holder



If the Controlling Participant for joint Holdings under a Holder Record receives Notice of Death of one of the relevant Holders, the Controlling Participant must within 1 Business Day establish a new Holder Record in respect of the surviving Participant Sponsored Holder and Transfer the Holdings into new Holdings under the new Holder Record.

Introduced 11/03/04 Origin SCH 11.2.3

#### **8.15.10 Notification of bankruptcy of a joint Participant Sponsored Holder**

If the Controlling Participant for joint Holdings under a Holder Record receives a request from the trustee in Bankruptcy in respect of one of the relevant Holders to initiate a Holder Record Lock, the Controlling Participant must:

- (a) establish new Holder Records in respect of:
  - (i) the bankrupt Participant Sponsored Holder, and
  - (ii) the remaining Participant Sponsored Holder;
- (b) Transmit Messages to Transfer the interests of the bankrupt Participant Sponsored Holder and the remaining Participant Sponsored Holder into new [CHESS](#) Holdings under the respective Holder Records; and
- (c) Transmit a Valid Originating Message requesting that ASX Settlement apply a:
  - (i) Holder Record Lock to all [CHESS](#) Holdings under the Holder Record of the bankrupt Participant Sponsored Holder; and
  - (ii) Named Holder Indicator to identify the bankrupt Participant Sponsored Holder.

Introduced 11/03/04 Origin SCH 11.2.4

#### **8.15.11A Controlling Participant may by Notice request that a Holder Record Lock apply for a specific period**

A Controlling Participant that has Transmitted a Valid Originating Message requesting ASX Settlement to apply a Holder Record Lock under Rule 8.15.1, 8.15.8 or 8.15.10, may by way of Notice to ASX Settlement, specify a period during which the restriction on the Transfer of Financial Products in a Holder Record is to apply.

#### **8.15.11 Controlling Participant must give supporting documents to ASX Settlement if requested**

Prior to a Controlling Participant Transmitting a Message under Rule 8.15.8(b), or 8.15.10(c) in respect of the Bankruptcy of a Participant Sponsored Holder, the Controlling Participant must have documentation to verify that the requested action is correct and that the Controlling Participant is authorised to request that action. The Controlling Participant must maintain that documentation.

ASX Settlement may request that such documentation be provided to it within a specified time and if so, the Controlling Participant must, within that time:

- (a) give ASX Settlement such documentation as ASX Settlement requires to support the requested action; and
- (b) reference the supporting documentation to:
  - (i) in respect of Rule 8.15.8(b), the HIN for the relevant Holder Record [and UUID for the Holder](#);
  - (ii) in respect of Rule 8.15.10(c), the HINs for the relevant Holder Records [and UUID for the Holder](#); and
  - (iii) the Transaction Identifier of the Originating Message.

Introduced 11/03/04 Origin SCH 11.2.5 Amended 09/05/05

### 8.15.12 Applications of a Holder Record Lock by ASX Settlement to a Holder Record

If ASX Settlement:

~~(a)~~ receives a Valid Originating Message from a Participant in accordance with Rule 8.15.8(~~ca~~), [8.15.8\(d\) or 8.15.10\(c\)](#); ~~or~~

~~(b) is satisfied that a requested action pursuant to Rule 8.15.8(b) or 8.15.10(c) is supported by the documentation given to ASX Settlement by a Participant under Rule 8.15.11,~~

ASX Settlement must:

~~(c) — within the Scheduled Time;~~

- ~~(a)~~ apply the requested Holder Record Lock;
- ~~(b)~~ [apply a Named Holder Indicator to identify the Holder relevant to the Valid Originating Message sent in Rule 8.15.8\(d\) or 8.15.10\(c\)\(ii\)](#);
- ~~(c)~~ notify the Controlling Participant; ~~and~~
- ~~(d)~~ in respect of each class of Financial Products in the CHES Holding of that person, notify the Issuer of those Financial Products [that the Holder Record Lock has been applied](#); and
- ~~(e)~~ give Notice that the Holder Record Lock has been applied to:
  - (i) if the Locked Holding is a Participant Sponsored Holding, the Holder;
  - (ii) if some or all of the Financial Products in the Locked Holding are reserved in a Subposition, the Participant in whose favour the Financial Products are reserved; and
  - (iii) the Approved Listing Market Operator.

Introduced 11/03/04 Origin SCH 11.4.1, 11.4.2, 11.4.3 Amended 27/06/11

### 8.15.13 ~~Rejection-Removal~~ of ~~request for~~ Holder Record Lock

If ASX Settlement is not satisfied that the requested action under Rule 8.15.8(b) or 8.15.10(c) is supported by the documentation ~~given~~ provided to ASX Settlement on request under Rule 8.15.11, ASX Settlement must ~~reject~~ remove the Holder Record Lock ~~the request~~ and notify the Controlling Participant accordingly.

Introduced 11/03/04 Origin SCH 11.4.4

#### **8.15.14 Application of ~~Holder Record Lock~~ Holder Record Lock for the purpose of freezing assets**

If a Controlling Participant for Holdings under a Holder Record has an obligation to freeze assets under any legislation or regulations, including as specified in the Procedures the Controlling Participant may Transmit a Valid Originating Message requesting ASX Settlement to apply a Holder Record Lock to all Holdings under that Holder Record.

Introduced 11/03/04

#### **8.15.15 Application of Holding Lock or Holder Record Lock by ASX Settlement for the purpose of freezing assets**

If ASX Settlement has an obligation to freeze assets under any legislation or regulations, including as specified in the Procedures, ASX Settlement may apply a Holder Record Lock or Holding Lock (as required) to all relevant Holdings the subject of the obligation.

Introduced 11/03/04

#### **8.15.16 Indemnity by Controlling Participant requesting a Holder Record Lock**

If a Controlling Participant Transmits a Message to ASX Settlement requesting the application of a Holder Record Lock and Named Holder Indicator (where relevant) pursuant to Rule 8.15.1, 8.15.8, 8.15.10(c) or 8.15.14, and ASX Settlement applies a Holder Record Lock and Named Holder Indicator (where relevant), that Controlling Participant indemnifies ASX Settlement and the Holder from and against all losses, damages, costs and expenses which ASX Settlement and the Holder may suffer or incur as a result of ASX Settlement acting upon that request.

Introduced 11/03/04 Origin SCH 11.4.5 Amended 09/05/05

#### **8.15.17 Restriction on Access to Locked Holdings**

If:

- (a) ASX Settlement receives an Originating Message from a Participant that initiates a Transfer or Conversion of Financial Products in a CHESS Holding; and
- (b) either the Source Holding or the Target Holding specified in the Message is a Locked CHESS Holding,

ASX Settlement must:

- (c) reject the Message; and
- (d) notify the Participant that Transmitted the Originating Message of the rejection and the reason for the rejection.

### 8.15.18 Notification of rejected Message

If an Issuer receives a Message requesting authorisation of a Transfer or Conversion of Financial Products in a Locked Holding that is an Issuer Sponsored Holding:

- (a) the Issuer must reject the Message and notify ASX Settlement of the rejection and the reason for the rejection; and
- (b) on receipt of a notification under Rule 8.15.18(a), ASX Settlement must notify the Participant that initiated that Transfer or Conversion of the rejection.

### 8.15.19 Giving Effect to Message

~~(a) Subject to the terms of any court order under which a Holding Lock has been applied, if~~ ASX Settlement receives a Valid Message from an Issuer that initiates a Holding Adjustment or a Financial Products Transformation in relation to Financial Products held or to be held in a Holding subject to a Holding Lock or Holder Record Lock~~Locked Holding, ASX Settlement must give effect to that Message where:~~

- (i) the Holding Adjustment or Financial Products Transformation is a Reconstruction; or
- (ii) the Holding Adjustment or Financial Products Transformation results in an increase to the number of Financial Products in the Holding; or
- (iii) the Holding is subject to a Holder Record Lock due to the death or bankruptcy of a Holder.

~~, ASX Settlement must give effect to that Message.~~

(b) ASX Settlement will not give effect to a Valid Message from an Issuer that initiates a Holding Adjustment or Financial Products Transformation in relation to Financial Products held in a Locked Holding that is not of a type identified in Rule 8.15.19(a).

Note: In the case of a Locked Holding that relates to a Demand Lock or a Settlement Lock:

- (a) Rule 8.26.1 provides the process for the removal of such lock (and therefore the Holding ceasing to be a Locked Holding) prior to the Issuer initiating a Holding Adjustment or Financial Product Transformation by way of a Valid Message in respect of a Reconstruction; and
- (b) a Holding Adjustment or Financial Product Transformation that increases the number of Financial Products in a Holding is not prevented, given that such locks only prevent the specified number of Financial Products that are subject to a transfer from being deducted.

#### **8.15.20 Ratio between Financial Products after Reconstruction subject to a Holding Lock**

If:

- (a) a Reconstruction occurs in relation to a class of Approved Financial Products which is given effect to through a Valid Message in accordance with Rule 5.26;
- (b) the Financial Product Code for that class will continue following the Reconstruction; and
- (c) the Reconstruction affects Financial Products in a CHESS Holding that are subject to a Holding Lock that applies to some, but not all, Financial Products in a CHESS Holding.

at the time ASX Settlement enters Financial Products into, or deducts Financial Products from, that Holding, ASX Settlement must also apply the Holding Lock to, or remove the Holding Lock from, Financial Products in that Holding, so that the ratio between:

- (d) the number of Financial Products in that Holding subject to the Holding Lock; and
- (e) the total number of Financial Products in that Holding.

is, as far as possible having regard to fractional entitlements, the same before and after the Reconstruction.

#### **8.15.21 Request to apply a Settlement Lock**

A Participant who controls a Source Holding (other than an Accumulation Account or Settlement Account) may within the Scheduled Time, Transmit to ASX Settlement a Valid Message in accordance with the Procedures requesting ASX Settlement to apply a Settlement Lock to all of the Financial Products which are (or may be) scheduled for settlement by ASX Settlement in connection with a Unilateral Batch Instruction or Bilateral Batch Instruction.

*Note: A Participant who controls a Source Holding (that is not an Accumulation Account or Settlement Account) may also request a Settlement Lock be applied in a Unilateral Batch Message or a Bilateral Batch Message Transmitted under Rule 10.9.11 or 10.9.2.*

#### **8.15.22 Application of Settlement Lock by ASX Settlement**

If ASX Settlement receives a Valid Message under Rule 8.15.21 requesting ASX Settlement to apply a Settlement Lock and there are sufficient Available Financial Products in the Source Holding, ASX Settlement must promptly apply a Settlement Lock to the Financial Products identified in that Message.

#### **8.15.23 Rejection of request for Settlement Lock**

If ASX Settlement receives a Valid Message under Rule 8.15.21 and the requirements set out in Rule 8.15.21 or 8.15.22 are not met, ASX Settlement will reject the Message and notify the Participant accordingly.

#### **8.15.24 Indemnity by Participant requesting a Settlement Lock**

If a Participant Transmits a Message to ASX Settlement requesting the application of a Settlement Lock under Rule 8.15.21, 10.9.2 or 10.9.11 and ASX Settlement applies a Settlement Lock under Rule 8.15.22, 10.9.3A, 10.9.3 or 10.9.11, that Participant indemnifies ASX Settlement and the Holder from and against all losses, damages, costs and expenses which ASX Settlement and the Holder may suffer or incur as a result of ASX Settlement acting upon that request.

## 8.16 REMOVING HOLDING LOCK FROM A CHESS HOLDING, ~~OR A HOLDER RECORD LOCK FROM A HOLDER RECORD~~ OR A SETTLEMENT LOCK FROM A CHESS HOLDING

### 8.16.1 Removal of Holding Lock by Issuer

If a Holding Lock has been applied at the request of an Issuer, ASX Settlement must remove the Holding Lock:

- (a) if that Issuer ~~may~~ gives Notice in the form specified by ASX Settlement requesting ASX Settlement to remove the Holding Lock; and or
- (b) if the Issuer specified a period during which the restriction on the Transfer of Financial Products in the Holding was to apply in the Notice requesting ASX Settlement apply a Holding Lock under Rule 8.15.1, on the first Business Day following expiry of that period. ~~if an Issuer gives Notice under paragraph (a), ASX Settlement must remove the Holding Lock.~~

Introduced 11/03/04 Origin SCH 11.6.1, 11.6.2

### 8.16.2 Removal of Holding Lock or Holder Record Lock by court order

If:

- (a) ASX Settlement is served with a court order requiring ASX Settlement to remove a Holding Lock or Holder Record Lock from a CHES Holding; or
- (b) the court order initiating the Holding Lock or Holder Record Lock under Rule 8.15.1 specified a period during which the restriction on the Transfer of Financial Products in the Holding was to apply and that period has expired,

ASX Settlement must remove the Holding Lock or Holder Record Lock (as applicable) from that Holding.

Introduced 11/03/04 Origin SCH 11.6.3

### 8.16.3A Removal of Holder Record Lock by Controlling Participant

If a Holder Record Lock has been applied at the request of a Controlling Participant, ASX Settlement must remove the Holder Record Lock and any related Named Holder Indicator:

- (a) if that Controlling Participant Transmits an Originating Message requesting ASX Settlement to remove the Holder Record Lock; or
- (b) if the Controlling Participant specified a period during which the restriction on the Transfer of Financial Products in a Holder Record was to apply by way of

Notice to ASX Settlement under Rule 8.15.11A, on the first Business Day following expiry of that period.

**8.16.3 ~~Removal of Holder Record Lock by Controlling Participant~~ must maintain and give supporting documents to ASX Settlement if requested**

~~If a Holder Record Lock has been applied at the request of a Controlling Participant:~~

~~(a) A Controlling Participant must, prior to Transmitting a Message to ASX Settlement:~~

~~(a) \_\_\_\_\_ requesting that ASX Settlement remove a Holder Record Lock under Rule 8.16.3A(a); or~~

~~(b) \_\_\_\_\_ specifying by way of Notice under Rule 8.15.11A, a period during which a Holder Record Lock should apply.~~

~~have and maintain documentation to verify that the requested action is correct and that the Controlling Participant is authorised to request that action.~~

~~ASX Settlement may request that such documentation be provided to it within a specified time and if so, the Controlling Participant must, within that time:~~

~~(c) \_\_\_\_\_ give ASX Settlement such documentation as ASX Settlement requires to support the requested action; and~~

~~(d) \_\_\_\_\_ reference the supporting documentation to the HIN for the relevant Holder Record, UUID for the relevant Holder (if relevant) and the Transaction Identifier of the Originating Message.~~

~~that Controlling Participant may Transmit an Originating Message requesting ASX Settlement to remove the Holder Record Lock;~~

~~(b) \_\_\_\_\_ after receipt of a Message from ASX Settlement confirming acceptance of the Valid Originating Message, the Controlling Participant must, within the Scheduled Time:~~

~~(i) \_\_\_\_\_ give ASX Settlement such documentation as ASX Settlement requires to support the requested action; and~~

~~(ii) \_\_\_\_\_ reference the supporting documentation to the HIN for the relevant Holder Record and the Transaction Identifier of the Originating Message;~~

~~(c) \_\_\_\_\_ if ASX Settlement is satisfied that the request for the removal of the Holder Record Lock is supported by the documentation given to ASX Settlement by a Controlling Participant under paragraph (b), ASX Settlement must within the Scheduled Time, remove the Holder Record Lock;~~

~~(d) \_\_\_\_\_ if ASX Settlement is not satisfied that the request for the removal of the Holder Record Lock is supported by the documentation given to ASX Settlement under paragraph (b), ASX Settlement must reject the request and notify the Controlling Participant accordingly; and~~



~~(e) — the Controlling Participant must maintain documentation to verify that the request to remove the Holder Record Lock is correct and that the Controlling Participant was authorised to make the request.~~

Introduced 11/03/04 Origin SCH 11.6.4, 11.6.5, 11.6.6, 11.6.8

#### **8.16.4 Action following removal of a Holding Lock, ~~or a~~ Holder Record Lock or a related Named Holder Indicator**

On removal of a Holding Lock from a CHESSE Holding, ~~or a~~ Holder Record Lock from a Holder Record, or related Named Holder Indicator (where relevant), ASX Settlement must give Notice in accordance with and to the persons identified in the Procedures.

Introduced 11/03/04

#### **8.16.5 Indemnity by Controlling Participant requesting removal of Holder Record Lock**

If a Controlling Participant:

(a) — Transmits a Message to ASX Settlement requesting the removal of a Holder Record Lock and related Named Holder Indicator (where relevant), under Rule 8.16.3A and ASX Settlement removes the Holder Record Lock and related Named Holder Indicator; or

(b) specifies an expiry date in an Originating Message requesting the application of a Holder Record Lock under Rule 8.15.1, 8.15.8 or 8.15.10(c),

that Controlling Participant indemnifies ASX Settlement ~~or and~~ the Issuer from and against all losses, damages, costs and expenses which ASX Settlement or the Issuer may suffer or incur because the Controlling Participant was not authorised at the time that the Message was Transmitted to request the removal or to so limit the period during which the Holder Record Lock should apply.

Introduced 11/03/04

#### **8.16.6 Removal of Settlement Lock on request**

If ASX Settlement has applied a Settlement Lock to Financial Products at the request of a Participant who controls a Source Holding under these Rules, that Participant may Transmit to ASX Settlement a Valid Message within the Scheduled Time and in the manner set out in the Procedures requesting ASX Settlement to remove the Settlement Lock.

On receipt of a Valid Message containing the information set out in the Procedures, ASX Settlement must promptly remove the Settlement Lock.

#### **8.16.7 Removal of Settlement Lock on cancellation of Instructions**

ASX Settlement must promptly remove a Settlement Lock if the Unilateral Batch Message, Bilateral Batch Message, Unilateral Batch Instruction or Bilateral Batch Instruction which the Settlement Lock was applied in connection with, is cancelled in accordance with these Rules.

#### **8.16.8 Removal of Settlement Lock or Demand Lock by ASX Settlement**



ASX Settlement may at any time, remove a Settlement Lock or a Demand Lock if ASX Settlement reasonably considers it necessary in order to maintain the orderly operation and integrity of the Settlement Facility.

#### **8.16.9 Removal of Settlement Lock by ASX Settlement due to imposition of Restrictions, suspension or termination of a Participant's participation**

If ASX Settlement imposes Restrictions on, suspends or terminates the participation of a Participant under Rule 12.19.1, ASX Settlement may remove any Settlement Lock from a CHES Holding controlled by that Participant.

#### **8.16.10 Removal of Settlement Lock by ASX Settlement due to a Clearing Participant default**

If an Approved Clearing Facility notifies ASX Settlement that it considers an event of default in respect of a Clearing Participant has occurred in accordance with its operating rules, ASX Settlement may:

- (a) where a Settlement Participant acts as Settlement Agent for the defaulting Clearing Participant, remove any Settlement Lock from a CHES Holding controlled by the Settlement Agent in respect of the defaulting Clearing Participant; or
- (b) where a Participant is also the defaulting Clearing Participant, remove any Settlement Lock from a CHES Holding controlled by that Participant.

#### **8.16.11 Action following the removal of a Settlement Lock**

On removal of a Settlement Lock in accordance with Rule 8.16.6, 8.16.8, 8.16.9 or 8.16.10, ASX Settlement must give Notice to the persons identified in the Procedures.

### **8.17 CHANGE OF CONTROLLING PARTICIPANT**

#### **8.17.1 Notice to be given to ASX Settlement**

(a) If a Participant Sponsored Holder changes the Controlling Participant for its Holding, then both the Participant relinquishing control of the Holding, and the Participant assuming control of the Holding must ~~give Notice of~~ Transmit a Valid Message as to the change of Controlling Participant to ASX Settlement within the Scheduled Time and, after receipt of both ~~Messages~~ Notices, ASX Settlement ~~must will~~, subject to Rule 7.4.1, 8.17(1)(b) and 8.17.1(c) execute the necessary CHES Subregister administration processes to give effect to the change of Controlling Participant.:

- ~~(a) process all Transfers and Conversions initiated by the Participant relinquishing control prior to the change; and~~
- ~~(b) execute the necessary CHES Subregister administration processes to give effect to the change of Controlling Participant.~~

(b) If the Participant relinquishing control of a Holding has initiated Transfers and Conversions affecting any Holding operated under the relevant Holder

Record which are yet to be effected, ASX Settlement will not give effect to the Change of Controlling Participant and will reject the Messages under Rule 8.17.1(a).

(c) If the Participant assuming control of the Holding Transmits a Valid Message to cancel the change of Controlling Participant before the change of Controlling Participant has been given effect to by ASX Settlement under Rule 8.17.1(a), ASX Settlement will not give effect to the change of Controlling Participant.

(d) If a Message to cancel the change of Controlling Participant is sent by a Participant under Rule 8.17.1(c), the Participant will be deemed not to have Transmitted a Valid Message to ASX Settlement for the purpose of its obligations under Rule 8.17.1(a).

Introduced 11/03/04 Origin SCH 11.7 Amended 21/03/14

## **8.18 CHANGE OF HOLDER RECORD DETAILS**

### **8.18.1 No change of Registration Details without authority**

A Participant must not effect a change of Registration Details in relation to a Holder Record without the prior written authority of the relevant Holder. The Participant must retain that written authority.

Introduced 11/03/04 Origin SCH 11.8.1 Amended 09/05/05

### **8.18.2 Action following change of Registration Details**

(a) If there is any change to the Registration Details recorded in a Holder Record for a person on behalf of whom a Participant is authorised to operate one or more CHESS Holdings, the Participant must within 2 Business Days of receiving written authority from the Holder to effect that change, notify ASX Settlement of the change to the Registration Details in accordance with the Procedures.

(b) If a Participant becomes aware, as a result of a returned or undelivered Holding statement or other Notice sent or given to a Participant Sponsored Holder, that any of the Registration Details recorded in a Holder Record for the Participant Sponsored Holder are incorrect, the Participant must as soon as reasonably practicable take such steps (if any) as are reasonable in the circumstances to obtain:

(i) -the correct details from the Holder; and

(ii) the Holder's written authority to effect the correction to the Registration Details.

The Participant must within 2 Business Days of receiving written authority from the Holder to effect that correction, notify ASX Settlement of the corrected details in accordance with the Procedures.

Introduced 11/03/04 Origin SCH 11.8.2, 11.8.3, 11.8.4, 11.8.8, 11.8.9 Amended 18/12/06

### **8.18.3 Action to be taken by ASX Settlement**

Subject to Rule 8.18.4, ASX Settlement, after receipt of a Valid Originating Message in accordance with the Procedures under Rule 8.18.2 for change of Registration Details of the Holder must: ~~within the Scheduled Time~~

- (a) ~~change the Registration Details recorded in the Holder Record in accordance with the details in the Valid Originating Message; and~~
- (b) ~~must within the Scheduled Time, give N~~notice to the persons identified in the Procedures of the matters specified in the Procedures.

Introduced 11/03/04

#### 8.18.4 ASX Settlement may request documentation

Prior to Transmitting a Message under Rule 8.18.2, a Participant must have and maintain documentation to verify that the requested ~~Before accepting or rejecting any~~ change of Registration Details is correct and that the Participant is authorised to request the change.

- ~~(a) ASX Settlement may request that such documentation be provided to it within a specified time and if so, the Participant must within that time;~~
- (a) give ASX Settlement such documentation as ASX Settlement requires to support the requested change; and supporting the change; and
- (b) reference the supporting documentation to the HIN for the relevant Holder Record and the UUID for the relevant Holder (if applicable). if the Participant cannot provide this, ASX Settlement will reject the request and notify the Controlling Participant accordingly.

Introduced 11/03/04 Origin SCH 11.8.6

#### 8.18.5 Participant indemnity for unauthorised or incorrect request

If a Participant has Transmitted a Message to ASX Settlement requesting a change to the Registration Details of a Participant Sponsored Holder but the Participant:

- (a) was not authorised, at the time that the Message was Transmitted by that Participant Sponsored Holder to request the change; or
- (b) has provided incorrect details in:
  - (i) the Message requesting the change to Holder Record details; or
  - (ii) the documents to be maintained under Rule 8.18.4 where the change in ~~R~~Registration ~~d~~Details includes a change of name,

the Participant indemnifies ASX Settlement ~~or~~ and the Issuer from and against all losses, damages, costs and expenses which ASX Settlement or the Issuer may suffer or incur by reason of, or as a result of, the matters described in this paragraph (a) or (b).

Introduced 11/03/04 Origin SCH 11.8.7

#### 8.18.6 Change of Holder Type or removal of Holder Record

A Participant may Transmit an Originating Message to ASX Settlement that includes the matters specified in the Procedures to request:

- (a) if modifiable in accordance with the User Technical Documentation, a change to the Holder Type recorded as part of a Holder Record that the Participant controls; or
- (b) the removal from CHES of a Holder Record that the Participant controls where there are no Holdings under that Holder Record;

By:

- ~~(c) giving Notice of the request to ASX Settlement;~~
- ~~(d) referencing that Notice to the HIN for the Holder; and~~
- ~~(e) providing with that Notice such documentation as ASX Settlement requires to support the requested change or the removal, as the case requires.~~

Introduced 11/03/04 Origin SCH 11.9.1

#### **8.18.7 Action by ASX Settlement to change Holder Type or remove Holder Record**

If ASX Settlement receives a Valid Originating Message under Rule 8.18.6, ~~is satisfied that a request for a change to a Holder Type or for removal of a Holder Record under Rule 8.18.6 is supported by the documentation given to ASX Settlement by the Participant that made the request~~, ASX Settlement must, ~~within the Scheduled Time~~:

- (a) process the change of Holder Type or the removal of the Holder Record as requested; and
- (b) notify the Participant that the change or removal, as the case requires, has been effected.

Introduced 11/03/04 Origin SCH 11.9.2

#### **8.18.8 ASX Settlement may request information~~Rejection by ASX Settlement of request to change Holder Type or remove Holder Record~~**

Prior to Transmitting a Message under Rule 8.18.6, a Participant must have and maintain documentation to verify that the requested change of Holder Type or removal of a Holder Record is correct and that the Participant is authorised to request the action.

ASX Settlement may request that such documentation be provided to it within a specified time and if so, the Participant must within that time:

- (a) give ASX Settlement such documentation as ASX Settlement requires to support the requested change; and
- (b) reference the supporting documentation to the HIN for the relevant Holder Record.

~~If ASX Settlement is not satisfied that documentation provided with:~~

- ~~(a) a request to change a Holder Type; or~~

~~(b) a request to remove a Holder Record,~~

~~under Rule 8.18.6 supports the change, ASX Settlement must, within the Scheduled Time, reject the request and notify the Participant that made the request accordingly.~~

~~Introduced 11/03/04 Origin SCH 11.9.3~~

#### **8.18.9 Change of Residency Indicator – FOR Financial Products**

If:

- (a) a Participant is directed by a Holder to change a Residency Indicator recorded in a Holder Record in respect of an Issuer whose Financial Products are included in Schedule 1; or
- (b) a Participant becomes aware that a Residency Indicator recorded in a Holder Record in respect of an Issuer whose Financial Products are included in Schedule 1 is incorrect,

the Participant must immediately notify ASX Settlement of a change to the Residency Indicator recorded in that Holder Record in accordance with the Procedures.

Introduced 11/03/04 Origin SCH 11.9A.1 Amended 18/12/06

#### **8.18.10 Action by ASX Settlement and Participant notice of change of Residency Indicator**

If a Controlling Participant Transmits a Valid Originating Message under Rule 8.18.9 which relates to a change of Residency Indicator, ASX Settlement will, within the Scheduled Time, take the action specified in the Procedures.

Introduced 11/03/04 Origin SCH 11.9A.2, 11.9A.3

#### **8.18.11 Indemnity if Participant is not authorised to change Residency Indicator**

If a Participant has Transmitted a Message to ASX Settlement requesting a change to a Residency Indicator of a Participant Sponsored Holder but the Participant:

- (a) is not authorised at the time that the Message is Transmitted by that Participant Sponsored Holder to request the change; or
- (b) has provided incorrect details in the Message requesting the change of Residency Indicator,

the Participant indemnifies ASX Settlement and the Issuer from and against all losses, damages, costs and expenses which ASX Settlement or the Issuer may suffer or incur by reason of or as a result of, the matters described in this Rule 8.18.11(a) or (b).

Introduced 11/03/04 Origin SCH 11.9A.4

#### **8.18.12 Change of other Holder Record details**

Subject to Rules 8.18.1 to 8.18.11, if there is any other change to the Holder Record details recorded in a Holder Record for a person on behalf of whom a Participant is authorised to operate one or more CHESS Holdings that are modifiable in accordance with the User Technical Documentation, the Participant must notify ASX Settlement of the change to the Holder Record details in accordance with the Procedures.

### **8.18.13 Action to be taken by ASX Settlement**

ASX Settlement, after receipt of a Valid Originating Message in accordance with the Procedures under Rule 8.18.12 for change of Holder Record details of the Holder must:

- (a) change the Holder Record details recorded in the Holder Record in accordance with the details in the Valid Originating Message; and
- (b) within the Scheduled Time, give Notice to the persons identified in the Procedures of the matters specified in the Procedures.

### **8.18.14 Participant indemnity for unauthorised or incorrect request**

If a Participant has Transmitted a Message to ASX Settlement requesting a change to the Holder Record details of a Participant Sponsored Holder under Rule 8.18.12, but the Participant:

- (a) was not authorised, at the time that the Message was Transmitted by that Participant Sponsored Holder to request the change; or
- (b) has provided incorrect details in the Message requesting the change to Holder Record details.

the Participant indemnifies ASX Settlement and the Issuer from and against all losses, damages, costs and expenses which ASX Settlement or the Issuer may suffer or incur by reason of, or as a result of, the matters described in this paragraph (a) or (b).

## **8.19 TAX FILE NUMBER (TFN), AUSTRALIAN BUSINESS NUMBER (ABN), EXEMPTION CODE AND ~~AUSTRALIAN ADI~~ BANK ACCOUNT NOTIFICATION**

### **8.19.1 Notice by Participant of TFN, ABN or Exemption Code details**

A Participant may notify an Issuer of TFN, ABN or Exemption Code details:

- (a) for a CHESS Holding, by Transmitting a Valid Message to ASX Settlement that specifies the details; or
- (b) for an Issuer Sponsored Holding, by including the details in a Valid Message that initiates a CHESS to Issuer Sponsored Transfer or Conversion.

Introduced 11/03/04 Origin SCH 11.10.1

### **8.19.2 Order of details by Participant**

If a Participant Transmits a Message specifying TFN, ABN or Exemption Code details under Rule 8.19.1 in respect of a joint Holding, the Participant must ensure that the TFN, ABN or Exemption Code details that appear in the Message relate to the relevant joint Holder ~~in the order in which the names of the joint Holders appear:~~

- (a) where Rule 8.19.1(a) applies, in the Holder Record for that CHESS Holding; or
- (b) where Rule 8.19.1(b) applies, in the Registration Details for the Target Holding specified in the Message.

Introduced 11/03/04 Origin SCH 11.10.2

### 8.19.3 Action by ASX Settlement following Message

If ASX Settlement receives a TFN, ABN or Exemption Code details under Rule 8.19.1, ASX Settlement must within the Scheduled Time give ~~n~~Notice in accordance with and to the persons identified in the Procedures.

Introduced 11/03/04

### 8.19.4 Action by Issuer following notification by ASX Settlement

An Issuer must record any TFN, ABN or Exemption Code details notified by ASX Settlement under the Procedures to Rule 8.19.3:

- (a) in relation to a CHESS Holding, before End of Day on the day the Issuer receives the Message from ASX Settlement; and
- (b) in relation to an Issuer Sponsored Holding, at the time the Issuer enters the Financial Products into the Target Holding.

Introduced 11/03/04 Origin SCH 11.10.5

### 8.19.5 Confidentiality

ASX Settlement must not disclose a TFN, ABN or Exemption Code details to any person other than the Issuer nominated by the Participant and must not use the TFN, ABN or Exemption Code details for any other purpose. Without limiting the foregoing, ASX Settlement must not view or access a TFN other than in accordance with Rule 8.19.5A.

Introduced 11/03/04 Origin SCH 11.10.6

#### 8.19.5A Access to TFNs by ASX Settlement

ASX Settlement must take all reasonable technical and organisational measures to ensure that it does not view or access a TFN specified in a Message Transmitted by a Participant under Rule 8.19.1 other than:

- (a) where it is required to do so in order to resolve a technical issue in relation to the Message or where ASX Settlement is required to give notice under Rule 8.19.3, including debugging software or to recover or resend a faulty Message or notice;
- (b) where the Participant instructs ASX Settlement to do so, including for the purpose of resolving a dispute; or
- (c) in any circumstances specified in the Procedures.

For the avoidance of doubt, if ASX Settlement views or accesses a TFN in accordance with this Rule, ASX Settlement does so only on behalf of the relevant Participant, and for the purpose of:

- (a) resolving a technical issue in relation to a Message or notice that ASX Settlement is required to give under Rule 8.19.3; or
- (b) complying with an instruction from the Participant; or
- (c) giving effect to the circumstances set out in the Procedures.



### 8.19.6 ASX Settlement not liable for loss, damage etc

If ASX Settlement notifies the TFN, ABN or Exemption Code details to an Issuer within the time specified in Rule 8.19.3, ASX Settlement will not be liable to any person for any losses, damages, costs and expenses arising from:

(a) the Participant providing TFN, ABN or Exemption Code details:

(i) without the authority of the Participant Sponsored Holder; or

(ii) which are incorrect; or

(b) the TFN, ABN or Exemption Code details not being recorded by an Issuer on or before a Record Date.

Introduced 11/03/04 Origin SCH 11.10.7

### 8.19.7 Notice by Participant of ~~bank Australian ADI A~~account details

A Participant may notify an Issuer of the addition or cancellation of:

(a) Australian ADI Account details; or

(b) Foreign Bank Account details (including the currency of the relevant Foreign Bank Account).

for a CHES Holding by Transmitting a Valid Message to ASX Settlement that specifies the details.

Introduced 09/05/05 Amended 02/11/09

### 8.19.8 Action by ASX Settlement following Message

If ASX Settlement receives a Message in relation to the addition or cancellation of Australian ADI Account details or Foreign Bank Account details under Rule 8.19.7, ASX Settlement must within the Scheduled Time give Notice notifying:

(a) the Issuer of the Financial Products of the addition or cancellation of Australian ADI Account details or Foreign Bank Account details (as applicable); and

(b) the Controlling Participant that the addition or cancellation of Australian ADI Account details or Foreign Bank Account details (as applicable) has been notified to the Issuer.

Introduced 09/05/05 Amended 02/11/09

### 8.19.9 Action by Issuer following notification by ASX Settlement of details to be added

If an Issuer is notified by ASX Settlement under Rule 8.19.8 of any Australian ADI Account details or Foreign Bank Account details to be added the Issuer must, within the Scheduled Time:

(a) notify ASX Settlement that it accepts the details; or

(b) notify ASX Settlement that it rejects the details and provide the reason for the rejection.

Introduced 09/05/05 Amended 02/11/09



### 8.19.10 Issuer to record the ~~bank Australian ADI A~~ account details

If the Issuer notifies ASX Settlement under Rule 8.19.9(a) that it accepts Australian ADI Account details [or Foreign Bank Account details](#) the Issuer must, within the Scheduled Time, record the details.

Introduced 09/05/05 Amended 02/11/09

### 8.19.11 Action by Issuer following notification by ASX Settlement of details to be cancelled

If an Issuer is notified by ASX Settlement under Rule 8.19.8 of any Australian ADI Account details [or Foreign Bank Account details](#) to be cancelled the Issuer must, within the Scheduled Time, remove the details.

Introduced 09/05/05 Amended 02/11/09

### 8.19.12 ASX Settlement not liable for loss, damage, etc

If ASX Settlement notifies the addition or cancellation of Australian ADI Account details [or Foreign Bank Account details](#) to an Issuer under Rule 8.19.8, ASX Settlement will not be liable to any person for any losses, damages, costs or expenses arising from:

- (a) the Participant providing Australian ADI Account details [or Foreign Bank Account details \(as applicable\)](#):
  - (i) without the authority of the Participant Sponsored Holder; or
  - (ii) which are incorrect; or
- (b) Australian ADI Account details [or Foreign Bank Account details \(as applicable\)](#) not being recorded or removed by an Issuer in accordance with Rule 8.19.10 or 8.19.11.

Introduced 09/05/05 Amended 02/11/09, 04/06/10

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## 8.20 HOLDING STATEMENTS

### 8.20.1 ASX Settlement to send Holding statements

~~Subject to Rule 8.20.3, If~~ during a monthly interval referred to in paragraph (b), any Financial Products have been entered into or deducted from a Participant Sponsored Holding ASX Settlement must:

- (a) within five (5) Business Days of the end of the month to which the Holding statement relates; and
- (b) at intervals of no more than one (1) calendar month,

produce and send to each Participant Sponsored Holder, a Holding statement that sets out any Holding movement in respect of each Holding of that Holder.

Introduced 11/03/04 Origin SCH 11.11.1, 11.11.2

## 8.20.2 **Suppression or reinstatement of production of Holding statements** ~~[Deleted]~~

~~A Participant may, by Notice containing the matters specified in the Procedures, request ASX Settlement to:~~

~~(a) — suppress; or~~

~~(b) — if a request to suppress has previously been processed, reinstate,~~

~~production of Holding statements in relation to CHES Holdings of a Participant Sponsored Holder if that Participant Sponsored Holder is a person specified in the Procedures.~~

Introduced 11/03/04 Origin SCH 11.11.3

## 8.20.3 **Action by ASX Settlement in relation to Holding statements** ~~[Deleted]~~

~~If ASX Settlement receives Notice under Rule 8.20.2 from a Participant and that Notice meets the requirements of Rule 8.20.2, ASX Settlement must:~~

~~(a) — in the case of a Notice to suppress the production of Holding statements for a Holder, produce a Holding statement for each Holding if there have been movements in the Holding since the last Holding statement was issued and suppress the production of further Holding statements until after receipt of a Notice to reinstate production of Holding statements;~~

~~(b) — in the case of a Notice to reinstate the production of Holding statements for a Holder, produce a Holding statement which notes the current Holding Balance — in each Holding as at the date of reinstatement of the production of Holding statements; and~~

~~(c) — give Notice of the suppression or reinstatement (whichever is relevant) to the Participant Sponsored Holder at the time.~~

Introduced 11/03/04 Origin SCH 11.11.5

## 8.21 **CORRECTION OF ERRORS**

### 8.21.1 **Correction of Errors on CHES Subregister Caused by Participants or Issuers**

If ASX Settlement is satisfied on reasonable grounds that an error has occurred in relation to a CHES Holding [or Holder Record](#) and the error was caused by a Participant or an Issuer:

(a) ASX Settlement may give advice or directions to the Participant or Issuer, as the case requires, to correct the error; and

(b) if ASX Settlement gives advice or directions to a Participant or an Issuer under paragraph (a), the Participant or the Issuer, as the case requires, must observe and within 2 Business Days give effect to that advice or directions.

Introduced 11/03/04 Origin SCH 11.13

### 8.21.2 **Correction of Processing Errors on the CHES Subregister**

If ASX Settlement is satisfied on reasonable grounds that an error has occurred in relation to a CHESS Holding [or Holder Record](#) and the error was caused by:

- (a) incorrect processing by ASX Settlement of a Valid Message Transmitted to it by a Participant or an Issuer; or
- (b) ASX Settlement otherwise incorrectly applying information provided to it,

ASX Settlement must take such steps as may be necessary for ASX Settlement to correct the error.

Introduced 11/03/04 Origin SCH 11.14

### **8.21.3 Correction of Errors by Issuers across Subregisters**

If the correction of an error on a CHESS Holding by ASX Settlement in accordance with Rule 8.21.2 affects an Issuer Sponsored Holding, then:

- (a) ASX Settlement must promptly give Notice to the Issuer of the corrective action to be taken by the Issuer; and
- (b) if ASX Settlement gives Notice to an Issuer under paragraph (a), the Issuer must within 2 Business Days take such action as is necessary to correct the affected Issuer Sponsored Holding.

Introduced 11/03/04 Origin SCH 11.15.1, 11.15.2

### **8.21.4 Correction of errors by ASX Settlement across Subregisters**

If the correction of an error on an Issuer Sponsored Holding by an Issuer affects a CHESS Holding, then:

- (a) the Issuer must within 2 Business Days give Notice to ASX Settlement of the corrective action to be taken by ASX Settlement; and
- (b) if an Issuer gives Notice to ASX Settlement under paragraph (a), ASX Settlement must promptly take such action as is necessary to correct the affected CHESS Holding.

Introduced 11/03/04 Origin SCH 11.15.3, 11.15.4

### **8.21.5 Notice by ASX Settlement**

Where ASX Settlement takes steps in accordance with Rule 8.21.2 or 8.21.4 to correct an error, ASX Settlement must promptly give Notice of the correction to:

- (a) the Issuer;
- (b) the Participant that controls the affected CHESS Holding; or
- (c) if the affected CHESS Holding is a Participant Sponsored Holding, the Holder.

Introduced 11/03/04 Origin SCH 11.15.5

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## 8.25 PROCESSING ON CHESS SUBREGISTER IN RELATION TO ELECTIVE CORPORATE ACTIONS

### 8.25.1 Ceasing quotation of Financial Products

If quotation of Financial Products by the Approved Listing Market Operator ceases (other than because quotation is merely suspended) for:

- (a) partly paid Financial Products on which final calls are payable;
- (b) convertible Financial Products that are due to mature;
- (c) company options that are due to expire;
- (d) redeemable Financial Products; or
- (e) warrants that are due to expire;

subject to Rule 8.25A, ASX Settlement must:

- (f) suspend an Instruction or Message that would Transfer or Convert those Financial Products after End of Day on the Business Day on which the CHESS Subregister closes and remove the Instruction or Message on the ~~10th-15th~~ Business Day after the Subregister closes. For the purposes of this Rule 8.25.1(f), ASX Settlement may, in its absolute discretion, remove any Instruction or Message on or after the 10th Business Day after the relevant Subregister closes;  
or
- (g) cancel a Message which has not been Matched at End of Day on the Business Day on which the CHESS Subregister closes,

as the case requires.

Introduced 11/03/04 Origin SCH 12.6.1 Amended 27/06/11

### 8.25A Discretion to allow Instruction

If quotation of Financial Products by the Approved Listing Market Operator ceases under Rule 8.25.1, ASX Settlement may in its discretion determine to give effect to an Instruction or a class of Instructions or a Message or a class of Messages that would affect a CHESS Holding of those Financial Products and if ASX Settlement so determines must give notice to:

- (a) the Issuer;
- (b) the Approved Listing Market Operator; and
- (c) to the extent that ASX Settlement considers reasonably necessary, other Facility Users.

## 8.26 SUSPENSION OF PROCESSING ON A CHESSE SUBREGISTER FOR A RECONSTRUCTION

### 8.26.1 Where ASX Settlement receives notification of a Reconstruction

If:

- (a) ASX Settlement receives notification from an Approved Listing Market Operator of:
  - (i) a Reconstruction that affects a class of Approved Financial Products;
  - (ii) the effective date and the Issue Date for that Reconstruction; and
- (b) the Financial Product Code for that class will continue following the Reconstruction;

ASX Settlement must:

- (c) as the case requires:
  - (i) reschedule an Instruction that is received before End of Day on the second Business Day after the effective date that would Transfer Financial Products in that class between End of Day on the effective date and End of Day on the Issue Date; or
  - (ii) reject an Instruction or Message that is received after End of Day on the effective date that would Transfer or Convert Financial Products in that class between End of Day on the second Business Day after the effective date and End of Day on the Issue Date; and
- (d) remove any Settlement Locks or Demand Locks (as applicable) that have been applied to Holdings in the class of Financial Product subject to the Reconstruction and give notice of the removal to the Participant controlling the Holding that the Settlement Lock or Demand Lock has been removed from; and

~~as the case requires, and~~

- (e) give notice regarding the suspension of processing under this Rule 8.26.1 to:
  - (i) the Issuer;
  - (ii) the relevant Approved Market Operator; and
  - (iii) to the extent ASX Settlement considers reasonably necessary, other Facility Users.

Introduced 11/03/04 Origin SCH 12.7 Amended 18/12/06, 27/06/11, 04/03/13, 14/04/14, 07/03/16

### 8.26.2 Removal of processing suspension

If the Reconstruction under Rule 8.26.1 is completed, if ASX Settlement is otherwise satisfied that the circumstances that gave rise to the suspension of processing under Rule 8.26.1 no longer exist, ASX Settlement must:

- (a) remove the suspension; and
- (b) give notice to:
  - (i) the Issuer;
  - (ii) the relevant Approved Market Operator; and
  - (iii) to the extent ASX Settlement considers reasonably necessary, other Facility Users.

Introduced 11/03/04 Origin SCH 12.7 Amended 18/12/06, 27/06/11, 04/03/13, 14/04/14, 07/03/16

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## **8.30 REGISTRATION IDENTIFIER**

### **8.30.1 Establishing a Registration Identifier**

If a Participant Transmits a Valid Originating Message to ASX Settlement requesting ASX Settlement to establish a Registration Identifier for a person that includes the matters specified in the Procedures, ASX Settlement must establish a Registration Identifier on CHES for that person and allocate a RGID.

### **8.30.2 Automatic removal of dormant Registration Identifiers**

ASX Settlement will automatically remove Registration Identifiers with no pending transactions at End of Day on each Business Day and notify the Controlling Participant that the Registration Identifier has been removed.

## **8.31 ZERO HOLDING BALANCE**

### **8.31.1 Notification of zero Holding Balance**

If the Holding Balance of a CHES Holding (other than an Accumulation Account or Settlement Account) in a Financial Product is reduced to zero in accordance with these Rules, ASX Settlement must notify the Issuer that the Holding Balance has been reduced to zero.

## SECTION 9 TRANSFERS AND CONVERSIONS OF FINANCIAL PRODUCTS

The purpose of this Section 9 is to set out the basis on which Transfers and Conversions of Financial Products may occur in the Settlement Facility, including on a DvP basis in Real Time Gross Settlement.

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### 9.4 ~~SINGLE ENTRY~~UNILATERAL DEMAND TRANSFERS

#### 9.4.1 Message to initiate ~~Single Entry~~Unilateral Demand Transfer

Subject to Rule 9.4.4, a Participant may initiate a ~~Single Entry~~Unilateral Demand Transfer of Financial Products by Transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.

Introduced 11/03/04 Origin SCH 6.2.1

#### 9.4.2 Action by ASX Settlement following ~~Single Entry~~Unilateral Demand Transfer Message

If an Originating Message Transmitted to ASX Settlement complies with Rule 9.4.1 and there are sufficient Available Financial Products in the Source Holding:

- (a) ASX Settlement must deduct the number of Financial Products specified in the Message from the Source Holding;
- (b) ASX Settlement must enter that number of Financial Products into the Target Holding; and
- (c) if the Target Holding has a Residency Indicator of foreign (as identified in the User Technical Documentation)~~"F"~~, those Financial Products will have the status of Confirmed FOR Financial Products.

Introduced 11/03/04 Origin SCH 6.2.2, 6.2.2A

#### 9.4.3 Effect of ~~Single Entry~~Unilateral Demand Transfer

A ~~Single Entry~~Unilateral Demand Transfer initiated under Rule 9.4.1:

- (a) takes effect when, under Rule 9.4.2, ASX Settlement deducts Financial Products from the Source Holding; and
- (b) is taken to be effected by the Participant whose PID is included in the Valid Originating Message as that of the Participant Transmitting the Message.

Introduced 11/03/04 Origin SCH 6.2.3

#### 9.4.4 Restriction on Participant initiating ~~Single Entry~~Unilateral Demand Transfer

A ~~Single Entry~~Unilateral Demand Transfer may only be initiated by a Participant if the Participant controls both the Source Holding and the Target Holding unless:

- (a) the ~~Single Entry Unilateral~~ Demand Transfer Message specifies a Target Holding that is controlled by another Participant;
- (b) both the Participant that Transmits the Originating Message and the Participant that controls the Target Holding are members of the same Participant Group; and
- (c) either Participant is the Parent Participant for that Participant Group.

Introduced 11/03/04 Origin SCH 6.2.4, 6.2.5 Amended 18/12/06

## 9.5 ~~DUAL ENTRY UNILATERAL~~ BILATERAL DEMAND TRANSFERS

### 9.5.1 Message to initiate a ~~Dual Entry Unilateral~~ Dual Entry Bilateral Demand Transfer

A Participant may initiate a ~~Dual Entry Unilateral~~ Dual Entry Bilateral Demand Transfer of Financial Products by Transmitting to ASX Settlement a ~~Dual Entry Unilateral~~ Dual Entry Bilateral Demand Message in accordance with the Procedures.

*Note: A Valid ~~Dual Entry Unilateral~~ Dual Entry Bilateral Demand Message that is Matched by ASX Settlement will be a proper ASTC transfer.*

Introduced 11/03/04 Origin SCH 6.2.6

#### 9.5.1A Restrictions on Transfers and Conversions

If a Participant who controls a Source Holding:

- (a) Transmits a Valid Bilateral Demand Message in accordance with Rule 9.5.1; and
- (b) there are sufficient Available Financial Products or Entitlements in the Source Holding.

ASX Settlement will apply a Demand Lock and the relevant Financial Products (including any Entitlements) will be prevented from being deducted from the relevant Holding, except where:

- (c) the relevant Financial Product are Transferred under Rule 9.5.4(a);
- (d) the relevant Bilateral Demand Message has been rejected in accordance with Rule 9.5.1B;
- (e) the relevant Bilateral Demand Transfer has been rejected in accordance with Rule 9.5.4(b); or
- (f) the relevant Bilateral Demand Message has been cancelled in accordance with Rule 9.5.7 or 9.5.8.

#### 9.5.1B Bilateral Demand Messages - Rejection

If a Valid Bilateral Demand Message is received by ASX Settlement from the Participant that controls the Source Holding and either:

- (a) the Source Holding; or



(b) during an Ex Period, a Cum Entitlement Balance for the Source Holding,

specified in the Bilateral Demand Message does not hold sufficient Available Financial Products or Entitlements to meet the delivering Participant's obligation for the Source Holding, ASX Settlement must:

(c) reject the Bilateral Demand Message; and

(d) notify the delivering Participant.

#### 9.5.2 Matching ~~Dual Entry~~Bilateral Demand Transfer Messages

If:

- (a) a Participant Transmits a Valid ~~Dual Entry~~Bilateral Demand Message in accordance with the Procedures; and
- (b) the Valid Message Transmitted by the counterparty Participant:
  - (i) specifies the same details;~~;~~ **and**
  - (ii) specifies or implies the same designation as Cum or Ex Entitlement; and
  - (iii) if the Secondary Matching Flag is indicated as applying in the Message, the Participants have specified the same Matching Reference,

ASX Settlement must Match the Messages.

Introduced 11/03/04 Origin SCH 6.2.7

#### 9.5.3 ~~Dual Entry~~Bilateral Demand Transfers in respect of Confirmed FOR Financial Products

If ASX Settlement matches a Valid ~~Dual Entry~~Bilateral Demand Message under Rule 9.5.2 which initiates a Foreign to Foreign Allocation; and

- (a) ASX Settlement enters Financial Products into a Target Holding pursuant to Rule 9.5.4(a)(ii); and
- (b) the Target Holding has a Residency Indicator of foreign (as identified in the User Technical Documentation)~~"F"~~,

those Financial Products will have the status of Confirmed FOR Financial Products.

Introduced 11/03/04 Origin SCH 6.2.8A

#### 9.5.4 Action by ASX Settlement following Matching of ~~Dual Entry~~Bilateral Demand Messages~~Transfer~~

If a Valid ~~Dual Entry~~Bilateral Demand Message is Matched by ASX Settlement with another Valid ~~Dual Entry~~Bilateral Demand Message Transmitted by the counterparty Participant then:

- (a) if there are sufficient Available Financial Products in the Source Holding, ASX Settlement must Transfer Financial Products by:
  - (i) deducting the number of Financial Products specified in the Message from the Source Holding; and
  - (ii) entering that number of Financial Products into the Target Holding; or
- (b) if either:
  - (i) the Source Holding; or
  - (ii) during an Ex Period, a Cum Entitlement Balance for the Source Holding,
    - specified in the ~~Dual Entry~~[Bilateral](#) Demand Message does not hold sufficient Available Financial Products or Entitlements to meet the delivering Participant's obligation for the Source Holding, ASX Settlement must:
      - (iii) reject the ~~Dual Entry~~[Bilateral](#) Demand Transfer; and
      - (iv) notify both the delivering and the receiving Participants.

Introduced 11/03/04 Origin SCH 6.2.8, 6.2.11

#### 9.5.5 Effect of ~~Dual Entry~~[Bilateral](#) Demand Transfer

A ~~Dual Entry~~[Bilateral](#) Demand Transfer initiated under Rule 9.5.1:

- (a) takes effect when, under Rule 9.5.4 ASX Settlement deducts Financial Products from the Source Holding; and
- (b) is taken to be effected by:
  - (i) in the case of a Transfer in respect of an On Market Transaction that involves only one Participant that is a Clearing Participant, that Participant;
  - (ii) in any other case, the delivering Participant.

Introduced 11/03/04 Origin SCH 6.2.9

#### 9.5.6 Application of Standing HIN [\[Deleted\]](#)

~~If a Participant's Valid Dual Entry Demand Message does not specify a HIN, ASX Settlement is entitled to apply the Standing HIN of the Participant that Transmitted the Message.~~

Introduced 11/03/04 Origin SCH 6.2.10

#### 9.5.7 Participant may cancel ~~Dual Entry~~[Bilateral](#) Demand Message

A Participant may cancel a Valid ~~Dual Entry~~[Bilateral](#) Demand Message that has not been Matched by ASX Settlement, by Transmitting to ASX Settlement a Valid Message requesting cancellation before ASX Settlement Matches the original Message under Rule 9.5.2.

### **9.5.8 Action by ASX Settlement if Messages are not Matched**

If a ~~Dual Entry~~Bilateral Demand Message has not been Matched within the Scheduled Time, ASX Settlement must:

- (a) cancel the ~~Dual Entry~~Bilateral Demand Message; and
- (b) within the Scheduled Time, notify:
  - (i) the Participant that Transmitted the Message; and
  - (ii) the counterparty Participant

that the ~~Dual Entry~~Bilateral Demand Message has been cancelled.

### **9.5.9 Removal of Demand Lock**

If:

- (a) the relevant Bilateral Demand Transfer has been rejected in accordance with Rule 9.5.4(b); or
- (b) the relevant Bilateral Demand Message has been cancelled in accordance with Rule 9.5.7 or 9.5.8,

then ASX Settlement will remove the Demand Lock that was applied in connection with the relevant Bilateral Demand Transfer or Bilateral Demand Message.

## **9.5A BILATERAL DEMAND SETTLEMENT TRANSFERS**

### **9.5A.1 Message to initiate a Bilateral Demand Settlement Transfer**

A Participant may initiate a Bilateral Demand Settlement Transfer of Financial Products by Transmitting to ASX Settlement a Valid Bilateral Demand Settlement Message in accordance with the Procedures.

Note: A Valid Bilateral Demand Settlement Message that is Matched by ASX Settlement will be a proper ASTC transfer.

### **9.5A.2 Financial Products must not be Transferred or Converted**

If a Participant who controls a Source Holding

- (a) Transmits a Valid Bilateral Demand Settlement Message in accordance with Rule 9.5A.1; and
- (b) there are sufficient Available Financial Products or Entitlements.

ASX Settlement will apply a Demand Lock and the relevant Financial Products (including any Entitlements) will be prevented from being deducted from the relevant Holding, except where:

- (c) the relevant Financial Products are Transferred pursuant to settlement of the resulting Bilateral Demand Settlement Instruction;
- (d) the relevant Bilateral Demand Settlement Message has been rejected in accordance with Rule 9.5A.3; or
- (e) the relevant Bilateral Demand Settlement Message has been cancelled in accordance with Rule 9.5A.7 or 9.5A.8.

### **9.5A.3 Bilateral Demand Settlement Messages - Rejection**

If a Valid Bilateral Demand Settlement Message is received by ASX Settlement from the Participant that controls the Source Holding and either:

- (a) the Source Holding; or
- (b) during an Ex Period, a Cum Entitlement Balance for the Source Holding,

specified in the Bilateral Demand Settlement Message does not hold sufficient Available Financial Products or Entitlements to meet the delivering Participant's obligation for the Source Holding, ASX Settlement must:

- (c) reject the Bilateral Demand Settlement Message; and
- (d) notify the delivering Participant.

### **9.5A.4 Matching Bilateral Demand Settlement Messages**

If:

- (a) a Participant Transmits a Valid Bilateral Demand Settlement Message in accordance with the Procedures; and
- (b) the Valid Message Transmitted by the other Participant:
  - (i) subject to paragraph (iv), specifies the same details;
  - (ii) specifies or implies the same designation as Cum Entitlement or Ex Entitlement;
  - (iii) if specified in the Message, the Participants have specified the same Matching Reference; and
  - (iv) either:
    - (A) specifies the same Settlement Amount or a Settlement Amount that differs by no more than the Settlement Amount Tolerance;

- \_\_\_\_\_ (B) if only one Participant has specified an Override Tolerance Amount, the other Participant has specified the same Settlement Amount or a Settlement Amount that differs by no more than the Override Tolerance Amount; or
- \_\_\_\_\_ (C) if both Participants have specified an Override Tolerance Amount, the Settlement Amount specified by both Participants is the same or differs by no more than the higher of the Override Tolerance Amounts specified by the Participants,

then, subject to paragraph (c), ASX Settlement must Match the Messages.

(c) Where there are multiple available Matches for a Bilateral Demand Settlement Message, ASX will Match:

- \_\_\_\_\_ (i) for multiple available Matches with the same Settlement Amount as the Bilateral Demand Settlement Message, the Bilateral Demand Settlement Message which was received earliest by CHESSE; and
- \_\_\_\_\_ (ii) for multiple available Matches which differ in Settlement Amount from the Bilateral Demand Settlement Message:
  - \_\_\_\_\_ (A) the Bilateral Demand Settlement Message which has the closest Settlement Amount to the Bilateral Demand Settlement Message; or
  - \_\_\_\_\_ (B) if there are multiple available Matches at the closest Settlement Amount to the Bilateral Demand Settlement Message, the Bilateral Demand Settlement Message which was received earliest by CHESSE.

#### **9.5A.5 Bilateral Demand Settlement Transfers in respect of Confirmed FOR Financial Products**

If ASX Settlement matches a Valid Bilateral Demand Settlement Message under Rule 9.5A.4 which initiates a Foreign to Foreign Allocation; and

- (a) ASX Settlement enters Financial Products into a Target Holding pursuant to demand settlement of the Bilateral Demand Settlement Instruction; and
- (b) the Target Holding has a Residency Indicator of "F",

those Financial Products will have the status of Confirmed FOR Financial Products.

#### **9.5A.6 Action by ASX Settlement following Matching of Bilateral Demand Settlement Messages**

If a Valid Bilateral Demand Settlement Message is Matched by ASX Settlement with another Valid Bilateral Demand Settlement Message Transmitted by the counterparty Participant then:

- (a) ASX Settlement will treat the Matched Messages as a Bilateral Demand Settlement Instruction to be settled in Real Time Gross Settlement under Section 11;
- (b) for the purposes of determining the Settlement Amount in a Bilateral Demand Settlement Instruction, ASX Settlement will:
- (i) if the amount to be included as the Settlement Amount specified by each Participant differs by no more than the Settlement Amount Tolerance, apply the lower of the two amounts as the Settlement Amount for the Bilateral Demand Settlement Instruction scheduled for settlement;
  - (ii) if only one Participant has specified an Override Tolerance Amount and the amount to be included as the Settlement Amount specified by each Participant differs by no more than the Override Tolerance Amount, apply the Settlement Amount specified by the Participant which did not submit an Override Tolerance Amount as the Settlement Amount for the Bilateral Demand Settlement Instruction scheduled for settlement;
  - (iii) if both Participants specify different Override Tolerance Amounts and the amount to be included as the Settlement Amount specified by each differs by no more than the higher of the Override Tolerance Amounts specified by the Participants, apply the Settlement Amount submitted by the Participant with the lowest Override Tolerance Amount as the Settlement Amount for the Bilateral Demand Settlement Instruction scheduled for settlement; or
  - (iv) if both Participants specify the same Override Tolerance Amount and the amount to be included as the Settlement Amount by each Participant differs by no more than the Override Tolerance Amount specified by the Participants, apply the lower of the two Settlement Amounts submitted by the Participants as the Settlement Amount for the Bilateral Demand Settlement Instruction scheduled for settlement; and
- (c) ASX Settlement will notify each Participant that the Bilateral Demand Settlement Instruction will be settled in Real Time Gross Settlement under Section 11.

#### **9.5A.7 Participant may cancel Bilateral Demand Settlement Message**

A Participant may cancel a Valid Bilateral Demand Settlement Message that has not been Matched by ASX Settlement, by Transmitting to ASX Settlement a Valid Message requesting cancellation before ASX Settlement Matches the original Message under Rule 9.5A.4.

#### **9.5A.8 Action by ASX Settlement if Messages are not Matched**

If a Bilateral Demand Settlement Message has not been Matched within the Scheduled Time, ASX Settlement must:

- (a) cancel the Bilateral Demand Settlement Message; and
- (b) within the Scheduled Time, notify:
  - (i) the Participant that Transmitted the Message; and
  - (ii) the counterparty Participant,that the Bilateral Demand Settlement Message has been cancelled.

#### **9.5A.9 Removal of Demand Lock**

If:

- (a) the relevant Bilateral Demand Settlement Message has been rejected in accordance with Rule 9.5A.3; or
- (b) the relevant Bilateral Demand Settlement Message has been cancelled in accordance with Rule 9.5A.7 or 9.5A.8,

then ASX Settlement will remove the Demand Lock that was applied in connection with the relevant Bilateral Demand Settlement Message.

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## **9.7 TRANSFERS AND CONVERSIONS FROM CHESS HOLDINGS**

### **9.7.1A Messages linked by a RGID or a HIN**

For the purpose of this Rule 9.7, a reference to ‘Valid Originating Message’, ‘Originating Message’, ‘Valid Message’ or ‘Message’ includes multiple Messages linked by a RGID or a HIN.

#### **9.7.1 CHESS to Issuer Sponsored Demand Transfers or Conversions**

A Participant may initiate a CHESS to Issuer Sponsored Demand Transfer or Conversion by Transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures, except in the circumstances specified in the Procedures.

Introduced 11/03/04 Origin SCH 6.3.1 Amended 21/05/13

#### **9.7.2 Action by ASX Settlement**

If an Originating Message Transmitted to ASX Settlement complies with Rule 9.7.1 and there are sufficient Available Financial Products in the Source Holding, ASX Settlement must:

- (a) deduct the number of Financial Products specified in the Message from the Source Holding; and
- (b) Transmit a Message to the Issuer to Transfer or Convert Financial Products in accordance with the Originating Message.

Introduced 11/03/04 Origin SCH 6.3.2

### 9.7.3 Action by Issuer

If an Issuer receives a Valid Message under Rule 9.7.2(b), the Issuer must, within the Scheduled Time, enter Financial Products into the Target Holding in accordance with that Message.

Introduced 11/03/04 Origin SCH 6.3.3

### 9.7.4 Action by Issuer where Foreign to Foreign Allocation

If an Issuer receives a Valid Message under Rule 9.7.2(b) which initiates a Foreign to Foreign Allocation; and

- (a) the Issuer enters Financial Products into a Target Holding pursuant to Rule 9.7.3; and
- (b) the Target Holding has a Residency Indicator of [foreign \(as identified in the User Technical Documentation\)](#)~~"F"~~,

those Financial Products will have the status of Confirmed FOR Securities.

Introduced 11/03/04 Origin SCH 6.3.3A

### 9.7.5 Time when Demand Transfer takes effect

A Demand Transfer initiated under Rule 9.7.1:

- (a) takes effect when, under Rule 9.7.2(a), ASX Settlement deducts Financial Products from the Source Holding; and
- (b) is taken to be effected by the Participant whose PID is that of the Participant Transmitting the Message.

Introduced 11/03/04 Origin SCH 6.3.4

### 9.7.6 Participant restriction on Demand Transfers and Conversions

Where an Issuer operates [an](#) Issuer Sponsored Subregister-, the Participant must ensure that any [Transfer or](#) Conversion ~~or Transfer~~ of Financial Products from the CHESSE Subregister is to the Issuer Sponsored Subregister.

Introduced 11/03/04 Origin SCH 6.9.1

## 9.8 TRANSFERS [AND CONVERSIONS](#) INTO CHESSE HOLDINGS

### [9.8.1A Messages linked by a RGID or a HIN](#)

[For the purpose of this Rule 9.8, a reference to 'Valid Originating Message', 'Originating Message', 'Valid Message' or 'Message' includes multiple Messages linked by a RGID or a HIN.](#)

### 9.8.1 Issuer Sponsored to CHESSE Demand Transfers or Conversions

A Participant may initiate an Issuer Sponsored to CHESSE Demand Transfer or Conversion by Transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.



**9.8.2 Action by ASX Settlement following Demand Transfer or Conversion**

If an Originating Message Transmitted to ASX Settlement complies with Rule 9.8.1, ASX Settlement will Transmit to the Issuer a Message requesting the Issuer to authorise the Transfer or Conversion of Financial Products in accordance with the Originating Message.

**9.8.3 Action by Issuer following receipt of Message from a ~~Settlement~~ Participant**

If in the case of a Valid Message received by an Issuer under Rule 9.8.2:

- (a) the SRN for the Holder of the Source Holding specified in the Message matches the Issuer's records~~there are sufficient Available Financial Products in the Source Holding;~~
- (b) ~~the SRN for the Holder of the Source Holding specified in the Message matches the Issuer's records~~there are sufficient Available Financial Products in the Source Holding;~~and~~
- (c) in the case of a Message requesting the Issuer to authorise a Conversion, the Registration Details for the Target Holding specified in the Message match the Registration Details for the Source Holding maintained by the Issuer;~~—~~and
- (d) in the case of a Message requesting the Issuer to authorise a Transfer, the Registration Details for the Source Holding specified in the Message match the Registration Details for the Source Holding maintained by the Issuer.

the Issuer must subject to Rule 9.8.5 authorise the Transfer or Conversion, as the case requires.

**9.8.4 Other action by Issuer [Deleted]**

~~If a Valid Message is received by an Issuer under Rule 9.8.2 pursuant to an Originating Message Transmitted by:-~~

- ~~(a) — a Participant other than a Settlement Participant that is a:
  - ~~(i) — Trading Participant of ASX;~~
  - ~~(ii) — Custodial Settlement Participant; or~~
  - ~~(iii) — Recognised Market Operator;~~~~

~~the Issuer must not authorise the Transfer unless:~~

- ~~(b) — there are sufficient Available Financial Products in the Source Holding; and~~
- ~~(c) — it has received within 5 Business Days of ASX Settlement Transmitting the message a Registrable Transfer Document purporting to be signed by, or~~

~~executed by or on behalf of, the Holder of the Source Holding, the details of which match the Issuer's records in relation to that Holder.~~

Introduced 11/03/04 Origin SCH 6.5.4 Amended 23/10/09

### **9.8.5 Rejection of Transfer or Conversion by Issuer**

If the conditions for authorisation by the Issuer of a Transfer or Conversion as stipulated in Rules 9.8.3 ~~or 9.8.4~~ are not met, the Issuer must:

- (a) reject the Transfer or Conversion; and
- (b) within the Scheduled Time, notify ASX Settlement of that rejection and the reason for the rejection.

Introduced 11/03/04 Origin SCH 6.5.5, 6.5.6

### **9.8.6 Action by Issuer if Transfer or Conversion authorised**

If an Issuer authorises a Transfer or Conversion under Rule 9.8.3 ~~or 9.8.4~~, the Issuer must, within the Scheduled Time:

- (a) deduct the number of Financial Products specified in that Message from the Source Holding; and then
- (b) Transmit a Message to ASX Settlement to Transfer or Convert those Financial Products in accordance with the Originating Message.

Introduced 11/03/04 Origin SCH 6.5.7

### **9.8.7 Action following Transfer or Conversion**

If ASX Settlement receives a Valid Message under Rule 9.8.6(b);

- (a) ASX Settlement must enter Financial Products into the Target Holding in accordance with the Originating Message; and
- (b) if the Message under Rule 9.8.6(b) initiates a Foreign to Foreign Allocation and the Target Holding has a Residency Indicator of [foreign \(as identified in the User Technical Documentation\)](#) ~~“F”~~ those Financial Products will have the status of Confirmed FOR Financial Products.

Introduced 11/03/04 Origin SCH 6.5.8, 6.5.8A

### **9.8.8 Effect of a Demand Transfer initiated under Rule 9.8.1**

A Demand Transfer initiated under Rule 9.8.1:

- (a) takes effect when, under Rule 9.8.6(a), the Issuer deducts Financial Products from the Source Holding; and
- (b) is taken to be effected by the Participant whose PID is included in the Valid Originating Message as that of the Participant Transmitting the Message.

Introduced 11/03/04 Origin SCH 6.5.9 Amended 18/12/06

### 9.8.9 ASX Settlement may purge unactioned Messages

If an Issuer receives a Message from ASX Settlement under Rule 9.8.2 and does not respond to ASX Settlement under either Rule 9.8.5 or Rule 9.8.6 within the relevant Scheduled Time for response, ASX Settlement may purge the unactioned Message from the Settlement Facility.

Introduced 09/05/05

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### 9.9.1 Purpose of Rules ~~[Deleted]~~

~~The Procedures apply for the purposes of determining whether a Message of a type listed in Appendix 2 specifies a Source Holding or a Target Holding in accordance with this Section 9.~~

Introduced 11/03/04 Origin SCH 6.7.1

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### 9.10.1 ASX Settlement or Issuer to reject Message

Notwithstanding any other provision of this Section 9, if ASX Settlement or an Issuer receives a Valid Message that initiates or seeks authorisation for a Foreign to Foreign Allocation and:

- (a) the number of Confirmed FOR Financial Products in the Source Holding specified in the Message is less than the number of Confirmed FOR Financial Products to be Transferred or Converted; or
- (b) the Source Holding, being the Source Holdings which is specified:
  - (i) in the Message; or
  - (ii) on the Issuer Operated Subregister,

is a Source Holding which does not have a Residency Indicator of [foreign \(as identified in the User Technical Documentation\)](#) "F", ASX Settlement or the Issuer must reject the Message as the case requires.

Introduced 11/03/04 Origin SCH 6.10

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## 9.12 ELECTRONIC ACCESS TO HOLDINGS

### 9.12.1 Warranty of Holder's authority

If, in a Message that initiates an Issuer Sponsored to CHES [Transfer or](#) Conversion of Financial Products, a Participant [includes other than a Settlement Participant that is a:](#)

- ~~(a) Market Participant of ASX;~~
- ~~(b) Custodial Settlement Participant; or~~
- ~~(c) Recognised Market Operator includes,~~

a Holder's SRN, the Participant warrants to the Issuer that it has the Holder's authority to access the Source Holding specified in the Message.

Introduced 11/03/04 Origin SCH 10.7.2

**9.12.2 Other Participants must have Registrable Transfer Document [\[Deleted\]](#)**

~~A Participant other than a Settlement Participant that is a:~~

- ~~(a) — Market Participant of ASX;~~
- ~~(b) — Custodial Settlement Participant; or~~
- ~~(c) — Recognised Market Operator;~~

~~must not Transmit a Message that initiates an Issuer Sponsored to CHESS Transfer of Financial Products unless that Participant has possession of a Registrable Transfer Document signed by, or executed by or on behalf of, the registered Holder of the Financial Products to be Transferred.~~

Introduced 11/03/04 Origin SCH 10.7.1

**9.12.3 Specifying the Transaction Identifier on the Registrable Transfer Document [\[Deleted\]](#)**

~~If a Participant other than a Settlement Participant that is a:~~

- ~~(a) — Market Participant of ASX;~~
- ~~(b) — Custodial Settlement Participant; or~~
- ~~(c) — Recognised Market Operator;~~

~~Transmits a Message to ASX Settlement that complies with Rule 9.8.1, then as soon as ASX Settlement acknowledges acceptance of that Message, that Participant must in the case of a Message that initiates a Transfer of Financial Products:~~

- ~~(d) — specify the Transaction Identifier on the Registrable Transfer Document held by it under Rule 9.12.2;~~
- ~~(e) — immediately send that document to the office of the Issuer's principal register; and~~
- ~~(f) — store a copy of the documentation sent to the Issuer in a secure location.~~

Introduced 11/03/04 Origin SCH 10.7.3

**9.12.4 Application of Rules 9.12.5 to 9.12.8 [\[Deleted\]](#)**

~~Rules 9.12.5 to 9.12.8 apply only to Settlement Participants that are:~~

- ~~(a) — Market Participants of ASX;~~
- ~~(b) — Custodial Settlement Participants; or~~
- ~~(c) — Recognised Market Operators.~~

Introduced 11/03/04

**9.12.5** ~~Electronic Access to Issuer Sponsored Holdings by Settlement Participants~~ Warranty by Participant if Rule 9.12.6 applies

If, in a Message that initiates an Issuer Sponsored to CHESSE Transfer ~~or Conversion~~ of Financial Products, a ~~Settlement~~ Participant includes a Holder's SRN, that Participant warrants to the Issuer that it has, if Rule 9.12.6 applies:

- ~~(a) the Holder's authority to access the Source Holding specified in the Message; and~~
- ~~(b) if Rule 9.12.6 applies:~~
  - (a) the authority of the person specified as the transferor on the Registrable Transfer Document referred to in Rule 9.12.6(a) to effect an Issuer Sponsored to CHESSE Transfer; and
  - (b) possession of the Registrable Transfer Document.

Introduced 11/03/04 Origin SCH 9.6.1 Amended 10/06/04

**9.12.5A** ~~Pre transfer validation~~ [Deleted]

~~A Custodial Settlement Participant must not Transmit a Message that initiates an Issuer Sponsored to CHESSE Transfer of Financial Products unless the Custodial Settlement Participant has verified that the SRN and Registration Details that they have for the Holder of the Source Holding match the SRN and Registration Details for the Holder maintained by the Issuer.~~

Introduced 18/12/19

**9.12.6** **Registrable Transfer Document**

If:

- (a) a ~~Settlement~~ Participant takes possession of a Registrable Transfer Document from a person other than the person specified as the transferor in that document; and
- (b) the person who supplies the Registrable Transfer Document to that Participant instructs the Participant to move the Financial Products the subject of the Transfer to a CHESSE Holding (whether or not that Holding is in the name of that person),

then the Participant must not Transmit a Message that initiates an Issuer Sponsored to CHESSE Transfer unless that Participant has also been authorised to effect that Transfer by the person specified as the transferor in the Registrable Transfer Document.

**9.12.7** ~~Participant to check registration details~~ [Deleted]

~~On receipt of notification from ASX Settlement that an Issuer Sponsored to CHESSE Transfer has been effected, a Settlement Participant must check to make sure that the Financial Products which were specified in the Transfer were deducted from the correct Issuer Sponsored Holding.~~

Introduced 11/03/04 Origin SCH 9.6.3

#### 9.12.8 Rectifying Errors ~~[Deleted]~~

~~If, under Rule 9.12.7, it is determined that the Financial Products specified in the Transfer were not deducted from the correct Issuer Sponsored Holding, the Participant that initiated the Transfer must liaise with the Issuer and take such steps as are necessary to rectify the error.~~

Introduced 11/03/04 Origin SCH 9.6.4

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### 9.13 ~~SINGLE ENTRY~~UNILATERAL TRANSFER REQUESTS

#### 9.13.1 Message to initiate ~~Single Entry~~Unilateral Transfer Request

Subject to Rule 9.13.4, a Participant may initiate a ~~Single Entry~~Unilateral Transfer Request of Financial Products by Transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.

#### 9.13.2 Action by ASX Settlement following ~~Single Entry~~Unilateral Transfer Request Message

If an Originating Message Transmitted to ASX Settlement complies with Rule 9.13.1 and there are sufficient Available Financial Products in the Source Holding:

- (a) ASX Settlement must deduct the number of Financial Products specified in the Message from the Source Holding; and
- (b) ASX Settlement must enter that number of Financial Products into the Target Holding.

#### 9.13.3 Effect of ~~Single Entry~~Unilateral Transfer Request

A ~~Single Entry~~Unilateral Transfer Request initiated under Rule 9.13.1:

- (a) takes effect when, under Rule 9.13.2, ASX Settlement deducts Financial Products from the Source Holding; and
- (b) is taken to be effected by the Participant whose PID is included in the Valid Originating Message as that of the Participant Transmitting the Message.

#### 9.13.4 Restriction on Participant initiating ~~Single Entry~~Unilateral Transfer Request

A ~~Single Entry~~Unilateral Transfer Request may only be initiated by a Participant if the Participant is authorised by an Issuer of Financial Products to provide the service as set out in the Procedures.

Introduced 10/05/04

## **9.14 REQUEST FOR DETAILS OF SRN OR HOLDING BALANCE OF ISSUER SPONSORED HOLDING**

### **9.14.1 Messages linked by a RGID**

For the purpose of this Rule 9.14, a reference to ‘Valid Originating Message’, ‘Originating Message’, ‘Valid Message’ or ‘Message’ includes multiple Messages linked by a RGID.

### **9.14.2 Message to initiate request for SRN or Holding Balance of Issuer Sponsored Holding-**

Subject to Rule 6.7.1, a Sponsoring Participant may initiate a request for the details of the SRN of a Holding on the Issuer Sponsored Subregister or the Holding Balance of a Holding on the Issuer Sponsored Subregister by transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.

### **9.14.3 Action by ASX Settlement following receipt of Message from Sponsoring Participant**

If an Originating Message Transmitted to ASX Settlement complies with Rule 9.14.2, ASX Settlement will Transmit to the Issuer a Message requesting the Issuer to provide the details of the SRN or Holding Balance of the Issuer Sponsored Holding requested in the Originating Message.

### **9.14.4 Action by Issuer following receipt of Message from ASX Settlement**

If in the case of a Valid Message received by an Issuer under Rule 9.14.3:

- (a) in relation to a request for the SRN of a Holding, the Registration Details specified in the Message match the Registration Details for the Source Holding maintained by the Issuer; or
- (b) in relation to a request for a Holding Balance of a Holding, the SRN and Registration Details for the Holding specified in the Message match the SRN and Registration Details for the Source Holding maintained by the Issuer,

the Issuer must, within the Scheduled Time, Transmit a Valid Message to ASX Settlement with the requested details of the SRN of a Holding on the Issuer Sponsored Subregister or the Holding Balance of a Holding on the Issuer Sponsored Subregister (as applicable).

### **9.14.5 Further action by ASX Settlement**

If ASX Settlement receives a Valid Message under Rule 9.14.4, it must send a Message to the Sponsoring Participant which initiated the request under Rule 9.14.2, providing the SRN or Holding Balance details included in the Message from the Issuer under Rule 9.14.4.

### **9.14.6 ASX Settlement may purge unactioned Messages**

If an Issuer receives a Message from ASX Settlement under Rule 9.14.2 and does not respond to ASX Settlement under Rule 9.14.4 within the relevant Scheduled Time for

response, ASX Settlement may purge the unactioned Message from the Settlement Facility.



## SECTION 10 BATCH SETTLEMENT

A Settlement Participant may settle Instructions in the Settlement Facility in Batch Settlement or Real Time Gross Settlement. Batch Settlement is governed by Section 10 of these Rules. Real Time Gross Settlement is governed by Section 11.

Batch Settlement involves the settlement of Batch Instructions. Batch Instructions may be:

- (a) for value. This is known as DvP Batch Settlement. Batch Instructions that can be settled in DvP Batch Settlement are:
  - (i) CCP Batch Instructions. These consist of CCP [Market Trade Net](#) Batch Instructions, ~~and CCP Gross Batch Instructions~~ [CCP Rescheduled Batch Instructions](#), [CCP Offsetting Transaction Arrangement Batch Instructions](#) and [CCP Isolate Counterparty Batch Instructions](#);
  - (ii) Direct Batch Instructions; and
  - (iii) ~~Dual Entry~~ [Bilateral](#) Batch Instructions;
- (b) free of value. Batch Instructions that can be settled in Batch Settlement free of value are either:
  - (i) ~~Dual Entry~~ [Bilateral](#) Batch Instructions; or
  - (ii) ~~Single Entry~~ [Unilateral](#) Batch Instructions; or
  - (iii) [Accrued Batch Instructions](#); and
- (c) for payment free of delivery. Batch Instructions that can be settled in Batch Settlement for payment free of delivery are known as Payment Batch Instructions which consist of CCP Derivatives Payment Batch Instructions, ~~Dual Entry Payment Batch Instructions~~ and AQUA Payment Batch Instructions.

In addition to determining the eligibility of Batch Instructions to be included in DvP Batch Settlement and Batch Settlement, the purpose of this Section is to set out Rules relating to the operation of Batch Settlement in the Settlement Facility including:

- (a) the basis on which Settlement Participants can act in respect of Batch Settlement;
- (b) payment arrangements for Batch Settlement;
- (c) removal, cancellation and change of Batch Instructions;
- (ca) [linking Batch Instructions for the purpose of Batch Settlement](#);
- (d) discharge of settlement obligations;
- (e) failing Batch Instructions;

- (ea) notification to the Approved Clearing Facility of failed CCP Batch Instructions which become subject to settlement through Offsetting Transaction Arrangements;
- (f) suspension or cancellation of settlement; and
- (g) settlement subject to entitlements and adjustments.

This section also deals with Client Trust Account settlement obligations that need to be discharged.

## 10.4 BATCH INSTRUCTIONS INCLUDED IN BATCH SETTLEMENT

### 10.4.1 Classes of Batch Instructions included in Batch Settlement

Unless ASX Settlement determines otherwise, a Batch Instruction is eligible for Batch Settlement under this Section 10 if the Batch Instruction is:

- (a) a CCP Batch Instruction;
- (b) a Direct Batch Instruction;
- (c) a ~~Dual Entry~~Bilateral Batch Instruction;
- (d) a ~~Single Entry~~Unilateral Batch Instruction;
- (da) an Accrued Batch Instruction;
- (e) a Payments Batch Instruction; or
- (f) any other class of Batch Instruction ASX Settlement may determine from time to time. In determining whether a class of Batch Instruction is eligible for DvP Batch Settlement, ASX Settlement must have regard to the following factors:
  - (i) where it is necessary that any person communicates reliably with CHES; that person meets any technical and/or performance requirements;
  - (ii) the inclusion of the additional class of Batch Instruction in DvP Batch Settlement will:
    - A. permit Batch Instructions the subject of National Guarantee Fund protection regime to be distinguished, and if necessary, segregated from, Batch Instructions in DvP Batch Settlement which are not the subject of NGF coverage; and
    - B. not adversely affect the NGF coverage;
  - (iii) Participants who will be parties to the additional Batch Instructions admitted to DvP Batch Settlement, and investors upon whose behalf they act, will be informed that the additional class of Batch Instruction is not covered by the National Guarantee Fund;

- (iv) DvP Batch Settlement of the class of Batch Instruction is likely to be commercially viable for ASX Settlement and will not adversely affect the integrity, reliability or efficiency of the Settlement Facility; and
- (v) where the Commission requires that the class of transactions to be admitted to Batch Settlement be covered by an investor protection regime, and NGF coverage is not applicable to the class of Batch Instruction, there is an applicable investor protection regime which is acceptable to the Commission.

A person may apply to ASX Settlement in the form prescribed by ASX Settlement to have a class of Batch Instruction included in DvP Batch Settlement.

A Batch Instruction in which the obligation is to deliver or receive Financial Products for value will be settled in DvP Batch Settlement.

Introduced 11/03/04 Origin SCH 7.1.3 Amended 23/10/09

#### **10.4.2 CCP Batch Instructions notified by Approved Clearing Facility**

ASX Settlement will schedule for settlement in DvP Batch Settlement all CCP Batch Instructions received by ASX Settlement from an Approved Clearing Facility on the Settlement Date notified by the Approved Clearing Facility. In the circumstances of Failed CCP Batch Instructions notified to the Approved Clearing Facility under Rule 10.11.7A or 10.16A, the CCP Batch Instructions to be scheduled for settlement in DvP Batch Settlement on a Business Day will also include CCP Batch Instructions relating to obligations and entitlements under the second leg of Offsetting Transaction Arrangements entered into in respect of the CCP Batch Instructions Failed on the previous Business Day in the manner set out in the operating rules of the Approved Clearing Facility.

Introduced 11/03/04 Amended 28/04/14

#### **10.4.3 Direct Batch Instructions notified by Approved Market Operator or Approved Clearing Facility**

ASX Settlement will schedule for settlement in DvP Batch Settlement all Direct Batch Instructions received by ASX Settlement from an Approved Market Operator or Approved Clearing Facility on the Settlement Date notified respectively by the Approved Market Operator or Approved Clearing Facility.

Unless ASX Settlement has agreed in writing, an Approved Market Operator that is provided with a Settlement Facilitation Service under Rule 4.1A is not eligible to submit Direct Batch Instructions.

Introduced 11/03/04 Origin SCH 7.4.3 Amended 27/06/11, 28/12/11

#### **10.4.4 Notice by ASX Settlement in respect of Direct Batch Instructions**

Within the Scheduled Time, ASX Settlement will notify each Settlement Participant that is a party to a Direct Batch Instruction that it is scheduled for settlement.

Introduced 11/03/04 Origin SCH 7.4.4 Amended 28/12/11

#### **10.4.5 Notification of Batch Instructions**

A Settlement Participant must notify ASX Settlement in the manner specified in the Procedures if the Settlement Participant wishes to schedule for settlement in DvP Batch Settlement a Batch Instruction of a type specified in the Procedures.

Introduced 11/03/04 Origin SCH 7.1.3A.3 Amended 28/12/11

#### **10.4.5A Power to impose conditions on scheduling of Batch Instructions**

ASX Settlement may at any time impose any conditions on the scheduling for settlement in DvP Batch Settlement of a Batch Instruction of a type specified in the Procedures that it considers are reasonably necessary to preserve the integrity, reliability and efficiency of the Settlement Facility. ASX Settlement must notify the affected Settlement Participants in writing of any condition imposed under this rule.

Introduced 28/12/11

#### **10.4.5B Designation of Batch Instructions**

A Settlement Participant must designate in a form required by ASX Settlement the classes of Batch Instruction set out in the Procedures.

Introduced 28/12/11

#### **10.4.6 Priority where Batch Instructions are Failed**

ASX Settlement may in its absolute discretion determine the priority in which Batch Instructions in DvP Batch Settlement will be Failed if one or more instructions scheduled for settlement on a Business Day would give rise to a Financial Products Shortfall or a Payment Shortfall (or to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)).

Introduced 11/03/04 Amended 28/04/14

#### **10.4.7 Removing Batch Instructions from Batch Settlement**

ASX Settlement may immediately remove a class of Batch Instruction from either Batch Settlement or DvP Batch Settlement if ASX Settlement forms the reasonable opinion that:

- (a) the integrity, reliability or efficiency of the Settlement Facility will be significantly impaired by allowing the class of Batch Instruction to continue to be included in Batch Settlement or DvP Batch Settlement; or
- (b) it is necessary for the protection of Participants from risk of loss.

Where ASX Settlement removes a class of Batch Instruction from DvP Batch Settlement, ASX Settlement may where it considers it appropriate, allow that class of Batch Instruction to be settled in Batch Settlement.

Introduced 11/03/04 Origin SCH 7.1.3C

#### **10.4.8 Notice of removal of Batch Instructions from Batch Settlement**

If ASX Settlement removes a class of Batch Instruction from Batch Settlement or DvP Batch Settlement, ASX Settlement will give Notice of the removal to all Settlement Participants.

Introduced 11/03/04 Origin SCH 7.1.3D

#### **10.4.9 Appeal against decisions about Batch Settlement – [Deleted]**

Introduced 11/03/04 Origin SCH 7.1.3E Amended 31/03/08, 01/08/10 Deleted 28/12/11

#### **10.4.10 Convening the Appeal Tribunal – [Deleted]**

Introduced 11/03/04 Origin SCH 7.1.3F, 7.1.3G Deleted 31/03/08

#### **10.4.11 Decisions of the Appeal Tribunal – [Deleted]**

Introduced 11/03/04 Origin SCH 7.1.3D, 7.1.3I Deleted 31/03/08

### **10.5 REMOVAL OF BATCH INSTRUCTIONS FROM BATCH SETTLEMENT**

#### **10.5.1 Removal of Batch Instructions from Batch Settlement by ASX Settlement**

ASX Settlement may remove a Batch Instruction from either Batch Settlement or DvP Batch Settlement [and \(if applicable\) reschedule the Batch Instruction for settlement in Batch Settlement or DvP Batch Settlement on another Business Day](#) if:

- (a) ASX Settlement reasonably considers it necessary in order to maintain the orderly operation and integrity of the Settlement Facility;
- (b) it is requested to do so by an Approved Market Operator in accordance with the Terms of Trade Acceptance Service, or by an Approved Clearing Facility, in order to ensure the efficiency, orderly operation, integrity or proper functioning of the market or facility; or
- (c) it is notified by an Approved Market Operator in accordance with the Terms of Trade Acceptance Service, or by an Approved Clearing Facility, that a Batch Instruction scheduled for settlement has been cancelled,

and if it removes [or reschedules](#) the Batch Instruction ASX Settlement will immediately notify:

- (d) the affected Settlement Participants that the Batch Instruction has been removed from, [or rescheduled for](#), Batch Settlement or DvP Batch Settlement; and
- (e) where relevant, the Approved Market Operator or the Approved Clearing Facility that the Batch Instruction has been removed from, [or rescheduled for](#), Batch Settlement or DvP Batch Settlement

Introduced 11/03/04 Origin SCH 7.5A.1, 7.5A.2 Amended 27/06/11

#### **10.5.2 Removal of Batch Instructions from Batch Settlement by a Settlement Participant**

If a Settlement Participant that is obliged to deliver or receive Financial Products:

- (a) wishes to use an Alternative Settlement Facility other than ASX Settlement to settle a Batch Instruction; or
- (b) wishes to remove a Batch Instruction from DvP Batch Settlement or from Batch Settlement; ~~or~~
- ~~(c) wishes to settle a Batch Instruction on a Real Time Cross Settlement basis under Section 11;~~

and the Settlement Participant:

- ~~(c)~~ obtains the consent of the other Settlement Participant to the Batch Instruction; and
- ~~(d)~~ complies with the Rules relating to the removal of Batch Instructions from DvP Batch Settlement or, if relevant, Batch Settlement,

the Settlement Participant may remove the Batch Instruction from DvP Batch Settlement or Batch Settlement ~~or may settle the Batch Instruction under Section 11~~, as the case may be. This Rule 10.5.2 does not apply to CCP Batch Instructions.

*Note: Settlement Participants may seek the cancellation of CCP Isolate Counterparty Batch Instructions in accordance with Rule 10.9.1.*

Introduced 11/03/04 Origin SCH 7.1.4A

### **10.5.3 Cancellation of Batch Instruction by Settlement Participant**

If within the Scheduled Time the parties to a Batch Instruction that is a Direct Batch Instruction or a ~~Dual Entry~~ Bilateral Batch Instruction Transmit a Valid Message that requests cancellation of the Batch Instruction and the Messages are Matched by ASX Settlement, ASX Settlement will:

- (a) remove the Batch Instruction from Batch Settlement; and
- (b) notify the Settlement Participants that the Batch Instruction has been removed from Batch Settlement.

Introduced 11/03/04 Origin SCH 7.12.1

### **10.5.4 If Message not Matched**

If a Message Transmitted under Rule 10.5.3 has not been Matched, the party that Transmitted the Message may cancel the request by Transmitting a further Valid Message to ASX Settlement revoking the initial request.

Introduced 11/03/04 Origin SCH 7.12.3

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## 10.6 REAL TIME GROSS SETTLEMENT - REMOVAL OF DUAL ENTRY BATCH INSTRUCTIONS FROM DVP BATCH SETTLEMENT [\[Deleted\]](#)

### 10.6.1 Removal of Dual Entry Batch Instructions from DvP Batch Settlement [\[Deleted\]](#)

~~If, within the Scheduled Time:~~

~~(a) — the parties to a Dual Entry Batch Instruction that has been scheduled for settlement under Rule 10.9.3 and is eligible for Real Time Gross Settlement under Rule 11.1.1, Transmit a Valid Dual Entry Switch to RTGS Message to ASX Settlement; and~~

~~(b) — the Messages are Matched,~~

~~ASX Settlement will remove the Dual Entry Batch Instruction from DvP Batch Settlement and process it in Real Time Gross Settlement under Rule 11.1.1 and 11.1.2.~~

Introduced 11/03/04 Origin SCH 7.12A.1, 7.16A.1

### 10.6.2 Limit on ASX Settlement's obligation to remove Dual Entry Batch Instructions from DvP Batch Settlement [\[Deleted\]](#)

~~Each Settlement Participant acknowledges that ASX Settlement's ability to process a Dual Entry Switch to RTGS Message that requests removal of a Dual Entry Batch Instruction from DvP Batch Settlement on the Business Day on which the Message is Transmitted to ASX Settlement will depend on system processing demands in the Settlement Facility between Start of Day and Settlement Cut-Off on that day. Despite any other Rule, while ASX Settlement will use reasonable endeavours to process any such request, it will not be liable for any failure to remove any such Dual Entry Batch Instruction from DvP Batch Settlement on that day.~~

~~Note: — CHESSE queuing processes for preparation of the daily batch settlement will in the ordinary course have priority over messages requesting switches that are received close to Settlement Cut-off.~~

Introduced 11/03/04 Origin SCH 7.16A.3

### 10.6.3 Cancelling a request to remove Dual Entry Batch Instructions to Real Time Gross Settlement [\[Deleted\]](#)

~~If a Message Transmitted under Rule 10.6.1 has not been Matched, the Settlement Participant that Transmitted the Message may cancel the request by Transmitting a further Valid Message to ASX Settlement revoking the initial request.~~

Introduced 11/03/04 Origin SCH 7.12A.3, 7.16A.2

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## 10.9 BATCH INSTRUCTIONS

### 10.9.1 ~~Change Cancellation of to CCP Gross Isolate Counterparty Batch Instructions~~

If in relation to CCP Isolate Counterparty Batch Instructions that arose as the result of a request from a Clearing Participant to isolate a counterparty in accordance with the operating rules of the Approved Clearing Facility:

- (a) the receiving Settlement Participant under a CCP Isolate Counterparty Batch Instruction Transmits a Valid Message to ASX Settlement within the Scheduled Time that requests the cancellation of the CCP Isolate Counterparty Batch Instruction; and
- (b) the delivering Settlement Participant ~~or and the receiving Settlement Participants to under~~ a CCP ~~Gross Isolate Counterparty Batch Instructions that (in total) match the number of Financial Products in the CCP Isolate Counterparty Batch Instruction referred to in paragraph (a) above, each Transmit a Valid Message to ASX Settlement within the Scheduled Time that requests the cancellation of those CCP Isolate Counterparty Batch Instructions, Transmit a Valid Message to ASX Settlement within the Scheduled Time that requests a change to the settlement obligations under the instruction, then ASX Settlement will take the following action:~~
  - (a) ~~if the Messages are Matched ASX Settlement will:~~
    - (i) ~~change the settlement obligations in accordance with the Matched Messages;~~
    - (ii) ~~within the Scheduled Time, notify the Settlement Participants that the change has been effected; and~~
    - (iii) ~~include the CCP Gross Batch Instruction in a Surveillance Report of changed Batch Instructions; or~~
  - (b) ~~if the Messages are not Matched and the Settlement Participant that Transmitted the Message cancels the request by Transmitting a further Valid Message to ASX Settlement revoking the initial request ASX Settlement will:~~
    - (i) ~~cancel the initial request; and~~
    - (ii) ~~notify the Settlement Participant that the request has been cancelled.~~

then ASX Settlement will cancel the CCP Isolate Counterparty Batch Instructions referred to in paragraph (a) and (b) above and notify the Settlement Participants accordingly~~may provide the Surveillance Report referred to in paragraph (a)(iii) to the relevant Approved Market Operator or as required by these Rules or the law.~~

Introduced 11/03/04 Origin SCH 7.14.1, 7.14.2, 7.14.3, 7.14.4 Amended 27/06/11

### 10.9.1A Notification of CCP Batch Instructions to Settlement Agent

Within the Scheduled Time, ASX Settlement will for each Business Day, send to a Settlement Participant acting as a Settlement Agent for a Clearing Participant for settling Cash Market Transactions (as applicable):



- (a) CCP Rescheduled Batch Instructions containing the details specified in Rule 12.6.2B of the ASX Clear Operating Rules;
- (b) CCP Offsetting Transaction Arrangement Batch Instructions containing the details specified in Rule 12.6.2A(c) of the ASX Clear Operating Rules; and
- (c) CCP Isolate Counterparty Batch Instructions containing the details specified in Rule 12.9.1 of the ASX Clear Operating Rules.

**10.9.2 ~~Dual Entry~~ Bilateral Batch Instructions**

Within the Scheduled Time, a Settlement Participant may Transmit to ASX Settlement a Valid Bilateral Batch Message containing the details specified in the Procedures.:

- ~~(a) a Valid Dual Entry Batch Message containing the details specified in the Procedures; or~~
- ~~(b) a Valid Dual Entry Payment Batch Message containing the details specified in the Procedures.~~

Introduced 11/03/04 Origin SCH 7.151

**10.9.3A Bilateral Batch Instructions – Application of Settlement Lock prior to Matching**

If:

- (a) a delivering Settlement Participant Transmits a Bilateral Batch Message in accordance with Rule 10.9.2 requesting ASX Settlement to promptly apply a Settlement Lock to all the Financial Products specified in the Bilateral Batch Message;
- (b) the Source Holding is a CHESS Holding (other than a Settlement Account or Accumulation Account); and
- (c) there are sufficient Available Financial Products in the Source Holding.

ASX Settlement must promptly apply a Settlement Lock to all the Financial Products identified in the Bilateral Batch Message.

If there are insufficient Available Financial Products in the Source Holding or the Source Holding is a Settlement Account or Accumulation Account, ASX Settlement must cancel the Bilateral Batch Message and notify the Participant accordingly.

**10.9.3 ~~Dual Entry~~ Bilateral Batch Instructions – Matching**

If:

- (a) a Settlement Participant Transmits a ~~Dual Entry~~ Bilateral Batch Message ~~or a Dual Entry Payment Batch Message~~ that specifies or implies the details contained in the Procedures; and
- (b) the Message Transmitted by the other Participant:
  - (i) subject to sub-paragraph (iv), specifies the same details,

- (ii) specifies or implies the same designation as Cum Entitlement or Ex Entitlement;
- (iii) if the Secondary Matching Flag is indicated as applying in the Message, the Participants have specified the same Matching Reference; and
- (iv) either:
  - (A) specifies the same Settlement Amount or a Settlement Amount that differs by no more than the Settlement Amount Tolerance; or
  - (B) if only one Participant has specified an Override Tolerance Amount, the other Participant has specified the same Settlement Amount or a Settlement Amount that differs by no more than the Override Tolerance Amount; or
  - (A)(C) if both Participants have specified an Override Tolerance Amount, the Settlement Amount specified by both Participants is the same or differs by no more than the higher of the Override Tolerance Amounts specified by the Participants,

ASX Settlement will, subject to paragraph (ba), Match the Messages; and

(ba) where there are multiple available Matches for a Bilateral Batch Message, ASX will Match:

- (i) for multiple available Matches with the same Settlement Amount as the Bilateral Batch Message, the Bilateral Batch Message which was received earliest by CHES;
- (ii) for multiple available Matches which differ in Settlement Amount from the Bilateral Batch Message:
  - (A) the Bilateral Batch Message which has the closest Settlement Amount to the Bilateral Batch Message; or
  - (B) if there are multiple available Matches at the closest Settlement Amount to the Bilateral Batch Message, the Bilateral Batch Message which was received earliest by CHES.

(c) if the Messages are Matched within the Scheduled Time, ASX Settlement will:

- (i) treat the Matched Messages as a ~~Dual Entry~~ Bilateral Batch Instruction ~~or a Dual Entry Payment Batch Instruction as the case may be;~~
- (ii) schedule the ~~Dual Entry~~ Bilateral Batch Instruction ~~or the Dual Entry Payment Batch Instruction, as the case may be,~~ for settlement on the Settlement Date specified in the instruction;

- (iii) notify each Participant that the ~~Dual Entry~~Bilateral Batch Instruction ~~or Dual Entry Payment Batch Instruction~~ has been scheduled for settlement; and
- (iv) for the purposes of determining the Settlement Amount in a Bilateral Batch Instruction, ASX Settlement will:
- (A) if the amount to be included as the Settlement Amount specified by each Participant differs by no more than the Settlement Amount Tolerance, apply the lower of the two amounts as the Settlement Amount for the ~~Dual-Entry~~Bilateral Batch Instruction ~~or the Dual Entry Payment Batch Instruction~~ that is scheduled for settlement; or
  - (B) if only one Participant has specified an Override Tolerance Amount and the amount to be included as the Settlement Amount specified by each Participant differs by no more than the Override Tolerance Amount, apply the Settlement Amount specified by the Participant which did not submit an Override Tolerance Amount as the Settlement Amount for the Bilateral Batch Instruction scheduled for settlement;
  - (C) if both Participants specify different Override Tolerance Amounts and the amount to be included as the Settlement Amount specified by each differs by no more than the higher of the Override Tolerance Amounts specified by the Participants, apply the Settlement Amount submitted by the Participant with the lowest Override Tolerance Amount as the Settlement Amount for the Bilateral Batch Instruction scheduled for settlement; or
  - (D) if both Participants specify the same Override Tolerance Amount and the amount to be included as the Settlement Amount by each Participant differs by no more than the Override Tolerance Amount specified by the Participants, apply the lower of the two Settlement Amounts submitted by the Participants as the Settlement Amount for the Bilateral Batch Instruction scheduled for settlement; and
- (v) if the delivering Settlement Participant requested ASX Settlement to apply a Settlement Lock to all the Financial Products specified in the Bilateral Batch Message from the time that the Messages are Matched, and if:
- (A) there are sufficient Available Financial Products in the Source Holding, ASX Settlement will promptly apply a Settlement Lock to all of the Financial Products identified in the Message and will notify the Participant that the Settlement Lock has been applied; or
  - (B) there are insufficient Available Financial Products in the Source Holding, ASX Settlement will not apply a Settlement Lock and will notify the Participant that the Settlement Lock could not be applied; or

- (d) if the Messages have not been Matched within the Scheduled Time, ASX Settlement will:
- (i) cancel the ~~Dual Entry~~[Bilateral](#) Batch Message ~~or the Dual Entry Payment Batch Message~~; and
  - (ii) within the Scheduled Time notify both Settlement Participants of that fact.

*Note:* A Bilateral Batch Message will not be cancelled if ASX Settlement was unable to apply a Settlement Lock in response to a Settlement Participant's request for a Settlement Lock to apply on Match in accordance with Rules 10.9.2 and 10.9.3 due to there being insufficient Available Financial Products in the Source Holding.

Introduced 11/03/04 Origin SCH 7.16.1, 7.16.2, 7.16.3, 7.16.4

#### 10.9.4 Change of Batch Instructions – Matched Messages [\[Deleted\]](#)

~~A Settlement Participant may Transmit to ASX Settlement a Valid Message requesting a change to a Dual Entry Batch Instruction or a Dual Entry Payment Batch Instruction to which the Participant is a party.~~

~~If, within the Scheduled Time both Settlement Participants to a Dual Entry Batch Instruction or a Dual Entry Payment Batch Instruction Transmit a Valid Message that requests a change to the instruction:~~

- ~~(a) if the Messages are Matched by ASX Settlement, ASX Settlement will change the instruction; or~~
- ~~(b) if the Messages are not Matched by ASX Settlement, the Participant that Transmitted the Message may cancel the request by Transmitting within the Scheduled Time a further Valid Message that requests cancellation of the original request.~~

Introduced 11/03/04 Origin SCH 7.21.1, 7.21.2, 7.21.3

#### 10.9.5 Change of Batch Instructions – single Messages

If, within the Scheduled Time, a Settlement Participant to a ~~Dual Entry~~[Bilateral](#) Batch Instruction Transmits a Valid Message that requests a change to:

- (a) the designation of the ~~Dual Entry~~[Bilateral](#) Batch Instruction as available or not available for settlement in part;
- (b) if the Participant is a delivering Participant, the Source Holding; ~~and~~
- (c) if the Participant is a receiving Participant, the Target Holding;
- [\(d\) the contact details of the relevant Holder;](#)
- [\(e\) the inclusion or, if provided, the amendment of a Settlement Link ID; or](#)
- [\(f\) the underlying reference,](#)

ASX Settlement will:

- (gd) change the ~~Dual Entry~~Bilateral Batch Instruction in accordance with the Message; ~~and~~
- (he) notify the Participant that Transmitted the Message within the Scheduled Time; and
- (i) if there is a change to the Source Holding and Financial Products within that Source Holding were subject to a Settlement Lock, remove the Settlement Lock.

*Note: Changes of the kind specified in this Rule are only notified to the Participant that Transmitted the Message.*

Introduced 11/03/04 Origin SCH 7.21.4

#### **10.9.6 Cancellation of ~~Dual Entry~~Bilateral Batch Message ~~or Dual Entry Payment Batch Message~~ by Settlement Participant**

A Settlement Participant may, by Transmitting a Valid Message to ASX Settlement within the Scheduled Time, cancel a ~~Dual Entry~~Bilateral Batch Message ~~or a Dual Entry Payment Batch Message~~ Transmitted by the Settlement Participant under Rule 10.9.2 if the Message has not been Matched under Rule 10.9.3.

Introduced 11/03/04 Origin SCH 7.20.1(a)

#### **10.9.7 Cancellation of ~~Dual Entry~~Bilateral Batch Message ~~or Dual Entry Payment Batch Message~~ by both Settlement Participants**

If, within the Scheduled Time both Settlement Participants to a ~~Dual Entry~~Bilateral Batch Instruction ~~or a Dual Entry Payment Batch Instruction~~ Transmit a Valid Message that requests cancellation of the instruction:

- (a) if the Messages are Matched by ASX Settlement, ASX Settlement will cancel the instruction; or
- (b) if the Messages are not Matched by ASX Settlement, the Settlement Participant that Transmitted the Message may cancel the request by Transmitting within the Scheduled Time a further Valid Message that requests cancellation of the original request.

Introduced 11/03/04 Origin SCH 7.20.2, 7.20.3

#### **10.9.8 Obligations of Participants**

Subject to Rules 6.20.1, 6.20.2, 6.20.3 and 6.20.4, the obligations or entitlements, as the case requires, of the Participants to a ~~Dual Entry~~Bilateral Batch Instruction:

- (a) to deliver or receive Financial Products or Entitlements; and
- (b) if the instruction is to be settled in DvP Settlement Batch Settlement, to pay or receive an amount,

are owed to each other as principals, even if a Settlement Participant has a settlement obligation to another person, or is acting on behalf of a Market Participant, Clearing Participant or another Settlement Participant in relation to the instruction.

**10.9.9 Obligations of Participants to a Dual Entry Payment Batch Instruction ~~[Deleted]~~**

~~The obligation or entitlements, as the case requires, of the Participants to a Dual Entry Payment Batch Instruction to pay or receive an amount are owed to each other as principals, even if a Settlement Participant has a settlement obligation to another person, or is acting on behalf of a Market Participant, Clearing Participant or another Settlement Participant in relation to the instruction.~~

Introduced 11/03/04

**10.9.10 Part Settlement**

ASX Settlement will be entitled to treat any CCP Batch Instruction as designated as available for settlement in part under this Section 10.

Introduced 11/03/04 Origin SCH 7.11.1

**10.9.11 Unilateral~~Single Entry~~ Batch Instructions**

Subject to Rules 6.3B.2, 6.3B.3 and 6.3B.4 in respect of Client Trust Account Amount Messages, if within the Scheduled Time, a Settlement Participant Transmits to ASX Settlement a Valid Unilateral~~Single Entry~~ Batch Message that contains the details specified in the Procedures and:

(a) if the Settlement Participant requested ASX Settlement to apply a Settlement Lock to the Financial Products specified in the Valid Unilateral Batch Message and there are sufficient Available Financial Products in the Source Holding, ASX Settlement will:

(a) treat the Valid Unilateral~~Single Entry~~ Batch Message as a Unilateral~~Single Entry~~ Batch Instruction;

(ii) schedule the Unilateral~~Single Entry~~ Batch Instruction for settlement on the Settlement Date specified in the instruction;

(iii) promptly apply a Settlement Lock to the Financial Products identified in the Message (but only where the Source Holding is a CHES Holding (other than a Settlement Account or Accumulation Account)); and

(ive) notify the Settlement Participant that the Unilateral~~Single Entry~~ Batch Instruction has been scheduled for settlement; or

(b) if the Settlement Participant has not requested ASX Settlement to apply a Settlement Lock to the Financial Products specified in the Valid Unilateral Batch Message, ASX Settlement will:

(i) treat the Valid Unilateral Batch Message as a Unilateral Batch Instruction;

(ii) schedule the Unilateral Batch Instruction for settlement on the Settlement Date specified in the instruction; and

- (iii) notify the Settlement Participant that the Unilateral Batch Instruction has been scheduled for settlement.

*Note: A Batch Instruction cannot always be scheduled for settlement on the Settlement Date specified in the Message, if the Financial Products in question are the subject of a corporate action. For example, a Batch Instruction cannot be scheduled for settlement on a cum entitlement basis on a Business Day after the Record Date for the relevant Corporate Action.*

Introduced 11/03/04 Origin SCH 7.17.1, 7.17.2 Amended 25/05/2015

#### **10.9.12A Rejection of Unilateral Batch Message**

If a Settlement Participant requested ASX Settlement to apply a Settlement Lock in a Unilateral Batch Message under Rule 10.9.11, and ASX Settlement is unable to apply the Settlement Lock because there are insufficient Available Financial Products in the Source Holding or the Source Holding is a Settlement Account or Accumulation Account, ASX Settlement will reject the Unilateral Batch Message and notify the Participant accordingly.

#### **10.9.12 Cancelling a ~~Single Entry~~ Unilateral Batch Message**

A Settlement Participant may, by Transmitting a Valid Message to ASX Settlement within the Scheduled Time, cancel a ~~Single Entry~~ Unilateral Batch Message Transmitted by the Settlement Participant under Rule 10.9.11.

Introduced 11/03/04 Origin SCH 7.20.1(b)

#### **10.9.13 ~~Standing~~ Nominated Settlement HINs**

A CCP ~~Net~~ Batch Instruction will be taken to specify:

- (a) the ~~Standing~~ Nominated Settlement HIN of the Settlement Participant as the HIN for the Source Holding or the Target Holding, as the case requires; and
- (b) the ~~Standing~~ Nominated Settlement HIN of CCP as the HIN for the Source Holding or Target Holding, as the case requires.

~~If a Settlement Participant Transmits:~~

- ~~(a) — a Dual Entry Batch Message; or~~
- ~~(b) — a Single Entry Batch Message,~~

~~and the relevant HIN for the Target or Source Holding as the case requires is not specified, ASX Settlement will apply the Settlement Participant's Standing Settlement HIN as the case requires.~~

*Note: ASX Settlement will reject a message that does not specify a HIN or imply a ~~Standing~~ Nominated Settlement HIN.*

Introduced 11/03/04 Origin SCH 7.10, 7.18.1, 7.18.2, 7.18.3

#### **10.9.14 Part Settlement designated by a Settlement Participant**

Subject to Rule 10.9.17, a Settlement Participant may designate a Batch Instruction other than a CCP Derivatives Payment Batch Instruction [or CCP Batch Instruction](#) as available or not available for settlement in part.

In the event of a Payment Shortfall by a Settlement Participant (or to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)), ASX Settlement may in its absolute discretion override any designation by the Settlement Participant under this Rule and designate a Batch Instruction as available or not available for settlement in part.

Introduced 11/03/04 Origin SCH 7.19.1 Amended 28/04/14 Amended 25/05/2015

#### **10.9.15 Financial Products Shortfall may be settled in part**

If:

- (a) (i) a Source Holding; or
- (ii) during an Ex Period, a Cum Entitlement Balance for a Source Holding,

specified in one or more Batch Instructions scheduled for settlement on a Business Day would give rise to a Financial Products Shortfall; and

- (b) the instruction is available for settlement in part,

ASX Settlement may apply such lesser number of Financial Products or Entitlements as are available for settlement, in settling the Batch Instruction.

*Note: — A Batch Instruction removed from DvP Batch Settlement under Rule 10.6.1, 10.6.2 or 10.6.3 will not be available for settlement in part under Section 11.*

Introduced 11/03/04 Origin SCH 7.19.2

#### **10.9.16 Accrued Batch Instructions**

If ASX Settlement generates an Accrued Batch Instruction in accordance with Rule 10.17.1(d), ASX Settlement will schedule the Accrued Batch Instruction for settlement on the Settlement Date specified in the instruction.

Introduced 11/03/04 Origin SCH 7.22.1

#### **10.9.17 Client Trust Account Amount Messages not available for settlement in part**

A Batch Instruction that gives effect to a Client Trust Account Amount Message is not available for settlement in part.

Introduced 25/05/2015

#### **[10.9.18 Linked Instructions \(Bilateral Batch Instructions and Unilateral Batch Instructions\)](#)**

[If two or more Bilateral Batch Messages under Rule 10.9.2, or Unilateral Batch Messages under Rule 10.9.11, are Transmitted to ASX Settlement by the same Settlement Participant, where:](#)



- (a) one or more of the Messages involves the delivery of a particular Financial Product or Entitlement from a HIN;
- (b) one or more of the Messages involves the receipt of the same Financial Product or Entitlement and into the same HIN;
- (c) each of the Messages under paragraphs (a) and (b) specify the same Settlement Link ID;
- (d) the Messages specify the same Settlement Date; and
- (e) the HIN referred to in paragraphs (a) and (b) is not for an Accumulation Account or a Settlement Account.

and each of those Bilateral Batch Messages are Matched and treated as a Bilateral Batch Instruction under Rule 10.9.3, or each of those Unilateral Batch Messages are treated as a Unilateral Batch Instruction under Rule 10.9.11, ASX Settlement will:

- (f) apply to those Instructions the same Settlement Link ID as the Message from which they result; and
- (g) link, for the purpose of Batch Settlement, the Instructions with the same Settlement Link ID, so that if one of the Linked Instructions is Failed or Failed in part on a Business Day, the Linked Instruction(s) with the same Settlement Link ID will also be Failed or Failed in part (as applicable) on that Business Day.

#### **10.9.19 Linked CCP Instructions (CCP Isolate Counterparty Batch Instructions)**

If two or more CCP Isolate Counterparty Batch Instructions have been received by ASX Settlement from an Approved Clearing Facility, ASX Settlement will:

- (a) apply to those Instructions the unique identifier code notified by the Approved Clearing Facility in respect of the CCP Isolate Counterparty Batch Instructions; and
- (b) link, for the purpose of Batch Settlement, the CCP Isolate Counterparty Batch Instructions with the same unique identifier code, so that if one of the linked CCP Isolate Counterparty Batch Instructions is Failed or Failed in part on a Settlement Date, the linked CCP Isolate Counterparty Batch Instructions with the same unique identifier code will also be Failed or Failed in part (as applicable) on that Business Day.

## **10.10A CLIENT TRUST ACCOUNT SETTLEMENT OBLIGATIONS**

### **10.10A.1 Calculation by ASX Settlement of Client Trust Account Settlement Obligations**

On each Business Day, ASX Settlement will calculate for each Settlement Participant's PID for that Business Day a net obligation to make payment to or net entitlement to receive payment from the Client Trust Account in respect of Client Trust Account Amount Messages scheduled for settlement on that Business Day that is equal to the difference between:

- (a) the total of all amounts payable to the Client Trust Account on that Business Day as specified in each Client Trust Account Amount Message under Rules 6.3B.2 and 6.3B.3 scheduled for settlement on that Business Day for that PID; and
- (b) the total of all amounts receivable from the Client Trust Account on that Business Day as specified in each Client Trust Account Amount Message under Rule 6.3B.4 scheduled for settlement on that Business Day for that PID.

Introduced 25/05/2015

#### **10.10A.2 Notification by ASX Settlement of net obligations for Client Trust Account**

Within the Scheduled Time on each Business Day, ASX Settlement will notify each Settlement Participant, in respect of each PID, of its net obligation to make payment to or net entitlement to receive payment from the Client Trust Account in respect of Client Trust Account Amount Messages scheduled for settlement on that Business Day.

Notwithstanding that the net amount to be paid to or received from the Client Trust Account under this Rule 10.10A.2 is not a Settlement Amount to be paid or received in Batch Settlement, the Settlement Participant:

- (a) must, where a net amount is required to be paid to the Client Trust Account, pay that amount through its Payments Provider to the Client Trust Account concurrent with Batch Settlement on that Business Day;
- (b) may, where a net amount is entitled to be received from the Client Trust Account, receive that amount through its Payments Provider from the Client Trust Account concurrent with Batch Settlement on that Business Day.

*Note: The net amount notified by ASX Settlement under Rule 10.10A does not represent “Customer Net Funds” to be paid into or received from Payment Facilities made available by a Payments Provider to the Settlement Participant and is not an amount payable or receivable in relation to the Payment Facility established in respect of that PID under the Standard Payments Provider Deed. Payment to, or receipt from, the Client Trust Account of that net amount occurs separately to Batch Settlement and the Standard Payments Provider Deed.*

Introduced 25/05/2015

#### **10.10A.3 Net obligations for Client Trust Account where multiple Settlement Accounts**

Where each of the following applies:

- (a) a Settlement Participant operates multiple Settlement Accounts for the settlement of Batch Instructions in respect of a PID of the Participant;
- (b) the Settlement Participant has more than one Payment Facility linked to those Settlement Accounts; and
- (c) Client Trust Account Amount Messages scheduled for settlement on a Business Day relate to more than one of those Settlement Accounts.

ASX Settlement will calculate and notify a separate net obligation to make payment to or net entitlement to receive payment from the Client Trust Account under Rule 10.10A.1

[and 10.10A.2 in respect of each Payment Facility linked to a Settlement Account to which the Client Trust Account Amount Messages relate.](#)

## 10.10 SETTLEMENT OBLIGATIONS

### 10.10.1 Calculation by ASX Settlement of Settlement Obligations

On each Business Day, ASX Settlement will calculate for each Settlement Participant's PID for that Business Day:

- (a) a net obligation to deliver or net entitlement to receive Financial Products or during an Ex Period, Entitlements due to be:
  - (i) deducted from each Source Holding or the Cum Entitlement Balance for the Source Holding; or
  - (ii) entered into each Target Holding or the Cum Entitlement Balance for the Target Holding,

specified in each Batch Instruction scheduled for settlement on that Business Day;

- (b) a net obligation to make payment from or net entitlement to receive payment into each Payment Facility identified in each Batch Instruction scheduled for settlement in DvP Batch Settlement on that Business Day; and
- (c) a net obligation to make payment from or net entitlement to receive payment into each Payment Facility identified in each Payment Batch Instruction scheduled for settlement on that Business Day.

*Note: For the purposes of calculating the net obligations of a Settlement Participant in respect of a PID under this Rule 10.10.1, ASX Settlement will have regard to the relevant Novated Net Delivery Position(s) (as defined in the ASX Clear Operating Rules) calculated by ASX Clear and notified to ASX Settlement at the commencement of the Settlement Processing Phase on that Business Day in accordance with Rule 12.6.1A of the ASX Clear Operating Rules in respect of the Settlement Participant's CCP Market Trade Batch Instructions.*

Introduced 11/03/04 Origin SCH 7.24.1 Amended 08/08/13

### 10.10.2 Notification by ASX Settlement of projected net obligations ~~[Deleted]~~

~~Within the Scheduled Time on each Business Day, ASX Settlement will notify each Settlement Participant, in respect of each PID, of its:~~

- ~~(a) — projected net obligation to make payment from a Payment Facility identified in one or more Batch Instructions scheduled for settlement in DvP Batch Settlement on that Business Day;~~
- ~~(b) — projected net obligation to make payment from a Payment Facility identified in one or more Payment Batch Instructions scheduled for settlement on that Business Day; and~~
- ~~(c) — if:~~

- ~~(i) a Source Holding; or~~
- ~~(ii) during an Ex Period, the Cum Entitlement Balance for a Source Holding,~~

~~specified in one or more Batch Instructions scheduled for settlement on that Business Day, would give rise to a Financial Products Shortfall, the number of Financial Products or Entitlements required to meet that shortfall.~~

Introduced 11/03/04 Origin SCH 7.24.2 Amended 08/08/13

### **10.10.3 No legal set off – [Deleted]**

Introduced 11/03/04 Origin SCH 7.24.3 Deleted 01/05/07

### **10.10.4 Notification by ASX Settlement of net obligations**

Within the Scheduled Time on each Business Day, ASX Settlement will notify each Settlement Participant, in respect of each PID, of its:

- (a) net obligation to make payment from or net entitlement to receive payment into each Payment Facility identified in one or more Batch Instructions scheduled for settlement on that Business Day, and
- (b) its revised net obligation (if any) to make payment from or revised net entitlement (if any) to receive payment into each Payment Facility identified in one or more Batch Instructions scheduled for settlement on that Business Day.

Introduced 11/03/04 Origin SCH 7.24A1 Amended 08/08/13

## **10.11 FAILING BATCH INSTRUCTIONS**

### **10.11.1 Failure in Part**

If a Batch Instruction is designated as available for settlement in part, ASX Settlement may Fail the Batch Instruction in part under this Rule 10.11.

Introduced 11/03/04 Origin SCH 7.25.1

### **10.11.2 Failure of Batch Instructions**

If, by the Scheduled Time, on a Business Day either:

- (a)
  - (i) a Source Holding; or
  - (ii) during an Ex Period, a Cum Entitlement Balance for a Source Holding,

specified in one or more Batch Instructions scheduled for settlement on that Business Day, would give rise to a Financial Products Shortfall; or

- (b) a Settlement Participant's net obligation to make payment from a Payment Facility identified by one or more Batch Instructions scheduled for settlement on that Business Day is not authorised by the Payments Provider that operates the Payment Facility;

ASX Settlement will subject to Rule 10.11.6:

- (c) in the case of a Financial Products Shortfall, Fail one or more Batch Instructions, that specify the Holding as a Source Holding, to remove the Financial Products Shortfall; or
- (d) in the case of a Payment Shortfall, Fail one or more Batch Instructions that identify the Payment Facility to remove the Payment Shortfall.

*Note: The removal of a Financial Products Shortfall will result in a Source Holding having a balance after Batch Settlement equal to or greater than zero. The removal of a Payment Shortfall will reduce the Settlement Participant's net obligation to make payment from that Payment Facility to zero, or will create a net entitlement to receive payment into that Payment Facility.*

Introduced 11/03/04 Origin SCH 7.25.2

### **10.11.3 Consequential failing of Batch Instructions**

If a Batch Instruction that is Failed under Rule 10.11.2 causes:

- (a) a Financial Products Shortfall for a Target Holding that is also specified as a Source Holding in other Batch Instructions scheduled for settlement on that Business Day; or
- (b) an increase in a Settlement Participant's net obligation to make payment from a Payment Facility identified in one or more Batch Instructions scheduled for settlement on that Business Day;

ASX Settlement will subject to Rule 10.11.6:

- (c) in the case of a Financial Products Shortfall, Fail one or more Batch Instructions that specify the Holding as a Source Holding to remove the Financial Products Shortfall; and
- (d) in the case of a Settlement Participant's increased net obligation to make payment in respect of a Payment Facility, Fail one or more Batch Instructions that identify that Payment Facility to limit the Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a) or, within the Scheduled Time, ASX Settlement may request the Payments Provider that operates the Payment Facility to authorise the increased net obligation to make payment.

*Note: The removal of a Financial Products Shortfall will result in a Source Holding having a balance after Batch Settlement equal to or greater than zero. The removal of a Payment Shortfall (or of Batch Instructions to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)) will reduce the Participant's net obligation to make payment from that Payment Facility to the amount previously authorised by the Payments Provider (or notified to the Payments Provider under Rule 10.10.4(a)) or will create a net entitlement to receive payment into that Payment Facility.*

Introduced 11/03/04 Origin SCH 7.25.3 Amended 28/04/14

#### 10.11.4 Removal of a Payment Shortfall

If ASX Settlement requests a Payments Provider under Rule 10.11.3(d) to authorise a Settlement Participant's increased net obligation to make payment and the Payments Provider does not authorise the Settlement Participant's increased net obligation to make payment, ASX Settlement will, subject to Rule 10.11.6, Fail one or more Batch Instructions that identify that Payment Facility to remove the Payment Shortfall.

*Note: The removal of a Payment Shortfall will reduce the Participant's net obligation to make payment from that Payment Facility to the amount previously authorised by the Payments Provider or will create a net entitlement to receive payment into that Payment Facility.*

Introduced 11/03/04 Origin SCH 7.25.4

#### 10.11.5 Failure of Settlement Participant Batch Instructions in respect of Confirmed FOR Financial Products

Notwithstanding any other provision of this Section, if a Settlement Participant generates a Batch Instruction in relation to Foreign to Foreign Allocation and:

- (a) the number of Confirmed FOR Financial Products in the Source Holding specified in the Message is less than the number of Confirmed FOR Financial Products to be transferred; or
- (b) the Source Holding which is specified is a Source Holding which does not have a Residency Indicator of [foreign \(as identified in the User Technical Documentation\)](#)“F”,

ASX Settlement will ~~F~~Fail the Batch Instruction.

Introduced 11/03/04 Origin SCH 7.25A1

#### 10.11.6 Principles that apply to Failing Batch Instructions

In Failing a Batch Instruction under Rules 10.11.2, 10.11.3 or 10.11.4, ASX Settlement will use its best endeavours to:

- (a) [subject to Linked Instructions or Linked CCP Instructions Failed in accordance with Rule 10.9.18 or 10.9.19](#), minimise:
  - (i) Financial Products Shortfalls; or
  - (ii) increases in the net obligation to make payment from one or more Payment Facilities identified in one or more Batch Instructions;
- (b) subject to Rule 10.11.6(a):
  - (i) give priority to settlement of rescheduled Batch Instructions and to CCP Batch Instructions;
  - (ii) maximise the total value of Settlement Amounts of Batch Instructions that can be settled on that Business Day;

- (iii) maximise the total number of Financial Products that can be settled on that Business Day.

Introduced 11/03/04 Origin SCH 7.271

#### 10.11.7 Consequences of Failing a Batch Instruction

If a Batch Instruction is Failed under Rule [10.9.18](#), [10.9.19](#), [10.11.2](#), [10.11.3](#) or [10.11.4](#) ASX Settlement will:

- (a) if the Batch Instruction is a Batch Instruction for value, adjust the net obligation to make payment or the net entitlement to receive payment of the Payment Facility of each Settlement Participant affected by the Fail in accordance with Rule [10.11.9](#) or [10.11.10](#), as the case requires;
- (b) adjust the net obligation to deliver or the net entitlement to receive Financial Products or Entitlements for the Holding of each Participant affected by the Fail;
- (ca) adjust the net obligation to make payment to or net entitlement to receive payment from the Client Trust Account under Rule [10.10A](#) for the relevant Settlement Participant affected by the Fail by reference to the Client Trust Receivable Amount or the Client Trust Deductible Amount specified in the ~~Single Entry~~ [Unilateral](#) Batch Instruction (as applicable);
- (c) remove the Batch Instruction or part of the Batch Instruction, as the case requires, from Batch Settlement on that Business Day;
- (d) other than where the Batch Instruction is a CCP Derivatives Payment Batch Instruction, [a CCP Market Trade Batch Instruction referred to in Rule 10.11.7\(e\)](#) or a CCP Batch Instruction referred to in Rule [10.11.7A](#), if the Batch Instruction has been Failed in full, reschedule the Batch Instruction for settlement on the next Business Day;
- (e) if the Batch Instruction is a CCP Market Trade Batch Instruction that has been Failed in full due to a Financial Products Shortfall under Rule [10.11.2\(c\)](#) or [10.11.3\(c\)](#), notify the Approved Clearing Facility;
- ~~(ef)~~ if the Batch Instruction has been Failed in part:
  - (i) process the Batch Instruction in respect of that part of the Batch Instruction that is to be settled; ~~and~~
  - (ii) other than where the Batch Instruction is a [CCP Market Trade Batch Instruction referred to in Rule 10.11.7\(f\)\(iii\)](#) or a CCP Batch Instruction referred to in Rule [10.11.7A](#), reschedule that part of the Batch Instruction that is to be Failed, for settlement on the next Business Day; and
  - (iii) if the Batch Instruction is a CCP Market Trade Batch Instruction that has been Failed due to a Financial Products Shortfall under Rule [10.11.2\(c\)](#) or [10.11.3\(c\)](#), notify the Approved Clearing Facility; and
- ~~(gf)~~ notify both Settlement Participants.

Where ASX Settlement has removed a CCP Market Trade Batch Instruction from Batch Settlement and notified that Failed CCP Batch Instruction to the Approved Clearing Facility under Rule 10.11.7(e) or Rule 10.11.7(f)(iii), ASX Settlement has no obligation in relation to that Instruction.

Note: In the case of CCP Market Trade Batch Instructions that have been Failed, notification of their removal occurs on a net basis across those CCP Market Trade Batch Instructions in respect of a Settlement Account of the Settlement Participant for a class of Financial Products and is identified through the generation of a CCP Rescheduled Batch Instruction or a CCP Offsetting Transaction Arrangement Batch Instruction in respect of those CCP Market Trade Batch Instructions.

Introduced 11/03/04 Origin SCH 7.28.1 Amended 28/04/14 Amended 25/05/2015

#### **10.11.7A Failed CCP Batch Instructions due to Payment Shortfall settled through Offsetting Transaction Arrangements**

A CCP Batch Instruction (where the CCP is ASX Clear) that has been Failed by ASX Settlement under Rule [10.9.19](#), 10.11.2, 10.11.3 or 10.11.4 due to a Payments Shortfall (or to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)), will be:

- (a) removed by ASX Settlement from Batch Settlement on that Business Day;
- (b) notified to ASX Clear; and
- (c) other than for the defaulting Clearing Participant, subject to set-off against entitlements and obligations under the first leg of an Offsetting Transaction Arrangement entered into in respect of the Failed CCP Batch Instruction under the ASX Clear Operating Rules.

Where ASX Settlement has removed a CCP Batch Instruction from Batch Settlement and notified that Failed [CCP](#) Batch Instruction to ASX Clear under this Rule 10.11.7A, ASX Settlement has no obligation in relation to that Instruction.

Introduced 28/04/14

#### **10.11.8 Removing a re-scheduled Batch Instruction to RTGS [\[Deleted\]](#)**

~~If, within the Scheduled Time:~~

- ~~(a) — the parties to a Failed Batch Instruction (other than a CCP Net Batch Instruction) that has been rescheduled for settlement under Rule 10.11.7 and relates to a Batch Instruction that is eligible for Real Time Gross Settlement under Rule 11.1.1, Transmit a Valid Dual Entry Switch to RTGS Message to ASX Settlement; and~~
- ~~(b) — the Messages are Matched,~~

~~ASX Settlement will remove the Batch Instruction from DvP Batch Settlement and process it in Real Time Gross Settlement under Rule 11.11, however:~~

- ~~(c) — Each Settlement Participant acknowledges that ASX Settlement's ability to process a Dual Entry Switch to RTGS Message that requests removal of a Batch~~



~~Instruction from DvP Batch Settlement on the Business Day on which the Message is Transmitted to ASX Settlement will depend on system processing demands in the Settlement Facility between Start of Day and Settlement Cut-off on that day.~~

~~(d) — Despite any other Rule, while ASX Settlement will use reasonable endeavours to process any Message received in terms of this Rule 10.11.8, it will not be responsible for any failure to remove any such Batch Instruction from DvP Batch Settlement on that day.~~

~~Note: — It is not possible to switch a CCP Net Batch Instruction, once included in netting pursuant to the operating rules of an Approved Clearing Facility, to line-by-line settlement in RTGS.~~

~~Note: — CHESSE queuing processes for preparation of the daily net batch settlement will in the ordinary course have priority over messages requesting switches that are received close to Settlement Cut-off.~~

Introduced 11/03/04 Origin SCH 7.28.5, 7.28.6

#### **10.11.9 Consequences of Failing a Batch Instruction for value that is not a CCP ~~Net~~ Batch Instruction**

If a Batch Instruction for value that is not a CCP ~~Net~~ Batch Instruction is Failed, ASX Settlement will adjust the net obligation to make payment and the net entitlement to receive payment of each Settlement Participant by reference to the Settlement Amount specified in the Batch Instruction.

Introduced 11/03/04 Origin SCH 7.28.3

#### **10.11.10 Consequences of Failing a Batch Instruction for value that is a CCP ~~Net~~ Batch Instruction**

If a Batch Instruction for value that is a CCP ~~Net~~ Batch Instruction is Failed, ASX Settlement will adjust the net obligation to make payment and the net entitlement to receive payment of each Settlement Participant by reference to the Settlement Amount notified to ASX Settlement by the CCP.

Introduced 11/03/04

#### **10.11.11 Fee for Failed Batch Instruction**

If a Batch Instruction is Failed under Rule 10.11.2, the delivering Settlement Participant is liable to pay a fee calculated in accordance with the Fees and Charges Schedule.

*Note: The effect of Rule 10.11.11 is to cause fail administration fees to be levied only against those Participants that enter the Batch Settlement process with net short positions. It does not cause fail administration fees to be levied against those Participants whose obligations to deliver Financial Products are Failed under Rule 10.11.3 as a result of other Participants Failing to deliver Financial Products to them during the Batch Settlement process.*

Introduced 11/03/04 Origin SCH 7.28.4 Amended 30/03/09

#### **10.11.12 Automatic Close Out**

Notwithstanding any other provision of these Rules, if a Failed Settlement Shortfall exists in relation to either:

- (a) a Source Holding; or
- (b) during an Ex Period, a Cum Entitlement Balance for a Source Holding,

specified in a Rescheduled Batch Instruction at the Scheduled Time on the second Business Day after the day on which the Rescheduled Batch Instruction was originally scheduled for settlement, the delivering Settlement Participant must either:

- (c) close out the Failed Settlement Shortfall on the next Business Day (or if that is not a Trading Day, the next Trading Day) by entering into one or more transactions, or causing a Market Participant to enter into one or more transactions on its behalf, on a market conducted by an Approved Market Operator, to acquire the number of Financial Products of the relevant class equal to the Failed Settlement Shortfall; or
- (d) acquire under a securities lending arrangement the number of Financial Products of the relevant class equal to the Failed Settlement Shortfall and deliver those Financial Products pursuant to the Rescheduled Batch Instruction no more than two Business Days later.

*Note: The effect of Rule 10.11.12 is to impose a close out obligation only on those Participants that enter the Batch Settlement process with a net short position where the resulting settlement shortfall remains after Batch Settlement is completed two Business Days later. It does not impose a close out obligation on those Participants whose obligations to deliver Financial Products are Failed under Rule 10.11.3 as a result of other Participants Failing to deliver Financial Products to them during the Batch Settlement process.*

Introduced 30/03/09

## **10.12 SETTLEMENT**

### **10.12.1 Settlement**

If, within the Scheduled Time, ASX Settlement is satisfied, having regard to Batch Instructions that have Failed, that:

- (a) (i) each Source Holding; and
- (ii) during an Ex Period, each Cum Entitlement Balance for a Source Holding,

specified in a Batch Instruction included in Batch Settlement on that Business Day will not give rise to a Financial Products Shortfall;

- (b) each Payment Facility identified in a Batch Instruction included in Batch Settlement on that Business Day will not give rise to a Payment Shortfall;

- (c) each Payments Provider has registered payment instructions in the CHESSE Payments Provider User Group in accordance with the terms of the Standard Payments Provider Deed; and
- (d) DvP Declaration has been given to ASX Settlement by:
  - (i) the Bank; or
  - (ii) where ASX Settlement any time acts in the capacity of Bank, by the Reserve Bank of Australia as administrator of RITS,for that Business Day,

ASX Settlement will:

- (e) Transfer Financial Products in accordance with those Batch Instructions by:
  - (i) in the case of a Batch Instruction other than a CCP ~~Net~~-Batch Instruction, simultaneously generating Communications that:
    - A. deduct the number of Financial Products specified in each Batch Instruction from the Source Holding specified in each Batch Instruction; and
    - B. enter the number of Financial Products specified in each Batch Instruction into the Target Holding specified in each Batch Instruction; and
  - (ii) unless an Approved Clearing Facility notifies ASX Settlement that it is entitled to acquire title in the Financial Products, in the case of a CCP ~~Net~~-Batch Instruction, simultaneously generating Communications that transfer title directly from Source Holdings controlled by delivering Settlement Participants to those Target Holdings controlled by Receiving Settlement Participants in the manner contemplated by Rule 10.12.4(b);
- (f) record the net effect of those Transfers by:
  - (i) offsetting the number of Financial Products, if any, that are entered into a Holding by virtue of a Communication against the number of Financial Products, if any, that are deducted from the same Holding by virtue of a Communication; and
  - (ii) recording the offsetting number as a movement of Financial Products against that Holding; and
- (g) cause a DvP Notification to be sent to each Payments Provider that operates a Payment Facility identified in a Batch Instruction settled on that Business Day.

*Note: A Communication generated by ASX Settlement under Rule 10.12.1(e) in relation to quoted financial products is a proper ASTC transfer for the purposes of the Corporations Act.*

Introduced 11/03/04 Origin SCH 7.29.1 Amended 23/10/09

### 10.12.2 Settlement Transfer attributable to Settlement Participants

A Settlement Transfer in respect of each Batch Instruction included in Batch Settlement for a particular Business Day:

- (a) is taken to be effected in respect of each Batch Instruction by the Communication generated by ASX Settlement under Rule 10.12.1(e);
- (b) is taken to be effected in respect of each Batch Instruction when ASX Settlement generates that Communication under Rule 10.12.1(e); and
- (c) is taken to be effected by:
  - (i) in the case of a CCP ~~Net~~ Batch Instruction which specifies a ~~net~~ number of Financial Products to be delivered by a Settlement Participant to CCP, that Settlement Participant;
  - (ii) in the case referred to in Rule 10.12.3, by each Settlement Participant identified by that Rule;
  - (iii) in any other case, the delivering Settlement Participant.

Introduced 11/03/04 Origin SCH 7.29.2

### 10.12.3 When transfer of Financial Products is effected

Where:

- (a) a CCP ~~Net~~ Batch Instruction requires that a specified ~~net~~ number of Financial Products in a class of Financial Products be delivered by CCP to a receiving Settlement Participant on a particular Business Day is effected in accordance with Rule 10.12.1(e); and
- (b) ASX Settlement deducts, or is taken by virtue of Rule 10.12.4 to have deducted, Financial Products of the same class from a Source Holding of one or more delivering Settlement Participants on the same Business Day in satisfaction of the delivering Settlement Participants' respective obligations to deliver Financial Products of that class on that Business Day under CCP ~~Net~~ Batch Instructions,

a transfer of the number of Financial Products deducted from each delivering Settlement Participant's Source Holding is taken to have been effected by the delivering Settlement Participant when ASX Settlement generates the Communication which deducts the Financial Products from that Source Holding.

Introduced 11/03/04 Origin SCH 7.29.3

### 10.12.4 CCP ~~Net~~ Batch Instructions

Where a CCP ~~Net~~ Batch Instruction is effected under Rule 10.12.2(c)(ii):

- (a) CCP's obligation is discharged by effecting settlement in accordance with these Rules;

- (b) title is taken to pass to Target Holdings controlled by receiving Settlement Participants directly from those Source Holdings controlled by delivering Settlement Participants from which Financial Products are deducted (or taken under Rule 10.12.1(e) to be deducted), and CCP is not taken to acquire title at any stage; and
- (c) each Communication by which a Transfer of Financial Products is taken to be effected under Rules 10.12.1(e), 10.12.2 and 10.12.3 is deemed to include, in respect of the Transfer of the Financial Products specified in those Rules, the PID of the delivering Settlement Participant who is taken by virtue of those Rules to have effected the Transfer.

Introduced 11/03/04 Origin SCH 7.29.4 Amended 31/03/04

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#### **10.12.8 Settlement on each Business Day**

[Subject to Rule 10.14.1, on](#) ~~On~~ each Business Day, ASX Settlement must settle Batch Instructions included in Batch Settlement on that day under this Rule 10.12.

Introduced 01/05/07

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### **10.13 DISCHARGE OF SETTLEMENT OBLIGATIONS**

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#### **10.13.2 Discharge of Settlement obligations for Batch Instructions for value**

If ASX Settlement causes a DvP Notification to be sent to each Payments Provider under Rule 10.12.1(g):

- (a) each obligation to make a payment under a Batch Instruction included in DvP Batch Settlement:
  - (i) is discharged irrevocably in full if the Batch Instruction is settled in full; or
  - (ii) is discharged irrevocably to the extent of the amount paid if the Batch Instruction is settled in part;
- (b) each entitlement to receive a payment under a Batch Instruction included in DvP Batch Settlement:
  - (i) is satisfied irrevocably in full if the Batch Instruction is settled in full; or
  - (ii) is satisfied irrevocably to the extent of the amount received if the Batch Instruction is settled in part;
- (c) each obligation to make a payment under a Payment Batch Instruction included in Batch Settlement:

- (i) is discharged irrevocably in full if the Payment Batch Instruction is settled in full; or
  - (ii) is discharged irrevocably to the extent of the amount paid if the Payment Batch Instruction is settled in part; and
- (d) each entitlement to receive a payment under a Payment Batch Instruction included in Batch Settlement:
- (i) is satisfied irrevocably in full if the Payment Batch Instruction is settled in full; or
  - (ii) is satisfied irrevocably to the extent of the amount received if the Payment Batch Instruction is settled in part.

If ASX Settlement, in accordance with a Batch Instruction which initiates a Foreign to Foreign Allocation, Transfers Financial Products to a Target Holding pursuant to Rule 10.12.1(e) and the Target Holding has a Residency Indicator of [foreign \(as identified in the User Technical Documentation\)](#)<sup>“F”</sup>, those Financial Products will have the status of Confirmed FOR Financial Products.

Introduced 11/03/04 Origin SCH 7.30.2, 7.30A

### 10.13.3 Notifications ~~relating to~~ Settlement

(a) Within the Scheduled Time, ASX Settlement will notify a Settlement Participant of:

~~(a) each Batch Instruction that has been settled in Batch Settlement on that Business Day, whether in full or in part; and~~

~~(b) if a Batch Instruction has been settled in part in Batch Settlement on that Business Day, the extent to which that Batch Instruction has been settled,~~

~~to which the Settlement Participant is a party; and~~

(ie) the net movement of Financial Products and funds for each Holding controlled by the Settlement Participant in accordance with the Procedures; and

(iid) the net movement of funds for each Payment Facility held in the name, or operated for the benefit, of the Settlement Participant.

(b) For the purpose of the notification provided under Rule 10.13.3(a)(i), the net movement of Financial Products and funds in respect of CCP Market Trade Batch Instructions will include any Financial Products in a Holding or Settlement Amounts that were specified in a CCP Market Trade Batch Instruction which has been Failed, in full or in part, either due to a:

(i) Financial Products Shortfall, and in respect of which a CCP Rescheduled Batch Instruction has been generated; and

(ii) Payment Shortfall (or to limit the Settlement Participant’s net obligation to make payment in respect of a Payment Facility to the

amount notified under Rule 10.10.4(a)), and in respect of which a CCP Offsetting Transaction Arrangement Batch Instruction has been generated.

- (c) For the purpose of the notification provided under Rule 10.13.3(a)(i), the net movement of Financial Products and funds in respect of CCP Market Trade Batch Instructions will include any Financial Products in a Holding or Settlement Amounts that were specified in a CCP Market Trade Batch Instruction which has been suspended by ASX Settlement under Rule 8.5.1 and in respect of which a CCP Rescheduled Batch Instruction has been generated.
- (d) If a Settlement Participant has not been notified by ASX Settlement that a Batch Instruction due for settlement on that Business Day has been Failed in full under Rule 10.9.18, 10.9.19, 10.11.2, 10.11.3, 10.11.4 or 10.11.5 or suspended in full under Rule 8.5.1, by the time the Settlement Participant receives a Message as to the completion of the Settlement Processing Phase under Rule 10.13.4, then:
- (i) subject to Rule 10.13.3(d)(ii), that Batch Instruction is declared to have been settled in full in Batch Settlement on that Business Day; and
- (ii) if the Settlement Participant has been notified by ASX Settlement that a Batch Instruction due for settlement on that Business Day has been Failed in part under Rule 10.9.18, 10.9.19, 10.11.2, 10.11.3, 10.11.4 or 10.11.5 or suspended in part under Rule 8.5.1, that Batch Instruction is declared to have been settled in part in Batch Settlement on that Business Day to the extent that the Batch Instruction has not been Failed or suspended.
- (e) For the purposes of paragraph (d) above, the notification to a Settlement Participant that CCP Market Trade Batch Instructions due for settlement on that Business Day have been Failed or suspended in full or in part will be on a net basis across those CCP Market Trade Batch Instructions by way of a CCP Rescheduled Batch Instruction or a CCP Offsetting Transaction Arrangement Batch Instruction (as applicable).

*Note: The notifications referred to in this Rule 10.13 do not apply to obligations to make payment to or entitlements to receive payment from the Client Trust Account of the net amount notified by ASX Settlement under Rule 10.10A in respect of Client Trust Account Amount Messages scheduled for settlement on that Business Day. Payment to, or receipt from, the Client Trust Account of that net amount occurs separately to Batch Settlement and the Standard Payments Provider Deed.*

To determine the net movement of Financial Products or funds for each Holding controlled by the Settlement Participant that were specified in CCP Batch Instructions scheduled for settlement on a Business Day, a Settlement Participant must read a Message sent under this Rule 10.13.3(a)(i) subject to any:

- (a) CCP Rescheduled Batch Instruction generated by ASX Clear on that Business Day, in respect of CCP Market Trade Batch Instructions Failed due to a Financial Products Shortfall or suspended due to the suspension of approval of the underlying class of Financial Products on that Business Day; and

(b) CCP Offsetting Transaction Arrangement Batch Instruction generated by ASX Clear on that Business Day, to give effect to an Offsetting Transaction Arrangement entered into in respect of a CCP Batch Instruction Failed due to a Payment Shortfall (or to limit the Settlement Participant's net obligation to make payment in respect of a Payment Facility to the amount notified under Rule 10.10.4(a)) on that Business Day.

Introduced 11/03/04 Origin SCH 7.31.1 Amended 25/05/2015

#### 10.13.4 Notification of completion of Settlement Processing Phase

On completion of the Settlement Processing Phase, ASX Settlement will send a Message to each Settlement Participant confirming that the Settlement Processing Phase is complete.

### **10.14 CANCELLATION OF SETTLEMENT**

#### **10.14.1 Cancellation of Batch Settlement**

If:

- (a) there is an Emergency Situation (as defined in the Standard Payments Provider Deed); or
- (b) ASX Settlement is of the opinion that DvP Declaration cannot be achieved; or
- (c) ASX Settlement, in its capacity of Bank, has reasonable grounds for believing that a payment to be made to the CHES Clearing Account by a Payments Provider would, if the Payments Provider were subsequently wound up, be voidable under section 588FE of the Corporations Act,

ASX Settlement may cancel Batch Settlement for that Business Day.

*Note: Settlement Participants should note that any of the following events may trigger the application of this Rule 10.14.1. These events may affect ASX Settlement directly (i.e. where it acts in the capacity of Bank) or indirectly (i.e. where ASX Settlement does not act as Bank but its arrangements with the Bank recognise that the Bank is not obliged to proceed with settlement on any of these events occurring):*

- (a) *The Reserve Bank of Australia has directed the Bank not to proceed with settlement.*
- (b) *The Bank would breach a law, regulation or official directive which has the force of law if the Bank proceeded with settlement.*
- (c) *An insolvency event occurs and continues to subsist in relation to a settling Payments Provider which is due to make a payment to the CHES Clearing Account on the settlement day.*
- (d) *The Bank has reasonable grounds for believing that a payment to be made to the CHES Clearing Account by a settling Payments Provider on the settlement day would, if the settling Payments Provider were*



*subsequently wound up, be voidable under section 588FE of the Corporations Law.*

Introduced 11/03/04 Origin SCH 7.32.1

#### **10.14.2 Notice by ASX Settlement of cancellation of Batch Settlement**

If ASX Settlement cancels Batch Settlement under Rule 10.14.1, ASX Settlement will within the Scheduled Time:

- (a) notify:
  - (i) each Settlement Participant; and
  - (ii) each Payments Provider;involved in Batch Settlement on that Business Day of the cancellation; and
  - (iii) [the Approved Clearing Facility; and](#)
- (b) reschedule all Batch Instructions other than CCP Derivatives Payment Batch Instructions [and CCP Market Trade Batch Instructions](#) that were included in Batch Settlement on that Business Day, for settlement on the next Business Day.

[For CCP Market Trade Batch Instructions scheduled for settlement on the date that ASX Settlement cancels batch settlement under Rule 10.14.1, ASX Settlement has no obligations in relation to those Instructions.](#)

[Note: Where there are CCP Market Trade Batch Instructions scheduled for settlement on the date that ASX Settlement cancels batch settlement under Rule 10.14.1, ASX Clear will generate CCP Rescheduled Batch Instructions in accordance with Rule 12.6.2B of the ASX Clear Operating Rules in respect of those CCP Market Trade Batch Instructions for settlement on the next Business Day.](#)

Introduced 11/03/04 Origin SCH 7.32.2

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## **10.16 SUSPENSION OR TERMINATION OF A PAYMENTS PROVIDER**

### **10.16.1 ASX Settlement's powers where Payments Provider terminated**

If ASX Settlement suspends or terminates a Payments Provider in accordance with the Standard Payments Provider Deed, ASX Settlement may:

- (a)
  - (i) suspend any Batch Instruction included in DvP Batch Settlement;
  - (ii) suspend any Batch Instruction for inclusion in DvP Batch Settlement subsequently received from a Participant;
  - (iii) suspend any Payment Batch Instruction included in Batch Settlement; or
  - (iv) suspend any Payment Batch Instruction subsequently received from a Participant,

that would affect a Payment Facility held in the name, and operated for the benefit, of any Settlement Participant that is a customer of the suspended Payments Provider;

- (aa) suspend any ~~Single Entry~~Unilateral Batch Instruction included in Batch Settlement or any ~~Single Entry~~Unilateral Batch Instruction for inclusion in Batch Settlement subsequently received from a Participant in respect of a Client Trust Account Amount Message;
- (b) on each Business Day that those Batch Instructions remain suspended, reschedule all instructions other than CCP Derivatives Payment Batch Instructions or CCP Batch Instructions referred to in Rule 10.16A for settlement on the next Business Day; and
- (c) cancel any Batch Instruction that remains suspended on the 10th Business Day after the Payments Provider is suspended or terminated.

Introduced 11/03/04 Origin SCH 7.33A Amended 28/04/14 Amended 25/05/2015

## **10.17 SETTLEMENT SUBJECT TO ENTITLEMENTS AND ADJUSTMENTS**

### **10.17.1 Financial Products Distributions**

If a Parent Batch Instruction:

- (a) is scheduled to settle on a Cum Entitlement basis;
- (b) has an Entitlement to:
  - (i) a bonus issue;
  - (ii) a non-renounceable entitlement;
  - (iii) a renounceable rights issue; or
  - (iv) a distribution in specie,
- (c) does not settle in full by End of Day on the Record Date for the Corporate Action,

ASX Settlement will within the Scheduled Time:

- (d) generate an Accrued Batch Instruction; and
- (e) notify the Accrued Batch Instruction to each affected Settlement Participant.

Introduced 11/03/04 Origin SCH 7.34.1

### **10.17.2 Accrued Batch Instructions**

A Settlement Transfer may be initiated by an Accrued Batch Instruction which contains the details specified in the Procedures.

Introduced 11/03/04 Origin SCH 7.34.2, 7.34.3

### 10.17.3 Authority to ASX Settlement

The delivering Settlement Participant under an Accrued Batch Instruction authorises ASX Settlement to initiate a Settlement Transfer in accordance with the Accrued Batch Instruction and these Rules.

Introduced 11/03/04 Origin SCH 7.34.4

### 10.17.4 Number of Financial Products to be Transferred

The number of Financial Products to be Transferred by an Accrued Batch Instruction must be equal to the number of Entitlements that relate to the number of outstanding Financial Products specified in the Parent Batch Instruction at End Of Day on the Record Date for the Corporate Action.

Introduced 11/03/04 Origin SCH 7.34.5 Amended 18/12/06

### 10.17.5 Calculation of Settlement Amount

The Settlement Amount of an Accrued DvP Batch Instruction ~~will be zero. must be calculated by multiplying the adjustment per unit of Financial Product notified by the Approved Listing Market Operator by the number of Financial Products to be Transferred by the Accrued DvP Batch Instruction.~~ will be zero.

Introduced 11/03/04 Origin SCH 7.34.6 Amended 27/06/11

### 10.17.6 ASX Settlement to reduce Settlement Amount [\[Deleted\]](#)

~~ASX Settlement will reduce the Settlement Amount of a Parent DvP Batch Instruction by an amount equal to the Settlement Amount of the related Accrued DvP Batch Instruction.~~

Introduced 11/03/04 Origin SCH 7.34.7

### 10.17.7 Calculation of Settlement Date

ASX Settlement will calculate the Settlement Date for an Accrued Batch Instruction in accordance with the relevant operating rules of the Approved Listing Market Operator.

Introduced 11/03/04 Origin SCH 7.34.8 Amended 27/06/11

## 10.18 CASH DISTRIBUTIONS

### 10.18.1 Cash distributions for Parent DvP Batch Instructions

If a Parent DvP Batch Instruction:

- (a) is scheduled to settle on a Cum Entitlement basis;
- (b) has an Entitlement to:
  - (i) a dividend;
  - (ii) interest; or
  - (iii) a capital return; and

- (c) does not settle in full by End of Day on the Record Date for the Corporate Action,

ASX Settlement will within the Scheduled Time:

- (d) calculate a Settlement Adjustment by multiplying the adjustment per unit of Financial Product notified by the Approved Listing Market Operator by the number of outstanding Financial Products specified in the Parent DvP Batch Instruction at End of Day on the Record Date for the Corporate Action;
- (e) reduce the Settlement Amount of the Parent Batch Instruction by ~~a~~ the Settlement Adjustment; and
- (f) notify the Settlement Adjustment to each Settlement Participant.

Introduced 11/03/04 Origin SCH 7.35.1, 7.35.2 Amended 27/06/11

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## 10.20 BUYER'S RIGHT TO LAPSE ENTITLEMENT TO RENOUNCEABLE RIGHTS

### 10.20.1 Receiving Settlement Participant may give Notice

If a receiving Settlement Participant has not received Financial Products from a delivering Settlement Participant in Batch Settlement on the second Business Day before the Business Day on which ASX Settlement ceases to process Transfers before application money for a renounceable rights issue falls due, the receiving Settlement Participant may, within the Scheduled Time, give Notice to the delivering Settlement Participant that it does not require the renounceable rights to be taken up on its behalf. If the receiving Settlement Participant gives such Notice, the receiving Settlement Participant must, within the Scheduled Time:

- (a) Transmit a Valid Message requesting cancellation of the Parent Batch Instruction to ASX Settlement; and
- (b) if the Parent Batch Instruction is a Parent DvP Batch Instruction, pay the delivering Settlement Participant an amount equal to the Settlement Amount of the Parent DvP Batch Instruction,

and the delivering Settlement Participant must Transmit a Valid Message requesting cancellation of the Parent Batch Instruction to ASX Settlement by the Scheduled Time. [This Rule 10.20 does not apply to Parent Batch Instructions that are CCP Batch Instructions.](#)

*Note: [In the case of CCP Batch Instructions where the receiving Settlement Participant seeks to achieve an outcome provided for under this Rule, it will need to do so through the generation of CCP Isolate Counterparty Batch Instructions pursuant to the isolate counterparty functionality applicable under the ASX Clear Operating Rules and the cancellation of such CCP Isolate Counterparty Batch Instructions by agreement with the relevant delivering Settlement Participant\(s\) under Rule 10.9.1.](#)*

## 10.21 CASH ADJUSTMENTS FOR NO LIABILITY CALLS, OPTIONS AND CONVERTIBLE NOTES

### 10.21.1 Parent Batch Instruction

If a Parent Batch Instruction:

- (a) is scheduled to settle before End of Day on the last Business Day that ASX Settlement will process Transfers before:
  - (i) a call for no liability company falls due;
  - (ii) the final date for the exercise of company issued options; or
  - (iii) the final date for the conversion of convertible Financial Products;
- (b) does not settle in full by End of Day on that Business Day; and
- (c) both Settlement Participants have agreed that settlement will be effected by a Transfer of the Financial Products that result from the:
  - (i) call;
  - (ii) exercise; or
  - (iii) conversion,

then each Settlement Participant must Transmit ~~a~~ Valid Messages to ASX Settlement by the Scheduled Time ~~requesting which in effect a change to~~ the Parent Batch Instruction through the cancellation of the Parent Batch Instruction and the generation of a new Batch Instruction with the revised details to reflect the number and class of Financial Products that are to be Transferred as a result of the call, exercise or conversion. This Rule 10.21 does not apply to Parent Batch Instructions that are CCP Batch Instructions.

*Note: Depending upon the nature of the Corporate Action, it may be necessary to change the number and class of Financial Products, the Settlement Amount and the Settlement Date. In the case of a call or an exercise of an option, the delivering Settlement Participant is entitled to be paid the relevant call or exercise money by the receiving Settlement Participant before making an application to the Issuer to take up the resulting Financial Products.*

*In the case of CCP Batch Instructions where the receiving Settlement Participant seeks to achieve an outcome provided for under this Rule, it will need to do so through the generation of CCP Isolate Counterparty Batch Instructions pursuant to the isolate counterparty functionality applicable under the ASX Clear Operating Rules and the cancellation of such CCP Isolate Counterparty Batch Instructions by agreement with the relevant delivering Settlement Participant(s) under Rule 10.9.1 and the generation of new Batch Instruction(s) by agreement with those delivering Settlement Participant(s).*

Introduced 11/03/04 Origin SCH 7.38.1

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## SECTION 11 REAL TIME GROSS SETTLEMENT

A [General](#) Settlement Participant may settle Instructions in the Settlement Facility in Batch Settlement or Real Time Gross Settlement. Real Time Gross Settlement is governed by Section 11 of these Rules. Batch Settlement is governed by Section 10.

Real Time Gross Settlement involves the settlement of RTGS Instructions. RTGS Instructions ~~may include be CCP Gross Batch Instructions, Dual Entry~~ [Bilateral Demand Settlement](#) ~~Batch Instructions or Direct Batch Instructions that are eligible to be switched to Real Time Gross Settlement.~~

In addition to determining the eligibility of Instructions to be included in Real Time Gross Settlement the purpose of this Section is to set out Rules relating to the operation of Real Time Gross Settlement in the Settlement Facility including:

- (a) the basis on which [General](#) Settlement Participants can act in respect of RTGS Settlement;
- (b) payment arrangements for RTGS Settlement;
- ~~(c) the transfer and switch of Instructions between RTGS Settlement and Batch Settlement;~~
- ~~(c)~~ (d) the requirements to be met for RTGS Instructions;
- ~~(d)~~ (e) the ~~change to or~~ suspension and cancellation of RTGS Instructions;
- ~~(e)~~ (f) RTGS Settlement processing;
- ~~(g) testing criteria including in relation to Financial Products and Debit Caps;~~
- ~~(f)~~ (h) discharge of settlement obligations; and
- ~~(g)~~ (i) failing of RTGS Instructions.

### 11.1 ELIGIBILITY OF INSTRUCTIONS FOR RTGS SETTLEMENT

#### 11.1.1 Eligible Instructions

An Instruction is eligible for Real Time Gross Settlement under Section 11 if [it is within a class of Instructions specified by ASX Settlement in the Procedures from time to time](#), ~~in accordance with the EIS, it may be processed for Real Time Gross Settlement and:~~

- ~~(a) it is not within a class of Instruction that has been determined as ineligible for, or has been removed from, Real Time Gross Settlement under Rule 11.1.2; and~~
- ~~(b) in the case of a DvP RTGS Instruction, it relates to RTGS Eligible Financial Products.~~

### 11.1.2 Non eligible classes of Instructions

ASX Settlement may at any time ~~determine that a class of Instructions is not eligible for Real Time Gross Settlement in CHESS, or may at any time~~ remove a class of Instructions from Real Time Gross Settlement if:

- (a) ASX Settlement forms the reasonable opinion that Real Time Gross Settlement of the class of Instructions is unlikely to be commercially viable for ASX Settlement;
- (b) ASX Settlement reasonably considers it necessary in order to maintain the orderly operation or integrity of the Settlement Facility or the efficiency of Real Time Gross Settlement in CHESS;
- (c) it is requested to do so by an Approved Market Operator in accordance with the Terms of Trade Acceptance Service, or by an Approved Clearing Facility, in order to ensure the efficiency, integrity or proper functioning of that market or facility; or
- (d) it is requested to do so by the Reserve Bank of Australia in order to ensure the proper functioning of RITS/RTGS.

Introduced 11/03/04 Origin SCH 7A.1.2 Amended 27/06/11

### 11.1.3 Notice given in relation to non eligible classes of Instructions

If ASX Settlement ~~makes a determination or~~ removes a class of Instructions from Real Time Gross Settlement under Rule 11.1.2, ASX Settlement must give Notice of the ~~determination or~~ removal to [RTGS Participants](#):

- ~~(a) — the person that applied for admission of the relevant Approved Financial Products, giving reasons for the determination or removal; and~~
- ~~(b) — Participants.~~

Introduced 11/03/04 Origin SCH 7A.1.3

## 11.2 APPEALS AGAINST RTGS DETERMINATIONS [\[DELETED\]](#)

### 11.2.1 Appeal Notices [\[Deleted\]](#)

~~The relevant person or any Participant (as applicable) may appeal against the decision of ASX Settlement to:~~

- ~~(a) — not admit a class of Instructions into Real Time Gross Settlement; or~~
  - ~~(b) — remove a class of Instructions from Real Time Gross Settlement,~~
- ~~in accordance with the provisions of the ASX Enforcement and Appeals Rulebook.~~

Introduced 11/03/04 Origin SCH 7A.1.4 Amended 31/03/08, 01/08/10

### 11.2.2 Appeal Notice given to Appeal Tribunal – [\[Deleted\]](#)

Introduced 11/03/04 Origin SCH 7A.1.5 Deleted 31/03/08

### **11.2.3 Convening and conduct of Appeal Tribunal – [Deleted]**

Introduced 11/03/04 Origin SCH 7A.1.6 Deleted 31/03/08

### **11.2.4 Decisions of Appeal Tribunal – [Deleted]**

Introduced 11/03/04 Origin SCH 7A.1.7 Deleted 31/03/08

### **11.2.5 Appeal Tribunal decisions binding – [Deleted]**

Introduced 11/03/04 Origin SCH 7A.1.8 Deleted 31/03/08

## **11.3 RTGS MANDATORY INSTRUCTIONS [\[DELETED\]](#)**

### **11.3.1 Consultation with the Reserve Bank of Australia [\[Deleted\]](#)**

~~After consultation with the Reserve Bank of Australia, ASX Settlement may determine that, in order to address settlement risk in the Settlement Facility reasonably and appropriately, a particular class of Instruction (which may, but need not, be classified in terms of value) will, to the extent it settles in the Settlement Facility after a date specified by ASX Settlement, settle on a Real Time Gross Settlement basis.~~

Introduced 11/03/04 Origin SCH 7A.1.9

### **11.3.2 Delivering Financial Products in RTGS [\[Deleted\]](#)**

~~Subject to Rule 11.3.3, each Participant that is obliged to deliver or receive Financial Products that are RTGS Eligible, and the obligation is in respect of an Instruction that is RTGS Mandatory, must deliver or receive those Financial Products in Real Time Gross Settlement in accordance with this Section 11.~~

~~Note: — the effect of Rule 11.3 is that Real Time Gross Settlement is optional in CHESS except for any class of Instruction that ASX Settlement declares to be RTGS Mandatory.~~

Introduced 11/03/04 Origin SCH 7A.1.10

### **11.3.3 Alternative Settlement Facility [\[Deleted\]](#)**

~~If a Participant that is obliged to deliver or receive Financial Products:~~

~~(a) — wishes to use a facility provided by an Alternative Settlement Facility other than the Settlement Facility to settle an Instruction that is RTGS Mandatory; and~~

~~(b) — obtains the consent of the counterparty to the Instruction,~~

~~the Participant may:~~

~~(c) — deliver or receive the Financial Products using a Demand Transfer in accordance with Section 9 of these Rules; and~~

~~(d) — use the Alternative Settlement Facility to settle that Instruction.~~

Introduced 11/03/04 Origin SCH 7A.1.11 Amended 18/12/06



## 11.4 RTGS ADMINISTRATION OF AND PARTICIPATION IN REAL TIME GROSS SETTLEMENT

### 11.4.1 ASX Settlement as administrator

ASX Settlement is the administrator of Real Time Gross Settlement in CHESSE.

Introduced 11/03/04 Origin SCH 7A.2.1

### 11.4.2 Participants eligible to participate in Real Time Gross Settlement in CHESSE

A Participant is only eligible to participate in the Real Time Gross Settlement of Instructions in CHESSE if it is an RTGS Participant.

Introduced 11/03/04 Origin SCH 7A.2.2

### 11.4.3 RTGS Participants must have an RTGS Payments Provider

An RTGS Participant must ensure that, for the purposes of irrevocably settling Payment Obligations in connection with RTGS Instructions, it has at all times:

- (a) an RTGS Payments Provider (which may, but need not, be the same Payments Provider it utilises for the purposes of DvP Batch Settlement); ~~and~~
- (b) at least one Payment Facility with an RTGS Payments Provider; ~~and~~;
- (c) a bank account, referable to that Payment Facility, with the RTGS Payments Provider which is available for use by the RTGS Participant to settle RTGS Instructions and the RTGS Participant:
  - (i) must give ASX Settlement notice of the prescribed particulars of that bank account; and
  - (ii) may by giving ASX Settlement notice, amend any of those prescribed particulars.

Introduced 11/03/04 Origin SCH 7A.2.4

### 11.4.4 RTGS Payments Provider

An RTGS Payments Provider:

- (a) participates in that capacity in the Real Time Gross Settlement of Instructions in CHESSE to the extent it performs, in accordance with Section 11, any Payment Obligation owed by an RTGS Participant; and
- (b) may also be a Participant and may participate in Real Time Gross Settlement in CHESSE in either capacity.

A Payments Provider is not permitted to participate in RTGS, unless it is also an RTGS Payments Provider.

Introduced 11/03/04 Origin SCH 7A.2.3, 7A.2.5

## 11.5 RTGS PARTICIPANTS~~ESTABLISHING AND MODIFYING NET POSITION RECORDS~~

### 11.5.1 Requirements to become an RTGS Participant~~Activating a Net Position Record~~

A Participant may participate in Real Time Gross Settlement in the capacity of an RTGS Participant, if it~~For each Participant that:~~

- (a) is a General Settlement Participant; and
- ~~(b) has requested ASX Settlement to establish at least one Net Position Record to facilitate Real Time Gross Settlement; and~~
- ~~(b)e~~ is RTGS Accredited;

~~ASX Settlement must, on receipt of a Valid Message Transmitted by an RTGS Payments Provider in accordance with Rule 11.5.3:~~

- ~~(d) activate a Net Position Record linked to at least one RTGS Account Identifier; and~~
- ~~(e) allow that Participant to settle RTGS Instructions in the capacity of an RTGS Participant in Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.4.1

### 11.5.2 RTGS Accredited Participants

To be RTGS Accredited, a Participant must, to the reasonable satisfaction of ASX Settlement, ~~as shown by RTGS Pre-commencement Testing, meet the RTGS Participation Requirements.~~

- (a) meet the requirements of Rule 11.4.3;
- (b) be accredited to use the Messages relating to Bilateral Demand Settlement Instructions required to participate as an RTGS Participant; and
- (c) meet any requirements set out in the Procedures.

Introduced 11/03/04 Origin SCH 7A.4.2

### 11.5.3 Authorisation by RTGS Payments Providers required for activation of a Net Position Record ~~[Deleted]~~

~~ASX Settlement will not activate a Net Position Record for a Participant until an RTGS Payments Provider has confirmed to ASX Settlement, in the form prescribed by ASX Settlement, that that Payments Provider authorises:~~

- ~~(a) a Net Position Record being:
  - ~~(i) activated with the attributes requested by the Participant under Rule 11.9.1; and~~
  - ~~(ii) linked to a Payment Facility maintained or to be maintained by it for that Participant~~~~

- ~~(b) a Cash Sub record being established under that Net Position Record, linked to an account designated by the RTGS Account Identifier nominated by that Participant; and~~
- ~~(c) the Payment Facility linked to the activated Net Position Record being available to settle any payment obligation identified in an Accrued RTGS Instruction that ASX Settlement generates in accordance with Rule 11.31.1 in connection with a Parent RTGS Instruction:
  - ~~(i) to which the Participant is a counterparty; and~~
  - ~~(ii) which is Recorded for Real Time Gross Settlement.~~~~

~~Note: An Accrued RTGS Instruction usually involves a low value payment and in the normal course will be settled in DvP Batch Settlement under Section 10, but using the Payment Facility used in RTGS to settle the Parent RTGS Instruction.~~

Introduced 11/03/04 Origin SCH 7A.4.3

#### **11.5.4 Requirements for an active Net Position Record [\[Deleted\]](#)**

~~An active Net Position Record must be:~~

- ~~(a) linked to one, but not more than one without ASX Settlement's permission, Payment Facility; and~~
- ~~(b) linked to at least one Cash Sub record which is linked to an RTGS Account Identifier.~~

Introduced 11/03/04 Origin SCH 7A.4.4, 7A.4.5, 7A.4.6, 7A.4.7

## **11.6 RTGS PAYMENTS PROVIDERS**

### **11.6.1 Requirements for RTGS Payments Providers**

A person may participate in Real Time Gross Settlement in CHESS in the capacity of an RTGS Payments Provider, if it:

- (a) is a Payments Provider;
- (b) is able to comply with the obligations of an RTGS Payments Provider as contemplated by the Rules;
- (c) does not adversely affect the integrity or orderly operation of, or introduce significant new risk into, the Settlement Facility;
- (d) is able to meet any technical and performance requirements prescribed by ASX Settlement to ensure that an RTGS Payments Provider maintains effective and efficient communications with ASX Settlement for the purposes of Real Time Gross Settlement;
- (e) has applied to participate in the capacity of an RTGS Payments Provider in the form prescribed by ASX Settlement from time to time; and

- (f) provides such information as ASX Settlement requires to demonstrate the applicant satisfies the criteria specified in the Rules.

Introduced 11/03/04 Origin SCH 7A.3.1, 7A.3.1A

### **11.6.2 Liability of RTGS Payments Provider**

An RTGS Payments Provider assumes rights and incurs obligations in that capacity under the Rules in its own right and not as trustee for, or agent on behalf of, any other person.

Introduced 11/03/04 Origin SCH 7A.3.1

### **11.6.3 Applications to participate as an RTGS Payments Provider**

In respect of an application to participate in Real Time Gross Settlement in CHES in the capacity of an RTGS Payments Provider under Rule 11.6.1:

- (a) ASX Settlement may assume the correctness of any representation or warranty made by any applicant and is not required to conduct independent enquiries or verification;
- (b) if the applicant satisfies all applicable participation criteria (including execution and delivery of the application in a manner satisfactory to ASX Settlement), ASX Settlement will admit a person to Real Time Gross Settlement in CHES in the capacity of an RTGS Payments Provider; and
- (c) if ASX Settlement rejects an application, it must notify the applicant within 30 days of determining not to accept an application, including the reasons for rejection of the application.

Introduced 11/03/04 Origin SCH 7A.3.1A, 7A.3.1B, 7A.3.1C

### **11.6.4 Covenants by RTGS Payments Providers**

Each RTGS Payments Provider covenants with ASX Settlement, each Facility User and each other RTGS Payments Provider for the time being:

- (a) to observe the Rules and the requirements of the [User Technical Documentation](#)~~EIS~~, to the extent and in the manner provided;
- (b) in the capacity of a member of RITS/RTGS, to comply with the RITS Regulations, to the extent they apply or purport to apply to Instructions initiated in, and sent to RITS/RTGS from, CHES; and
- (c) as regards ASX Settlement and each RTGS Participant for which it maintains a Payment Facility, to bear risk of loss to the RTGS Payments Provider arising in connection with any breach of the RITS Regulations by any financial institution (including the RTGS Payments Provider) that is a member of RITS/RTGS or the Reserve Bank of Australia as operator of RITS/RTGS, relating to the settlement of a Payment Obligation, and

each RTGS Payments Provider acknowledges that its participation in Real Time Gross Settlement in CHES constitutes its acceptance of the matters set out in paragraphs (a)-(c) inclusive.

### 11.6.5 Communications between ASX Settlement and an RTGS Payments Provider

For the purposes of the operation of Real Time Gross Settlement in CHESSE, ~~the Procedures in relation to Rule 4.7 and~~ each of Rules 1.10.1, 1.10.4, 16.1, 16.3, 16.11, 16.12, 16.14, 16.15, 16.16, 16.17, 16.21(b), 16.22 (last paragraph) and 16.23 apply to communications between ASX Settlement and an RTGS Payments Provider as if incorporated in this Section 11, on the basis that:

- (a) (except in the case of Rules 16.1(a), ~~and 16.1(b) and paragraphs (a) and (c) of the Procedures in relation to Rule 4.7~~) that RTGS Payments Provider was a Facility User;
- (b) in the case of Rules 16.1(a), 16.1(b) ~~and paragraphs (a) and (c) of the Procedures in relation to Rule 4.7~~, each reference to the [User Technical Documentation EIS](#) was a reference to so much of the [User Technical Documentation EIS](#) as relates to Payments Providers and is applicable in connection with Real Time Gross Settlement, and each reference to a Facility User was a reference to an RTGS Payments Provider;
- (c) for the purposes of Rules 16.15 (last paragraph) and 16.16(a) and (b) only, that RTGS Payments Provider was an Issuer; and
- (d) references generally to the [User Technical Documentation EIS](#) were references to those parts of the [User Technical Documentation EIS](#) that are applicable to communications between ASX Settlement and the Payments Provider in connection with Real Time Gross Settlement.

### 11.6.6 Notice given when ceasing to act as RTGS Payments Provider

An RTGS Payments Provider may give not less than 20 Business Days Notice to ASX Settlement stating that it will cease to participate in CHESSE in that capacity and, if it does:

- (a) the RTGS Payments Provider must give not less than 20 Business Days Notice to each RTGS Participant for which it maintains a Payment Facility for the purposes of Real Time Gross Settlement, stating that it will cease to participate as an RTGS Payments Provider in CHESSE;
- (b) each RTGS Participant that receives a Notice under paragraph (a) must ensure it has a Payment Facility for purposes of Real Time Gross Settlement in place with another RTGS Payments Provider by the Scheduled Time; and
- (c) Notices given by an RTGS Payments Provider under this Rule 11.6.6 are irrevocable.

### 11.6.7 Continuing liability of RTGS Payments Provider

Any cessation or termination of participation in Real Time Gross Settlement in CHESSE of an RTGS Payments Provider will not affect any right or liability arising:

- (a) under these Rules; or
- (b) in respect of any act, matter or thing occurring,  
before that resignation or termination takes effect.

Introduced 11/03/04 Origin SCH 7A.3.16

## **11.7 EXTERNAL ADMINISTRATION OF RTGS PARTICIPANTS AND RTGS PAYMENTS PROVIDERS**

### **11.7.1 External administration of an RTGS Participant**

An RTGS Participant that goes into external administration within the meaning of the Payment Systems and Netting Act must, without in any way limiting its obligation to give Notice to ASX Settlement in accordance with Rule 12.18.1, give Notice to any RTGS Payments Provider with which it maintains a Payment Facility for the purposes of Real Time Gross Settlement in CHESSE, as soon as practicable after it becomes aware of the external administration.

For the avoidance of doubt, an obligation to give Notice arises under this Rule 11.7.1 when a Participant is a partnership or consists of 2 or more trustees, and a partner or a trustee goes into external administration within the meaning of the Payment Systems and Netting Act.

Introduced 11/03/04 Origin SCH 7A.2.7, 7A.2.8

### **11.7.2 Assumption of obligations by RTGS Payments Provider**

If an RTGS Participant that has settled a Payment Obligation under the Rules through an RTGS Payments Provider:

- (a) goes into external administration within the meaning of the Payment Systems and Netting Act; and
  - (b) fails to fulfil obligations outstanding in relation to the Payment Obligation,
- the RTGS Payments Provider must assume those obligations.

*Note: Rule 11.7.2 addresses the requirements of section 9(1)(g) of the Payment Systems and Netting Act.*

Introduced 11/03/04 Origin SCH 7A.2.6

### **11.7.3 External administration of an RTGS Payments Provider**

If an RTGS Payments Provider:

- (a) goes into external administration within the meaning of the Payment Systems and Netting Act;
- (b) becomes aware that an RTGS Participant for which it maintains a Payment Facility for the purposes of Real Time Gross Settlement has gone into external administration within the meaning of the Payment Systems and Netting Act; or

(c) receives a Notice given by an RTGS Participant under Rule 11.7.1,

it must give Notice to ASX Settlement, in accordance with the Rules and addressed to the Prescribed Person, as soon as practicable after becoming aware of the relevant external administration.

Introduced 11/03/04 Origin SCH 7A.2.9, 7A.2.10

#### **11.7.4 Suspension of RTGS Payments Provider**

Where ASX Settlement receives a Notice that relates to Rule 11.7.3(a) or it is otherwise satisfied that an RTGS Payments Provider has gone into external administration within the meaning of the Payment Systems and Netting Act, ASX Settlement may for a specified period of time suspend:

- (a) that RTGS Payments Provider; and
- (b) any RTGS Participant which holds its Payment Facilities for the purposes of Real Time Gross Settlement exclusively with that RTGS Payments Provider,

from participation in Real Time Gross Settlement in CHES.

*Note: Rules 11.7.1, 11.7.3, 11.7.4 and 11.8.2 address the requirements of sections 9(1)(e) and (f) of the Payment Systems and Netting Act. ~~Refer also to Rule 11.8.9.~~*

Introduced 11/03/04 Origin SCH 7A.2.12

#### **11.7.5 ASX Settlement not obliged to monitor**

ASX Settlement has no obligation to keep itself informed about the status, financial condition or creditworthiness of any RTGS Participant or RTGS Payments Provider.

Introduced 11/03/04 Origin SCH 7A.2.13

## **11.8 SUSPENSION OF RTGS PARTICIPANTS AND RTGS PAYMENTS PROVIDERS**

### **11.8.1 Penalties imposed on RTGS Payments Providers**

Without in any way limiting Rule 11.7.4, if an RTGS Payments Provider:

- (a) in the reasonable opinion of ASX Settlement:
  - (i) ceases to satisfy any of the applicable criteria for participation set out in Rule 11.6.1; or
  - (ii) fails to comply with any of its undertakings in Rule 11.6.4 in a manner which has a material adverse effect on its ability to comply with its obligations in that capacity under the Rules;
- (b) breaches the Rules and fails to rectify the breach, or provide an explanation satisfactory to ASX Settlement within 10 Business Days after receiving Notice from ASX Settlement to remedy the breach; or
- (c) has been suspended from participation as a Payments Provider in the arrangements established for DvP Batch Settlement under the Standard Payments Provider Deed,

ASX Settlement may:

- (d) suspend the RTGS Payments Provider from participation in that capacity in Real Time Gross Settlement in CHESSE for a specified period of time; or
- (e) in lieu of suspending the RTGS Payments Provider, impose conditions on its participation in Real Time Gross Settlement in CHESSE or its provision of services in that capacity to Participants.

Introduced 11/03/04 Origin SCH 7A.3.3

#### **11.8.2 Restrictions on participation in Real Time Gross Settlement**

For the avoidance of doubt, where ASX Settlement exercises its right under Rule 12.19 to impose Restrictions on, suspend or terminate the participation of a Participant that is an RTGS Participant, any such Restriction, suspension or termination applies to Restrict (except to the extent ASX Settlement otherwise specifies), suspend or terminate, as the case may be, the ability of that Participant to participate in Real Time Gross Settlement.

Introduced 11/03/04 Origin SCH 7A.2.11

#### **11.8.3 Suspension of RTGS Payments Providers**

If an RTGS Payments Provider is suspended:

- (a) under Rule 11.7.4; or
- (b) under Rule 11.8.1,

it is not entitled, from the date that suspension takes effect until the suspension is revoked, to:

- (c) provide services to Participants in the capacity of an RTGS Payments Provider; or
- (d) participate in Real Time Gross Settlement in CHESSE,

except (without imposing an obligation on the RTGS Payments Provider to do so) to the extent, and on such conditions, as ASX Settlement may, at its discretion, permit.

Nothing in this Rule 11.8.3 excuses an RTGS Payments Provider to which Rule 11.8.1(d) or (e) applies from meeting its other obligations in that capacity under the Rules, except as expressly provided.

*Note: Refer to Rule 11.175 for the consequences for Instructions affecting Payment Facilities maintained for Participant customers of that RTGS Payments Provider.*

Introduced 11/03/04 Origin SCH 7A.3.4

#### **11.8.4 Termination of suspension of RTGS Payments Provider**

At any time while a RTGS Payments Provider is suspended from participation in Real Time Gross Settlement in CHESSE, ASX Settlement may:

- (a) terminate the suspension; or
- (b) change the period of suspension,



by Notice to that RTGS Payments Provider.

Introduced 11/03/04 Origin SCH 7A.3.5

#### **11.8.5 Immediate termination for RTGS Payments Providers**

If:

- (a) an RTGS Payments Provider is suspended from participation in Real Time Gross Settlement in CHESSE for a period or periods totalling in aggregate 15 Business Days in any period of 12 months; or
- (b) ASX Settlement terminates the Standard Payments Provider Deed in force with a Payments Provider that is also an RTGS Payments Provider,

ASX Settlement may by giving notice to that RTGS Payments Provider terminate the participation of that RTGS Payments Provider in Real Time Gross Settlement in CHESSE with immediate effect.

Introduced 11/03/04 Origin SCH 7A.3.6

#### **11.8.6 Appeals by RTGS Payments Providers**

If an RTGS Payments Provider:

- (a) has its participation in Real Time Gross Settlement in CHESSE suspended for a continuous period of 15 Business Days on grounds set out in Rule 11.8.1(a) or (b);
- (b) has conditions imposed on its participation in Real Time Gross Settlement in CHESSE pursuant to Rule 11.8.1(e); or
- (c) has its participation in Real Time Gross Settlement in CHESSE terminated on the grounds set out in Rule 11.8.5(a),

it may appeal to [an Appeal Tribunal in accordance with the provisions of the ASX Enforcement and Appeals Rulebook](#). ~~an independent tribunal appointed by ASX Settlement which may, but need not, be the independent tribunal appointed for the purposes of the Standard Payments Provider Deed, and Rules 11.8.7 to 11.8.13 apply.~~

Introduced 11/03/04 Origin SCH 7A.3.7

#### **11.8.7 Appeals [\[Deleted\]](#)**

~~An appeal initiated under Rule 11.8.6 by an RTGS Payments Provider will be conducted in accordance with Rules 11.8.8 to 11.8.13.~~

Introduced 11/03/04 Origin SCH 7A.3.8

#### **11.8.8 ~~Time for making appeal~~ [Ability to take action pending appeal](#)**

~~An appeal may only be made within 10 Business Days of the event appealed from by Notice in writing to ASX Settlement setting out the grounds of the appeal.~~ Pending the [expiry of the notice period to appeal or the](#) determination of the appeal, the suspension, condition or termination is fully effective in accordance with these Rules.

Introduced 11/03/04

**11.8.9 Right of parties to be heard [\[Deleted\]](#)**

~~ASX Settlement and the RTGS Payments Provider are entitled to be heard on the appeal and the appeal is to be conducted in private. Otherwise the procedure to be adopted on the appeal may be determined by the tribunal provided that the appeal must be:~~

- ~~(a) commenced as soon as practicable after Notice in writing to ASX Settlement under Rule 11.8.8; and~~
- ~~(b) conducted expeditiously and without unnecessary delays or adjournments.~~

Introduced 11/03/04

**11.8.10 Qualified Privilege [\[Deleted\]](#)**

~~Each of the RTGS Payments Provider and ASX Settlement and their respective officers and employees has qualified privilege as regards each other in respect of any statement made for the purposes of, or in connection with, the appeal.~~

Introduced 11/03/04

**11.8.11 Determination of the appeal [\[Deleted\]](#)**

~~In determining the appeal, the tribunal may:~~

- ~~(a) dismiss the appeal; or~~
- ~~(b) either:
  - ~~(i) in the case of an appeal under Rule 11.8.6(a) or (b):
    - ~~A. terminate a suspension;~~
    - ~~B. change the period of suspension to a new specified period or time; or~~
    - ~~C. vary or revoke any conditions imposed under Rule 11.8.1(e); or~~~~
  - ~~(ii) in the case of an appeal under Rule 11.8.6(c), direct ASX Settlement to re-admit the RTGS Payments Provider to participation in Real Time Gross Settlement in CHES.~~~~

~~As soon as practicable after the hearing of the appeal, the tribunal must notify ASX Settlement and the RTGS Payments Provider of its determination in writing.~~

Introduced 11/03/04

**11.8.12 Costs of appeal [\[Deleted\]](#)**

~~Each party must bear its own costs in relation to an appeal.~~

Introduced 11/03/04

**11.8.13 Appeal proceedings confidential [\[Deleted\]](#)**

~~Appeal proceedings (but not the written determination of an appeal) are confidential and may not be disclosed to any person except:~~

- ~~(a) with the consent of the RTGS Payments Provider, ASX Settlement and the tribunal;~~
- ~~(b) if required by law;~~
- ~~(c) in connection with legal proceedings relating to these Rules or the appeal;~~
- ~~(d) if the information is generally and publicly available other than because of a breach of this Rule 11.8.13; or~~
- ~~(e) to a Related Body Corporate of the party, provided the Related Body Corporate undertakes to observe this Rule.~~

~~Nothing in this Rule 11.8.13 prevents disclosure by the RTGS Payments Provider to any client of the RTGS Payments Provider of the fact that the RTGS Payments Provider has appealed, or intends to appeal, under these Rules with respect to the suspension or termination of the RTGS Payments Provider.~~

Introduced 11/03/04

#### **11.8.14 Actions by ASX Settlement after tribunal determination [\[Deleted\]](#)**

~~If:~~

- ~~(a) an RTGS Payments Provider has had its participation in Real Time Gross Settlement in CHESS:
  - ~~(i) suspended on the grounds set out in Rule 11.8.1(c); or~~
  - ~~(ii) terminated on the grounds set out in Rule 11.8.5(b); and~~~~
- ~~(b) the independent tribunal directs ASX Settlement:
  - ~~(i) to terminate the Payments Provider's suspension from DvP Batch Settlement; or~~
  - ~~(ii) to enter into a fresh Standard Payment Provider Deed with the Payments Provider,~~~~

~~ASX Settlement will be taken to have been further directed by the independent tribunal:~~

- ~~(c) to revoke the Payments Provider's suspension from participation in Real Time Gross Settlement in CHESS; or~~
- ~~(d) to re-admit the Payments Provider as an RTGS Payments Provider, on the terms and conditions of these Rules,~~

~~as applicable.~~

Introduced 11/03/04 Origin SCH 7A.3.9

#### **11.8.15 RTGS Participant to nominate replacement RTGS Payments Provider**

Without in any way limiting the exercise of ASX Settlement's discretion under Rule 11.7.4(b), where ASX Settlement determines to suspend or terminate the participation of an RTGS Payments Provider in Real Time Gross Settlement in CHESS, ASX Settlement

may elect to require each RTGS Participant on whose behalf the RTGS Payments Provider operates a Payment Facility for the purposes of Real Time Gross Settlement, to nominate a Payment Facility with another RTGS Payments Provider (in the case of suspension of the first-mentioned Payments Provider, for the period of the suspension) and, if it so elects:

- (a) ASX Settlement must give Notice to that effect to each such RTGS Participant; and
- (b) that Participant must nominate a Payment Facility with another RTGS Payments Provider within the Scheduled Time.

Introduced 11/03/04 Origin SCH 7A.3.10, 7A.3.11

## 11.9 RTGS CREDIT CONTROLS [\[DELETED\]](#)

### 11.9.1 Creation of Net Position Records [\[Deleted\]](#)

~~Each request by a Participant to ASX Settlement to create and activate a Net Position Record under Rule 11.5.1(b), must:~~

- ~~(a) be in the form prescribed by ASX Settlement from time to time;~~
- ~~(b) indicate whether or not the nominated RTGS Payments Provider will utilise a Debit Cap to set its credit exposure in relation to the Payment Obligations to be recorded for that Participant against that Net Position Record; and~~
- ~~(c) if a Debit Cap is to be utilised, specify a maximum dollar limit (which may be zero) for its operation.~~

~~If a Debit Cap is not to be activated on creation of the Net Position Record, the Participant has the option to specify a maximum dollar limit (which may be zero) for its operation.~~

Introduced 11/03/04 Origin SCH 7A.5.1

### 11.9.2 RTGS Payments Provider's authorisations in relation to a Debit Cap status [\[Deleted\]](#)

~~An RTGS Payments Provider that in accordance with the Rules authorises a Participant's request to ASX Settlement to activate a Net Position Record with a Debit Cap Status recorded as:~~

- ~~(a) active will, on creation of that Net Position Record, be taken to have:
  - ~~(i) elected to set its credit exposure, in relation to the Payment Obligations to be recorded against that Net Position Record, by means of a Debit Cap; and~~
  - ~~(ii) authorised ASX Settlement to allow the Participant's Net Position Record to go into debit up to the Debit Limit, at any time on any RTGS Business Day when the Debit Cap Status assigned to that Net Position Record is recorded as active; and~~~~
- ~~(b) inactive will, on creation of that Net Position Record, be taken to have elected to determine credit decisions, in respect of any Payment Obligations to be~~

~~recorded against that Net Position Record, on a case by case basis via its AIF interface.~~

Introduced 11/03/04 Origin SCH 7A.5.2, 7A.5.3

### 11.9.3 Notification by RTGS Payments Providers regarding active Net Position Records ~~[Deleted]~~

~~An RTGS Payments Provider may Transmit to ASX Settlement a Valid Message notifying that, for a Net Position Record that is active in relation to a Payment Facility maintained by it for a particular RTGS Participant, it requires ASX Settlement to:~~

- ~~(a) — change the Net Position Record Status to inactive;~~
- ~~(b) — determine credit decisions through:
  - ~~(i) — its AIF interface; or~~
  - ~~(ii) — use of an active Debit Cap;~~~~
- ~~(c) — increase or decrease the Debit Limit;~~
- ~~(d) — in relation to a linked Cash Sub-record, receive, or not receive, RITS Presettlement Advices of RTGS Instructions that specify a particular RTGS Account Identifier;~~
- ~~(e) — in relation to a linked Cash Sub-record, receive, or not receive, RITS Post-settlement Advices of RTGS Instructions that specify a particular RTGS Account Identifier; or~~
- ~~(f) — alter or add any other attributes, as permitted by ASX Settlement from time to time,~~

~~and ASX Settlement is entitled to rely on that Valid Message to:~~

- ~~(g) — change any relevant Payments Provider Managed attribute of a Net Position Record; and~~
- ~~(h) — (i) — adjust Feeder System records in accordance with the Message; and
  - ~~(ii) — within the Scheduled Time, advise each of RTGS Payments Provider and the relevant RTGS Participant of the change, and the time it was made.~~~~

~~Note: — The status of a Net Position Record cannot be changed with intra-day effect, but an RTGS Payments Provider may, in respect of a Net Position Record having an active Debit Cap, effect an intra-day reduction to zero in the Debit Limit, with the effect set out in Rule 11.9.10.~~

Introduced 11/03/04 Origin SCH 7A.5.4, 7A.5.5

### 11.9.4 Obligations of RTGS Payments Provider not affected ~~[Deleted]~~

~~A change made by ASX Settlement to any of the Payments Provider Managed attributes of a Participant's Net Position Record in accordance with this Rule 11.9 does not in any~~

~~way affect any liability or obligation on the part of the relevant RTGS Payments Provider assumed:~~

~~(a) before the change; and~~

~~(b) in connection with the Real Time Gross Settlement under the Rules of any Payment Obligation of that Participant.~~

Introduced 11/03/04 Origin SCH 7A.5.6

#### **11.9.5 Net Position Record attributes cannot be changed during RTGS Settling Phase** [\[Deleted\]](#)

~~For the avoidance of doubt, where:~~

~~(a) an RTGS Payments Provider requests ASX Settlement to make a change to a Payments Provider Managed attribute of a Participant's Net Position Record under Rule 11.9.3;~~

~~(b) before ASX Settlement processes that request, an RTGS Instruction that affects that Net Position Record has entered the RTGS Settling Phase; and~~

~~(c) that RTGS Instruction settles under the Rules,~~

~~the Payments Provider will be taken, in respect of that RTGS Instruction:~~

~~(d) to be bound by the Payments Provider Managed attributes of that Net Position Record in force before it made that request; and~~

~~(e) to have assumed all relevant obligations and liability on that basis.~~

~~*Note: Rule 11.9.5 acknowledges that a Payments Provider cannot change a Net Position Record attribute for an RTGS Instruction in the RTGS Settling Phase, and it recognises ASX Settlement's limited ability to recall funds transfer instructions from RITS/RTGS. However a Payments Provider that determines its credit exposure to that Participant via the AIF will retain discretion to decline funding for that instruction.*~~

Introduced 11/03/04 Origin SCH 7A.5.6A

#### **11.9.6 Net Position Records with an inactive status** [\[Deleted\]](#)

~~Where, in accordance with Rule 11.9.3, ASX Settlement records as inactive the status of a Net Position Record, ASX Settlement will:~~

~~(a) reject any RTGS Message received by it after the time of that recording; and~~

~~(b) within the Scheduled Time, remove any RTGS Instruction that has been Recorded,~~

~~that in each case identifies a Cash Sub-record linked to that Net Position Record.~~

~~*Note: The status of a Net Position Record cannot be changed intra-day. The effect of Rule 11.9.3 and this Rule 11.9.6 is to ensure that ASX Settlement will not process any Instruction Recorded for settlement, or Message received, on any day.*~~

~~subsequent to receipt of such an instruction from the relevant RTGS Payments Provider.~~

Introduced 11/03/04 Origin SCH 7A.5.7

**11.9.7 Elections of RTGS Payments Providers where Net Position Record is recorded as active [\[Deleted\]](#)**

~~During any period in which the Debit Cap Status of a Net Position Record is recorded as active, the RTGS Payment Provider that maintains the Payment Facility to which that Net Position Record is linked is taken, for that period, to have made the election and authorisation set out in Rule 11.9.2(a).~~

Introduced 11/03/04 Origin SCH 7A.5.8

**11.9.8 Elections of RTGS Payments Providers where Net Position Record is recorded as inactive [\[Deleted\]](#)**

~~During any period in which the Debit Cap Status of a Net Position Record is recorded as inactive, the RTGS Payments Provider that maintains the Payment Facility to which that Net Position Record is linked is taken, for that period, to have made the election set out in Rule 11.9.2(b).~~

Introduced 11/03/04 Origin SCH 7A.5.9

**11.9.9 Change in Debit Cap Status [\[Deleted\]](#)**

~~If, at any time in respect of a Net Position Record for which the Debit Cap Status has been changed to active, no Debit Limit is recorded in the CHESSE Feeder System, the Debit Limit will at that time be taken to be zero.~~

Introduced 11/03/04 Origin SCH 7A.5.10

**11.9.10 Circumstances in which ASX Settlement will not permit Real Time Gross Settlement [\[Deleted\]](#)**

~~Except in the circumstances contemplated by Rule 11.9.5, where an RTGS Payments Provider has elected to determine its credit exposure to an RTGS Participant by means of an active Debit Cap, ASX Settlement will not permit an RTGS Instruction to which that Participant is a counterparty to settle in Real Time Gross Settlement if:~~

- ~~(a) — the Debit Limit assigned to the Net Position Record against which the relevant Payment Obligation is to be recorded is reduced;~~
- ~~(b) — the debit balance recorded against that Net Position Record at the time of the reduction is equal to or greater than the reduced Debit Limit; and~~
- ~~(c) — if the RTGS Instruction were to be settled under these Rules, the result would be to increase the debit balance of that Net Position Record.~~

~~Note: — Refer to Rule 11.20.3(b) in connection with the determination of a debit balance for a Net Position Record and to Rules 11.9.4 and 11.9.5 in connection with instructions already in the RTGS Settling Phase at the time ASX Settlement receives a request to reduce an operative Debit Limit.~~

Introduced 11/03/04 Origin SCH 7A.5.11

### 11.9.11 Notifications by RTGS Participants to ASX Settlement ~~[Deleted]~~

~~An RTGS Participant may at any time notify ASX Settlement that it requires ASX Settlement to:~~

- ~~(a) — cancel any previously nominated, and substitute a replacement, Standing Buy Account Identifier or Standing Sell Account Identifier;~~
- ~~(b) — cancel any previously nominated, or nominate a new, RTGS Account Identifier;~~
- ~~(c) — nominate, or cancel any nomination of, a Cash Sub-record as an Excluded Cash Sub-record; or~~
- ~~(d) — alter or add to any other attributes, as permitted by ASX Settlement from time to time,~~

~~that relate to a Net Position Record, or associated Cash Sub-record, maintained in its name.~~

~~*Note: — The facility to nominate a Cash Sub-record as an Excluded Cash Sub-record is directed to accommodating trust account obligations in connection with the calculation of available funds within any applicable Debit Limit.*~~

Introduced 11/03/04 Origin SCH 7A.5.12

### 11.9.12 Change of details of Participant Managed attributes ~~[Deleted]~~

~~On receipt of a Valid Message Transmitted by an RTGS Participant requesting a change to any of the Participant Managed attributes of an active Net Position Record, ASX Settlement must, but if and only if the relevant RTGS Payments Provider has Transmitted a Valid Message acknowledging to ASX Settlement that it has authorised the requested change:~~

- ~~(a) — adjust the Feeder System records; and~~
- ~~(b) — within the Scheduled Time, advise each of the RTGS Participant and RTGS Payments Provider of the change and the time it was made.~~

Introduced 11/03/04 Origin SCH 7A.5.13

### 11.9.13 Obligations of RTGS Participants not affected ~~[Deleted]~~

~~A change made by ASX Settlement to any of the Participant Managed attributes of a Participant's Net Position Record in accordance with this Rule 11.9 does not in any way affect any liability or obligation on the part of that Participant, or the relevant RTGS Payments Provider, assumed:~~

- ~~(a) — before the change; and~~
- ~~(b) — in connection with the Real Time Gross Settlement under the Rules of any relevant obligation of that Participant.~~

Introduced 11/03/04 Origin SCH 7A.5.14



**11.9.14 Participant and the Payments Provider to be bound by the Participant Managed attributes [\[Deleted\]](#)**

~~For the avoidance of doubt, where:~~

~~(a) an RTGS Participant requests ASX Settlement to make a change to a Participant Managed attribute of a Net Position Record of that Participant under Rule 11.9.11;~~

~~(b) before ASX Settlement processes that request, an RTGS Instruction that affects that Net Position Record has entered the RTGS Settling Phase; and~~

~~(c) that RTGS Instruction settles under the Rules,~~

~~the Participant and the Payments Provider will be taken, in respect of that RTGS Instruction:~~

~~(d) to be bound by the Participant Managed attributes of that Net Position Record in force before the Participant made that request; and~~

~~(e) to have assumed their respective obligations and liabilities on that basis.~~

Introduced 11/03/04 Origin SCH 7A.5.14A

**11.9.15 Standing RTGS Account Identifiers [\[Deleted\]](#)**

~~A Participant may, in connection with any request to ASX Settlement to create a Net Position Record under these Rules, nominate no more than:~~

~~(a) one Standing Buy Account Identifier; and~~

~~(b) one Standing Sell Account Identifier,~~

~~to be linked to that Net Position Record.~~

Introduced 11/03/04 Origin SCH 7A.6.1

**11.9.16 Participant election [\[Deleted\]](#)**

~~A Participant may elect to specify the same details for the Standing Buy Account Identifier and the Standing Sell Account Identifier.~~

Introduced 11/03/04 Origin SCH 7A.6.2

**11.10 RTGS PART SETTLEMENT NOT AVAILABLE**

**11.10.1 ASX Settlement will not treat an instruction as available for settlement in part**

ASX Settlement is not entitled to treat an Instruction processed for Real Time Gross Settlement in CHES as available for settlement in part.

Introduced 11/03/04 Origin SCH 7A.7.1

## 11.11 DVP RTGS INSTRUCTIONS TRANSFERRED FROM DVP BATCH SETTLEMENT [DELETED]

### 11.11.1 Matched Dual Entry Switch to RTGS Messages [Deleted]

~~ASX Settlement will treat Matched Dual Entry Switch to RTGS Messages notified to it in accordance with Rule 10.6.1, 10.6.2, 10.6.3 or 10.11.8(a) and (b) as collectively constituting an RTGS Instruction.~~

Introduced 11/03/04 Origin SCH 7A.8.1

### 11.11.2 Unspecified Settlement [Deleted]

~~If a deemed RTGS Instruction under Rule 11.11.1 does not specify an RTGS Settlement Date:~~

- ~~(a) the counterparties will be taken to have instructed ASX Settlement to settle that Instruction in Real Time Gross Settlement on the scheduled Settlement Date, determined in accordance with Section 10; and~~
- ~~(b) ASX Settlement will Record each such RTGS Instruction for Real Time Gross Settlement and within the Scheduled Time, notify each counterparty and advise the applicable RTGS Settlement Date.~~

Introduced 11/03/04 Origin SCH 7A.8.2, 7A.8.3

## 11.12 RTGS SWITCH TO BATCH SETTLEMENT [DELETED]

### 11.12.1 Valid Switch to Batch Settlement Messages [Deleted]

~~Subject to this Rule 11.12, ASX Settlement will:~~

- ~~(a) treat a Valid Switch to Batch Settlement Message that:
    - ~~(i) is Transmitted within the Scheduled Time on any RTGS Business Day to ASX Settlement by an RTGS Participant, in connection with an RTGS Instruction;~~
    - ~~(ii) relates to a DvP Instruction;~~
    - ~~(iii) if the DvP Instruction has been admitted under Rule 10.4.5 identifies it, if applicable, as one to which NGE coverage does not apply; and~~
    - ~~(iv) does not relate to an Instruction that is RTGS Mandatory,~~~~
- ~~as constituting a Batch Instruction, and~~
- ~~(b) remove the RTGS Instruction from Real Time Gross Settlement; and~~
  - ~~(c) within the Scheduled Time, notify each counterparty that the Instruction has been removed from Real Time Gross Settlement and will be settled in Batch Settlement,~~

~~and Section 10 will apply.~~

Introduced 11/03/04 Origin SCH 7A.9.1

**11.12.2 Messages relating to a Dual Entry RTGS Instruction must be Matched ~~[Deleted]~~**

~~ASX Settlement has no obligation to act in accordance with a Valid Switch to Batch Settlement Message that relates to a Dual Entry RTGS Instruction, unless it has Matched that Message.~~

Introduced 11/03/04 Origin SCH 7A.9.2

**11.12.3 When ASX Settlement will Match Dual Entry Switch to Batch Settlement Messages ~~[Deleted]~~**

~~ASX Settlement will:~~

- ~~(a) Match a Valid Dual Entry Switch to Batch Settlement Message that:
  - ~~(i) is Transmitted by a Participant to ASX Settlement within the Scheduled Time; and~~
  - ~~(ii) specifies or implies the same mandatory details as the Message Transmitted by the counterparty Participant; and~~~~
- ~~(b) treat the Matched Dual Entry Switch to Batch Settlement Message as collectively constituting a Batch Instruction.~~

Introduced 11/03/04 Origin SCH 7A.9.3, 7A.9.4, 7A.9.5

**11.12.4 Batch Instructions to be settled on the Settlement Date ~~[Deleted]~~**

~~Subject to this Rule 11.12, ASX Settlement will schedule each such Batch Instruction for inclusion in Batch Settlement on the requested Settlement Date.~~

~~Note: An Instruction transferred to Batch Settlement under Rule 11.12 will not be novated to CCP and will only be netted on an administrative basis.~~

Introduced 11/03/04 Origin SCH 7A.9.6

**11.12.5 No Settlement Date specified ~~[Deleted]~~**

~~If a Batch Instruction constituted in accordance with this Rule 11.12 does not specify a Settlement Date, ASX Settlement will be taken to have been instructed to settle the Instruction in Batch Settlement:~~

- ~~(a) if the Instruction is constituted within the Scheduled Time, on the Business Day Recorded as the RTGS Settlement Date; or~~
- ~~(b) if the Instruction is not constituted within the Scheduled Time on the Business Day Recorded as the RTGS Settlement Date, on the next Business Day.~~

Introduced 11/03/04 Origin SCH 7A.9.7

**11.12.6 Requests for change in HIN ~~[Deleted]~~**

~~If, within the Scheduled Time, an RTGS Participant Transmits to ASX Settlement a Valid Message that requests a change in the HIN to apply for the Source Holding or the Target~~

~~Holding, as applicable, in connection with a Batch Instruction constituted under this Rule 11.12 ASX Settlement will:~~

- ~~(a) record a change to the Instruction in accordance with the Message; and~~
- ~~(b) within the Scheduled Time, notify the Participant that Transmitted the Message.~~

~~Note: Changes of the kind specified in this Rule are only notified to the Participant that Transmitted the Message: refer to Rules 16.18 and 16.19.~~

~~Rule 11.12.6 provides the mechanism by which a Participant may switch between Payment Facilities (and Payment Providers) when switching between settlement modes.~~

Introduced 11/03/04 Origin SCH 7A.9.8

## **11.12.7 Processing of Instructions by ASX Settlement [Deleted]**

- ~~(a) Each RTGS Participant acknowledges that ASX Settlement's ability to process a Switch to Batch Settlement Message that requests settlement of a Instruction (or related HIN change) on the Business Day on which the Message is Transmitted to ASX Settlement will depend on system processing demands in CHES between Start of Day and Settlement Cut-off on that day.~~
- ~~(b) Despite any other Rule, while ASX Settlement will use reasonable endeavours to process any Message received in terms of Rule 11.12.7(a), it will have no liability for any failure to process any such Instruction as requested in that day's Settlement Processing Phase.~~

~~Note: CHES queuing processes for preparation of the daily net batch settlement under Section 10 will in the ordinary course have priority over Messages requesting switches that are received close to Settlement Cut-off.~~

Introduced 11/03/04 Origin SCH 7A.9.9

## **11.13 RTGS INSTRUCTIONS**

### **11.13.1 Requirements of RTGS Instructions**

Subject to this Rule 11.13, ASX Settlement will:

- (a) treat a Valid RTGS Message Transmitted to it within the Scheduled Time on any RTGS Business Day as constituting an RTGS Instruction; and
- (b) Record an RTGS Instruction for Real Time Gross Settlement on that RTGS Business Day.

Introduced 11/03/04 Origin SCH 7A.10.1

**11.13.2** ~~Messages relating to~~ Bilateral Demand Settlement ~~DvP RTGS Instructions~~  
Messages must be Matched

ASX Settlement has no obligation to Record or act in accordance with a Valid Bilateral Demand Settlement Message ~~Valid RTGS Message that relates to a DvP RTGS Instruction~~, unless it has Matched that Message.

Introduced 11/03/04 Origin SCH 7A.10.2

**11.13.3** When ASX Settlement will Match ~~Dual Entry~~ Bilateral Demand Settlement  
Messages ~~RTGS~~

ASX Settlement will Match ~~a Dual Entry~~ Valid Bilateral Demand Settlement ~~RTGS~~  
Messages received on any RTGS Business Day in accordance with Rule 9.5A.4.

~~that:~~

- ~~(a) is Transmitted to ASX Settlement by a Participant within the Scheduled Time; and~~
- ~~(b) (i) specifies or implies the same mandatory details; and~~
  - ~~(ii) specifies or implies the same Settlement Amount or a Settlement Amount that differs by no more than the Settlement Amount Tolerance; and~~

~~treat the Matched Dual Entry RTGS Message as the RTGS Message Transmitted to ASX Settlement by the counterparty Participant.~~

Introduced 11/03/04 Origin SCH 7A.10.3, 7A.10.4

**11.13.4** Treatment of Matched Message

~~If, within the Scheduled Time, ASX Settlement Matches Valid Dual Entry RTGS Messages, it will:~~ If ASX Settlement Matches Valid Bilateral Demand Settlement Messages on an RTGS Business Day, it will take action, including determining the Settlement Amount for the relevant RTGS Instruction, in accordance with Rule 9.5A.6. For the purposes of Section 11, the Settlement Amount will equal the Payment Obligation in relation to that RTGS Instruction.

- ~~(a) treat the Matched Messages as constituting an RTGS Instruction; and~~
- ~~(b) if the amount to be included as the Settlement Amount specified in each such Message differs by no more than the Settlement Amount Tolerance, apply the lower of the two amounts as the Settlement Amount for the relevant RTGS Instruction; and~~
- ~~(c) for each RTGS Instruction:
  - ~~(i) Record it for Real Time Gross Settlement; and~~
  - ~~(ii) within the Scheduled Time, notify each counterparty and advise the applicable RTGS Settlement Date.~~~~

Introduced 11/03/04 Origin SCH 7A.10.4, 7A.10.5, 7A.10.6

### 11.13.5 Obligations between counterparties to an RTGS Instruction

As between the RTGS Participants that are the counterparties to a particular RTGS Instruction, the obligations of each of them:

- (a) to pay or receive an amount; ~~and~~<sup>or</sup>
- (b) in the case of a [Bilateral Demand Settlement](#) ~~DvP-RTGS~~ Instruction, to deliver or receive Financial Products,

are taken to be owed to the other as principal, even if a Participant has a settlement obligation to another person in relation to the underlying RTGS Instruction.

Introduced 11/03/04 Origin SCH 7A.10.7

## 11.14 RTGS STANDING INSTRUCTIONS [\[DELETED\]](#)

### 11.14.1 Standing Buy Accounts [\[Deleted\]](#)

~~If a Valid RTGS Message Transmitted to ASX Settlement by the RTGS Participant that is the payer on settlement of the relevant Payment Obligation:~~

- ~~(a) — does not specify an RTGS Account Identifier for the purpose of making the payment required to discharge that Payment Obligation on settlement; and~~
- ~~(b) — the Participant has notified ASX Settlement of its Standing Buy Account Identifier;~~

~~the Message will be taken to specify that Participant's Standing Buy Account Identifier as the RTGS Account Identifier.~~

Introduced 11/03/04 Origin SCH 7A.11.1

### 11.14.2 Standing Sell Accounts [\[Deleted\]](#)

~~If a Valid RTGS Message Transmitted to ASX Settlement:~~

- ~~(a) — does not specify an RTGS Account Identifier for the purpose of the RTGS Participant that is the payee on settlement of the relevant Payment Obligation receiving payment of that Payment Obligation; and~~
- ~~(b) — the Participant has notified ASX Settlement of its Standing Sell Account Identifier;~~

~~the Message will be taken to specify that Participant's Standing Sell Account Identifier as the RTGS Account Identifier.~~

~~Note: — ASX Settlement will reject a Message that does not specify, or cannot be taken to specify, an RTGS Account Identifier.~~

Introduced 11/03/04 Origin SCH 7A.11.2

### 11.14.3 Standing Settlement HIN for Source Holding [\[Deleted\]](#)

~~If a Valid Dual Entry RTGS Message Transmitted to ASX Settlement by the Participant that is the delivering Participant on settlement:~~

~~(a) — does not specify a HIN for the Source Holding from which the Financial Products are required to be delivered; and~~

~~(b) — the Participant has notified ASX Settlement of a Standing Settlement HIN pursuant to Section 10 of the Rules,~~

~~the Message will be taken to specify that Standing Settlement HIN as the HIN for the Source Holding.~~

Introduced 11/03/04 Origin SCH 7A.11.3

#### **11.14.4 Standing Settlement HIN for Target Holding [\[Deleted\]](#)**

~~If a Valid Dual Entry RTGS Message Transmitted to ASX Settlement by the Participant that is the receiving Participant on settlement:~~

~~(a) — does not specify a HIN for the Target Holding to which the Financial Products are required to be delivered; and~~

~~(b) — the Participant has notified ASX Settlement of a Standing Settlement HIN pursuant to Section 10 of the Rules,~~

~~the Message will be taken to specify that Standing Settlement HIN as the HIN for the Target Holding.~~

~~*Note: — ASX Settlement will reject a Message that does not specify, or cannot be taken to specify, a HIN.*~~

Introduced 11/03/04 Origin SCH 7A.11.4

## **11.15 RECORDING RTGS INSTRUCTIONS**

### **11.15.1 ASX Settlement to store details of each RTGS Instruction**

~~ASX Settlement will store electronically in CHES details of each RTGS Instruction, or change to an RTGS Instruction, notified to it in accordance with the Rules, for RTGS processing through the Feeder System on the RTGS Settlement Date specified, or taken to be specified, in that RTGS Instruction.~~

For the avoidance of doubt, Feeder System records constitute confirmation, as between relevant Participants, of the settlement details for an RTGS Instruction, but its formation is determined in accordance with the applicable law.

Introduced 11/03/04 Origin SCH 7A.12

## **11.16 CHANGE TO RTGS INSTRUCTIONS**

### **11.16.1 ~~Complying with a Valid Message~~ [Change to RTGS Instructions](#)**

[An RTGS Participant cannot request ASX Settlement to change any of the details Recorded for an RTGS Instruction to which that Participant is counterparty.](#)

~~Subject to this Rule 11.16, ASX Settlement will:~~

~~(a) — comply with a Valid Message:~~

- ~~(i) Transmitted to it by an RTGS Participant within the Scheduled Time on any RTGS Business Day; and~~
- ~~(ii) requesting ASX Settlement to change any of the details Recorded for an RTGS Instruction to which that Participant is counterparty;~~
- ~~(b) within the Scheduled Time, notify the sender that the change has been made; and~~
- ~~(c) if both counterparties are Settlement Participants that are Clearing Participants and the RTGS Instruction relates to an On-Market Transaction, include details of the change in a Surveillance Report of changed On-Market Transactions.~~

Introduced 11/03/04 Origin SCH 7A.13.1

#### **11.16.2 No obligation to act unless Message Matched [\[Deleted\]](#)**

~~ASX Settlement has no obligation to act in accordance with a Valid Message requesting ASX Settlement to change any of the details of a Dual Entry RTGS Instruction, unless it has Matched the Message.~~

Introduced 11/03/04 Origin SCH 7A.13.2

#### **11.16.3 Message to change the details of a Dual Entry RTGS Instruction [\[Deleted\]](#)**

~~A Message to change the details of a Dual Entry RTGS Instruction must:~~

- ~~(a) be Transmitted to ASX Settlement by a Participant within the Scheduled Time; and~~
- ~~(b) specify or imply the same mandatory details as the Message Transmitted by the counterparty Participant, and~~

~~ASX Settlement will match such Messages.~~

Introduced 11/03/04 Origin SCH 7A.13.3, 7A.13.4

#### **11.16.4 Changing an RTGS instruction [\[Deleted\]](#)**

~~If within the Scheduled Time, a counterparty to a Dual Entry RTGS Instruction Transmits a Valid Message that requests a change to:~~

- ~~(a) if the Participant is the delivering Participant, the Source Holding; and~~
- ~~(b) if the Participant is the receiving Participant:
 
  - ~~(i) the Target Holding; or~~
  - ~~(ii) in the case of an RTGS Instruction designated as Off-Market, any stamp duty details required under the Rules,~~~~

~~ASX Settlement will:~~

- ~~(c) change the RTGS Instruction in accordance with the Message; and~~
- ~~(d) notify the Participant that Transmitted the Message within the Scheduled Time.~~



*Note: — Changes of the kind specified in this Rule are only notified to the Participant that Transmitted the Message. Refer to Rule 16.18 and 16.19 for general rules regarding notifications by ASX Settlement.*

Introduced 11/03/04 Origin SCH 7A.13.5

## 11.17 RTGS SUSPENSION AND CANCELLATION OF RTGS INSTRUCTIONS

### 11.17.1 Suspension or termination of RTGS Payments Provider

If ASX Settlement suspends or terminates the participation of an RTGS Payments Provider in Real Time Gross Settlement in CHESSE, ASX Settlement may:

- (a) suspend any RTGS Instruction which at that time is:
  - (i) Recorded for Real Time Gross Settlement; or
  - (ii) under processing in the Feeder System Queue;
- (b) cancel any RTGS Message that at that time has not been Matched; or
- (c) reject any RTGS Message subsequently received from a Participant,

if that RTGS Instruction or RTGS Message would affect a Payment Facility maintained by that Payments Provider for the benefit of any RTGS Participant.

Introduced 11/03/04 Origin SCH 7A.14.1

### 11.17.2 Suspension of RTGS Participant

If, under Rule 12.19.1, ASX Settlement suspends the participation of any RTGS Participant, ASX Settlement will, subject to Rules 11.17.7 ~~and Rule 12.14.9~~:

- (a) suspend any RTGS Instruction to which that Participant is a counterparty and which at that time is:
  - (i) Recorded for Real Time Gross Settlement; or
  - (ii) under processing in the Feeder System Queue; and
- (b) cancel any ~~Dual Entry~~ Bilateral Demand Settlement RTGS Message Transmitted by the Participant that has not at that time been Matched and reject any RTGS Message subsequently received from that Participant.

*Note: Refer to Rule 12.20.1 in relation to the consequences of termination of a Participant.*

Introduced 11/03/04 Origin SCH 7A.14.2

### 11.17.3 Suspended RTGS Instructions

ASX Settlement will may cancel any RTGS Instruction that remains suspended, for whatever reason, at RTGS End of Day.:

- ~~(a) on each RTGS Business Day on which any RTGS Instruction remains suspended, Record the RTGS Instruction for Real Time Gross Settlement on the next RTGS Business Day; and~~
- ~~(b) cancel any RTGS Instruction that remains suspended at RTGS End of Day on the 10th consecutive RTGS Business Day after the commencement of suspension.~~

Introduced 11/03/04 Origin SCH 7A.14.3

#### **11.17.4 Cancellation of RTGS Instructions by Participants [\[Deleted\]](#)**

~~Subject to this Rule 11.17.4, if within the Scheduled Time a Participant Transmits to ASX Settlement a Valid Message requesting cancellation of an RTGS Instruction to which that Participant is a counterparty and in respect of which it has a Payment Obligation, ASX Settlement will:~~

- ~~(a) cancel its Recording of the RTGS Instruction and, if applicable, remove it from the Feeder System Queue; and~~
- ~~(b) within the Scheduled Time, notify the sender that the RTGS Instruction has been removed from Real Time Gross Settlement in CHESSE; and~~
- ~~(c) if both counterparties are Settlement Participants that are Clearing Participants and the RTGS Instruction relates to an On-Market Transaction, include details of the change in a Surveillance Report.~~

Introduced 11/03/04 Origin SCH 7A.14.4

#### **11.17.5 [No Messages to cancellation of Dual Entry](#) RTGS Instructions**

[A Participant to an RTGS Instruction may not Transmit a Message to ASX Settlement requesting cancellation of that Instruction.](#)

~~If a Message to cancel a Dual Entry RTGS Instruction:~~

- ~~(a) is Transmitted to ASX Settlement by a Participant within the Scheduled Time; and~~
- ~~(b) specifies or implies the same mandatory details as the Message Transmitted by the counterparty Participant,~~

~~ASX Settlement will Match the Messages.~~

Introduced 11/03/04 Origin SCH 7A.14.6, 7A.14.7

#### **11.17.6 Cancellation of Dual Entry RTGS Instructions [\[Deleted\]](#)**

~~ASX Settlement has no obligation to act in accordance with a Valid Message requesting cancellation of a Dual Entry RTGS Instruction, unless it has Matched the Message.~~

Introduced 11/03/04 Origin SCH 7A.14.5

### 11.17.7 ~~Suspension or cancellation~~ of an RTGS Instruction during RTGS Settling Phase

Despite any other Rule, ASX Settlement has no obligation to suspend settlement processing of, ~~or cancel,~~ an RTGS Instruction that has entered the RTGS Settling Phase except to the extent that the Reserve Bank of Australia, as operator of RITS/RTGS, permits ASX Settlement to recall from, or otherwise inactivate in, RITS/RTGS funds transfer details relating to that RTGS Instruction.

Introduced 11/03/04 Origin SCH 7A.14.8

## 11.17A RTGS FINANCIAL PRODUCTS SUBJECT TO DEMAND LOCK

### 11.17A.1 Application of Demand Lock to Financial Products the subject of a Bilateral Demand Settlement Transfer

ASX Settlement will apply a Demand Lock to Financial Products that are the subject of a Bilateral Demand Settlement Transfer in accordance with Rule 9.5A.2.

### 11.17A.2 Cancellation of Demand Lock applied to Financial Products

ASX Settlement will cancel any Demand Lock applied to Financial Products that are the subject of a Bilateral Demand Settlement Instruction if:

- (a) the Bilateral Demand Settlement Instruction to which the Demand Lock relates is Failed or suspended in accordance with the Rules;
- (b) the Financial Products subject to the Demand Lock are no longer Available Financial Products; or
- (c) the Financial Products subject to the Demand Lock are subject to a Reconstruction and ASX Settlement has received a Valid Message from an Issuer under Rule 8.15.19.

however ASX Settlement has no obligation to cancel a Demand Lock applied to Financial Products in connection with a Bilateral Demand Settlement Instruction, the funds transfer details of which have been sent across the Feeder System interface to RITS, unless the Reserve Bank of Australia, as operator of RITS, permits ASX Settlement to recall the RTGS Instruction from, or otherwise inactivate it in, RITS.

Note: Rule 11.17A.2(b) acknowledges that ASX Settlement may be compelled by order of a court of competent jurisdiction to apply a Holding Lock to the Holding from which the relevant Financial Products are to be delivered in Real Time Gross Settlement.

### 11.17A.3 Cancellation of Bilateral Demand Settlement Instruction if Financial Products unavailable

Where ASX Settlement has cancelled a Demand Lock applied to Financial Products that are the subject of a Bilateral Demand Settlement Instruction pursuant to Rule 11.17A.2(b), that Bilateral Demand Settlement Instruction will be cancelled.

## 11.18 RTGS SETTLEMENT PROCESSING

### 11.18.1 ASX Settlement to process for Real Time Gross Settlement

On each RTGS Business Day, ASX Settlement must process for Real Time Gross Settlement in accordance with the Rules, RTGS Instructions that have been Recorded for Real Time Gross Settlement on that day. [ASX Settlement will send an RTGS Instruction Recorded for Real Time Gross Settlement to the Feeder System Queue.](#)

Introduced 11/03/04 Origin SCH 7A.15.1

### 11.18.2 Real Time Gross Settlement of RTGS Instructions

For any RTGS Instruction that identifies a Payment Obligation, the details of which are required to be sent across the Feeder System interface with RITS/RTGS for any purpose whatsoever in the course of the RTGS Settling Phase, ASX Settlement assumes obligations under Rule 11.18.1 subject to and conditional on:

- (a) the availability of RITS/RTGS, its feeder interface process with CHES and any supporting communications infrastructure;
- (b) the availability of the AIF; and
- (c) without limiting the foregoing, the Reserve Bank of Australia not exercising any discretion, right or duty in accordance with the RITS Regulations to suspend, or vary the operational timetable for, RITS/RTGS operations.

Introduced 11/03/04 Origin SCH 7A.15.2

### 11.18.3 ASX Settlement entitled to rely on messages and reports

ASX Settlement is entitled:

- (a) to assume (without independently verifying) the authenticity and correctness of:
  - (i) any electronic message received across the Feeder System interface with RITS/RTGS that meets required specifications; or
  - (ii) any RTGS Contingency Report,  
  
in either case that is sent or purports to be sent to it by the Reserve Bank of Australia as operator of RITS/RTGS; and
- (b) to act under the Rules (which may include, but is not limited to, settling any RTGS Instruction) in reliance, in good faith, on any such message or report.

Introduced 11/03/04 Origin SCH 7A.15.3

### 11.18.4 RTGS Instructions must be 'ready to settle' ~~[Deleted]~~

~~ASX Settlement has no authority to process an RTGS Instruction Recorded for settlement on a particular RTGS Settlement Date until each of:~~

- ~~(a) the RTGS Participant that is required to perform the relevant Payment Obligation; and~~

~~(b) in relation to a DvP RTGS Instruction, the RTGS Participant that is required to perform the relevant Delivery Obligation,~~

~~Has, by the Scheduled Time on that day, separately Transmitted a Valid Message to ASX Settlement to confirm that the RTGS Instruction is 'ready to settle'.~~

Introduced 11/03/04 Origin SCH 7A.15.4

#### **11.18.5 RTGS Instructions to be sent to Feeder System Queue [Deleted]**

~~An RTGS Instruction that, in accordance with Rule 11.18.4, has been confirmed as 'ready to settle' on the applicable RTGS Settlement Date, will be sent to the Feeder System Queue for testing in CHESSE.~~

Introduced 11/03/04 Origin SCH 7A.15.5

#### **11.18.6 Processing by ASX Settlement of RTGS Instructions**

ASX Settlement is entitled to:

~~(a) determine the operation of the testing procedures in the Feeder System Queue from time to time at its discretion; and~~

~~(b) progress the RTGS Settling Phase for RTGS Instructions held in the Feeder System Queue from time to time, in the order determined by it and notified to Participants from time to time, in each case having regard to the efficiency and integrity of the Feeder System, and CHESSE generally.~~

Introduced 11/03/04 Origin SCH 7A.15.6

#### **11.18.7 Correction by ASX Settlement of Net Position Record [Deleted]**

~~ASX Settlement may at any time correct any error or omission in a Net Position Record or any Cash Sub-record linked to it, with effect from the time at which the correct, or nil, entry ought to have been made, and in respect of such action:~~

~~(a) ASX Settlement may when practicable consult with the affected RTGS Participant and its RTGS Payments Provider before making such corrections;~~

~~(b) ASX Settlement must notify each of them before reversing or correcting any such entry;~~

~~(c) ASX Settlement will provide to the relevant Payments Provider, details of the adjustment (if any) that that Payment Provider must make to its records for any corresponding account; and~~

~~(d) any failure by ASX Settlement to give such notification will not invalidate the relevant correction.~~

Introduced 11/03/04 Origin SCH 7A.15.7, 7A.15.8

#### **11.18.8 Authorisation of RTGS Instruction by RTGS Payments Provider**

(a) ASX Settlement will send a message to the RTGS Payments Provider that is required to perform a Payment Obligation in relation to an RTGS Instruction for authorisation by that RTGS Payments Provider by the Scheduled Time.

- (b) ASX Settlement will not progress an RTGS Instruction to the RTGS Settling Phase until the RTGS Payments Provider that is required to perform the relevant Payment Obligation has separately Transmitted a Valid Message to ASX Settlement to authorise that Payment Obligation.
- (c) If the RTGS Payments Provider Transmits a Valid Message to ASX Settlement rejecting that Payment Obligation then that RTGS Instruction will be Failed and ASX Settlement will cancel its Record of the RTGS Instruction (and notify the counterparty or counterparties (as applicable) within the Scheduled Time).

## 11.19 RTGS FINANCIAL PRODUCTS TESTING ~~[Deleted]~~

### 11.19.1 Reservation of Financial Products for settlement of Delivery Obligations ~~[Deleted]~~

~~If within the Scheduled Time, ASX Settlement determines, in relation to a Delivery Obligation identified in a particular RTGS Instruction held in the Feeder System Queue, that:~~

- ~~(a) the Financial Products specified are Available Financial Products;~~
  - ~~(b) (i) the Source Holding; or~~
    - ~~(ii) during an Ex Period, a Cum Entitlement Balance for the Source Holding,~~
  - ~~specified in the RTGS Instruction will not give rise to an RTGS Delivery Shortfall; and~~
  - ~~(c) if Rule 11.20.1 applies to the related Payment Obligation, the payment is Debit Cap Compliant,~~
- ~~then in respect of that RTGS Instruction:~~
- ~~(d) ASX Settlement will generate an electronic communication to reserve the number of Financial Products required to be delivered from that Holding in Real Time Gross Settlement on that day in order to settle the relevant Delivery Obligation;~~
  - ~~(e) ASX Settlement will within the Scheduled Time, notify each counterparty to the RTGS Instruction; and~~
  - ~~(f) any Reservation of Financial Products made by ASX Settlement under Rule 11.19.1 may only be cancelled by ASX Settlement in accordance with the Rules.~~

Introduced 11/03/04 Origin SCH 7A.16.1, 7A.16.2

### 11.19.2 Cancellation of Reservation of Financial Products ~~[Deleted]~~

~~ASX Settlement will cancel any Reservation of Financial Products if:~~

- ~~(a) the RTGS Instruction to which the Reservation relates is Failed, cancelled or suspended in accordance with the Rules; or~~

~~(b) — the Financial Products so Reserved are no longer Available Financial Products, however ASX Settlement has no obligation to cancel a Reservation of Financial Products in connection with an RTGS Instruction, the funds transfer details of which have been sent across the Feeder System interface to RITS/RTGS, unless the Reserve Bank of Australia, as operator of RITS/RTGS, permits ASX Settlement to recall the Instruction from, or otherwise inactivate it in, RITS/RTGS.~~

~~Note: — Rule 11.19.2(b) acknowledges that ASX Settlement may be compelled by order of a court of competent jurisdiction to apply a Holding Lock to the Holding from which the Reserved Financial Products are to be delivered in Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.16.3, 7A.16.4

### **11.19.3 Cancellation of Reserved Financial Products which are no longer Available Financial Products [\[Deleted\]](#)**

~~Where ASX Settlement has cancelled a Reservation of Financial Products in relation to an RTGS Instruction pursuant to Rule 11.19.2(b), that RTGS Instruction will, to the extent legally permissible, remain in the Feeder System Queue and be recycled for testing under this Rule 11.19.~~

Introduced 11/03/04 Origin SCH 7A.16.5

## **11.20 RTGS DEBIT CAP TESTING [\[DELETED\]](#)**

### **11.20.1 Net Position Records with an active Debit Cap [\[Deleted\]](#)**

~~This Rule 11.20.1 applies at any time when a Participant's Net Position Record records an active Debit Cap.~~

Introduced 11/03/04 Origin SCH 7A.17.1

### **11.20.2 Debit Cap Compliant payments [\[Deleted\]](#)**

~~Payment of the amount of a Payment Obligation identified in an RTGS Instruction will be Debit Cap Compliant only if the Available Credit at that time recorded against the applicable Net Position Record exceeds the amount of the Payment Obligation.~~

Introduced 11/03/04 Origin SCH 7A.17.2

### **11.20.3 Available Credit and debit balances in relation to a Net Position Record [\[Deleted\]](#)**

~~For the purposes of this Section 11:~~

~~(a) — Available Credit in relation to a Net Position Record will:~~

~~(i) — be determined by deducting from the Debit Limit at the relevant time, the sum of:~~

~~A. — the amount of the balance recorded as a debit against the Net Position Record at that time; and~~

- ~~B. the amount of the balance recorded as a credit against any linked Cash Sub-record that at that time is designated as an Excluded Cash Sub-record; and~~
- ~~(ii) not take account of any Payment Obligation identified in an RTGS Instruction that is in the RTGS Settling Phase at that time, where the relevant Participant is the payee on settlement; and~~
- ~~(b) the debit balance recorded against a Net Position Record at any time will be taken to include the amount of any Payment Obligation:
 
  - ~~(i) at that time in the RTGS Settling Phase;~~
  - ~~(ii) where the relevant Participant is the payer on settlement; and~~
  - ~~(iii) that is indicatively recorded as an unsettled debit against that Net Position Record.~~~~

Introduced 11/03/04 Origin SCH 7A.17.3

#### **11.20.4 Generation of an electronic communication [\[Deleted\]](#)**

~~If Rule 11.20.1 applies and, within the Scheduled Time, ASX Settlement determines that:~~

- ~~(a) payment of the amount of any Payment Obligation identified in an RTGS Instruction is Debit Cap Compliant; and~~
- ~~(b) if that RTGS Instruction is a DvP RTGS Instruction, Rules 11.19.1(a) and (b) are satisfied,~~

~~ASX Settlement will cause an electronic communication to be generated to record indicatively as an unsettled debit against the Net Position Record of the Participant that is the payer on settlement, an amount of funds equal to the amount of that Payment Obligation.~~

Introduced 11/03/04 Origin SCH 7A.17.4

## **11.21 RTGS RETESTING IN FEEDER SYSTEM QUEUE [\[DELETED\]](#)**

### **11.21.1 RTGS Instruction to remain in Feeder System Queue [\[Deleted\]](#)**

~~An RTGS Instruction that:~~

- ~~(a) is held in the Feeder System Queue; and~~
- ~~(b) fails to meet any applicable testing criteria within CHESS, including but not limited to those set out in Rules 11.19 and 11.20,~~

~~will:~~

- ~~(c) not progress to the RTGS Settling Phase as contemplated by Rule 11.22; and~~
- ~~(d) remain in the Feeder System Queue, awaiting retesting in CHESS.~~

Introduced 11/03/04 Origin SCH 7A.18



## 11.22 RTGS SETTLING PHASE

### 11.22.1 Commencement of RTGS Settling Phase

The RTGS Settling Phase, in relation to an RTGS Instruction held in the Feeder System Queue, ~~follows the satisfactory completion of testing in CHES and~~ will be taken to have commenced immediately after ASX Settlement has:

- (a) received a Valid Message from the RTGS Payments Provider that is required to perform the Payment Obligation identified in that RTGS Instruction, authorising that Payment Obligation; and
- (b) in the case of a Bilateral Demand Settlement DvP RTGS Instruction, applied a Demand Lock over~~Reserved~~ the number of Financial Products identified in that RTGS Instruction;~~or~~

~~(b) in any other case, recorded as an unsettled debit against the affected Net Position Record of the RTGS Participant that is the payer, an amount equal to the amount of the Payment Obligation,~~

~~identified in that RTGS Instruction.~~

~~Note: A Net Position Record cannot be marked as contemplated by Rule 11.22.1(b), when Rule 11.20 applies, unless ASX Settlement has determined the payment to be Debit Cap Compliant: see Rules 11.20.2 and 11.20.4. ASX Settlement will, in the ordinary course, indicatively mark the payment against the payer's Net Position Record after completing all relevant aspects of intra-CHES testing for any RTGS Instruction.~~

Introduced 11/03/04 Origin SCH 7A.19.1

### 11.22.2 Completion of RTGS Settling Phase

Completion of the RTGS Settling Phase for an RTGS Instruction is conditional on the performance, by the RTGS Payments Provider for the RTGS Participant that is the payer on settlement, of the Payment Obligation owed by that Participant.

Introduced 11/03/04 Origin SCH 7A.19.2

### 11.22.3 Undertakings by RTGS Payments Providers

Each RTGS Payments Provider irrevocably and severally undertakes, where:

- (a) it maintains the affected Payment Facility for each of the payer and payee RTGS Participants in relation to a Payment Obligation identified in an RTGS Instruction; and
- (b) the RTGS Instruction settles in accordance with the Rules under Rule 11.25.

to give effect to the irrevocable settlement between the Participants of that Payment Obligation:

- (c) for the benefit of each of them; and

(d) as contemplated in the Rules, including without limitation Rule 11.27.

Introduced 11/03/04 Origin SCH 7A.19.3

## 11.23 RTGS PAYMENT WITHOUT AIF ~~CHES~~ ~~CONTROLLED AUTHORISATION OF PAYMENT~~

### 11.23.1 Application of Rule

~~The procedures in~~ This Rule 11.23 ~~apply~~ applies to any RTGS Instruction that has entered the RTGS Settling Phase where the relevant RTGS Payments Provider does not determine credit decisions for the RTGS Participant that is identified as the payer of the Payment Obligation through the AIF.:

- ~~(a) a Debit Cap has been, and remains, activated for the Net Position Record of the RTGS Participant that is identified as the payer of the Payment Obligation; and~~
- ~~(b) ASX Settlement has determined, within the Scheduled Time, that the payment is Debit Cap Compliant.~~

Introduced 11/03/04 Origin SCH 7A.20.1

### 11.23.2 RTGS Payments Providers of RTGS Participants

Where an RTGS Instruction has entered the RTGS Settling Phase, ASX Settlement will send a message across the Feeder System interface to RITS that:

- (a) reports to RITS on behalf of the relevant RTGS Payments Provider, a request to settle a funds transfer, in an amount equal to the amount of the Payment Obligation identified in that RTGS Instruction, from the RTGS Payments Provider for the payer Participant to the RTGS Payments Provider for the payee Participant; and
- (b) requests RITS to generate a settlement message to the Feeder System if that is done; and

if ASX Settlement receives, within the Scheduled Time, a message in terms of Rule 11.23.2(b), the condition in Rule 11.22.2 is satisfied.

~~When the RTGS Participant that is the payer, and the RTGS Participant that is the payee, of a Payment Obligation identified in an RTGS Instruction have, in relation to their respective affected Payments Facilities:~~

- ~~(a) the same Payments Provider and Rule 11.23.1 applies, then the condition in Rule 11.22.2 is, without more, taken to be satisfied; or~~
- ~~(b) different Payment Providers; then
  - ~~(i) ASX Settlement will send a message across the Feeder System interface to RITS/RTGS that:
    - ~~A. reports to RITS/RTGS on behalf of the relevant RTGS Payments Providers, a request to settle a funds transfer, in an amount equal to the amount of the Payment Obligation identified in that RTGS Instruction, from the RTGS Payments~~~~~~

~~Provider for the payer Participant to the RTGS Payments Provider for the payee Participant; and~~

~~B. requests RITS/RTGS to generate a settlement message to the Feeder System if that is done; and~~

~~(ii) if ASX Settlement receives, within the Scheduled Time, a message in terms of Rule 11.23.2(b)(i)(B), the condition in Rule 11.22.2 is satisfied.~~

Introduced 11/03/04 Origin SCH 7A.20.2, 7A.20.3

### 11.23.3 RTGS Contingency Reports

If, on any RTGS Business Day:

- (a) RITS/RTGS, or its interface with the Feeder System, fails; or
- (b) the RITS/RTGS database is corrupted,

the Reserve Bank of Australia has advised that it will provide an RTGS Contingency Report to ASX Settlement before RTGS End of Day on that day; and

- (c) if an RTGS Contingency Report advises ASX Settlement that a request for a funds transfer requested under Rule 11.23.2(a)(i)(A) is accepted, that advice is taken to:
  - (i) be final; and
  - (ii) satisfy the condition in Rule 11.22.2 in relation to the relevant RTGS Instruction.

Introduced 11/03/04 Origin SCH 7A.20.4

## 11.24 RTGS PAYMENT WITH AIF CONTROLLED AUTHORISATION ~~OF PAYMENT~~

### 11.24.1 Application of Rule

~~The procedures in this~~ This Rule 11.24 ~~apply~~ applies to any RTGS Instruction that, within the Scheduled Time, has entered the RTGS Settling Phase, where the relevant RTGS Payments Provider determines credit decisions for the RTGS Participant that is identified as the payer of the Payment Obligation through the AIF.

Introduced 11/03/04 Origin SCH 7A.21.1

### 11.24.2 RTGS Payments Providers of RTGS Participants

Where the RTGS Participant that is the payer, and the RTGS Participant that is the payee, of a Payment Obligation identified in an RTGS Instruction have, in relation to their respective affected Payment Facilities:

- (a) the same RTGS Payments Provider:

- (i) ASX Settlement will send a message across the Feeder System interface with RITS/RTGS to reach the [RTGS](#) Payments Provider through the AIF that:
  - A. notifies the funds transfer details of the Payment Obligation identified in the RTGS Instruction;
  - B. requests the RTGS Payments Provider to perform the Payment Obligation; and
  - C. requests RITS/RTGS, if so instructed by that [RTGS](#) Payments Provider, to generate a settlement message to the Feeder System; and
- (ii) if ASX Settlement receives, within the Scheduled Time, a message in terms of Rule 11.24.2(a)(i)(C), the condition in Rule 11.22.2 is taken to be satisfied; or
- (b) different [RTGS](#) Payments Providers:
  - (i) ASX Settlement must send a message across the Feeder System interface with RITS/RTGS that:
    - A. requests, if applicable, a RITS Presettlement Advice to be generated in respect of the Payment Obligation identified in that RTGS Instruction and sent through the AIF to the [RTGS Payments](#) Provider for the payer Participant;
    - B. reports to RITS/RTGS on behalf of the relevant RTGS Payments Providers, a request to settle a funds transfer in an amount equal to the amount of the Payment Obligation, from the RTGS Payments Provider for the payer Participant to the RTGS Payments Provider for the payee Participant; ~~and~~
    - C. requests RITS/RTGS to generate a settlement message to the Feeder System if that is done; [and](#)
    - D. requests, if applicable, a RITS Postsettlement Advice to be generated in respect of the Payment Obligation settled in respect of that RTGS Instruction and sent through the AIF to the RTGS Payments Provider for the payer Participant; and
  - (ii) if ASX Settlement receives, within the Scheduled Time, a message in terms of Rule 11.24.2(b)(i)(C), the condition in Rule 11.22.2 is satisfied.

Introduced 11/03/04 Origin SCH 7A.21.2, 7A.21.3

### 11.24.3 RTGS Contingency Reports

- (a) If, on any RTGS Business Day:
  - (i) RITS/RTGS, or its interface with the Feeder System, fails; or
  - (ii) the RITS/RTGS database is corrupted,

the Reserve Bank of Australia has advised that it will provide an RTGS Contingency Report to ASX Settlement before RTGS End of Day on that day; and

- (b) If an RTGS Contingency Report advises ASX Settlement that a request for a funds transfer requested under Rule 11.24.2(a)(i)(B) or Rule 11.24.2(b)(i)(B) is accepted, that advice is taken to:
  - (i) be final; and
  - (ii) satisfy the condition in Rule 11.22.2 in relation to the relevant RTGS Instruction.

Introduced 11/03/04 Origin SCH 7A.21.4

## 11.25 REAL TIME GROSS SETTLEMENT

### 11.25.1 Settlement of Payment and Delivery Obligations

If and only if ASX Settlement has, in relation to an RTGS Instruction, satisfied itself within the Scheduled Time:

- (a) in terms of Rule 11.22.2; and
- (b) if that RTGS Instruction is a [Bilateral Demand Settlement Instruction](#) ~~DvP RTGS Instruction~~, that Financial Products will be delivered in performance of the relevant Delivery Obligation,

ASX Settlement will cause to be generated:

- (c) [an electronic communications](#) within CHESS that [records that](#) ~~simultaneously:~~
  - (i) ~~adjust the Net Position Record for the RTGS Participant that is the payer by debiting an amount equal to the amount of that Payment Obligation; and~~
  - (ii) ~~adjust the Net Position Record for the RTGS Participant that is the payee by crediting an amount equal to the amount of that Payment Obligation,~~

~~and~~ the Payment Obligation under that RTGS Instruction is settled; and

- (d) at the same time as (c), in the case of a [Bilateral Demand Settlement](#) ~~DvP RTGS Instruction~~, Communications that simultaneously:
  - (i) deduct the number of Financial Products specified in the relevant RTGS Instruction from the Source Holding specified in that RTGS Instruction; and
  - (ii) enter the number of Financial Products specified in the relevant RTGS Instruction into the Target Holding specified in that RTGS Instruction,

and [record that](#) the Delivery Obligation under that RTGS Instruction is settled,

with the result that, as between the counterparties, the RTGS Settling Phase for the RTGS Instruction is completed:

- (e) in CHESS at the time of ~~generating those~~ [the record in paragraph \(c\) or in the case of a Bilateral Demand Settlement Instruction, the record in paragraph \(d\)-adjustments](#); and
- (f) with the effect set out in Rule 11.26.

Introduced 11/03/04 Origin SCH 7A.22.1

### **11.25.2 Partly effecting Settlement Transfers**

A Settlement Transfer in accordance with Rule 11.25.4 is taken to be effected:

- (a) in the case of an RTGS Instruction designated as On-Market where only one Participant is a Clearing Participant, by the Clearing Participant; and
- (b) in any other case, by the delivering Participant.

Introduced 11/03/04 Origin SCH 7A.22.3

### **11.25.3 Confirmed FOR Financial Products**

If ASX Settlement, in accordance with an Instruction which initiates a Foreign to Foreign Allocation, Transfers Financial Products to a Target Holding pursuant to Rule 11.25 and the Target Holding has a Residency Indicator of [foreign \(as identified in the User Technical Documentation\)](#) “F”, those Financial Products have the status of Confirmed FOR Financial Products.

Introduced 11/03/04 Origin SCH 7A.22.4

### **11.25.4 Proper ASTC transfers under the Corporations Act**

A Communication generated under Rule 11.25.1(d) in relation to an RTGS Instruction effects a Settlement Transfer by ASX Settlement in accordance with that RTGS Instruction that is taken to be a proper ASTC transfer for the purposes of the Corporations Act.

Introduced 11/03/04 Origin SCH 7A.22.2

## **11.26 RTGS FINAL DISCHARGE OF OBLIGATIONS**

### **11.26.1 Settlement of Payment Obligations**

On settlement under Rule 11.25 of the Payment Obligation identified in an RTGS Instruction:

- (a) each obligation of a Participant to make payment under that RTGS Instruction is discharged irrevocably in full; and
- (b) each entitlement of a Participant to receive payment under that RTGS Instruction is satisfied irrevocably in full.

Introduced 11/03/04 Origin SCH 7A.23.1

## 11.26.2 Settlement of Delivery Obligations

On settlement under Rule 11.25 of the Delivery Obligation identified in an RTGS Instruction:

- (a) each obligation of a Participant to deliver Financial Products or Entitlements under that RTGS Instruction is discharged irrevocably in full; and
- (b) each entitlement of a Participant to receive Financial Products or Entitlements under that RTGS Instruction is satisfied irrevocably in full.

Introduced 11/03/04 Origin SCH 7A.23.2

## 11.27 OBLIGATIONS OF RTGS PAYMENTS PROVIDERS

### 11.27.1 RTGS Payments Provider to make available the gross amount of a Payment obligation

An RTGS Payments Provider must make available to each RTGS Participant that:

- (a) is the payee of a Payment Obligation that has settled in accordance with the Rules on a particular RTGS Business Day; and
- (b) operates a Payment Facility with the RTGS Payments Provider, ~~that is linked to the Net Position Record against which that Payment Obligation has been recorded as a credit on settlement,~~

~~for value~~ on that RTGS Business Day (at times agreed between them), the gross amount of that Payment Obligation:

- (c) in clear funds; and
- (d) in the RTGS Bank ~~a~~Account ~~designated by the RTGS Account Identifier~~ specified, or taken to be specified, for that Participant in that RTGS Instruction,

but nothing in this Rule 11.27 will be construed to negate or exclude any right of set-off or other right that may arise, other than under the Rules, as between a Participant and its RTGS Payments Provider.

Introduced 11/03/04 Origin SCH 7A.24

## 11.28 FAILED RTGS INSTRUCTIONS

### 11.28.1 RTGS Instructions which are Failed ~~or rescheduled~~

All RTGS Instructions that are Recorded for Real Time Gross Settlement on an an particular RTGS Business Day and that:

- (a) are held unsettled, for whatever reason, in the Feeder System Queue at RTGS End of Day on that day; or
- (b) have not been sent to the Feeder System Queue by RTGS End of Day,

will be:

~~(c) Failed on in respect of that RTGS Business Day and ASX Settlement will cancel its Record of the RTGS Instructions (and notify the counterparty or counterparties (as applicable) ~~notified~~ within the Scheduled Time); ~~and~~~~

~~(d) — unless Rule 11.28.2 applies, rescheduled for Real Time Gross Settlement on the next RTGS Business Day, recorded as 'ready to settle'.~~

Introduced 11/03/04 Origin SCH 7A.25.1

## 11.28.2 Switching RTGS Instruction to Batch Settlement ~~[Deleted]~~

~~If:~~

~~(a) — within the Scheduled Time, ASX Settlement receives from a Participant a Valid Switch to Batch Settlement Message that relates to a Failed RTGS Instruction; and~~

~~(b) — the requirements of Rule 11.12 are otherwise satisfied,~~

~~ASX Settlement will, subject to and in accordance with Rule 11.12, switch that RTGS Instruction to Batch Settlement.~~

~~Note: — Refer to Rule 11.12.7 in relation to processing constraints applicable to switches.~~

Introduced 11/03/04 Origin SCH 7A.25.2

## 11.29 CONSEQUENCES OF FAILED RTGS INSTRUCTIONS

### 11.29.1 Fees payable to ASX Settlement

If an Instruction relating to an On-Market Transaction is Failed under rule 11.28.1, the Participant that is:

(a) in the case of a failed RTGS Instruction that results from insufficient Financial Products, the delivering Participant; or

(b) in the case of a Failed RTGS Instruction that results from insufficient funds, the Participant that is on settlement the payer of that Payment Obligation; ~~or~~

~~(c) — in the case of a Failed RTGS Instruction that results from a failure to authorise settlement processing in terms of Rule 11.18.4, a Participant that has failed to supply authorisation,~~

is liable to pay a fee to ASX Settlement, calculated in accordance with the Fees and Charges Schedule.

Introduced 11/03/04 Origin SCH 7A.26.1

### 11.29.2 No fail administration fees in certain cases

Despite Rule 11.29.1, Fail administration fees will not be levied where the Failed RTGS Instruction is due solely to the operation of the CHESSE Feeder System, including partial



or total failure, malfunction, overload or the unavailability at any relevant time of RITS/RTGS, the AIF or communications with the relevant RTGS Payments Provider.

Introduced 11/03/04 Origin SCH 7A.26.2

## 11.30 RTGS SETTLEMENT REPORTING BY ASX SETTLEMENT

### 11.30.1 RTGS Settlement Reporting to [RTGS Payments Providers](#)

Within the Scheduled Time on each RTGS Business Day, ASX Settlement must:

(a) [Notify each RTGS Payments Provider of each RTGS Instruction that has been settled in respect of which the RTGS Payments Provider made or received payment; and](#)

~~(a)(b)~~ make available to each RTGS Payments Provider an RTGS Settlement Report for that day in respect of each RTGS Participant for which it maintains a Payment Facility ~~linked to an active Net Position Record.~~

Introduced 11/03/04 Origin SCH 7A.27.1

### 11.30.2 RTGS Settlement Reporting to Participants

Within the Scheduled Time, ASX Settlement must Notify a Participant of:

(a) each RTGS Instruction that has been settled to which the Participant is a counterparty;

(b) on each RTGS Business Day, the net movement of funds [paid or credited with respect to](#) ~~for~~ each [RTGS Bank Account Net Position Record and linked Cash Sub-record that is active in referable relation](#) to that Participant's [settled RTGS Instructions](#); and

(c) on each RTGS Business Day, the net movement of Financial Products for each Holding controlled by the Participant, from or to which Financial Products have been delivered in Real Time Gross Settlement.

Introduced 11/03/04 Origin SCH 7A.28.1

## 11.31 RTGS SETTLEMENT REPORTING BY ASX SETTLEMENT [\[DELETED\]](#)

### 11.31.1 RTGS Financial Products Distributions [\[Deleted\]](#)

~~If a Parent RTGS Instruction Recorded in the CHESSE Feeder System:~~

~~(a) is to settle in Real Time Gross Settlement on a Cum Entitlement basis;~~

~~(b) has an Entitlement to:~~

~~(i) a bonus issue;~~

~~(ii) a non-renounceable entitlement;~~

~~(iii) a renounceable rights issue; or~~

~~(iv) — a distribution in specie, and~~

~~(c) — has not settled under this Section 11 by End of Day on the Record Date for the Corporate Action,~~

~~ASX Settlement will, within the Scheduled Time:~~

~~(d) — generate an Accrued RTGS Instruction to initiate a Settlement Transfer under section 10; and,~~

~~(e) — notify the Instruction to each counterparty Participant.~~

Introduced 11/03/04 Origin SCH 7A.29.1, 7A.29.2

### **11.31.2 Instructions processed in Batch Settlement [\[Deleted\]](#)**

~~An Instruction generated under Rule 11.31.1 will be processed for settlement in Batch Settlement utilising the Payment Facility referred to in Rule 11.5.3(c) and otherwise in accordance with Rule 10.17 and Section 10 generally.~~

~~Note: — Refer to Rule 11.5.3 in relation to use of the same Payment Facility maintained for the Participant by the RTGS Payments Provider for settlement of both the Parent RTGS Instruction and the Accrued RTGS Instruction.~~

Introduced 11/03/04 Origin SCH 7A.29.2

### **11.31.3 RTGS Cash Distributions [\[Deleted\]](#)**

~~Rule 10.17 applies, as if incorporated in full in this Section 11, to a Parent RTGS Instruction that:~~

~~(a) — is Recorded to settle in Real Time Gross Settlement on a Cum Entitlement basis;~~

~~(b) — has an Entitlement to:~~

~~(i) — a dividend;~~

~~(ii) — interest; or~~

~~(iii) — a capital return; and~~

~~(c) — has not settled in full by End of Day on the Record Date for the Corporate Action,~~

~~except that references in Rule 10.17 to Batch Settlement are to be construed as if they were references to Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.30.1

### **11.31.4 RTGS Cash Adjustments for limited liability calls and renounceable rights [\[Deleted\]](#)**

~~Rules 10.19 and 10.20 apply, as if incorporated in full in this Section 11, to a Parent RTGS Instruction that:~~

~~(a) — is Recorded to settle in Real Time Gross Settlement on or before End of Day on the last Business Day on which ASX Settlement will process Transfers before:~~

- ~~(i) a call for a limited liability company falls due; or~~
- ~~(ii) application money for a renounceable rights issue falls due; and~~
- ~~(b) does not settle in full by End of Day on that Business Day,~~

~~except that references in Rule 10.20 to Batch Settlement are to be construed as if they were references to Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.31.1

**11.31.5 RTGS cash adjustments for no liability calls, options and convertible notes** [\[Deleted\]](#)

~~Rule 10.21 applies, as if incorporated in full in this Section 11, to a Parent RTGS Instruction that:~~

- ~~(a) is Recorded to settle in Real Time Gross Settlement before End of Day on the last Business Day that ASX Settlement will process Transfers before:~~
  - ~~(i) a call for no liability company falls due;~~
  - ~~(ii) the final date for the exercise of company issued options; or~~
  - ~~(iii) the final date for the conversion of convertible Financial Products;~~
- ~~(b) does not settle in full by End of Day on that Business Day; and~~
- ~~(c) both Participants have agreed that settlement will be effected by a Transfer of the Financial Products that result from the:~~
  - ~~(i) call;~~
  - ~~(ii) exercise; or~~
  - ~~(iii) conversion;~~

~~except that references in Rule 10.21 to Batch Settlement are to be construed as if they were references to Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.32.1

**11.31.6 RTGS Reconstructions** [\[Deleted\]](#)

~~Rule 10.22 applies, as if incorporated in full in this Section 11, to a Parent RTGS Instruction Recorded for Real Time Gross Settlement where:~~

- ~~(a) ASX Settlement receives notification from an Approved Listing Market Operator of:~~
  - ~~(i) a Reconstruction that affects a class of Approved Financial Products; and~~
  - ~~(ii) the effective date and the Issue Date for that Reconstruction;~~
- ~~(b) the Financial Products Code for that class will continue following the Reconstruction; and~~

~~(c) the Parent RTGS Instruction does not settle in Real Time Gross Settlement by End of Day on the second Business Day after the effective date,~~

~~except that references in Rule 10.22 to Batch Settlement are to be construed as if they were references to Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.33.1 Amended 27/06/11, 04/03/13, 14/04/14, 07/03/16

**11.31.7 RTGS buyer's right to entitlement [\[Deleted\]](#)**

~~Rule 10.23 applies, as if incorporated in full in this Section 11, to a Parent RTGS Instruction Recorded in the CHESSE Feeder System that:~~

~~(a) is Recorded to settle in Real Time Gross Settlement on a Cum Entitlement basis;~~

~~(b) has an Entitlement in respect of which no adjustment is prescribed by the Rules in the event of failure to settle in full; and~~

~~(c) does not settle in full by End of Day on the Record Date for the Corporate Action,~~

~~except that references in Rule 10.23 to Batch Settlement are to be construed as if they were references to Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.34.1

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## SECTION 12 COMPLIANCE, ENFORCEMENT ACTIONS AND APPEALS

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### 12.18 NOTICE OF NON COMPLIANCE

#### 12.18.1 Notice by Participant

A Participant must give Notice of non-Compliance to ASX Settlement immediately upon the happening of any of the following Events of Non-Compliance:

- (a) the Participant ceases to comply with any Participation Requirement that applies to the Participant and has not been waived under Rule 4.2.3;
- (b) the Participant reasonably suspects that the Payments Provider that provides a Payment Facility for the participant will or may not authorise a net payment obligation under Section 10 of these Rules;
- (c) the Participant or any of its Employees is the subject of any regulatory, disciplinary or enforcement action by any market licensee, another clearing and settlement facility, the Commission or any other regulatory authority that relates in any way to its activities as a Participant;
- (d) the Participant:
  - (i) takes a step; or
  - (ii) becomes aware that another person has taken a step,that may in any way affect the ability or entitlement of ASX Settlement to obtain payment of the relevant amount under the Performance Bond lodged by the Participant;
- (e) if the Participant is a body:
  - (i) that body becomes a Chapter 5 body corporate as defined in section 9 of the Corporations Act;
  - (ii) that body reasonably suspects that it may become a Chapter 5 body corporate as defined in section 9 of the Corporations Act;
  - (iii) that body takes a step or becomes aware that another person has taken a step that is intended to lead to the body becoming ~~externally administered~~ [a Chapter 5 body corporate as defined in section 9 of the Corporations Act](#);
  - (iv) someone takes control of the body's property for the benefit of the body's creditors because the body is, or is likely to become, insolvent;
  - (v) [a Banking Act statutory manager takes control of the body's business under the Banking Act 1959](#);

- (vi) an Insurance Act statutory manager takes control of the body's business under the Insurance Act 1973;
- (vii) a Life Insurance Act statutory manager takes control of the body's business under the Life Insurance Act 1995;
- (viii) the body comes under judicial management under the Insurance Act 1973; or
- (ix) the body, or a part of the body's business, comes under judicial management under the Life Insurance Act 1995;

*Note: this sub-Rule 12.18.1(e) is intended to cover the definition of external administration in the Payment Systems and Netting Act.*

- (f) if the Participant is an individual or consists of two or more partners or trustees:
  - (i) the individual or partner or a trustee becomes an insolvent under administration;
  - (ii) the individual or partner or a trustee reasonably suspects that it may become an insolvent under administration;
  - (iii) the individual or a partner or a trustee takes a step or becomes aware that another person has taken a step that is intended to lead to the individual or the partner or trustee, as the case requires, becoming an insolvent under administration; ~~or~~
  - (iv) someone takes control of the property of that individual, partner or trustee for the benefit of creditors because the individual, partner or trustee is, or is likely to become, insolvent;
  - (v) the individual or partner or a trustee becomes a Chapter 5 body corporate as defined in section 9 of the Corporations Act;
  - (vi) the individual or partner or a trustee reasonably suspects that it may become a Chapter 5 body corporate as defined in section 9 of the Corporations Act;
  - (vii) the individual or a partner or a trustee takes a step or becomes aware that another person has taken a step that is intended to lead to the individual, partner or trustee becoming a Chapter 5 body corporate as defined in section 9 of the Corporations Act;
  - (viii) a Banking Act statutory manager takes control of the business of the individual or partner or trustee under the Banking Act 1959;
  - (ix) an Insurance Act statutory manager takes control of the business of the individual or partner or trustee under the Insurance Act 1973;
  - (x) a Life Insurance Act statutory manager takes control of the business of the individual or partner or trustee under the Life Insurance Act 1995;

(xi) the individual or partner or trustee comes under judicial management under the Insurance Act 1973; or

(xii) the individual or partner or trustee, or part of their business, comes under judicial management under the Life Insurance Act 1995;

*Note: this sub-Rule 12.18.1(f) is intended to cover the definition of external administration in the Payment Systems and Netting Act.*

- (g) if the Payments Provider that provides a Payment Facility for the Participant becomes a Chapter 5 body corporate as defined in section 9 of the Corporations Act~~an externally administered body corporate~~ or an insolvent under administration;
- (h) if the Participant reasonably suspects that the Payments Provider that provides a Payment Facility for the Participant may become a Chapter 5 body corporate as defined in section 9 of the Corporations Act~~an externally administered body corporate~~ or an insolvent under administration;
- (i) in the case of a Participant who is a participant of an Approved Market Operator or Approved Clearing Facility, in addition to the Events of Non-Compliance in Rule 12.18.1(a),(b),(c),(d),(e),(f), (g) and (h):
- (i) that Participant ceases to be a participant of the relevant Approved Market Operator or Approved Clearing Facility;
  - (ii) that Participant ceases to be entitled to carry on business as a participant of the relevant Approved Market Operator or Approved Clearing Facility;
  - (iii) that Participant is suspended from all or any of the privileges in relation to being a participant of the relevant Approved Market Operator or Approved Clearing Facility;
  - (iv) that Participant is prohibited from transacting any business with or through any participant of the relevant Approved Market Operator or Approved Clearing Facility on such terms and conditions as that Approved Market Operator or Approved Clearing Facility imposes;
- (j) if the Participant becomes aware that it has breached any of the Rules or the Procedures and that breach is significant;
- (k) the Participant suspects or becomes aware of any Employee has engaged in fraudulent conduct; or
- (l) the Participant becomes aware of any other event or circumstance which adversely affects or may adversely affect its financial position or solvency or its ability to comply with the Rules or the Procedures.

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## 12.19 RESTRICTION OR SUSPENSION OF PARTICIPATION

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### 12.19.8 Effects of Suspension on Participation

If ASX Settlement suspends the participation of a non-compliant Participant, subject to Rules 12.19.9 and 12.19.10 and, in the case of suspension of an Instruction from Real Time Gross Settlement pursuant to Rule 12.19.8(c), subject to Section 11, ASX Settlement must:

- (a) reject any Message initiated by the non-compliant Participant or another Participant that refers to a CHESSE Holding under the control of the non-compliant Participant;
- (b) reject any Message initiated by the non-compliant Participant to establish a new Participant Sponsored Holding;
- (c) suspend from Batch Settlement or Real Time Gross Settlement, as the case may be, any Instruction that is outstanding at the time of the suspension; and
- (d) cancel any ~~bilateral~~~~Dual Entry~~ Message Transmitted by the Participant that has not been Matched at the time of the suspension.

*Note: Refer to Rule 11.17.7 in relation to RTGS Instructions the funds transfer details of which are held in the RTGS system queue, which ASX Settlement may not be able to recall or inactivate.*

Introduced 11/03/04 Origin SCH 19.5.1

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## SECTION 14 SUBPOSITIONS

This Section deals with the reserving of Financial Products in and the releasing of Financial Products from a subposition including:

- (a) the legal effect of subpositions;
- (b) the legal relationship between ASX Settlement, Issuers, Participants and Holders;
- (c) the reporting on subpositions to Participants and Participant Sponsored Holders;
- (d) the reservation of Financial Products as Cover, the giving of warranties and indemnities in respect of such cover by Participants and Approved Clearing Facilities and the release and transfer of such Financial Products; ~~and~~
- (e) the creation of takeover Offer Accepted subpositions including the provision of information by bidders and Target Issuers, the giving of warranties and indemnities by Participants in respect of such subpositions and the release and transfer of Financial Products from an Offer Accepted subposition; and
- (f) the creation of Non-Takeover Offer Event related subpositions including the provision of information by offerors and Issuers, the giving of warranties and indemnities by Participants in respect of such subpositions and the release and transfer of Financial Products from a Non-Takeover Offer Accepted subposition.

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### 14.1 LEGAL RELATIONSHIPS & LEGAL EFFECT OF SUBPOSITIONS

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#### 14.1.7 Holding Adjustments and Financial Products Transformations

- (a) If ASX Settlement receives a Valid Message from an Issuer that initiates a Holding Adjustment or a Financial Products Transformation in relation to Financial Products reserved in a Subposition, ASX Settlement must give effect to that Message where:
  - (i) the Holding Adjustment or Financial Products Transformation is a Reconstruction; or
  - (ii) the Holding Adjustment or Financial Products Transformation results in an increase to the number of Financial Products in the Holding.
- (b) ASX Settlement will not give effect to a Message from an Issuer that initiates a Holding Adjustment or Financial Products Transformation in relation to Financial Products reserved in a Subposition that is not of a type identified in Rule 14.1.7(a).

## 14.2 EFFECT OF ISSUER INITIATED ACTIONS ON SUB-POSITIONS

### 14.2.1 Ratio between Financial Products after Reconstruction where Financial Product Code continues

If:

- (a) a Reconstruction occurs in relation to a class of Approved Financial Products [which is given effect to through a Valid Message in accordance with Rule 5.26](#);
- (b) the Financial Product Code for that class will continue following the Reconstruction; and
- (c) the Reconstruction affects Financial Products in a CHESS Holding that are reserved in a Subposition,

at the time ASX Settlement enters Financial Products into, or deducts Financial Products from, that Holding, ASX Settlement must also reserve Financial Products in, or release Financial Products from, the Subposition so that the ratio between:

- (d) the number of Financial Products in that Holding reserved in the Subposition; and
- (e) the total number of Financial Products in that Holding,

is, as far as possible having regard to fractional entitlements, the same before and after the Reconstruction.

Introduced 11/03/04 Origin SCH 14.2.1

### 14.2.2 Ratio between Financial Products after Reconstruction where Financial Product Code is replaced

If:

- (a) a Reconstruction occurs in relation to a class of Approved Financial Products [which is given effect to through a Valid Message in accordance with Rule 5.26](#);
- (b) a replacement Financial Product Code is to be used for that class following the Reconstruction; and
- (c) the Reconstruction affects Financial Products held in a CHESS Holding that are reserved in a Subposition in favour of a particular person,

at the time ASX Settlement processes a Message in relation to the Reconstruction in accordance with Rule 8.29, ASX Settlement must release the Financial Products reserved in the Subposition and reserve the Financial Products arising from the Reconstruction in a Subposition in favour of the same person so that the ratio between:

- (d) the number of Financial Products in that Holding reserved in the Subposition; and
- (e) the total number of Financial Products in that Holding,

is, as far as possible having regard to fractional entitlements, the same before and after the Reconstruction.

Introduced 11/03/04 Origin SCH 14.2.2

#### **14.2.3 Release of Financial Products from Subposition ~~[Deleted]~~**

~~If:~~

- ~~(a) — an Issuer initiates a Holding Adjustment or a Financial Products Transformation that will reduce the Holding Balance of a CHESS Holding;~~
- ~~(b) — Financial Products in that CHESS Holding are reserved in a Subposition; and~~
- ~~(c) — Rules 14.2.1 and 14.2.2 do not apply;~~

~~immediately after ASX Settlement gives effect to that Holding Adjustment or Financial Products Transformation in accordance with these Rules, ASX Settlement may, if necessary, release Financial Products from the Subposition so that the number of Financial Products in that Holding reserved in that Subposition does not exceed the Holding Balance of the Holding.~~

Introduced 11/03/04 Origin SCH 14.2.3

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### **14.3 CLOSURE OF A CHESS SUBREGISTER**

#### **14.3.1 Notice given by ASX Settlement when Financial Products cease to be quoted by Approved Listing Market Operator**

If:

- (a) Rules 14.2.1 and 14.2.2 do not apply;
- (b) ASX Settlement revokes approval of a class of an Issuer's Financial Products under Rule 8.4.1 or 8.5.4; and
- (c) Financial Products in that class in a CHESS Holding are reserved in a Subposition,

ASX Settlement will give ~~notice~~Notice of the date that the Financial Products will cease to be quoted by the Approved Listing Market Operator to:

- (d) the Participant in whose favour the Financial Products are reserved in that Subposition; and
- (e) the Controlling Participant for that Holding.

Introduced 11/03/04 Origin SCH 14.3.1 Amended 10/06/04, 19/08/09, 27/06/11

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## 14.8 RELEASE OF FINANCIAL PRODUCTS FROM A SUBPOSITION

### 14.8.1 Initiating a release

If Financial Products in a CHES Holding have been reserved by ASX Settlement in a Subposition under Rule 14.6.2, a release of the Financial Products from that Subposition may be initiated by a Valid Originating Message that [is Transmitted to ASX Settlement by the Controlling Participating for the Holding in accordance with the Procedures.](#):

~~(a) — is Transmitted to ASX Settlement by the Controlling Participant for the Holding; and~~

~~(b) — specifies the number of Financial Products to be released from the Subposition.~~

Introduced 11/03/04 Origin SCH 15.3.1

### 14.8.2 ASX Settlement to Transmit Message to an Approved Clearing Facility

If a Message Transmitted to ASX Settlement complies with Rule 14.8.1, ASX Settlement will, [subject to Rule 14.8.5](#), Transmit a Message to an Approved Clearing Facility seeking authorisation for the release from the Subposition of the Financial Products specified in the Originating Message Transmitted to ASX Settlement.

Introduced 11/03/04 Origin SCH 15.3.2

### 14.8.3 Action by the Approved Clearing Facility

If an Approved Clearing Facility receives a Valid Message from ASX Settlement under Rule 14.8.2, the Approved Clearing Facility will, within the Scheduled Time, Transmit to ASX Settlement a Message authorising or rejecting the release of the Financial Products from the Subposition, as the case requires.

Introduced 11/03/04 Origin SCH 15.3.3

### 14.8.4 Action by ASX Settlement

[Subject to Rule 14.8.5](#), if ASX Settlement receives a Valid Message from an Approved Clearing Facility under Rule 14.8.3 authorising the release of Financial Products from a Subposition, ASX Settlement will, release Financial Products from the Subposition in accordance with the Originating Message.

Introduced 11/03/04 Origin SCH 15.3.4

### 14.8.5 Where Controlling Participant is not the Clearing Participant

[This Rule 14.8.5 only applies to Cover in relation to Derivatives transactions.](#)

[Where the Controlling Participant is not the Clearing Participant in respect of whose margin obligations the Financial Products were reserved in a Subposition as Cover, ASX Settlement will Transmit a Message to the Clearing Participant seeking authorisation for the release from the Subposition of the Financial Products. If the Clearing Participant rejects the request to release, ASX Settlement will not release the Financial Products from the Subposition.](#)

## 14.9 COVER RELEASE AND TRANSFER

### 14.9.1 Transfers of Financial Products reserved in Subposition in favour of an Approved Clearing Facility

A Transfer of Financial Products reserved in a Subposition in favour of an Approved Clearing Facility may be initiated by a Valid Message that is transmitted by the Approved Clearing Facility to ASX Settlement in accordance with the Procedures.

Introduced 11/03/04 Origin SCH 15.4.1

### 14.9.2 Actions by ASX Settlement

If a Message Transmitted to ASX Settlement complies with Rule 14.9.1 and:

- (a) there are sufficient Financial Products in the Source Holding reserved in a Subposition in favour of the Approved Clearing Facility; and
- (b) there is no Holding Lock [or Holder Record Lock](#) on the Source Holding,

ASX Settlement will:

- (c) release the number of Financial Products specified in the Message from the Subposition;
- (d) deduct that number of Financial Products from the Source Holding; and
- (e) enter that number of Financial Products into the Target Holding.

Introduced 11/03/04 Origin SCH 15.4.2

### 14.9.3 Time at which Transfer takes effect

A Transfer of Financial Products under Rule 14.9.1:

- (a) takes effect when, under Rule 14.9.2, ASX Settlement deducts the Financial Products from the Source Holding; and
- (b) is taken to be effected by the Approved Clearing Facility.

Introduced 11/03/04 Origin SCH 15.4.3

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### 14.12.4 Participant to act as Participant **b**Bidder

Throughout the bid period and for such subsequent period as ASX Settlement may specify, the bidder must ensure that a Participant acts as Participant Bidder in relation to the takeover bid.

Introduced 11/03/04 Origin SCH 16.2.2

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#### 14.13.4 Disclosure of HIN or SRN to agent under Rule 14.13.3(d)

A person must not, under Rule 14.13.3(d), disclose a HIN or SRN to an agent that is not otherwise bound by these Rules unless that person has:

- (a) obtained from the agent a written undertaking to the Issuer that, if a HIN or SRN is disclosed to the agent in its capacity as agent of the person, the agent will not disclose that HIN or SRN other than to:
  - (i) the Holder of the Holding;
  - (ii) the Controlling Participant for the Holding;
  - (iii) ASX Settlement; or
  - (iv) the bidder or the Participant Bidder in relation to the takeover bid, as the case requires; and
- (b) provided the agent's written undertaking to the Issuer prior to disclosing any HIN or SRN to the agent under Rule 14.13.3.

Introduced 11/03/04 Origin SCH 16.2A.4

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#### 14.14.7 Participant Bidder may submit takeover acceptance

If:

- (a) [a](#) bid is made under a takeover bid in relation to Financial Products in a class of Approved Financial Products;
- (b) at any time during the period of the bid, the Financial Products are in a Participant Sponsored Holding; [and](#)
- (c) before the end of the period of the bid, the Participant Sponsored Holder of those Financial Products instructs the Participant Bidder that they accept the bid,

the Participant Bidder may effect the acceptance by Transmitting a Valid Message to ASX Settlement that:

- (~~d~~[a](#)) is sent during the offer period for takeover bid;
- (~~e~~[b](#)) specifies a Takeover Consideration Code for that takeover bid;
- (~~f~~[e](#)) specifies the HIN for the Participant Sponsored Holding of Financial Products to which the acceptance relates; and
- (~~g~~[d](#)) specifies the number of Financial Products in the Holding to which the acceptance relates.

Introduced 09/05/05

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#### 14.15.5 Application of Rules

Rules 14.15.6 and 14.15.7 apply if Financial Products in a CHESS Holding are reserved in an Offer Accepted Subposition in accordance with a Message Transmitted by the Participant Bidder under Rules 14.14.7.

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#### 14.17.2 Actions by ASX Settlement

If a Message Transmitted to ASX Settlement complies with Rule 14.17.1 and:

- (a) there are sufficient Financial Products in the Source Holding reserved in an Offer Accepted Subposition in favour of the Participant Bidder; and
- (b) there is no Holding Lock [or Holder Record Lock](#) on the Source Holding,

ASX Settlement must:

- (c) release the number of Financial Products specified in the Message from the Subposition;
- (d) deduct that number of Financial Products from the Source Holding; and
- (e) enter that number of Financial Products into the Takeover Transferee Holding.

Introduced 11/03/04 Origin SCH 16.6.2

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## 14.22 NOTIFICATION OF A NON-TAKEOVER OFFER EVENT IN RESPECT OF A CLASS OF APPROVED FINANCIAL PRODUCTS AND PROVISION OF INFORMATION

### 14.22.1 Rules 14.22 to 14.30 only apply if offeror uses facility for Non-Takeover Offer Event

These Rules 14.22 to 14.30 only apply to a Non-Takeover Offer Event for which the offeror has supplied a notice to ASX Settlement under Rule 14.22.2 in connection with the offeror seeking to use the facility made available by ASX Settlement under those Rules for the processing of acceptances under that offer.

### 14.22.2 Offeror to supply copy of notice of Non-Takeover Offer Event

If an offeror gives any notice of the making of, or of the intention to make, an offer under a Non-Takeover Offer Event in relation to Approved Financial Products and that offeror seeks to use the facility made available by ASX Settlement under these Rules 14.22 to 14.30 for the processing of acceptances under that offer, the offeror must supply a copy of that notice to ASX Settlement immediately after a market announcement of the offer is publicly released through the public announcement platform of the Approved Market Listing Operator.

## **14.23 NON-TAKEOVER OFFER EVENTS – OFFER ACCEPTED SUBPOSITIONS**

### **14.23.1 ASX Settlement to act as agent of the offeror**

Throughout the offer period and for such subsequent period as ASX Settlement may specify, ASX Settlement will act as the agent of the offeror in relation to acceptances by Holders on the CHESSE Subregister.

### **14.23.2 Participant to act as Participant Offeror**

Throughout the offer period and for such subsequent period as ASX Settlement may specify, the offeror must ensure that a Participant acts as Participant Offeror in relation to the Non-Takeover Offer Event.

### **14.23.3 Obligations of offeror**

Not less than 5 Business Days before the start of the offer period for a Non-Takeover Offer Event in relation to a class of Approved Financial Products, the offeror must:

- (a) (i) if the offeror is a Participant, give Notice to ASX Settlement that the offeror will be the Participant Offeror;
  - (ii) apply to become a Participant for the limited purpose of acting as Participant Offeror; or
  - (iii) appoint a Participant to act as Participant Offeror (whether that Participant's status is limited to acting as the Participant Offeror or otherwise) and give Notice to ASX Settlement that the appointed Participant will be the Participant Offeror.
- (b) Any Notice provided by the offeror to ASX Settlement pursuant to this Rule 14.23.3 shall be in the form and include the information prescribed in the Procedures.

### **14.23.4 Participant Offeror to be Controlling Participant**

The Participant Offeror will be the Controlling Participant for the Non-Takeover Offer Event Transferee Holding.

### **14.23.5 Acceptances must be in accordance with the Rules**

The offeror must ensure that each offer under a Non-Takeover Offer Event in relation to a class of Approved Financial Products specifies that an acceptance of that offer in respect of Financial Products that are, at the time of acceptance, in a CHESSE Holding, must be made in accordance with these Rules.

### **14.23.6 Financial Products as consideration**

If:

- (a) an offer under a Non-Takeover Offer Event is accepted for Financial Products in a CHESSE Holding; and



(b) the consideration to be provided under the acceptance of the offer includes Financial Products in a class of Approved Financial Products,

the offeror must ensure that any Financial Products provided as consideration for the acceptance are issued to a CHES Holding in accordance with these Rules.

## **14.24 NON-TAKEOVER OFFER EVENT ACCEPTANCES**

### **14.24.1 Controlling Participant to initiate acceptances**

If:

(a) an offer is made under a Non-Takeover Offer Event in relation to Financial Products in a class of Approved Financial Products;

(b) at any time during the offer period of the Non-Takeover Offer Event, the Financial Products are in a Participant Sponsored Holding;

(c) on or before the close date of the Non-Takeover Offer Event, the Participant Sponsored Holder instructs the Controlling Participant to accept the offer,

the Controlling Participant must initiate the acceptance under this Rule 14.24:

(d) if the Participant Sponsored Holder specifies the time when or by which the offer must be accepted, in accordance with those instructions; or

(e) otherwise, within the Scheduled Time.

Note: For the purposes of Rules 14.24, 14.25, 14.26 and 14.29, it is noted that the term “acceptance” refers to the choice of the relevant Holder in response to the options available to that Holder under the terms of the relevant Non-Takeover Offer Event, and could include an application, election, instruction, acceptance, or any other means of communicating the choice of the relevant Holder, howsoever described in the terms of the relevant Non-Takeover Offer Event.

### **14.24.2 Acceptances of offers under Non-Takeover Offer Event to be initiated by Valid Originating Message**

Acceptance of an offer under a Non-Takeover Offer Event for Financial Products that, at the time of acceptance, are held in a CHES Holding, must be initiated by a Valid Originating Message that:

(a) is Transmitted to ASX Settlement by the Controlling Participant for the Holding;

(b) is sent during the offer period for the relevant offer;

(c) specifies a Non-Takeover Offer Event Consideration Code for that offer; and

(d) specifies the number of Financial Products in the Holding to which the acceptance relates.

#### 14.24.3 Non-Takeover Offer Event Transfers

A Message that complies with Rule 14.24.2 also initiates a Non-Takeover Offer Event Transfer of the Financial Products specified in the Message.

#### 14.24.4 Reservation of Financial Products in an Offer Accepted Subposition

If a Message complies with Rule 14.24.2 and there are sufficient Available Financial Products in the Holding specified in the Message, ASX Settlement will reserve the number of Financial Products specified in the Message in an Offer Accepted Subposition in favour of the Participant Offeror for the Non-Takeover Offer Event.

#### 14.24.5 Rejection of reservation of Financial Products in Offer Accepted Subposition

If, on receipt of notification from ASX Settlement under Rule 14.5.1, the Participant Offeror rejects the reservation of Financial Products in an Offer Accepted Subposition, the Participant Offeror must, within the Scheduled Time, Transmit a Message to ASX Settlement rejecting the reservation.

#### 14.24.6 Release of Financial Products from Offer Accepted Position

If ASX Settlement receives a Valid Message under Rule 14.24.5, ASX Settlement will release the number of Financial Products from the Offer Accepted Subposition in accordance with the Originating Message.

#### 14.24.7 Participant Offeror may submit acceptance

If:

- (a) an offer is made under a Non-Takeover Offer Event in relation to Financial Products in a class of Approved Financial Products;
- (b) at any time during the period of the relevant offer, the Financial Products are in a Participant Sponsored Holding;
- (c) on or before the close date of the Non-Takeover Offer Event, the Participant Sponsored Holder of those Financial Products instructs the Participant Offeror that they accept the offer,

the Participant Offeror may effect the acceptance by Transmitting a Valid Message to ASX Settlement that:

(d) is sent either:

- (i) during the offer period for the relevant Non-Takeover Offer Event; or
- (ii) within one Business Day of the close of the offer period for the relevant Non-Takeover Offer Event, if either:

(A) the Participant Sponsored Holder of those Financial Products has instructed the Participant Offeror that they accept the offer on or before the close date of the Non-Takeover Offer Event in accordance with Rule 14.24.7, but a Message to effect the

acceptance is unable to be Transmitted to ASX Settlement before the end of the relevant offer period for genuine operational or administrative reasons; or

(B) the Participant Sponsored Holder of the relevant Financial Products has instructed the Participant Offeror that they accept the offer on or before the close date of the Non-Takeover Offer Event in accordance with Rule 14.24.7, but for the purposes of correctly finalising the Non-Takeover Offer Event, re-balancing or administrative corrections are required to be performed;

(e) specifies a Non-Takeover Offer Event Consideration Code for that Non-Takeover Offer Event;

(f) specifies the HIN for the Participant Sponsored Holding of Financial Products to which the acceptance relates; and

(g) specifies the number of Financial Products in the Holding to which the acceptance relates.

#### **14.24.8 Action by ASX Settlement**

If a Message complies with Rule 14.24.7 and there are sufficient Available Financial Products in the Holding specified in that Message, ASX Settlement will send a Message to the Controlling Participant for that Holding providing the details relating to the relevant offer acceptance included in the Message under Rule 14.24.7.

#### **14.24.9 Controlling Participant to respond to Message**

If a Controlling Participant receives a Message under Rule 14.24.8 it must Transmit a Message to ASX Settlement within the Scheduled Time and include a Target Transaction Identifier that matches the Transaction Identifier of the Message under Rule 14.24.7 and either:

(a) accepts the offer acceptance, or

(b) rejects the offer acceptance.

#### **14.24.10 Controlling Participant to notify Holder of Rejection**

If a Controlling Participant rejects an offer acceptance under Rule 14.24.9(b) the Controlling Participant must, within the Scheduled Time, notify the Holder that the relevant offer acceptance has been rejected.

#### **14.24.11 Non-Takeover Offer Event Transfers**

A Valid Message that complies with Rule 14.24.9(a) initiates a Non-Takeover Offer Event Transfer of the Financial Products.

#### **14.24.12 Reservation of Financial Products in an Offer Accepted Subposition**

If a Message complies with Rule 14.24.9(a), ASX Settlement will reserve the number of Financial Products specified in the relevant offer acceptance in an Offer Accepted Subposition in favour of the Participant Offeror for the Non-Takeover Offer Event.

## 14.25 WARRANTIES AND INDEMNITIES

### 14.25.1 Application of Rules

Rules 14.25.2 to 14.25.4 apply if Financial Products in a CHESS Holding are reserved in an Offer Accepted Subposition in accordance with an Originating Message Transmitted by the Controlling Participant for that Holding under Rule 14.24.2.

### 14.25.2 Participants as Holder of Financial Products

If the Participant is the Holder of the Financial Products, the Participant is taken to have warranted that the Holder was legally entitled or authorised to accept the offer to which the acceptance relates, and to effect a Transfer of the Financial Products.

### 14.25.3 If Participant is not Holder of Financial Products

If the Participant is not the Holder of the Financial Products, the Participant is taken to have warranted that:

- (a) the Holder was legally entitled or authorised; and
- (b) the Participant was authorised by the Holder,

to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products.

### 14.25.4 Participant to indemnify

If a Participant is taken under Rule 14.25.2 or 14.25.3 to have warranted that:

- (a) the Holder was legally entitled or authorised to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products; or
- (b) the Participant was authorised by the Holder to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products,

and the Holder was not so legally entitled or authorised, or the Participant was not so authorised by the Holder, the Participant indemnifies:

- (c) the offeror;
- (d) the Participant Offeror;
- (e) the Issuer;
- (f) ASX Settlement; and
- (g) the Holder (in the case of paragraph (b)),

against all losses, damages, costs and expenses arising from that Holder or the Participant not having been so legally entitled or authorised.

#### 14.25.5 Application of Rules

Rules 14.25.6 and 14.25.7 apply if Financial Products in a CHESS Holding are reserved in an Offer Accepted Subposition in accordance with a Message Transmitted by the Participant Offeror under Rule 14.24.7.

#### 14.25.6 Warranty by Participant Offeror

The Participant Offeror is taken to have warranted that:

- (a) the Holder was legally entitled or authorised; and
- (b) the Participant Offeror was authorised by the Holder,

to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products.

If a Message is transmitted after the end of the offer period the Participant Offeror is also taken to have warranted under Rule 14.24.7(d)(ii), that one or more of the circumstances in that Rule apply in relation to the Message.

#### 14.25.7 Participant Offeror to Indemnify

If a Participant Offeror is taken under Rule 14.25.6 to have warranted that:

- (a) the Holder was legally entitled or authorised to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products; or
- (b) the Participant Offeror was authorised by the Holder to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products,

and the Holder was not legally entitled or authorised, or the Participant Offeror was not so authorised by the Holder; or

- (c) one or more of the circumstances in Rule 14.24.7(d)(ii) apply in relation to the Message transmitted after the end of the offer period under that Rule, and those circumstances did not apply;

the Participant Offeror indemnifies:

- (d) the offeror;
- (e) the Issuer;
- (f) the Controlling Participant;
- (g) ASX Settlement; and
- (h) the Holder (in the case of paragraph (b) or (c)),

against all losses, damages, costs and expenses arising from the Holder or the Participant Offeror not having been so legally entitled or authorised or the circumstances in Rule 14.24.7(d)(ii) not applying.

#### **14.25.8 Controlling Participant to Indemnify**

If a Controlling Participant:

- (a) rejects an offer acceptance under Rule 14.24.9(b) without adequate justification; or
- (b) receives a Valid Message under Rule 14.24.8 and does not Transmit a Message to ASX Settlement that complies with Rule 14.24.9 within the Scheduled Time under Rule 14.24.9;

the Controlling Participant indemnifies:

- (c) the offeror;
- (d) the Issuer;
- (e) the Participant Offeror;
- (f) ASX Settlement; and
- (g) the Holder.

against all losses, damages, costs and expenses arising from that rejection or failure to Transmit a Message.

#### **14.26 CANCELLATION OF NON-TAKEOVER OFFER EVENT ACCEPTANCES**

##### **14.26.1 Release of Financial Products from an Offer Accepted Subposition**

If Financial Products in a CHES Holding have been reserved by ASX Settlement in an Offer Accepted Subposition in connection with a Non-Takeover Offer Event, a release of the Financial Products from that Subposition may be initiated by a Valid Originating Message that:

- (a) is Transmitted to ASX Settlement by the Controlling Participant for that Holding; and
- (b) specifies the number of Financial Products to be released from the Subposition.

##### **14.26.2 Authorisation for release of Financial Products from an Offer Accepted Subposition**

If an Originating Message Transmitted to ASX Settlement complies with Rule 14.26.1, ASX Settlement must Transmit a Message to the Participant Offeror seeking authorisation for the release from the Offer Accepted Subposition of the Financial Products specified in the Originating Message.

##### **14.26.3 Participant Offeror to authorise or reject the release of Financial Products**

If a Participant Offeror receives a Valid Message from ASX Settlement under Rule 14.26.2:

- (a) the Participant Offeror must, subject to paragraph (b), Transmit a Message to ASX Settlement, within the Scheduled Time, authorising or rejecting the release of Financial Products from the Offer Accepted Subposition; and
- (b) if the Holder of the Financial Products to which the acceptance relates is legally entitled to withdraw the acceptance, the Participant Offeror must Transmit, and the offeror must ensure that the Participant Offeror Transmits, to ASX Settlement a Valid Message under Rule 14.26.2 that authorises the release of those Financial Products.

#### **14.26.4 ASX Settlement to release Financial Products**

If ASX Settlement receives a Valid Message from a Participant Offeror under Rule 14.26.3 authorising the release of Financial Products from an Offer Accepted Subposition, ASX Settlement must release Financial Products from the Offer Accepted Subposition in accordance with the Originating Message.

#### **14.26.5 Release of Financial Products from an Offeror Accepted Subposition initiated by Participant Offeror on behalf of a Holder**

If Financial Products in a CHES Holding have been reserved by ASX Settlement in an Offer Accepted Subposition, a release of the Financial Products from that Subposition by a Participant Offeror on behalf of a Participant Sponsored Holder may be initiated by a Valid Message that:

- (a) is Transmitted to ASX Settlement by the Participant Offeror;
- (b) specifies a Non-Takeover Offer Event Consideration Code for the Non-Takeover Offer Event;
- (c) specifies the HIN for the Participant Sponsored Holding to be released from the Subposition; and
- (d) specifies the number of Financial Products to be released from the Subposition.

#### **14.26.6 ASX Settlement to release Financial Products**

If ASX Settlement receives a Valid Message from a Participant Offeror under Rule 14.26.5 requesting the release of Financial Products from an Offer Accepted Subposition, ASX Settlement must release Financial Products from the Offer Accepted Subposition in accordance with the Originating Message.

#### **14.26.7 Application of Rules**

Rules 14.26.8 to 14.26.9 apply if Financial Products in a CHES Holding are released from an Offer Accepted Subposition in accordance with a Message Transmitted by the Participant Offeror under Rule 14.26.5

#### **14.26.8 Warranty by Participant Offeror**

The Participant Offeror is taken to have warranted that:

- (a) the Holder was legally entitled or authorised; and

(b) the Participant Offeror was authorised by the Holder, to initiate the release of Financial Products from the Subposition.

#### **14.26.9 Participant Offeror to Indemnify**

If a Participant Offeror is taken under Rule 14.26.8 to have warranted that:

- (a) the Holder was legally entitled or authorised to initiate the release of Financial Products from the Subposition; or
- (b) the Participant Offeror was authorised by the Holder to initiate the release of Financial Products from the Subposition,

and the Holder was not legally entitled or authorised, or the Participant Offeror was not so authorised by the Holder, the Participant Offeror indemnifies:

- (c) the offeror;
- (d) the Issuer;
- (e) the Controlling Participant;
- (f) ASX Settlement; and
- (g) the Holder (in the case of paragraph (b)).

against all losses, damages, costs and expenses arising from that Holder or the Participant Offeror not having been so legally entitled or authorised.

### **14.27 TRANSFERS PURSUANT TO NON-TAKEOVER OFFER EVENT ACCEPTANCES**

#### **14.27.1 Non-Takeover Offer Event Transfers of Financial Products completed by Valid Message**

A Non-Takeover Offer Event Transfer of Financial Products in relation to a Non-Takeover Offer Event may be completed by a Valid Message that:

- (a) is Transmitted to ASX Settlement by the Participant Offeror for the Non-Takeover Offer Event;
- (b) specifies a Source Holding that contains Financial Products reserved in a Subposition in favour of the Participant Offeror;
- (c) specifies the Non-Takeover Offer Event Transferee Holding as the Target Holding; and
- (d) specifies the number of Financial Products in the Source Holding to be Transferred.

#### **14.27.2 Actions by ASX Settlement**

If a Message Transmitted to ASX Settlement complies with Rule 14.27.1 and:



- (a) there are sufficient Financial Products in the Source Holding reserved in an Offer Accepted Subposition in favour of the Participant Offeror; and
- (b) there is no Holding Lock or Holder Record Lock on the Source Holding.

ASX Settlement must:

- (c) release the number of Financial Products specified in the Message from the Subposition;
- (d) deduct that number of Financial Products from the Source Holding; and
- (e) enter that number of Financial Products into the Non-Takeover Offer Event Transferee Holding.

#### **14.27.3 Time at which Non-Takeover Offer Event Transfer takes effect**

If a Non-Takeover Offer Event Transfer is:

- (a) initiated by a Message under Rule 14.24.2; and
- (b) completed by a Message under Rule 14.27.1.

the Non-Takeover Offer Event Transfer:

- (c) takes effect when, under Rule 14.27.2, ASX Settlement deducts the Financial Products from the Source Holding; and
- (d) is taken to be effected by:
  - (i) the Message under Rule 14.24.2; and
  - (ii) the Participant that Transmits the Message.

## **14.28 WARRANTIES AND INDEMNITIES BY A PARTICIPANT OFFEROR**

### **14.28.1 Application of Rules**

Rules 14.28.2 to 14.28.4 apply to the completion of a Non-Takeover Offer Event Transfer by the Participant Offeror under Rule 14.27.1.

### **14.28.2 Participant Offeror as offeror**

If the Participant Offeror is the offeror under the Non-Takeover Offer Event, the Participant Offeror is taken to have warranted that the offeror was legally entitled or authorised to complete the Non-Takeover Offer Event Transfer.

### **14.28.3 If Participant Offeror is not the offeror**

If the Participant Offeror is not the offeror under the Non-Takeover Offer Event, the Participant Offeror is taken to have warranted that:

- (a) the offeror was legally entitled and authorised; and

(b) the Participant Offeror was authorised by the offeror,

to complete the Non-Takeover Offer Event Transfer.

#### **14.28.4 Participant Offeror to indemnify**

If the Participant Offeror is taken, under Rule 14.28.2 or 14.28.3, to have warranted that:

(a) the offeror was legally entitled or authorised to complete the Non-Takeover Offer Event Transfer; or

(b) the Participant Offeror was authorised by the offeror to complete the Non-Takeover Offer Event Transfer, and

the offeror was not so legally entitled or authorised, or the Participant Offeror was not so authorised, the Participant Offeror indemnifies:

(c) the Holder;

(d) the Controlling Participant for the Source Holding;

(e) the Issuer;

(f) ASX Settlement; and

(g) the offeror (in the case of paragraph (b)).

against all losses, damages, costs and expenses arising from that offeror or Participant Offeror not having been so legally entitled or authorised.

### **14.29 LAPSE OF OFFERS UNDER A NON-TAKEOVER OFFER EVENT**

#### **14.29.1 Participant Offeror to notify ASX Settlement of effect of defeating conditions**

After the end of the offer period for a Non-Takeover Offer Event in relation to a class of Approved Financial Products, the Participant Offeror must, within the Scheduled Time, notify ASX Settlement of:

(a) any acceptances of offers under the offer; and

(b) any binding contracts that have resulted from such acceptances.

that are avoided including because of the existence of a defeating condition, and, in respect of any such acceptances and contracts, ASX Settlement must release Financial Products in that class from Offer Accepted Subpositions in relation to that Non-Takeover Offer Event.

Note: The reference to the “end of the offer period” in this Rule is taken to include any date prior to the end date of the original offer period on which the relevant offer ends, including if the Non-Takeover Offer Event is abandoned, withdrawn or otherwise fails to proceed, including due to the existence of a defeating condition or being overbid.

#### **14.29.2 Participant Offeror to indemnify ASX Settlement**

The Participant Offeror indemnifies ASX Settlement in respect of all losses, damages, costs and expenses that ASX Settlement may suffer or incur as a result of ASX Settlement acting in accordance with the instructions of the Participant Offeror.

### **14.30 FINALISATION OF OFFERS UNDER A NON-TAKEOVER OFFER EVENT**

#### **14.30.1 ASX Settlement to release Financial Products**

After the end of the offer period for a Non-Takeover Offer Event in relation to a class of Approved Financial Products, ASX Settlement must, if Rule 14.29.1 does not apply, release Financial Products from any remaining Offer Accepted Subpositions in relation to that Non-Takeover Offer Event at the request of the Participant Offeror, subject to agreement by ASX Settlement.

## SECTION 15

# DVP [Batch](#) SETTLEMENT OF ALLOCATIONS IN RESPECT OF INITIAL PUBLIC OFFERINGS

This Section is concerned with the processing of Allocation Components for an Offer of Approved Financial Products and the processing of Allocation Interests in DvP [Batch](#) Settlement including:

- (a) the pre-requisites that must be met by an Issuer before an Allocation Component may be processed in DvP [Batch](#) Settlement;
- (b) the establishment of Records and Holdings of Allocation Interests and access to these Holdings by Participants and Issuers;
- (c) the legal relationship between Issuers, Participants and applicants and the responsibilities of Participants and Issuers in relation to the transfer of Allocation Interests including the giving of warranties and indemnities;
- (d) the requirements that must be met by Participants and Issuers in respect of the processing of Allocation Interests in DvP [Batch](#) Settlement and the Issue of Financial Products; and
- (e) the limitation of ASX Settlement's liability with respect to the processing of applications and application monies, the Transfer of Allocation Interests to applicants and the Issue of Financial Products.

### 15.1 APPLICATION OF SECTION 15

#### 15.1.1 Effect of Section 15

This Section 15 regulates:

- (a) the processing of an Allocation Component as a class of transactions in DvP [Batch](#) Settlement;
- (b) the Transfer of Allocation Interests by Participants to applicants; and
- (c) the Issue of Approved Financial Products in respect of those Allocation Interests,

and the Rules apply to an Issuer and Participants who process an Allocation Component in DvP [Batch](#) Settlement other than as specifically modified by this Section.

Introduced 11/03/04 Origin SCH 5A.1 Amended 04/03/13

## 15.2 ISSUER REQUEST TO PROCESS ALLOCATION COMPONENT IN DVP BATCH SETTLEMENT

### 15.2.1 Issuer to give Notice

If:

- (a) an Issuer makes available forms of application for an Offer of Approved Financial Products; and
- (b) the Approved Listing Market Operator gives that Issuer approval for quotation of those Financial Products,

the Issuer may give Notice to ASX Settlement that it wishes to process an Allocation Component of that Offer as a class of transactions in DvP Batch Settlement.

Introduced 11/03/04 Origin SCH 5A.2.1 Amended 27/06/11

## 15.3 PREREQUISITES FOR PROCESSING ALLOCATION COMPONENT IN DVP BATCH SETTLEMENT

### 15.3.1 Issuer's conditions for processing Allocation Component

For an Allocation Component to be processed in DvP Batch Settlement, the Issuer must meet the following conditions:

- (a) the Allocation Component must be admitted to DvP Batch Settlement as a class of transactions under Rule 10.4.1;
- (b) the Issuer must be admitted as a Participant or appoint a Participant as an agent to act on its behalf;
- (c) the Issuer must establish a Payment Facility for the purpose of receiving application monies in DvP Batch Settlement and give Notice to ASX Settlement in respect of that Payment Facility; and
- (d) the Issuer must establish a Settlement Account and enter into it the number of Allocation Interests that represent the Allocation Component; ~~and~~
- ~~(e) if the Issuer intends to process the Allocation Component in DvP Real Time Gross Settlement, the additional requirements for Real Time Gross Settlement of a transaction that are set out in Section 11 must be complied with.~~

*Note: An Issuer may appoint an agent to operate a Payment Facility on its behalf, in the name of the Issuer. The Payment Facility may only be used for the receipt of application monies.*

Introduced 11/03/04 Amended 05/12/19 Origin SCH 5A.3.1

## **15.4 ADMISSION OF ALLOCATION COMPONENT AS BATCH INSTRUCTION**

### **15.4.1 Allocation Component processed in DvP [Batch](#) Settlement**

If ASX Settlement is satisfied that the conditions in Rule 15.3 have been met, the Allocation Component may be processed in DvP [Batch](#) Settlement, and transactions in the Allocation Interests are Batch Instructions under Rule 10.4.1(c), subject to the provisions of this Section 15.

Introduced 11/03/04 Origin SCH 5A.4.1

## **15.5 RECORD OF ALLOCATION INTERESTS**

### **15.5.1 Establishment of records of Allocation Interests**

When ASX Settlement admits an Allocation Component as a class of transactions to DvP [Batch](#) Settlement under this Section 15, the Issuer:

- (a) irrevocably authorises ASX Settlement to establish and administer a CHES record of Allocation Interests;
- (b) acknowledges that ASX Settlement acts as its agent in administering that CHES record in accordance with this Section 15; and
- (c) must establish an Issuer operated record of Allocation Interests.

Notwithstanding anything else in the Rules or the Corporations Act, a record of Allocation Interests established under this Rule 15.5 does not form part of an Issuer's principal register of Financial Products.

Introduced 11/03/04 Origin SCH 5A.5.1, 5A.5.2

## **15.6 RECORD OF APPLICATIONS**

### **15.6.1 ASX Settlement entitled to assume adequate records kept**

ASX Settlement is entitled to assume that an Issuer that processes an Allocation Component as a class of transactions in DvP [Batch](#) Settlement has made arrangements with each relevant Participant to keep adequate records in respect of:

- (a) applications;
- (b) application monies; and
- (c) Holdings of Allocation Interests established under this Section.

Introduced 11/03/04 Origin SCH 5A.6.1

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## 15.9 TRANSFERS OF ALLOCATION INTERESTS BOUND BY THE RULES

### 15.9.1 Transfer of Allocation Interests not a proper ASTC Transfer

Notwithstanding that a Transfer of Allocation Interests does not constitute a proper ASTC Transfer, an Issuer and Participants that process an Allocation Component in DvP [Batch](#) Settlement agree to be bound by these Rules as if Allocation Interests were “financial products” under the Corporations Act.

Introduced 11/03/04 Origin SCH 5A.7.1 Amended 18/12/06

## 15.10 HOLDINGS OF ALLOCATION INTERESTS

### 15.10.1 Participants bound by the Rules

Notwithstanding that a record of Allocation Interests does not form part of an Issuer’s principal register of Financial Products, an Issuer and Participants that process an Allocation Component in DvP [Batch](#) Settlement agree to be bound by these Rules as if a record of Allocation Interests were a CHESS Subregister or an Issuer Operated Subregister, as the case requires.

Introduced 11/03/04 Origin SCH 5A.7.2

## 15.11 PROCESSING OF ALLOCATION COMPONENT IN DVP [BATCH](#) SETTLEMENT

### 15.11.1 Sections 10 ~~and 11~~ [applies](#) to an Allocation Component

The provisions of Section 10 ~~and, if applicable, Section 11~~ apply to the processing of an Allocation Component in Batch Settlement ~~or Real Time Gross Settlement, as the case requires~~, as if a reference to “Financial Products” were a reference to “Allocation Interests”, other than as specifically modified by this Section.

Introduced 11/03/04 Origin SCH 5A.8.1

## 15.12 PROCESSING OF ALLOCATION INTERESTS IN DVP [BATCH](#) SETTLEMENT

### 15.12.1 Participant’s agreement with Issuer

A Participant that processes Allocation Interests in DvP [Batch](#) Settlement is taken to have agreed with the Issuer that in consideration of receiving an Allocation Component it will:

- (a) process applications and enter applicant registration details in respect of that Offer on the Issuer’s behalf; and
- (b) submit application monies to the Issuer in DvP [Batch](#) Settlement for relevant applicants.

Introduced 11/03/04 Origin SCH 5A.9.1

## 15.13 REQUIREMENT TO SPECIFY SOURCE HOLDING

### 15.13.1 Issuer to specify Source Holding

An Issuer that processes Allocation Interests in DvP [Batch](#) Settlement may only enter :

~~(a) a **Bilateral Dual Entry** Batch Message under Rule 10.9.2 which specifies a Source Holding controlled by the delivering Settlement Participant, or a Target Holding controlled by the receiving Settlement Participant, as the case requires;~~

~~(b) a Dual Entry RTGS Message under Rule 11.13.3, that specifies a Source Holding.~~

Introduced 11/03/04 Origin SCH 5A.9.2

## 15.14 AUTHORITY TO ASX SETTLEMENT TO EFFECT MOVEMENTS AND PAYMENT OF ALLOCATION INTERESTS

### 15.14.1 Issuer and each Participant to authorise ASX Settlement

An Issuer and each Participant that processes Allocation Interests in DvP [Batch](#) Settlement irrevocably authorises ASX Settlement to:

- (a) effect a movement of Allocation Interests in respect of each [Bilateral Dual Entry](#) Batch Instruction ~~or Dual Entry RTGS Instruction, as applicable~~, entered by the Participant; and
- (b) effect payment in respect of that Instruction.

Introduced 11/03/04 Origin SCH 5A.9.3

## 15.15 TRANSFER OF ALLOCATION INTERESTS AND ISSUE OF FINANCIAL PRODUCTS

### 15.15.1 Participants to transfer Allocation Interests in sufficient time

A Participant that processes Allocation Interests in DvP [Batch](#) Settlement must Transfer Allocation Interests to applicants in sufficient time to enable the Issuer to Issue Financial Products to the relevant applicants in accordance with Rules 15.27 and 15.28.

Introduced 11/03/04 Origin SCH 5A.9.4 Amended 04/03/13

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## 15.17 ESTABLISHING A HOLDING OF ALLOCATION INTERESTS

### 15.17.1 Holding not to be held jointly by more than three persons

[Unless permitted under an Issuer's constitution, Aa](#) Participant must not establish a Holding of Allocation Interests that would be held jointly by more than 3 persons.

## 15.18 IDENTIFICATION OF ~~BILATERAL DUAL ENTRY~~ BATCH MESSAGES AND TRANSFERS OF ALLOCATION INTERESTS

### 15.18.1 Issuer or Participant to specify the transaction

In every:

- (a) [Bilateral Dual Entry](#) Batch Message ~~or, if applicable, Dual Entry RTGS Message~~ entered by an Issuer or Participant; and



- (b) Message to Transfer Allocation Interests Transmitted by a Participant, the Issuer or Participant, as the case requires, must specify the transaction in accordance with the Procedures as advised by ASX Settlement from time to time.

Introduced 11/03/04 Origin SCH 5A.10.1, 5A.10.2

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## **15.21 PARTICIPANT AS PRINCIPAL OR AS AGENT OF APPLICANT**

### **15.21.1 Where a Participant pays an amount to an Issuer**

A Participant who pays an amount to an Issuer and receives Allocation Interests in DvP [Batch](#) Settlement makes that payment and receives those Allocation Interests:

- (a) as principal; or
- (b) where the Participant is in receipt of application monies, as agent for the relevant applicant.

Introduced 11/03/04 Origin SCH 5A.12.1

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## **15.28 ACTIONS BY ASX SETTLEMENT TO EFFECT A FINANCIAL PRODUCTS TRANSFORMATION**

### **15.28.1 ASX Settlement to establish CHESSE Holdings**

If ASX Settlement receives a Valid Message from an Issuer to effect a Financial Products Transformation in relation to Allocation Interests in a CHESSE Holding and there are sufficient Allocation Interests in the Source Holding specified in the Message, ASX Settlement must:

- (a) deduct the number of Allocation Interests specified in the Message from that Source Holding;
- (b) enter the number of Financial Products specified in the Message into the Target Holding specified in that Message;
- (c) notify the Issuer:
- (i) that the CHESSE Holding has been established;
- (ii) of the [relevant](#) Holder Record Details for the CHESSE Holding; and
- (d) notify the Controlling Participant that the CHESSE Holding has been established.

Introduced 11/03/04 Origin SCH 5A.17.2

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## 15.30 INABILITY TO PROCESS ALLOCATION COMPONENT IN DVP SETTLEMENT

### 15.30.1 Participant to forward application and application monies

If:

- (a) ASX Settlement removes an Allocation Component from DvP [Batch](#) Settlement under Rule 10.4.7 ~~or 11.1.2~~; or
- (b) ASX Settlement imposes Restrictions on the participation of a non-compliant Participant under Rule 12.19.1(a),

and as a result a Participant is unable to process an Allocation Component in DvP [Batch](#) Settlement, the Participant must immediately forward any applications and application monies to the relevant Issuer in order that the Issuer may process those applications prior to the Issue Date for the relevant Approved Financial Products.

Introduced 11/03/04 Origin SCH 5A.19.1 Amended 04/03/13

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## SECTION 16 COMMUNICATIONS WITH ASX SETTLEMENT

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### 16.1.1 Obligations in relation to CHES interface

Each Facility User must:

- (a) establish and maintain an interface with CHES in accordance with the [EIS User Technical Documentation](#);
- (b) ensure that no person other than an Authorised Person has access to that interface with CHES;
- (c) provide Notice to ASX Settlement as soon as practicable if it is aware of any fact or matter or intends to take any action that will or may affect its capacity to communicate reliably with CHES in accordance with the [EIS User Technical Documentation](#), including (without limitation):
  - (i) any change to its interface with CHES;
  - (ii) a change in any Third Party Provider; or
  - (iii) any changes to that Facility User's interface with CHES or computing environment, including any change that may be made by a Third Party Provider that alters or may alter its capacity, or the Third Party Provider's capacity, to communicate with CHES; and
- (d) observe and give effect to any advice or directions given by ASX Settlement under Rule 16.3.

Introduced 11/03/04 Origin SCH 4.1.1, 4.1.2, 4.1.5 Amended 15/06/15

### 16.2.1 ASX Settlement to give Notice

ASX Settlement must promptly give Notice to a Facility User if ASX Settlement's ability to communicate with that Facility User in accordance with the [EIS User Technical Documentation](#) is or may be impaired, except when the impairment will or may result from action taken under Rule 16.21.

Introduced 11/03/04 Origin SCH 4.1.3

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### 16.3.1 Facility User's capacity to communicate with CHES impaired

If:

- (a) a Facility User gives Notice to ASX Settlement under Rule 16.1.1(c);
- (b) ASX Settlement gives Notice to a Facility User under Rule 16.2; or
- (c) ASX Settlement has required a Facility User to undertake additional testing by providing Notice under Rule 16.9 and:

- (i) the Facility User has undertaken the testing as required by ASX Settlement; or
- (ii) the Facility User has not complied with the Notice from ASX Settlement requiring it to undertake further testing within the time specified by ASX Settlement,

and ASX Settlement reasonably believes that the Facility User's capacity to communicate reliably with CHES in accordance with the [EIS User Technical Documentation](#) is or will be impaired, then ASX Settlement may take such steps as it considers necessary or desirable for the integrity or orderly operation of CHES, including:

- (d) giving advice or directions to the Facility User to:
  - (i) restore communications; or
  - (ii) prevent or minimise impairment to communications, between ASX Settlement and that Facility User, as the case requires; and
- (e) suspending processing of Messages or classes of Messages between ASX Settlement and the Facility User.

Introduced 11/03/04 Origin SCH 4.1.4 Amended 18/12/06

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## **16.4 NOTICE TO BE GIVEN OF THE SUSPENSION OF PROCESSING OF MESSAGES**

### **16.4.1 Effect of suspension**

Where ASX Settlement has suspended processing of Messages or classes of Messages under Rule 16.3.1(e):

- (a) the suspension takes effect immediately;
- (b) ASX Settlement must promptly give Notice of the suspension, including reasons, to:
  - (i) the Facility User; and
  - (ii) where the Facility User is:
    - A. a Clearing Participant, to the Approved Clearing Facility;
    - B. a participant of an Approved Market Operator, to the relevant Approved Market Operator; or
    - C. an Issuer, to the Approved Listing Market Operator; and
- (c) ASX Settlement may, to the extent that it considers reasonably necessary, give Notice of the suspension to other Facility Users; and
- (d) subject to Rule 16.57, the suspension will continue until ASX Settlement is satisfied that the circumstances that gave rise to the suspension no longer exist.

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## 16.9.2 ASX Settlement may require Facility User to undertake additional testing

Without in any way limiting the advice or directions that may be given by ASX Settlement to a Facility User, ASX Settlement may on reasonable Notice require a Facility User to undertake additional testing of the Facility User's ability to meet the Technical and Performance Requirements if:

- (a) ASX Settlement reasonably believes that the number of erroneous Messages Transmitted by, or electronic communications problems with, that Facility User warrants such action; or
- (b) ASX Settlement introduces significant new CHES Software changes that will or may affect that Facility User's ability to meet those Technical and Performance Requirements;
- (c) the Facility User gives Notice to ASX Settlement under Rule 16.1.1(c);
- (d) the Facility User fails to give Notice to ASX Settlement under Rule 16.1.1(c) but ASX Settlement becomes aware that the Facility User has effected or proposes to effect:
  - (i) any change to its interface with CHES;
  - (ii) any change of Third Party Provider; or
  - (iii) any changes to its interface with CHES or computing environment, including any change that may be made by a Third Party Provider that alters or may alter its capacity, or the Third Party Provider's capacity, to communicate with CHES; or
- (e) ASX Settlement reasonably believes that there is some fact or matter that may impair the Facility User's capacity to communicate reliably with CHES in accordance with the [EIS User Technical Documentation](#) and the Facility User has failed to give notice to ASX Settlement under Rule 16.1.1(c).

Introduced 11/03/04 Origin SCH 4.2.4, 4.2.5 Amended 04/04/05

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## 16.11 SECURITY KEYS

### 16.11.1 ASX Settlement to distribute Security Keys

To enable a Facility User to:

- (a) encrypt and decrypt Messages; [and](#)
- (b) [authenticate generate MACs to append to outgoing Messages and incoming Messages; and](#)
- ~~(c) — authenticate MACs specified in incoming Messages,~~

~~ASX Settlement will distribute two different sets of a Facility User will be allocated the Security Keys specified in the User Technical Documentation in respect of each AIC allocated to that Facility User by ASX Settlement.~~

Each Facility User must ensure that the person who holds Security Keys on behalf of that Facility User has procedures in place to:

- (c) store those Security Keys in a secure location; and
- (d) restrict access to those Security Keys.

Introduced 11/03/04 Origin SCH 4.3.1, 4.3.3

## 16.12 ENCRYPTION OF MESSAGES

### 16.12.1 Facility User to encrypt Message

Each Facility User must, prior to Transmitting a Message to ASX Settlement:

- (a) encrypt; and
- (b) ~~append a MAC to~~ add a digital signature (where applicable) to,

the Message in the manner specified in the ~~EIS~~ User Technical Documentation.

Introduced 11/03/04 Origin SCH 4.3.2

## 16.13 ALLOCATION OR ATTRIBUTION OF UIC

### 16.13.1 ASX Settlement to allocate or attribute UIC's to Participants and Issuers

ASX Settlement will allocate or attribute at least one UIC to:

- (a) a Participant, on admission to participate in CHESSE; and
- (b) an Issuer, on the first occasion that any class of Financial Products of that Issuer becomes Approved under Rule 8.1.

Introduced 11/03/04 Origin SCH 4.4.1

## 16.14 AGGREGATION OF MULTIPLE UICS UNDER A UNIQUE SET OF AUTHENTICATION CREDENTIALS ~~ALLOCATION OF AIC~~

### 16.14.1 ASX Settlement to allocate a unique set of authentication credentials in relation to two or more UICs ~~an AIC for each Recognised Physical Access Point~~

In accordance with the User Technical Documentation, ASX Settlement will allocate on request from a Facility User or Third Party Provider, a unique set of authentication credentials in relation to two or more UICs ~~an AIC for each Recognised Physical Access Point of a Facility User's interface with CHESSE.~~

Introduced 11/03/04 Origin SCH 4.4.2 Amended 23/10/09

## 16.15 TRANSMISSION OF VALID MESSAGES

### 16.15.1 Messages must comply with ~~EIS~~[User Technical Documentation](#)

A Facility User must only Transmit Messages that comply with the Message requirements specified in the ~~EIS~~[User Technical Documentation](#).

ASX Settlement must accept for processing any Valid Message Transmitted to ASX Settlement by a Facility User.

An Issuer must accept for processing any Valid Message Transmitted to the Issuer by ASX Settlement.

Introduced 11/03/04 Origin SCH 4.4.3, 4.4.4, 4.4.5

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## 16.18 ASX SETTLEMENT-INITIATED REPORTING IN RELATION TO MATCHING

### 16.18.1 ASX Settlement to notify Participants of Messages

If ASX Settlement:

- (a) receives either:
- (i) a Valid ~~Dual Entry~~[Bilateral](#) Demand Message;
  - (ii) a Valid ~~Dual Entry~~[Bilateral](#) Batch Message; or
  - ~~(iii) a Valid Dual Entry RTGS Message;~~
  - ~~(iv) a Valid Dual Entry Switch to RTGS Message; or~~
  - ~~(v) a Valid Dual Entry Switch to Batch Settlement Message; or~~
  - (iii) a Valid Bilateral Demand Settlement Message; or
  - ~~(vi) a Valid Dual Entry Payment Batch Message; or~~
- (b) Matches a ~~V~~valid ~~Dual Entry~~[Bilateral](#) Batch Message, or Valid Bilateral Demand Settlement Message ~~or a Valid Dual Entry RTGS Message or a Valid Dual Entry Payment Batch Message~~ with another Transmitted by the counterparty Participant,

ASX Settlement must notify:

- (c) the Participant that Transmitted the Message; and
- (d) the counterparty Participant.

of the fact.

Introduced 11/03/04 Origin SCH 4.6.1, 4.6.2

## 16.19 CANCELLATION OR CHANGE OF A VALID MESSAGE OR INSTRUCTION

### 16.19.1 ASX Settlement to notify of changed or cancelled Messages and Instructions

Except as provided by Rules 10.9.5, ~~11.12.6 and 11.16.4~~, if in accordance with these Rules:

(a) a Participant; or

(b) ASX Settlement,

Cancels or changes either:

(c) a Valid Message; or

(d) an Instruction,

ASX Settlement must notify:

(e) the delivering Participant; and

(f) the receiving Participant

of that fact.

Introduced 11/03/04 Origin SCH 4.22.19, 4.6.3

## 16.20 REPORTING UNDER CHESS

### 16.20.1 ASX Settlement to provide [Demand Report](#)

If:

(a) a Facility User requests a [Demand Report](#) in accordance with the ~~EIS-User~~ [Technical Documentation](#) and the Procedures; or

(b) an Issuer requests a Holding Net Movement Report ~~or a Total Security Balance Report~~ in accordance with the ~~EIS-User~~ [Technical Documentation](#) and the Procedures,

ASX Settlement must promptly provide the [Demand Report](#) to the Facility User or the Holding Net Movement Report ~~or Total Security Balance Report~~ to the Issuer as the case may be in accordance with the ~~EIS-User~~ [Technical Documentation](#) and the Procedures.

Introduced 11/03/04 Origin SCH 4.8.1., 4.8.2

### 16.20.2 ASX Settlement to provide Standing Report

Within the Scheduled Time, ASX Settlement will make a:

(a) Standing Report available to a Facility User in accordance with the User Technical Documentation and the Procedures; and

(b) Holding Net Movement Report and Total Security Balance Report to an Issuer in accordance with the User Technical Documentation and the Procedures.



## 16.21 PROCESSING MESSAGES WITHIN SCHEDULED TIME

### 16.21.1 ASX Settlement may vary times or suspend processing of Messages

ASX Settlement will process within the Scheduled Time, a Valid Message that is not a Message requesting a ~~Standing Report or a Demand Report~~ but may without Notice:

- (a) vary the times specified in these Rules for Start of Day or End of Day, as the case requires; and
- (b) suspend processing of Messages under this Rule 16.21,

if ASX Settlement reasonably believes that it is necessary to do so in order to protect the integrity or orderly operation of CHESSE.

Introduced 11/03/04 Origin SCH 4.9.1, 4.9.2, 4.9.7

## 16.22 PROCESSING MESSAGES DURING THE SETTLEMENT PROCESSING PHASE

### 16.22.1 ASX Settlement will not process Messages

ASX Settlement will not process during the Settlement Processing Phase:

- (a) a Message requesting a Demand Report ~~or a Standing Report~~; or
- (b) a Message that will effect a change to the Holding Balance of any CHESSE Holding other than a Message that initiates a Settlement Transfer;
- (c) a Message requesting a change to the status of a Participant;
- (d) a Message requesting a change to a Holder Record; or
- (e) a Message or a Notice requesting ASX Settlement to apply or remove a Holder Record Lock, Holding Lock, Settlement Lock or Demand Lock;

Messages that initiate Settlement Transfers in connection with:

- (f) Batch Settlement will only be processed by ASX Settlement during the Settlement Processing Phase; or
- (g) Real Time Gross Settlement will not be processed during the Settlement Processing Phase.

If, on any Business Day, ASX Settlement receives between Start of Day and Settlement Cut-off:

- ~~(e) a Valid Message Transmitted by an Issuer to effect a Financial Products Transformation or a Holding Adjustment; or~~
- (hd) a Valid Message Transmitted by ASX Clear or a CHESSE Offeror to effect a Transfer of Financial Products reserved in a Subposition from a CHESSE Holding,

ASX Settlement will not process the Message until after that day's Settlement Processing Phase has been completed.

If ASX Settlement receives a Valid Message Transmitted by a Facility User after End of Day on a Trading Day, ASX Settlement will not process that Message until after Start of Day on the following Trading Day.

Introduced 11/03/04 Origin SCH 4.9.3, 4.9.4, 4.9.5, 4.9.6 Amended 19/08/09

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## **16.24 NOTIFICATION OBLIGATIONS OF ASX SETTLEMENT IN RESPECT OF MESSAGES THAT MAY EFFECT A CHANGE TO A HOLDING BALANCE**

*Note: Notifications will take place within the time specified for Rule 16.21*

### **16.24.1 ASX Settlement to notify that Demand Transfer or Conversion has been effected**

If ASX Settlement processes a Valid Originating Message that complies with Rule 9.4.1 or 9.7.1 from a Participant, ASX Settlement must notify:

- (a) the Participant that Transmitted the Originating Message; and
- (b) if the Originating Message complies with Rule 9.4.1 and the Participant that Transmitted that Message is not the Controlling Participant for the Target Holding specified in that Message, the Controlling Participant for that Target Holding,

that the Demand Transfer or Conversion has been effected.

Introduced 11/03/04 Origin SCH 4.7.2

### **16.24.2 ASX Settlement to notify that Demand Transfer or Conversion details Transmitted to the Issuer**

If ASX Settlement Transmits a Valid Message to an Issuer under Rule 9.8.2, ASX Settlement must notify the Participant that Transmitted the Originating Message that the Demand Transfer or Conversion details have been Transmitted to the Issuer for authorisation.

Introduced 11/03/04 Origin SCH 4.7.3

### **16.24.3 Processing Valid Message Transmitted to ASX Settlement**

If ASX Settlement processes a Valid Message Transmitted to ASX Settlement by an Issuer in accordance with Rule 9.8.6(b), ASX Settlement must notify:

- (a) the Participant that Transmitted the Originating Message that the Demand Transfer or Conversion has been effected; and
- (b) the Issuer to confirm that ASX Settlement has completed processing of the Demand Transfer or Conversion against the Target Holding on the CHES Subregister.

Introduced 11/03/04 Origin SCH 4.7.4

#### **16.24.4 Rejection of Valid Originating Message**

If ASX Settlement rejects a Valid Originating Message that complies with Rule 9.4.1 or 9.7.1 from a Participant because there are insufficient Available Financial Products in the Source Holding ASX Settlement must notify the Participant that Transmitted the Originating Message of the rejection and the reason for the rejection.

Introduced 11/03/04 Origin SCH 4.7.5

#### **16.24.5 ASX Settlement to notify delivering Participant and receiving Participant**

If:

- (a) a ~~Dual Entry~~Bilateral Demand Transfer is effected;:-
- (aa) a Bilateral Demand Settlement Transfer is effected;
- (b) a Settlement Transfer is effected in respect of all the Financial Products specified in the Instruction; or
- (c) a Settlement Transfer is effected in respect of only some of the Financial Products specified in the Instruction,

ASX Settlement must notify the delivering Participant and the receiving Participant and, in the case of paragraph (c) must notify them of:

- (d) the number of Financial Products that have been Transferred; and
- (e) the number of Financial Products that were unable to be Transferred because there were insufficient Available Financial Products in the Source Holding.

Introduced 11/03/04 Origin SCH 4.7.6, 4.7.7, 4.7.8

#### **16.24.6 Rejection of Settlement Transfer**

If a Settlement Transfer is rejected, ASX Settlement must notify the delivering Participant and the receiving Participant of the rejection.

Introduced 11/03/04 Origin SCH 4.7.9

#### **16.24.7 Processing of Messages to effect a Holding Adjustment or Financial Products Transformation**

If ASX Settlement processes a Valid Message from an Issuer to effect a Holding Adjustment or Financial Products Transformation, ASX Settlement must notify:

- (a) the Issuer that the Holding Adjustment or the Financial Products Transformation has been effected; and
- (b) the Controlling Participant for the affected CHES Holding of the change to the Holding Balance of that Holding and the reason for the change.

Introduced 11/03/04 Origin SCH 4.7.10

## **16.24.8 DvP Instructions and Payment Batch Instructions**

If a Settlement Transfer is effected in respect of a DvP Instruction, or a payment is effected in respect of a Payment Batch Instruction, ASX Settlement must within the Scheduled Time notify the paying and receiving Participants that a net funds movement has occurred in relation to each active Payment Facility.

Introduced 11/03/04 Origin SCH 4.7.11

## **16.25 ASX SETTLEMENT EMERGENCY ASSISTANCE**

### **16.25.1 Participant may request ASX Settlement for assistance**

If a Participant advises ASX Settlement that it is no longer able to Transmit Messages, the Participant may request ASX Settlement on a reasonable endeavours basis to:

(a) act as the Participant's agent to send and receive Messages on the Participant's behalf in communicating with ASX Settlement; or

(b) make available other emergency facilities,

in accordance with the Procedures.

## **16.26 EMERGENCY ASSISTANCE NOT PROVIDED BY ASX SETTLEMENT**

### **16.26.1 Where ASX Settlement does not provide assistance**

A Participant cannot claim that because ASX Settlement does not assist a Participant under Rule 16.25.1, the Participant is unable to comply with the Rules and Procedures.

## **16.27 EXCLUSION OF LIABILITY**

### **16.27.1 ASX Settlement not liable for emergency assistance**

ASX Settlement accepts no liability for activities it undertakes on behalf of a Participant or the use of its other emergency facilities under Rule 16.25.1.

## **16.28 INDEMNITY FOR EMERGENCY ASSISTANCE**

### **16.28.1 Participant to indemnify ASX Settlement where ASX Settlement provides emergency assistance**

The Participant indemnifies and will keep indemnified ASX Settlement against all actions, proceedings, claims, demands, damages, costs, expenses and any other amounts against or incurred by ASX Settlement arising out of or in connection with any action taken or any inaction by any of ASX Settlement, or its officers, agents, persons acting for or on behalf of ASX Settlement or contractors under Rule 16.25.1.

## SECTION 17 TRANSITIONAL ARRANGEMENTS DELETED

~~The purpose of this Section is to set out transitional arrangements governing the transition from the SCH Business Rules to these Rules including:~~

- ~~(a) the grandfathering of Participants, Issuers and Payments Providers under the former Rules to these Rules;~~
- ~~(b) specifying how the new rules in relation to Sponsorship Agreements are to be applied; and~~

~~permitting disciplinary proceedings to be taken for a breach of the former Rules even though the breach may only have been discovered after these Rules come into effect.~~

### ~~17.1 INTERPRETATION~~

#### ~~17.1.1 Definitions~~

~~In this Rule 17:~~

~~“Effective Date” means the date which ASX Settlement notifies Facility Users as being the date on which these Rules become effective;~~

~~“Existing Broker” means a person who immediately before the Effective Date was admitted to participate in CHESS as a Broker under Old Rule 2.1.1;~~

~~“Existing CDIs” means those CDIs that immediately before the Effective Date were issued over a class of Principal Financial Products that were CHESS Approved Financial Products under the Old Rules;~~

~~“Existing CHESS Approved Financial Products” means those CHESS Approved Financial Products that immediately before the Effective Date were CHESS Approved Financial Products under the Old Rules;~~

~~“Existing Department and Subsidiary of ASX” means a person who immediately before the Effective Date was admitted to participate in CHESS as a Broker or NBP under Old Rule 2.5.1;~~

~~“Existing Exchange other than ASX” means a person who immediately before the Effective Date was admitted to participate in CHESS as an NBP under Rule 2.5A.1;~~

~~“Existing FDIs” means those FDIs that immediately before the Effective Date corresponded to a class of Participating International Financial Products that were CHESS Approved Financial Products under the Old Rules;~~

~~“Existing Foreign Clearing House” means a person who immediately before the Effective Date was admitted to participate in CHESS as an NBP under Old Rule 2.5B.1;~~

~~“Existing Issuer” means a person who immediately before the Effective Date was recognised as an Issuer under the Old Rules;~~

~~“Existing NBP” means a person who immediately before the Effective Date was admitted to participate in CHESS as a NBP under Old Rule 2.3.1 or 2.3.2;~~

~~“Existing NBP Subject to Restrictions” means a person who immediately before the Effective Date was admitted to participate in CHESS as an NBP under Old Rule 2.4.1, 2.4.2 or 2.5A;~~

~~“Existing Nssp” means a person who immediately before the Effective Date was admitted to participate in CHESS as a Nssp under Old Rule 2.1A.1;~~

~~“Existing Participant” means a Participant within the meaning of the Old Rules;~~

~~“Existing Participant Sponsored Holder” means a Participant Sponsored Holder within the meaning of the Old Rules;~~

~~“Existing Payments Provider” means a person who immediately before the Effective Date was recognised as a Payments Provider under the Old Rules;~~

~~“Existing RTGS Payments Provider” means a person who immediately before the Effective Date was recognised as an RTGS Payments Provider under the Old Rules;~~

~~“Existing Settlement Agent” means a person who immediately before the Effective Date was appointed as a settlement agent under ASX Business Rule 4.51;~~

~~“Existing Sponsorship Agreement” means a Sponsorship Agreement within the meaning of the Old Rules;~~

~~“Old Rules” means the SCH Business Rules in force immediately before the Effective Date;~~

~~“Performance Bond Lodged Under the Old Rules” has the same meaning as the definition of Performance Bond in the Old Rules;~~

~~“Scheduled Settlement” has the same meaning as in the Old Rules.~~

~~From the Effective Date until 10 March 2004 the definition of “Market Operator” is modified to include:~~

- ~~(a) — a securities exchange under the Old Corporations Act;~~
- ~~(b) — an exempt stock market under section 771 of the Old Corporations Act; or~~
- ~~(c) — a special stock market under section 770A of the Old Corporations Act,~~

~~and that definition is to be construed accordingly.~~

~~Introduced 11/03/04~~

## **17.2 TRANSITION OF PARTICIPANTS**

### **17.2.1 Participants taken to be admitted under the Rules**

~~From the Effective Date:~~

- ~~(a) — each Existing Broker is taken to be admitted as a General Settlement Participant under these Rules;~~
- ~~(b) — each Existing NBP admitted under Old Rule 2.3.1, Old Rule 2.3.2 or Old Rule 2.5A is taken to be admitted as a General Settlement Participant under these Rules;~~
- ~~(c) — each Existing NBP Subject to Restrictions is taken to be admitted as a Specialist Settlement Participant under these Rules;~~
- ~~(d) — each Existing Department and Subsidiary of ASX is taken to be admitted as a General Settlement Participant under these Rules;~~
- ~~(e) — each Existing Exchange Other than ASX is taken to be admitted as a General Settlement Participant under these Rules;~~
- ~~(f) — each Existing Foreign Clearing House is taken to be admitted as a General Settlement Participant under these Rules;~~
- ~~(g) — each Existing NSSP is taken to be admitted as an Account Participant under these Rules; and~~
- ~~(h) — each Existing Settlement Agent is taken to be admitted as a Settlement Agent under these Rules.~~

~~From the Effective Date until 10 March 2004 the requirement in Rule 4.3.1(b)(i) that an applicant for admission as a General Settlement Participant and the requirement in Rule 4.5.1(a) that an applicant for admission as an Account Participant be the holder of an Australian financial services licence under the Corporations Act is satisfied if the applicant for admission is the holder of a dealers licence under the Old Corporations Act, the terms of which do not prevent the applicant from carrying on a securities business in relation to any securities (as defined in section 92(1) of the Old Corporations Act), or the holder of a futures brokers licence under the Old Corporations Act.~~

~~Introduced 11/03/04~~

## ~~17.3 — TRANSITION OF ISSUERS~~

### ~~17.3.1 — Issuers taken to be Issuers under the Rules~~

~~From the Effective Date each Existing Issuer is taken to be an Issuer under these Rules.~~

~~Introduced 11/03/04~~

## ~~17.4 — TRANSITION OF PAYMENTS PROVIDERS~~

### ~~17.4.1 — Payments Providers taken to be Payments Providers under the Rule~~

~~From the Effective Date each Existing Payments Provider is taken to be a Payments Provider under these Rules. From the Effective Date each Existing RTGS Payments Provider is taken to be an RTGS Payments Provider under these Rules.~~

~~Introduced 11/03/04~~

## ~~17.5~~ ~~TRANSITION OF APPROVED FINANCIAL PRODUCTS~~

### ~~17.5.1~~ ~~CHES Approved Financial Products taken to be Approved Financial Products~~

~~From the Effective Date:~~

- ~~(a) all Existing CHES Approved Financial Products;~~
- ~~(b) all Existing CDIs; and~~
- ~~(c) all Existing FDIs,~~

~~are taken to be Approved Financial Products under these Rules.~~

~~Introduced 11/03/04 Amended 06/06/05~~

## ~~17.6~~ ~~SPONSORSHIP AGREEMENTS~~

### ~~17.6.1~~ ~~Sponsorship Agreements continue to operate~~

~~Where an Existing Participant has entered into a Existing Sponsorship Agreement with an Existing Participant Sponsored Holder in accordance with the Old Rules, the terms of that Sponsorship Agreement continue to operate under these Rules on and from the Effective Date subject to the following:~~

- ~~(a) Rules 7.2.2(b), 7.2.2(i) and 7.2.4 do not apply until the terms of the Existing Sponsorship Agreement are varied or amended; and~~
- ~~(b) Existing Participants must, on the next occasion after the Effective Date that they send a written communication to an Existing Participating Sponsored Holder, inform the Holder in writing at that time of the effect of Rules 7.2.2(b), 7.2.2(i) and 7.2.4.~~

~~For the avoidance of doubt, Section 7 of the Rules applies to all Sponsorship Agreements entered into on or after the Effective Date.~~

~~*Note: The effect of Rule 17.6 is that Rules 7.2.2(b), 7.2.2(i) and 7.2.4 only apply to new Sponsorship Agreements entered into on or after the Effective Date and to former Sponsorship Agreements that are varied on or after the Effective Date but that Existing Participant Sponsored Holders must be informed in writing by their Sponsoring Participant of the effect of the new rules.*~~

~~Introduced 11/03/04 Amended 10/06/04~~

## ~~17.7~~ ~~WAIVERS~~

### ~~17.8.1~~ ~~Transactions schedule for Scheduled Settlement taken to be Scheduled for Batch Settlement~~

~~Any waivers granted under the Old Rules continue to be effective and operate in accordance with their terms and conditions as if they were made under these Rules.~~

~~Introduced 11/03/04~~



## ~~17.8 BATCH SETTLEMENT~~

~~Any transaction scheduled for Scheduled Settlement under the Old Rules is taken to be an Instruction scheduled for Batch Settlement under these Rules.~~

~~Introduced 11/03/04~~

## ~~17.9 EFFECT OF TRANSITION ON EXISTING RIGHTS AND OBLIGATIONS~~

### ~~17.9.1 Rights and obligations not affected~~

~~This Rule 17 does not affect any accrued rights which ASX Settlement, ASX, ASX Clear or any other person has against an Existing Participant, Existing Issuer or any other person under the Old Rules or any accrued obligations which the Existing Participant, Existing Issuer or any other person has under the Old Rules to ASX Settlement, ASX, ASX Clear or to any other person. Without limiting this Rule 17.9, following the Effective Date:~~

- ~~(a) ASX Settlement will continue to have jurisdiction in respect of an Existing Participant and Existing Issuer concerning any conduct or any failure to comply with the Old Rules which occurred before the Effective Date whether or not ASX Settlement was or should have been aware of that conduct or failure prior to the Effective Date. ASX Settlement will be permitted to take action against an Existing Participant or an Existing Issuer under the Old Rules for a breach of the Old Rules even if ASX Settlement only became aware of the breach on or after the Effective Date; and~~
- ~~(b) each Existing Participant, Existing Issuer and any other person continues to be bound by any indemnity given by the Existing Participant, Existing Issuer or person under the Old Rules to ASX Settlement, ASX, ASX Clear or any other person.~~

~~Introduced 11/03/04~~

## ~~17.10 PERFORMANCE BONDS~~

### ~~17.10.1 Valid Performance Bond to be a valid Settlement Bond or Sponsorship Bond~~

~~A valid Performance Bond Lodged Under the Old Rules by an Existing NBP is taken to be a valid Settlement Bond or Sponsorship Bond, as the case may be, lodged with ASX Settlement under these Rules subject to the following:~~

- ~~(a) any reference in the Performance Bond Lodged Under the Old Rules to:
  - ~~(i) the SCH Business Rules is taken to be a reference to these Rules; and~~
  - ~~(ii) the NBP requesting the issue of the bond is taken to be a reference to a Sponsorship Participant or Settlement Participant as the case may be; and~~~~
- ~~(b) the obligation under these Rules requiring a Participant to lodge a Sponsorship Bond of \$500,000 or a Settlement Bond of \$500,000 or both can be met by a Participant lodging and maintaining with ASX Settlement one or more bonds,~~

~~including the Performance Bond Lodged Under the Old Rules, which, in combination, satisfy the required amount.~~

~~Note: The effect of Rule 17.10 is that a valid Performance Bond Lodged Under the Old Rules in an amount of \$500,000 can be used by a Participant as a Sponsorship Bond or a Settlement Bond.~~

~~If the Performance Bond Lodged Under the Old Rules is only for an amount of \$250,000, or if it is for an amount of \$500,000 and the Participant is required to lodge a Sponsorship Bond and a Settlement Bond totalling \$1 million, then the Participant will have to lodge an additional bond or bonds for the shortfall so that the total of all bonds lodged with ASX Settlement satisfies the required amount.~~

~~Introduced 11/03/04~~

## ~~17.11~~ **NOTICES, CIRCULARS AND BULLETINS**

### ~~17.11.1~~ **Notices and other communications taken to be made under the Rules**

~~Any circulars, notices, bulletins, explanatory memoranda or other communications issued or made by ASX Settlement under the Old Rules are taken to be issued or made under these Rules with such modifications to rule references and terminology as are necessary to give effect to the circular, notice, bulletin, explanatory memorandum or communication.~~

~~Introduced 11/03/04~~

## ~~17.12~~ **ALLOCATION OF AICS, UICS AND PIDS**

### ~~17.12.1~~ **AIC's, UIC's and PID's taken to be allocated under the Rules**

~~The allocation of any AIC, UIC or PID under the Old Rules is taken to be an allocation under these Rules.~~

~~Introduced 11/03/04~~

**End of Document**

## SECTION 18 SETTLEMENT OF AQUA PRODUCTS

This Section contains rules relating specifically to the settlement of AQUA Products including:

- (a) processing of requests for issue and redemption of AQUA Products ~~and requests to Switch between AQUA Products;~~
- (b) cancellation of requests for issue or redemption ~~of AQUA Products or Switch;~~
- (c) notification of changes to details for requests for issue or redemption ~~or Switch of~~ AQUA Products; ~~and~~
- (d) actions that ASX Settlement may take in the event of failure by a Product Issuer Settlement Participant to settle issues and redemptions of AQUA Products; ~~and~~
- ~~(e) the provision of distribution and re-investment advices to Holders of AQUA Products.~~

### 18.1 APPLICATION OF RULES TO AQUA PRODUCTS

#### 18.1.1 Application of Section 18

This Section 18 applies to the processing of requests for issue and redemption of AQUA Products as a class of transaction in Batch Settlement. AQUA Products must be settled in accordance with this Section 18. This Section 18 does not apply in relation to Financial Products which are not AQUA Products.

#### 18.1.2 Compliance with Rules other than Section 18

Subject to the modifications specified in Rule 18.13, a Facility User must, in respect of AQUA Products, comply with all Rules to the extent those Rules apply to AQUA Products.

#### 18.1.3 Conflict between Rules

If there is a conflict between a provision of this Section 18 and any other provision of these Rules, the provision of this Section 18 will prevail to the extent of the conflict.

### 18.2 SETTLEMENT PROCESS

#### 18.2.1 Transactions

Transactions in relation to AQUA Products which may be settled through the Settlement Facility in Batch Settlement are payments in respect of the issue or redemption of AQUA Products.

### 18.2.2 Process

Payments in respect of the issue or redemption of AQUA Products are to be settled in Batch Settlement as follows:

- (a) for issue of AQUA Products, on a 'payment then delivery' basis; and
- (b) for redemption of AQUA Products, on a 'delivery then payment' basis,

in accordance with the provisions of this Section 18 and all other applicable provisions of these Rules.

## 18.3 REQUESTS FOR ISSUE OR REDEMPTION OF AQUA PRODUCTS

### 18.3.1 Initiation of request

A Settlement Participant may initiate a request for issue or redemption of AQUA Products by Transmitting to ASX Settlement a Valid Originating Message before Fund Request Cut-Off in accordance with the Procedures. In addition to the matters specified in the Procedures the Valid Originating Message in respect of an application for issue of AQUA Products must include:

- (a) confirmation that the requirements of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) have been satisfied; and
- (b) confirmation that the Holder has received a copy of the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) for the AQUA Products referred to in Rule [4652] of the ASX Operating Rules and the date of that Product Disclosure Statement or Combined Product Disclosure Statement (as applicable).

Amended 06/02/17

### 18.3.2 Initiating Settlement Participant to be Controlling Participant

A Settlement Participant may only initiate a request for [issue or](#) redemption of AQUA Products ~~in~~ [for](#) a CHESS Holding in respect of which it is the Controlling Participant.

### 18.3.3 Product Issuer Settlement Participant to accept or reject request

If a Valid Originating Message Transmitted to ASX Settlement complies with Rule 18.3.1:

- (a) ASX Settlement must, within the Scheduled Time, Transmit a Message to the relevant Product Issuer Settlement Participant to notify it of the details of the request specified in the Valid Originating Message;
- (b) the Product Issuer Settlement Participant must, subject to Rule 18.3.3(c) and within the Scheduled Time, Transmit a Valid Message to ASX Settlement accepting or rejecting ~~(or, in the case of requests for redemption only, deferring)~~ the request and specifying the information required by the Procedures; and

- (c) the Product Issuer Settlement Participant must reject a request for issue of AQUA Products pursuant to Rule 18.3.3(b) where the AQUA Product Issuer must not issue the AQUA Products pursuant to Rule 10A.4.5(e) of the ASX Operating Rules.

Amended 15/08/16, 06/02/17

#### **18.3.4 ASX Settlement to notify Settlement Participant**

If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.3.3(b), ASX Settlement must Transmit a Message to the Settlement Participant that initiated the request notifying it that the request has been accepted or rejected ~~(or, in the case of requests for redemption only, deferred)~~, as the case requires.

Amended 15/08/16

#### **18.3.5 ~~Deemed rejection~~ Removal of requests – ~~[Deleted]~~**

Without limiting Rule 18.3.3(b), if the Product Issuer Settlement Participant has not Transmitted a Valid Message to ASX Settlement pursuant to Rule 18.3.3(b) by the Scheduled Time, ASX Settlement may:

- (a) cancel and remove any requests for the issue or redemption for AQUA Products that have not been accepted or rejected in accordance with Rule 18.3.3(b); and
- (b) notify the Settlement Participant that initiated the request for issue or redemption of AQUA Products that the request has been cancelled.

Deleted 15/08/16

#### **18.3.6 Accepted request to result in AQUA Payment Batch Instruction and Holding Adjustment**

If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.3.3(b) accepting a request for issue or redemption of AQUA Products:

- (a) ASX Settlement must:
- (i) schedule an AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, for settlement in Batch Settlement on the Settlement Date as determined by ASX Settlement (in the case of an AQUA Application Payment Batch Instruction) or as specified in the Valid Message Transmitted by the Product Issuer Settlement Participant in accordance with Rule 18.3.3(b) (in the case of an AQUA Redemption Payment Batch Instruction); and
- (ii) Transmit a Message to the Settlement Participant that initiated the request and the Product Issuer Settlement Participant notifying them that an AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, has been scheduled for settlement; and
- (b) the Product Issuer Settlement Participant must, within the Scheduled Time (or, in the case of a request for issue only, by the rescheduled date (if any) notified

in accordance with Rule 18.7), Transmit to ASX Settlement a Valid Message in accordance with the Procedures that initiates a Holding Adjustment to increase or decrease, by the number of AQUA Products determined by the Product Issuer Settlement Participant in respect of the request for issue or redemption, as the case requires, the Holding Balance of the CHES Holding specified in the Originating Message.

Amended 15/08/16

**18.3.6A Product Issuer Settlement Participant to provide certain information prior to issue or redemption of AQUA Products**

If the Product Issuer Settlement Participant accepts a request for issue or redemption of AQUA Products in accordance with Rule 18.3.3(b):

- (a) the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Valid Message to ASX Settlement notifying it of the information specified in the Procedures; and
- (b) ASX Settlement must, within the Scheduled Time, Transmit a Message to the Settlement Participant that initiated the request for issue or redemption of AQUA Products notifying it of the information received from the Product Issuer Settlement Participant in accordance with Rule 18.3.6A(a).

Introduced 15/08/16

**18.3.7 Notifications to prospective investor clients**

If a Settlement Participant receives a Message under Rules 18.3.6(a)(ii), 18.3.6A(b), 18.4.4(a), 18.5.1, or 18.7.2(a), it must:

- (a) where the Settlement Participant is also the Trading Participant through which the request for issue or redemption of AQUA Products was initiated on behalf of the client investor, promptly communicate the relevant information to the client; or
- (b) where the Settlement Participant is acting as Settlement Agent for the Trading Participant through which the request for issue or redemption of AQUA Products was initiated on behalf of the client investor, promptly communicate the relevant information to that Trading Participant.

Amended 15/08/16

**18.3.8 Obligations of Participants in relation to AQUA Payment Batch Instructions**

The obligation or entitlement, as the case requires, of a Settlement Participant that initiates a request for issue or redemption of AQUA Products and the Product Issuer Settlement Participant that accepts the request for issue or redemption, to pay or receive an amount in accordance with the AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction scheduled in accordance with Rule 18.3.6(a)(i), are owed to each other as principals, even if one or both of the Participants is acting on behalf of another person in relation to the instruction.

Note: A Settlement Participant that initiates a request for issue or redemption of AQUA Products will be liable for any failure or inability by a Third Party Provider to comply with the Rules. Refer also to Rule 2.4 and Rule 16.17.

### 18.3.9 Representation by Settlement Participants

Where a Settlement Participant Transmits a Valid Originating Message to ASX Settlement under Rule 18.3.1, the Settlement Participant is taken to represent for the benefit of the relevant AQUA Product Issuer that:

- (a) where the Settlement Participant is also the Trading Participant through which the request for issue of AQUA Products was initiated on behalf of the client investor:
  - i. the Settlement Participant gave the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) referred to in Rule 18.3.1(b) to the client;
  - ii. the requirements of Part 2 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) in relation to the client investor have been satisfied; and
  - iii. the Settlement Participant has complied with any other matters as set out in the Procedures,  
prior to accepting the client's instruction to initiate the request; or
- (b) where the Settlement Participant is acting as Settlement Agent for the Trading Participant through which the request for issue of AQUA Products was initiated on behalf of the client investor, the Settlement Participant has received confirmation from the Trading Participant that:
  - i. the Trading Participant gave the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) referred to in Rule 18.3.1(b) to the client;
  - ii. the requirements of Part 2 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) in relation to the client investor have been satisfied; and
  - iii. the Trading Participant has complied with any other matters as set out in the Procedures,  
prior to accepting the client's instruction to initiate the request.

Amended 06/02/17

## 18.4 REQUESTS TO SWITCH BETWEEN AQUA PRODUCTS – ~~[DELETED]~~

### 18.4.1 Initiation of request – ~~[Deleted]~~

~~A Settlement Participant may initiate a request to Switch between AQUA Products by Transmitting to ASX Settlement a Valid Originating Message before Fund Request Cut-Off in accordance with the Procedures. In addition to the matters specified in the Procedures the Valid Originating Message must include confirmation that the Holder~~

~~has received a copy of the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) for the AQUA Products referred to in Rule [4652] of the ASX Operating Rules and the date of that Product Disclosure Statement or Combined Product Disclosure Statement (as applicable).~~

Amended 06/02/17

**18.4.2 Initiating Settlement Participant to be Controlling Participant – [Deleted]**

~~A Settlement Participant may only initiate a request to Switch between AQUA Products in CHESS Holdings which are referable to the same Holder and in respect of which it is the Controlling Participant.~~

**18.4.3 Product Issuer Settlement Participant to accept or reject request – [Deleted]**

~~If a Valid Originating Message Transmitted to ASX Settlement complies with Rule 18.4.1:~~

- ~~(a) — ASX Settlement must, within the Scheduled Time, Transmit a Message to the relevant Product Issuer Settlement Participant to notify it of the details of the request specified in the Valid Originating Message;~~
- ~~(b) — the Product Issuer Settlement Participant must, subject to Rule 18.4.3(c) and within the Scheduled Time, Transmit a Valid Message to ASX Settlement accepting, rejecting or deferring the request and specifying the information required by the Procedures; and~~
- ~~(c) — the Product Issuer Settlement Participant must reject a request for Switch between AQUA Products pursuant to Rule 18.4.3(b) where the AQUA Product Issuer must not issue the AQUA Products pursuant to Rule 10A.4.5(e) of the ASX Operating Rules.~~

Amended 15/08/16, 06/02/17

**18.4.4 ASX Settlement to notify Settlement Participant – [Deleted]**

~~If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.4.3(b):~~

- ~~(a) — ASX Settlement must Transmit a Message to the Settlement Participant that initiated the request notifying it that the request has been accepted, rejected or deferred, as the case requires; and~~
- ~~(b) — if the request has been accepted, the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit to ASX Settlement Valid Messages in accordance with the Procedures that initiate Holding Adjustments to increase and decrease, by the number of AQUA Products determined by the Product Issuer Settlement Participant in respect of the request to Switch between AQUA Products, as the case requires, the Holding Balance of each CHESS Holding specified in the Valid Originating Message.~~

Amended 15/08/16

**18.4.5 Deemed rejection of request – [Deleted]**

Deleted 15/08/16



#### 18.4.6 Representation by Settlement Participants – ~~[Deleted]~~

~~Where a Settlement Participant Transmits a Valid Originating Message to ASX Settlement under Rule 18.4.1, the Settlement Participant is taken to represent for the benefit of the relevant AQUA Product Issuer that:~~

- ~~(a) — where the Settlement Participant is also the Trading Participant through which the request to switch between AQUA Products was initiated on behalf of the client investor:~~
- ~~i. — the Settlement Participant gave the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) referred to in Rule 18.4.1 to the client; and~~
  - ~~ii. — the Settlement Participant has complied with any other matters as set out in the Procedures,~~
- ~~— prior to accepting the client’s instruction to initiate the request; or~~
- ~~(b) — where the Settlement Participant is acting as Settlement Agent for the Trading Participant through which the request to switch between AQUA Products was initiated on behalf of the client investor, the Settlement Participant has received confirmation from the Trading Participant that:~~
- ~~i. — the Trading Participant gave the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) referred to in Rule 18.4.1 to the client; and~~
  - ~~ii. — the Trading Participant has complied with any other matters as set out in the Procedures,~~
- ~~— prior to accepting the client’s instruction to initiate the request.~~

Amended 06/02/17

### 18.5 CANCELLATION OF REQUESTS BY PRODUCT ISSUER SETTLEMENT PARTICIPANT

#### 18.5.1 Cancellation of accepted issue or redemption requests

If, within the Scheduled Time, a Product Issuer Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request for issue or redemption of AQUA Products that the Product Issuer Settlement Participant accepted ~~(or, in the case of requests for redemption only, deferred)~~ in accordance with Rule 18.3.3(b), ASX Settlement will:

- (a) cancel and remove from Batch Settlement any unsettled AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction scheduled in accordance with Rule 18.3.6(a)(i) or rescheduled in accordance with Rule 18.7.2(b)(i) that relates to the request; and
- (b) notify the Settlement Participant that initiated the request for issue or redemption of AQUA Products that the request has been cancelled and that any unsettled AQUA Application Payment Batch Instruction or AQUA Redemption

Payment Batch Instruction that relates to the request has been removed from Batch Settlement.

Amended 15/08/16

**18.5.2 Cancellation of accepted request to Switch – [\[Deleted\]](#)**

~~If, within the Scheduled Time, a Product Issuer Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request to Switch between AQUA Products that the Product Issuer Settlement Participant accepted or deferred in accordance with Rule 18.4.3(b), ASX Settlement will~~

~~notify the Settlement Participant that initiated the request to Switch between AQUA Products that the request has been cancelled.~~

Amended 15/08/16

## **18.6 CANCELLATION OF REQUEST BY APPLICANT**

### **18.6.1 Cancellation request to be accepted or rejected by Product Issuer Settlement Participant**

If, within the Scheduled Time, a Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of:

~~(a) a request for redemption of AQUA Products, or~~

~~(b) a request to Switch between AQUA Products,~~

~~then: at the Settlement Participant initiated and the Product Issuer Settlement Participant deferred in accordance with Rule 18.3.3(b) or Rule 18.4.3(b):~~

(ea) ASX Settlement must, within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation request; and

(bd) the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Valid Message in accordance with the Procedures to ASX Settlement accepting or rejecting the cancellation request and specifying the information required by the Procedures.

Amended 15/08/16

### **18.6.1A Cancellation of request for issue**

If, within the Scheduled Time, a Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request for the issue of AQUA Products, ASX Settlement must:

(a) within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation of the request; and

(b) Transmit a Message to the Settlement Participant notifying it of the cancellation of the request for issue.

### **18.6.2 ASX Settlement to notify Settlement Participant**

If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.6.1(d), ASX Settlement must Transmit a Message to the Settlement Participant that initiated the cancellation request notifying it that the request has been accepted or rejected.

### **18.6.3 Deemed rejection of request – [Deleted]**

Deleted 15/08/16

## 18.7 NOTIFICATION OF CHANGE OF ISSUE OR REDEMPTION DETAILS BY PRODUCT ISSUER SETTLEMENT PARTICIPANT

### 18.7.1 Product Issuer Settlement Participant to notify change of details

A Product Issuer Settlement Participant that has accepted:

~~(a)~~ a request for issue or redemption of AQUA Products in accordance with Rule 18.3.3(b); ~~or~~

~~(b) a request to Switch between AQUA Products in accordance with Rule 18.4.3(b);~~

may notify the Settlement Participant that initiated the request of changes to details of matters relating to the request, as specified in the Procedures, by Transmitting to ASX Settlement, within the Scheduled Time, a Valid Message in accordance with the Procedures.

[If ASX Settlement receives a Valid Message in accordance with this Rule 18.7.1, it will notify the Settlement Participant that initiated the request for issue or redemption of AQUA Products of the changes to those details.](#)

Amended 15/08/16

### 18.7.2 ASX Settlement to notify applicant and reschedule payment instructions

If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.7.1, ASX Settlement must:

- (a) Transmit a Message to the Settlement Participant that initiated the request notifying it of the changed details advised by the Product Issuer Settlement Participant; and
- (b) if the Product Issuer Settlement Participant has notified a change to the Settlement Date for payment in respect of a request for issue or redemption of AQUA Products:
  - (i) reschedule the AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, for settlement in Batch Settlement on the Settlement Date specified in the Message Transmitted by the Product Issuer Settlement Participant in accordance with Rule 18.7.1; and
  - (ii) Transmit a Message to the Settlement Participant that initiated the request and the Product Issuer Settlement Participant notifying them that the AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, has been rescheduled.

## **18.8 FAILURE TO SETTLE**

### **18.8.1 Reminder notices – Holding Adjustment in respect of request for issue**

If a Product Issuer Settlement Participant fails to initiate a Holding Adjustment in respect of a request for issue of AQUA Products in accordance with Rule 18.3.6(b) ~~or a request for to Switch under Rule 18.4.4(b)~~, ASX will, on each Business Day until the Product Issuer Settlement Participant initiates a Holding Adjustment in respect of the request in accordance with Rule 18.3.6(b) or Rule 18.4.4(b), Transmit a Message to the Product Issuer Settlement Participant reminding it of its obligation to initiate a Holding Adjustment.

### **18.8.2 Fee payable for reminder notice**

A Product Issuer Settlement Participant is liable to pay a fee, as specified in the Fees and Charges Schedule, in respect of each Message Transmitted to it by ASX Settlement in accordance with Rule 18.8.1.

### **18.8.3 Failure to settle – action by ASX Settlement**

If a Product Issuer Settlement Participant:

- (a) reschedules in accordance with Rule 18.7:
  - (i) the date for delivery of AQUA Products to an applicant for issue of AQUA Products; or
  - (ii) the Settlement Date for payment in respect of a request for redemption of AQUA Products,
    - on three or more occasions; or
- (b) fails to:
  - (i) initiate a Holding Adjustment in respect of a request for issue of AQUA Products in accordance with Rule 18.3.6(b); or
  - (ii) settle an AQUA Redemption Payment Batch Instruction in Batch Settlement when scheduled for settlement in accordance with Rule 18.3.6(a)(i) or Rule 18.7.2(b)(i),

ASX Settlement may:

- (c) impose Restrictions on;
- (d) suspend for a period; or
- (e) terminate,

the participation of the Product Issuer Settlement Participant in accordance with Rule 10.15 and Section 12 of these Rules (as applicable). ASX Settlement may, in its absolute discretion, impose Restrictions on or suspend the participation of a Product Issuer Settlement Participant generally (that is, in respect of all classes of AQUA Products in relation to which it is authorised) or in respect of one or more classes of AQUA Products

in relation to which it is authorised (as specified by ASX Settlement in a Notice to the Product Issuer Settlement Participant).

#### **18.8.4 Inability to process AQUA Products in Batch Settlement**

If:

- (a) ASX Settlement removes one or more AQUA Products, or AQUA Payment Batch Instructions in relation to one or more AQUA Products, from Batch Settlement under Rule 10.4.7; or
- (b) ASX Settlement imposes Restrictions on the participation of a Settlement Participant under Section 12,

and as a result a Settlement Participant is unable to process requests for issue of AQUA Products in Batch Settlement, the Settlement Participant must, subject to applicable law and the instructions of the person entitled to any moneys held or payable by the Settlement Participant in connection with the request for issue, immediately forward any requests and moneys to the relevant Product Issuer Settlement Participant in order that the Product Issuer Settlement Participant may process those requests.

#### **18.8.5 No interference with Transfer of AQUA Products**

Issuers of AQUA Products and Product Issuer Settlement Participants must not prevent, delay or in any way interfere with the Transfer of AQUA Products.

### **18.9 REQUEST FOR INCOME ADVICE – [\[DELETED\]](#)**

#### **18.9.1 Initiation of request – [\[Deleted\]](#)**

~~A Settlement Participant may initiate a request for income advice for AQUA Products in a CHESS Holding for which it is the Controlling Participant by Transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.~~

Introduced 15/08/16

#### **18.9.2 Product Issuer Settlement Participant to accept or reject request – [\[Deleted\]](#)**

~~If a Valid Originating Message Transmitted to ASX Settlement complies with Rule 18.9.1:~~

- ~~(a) ASX Settlement must, within the Scheduled Time, Transmit a Message to the relevant Product Issuer Settlement Participant to notify it of the details of the request specified in the Valid Originating Message; and~~
- ~~(b) the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Valid Message to ASX Settlement accepting or rejecting the request and specifying the information required by the Procedures.~~

Introduced 15/08/16

#### **18.9.3 ASX Settlement to notify Settlement Participant – [\[Deleted\]](#)**

~~If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.9.2(b), ASX Settlement must Transmit a Message to the~~

~~Settlement Participant that initiated the request notifying it that the request has been accepted or rejected, as the case requires.~~

Introduced 15/08/16

**18.9.4 Accepted request to result in Product Issuer Settlement Participant providing income advice for each Holding – [\[Deleted\]](#)**

~~A Product Issuer Settlement Participant that has accepted a request for income advice in accordance with Rule 18.9.2(b) must advise, for each class of AQUA Products in relation to which it is authorised, details of:~~

- ~~(a) — income distribution entitlements in respect of each CHESS Holding of the AQUA Products where applicable; and~~
- ~~(b) — reinvestment of income distribution entitlements in respect of each CHESS Holding of the AQUA Products where applicable,~~

~~by Transmitting to ASX Settlement, within the Scheduled Time after each date for determining distribution entitlements in respect of the AQUA Products, a Valid Message that contains the details specified in the Procedures.~~

Amended 15/08/16

**18.9.5 ASX Settlement to notify Controlling Participant – [\[Deleted\]](#)**

~~If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.9.4, ASX Settlement must Transmit a Message to the Controlling Participant for each CHESS Holding of the AQUA Products notifying it of the distribution entitlement and reinvestment details advised by the Product Issuer Settlement Participant in accordance with Rule 18.9.4.~~

Amended 15/08/16

**18.9.6 Cancellation of accepted request – [\[Deleted\]](#)**

~~If a Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request for income advice that the Settlement Participant initiated and the Product Issuer Settlement Participant accepted in accordance with Rule 18.9.2(b):~~

- ~~(a) — ASX Settlement must, within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation request; and~~
- ~~(b) — the Product Issuer Settlement Participant must, within the Scheduled Time, implement the cancellation request.~~

Introduced 15/08/16

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## **18.12 GENERAL**

### **18.12.1 Participant warrants that it holds properly documented instructions**

A Settlement Participant that:

- (a) initiates a request for issue or redemption ~~or Switch~~ of AQUA Products;
- (b) requests cancellation of a request for redemption ~~or Switch~~ of AQUA Products;
- (c) initiates a request for income advice for AQUA Products or requests cancellation of a request for income advice for AQUA Products; or
- (d) initiates a request for a change to details of a Holder's standing instructions for the issue or redemption of AQUA Products,

on behalf of another person:

- (e) warrants to the Issuer that the Settlement Participant holds a properly documented instruction from that other person; and
- (f) must retain and produce on request by ASX Settlement copies of such instructions.

Amended 15/08/16

### **18.12.2 Processing of AQUA Products in Batch Settlement**

A Settlement Participant that initiates on behalf of another person a request for issue or redemption ~~or Switch~~ of AQUA Products is taken to have agreed with the Product Issuer Settlement Participant that it will pay application moneys to the Product Issuer Settlement Participant and receive redemption moneys from the Product Issuer Settlement Participant in Batch Settlement on behalf of that other person.

### **18.12.3 Failure to respond to request**

- (a) If a Product Issuer Settlement Participant fails to Transmit a Valid Message to ASX Settlement within the Scheduled Time in accordance with Rules 18.3.3(b), 18.4.3(b), 18.6.1(d), 18.9.2(b) or 18.9A.2(b), ASX Settlement may direct the Product Issuer Settlement Participant to Transmit the relevant Valid Message in accordance with Rule 18.3.3(b), 18.4.3(b), 18.6.1(d), 18.9.2(b) or 18.9A.2(b) (as applicable) within the time specified in the direction.
- (b) The Product Issuer Settlement Participant must comply with any direction received from ASX Settlement pursuant to Rule 18.12.3(a) within the time specified in the direction.

Introduced 15/08/16



## 18.13 SPECIFIC MODIFICATIONS TO RULES

### 18.13.1 Modifications

The following Rules apply in relation to AQUA Products and Issuers of AQUA Products subject to the modifications specified below:

- (a) Rules 5.12.2 and 5.12.3 apply as if references to “Issuer’s constitution” were references to the constitution or other governing document of the registered scheme under which the AQUA Products are constituted; ~~and~~
- (b) Rules 5.13.1 and 5.13.3 apply as if references to “total issued capital” for a class of Financial Products were references to the total number of issued Financial Products in a class of AQUA Products; and
- (c) Rules 8.19.7 to 8.19.12 apply as if references to the “Issuer” were references to the relevant “Product Issuer Settlement Participant”.

## 18.14 LIMITATION OF LIABILITY

### 18.14.1 ASX Settlement not in control of issue or redemption

Each Settlement Participant acknowledges that ASX Settlement does not control and cannot procure:

- (a) the issue or redemption of AQUA Products by Issuers;
- (b) the processing of requests for issue or redemption of AQUA Products, ~~or requests to Switch between AQUA Products,~~ by Product Issuer Settlement Participants;
- (c) the processing of requests for cancellation of requests for redemption of AQUA Products ~~or a Switch between AQUA Products,~~ by Product Issuer Settlement Participants;
- (d) the processing of requests for income advice for AQUA Products, or the accuracy or completeness of any such income advice for AQUA Products provided by Product Issuer Settlement Participants; or
- (e) the processing of requests for a change to details of a Holder’s standing instructions for the issue or redemption of AQUA Products.

Amended 15/08/16

### 18.14.2 Limitation of ASX Settlement liability

ASX Settlement has no liability to:

- (a) Issuers;
- (b) Settlement Participants;
- (c) any client of a Settlement Participant that has lodged a request for issue or redemption ~~or Switch~~ of AQUA Products;

- (d) Holders of AQUA Products; or
- (e) any other person claiming an interest in AQUA Products,

with respect to any action or failure to take action by an Issuer, Product Issuer Settlement Participant or other Settlement Participant in connection with a request for issue or redemption ~~or Switch~~ of AQUA Products, including (without limitation):

- (f) an Issuer's failure to issue or redeem AQUA Products or to make available redemption moneys;
- (g) failure by a Product Issuer Settlement Participant or other Settlement Participant to deliver AQUA Products or to settle an AQUA Payment Batch Instruction;
- (h) failure by the Product Issuer Settlement Participant to provide an income advice for AQUA Products or the accuracy or completeness of any such income advice for AQUA Products provided by the Product Issuer Settlement Participant; or
- (i) failure by the Product Issuer to process a request for a change to details of a Holder's standing instructions for the issue or redemption of AQUA Products.

Amended 15/08/16

#### **18.14.3 Product Issuer Settlement Participant to indemnify ASX Settlement**

Each Issuer, Product Issuer Settlement Participant and other Settlement Participant indemnifies ASX Settlement against all expenses, losses, damages and costs that ASX Settlement may sustain or incur in connection with any action or failure to take action by the Issuer, Product Issuer Settlement Participant or other Settlement Participant, as the case requires, in connection with a request for issue or redemption ~~or Switch~~ of AQUA Products.

## SECTION 19      TRANSITIONAL ARRANGEMENTS

This Section sets out transitional arrangements governing the transition from the Old System to the New System, including:

- (a) the remediation, conversion and migration of Holder Record details;
- (b) Messages that Facility Users are required to Transmit by the End of Day of the Old System Close Date;
- (c) transitional arrangements for certain Messages and Batch Instructions;
- (d) Messages that will not be migrated from the Old System to the New System;
- (e) transitional arrangements for applications and redemptions of AQUA Products; and
- (f) the commencement timing for the transitional arrangements.

### 19.1      INTERPRETATION AND GENERAL RULES

#### 19.1.1      Definitions

In this Section 19:

“AQUA Product Request Cut-Off” means Fund Request Cut-Off on the day that is four Business Days before the Old System Close Date.

“Effective Period” in respect of a Rule in this Section 19 means the period during which that Rule is effective, as specified in the Procedure to Rule 19.1.2.

“Non-Compliance” means an instance in which the Registration Details recorded in a Holder Record will not comply with the standards specified for Registration Details recorded in a Holder Record in the New System that are published by ASX Settlement as referred to in the Procedures.

“New System” means the Clearing House Electronic Subregister System operated by ASX Clear and ASX Settlement from the New System Start Date.

“New System Start Date” means the date that ASX Settlement notifies Facility Users as being the date on which the New System commences operation.

“Old System” means the Clearing House Electronic Subregister System operated by ASX Clear and ASX Settlement until the Old System Close Date.

“Old System Close Date” means the date that ASX Settlement notifies Facility Users as being the date on which the Old System will cease to accept Messages from Facility Users.

“Transition Period” means the period starting from the End of Day on the Old System Close Date and ending at the Start of Day on the New System Start Date.

### 19.1.2 Commencement and effectiveness of Transitional Rules

Each Rule specified in this Section 19 will:

- (a) be effective on and from the commencement of the Effective Period for that Rule specified in the Procedures; and
- (b) if applicable, will cease to be effective at the end of the Effective Period for that Rule specified in the Procedures.

## 19.2 MIGRATION OF HOLDER RECORDS

### 19.2.1 ASX Settlement may direct Participants to consider whether Non-Compliance in Registration Details

If ASX Settlement considers, on or before the Old System End Date, that a Non-Compliance may exist in relation to the Registration Details recorded in a Holder Record for a person on behalf of whom a Participant is authorised to operate one or more CHESSE Holdings:

- (a) ASX Settlement may direct the Participant to consider whether such a Non-Compliance exists; and
- (b) if ASX Settlement directs a Participant under paragraph (a), the Participant must by the time specified by ASX Settlement:
  - (i) consider whether a Non-Compliance exists in relation to the Registration Details; and
  - (ii) if a Non-Compliance exists, remediate the Non-Compliance that exists in relation to the Registration Details recorded in the Holder Record in accordance with Rule 19.2.2.

### 19.2.2 Remediation of Registration Details by Participants prior to Migration

Subject to Rules 8.18.2 and 8.18.9, if before the Old System Close Date, either as a result of a direction under Rule 19.2.1(a) or otherwise, a Participant becomes aware of a Non-Compliance in the Registration Details recorded in a Holder Record for a person on behalf of whom the Participant is authorised to operate one or more CHESSE Holdings, the Participant must by the time specified by ASX Settlement take the actions specified in the Procedures to remediate the relevant Registration Details so that they comply with the standards specified for Registration Details in a Holder Record that are published by ASX Settlement as referred to in the Procedures.

Note: If the remediation of a Non-Compliance would involve a change to the substance of the Registration Details, then this is a Change of Registration Details which needs to be performed by Participants in accordance with Rules 8.18.2 or 8.18.9 (as applicable), including receiving written authority from the Holder to effect that change.

### **19.2.3 Action to be taken by ASX Settlement**

Subject to Rule 19.2.4, ASX Settlement, after receipt of a Valid Originating Message in accordance with the Procedures under Rule 19.2.2 for the remediation of Registration Details of the Holder, must:

- (a) remediate the Registration Details recorded in the Holder Record in accordance with the details in the Valid Originating Message; and
- (b) within the Scheduled Time, give notice to the persons identified in the Procedures of the matters specified in the Procedures.

### **19.2.4 ASX Settlement may request documentation**

Prior to Transmitting a Message under Rule 19.2.2, a Participant must, where applicable, have and maintain documentation to verify that the requested remediation of Registration Details is correct.

ASX Settlement may request that such documentation be provided to it within a specified time and if so, the Participant must within that time:

- (a) give ASX Settlement such documentation as ASX Settlement requires to support the requested remediation; and
- (b) reference the supporting documentation to the HIN for the relevant Holder Record.

The obligations under this Rule 19.2.4 also apply to remediations of Registration Details of the type referred to in Rule 19.2.2 but which are effected by the Participant prior to the Effective Period for Rule 19.2.2.

### **19.2.5 Participant indemnities**

- (a) If a Participant has Transmitted a Message to ASX Settlement, including a Message Transmitted under Rule 19.2.2 or a Message of a type referred to in Rule 19.2.2 but Transmitted prior to the Effective Period for Rule 19.2.2, to remediate a Non-Compliance in the Registration Details recorded in a Holder Record so that they comply with the standards for Registration Details recorded in a Holder Record in the New System that are published by ASX Settlement as referred to in the Procedures, but the Participant has provided incorrect details in the Message requesting the remediation, the Participant indemnifies ASX Settlement and the Issuer from and against all losses, damages, costs and expenses which ASX Settlement or the Issuer may suffer or incur in connection with any inaccuracy in the details provided in that Message.
- (b) If a Participant fails to remediate a Non-Compliance that exists in relation to the Registration Details recorded in the Holder Record under Rule 19.2.1 or Rule 19.2.2, the Participant indemnifies ASX Settlement and the Issuer against all losses, damages, costs and expenses that they may suffer or incur as a result of that failure.

#### **19.2.6 Remediation of Registration Details by ASX Settlement during Transition Period**

During the Transition Period, if ASX Settlement considers there to be a Non-Compliance in the Registration Details recorded in a Holder Record and:

- (a) the Non-Compliance is of a type specified in the Procedures; and
- (b) at the End of Day on the Old System Close Date, either:
  - (i) one or more Holdings are linked to the Holder Record;
  - (ii) ASX Settlement has scheduled for settlement on or after the New System Start Date a Batch Instruction linked to the Holder Record; or
  - (iii) ASX Settlement otherwise determines at its absolute discretion to remediate the Registration Details recorded in the Holder Record under paragraph (c) below.

ASX Settlement will:

- (c) during the Transition Period remediate the Registration Details recorded in the Holder Record in accordance with the Procedures; and
- (d) within the Scheduled Time, give notice to the persons identified in the Procedures of the matters specified in the Procedures.

#### **19.2.7 Conversion and migration of Holder Records**

During the Transition Period, ASX Settlement will:

- (a) subject to Rule 19.2.8:
  - (i) convert the Holder Records in the Old System in accordance with the conversion logic that is published by ASX Settlement as referred to in the Procedures; and
  - (ii) record those converted Holder Records in the New System; and
- (b) in respect of each Holder Record in the Old System that pursuant to Rule 19.2.8 ASX Settlement does not convert and migrate under paragraph (a) above:
  - (i) not record the Holder Record in the New System; and
  - (ii) within the Scheduled Time, give notice to the persons identified in the Procedures of the matters specified in the Procedures.

Note: For the purposes of converting Holder Records under Rule 19.2.7, where a Holder Record contains Registration Details for more than one Holder and is, or has previously been, subject to a Holder Record Lock due to the death or bankruptcy of one or more Holders, ASX will apply a named holder indicator to the first named Holder that is recorded on the relevant Holder Record.

Where a Holder Record has not been recorded in the New System under paragraph (a) above, that Holder Record will not be available for use to record

Holdings of that Holder. Accordingly another Holder Record (whether new or existing) will need to be used to record Holdings of that Holder.

#### **19.2.8 Holder Records excluded from conversion and migration**

If a Holder Record is of a type specified under the Procedures, ASX Settlement will not convert and migrate the Holder Record under Rule 19.2.7 unless it determines otherwise at its absolute discretion.

#### **19.2.9 Change of Email Purpose by ASX Settlement during Transition Period**

If the Registration Details recorded in a Holder Record contain Email Details that include an Email Purpose of either ASX Settlement and Issuer communications or ASX Settlement communications, based on a Message received by ASX Settlement prior to the e-statements commencement date with such Email Purpose, ASX Settlement will:

- (a) during the Transition Period, in the case of an Email Purpose of ASX Settlement and Issuer communications, change the Registration Details by converting such communication preference to Issuer communications only and record that the Holder wishes to receive communications by post from ASX Settlement regarding Financial Products in a CHESS Holding linked to the Holder Record;
- (b) during the Transition Period, in the case of an Email Purpose of ASX Settlement communications, change the Registration Details by removing the preference to receive ASX Settlement communications by delivery to an email address and record that the Holder wishes to receive communications by post from ASX Settlement regarding Financial Products in a CHESS Holding linked to the Holder Record; and
- (c) within the Scheduled Time, give notice to the persons identified in the Procedures of the matters specified in the Procedures.

ASX Settlement will not give Notice of any change to Registration Details to Participant Sponsored Holders under paragraphs (a) and (b) above.

Note: The changes referred to in paragraphs (a) and (b) above will update the Email Purpose recorded in the New System in respect of a Holder's Registration Details (where applicable) so as to reflect the existing approach for ASX Settlement communications pursuant to which ASX Settlement delivers communications by post and does not deliver communications to an email address unless a Message which contains Email Details that include an Email Purpose of either ASX Settlement and Issuer communications or ASX Settlement communications has been received by ASX Settlement on or after the e-statements commencement date.

Where such a Message has been received by ASX Settlement on or after the e-statements commencement date, the Email Purpose is not affected by the changes referred to in paragraphs (a) and (b) above and accordingly will continue unchanged in the New System.

#### **19.2.10 Removal of Email Details by ASX Settlement during Transition Period**

If the Registration Details recorded in a Holder Record contain Email Details in relation to which a Non-Compliance exists, ASX Settlement will, unless it determines otherwise at its absolute discretion:

- (a) during the Transition Period, change the Registration Details so as to:
  - (i) remove the Email Details;
  - (ii) record that the Holder wishes to receive communications by post from ASX Settlement and the Issuer regarding Financial Products in a CHES Holding linked to the Holder Record; and
- (b) within the Scheduled Time, give notice to the persons identified in the Procedures of the matters specified in the Procedures.

ASX Settlement will not give Notice of any change to Registration Details to Participant Sponsored Holders under paragraph (a) above.

Note: The changes referred to in this Rule 19.2.10 do not in practice impact the receipt of communications by Holders as the email addresses affected under this Rule 19.2.10 are invalid and therefore not usable.

#### **19.2.11 Limitation of ASX Settlement liability**

ASX Settlement has no liability to:

- (a) Issuers;
- (b) Participants;
- (c) Holders; or
- (d) any other person.

with respect to the remediation, conversion and migration of Holder Records by ASX Settlement under Rule 19.2.6 or Rule 19.2.7 or the change of Email Purpose or removal of Email Details by ASX Settlement under Rule 19.2.9 or Rule 19.2.10 unless it acts negligently or in wilful default.

#### **19.2.12 Confirmation of Entity Type for uncategorised Holder Records from New System Start Date**

If the Entity Type for a Holder is recorded as “Unknown (UNKN)” in the Holder Record, a Participant Transmitting a Message on or after the New System Start Date under Rule 8.18.2, 8.18.6, 8.18.9, or 8.18.12 to notify ASX Settlement of a change to details recorded in a Holder Record must either:

- (a) include in that Message the Entity Type for each Holder recorded in the Holder Record in accordance with the Procedures; or
- (b) first Transmit to ASX Settlement a Valid Message in accordance with the Procedures to change the Entity Type for each Holder recorded in the Holder Record.



## 19.3 UNACTIONED AND UNMATCHED MESSAGES

### 19.3.1 Reducing to End of Day on Old System Close Date the time for Facility Users to comply with requirements on Messages received

Notwithstanding the relevant Scheduled Time specified in Appendix 1 for a Rule referred to in this Rule 19.3.1:

- (a) if:
- (i) a Facility User receives a Valid Message from ASX Settlement of a type specified in the Procedures before the End of Day on the Old System Close Date; and
  - (ii) but for this Rule 19.3.1, the Scheduled Time for the Facility User to comply with a corresponding requirement (including to respond to the Message) under the relevant Rule specified in the Procedures ends after the End of Day on the Old System Close Date.
- (b) then:
- (i) the Scheduled Time for the Facility User to comply with a requirement (including to respond to a Message) under the relevant Rule specified in the Procedures is by the End of Day on the Old System Close Date; and
  - (ii) the Facility User must comply with the requirements (including to respond to a Message) under the relevant Rule specified in the Procedures by the End of Day on the Old System Close Date.

Note: If a Facility User receives a Message of a type specified in the Procedure to Rule 19.3.1(a) before the End of Day on the Old System Close Date and the relevant Facility User does not respond to the Message by the End of Day on the Old System Close Date, pursuant to Rule 19.3.4 the Message will not be migrated to the New System unless the Message is of a type specified in the Procedure to Rule 19.3.4.

If the Message is a notification to the Controlling Participant of a takeover offer acceptance submitted by the Participant Bidder under Rule 14.14.8, and the Controlling Participant fails to respond to that Message under Rule 14.14.9 by the End of Day on the Old System Close Date, the indemnity provided by the Controlling Participant under Rule 14.15.8(b) applies such that the Scheduled Time for the purpose of that indemnity is by the End of Day on the Old System Close Date.

### 19.3.2 Reducing to End of Day on Old System Close Date the time for Matching of Messages by ASX Settlement

Notwithstanding the relevant Scheduled Time specified in Appendix 1 for a Rule referred to in this Rule 19.3.2:

- (a) if:

- (i) ASX Settlement receives a Valid Message from a Participant of a type specified in the Procedures before the End of Day on the Old System Close Date; and
  - (ii) but for this Rule 19.3.2 the Scheduled Time for that Message to be Matched by ASX Settlement with a corresponding Message Transmitted by the counterparty Participant under the relevant Rule specified in the Procedures ends after the End of Day on the Old System Close Date,
- (b) then the Scheduled Time for the Message to be Matched by ASX Settlement with a corresponding Message Transmitted by the counterparty Participant under the relevant Rule specified in the Procedures is by the End of Day on the Old System Close Date.

*Note:* If ASX Settlement receives a Message from a Participant of a type specified in the Procedure to Rule 19.3.2(a) before the End of Day on the Old System Close Date and the Message is not Matched by ASX Settlement with a corresponding Message from the counterparty Participant by the End of Day on the Old System Close Date, pursuant to Rule 19.3.4 the Message will not be migrated to the New System unless the Message is of a type specified in the Procedure to Rule 19.3.4.

### **19.3.3 Reducing to End Of Day on Old System Close Date the time for processing change of Controlling Participant requests**

- (a) If, in relation to a change of the Controlling Participant for a Holding under Rule 8.17:
- (i) the Participant assuming control of the Holding gives notice of the change to ASX Settlement under Rule 8.17.1 before the Old System Close Date; and
  - (ii) the Participant relinquishing control of the Holding has not accepted or rejected the change in accordance with the necessary CHES Subregister administration processes by 4:00 pm on the End of Day on the Old System Close Date,

the Participant assuming control of the Holding must cancel the change in accordance with the necessary CHES Subregister administration processes by the End of Day on the Old System Close Date.

*Note:* If ASX Settlement receives a Message from a Participant assuming control of a Holding of a change of Controlling Participant but has not also received a Message from the Participant relinquishing controlling of the Holding of the change of Controlling Participant under Rule 8.17.1 before the End of Day on the Old System Close Date, pursuant to Rule 19.3.4 the Message will not be migrated to the New System unless the Message is of a type specified in the Procedure to Rule 19.3.4.

For the purposes of this Rule 19.3.3, Controlling Participants are expected to liaise with one another to facilitate the orderly acceptance, rejection or cancellation (as applicable) of change requests arising on or just prior to the Old System Close Date.

#### 19.3.4 Unactioned or unmatched Messages at end of Day on Old System Close Date not migrated

Notwithstanding any other Rule:

(a) if a Message is:

- (i) Transmitted by a Facility User or ASX Settlement through the Old System before the End of Day on the Old System Close Date;
- (ii) not responded to by another Facility User or otherwise Matched by ASX Settlement (as applicable) through the Old System, by the End of Day on the Old System Close Date; and
- (iii) not of a type specified in the Procedures,

ASX Settlement will not migrate the Message from the Old System to the New System and will not give effect to the Message; and

(b) if a Facility User Transmits a Message to ASX Settlement on or after the New System Start Date responding, or purporting to respond, to a Message that is not migrated by ASX Settlement under paragraph (a), ASX Settlement will not give effect to the Message Transmitted by the Facility User.

Note: Subject to these Rules, requests, notifications or other actions relating to Messages Transmitted through the Old System that are not migrated by ASX Settlement may be re-initiated by Facility Users in the New System from the New System Start Date.

Where a Valid Message Transmitted through the Old System is of a type specified in the Procedure to Rule 19.3.4(a)(iii) and that Message has not otherwise been purged under these Rules (including under Rule 16.16.12), ASX Settlement may give effect to that Message through the New System from the New System Start Date.

#### 19.3.5 Rejection by Participant Bidder of Offer Accepted Subposition after Old System Close Date

For the purposes of Rule 14.14.5, where the Participant Bidder rejects the reservation of Financial Products in an Offer Accepted Subposition for which:

- (a) the Participant Bidder received notification from ASX Settlement under Rule 14.5.1 on or prior to the Old System Close Date; and
- (b) the Scheduled Time under Rule 14.14.5 for notifying a rejection of the reservation of Financial Products in the Offer Accepted Subposition ends after the Old System Close Date,

the Participant Bidder may only notify the rejection of the reservation of Financial Products in the Offer Accepted Subposition after the Old System Close Date by Transmitting a Message to ASX Settlement as specified in the Procedures (rather than by Message rejecting the reservation in accordance with ASXSOR 14.14.5).

Note: For the purposes of Rule 19.3.5, ASX expects that if the Participant Bidder is aware that it will not be accepting the relevant Offer Accepted Subposition that it will reject the reservation of Financial Products in an Offer Accepted Subposition by End of Day on the

Old System Close Date by Transmitting a Message to ASX Settlement rejecting the reservation in accordance with ASXSOR 14.14.5.

## **19.4 BATCH INSTRUCTIONS**

### **19.4.1 Migration of CCP Batch Instructions**

Each CCP Batch Instruction received or deemed to be received by ASX Settlement by Start of Day on the New System Start Date from an Approved Clearing Facility in respect of the Old System which is yet to be discharged in full, is to be recorded in the New System and scheduled for settlement in DvP Batch Settlement on the Settlement Date notified by the Approved Clearing Facility as a:

- (a) CCP Rescheduled Batch Instruction, unless paragraph (b), (c) or (d) applies;
- (b) CCP Offsetting Transaction Arrangement Batch Instruction, where the CCP Batch Instruction deemed to be received by ASX Settlement was a CCP Batch Instruction deemed to be generated by the Approved Clearing Facility in relation to obligations and entitlements under the second leg of an Offsetting Transaction Arrangement entered into in respect of a Failed CCP Batch Instruction;
- (c) CCP Isolate Counterparty Batch Instruction, where the CCP Batch Instruction received by ASX Settlement was a CCP Gross Batch Instruction created by the Approved Clearing Facility under ASX Clear Operating Rule 12.9.1;
- (d) CCP Market Trade Batch Instruction, where the Settlement Date notified by the Approved Clearing Facility in the CCP Batch Instruction received by ASX Settlement is the third Business Day from the New System Start Date or a subsequent Business Day.

Note: Rule 19.4.1(d) above applies where ASX Clear has classified a Cash Market Transaction which underlies a CCP Batch Instruction as “deferred delivery” or “deferred settlement”, in which case the Cash Market Transaction is to be settled on a date later than the standard second Business Day following the date that the transaction was created or reported to the Approved Market Operator.

ASX Settlement will also record in the New System, Batch Instructions other than those referred to in Rule 19.4.1 (e.g. Dual Entry Batch Instructions (renamed as Bilateral Batch Instructions in the New System) and Single Entry Batch Instructions (renamed as Unilateral Batch Instructions in the New System), where those Batch Instructions are scheduled for Batch Settlement in respect of the Old System and are yet to be discharged in full.

### **19.4.2 Linked CCP Batch Instructions**

- (a) For each CCP Gross Batch Instruction migrated to the New System as a CCP Rescheduled Batch Instruction under Rule 19.4.1(a) for which the Approved Clearing Facility notifies ASX Settlement that it has determined the underlying Cash CCP Transaction (as defined in the ASX Clear Operating Rules) to be of a type under ASX Clear Operating Rule 24.4.2(a) and notifies

ASX Settlement of a unique identifier code in respect of that CCP Gross Batch Instruction, ASX Settlement will:

- (i) apply to the CCP Rescheduled Batch Instruction recorded in the New System and scheduled for settlement in DvP Batch Settlement in respect of the CCP Gross Batch Instruction, the unique identifier code notified by the Approved Clearing Facility in respect of the CCP Gross Batch Instruction; and
- (ii) link, for the purpose of Batch Settlement, the CCP Rescheduled Batch Instructions with the same unique identifier code, so that if one of the linked CCP Rescheduled Batch Instructions is Failed or Failed in part on a Settlement Date, the linked CCP Rescheduled Batch Instructions with the same unique identifier code will also be Failed or Failed in part (as applicable) on that Business Day.

(b) For each CCP Gross Batch Instruction migrated to the New System as a CCP Isolate Counterparty Batch Instruction under Rule 19.4.1(b) for which the Approved Clearing Facility notifies ASX Settlement of a unique identifier code in respect of that CCP Gross Batch Instruction, ASX Settlement will:

- (i) apply to the CCP Isolate Counterparty Batch Instruction recorded in the New System and scheduled for settlement in DvP Batch Settlement in respect of the CCP Gross Batch Instruction, the unique identifier code notified by the Approved Clearing Facility in respect of the CCP Gross Batch Instruction; and
- (ii) link, for the purpose of Batch Settlement, the CCP Isolate Counterparty Batch Instructions with the same unique identifier code in the manner set out in Rule 10.9.19 as applies from the New System Start Date.

### **19.4.3 Cancellation of suspended Batch Instruction**

Notwithstanding Rules 8.5.1(c), 8.25.1(f), 10.16.1(c) or 10.21.2(b), if a Batch Instruction has been suspended under Rules 8.5.1(a), 8.25.1(f), 10.16.1(a), 10.16.1(aa), 10.21.2(a) or 12.19.8(c) and the Batch Instruction remains suspended at End of Day on the Old System Close Date, ASX Settlement may, at its discretion, cancel and remove the Batch Instruction during the Transition Period. If ASX Settlement cancels or removes the Batch Instruction under this Rule 19.4.3, it will not migrate the Batch Instruction from the Old System to the New System and will not give effect to the Batch Instruction.

## **19.5 SETTLEMENT OF AQUA PRODUCTS**

### **19.5.1 Initiation of application and redemption requests**

Despite any other Rule:

- (a) a Settlement Participant may not initiate a request:

- (i) for issue or redemption of AQUA Products in accordance with Rule 18.3.1 during the period commencing at the AQUA Product Request Cut-Off and ending at Start of Day on the New System Start Date; or
  - (ii) to Switch between AQUA Products in accordance with Rule 18.4.1 on or after AQUA Product Request Cut-Off;
- (b) if, despite Rule 19.5.1(a), a Settlement Participant Transmits a Valid Originating Message in accordance with Rule 18.3.1 or 18.4.1 during the relevant period specified in Rule 19.5.1(a), ASX Settlement is not required to Transmit a Message to a Product Issuer Settlement Participant in accordance with Rule 18.3.3(a) or 18.4.3(a) (as applicable);
- (c) if, despite Rule 19.5.1(b), a Message is Transmitted by ASX Settlement to the relevant Product Issuer Settlement Participant in accordance with Rule 19.5.1(b) in respect a request for issue or redemption of AQUA Products or to Switch between AQUA Products, initiated during the relevant period specified in Rule 19.5.1(a):
  - (i) the Product Issuer Settlement Participant must Transmit a Valid Message to ASX Settlement rejecting the request and specifying the information required by the Procedure to Rule 18.3.3(b); and
  - (ii) if ASX receives a Valid Message from the Product Issuer Settlement Participant in accordance with Rule 19.5.1(c)(i), ASX Settlement must Transmit a Message to the Settlement Participant that initiated the request notifying it that the request has been rejected.

#### **19.5.2 Initial application for issue of AQUA Products**

Subject to Rule 19.5.1, in respect of a request for the issue of AQUA Products initiated by a Settlement Participant in accordance with Rule 18.3.1 before AQUA Product Request Cut-Off, if ASX Settlement has not received a Valid Originating Message containing all the matters required under Rule 18.3.1 by End of Day on the Old System Close Date, ASX Settlement will cancel the Originating Message relating to the request and notify the Settlement Participant of such cancellation.

*Note: This Rule 19.5.2 is subject to Rule 19.5.1. If ASX Settlement has not received a Valid Originating Message in respect of the relevant request for issue of AQUA Products before AQUA Product Request Cut-Off, a Sponsoring Participant will next be able to initiate the relevant request on or after the New System Start Date.*

#### **19.5.3 Product Issuer Settlement Participant must reject certain requests by Old System Close Date**

Subject to Rule 19.5.1, if a Product Issuer Settlement Participant receives a Message from ASX Settlement in accordance with Rule 18.3.3(a) on or before the Old System Close Date, notifying of a request for the issue or redemption of AQUA Products, then despite any other Rule, the Product Issuer Settlement Participant must reject the request if accepting the request would result in:

- (a) an AQUA Payment Batch Instruction being scheduled for settlement in Batch Settlement on or after the New System Start Date; or

(b) the Holding Adjustment under Rule 18.3.6(b) in respect of the request occurring on or after the New System Start Date.

Note Rule 19.3.1 applies to a Message Transmitted in accordance with Rule 18.3.3(b).

#### **19.5.4 Payment for issue or redemption scheduled after the Old System Close Date**

If a Product Issuer Settlement Participant receives notification from ASX Settlement under Rule 18.3.6(a)(ii) on or before the Old System Close Date that an AQUA Payment Batch Instruction is scheduled for settlement in Batch Settlement after the Old System Close Date, the Product Issuer Settlement Participant must request cancellation of that request under Rule 18.5.1 by the End of Day on the End System Close Date.

Note: In the case of a request cancelled under this Rule 19.5.4, the relevant payment and holding adjustment must be completed outside CHESS.

#### **19.5.5 Payment for redemption not settled by the Old System Close Date**

(a) If, in respect of a request for redemption of AQUA Products accepted by the Product Issuer Settlement Participant under Rule 18.3.3(b), an AQUA Redemption Payment Batch Instruction is Failed on the Old System Close Date and rescheduled for settlement after the Old System Close Date under Rule 10.11.7(d), the Product Issuer Settlement Participant must request cancellation of the request under Rule 18.5.1 by the End of Day on the End System Close Date.

(b) If the Product Issuer Settlement Participant fails to request cancellation of the request under Rule 18.5.1 in accordance with Rule 18.5.5(a), ASX Settlement may, at its discretion, cancel and remove the relevant AQUA Redemption Payment Batch Instruction during the Transition Period. If ASX Settlement cancels or removes the AQUA Redemption Payment Batch Instruction under this Rule 19.5.5, it will not migrate that AQUA Redemption Payment Batch Instruction from the Old System to the New System and will not give effect to the AQUA Redemption Payment Batch Instruction.

Note: In the case of a request for redemption of AQUA Products where a Holding Adjustment has been processed by the End of Day on the Old System Close Date in respect of the request, payment must be completed outside CHESS.

#### **19.5.6 Reinitiated requests after the Old System Close Date are new requests**

If:

(a) a request for issue or redemption of AQUA Products is initiated by a Settlement Participant under Rule 18.3.1 before the Old System Close Date;

(b) the request is cancelled or rejected in accordance with this Rule 19.5; and

(c) on or after the New System Start Date, the Controlling Participant initiates a request for issue or redemption of AQUA Products in respect of the request cancelled under paragraph (b).

the request initiated under paragraph (c) will be a new request, initiated on or after the New System Start Date under the Rules applicable to the New System.



### 19.5.7 ASX Settlement limitation of liability

ASX Settlement has no liability to:

- (a) Issuers;
- (b) Settlement Participants;
- (c) any client of a Settlement Participant that has lodged a request for issue or redemption or Switch of AQUA Products;
- (d)  Holders of AQUA Products; or
- (e) any other person claiming an interest in AQUA Products,

with respect to any action or failure to take action by an Issuer, Product Issuer Settlement Participant or other Settlement Participant in connection with a request for issue or redemption or Switch of AQUA Products, including (without limitation):

- (f) an Issuer's failure to issue or redeem AQUA Products or to make available redemption moneys;
- (g) failure by a Product Issuer Settlement Participant or other Settlement Participant to deliver AQUA Products or to settle an AQUA Payment Batch Instruction;
- (h) failure by the Product Issuer Settlement Participant to provide an income advice for AQUA Products or the accuracy or completeness of any such income advice for AQUA Products provided by the Product Issuer Settlement Participant; or
- (i) failure by the Product Issuer to process a request for a change to details of a Holder's standing instructions for the issue or redemption of AQUA Products,

in connection with this Rule 19.5.

**End of Document**



## APPENDIX 1 SCHEDULED TIMES

Rule Number	Requirement	Sydney Time
..... <a href="#">Rule 5.19A.2(a)</a>	<a href="#">Controlling Participant to notify election in respect of all or part of the relevant dividend or other distribution reinvestment plan or bonus share plan by Transmitting to ASX Settlement a Valid Election Participant Notification Message</a>	by the closing time on the Plan Election Date specified in the relevant plan rules.
<a href="#">Rule 5.19A.2(c)</a>	<a href="#">Issuer to Transmit a Corporate Action Election Status Advice Message</a>	by the earlier of: (i) <a href="#">the time specified in the plan rules (if applicable);</a> or (ii) <a href="#">the End of Day on the day the Issuer receives the Message from ASX Settlement under Rule 5.19A.2(b).</a>
<a href="#">Rule 5.19A.4(a)</a>	<a href="#">Controlling Participant to Transmit to ASX Settlement a Valid Election Cancellation Message for a pending election request or election (if applicable)</a>	by the closing time on the Plan Election Date specified in the relevant plan rules, or if an earlier time is specified in the plan rules for such cancellation, such earlier time.
<a href="#">Rule 5.19A.4(c)</a>	<a href="#">Issuer to Transmit a Corporate Action Election Status Advice Message</a>	by the earlier of: (i) <a href="#">the time specified in the plan rules (if applicable);</a> or (ii) <a href="#">the End of Day on the day the Issuer receives the Message from ASX Settlement under Rule 5.19A.4(b).</a>
<a href="#">Rule 5.19A.4(e)</a>	<a href="#">Issuer to Transmit to ASX Settlement a Valid Election Cancellation Message for an election (if applicable)</a>	within 1 Business Day of cancelling the election.
<a href="#">Rule 5.19A.5</a>	<a href="#">Issuer to transmit to ASX Settlement a Valid Corporate Action Status Advice Message</a>	within 1 Business Day of the relevant Valid Message being sent to the Issuer under Rule 5.19A.2(b)(ii) or 5.19A.4(b)(ii).
<a href="#">Rule 5.19A.9(c)</a>	<a href="#">Action by Issuer following receipt of Message from ASX Settlement regarding details of DRP or BSP election.</a>	Within 12 Business Hours of receiving the Message from ASX Settlement under Rule 5.19A.9(b).
...		
Rule 6.20.2	ASX Settlement to remove Instruction from Batch Settlement <del>or Real Time Gross Settlement</del>	by Settlement Cut-Off on the Settlement Day on which the Instruction falls due for Batch Settlement <del>or Real Time Gross Settlement.</del>
...		
Rule 8.15.12(c)(i)	<del>ASX Settlement to apply the Holder Record Lock</del>	<del>within 2 Business Days of receiving the documentation required under Rule 8.15.11.</del>
Rule 8.15.12(c)(ii) and (iii)	<del>ASX Settlement to notify of application of Holder Record Lock</del>  (i) <del>to the Controlling Participant</del>	<del>within 2 Business Days of receiving the documentation required under Rule 8.15.11.</del>

Rule Number	Requirement	Sydney Time
	<del>(ii) — to the Issuer</del>	<del>within 2 Business Days of receiving the documentation required under Rule 8.15.11.</del>
<a href="#">8.15.21</a>	<a href="#">A Participant who controls a Source Holding to request ASX Settlement apply a Settlement Lock to CHESS Holdings</a>	<a href="#">before Settlement Cut-off on the Settlement Date specified by the Participant</a>
Rule 8.16.3(b)	<del>Participant to give documentation supporting request for the removal of a Holder Record Lock under Rule 8.16.3 to ASX Settlement.</del>	<del>within 2 Business Days of Transmitting the Message under Rule 8.16.3.</del>
Rule 8.16.3(c)	<del>ASX Settlement to remove the Holder Record Lock</del>	<del>within 2 Business Days of receiving the documentation required under Rule 8.16.3.</del>
<a href="#">8.16.6</a>	<a href="#">A Participant who controls a Source Holding to request removal of a Settlement Lock</a>	<a href="#">before Settlement Cut-off on the Settlement Date specified by the Participant</a>
Rule 8.17(a)	Participant assuming control of a Participant Sponsored Holding to <a href="#">Transmit a Valid Message</a> <del>give Notice</del> to ASX Settlement	within 2 Business Days of being notified by the Participant Sponsored Holder.
Rule 8.17(a)	Participant relinquishing control of a Participant Sponsored Holding to <a href="#">Transmit a Valid Message</a> <del>give Notice</del> to ASX Settlement	within 2 Business Days of being notified by the Participant Sponsored Holder.
Rule 8.18.3	ASX Settlement to <del>process</del> <a href="#">give notice of</a> an amendment to <a href="#">Registration Details</a> <del>a Holder Record</del>	within <del>5</del> 2 Business Days of <a href="#">amending the Registration Details</a> <del>receiving the documentation required under the Procedures relating to Rule 8.18.3.</del>
Rule 8.18.7	ASX Settlement to process a request to: <del>-(a) — process a change to a Holder Type; or</del> <del>(ba) — remove a Holder Record; and</del> <del>(c) — give Notice of:</del> <del>(i) — the change of Holder Type; or</del> <del>(ii) — the removal of the Holder Record to the Controlling Participant</del> <del>Deleted</del>	<del>within 2 Business Days of receiving the request under Rule 8.18.6.</del>
Rule 8.18.8	<del>Deleted.</del> ASX Settlement to reject a request to: <del>-(a) — process a change to a Holder Type; or</del> <del>(b) — remove a Holder Record; and</del> <del>(c) — give Notice of the rejection to the Controlling Participant</del>	<del>within 2 Business Days of receiving the request under Rule 8.18.6.</del>
....		
<a href="#">Rule 8.18.13</a>	<a href="#">ASX Settlement to give notice of an amendment to a Holder Record</a>	<a href="#">within 5 Business Days of amending the Holder Record</a>
...		
Rule 8.19.8	ASX Settlement to notify the Issuer and the Controlling Participant of the addition or cancellation of <a href="#">bank Australian ADI A</a> account details	within 4 hours of receiving notification from a Participant under Rule 8.19.7.
<a href="#">Rule 8.19.9</a>	Issuer to notify ASX Settlement that it accepts or rejects the <a href="#">bank Australian ADI A</a> account details	by End of Day on the Business Day following the Business Day on which the notification under Rule 8.19.8 was received from ASX Settlement.

Rule Number	Requirement	Sydney Time
<a href="#">Rule 8.19.10</a>	Issuer to record <a href="#">bank Australian ADI</a> details	before the End of Day on the day the Issuer notifies ASX Settlement of acceptance under Rule 8.19.9(a).
<a href="#">Rule 8.19.11</a>	Issuer to remove <a href="#">bank Australian ADI</a> details	before the End of Day on the day on which the notification under Rule 8.19.8 was received from ASX Settlement.
....		
Rule 9.5.8	<a href="#">Bilateral Dual Entry</a> Demand Message to be Matched.	<p><del>by End of Day on the Business Day after the Message is Transmitted to ASX Settlement by the Participant, unless the Message is Transmitted to ASX Settlement on a Record Date;</del></p> <p>if the Message is Transmitted to ASX Settlement by the Participant on a Record Date, by End of Day on the Business Day on which the Message is Transmitted to ASX Settlement by the Participant.</p>
Rule 9.5.8(b)	ASX Settlement to notify that <a href="#">Bilateral Dual Entry</a> Demand Message cancelled.	within 60 minutes of ASX Settlement cancelling the <a href="#">Bilateral Dual Entry</a> Demand Message.
<a href="#">Rule 9.5A.8</a>	<a href="#">Bilateral Demand Settlement Message to be Matched.</a>	<a href="#">before RTGS Instruction Cut-Off on the Business Day on which the Message is Transmitted to ASX Settlement by the Participant.</a>
<a href="#">Rule 9.5A.8(b)</a>	<a href="#">ASX Settlement to notify that Bilateral Demand Settlement Message cancelled.</a>	<a href="#">within 60 minutes of ASX Settlement cancelling the Bilateral Demand Settlement Message.</a>
Rule 9.8.5(b)	Issuer to notify ASX Settlement that a Demand Transfer or Conversion authorisation request has been rejected.	<p>(i) In the case of a Demand Transfer or Conversion initiated by a Participant, within 12 Business Hours of ASX Settlement queuing the Demand Transfer or Conversion authorisation request for collection by the Issuer; <del>or</del></p> <p>(ii) <del>in the case of a Demand Transfer or Conversion initiated by a Participant:</del>  <del>within 12 Business Hours of:</del>  <del>ASX Settlement queuing the Demand Transfer or Conversion authorisation request for collection by the Issuer; or</del></p>

Rule Number	Requirement	Sydney Time
Rule 9.8.6	Issuer to notify ASX Settlement that a Demand Transfer or Conversion authorisation request has been authorised.	<p><del>the Issuer receiving the documentation specified in Rule 9.8.4, whichever is the later, or</del>  <del>in the event that the Issuer fails to receive the documentation specified in Rule 9.8.4 within 5 Business Days of ASX Settlement queuing the Demand Transfer or Conversion authorisation request for collection by the Issuer, by End of Day on the following Business Day.</del></p> <p>(i) In the case of a Demand Transfer or Conversion initiated by a Participant, within 12 Business Hours of ASX Settlement queuing the Demand Transfer or Conversion authorisation request for collection by the Issuer, or</p>
		<p><del>(ii) in the case of a Demand Transfer or Conversion initiated by a Participant, within 12 Business Hours of:</del>  <del>ASX Settlement queuing the Demand Transfer or Conversion authorisation request for collection by the Issuer, or</del>  <del>the Issuer receiving the documentation specified in Rule 9.8.4, whichever is the later,</del>  <del>in the event that the Issuer fails to receive the documentation specified in Rule 9.8.4 within 5 Business Days of SCH queuing the Demand Transfer or Conversion authorisation request for collection by the Issuer, by End of Day on the following Business Day.</del></p>
<a href="#">Rule 9.14.4</a>	<a href="#">Action by Issuer following receipt of Message from ASX Settlement regarding details of SRN or SRN Holding Balance.</a>	<a href="#">Within 12 Business Hours of receiving the Message from ASX Settlement under Rule 9.14.3.</a>
Rule 10.5.3	Participants to Match removal request for Direct Batch Instruction <a href="#">or Bilateral Batch Instruction</a> from Scheduled Settlement.  Amended 27/06/11	before Settlement Cut-Off on the Settlement Date notified to ASX Settlement by the relevant Approved Market Operator.
Rule 10.6.1	<del>Participants to Match request to switch to RTGS.</del>	<del>before End of Day on the second Business Day before the Settlement Date.</del>
...		

Rule Number	Requirement	Sydney Time
Rule 10.9.1	<a href="#">Settlement</a> Participants to request <del>change-cancellation of CCP Isolate Counterparty Batch Instructions</del> to settlement obligations.	<del>before End of Day on the Business Day before the Settlement Date notified to ASX Settlement by an Approved Market Operator, by Settlement Cut-Off on the Settlement Date.</del>
<del>Rule 10.9.1(a)(ii)</del>	<del>ASX Settlement to notify that change effected.</del>	<del>within 60 minutes of ASX Settlement effecting the change.</del>
<a href="#">Rule 10.9.1A</a>	<a href="#">Notification of CCP Batch Instructions to Settlement Agent</a>	<a href="#">At or about the time the relevant CCP Batch Instructions would have been notified to the Clearing Participant that the Settlement Participant acts as Settlement Agent for, under the ASX Clear Operating Rules.</a>
Rule 10.9.2	Participant to transmit <a href="#">Bilateral</a> <del>Dual-Entry</del> Batch Message.	<ul style="list-style-type: none"> <li>if the instruction involves a Settlement Amount – before Trade Instruction Cut-Off on the Settlement Date specified by the Participants;</li> <li>otherwise – before Settlement Cut-Off on the Settlement Date specified by the Participants.</li> </ul>
Rule 10.9.3(c)	<a href="#">Bilateral</a> <del>Dual-Entry</del> Batch Messages <del>or Dual-Entry Payment Batch Messages</del> to be matched.	<ul style="list-style-type: none"> <li>if the instruction involves a Settlement Amount – by Trade Instruction Cut-Off on the Settlement Date specified by the Participants;</li> <li>otherwise – by Settlement Cut-Off on the Settlement Date specified by the Participants.</li> </ul>
Rule 10.9.3(d)	<a href="#">Bilateral</a> <del>Dual-Entry</del> Batch Messages <del>or Dual-Entry Payment Batch Messages</del> unmatched.	<ul style="list-style-type: none"> <li>if the instruction involves a Settlement Amount – by Trade Instruction Cut-Off on the Settlement Date specified by the Participants;</li> <li>otherwise – by Settlement Cut-Off on the Settlement Date specified by the Participants.</li> </ul>
Rule 10.9.3(d)(ii)	ASX Settlement to notify Participant that message cancelled.	within 60 minutes of ASX Settlement cancelling the <a href="#">Bilateral</a> <del>Dual-Entry</del> Batch Message <del>or Dual-Entry Payment Batch Message</del> .
<del>Rule 10.9.4</del>	<del>Messages to request change to Dual-Entry Batch Instruction to Match.</del>	<ul style="list-style-type: none"> <li><del>if the instruction involves a Settlement Amount – before Trade Instruction Cut-Off on the Settlement Date specified by the Participants;</del></li> <li><del>otherwise – before Settlement Cut-Off on the Settlement Date specified by the Participants.</del></li> </ul>
<del>Rule 10.9.4(b)</del>	<del>Participant to transmit Message to cancel original request.</del>	<del>at any time before the Messages are Matched by ASX Settlement under Rule 10.9.7(a).</del>

Rule Number	Requirement	Sydney Time
Rule 10.9.5	Participant to transmit Message to ASX Settlement to request change to <del>Bilateral</del> <del>Dual-Entry</del> Batch Instruction.	<ul style="list-style-type: none"> <li>if the instruction involves a Settlement Amount – before Trade Instruction Cut-Off on the Settlement Date specified by the Participants;</li> <li>otherwise – before Settlement Cut-Off on the Settlement Date specified by the Participants.</li> </ul>
Rule 10.9.5(e)	ASX Settlement to notify Participant that <del>Bilateral</del> <del>Dual-Entry</del> Batch Instruction changed.	within 60 minutes of ASX Settlement effecting the change to the Settlement Instruction.
Rule 10.9.6	Participant to transmit message requesting cancellation of Message.	<ul style="list-style-type: none"> <li>if the instruction involves a Settlement Amount – before Trade Instruction Cut-Off on the Settlement Date specified by the Participants;</li> <li>otherwise – before Settlement Cut-Off on the Settlement Date specified by the Participants.</li> </ul>
Rule 10.9.7	Messages to cancel <del>Bilateral</del> <del>Dual-Entry</del> Batch Instruction <del>or a Dual-Entry Payment Batch Instruction</del> are Matched.	<ul style="list-style-type: none"> <li>if the instruction involves a Settlement Amount – by Trade Instruction Cut-Off on the Settlement Date specified by the Participants;</li> <li>otherwise – by Settlement Cut-Off on the Settlement Date specified by the Participants.</li> </ul>
Rule 10.9.7(b)	Participant to transmit Message to cancel original request.	at any time before the Messages are Matched by ASX Settlement under Rule 10.9.7(a).
Rule 10.9.11	Participant to transmit <del>Unilateral</del> <del>Single-Entry</del> Batch Message.	before Settlement Cut-Off on the Settlement Date specified by the Participant.
Rule 10.9.12	Participant to cancel <del>Unilateral</del> <del>Single-Entry</del> Batch Message	<ul style="list-style-type: none"> <li>if the instruction involves a Settlement Amount – before Trade Instruction cut-off on the Settlement Date specified by the Participants;</li> <li>otherwise – before Settlement Cut-Off on the Settlement Date specified by the Participants.</li> </ul>

Rule Number	Requirement	Sydney Time
<del>Rule 10.10.2</del>	<del>ASX Settlement to notify Participant of projected net obligations for payment and Financial Products.</del>	<del>if the instruction involves a Settlement Amount – immediately after Trade Instruction Cut-Off on the Settlement Date specified by the Participants;</del>  <del>otherwise – immediately after Settlement Cut-Off on the Settlement Date specified by the Participants.</del>
Rule 10.10.4(a)	ASX Settlement to notify Participant of payment obligation or entitlement.	concurrent with or prior to ASX Settlement notifying the Participant's Payments Provider in relation to the Participant's Payment Facility pursuant to clause 3.1(a) of the <a href="#">Standard Payments Provider Deed</a> <del>Standard Client Bank Deed.</del>
Rule 10.10.4(b)	ASX Settlement to notify Participant of revised payment obligation or entitlement.	concurrent with or prior to ASX Settlement notifying the Participant's Payments Provider in relation to the Participant's Payment Facility pursuant to clause 3.3(a) of the <a href="#">Standard Payments Provider Deed</a> <del>Standard Client Bank Deed.</del>
Rule 10.10A.2	ASX Settlement to notify Participant of net Client Trust Account payment obligation or entitlement.  Introduced 25/05/15	concurrent with or <del>after</del> <sup>prior to</sup> ASX Settlement notifying the Participant's Payments Provider in relation to the Participant's PID.
Rule 10.11.2(a)	If Source Holding would give rise to a Financial Products Shortfall.	by Settlement Cut-Off on the Business Day on which the Batch Instructions fall due for Batch Settlement.
Rule 10.11.2(b)	If Participant's net obligation to make payment is not authorised.	by Authorisation Response Cut-Off as defined in the <a href="#">Standard Payments Provider Deed</a> <del>Standard Client Bank Deed.</del>
Rule 10.11.3(d)	ASX Settlement may request Payments Provider to authorise increased net obligation to make payment.	by <del>Revised</del> Authorisation Response Cut-Off as defined in the <a href="#">Standard Payments Provider Deed</a> <del>Standard Client Bank Deed.</del>

Rule Number	Requirement	Sydney Time
<del>Rule 10.11.8</del>	<del>Participants to Match request to switch Failed Batch Settlement Instruction to RTGS.</del>	<del>by Settlement Cut-off* on the Business Day to which the Batch Instruction has been rescheduled.</del>
Rule 10.11.12	Failed Settlement Shortfall exists.  Introduced 30/03/09	by Settlement Cut-Off on the second Business Day after the day on which the Rescheduled Batch Instruction was originally scheduled for settlement.
Rule 10.12.1	ASX Settlement to be satisfied that Source Holding will not give rise to a Financial Products Shortfall.	before <del>Inter-Bank Payment System Closure</del> <a href="#">RITS Closure</a> as defined in the <a href="#">Standard Payments Provider Deed</a> - <del>Standard Client Bank Deed.</del>
Rule 10.13.3	ASX Settlement to notify Participant <a href="#">of net movement of Financial Products and funds for each Holding and funds for each Payment Facility</a> <del>if Batch Instruction has settled.</del>	within 30 minutes of ASX Settlement transferring Financial Products under Rule 10.12.1(e).
Rule 10.14.2	ASX Settlement to notify cancellation of Batch Settlement.	within 30 minutes of ASX Settlement cancelling settlement under Rule 10.14.1.
Rule 10.15.1(a)	Payments Provider to authorise net obligation to make payment.	before Authorisation Response Cut-Off as defined in the Standard <a href="#">Payments Provider</a> <del>Client Bank</del> Deed.
Rule 10.15.1(b)	Payments Provider to authorise increased net obligation to make payment.	before <del>Revised</del> Authorisation Response Cut-Off as defined in the Standard <a href="#">Payments Provider</a> <del>Client Bank</del> Deed.
..... Rule 11.8. <del>15</del> 9(b)	Participant to nominate new Payment Facility.	within 5 Business Days of ASX Settlement giving Notice to the Participant or such longer period as ASX Settlement determines.
<del>Rule 11.9.3(b)(ii)</del>	<del>ASX Settlement to notify change to Payments Provider Managed attributes of a Net Position Record to Payments Provider and Participant.</del>	<del>in the case of inactivation of Net Position Record:-- by Start of Day on next RTGS Business Day after receipt of request to inactivate;</del>  <del>in the case of all other changes:-- within 60 minutes of ASX Settlement effecting the change.</del>
<del>Rule 11.9.6(b)</del>	<del>ASX Settlement to remove Recorded RTGS Instruction from Feeder System following inactivation of Net Position Record.</del>	<del>by Start of Day on next RTGS Business Day after receipt of request to inactivate.</del>

\* Note: — as normal net batch processing has priority, whether an instruction to switch settlement modes received shortly before Settlement Cut-off can be actioned necessarily depends on processing volumes and other applicable system constraints: refer Rule 10.11.8.



Rule Number	Requirement	Sydney Time
Rule 11.9.12(b)	ASX Settlement to notify change to Participant Managed attributes of a Net Position Record to Payments Provider and Participant.	within 60 minutes of ASX Settlement effecting the change.
Rule 11.11.2(b)	ASX Settlement to advise Participants that it has Recorded RTGS Instruction switched from Scheduled Settlement.	within 60 minutes of ASX Settlement Recording the RTGS Instruction.
Rule 11.12.1(a)(i)	Participant to Transmit Valid Switch to Batch Settlement Message to ASX Settlement.	before the commencement of the RTGS Settling Phase for that RTGS Instruction; and  by Settlement Cut-off* on the Business Day on which settlement is required.
Rule 11.12.1(c)	ASX Settlement to advise removal of RTGS Instruction from RTGS.	within 60 minutes of ASX Settlement effecting the removal.
Rule 11.12.3(a)(i)	Participant to Transmit Dual Entry Switch to Batch Settlement Message to ASX Settlement	before the commencement of the RTGS Settling Phase for that RTGS Instruction; and  by Settlement Cut-off* on the Business Day on which settlement is required.
Rule 11.12.5	Batch Instruction to be constituted for settlement to occur on recorded RTGS Settlement Date.	before commencement of the RTGS Settling Phase for that RTGS Instruction; and by Settlement Cut-off* on the Business Day Recorded as the RTGS Settlement Date.
Rule 11.12.6	Participant to Transmit to ASX Settlement request for HIN change.	before commencement of the RTGS Settling Phase for that RTGS Instruction, and by Settlement Cut-off* on the Business Day on which settlement is required.
Rule 11.12.6(b)	ASX Settlement to advise Participant of HIN change.	within 60 minutes of ASX Settlement effecting the change.
Rule 11.13.1(a)	Participant to Transmit RTGS Messages to ASX Settlement.	before RTGS Instruction Cut-off on the RTGS <a href="#">Business Day</a> Settlement Date.
Rule 11.13.3	Dual Entry RTGS Message to be Transmitted to ASX Settlement.	before RTGS Instruction Cut-off on the RTGS Settlement Date.

\*Note: — as normal net batch processing has priority, whether an instruction to switch received shortly before Settlement Cut-off can be actioned necessarily depends on processing volumes and other applicable system constraints: refer Rule 11.12.7.

\*Note: — as normal net batch processing has priority, whether an instruction to switch received shortly before Settlement Cut-off can be actioned necessarily depends on processing volumes and other applicable system constraints: refer Rule 11.12.7.

Rule Number	Requirement	Sydney Time
Rule 11.13.4	RTGS Messages to be Matched.	before RTGS Cut-off on the RTGS Settlement Date.
Rule 11.13.4(c)(ii)	ASX Settlement to notify Recording of RTGS Instruction.	within 60 minutes of ASX Settlement Recording the RTGS Instruction.
Rule 11.16.1(a)(i)	Participant to request ASX Settlement to change RTGS Instruction.	before commencement of the RTGS Settling Phase for that RTGS Instruction or RTGS Instruction Cut-off on the RTGS Settlement Date, whichever is earlier.
Rule 11.16.1(b)	ASX Settlement to advise Participant of changed RTGS Instruction.	within 60 minutes of ASX Settlement effecting the change.
Rule 11.16.3(a)	Participants to Transmit Dual Entry Messages requesting changes to Dual Entry RTGS Instruction to ASX Settlement.	before commencement of RTGS Settling Phase for that RTGS Instruction or RTGS Instruction Cut-off on the RTGS Settlement Date, whichever is earlier.
Rule 11.16.4	Participant to Transmit single entry change to ASX Settlement	before commencement of RTGS Settling Phase for that RTGS Instruction or RTGS Instruction Cut-off on the RTGS Settlement Date, whichever is earlier.
Rule 11.16.4(d)	ASX Settlement to advise Participant of change	within 60 minutes of ASX Settlement effecting the change.
Rule 11.17.4	Participant to request ASX Settlement to cancel RTGS Instruction	before RTGS Instruction Cut-off on the RTGS <a href="#">Business Day Settlement Date</a> or before completion of the RTGS Settling Phase for that RTGS Instruction, whichever is earlier.
...		
Rule 11.17.5(a)	Participants to Match cancellation request for Dual Entry RTGS Instruction	before RTGS Instruction Cut-off on the RTGS Settlement Date or before completion of the RTGS Settling Phase for that RTGS Instruction, whichever is earlier.
Rule 11.18.4	Participant to notify ASX Settlement that RTGS Instruction is 'ready to settle'	before RTGS Instruction Cut-off on the RTGS Settlement Date.
<a href="#">Rule 11.18.8(a)</a>	<a href="#">RTGS Payments Provider performing a Payment Obligation to notify ASX Settlement of authorisation</a>	<a href="#">before RTGS Cut-off on the RTGS Business Day</a>
<a href="#">Rule 11.18.8(c)</a>	<a href="#">ASX Settlement to notify counterparty or counterparties (as applicable) of Failed RTGS Instruction</a>	<a href="#">as soon as practicable after ASX Settlement receives a rejection Message from the relevant RTGS Payments Provider</a>
Rule 11.19.1	ASX Settlement to determine Financial Products will not give rise to RTGS Delivery Shortfall	before RTGS Cut-off on the RTGS Settlement Date.
Rule 11.19.1(e)	ASX Settlement to notify counterparties of Reservation of Financial Products	within 60 minutes of ASX Settlement effecting the Reservation.

Rule Number	Requirement	Sydney Time
<del>Rule 11.20.4</del>	<del>ASX Settlement to determine Debit Cap Compliance</del>	<del>before RTGS Cut-off on the RTGS Settlement Date.</del>
<del>Rule 11.23.1(b)</del>	<del>ASX Settlement to determine Debit Cap Compliance</del>	<del>before RTGS Cut-off on the RTGS Settlement Date.</del>
Rule 11.23.2(b)(iii)	ASX Settlement to have received settlement response from RITS/RTGS	before RTGS End of Day on the RTGS <a href="#">Business Day Settlement Date</a> .
Rule 11.24.1	RTGS Instruction to have entered RTGS Settling Phase	before RTGS Cut-off on the RTGS <a href="#">Business Day Settlement Date</a> .
<a href="#">Rule 11.24.2(a)(ii)</a>	<a href="#">ASX Settlement to have received settlement response from RITS</a>	<a href="#">before RTGS End of Day on the RTGS Business Day.</a>
Rule 11.24.2(b)(ii)	ASX Settlement to have received settlement response from RITS/RTGS	before RTGS End of Day on the RTGS <a href="#">Business Day Settlement Date</a> .
Rule 11.25.1	ASX Settlement to be satisfied that RTGS Settling Phase can complete on the RTGS <a href="#">Business Day Settlement Date</a>	before RTGS End of Day on the RTGS <a href="#">Business Day Settlement Date</a> .
Rule 11.28.1(e)	ASX Settlement to notify counterparties of Failed RTGS Instruction	as soon as practicable after RTGS End of Day.
<del>Rule 11.28.2(a)</del>	<del>Participant to request ASX Settlement to switch Failed RTGS Instruction to Batch Settlement</del>	<del>before Settlement Cut-off* on the next RTGS Business Day.</del>
<a href="#">Rule 11.30.1(a)</a>	<a href="#">ASX Settlement to notify RTGS Payments Provider of settled RTGS Instruction</a>	<a href="#">as soon as practicable after ASX Settlement receives notification from RITS that the Payment Obligation has been settled.</a>
Rule 11.30.1(b)	ASX Settlement to make available RTGS Settlement Report to RTGS Payments Provider	as soon as practicable after RTGS End of Day and completion of End of Day Processing Phase.
Rule 11.30.2	ASX Settlement settlement reporting to RTGS Participants	as soon as practicable after RTGS End of Day and completion of End of Day Processing Phase.
<del>Rule 11.31.1</del>	<del>ASX Settlement to generate Accrued RTGS Instruction</del>	<del>by Start of Day on the Business Day immediately after the Record Date for the Corporate Action.</del>
...		

\*Note: — as normal net batch processing has priority, whether an instruction to switch received shortly before Settlement Cut-off can be actioned necessarily depends on processing volumes and other applicable system constraints: refer Rule 11.12.7.

Rule 14.14.9	Controlling Participant to notify ASX Settlement of acceptance or rejection of a <del>T</del> akeover <del>O</del> ffer <del>a</del> Acceptance  Introduced 09/05/05 Amended 30/09/19	by End of Day on the Business Day following the Business Day on which the Controlling Participant receives a Valid Message under Rule 14.14.8.
.....		
<a href="#">Rule 14.24.1</a>	<a href="#">Participant to initiate acceptance under a Non-Takeover Offer Event.</a>	(i) <a href="#">by End of Day on the date the Participant Sponsored Holder instructs the Participant to accept the offer; or</a> (ii) <a href="#">if the offer period ends on the date that the Participant Sponsored Holder instructs the Participant, before the end of the offer period.</a>
<a href="#">Rule 14.24.5</a>	<a href="#">Participant Offeror to notify ASX Settlement of a rejection of an Offer Accepted Subposition</a>	<a href="#">within 2 Business Days of receiving notification from ASX Settlement under Rule 14.5.1.</a>
<a href="#">Rule 14.24.9</a>	<a href="#">Controlling Participant to notify ASX Settlement of acceptance or rejection of a non-takeover offer acceptance</a>	<a href="#">by End of Day on the Business Day following the Business Day on which a Valid Message is received under Rule 14.24.8.</a>
<a href="#">Rule 14.24.10</a>	<a href="#">Controlling Participant to notify Holder of rejection of Non-Takeover Offer Event acceptance</a>	<a href="#">by End of Day on the Business Day on which the Controlling Participant rejects the Non-Takeover Offer Event acceptance under Rule 14.24.9(b).</a>
<a href="#">Rule 14.26.3</a>	<a href="#">Participant Offeror to authorise or reject a request for Financial Products to be released from an Offer Accepted Subposition</a>	<a href="#">within 2 Business Days of receiving a Valid Message from ASX Settlement under Rule 14.27.2.</a>
<a href="#">Rule 14.29.1</a>	<a href="#">Participant Offeror to notify ASX Settlement of acceptances that are avoided</a>	<a href="#">within 1 Business Day of the non-takeover offer lapsing</a>
...		
<a href="#">Rule 16.20.2</a>	<a href="#">ASX Settlement to provide a Standing Report to a Facility User and Holding Net Movement Report and Total Security Balance Report to an Issuer.</a>	<a href="#">after End of Day on each Business Day.</a>
....		
Rule 18.3.3(b)	If an Originating Message Transmitted to ASX Settlement complies with Rule 18.3.1, Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Message to ASX Settlement accepting or rejecting <del>(or, in the case of requests for redemption only, deferring)</del> the request and specifying the information required by the Procedures.  Introduced 21/03/14	As set out in the Procedures.
<a href="#">Rule 18.3.5</a>	<a href="#">If the Product Issuer Settlement Participant has not Transmitted a Valid Message to ASX Settlement pursuant to Rule 18.3.3(b) by the Scheduled Time, ASX Settlement may cancel the relevant request initiated under Rule 18.3.1.</a>	<a href="#">As set out in the Procedures.</a>
.....		

Rule 18.4.3(a)	<p>If an Originating Message Transmitted to ASX Settlement complies with Rule 18.4.1, ASX Settlement must, within the Scheduled Time, Transmit a Message to the relevant Product Issuer Settlement Participant to notify it of the details of the request specified in the Originating Message.</p> <p>Introduced 21/03/14</p>	As set out in the Procedures.
Rule 18.4.3(b)	<p>If an Originating Message Transmitted to ASX Settlement complies with Rule 18.4.1, the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Message to ASX Settlement accepting, rejecting or deferring the request and specifying the information required by the Procedures.</p> <p>Introduced 21/03/14</p>	As set out in the Procedures.
Rule 18.4.4(b)	<p>If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant under Rule 18.4.3(b), and if the request has been accepted, the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit to ASX Settlement Messages that initiate Holding Adjustments to increase or decrease, by the number of AQUA Products determined by the Product Issuer Settlement Participant in respect of the request to Switch between AQUA Products, as the case requires, the Holding Balance of each CHESS Holding specified in the Originating Message.</p> <p>Introduced 21/03/14</p>	As set out in the Procedures.
.....		
Rule 18.5.2	<p>A Product Issuer Settlement Participant may Transmit a Valid Message that requests cancellation of a request to Switch between AQUA Products that the Product Issuer Settlement Participant accepted in accordance with Rule 18.4.3(b).</p> <p>Introduced 21/03/14</p>	As set out in the Procedures.
Rule 18.6.1	<p>A Settlement Participant may Transmit a Valid Message that requests cancellation of:</p> <p><del>(a) — a request for redemption of AQUA Products; or</del>  <del>(b) — a request to Switch between AQUA Products,</del>  that the Settlement Participant initiated <del>and the Product Issuer Settlement Participant deferred in accordance with Rule 18.3.3(b).</del></p> <p>Introduced 21/03/14</p>	As set out in the Procedures.
Rule 18.6.1(ae)	<p>If within the Scheduled Time a Settlement Participant Transmits a Valid Message that requests cancellation of:</p> <p><del>(a) — a request for redemption of AQUA Products; or</del>  <del>(b) — a request to Switch between AQUA Products,</del>  that the Settlement Participant initiated, <del>and the Product Issuer Settlement Participant deferred in accordance with Rule 18.3.3(b);</del>  (e) — ASX Settlement must, within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation request.</p> <p>Introduced 21/03/14</p>	As set out in the Procedures.

Rule 18.6.1(bd)	<p>If within the Scheduled Time a Settlement Participant Transmits a Valid Message that requests cancellation of :</p> <p><del>(a) — a request for redemption of AQUA Products ; or</del></p> <p><del>(b) — a request to Switch between AQUA Products, that the Settlement Participant initiated, and the Product Issuer Settlement Participant deferred in accordance with Rule 18.3.3(b);</del></p> <p><del>(c) — the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Message to ASX Settlement accepting or rejecting the cancellation request and specifying the information required by the Procedures.</del></p>	As set out in the Procedures.
	Introduced 21/03/14	
<a href="#">Rule 18.6.1A</a>	<p><a href="#">A Settlement Participant may Transmit a Valid Message that requests cancellation of a request for issue of AQUA Products that the Settlement Participant initiated.</a></p>	<a href="#">As set out in the Procedures</a>
<a href="#">Rule 18.6.1A(a)</a>	<p><a href="#">If within the Scheduled Time a Settlement Participant Transmits a Valid Message that requests cancellation of a request for issue of AQUA Products; or that the Settlement Participant initiated, ASX Settlement must, within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation of the request.</a></p>	<a href="#">As set out in the Procedures</a>
Rule 18.7.1	<p>An Product Issuer Settlement Participant that has accepted:</p> <p><del>(a) — a request for issue or redemption of AQUA Products in accordance with Rule 18.3.3(b); or</del></p> <p><del>(b) — a request to Switch AQUA Products in accordance with Rule 18.4.3(b),</del></p> <p>may notify the Settlement Participant that initiated the request of changes to details of the matters relating to the request, as specified in the Procedures, by Transmitting, within the Scheduled Time, a Valid Message to ASX Settlement in accordance with the Procedures.</p>	As set out in the Procedures.
	Introduced 21/03/14	

Rule 18.9.2(a) If a Valid Originating Message Transmitted to ASX Settlement complies with Rule 18.9.1, ASX Settlement must, within the Scheduled Time, Transmit a Message to the relevant Product Issuer Settlement Participant to notify it of the details of the request specified in the Valid Originating Message. As set out in the Procedures.

Introduced 15/08/16

Rule 18.9.2(b) If a Valid Originating Message Transmitted to ASX Settlement complies with Rule 18.9.1, the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Valid Message to ASX Settlement accepting or rejecting the request and specifying the information required by the Procedures. As set out in the Procedures.

Introduced 15/08/16

Rule 18.9.4 A Product Issuer Settlement Participant that has accepted a request for income advice in accordance with Rule 18.9.2(b) must advise, for each class of AQUA Products in relation to which it is authorised, details of:

(a) income distribution entitlements in respect of each CHESS Holding of the AQUA Products where applicable; and

(b) reinvestment of income distribution entitlements in respect of each CHESS Holding of the AQUA Products where applicable,

by Transmitting to ASX Settlement, within the Scheduled Time after each date for determining distribution entitlements in respect of the AQUA Products, a Valid Message that contains the details specified in the Procedures.

Introduced 15/08/16

Rule 18.9.6(a) If a Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request for income advice that the Settlement Participant initiated and the Product Issuer Settlement Participant accepted in accordance with Rule 18.9.2(b), ASX Settlement must, within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation request. As set out in the Procedures.

Introduced 15/08/16

Rule 18.9.6(b) If a Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request for income advice that the Settlement Participant initiated and the Product Issuer Settlement Participant accepted in accordance with Rule 18.9.2(b), the Product Issuer Settlement Participant must, within the Scheduled Time, implement the cancellation request. As set out in the Procedures.

Introduced 15/08/16

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[Rule 19.2.3](#)

[ASX Settlement to give notice of a remediation of Registration Details](#)

[To Participants and Issuers \(as applicable\) - within 2 Business Days of remediating the Registration Details.](#)

[To Participant Sponsored Holders \(as applicable\) - within 5 Business Days of remediating the Registration Details.](#)

<a href="#">Rule 19.2.6</a>	<a href="#">ASX Settlement to give notice of a remediation of Registration Details</a>	<a href="#">To Participants and Issuers (as applicable) - within 2 Business Days of remediating the Registration Details</a>  <a href="#">To Participant Sponsored Holders (as applicable) - within 5 Business Days of remediating the Registration Details.</a>
<a href="#">Rule 19.2.7(b)</a>	<a href="#">ASX Settlement to give notice that a Holder Record has not been recorded in the New System</a>	<a href="#">To Participants - within 2 Business Days of not recording the Holder Record in the New System</a>  <a href="#">To Participant Sponsored Holders (as applicable) - within 5 Business Days of not recording the Holder Record in the New System</a>
<a href="#">Rule 19.2.9</a>	<a href="#">ASX Settlement to give notice of a change of Email Purpose</a>	<a href="#">within 2 Business Days of changing the Email Purpose</a>
<a href="#">Rule 19.2.10</a>	<a href="#">ASX Settlement to give notice of removal of Email Details</a>	<a href="#">within 2 Business Days of not recording Email Details in New System</a>



## APPENDIX 2 ~~[DELETED]~~

### ~~DEMAND TRANSFER MESSAGES INITIATED BY PARTICIPANTS FOR WHICH A STANDING HIN MAY BE NOMINATED~~

#### ~~Message Type~~

#### ~~Message Number and Name~~

- |   |   |
|---|---|
| <del>1. Messages where the nominated Standing HIN is applied if the HIN for the Holder of the Target Holding is not specified by the Participant that Transmits the Message initiating the Transfer</del>   | <del>015 Issuer Sponsored to CHES Transfer Request<br/>021 Certificated to CHES Transfer Request</del>  |
| <del>2. Messages where the nominated Standing HIN is applied if the HIN for the Holder of the Source Holding is not specified by the Participant that Transmits the Message initiating the Transfer:</del>  | <del>003 Transferor Submitted Demand Transfer<br/>007 Demand CHES to Issuer Sponsored Transfer Request<br/>009 Demand CHES to Certificated Transfer Request</del> |
| <del>3. Messages where the nominated Standing HIN is applied if:</del>  | <del>001 Demand Single Entry CHES to CHES Transfer Request</del>  |
| <del>(i) the HIN for the Holder of the Target Holding;<br/>or</del>   |   |
| <del>(ii) the HIN for the Holder of the Source Holding,<br/>is not specified by the Participant that Transmits the Message initiating the Transfer provided that either the Source Holding or the Target Holding has been specified in the Message by that Participant.</del> |   |

## SECTION 2 DEFINITIONS AND INTERPRETATION

### 2.13 DEFINITIONS

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“ASX Clear Account” – an Account as defined in the ASX Clear Operating Rules.

...

~~“Guarantor” means a third party approved by ASX Settlement to provide an unconditional and irrevocable guarantee in favour of the Holder, issuer and any party entitled to claim against the Settlement Participant for an unauthorised transfer of Financial Products under the Corporations Regulations.–~~

~~Introduced 18/12/19~~

...

“PID” – where requested by a Participant in accordance with any requirements (including the payment of any fee) notified by ASX Settlement from time to time, ASX Settlement may allocate or attribute more than one PID per Participant up to a maximum number of five (5) PIDs per Participant.

Introduced 08/08/13

...

“User Technical Documentation” – the documentation published by ASX Settlement for the purposes of this definition are available at the following website:

<https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/overview>

...

## SECTION 4 ADMISSION OF OTHER SETTLEMENT PARTICIPANTS

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### PROCEDURE 4.13.1 PERSON TO HAVE A PAYMENT FACILITY

For the purposes of Rule 4.13.1(a), the person must have the following number of Payment Facilities with a Payments Provider:

- (a) if the person is making and receiving payments in respect of AQUA Payment Batch Instructions, at least two Payment Facilities;

- (b) if the person is making and receiving payments in respect of any other payment obligations and entitlements under Section 10 [or Section 11](#) of these Rules, at least one Payment Facility.

Introduced 21/03/14

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#### PROCEDURE 4.18.1 ORGANISATIONAL REQUIREMENTS

In order to satisfy ASX Settlement that it meets Rule 4.18.1, an applicant must provide to ASX Settlement on or before its admission as a Participant a certification in the form prescribed by ASX Settlement from time to time that the applicant has the resources and processes in place to comply with its obligations under the Rules.

For these purposes, “resources” and “processes” have the same meaning as in Rule 4.18.1.

In providing this certification to ASX Settlement the applicant must have regard to:

- (a) the Rules;
- (b) where the application is in respect of admission as a Participant other than as a Specialist Settlement Participant admitted for the limited purpose of acting as a Participant Bidder [or a Participant Offeror](#):
  - (i) ASX Settlement Operating Rules Guidance Note 1 Admission as a Participant;
  - (ii) ASX Settlement Operating Rules Guidance Note 9 Offshoring and Outsourcing;
  - (iii) ASX Settlement Operating Rules Guidance Note 10 Business Continuity and Disaster Recovery; and
  - (iv) the standards expected of financial services licensees set out in ASIC Regulatory Guide 104 Licensing: Meeting the general obligations and ASIC Regulatory Guide 105 Licensing: Organisational competence (this applies even if the applicant does not hold an Australian Financial Services Licence);
- (c) any other matters specified in the form prescribed by ASX Settlement for these purposes.

If required by ASX Settlement, the applicant must be able to demonstrate to the satisfaction of ASX Settlement, at any time, the basis on which the certification is or was provided.

Introduced 01/01/12 Amended 15/06/15, 05/12/19

#### PROCEDURE 4.19.1 CUSTODIAL SETTLEMENT PARTICIPANT ELIGIBILITY [\[DELETED\]](#)

##### ~~Eligibility criteria~~

~~To be eligible to be classified as a Custodial Settlement Participant, a Settlement Participant must:~~

- ~~(a) provide a custodial or depository service to Holders;~~
- ~~(b) either:~~

- ~~(i) — hold an Australian financial services licence authorising the Settlement Participant to provide a custodial or depository service; or~~
- ~~(ii) — be exempt from the requirement to hold an Australian financial services licence to provide a custodial or depository service pursuant to Corporations Regulation 7.6.01(1)(k); and~~
- ~~(c) — either:~~
  - ~~(i) — at a minimum, hold at all times the amount of NTA specified in either section 912AA(4)(b) or section 912AC(4)(a) of the Corporations Act and the amount of cash or cash equivalents and liquid assets specified in section 912AA(8) or section 912AC(7) of the Corporations Act; or~~
  - ~~(ii) — have a Guarantor which meets the criteria in paragraph (c)(i) above who has provided an unconditional and irrevocable guarantee in the form acceptable to ASX Settlement in favour of the Holder, issuer and any party entitled to claim against the Settlement Participant for an unauthorised transfer of Financial Products under the Corporations Regulations.~~

#### ~~Supporting documentation~~

~~In order to be eligible to be classified as a Custodial Settlement Participant, a Settlement Participant must provide ASX Settlement with:~~

- ~~(d) — either~~
  - ~~(i) — a copy of its Australian financial services licence; or~~
  - ~~(ii) — a legal opinion in a form acceptable to ASX Settlement confirming that the Settlement Participant is eligible to rely on the exemption from the requirement to hold an Australian financial services licence under Corporations Regulation 7.6.01(1)(k);~~
- ~~(e) — one of the following:~~
  - ~~(i) — a copy of the most recent audit opinion and balance sheet the Settlement Participant is required to lodge with ASIC under either section 912AA(9)(a) or section 912AC(10)(a) of the Corporations Act;~~
  - ~~(ii) — a copy of an audit opinion and balance sheet in respect of the Settlement Participant substantially in the form contemplated by section 912AA(9)(a) or section 912AC(10)(a) of the Corporations Act;~~
  - ~~(iii) — a copy of the executed guarantee referred to in paragraph (c)(ii) above, together with a copy of an audit opinion and balance sheet in respect of the Guarantor substantially in the form contemplated by section 912AA(9)(a) or section 912AC(10)(a) of the Corporations Act; or~~
  - ~~(iv) — in the case of a Settlement Participant or Guarantor that is not subject to the financial requirements referred to in paragraph (c)(i) above, a certification in a form acceptable to ASX Settlement,~~

~~which demonstrates to ASX Settlement that the Settlement Participant or Guarantor (as applicable) meets the financial requirements referred to in paragraph (c)(i) above; and~~

~~(f) any other information ASX Settlement may reasonably require to determine whether a Settlement Participant meets the criteria to be classified as a Custodial Settlement Participant.~~

Introduced 18/12/19

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## SECTION 5 RIGHTS AND OBLIGATIONS OF ISSUERS

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### PROCEDURE 5.19A.2 CORPORATE ACTION ELECTION – NOTIFICATION BY CONTROLLING PARTICIPANT

For the purposes of Rule 5.19A.2(a), a Valid Election Participant Notification Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Controlling Participant's UIC;
- (b) the Transaction Identifier of the Message
- (c) the Plan Record identifier (if applicable);
- (d) the type of Corporate Action that the election relates to;
- (e) the code for the relevant Approved Financial Product;
- (f) the HIN of the relevant CHESS Holding;
- (g) the option number code;
- (h) the Election Option Type; and
- (i) the number of Approved Financial Products, or the proportion of the relevant CHESS Holding, to which the Election Participant Notification Message relates to.

For the purposes of Rule 5.19A.2(c), a Valid Corporate Action Election Status Advice Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Transaction Identifier of the related Message received by the Issuer under Rule 5.19A.2(b)(ii);
- (b) the Plan Record identifier;
- (c) the type of Corporate Action that the election relates to;
- (d) the processing status of the election, i.e. if the election is acknowledged or rejected;

- (e) the code for the relevant Approved Financial Product;
- (f) the HIN of the relevant CHES Holding;
- (g) the option number code;
- (h) the Election Option Type;
- (i) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Corporate Action Election Status Advice Message relates to; and
- (j) if the election is rejected, the reason must be provided.

#### **PROCEDURE 5.19A.4 CANCELLATION OF ELECTION**

For the purposes of Rule 5.19A.4(a) and 5.19A.4(e), a Valid Election Cancellation Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Election Cancellation Message includes:

- (a) the Participant's UIC or Issuer's UIC (as applicable);
- (b) the Corporate Action Record identifier;
- (c) the type of Corporate Action that the election relates to;
- (d) the code for the relevant Approved Financial Product;
- (e) the HIN of the relevant CHES Holding;
- (f) the option number code;
- (g) the Election Option Type;
- (h) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Election Cancellation Message relates to.

For the purposes of Rule 5.19A.4(c), a Valid Corporate Action Election Status Advice Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (i) the Transaction Identifier of the related Message received by the Issuer under Rule 5.19A.4(b)(ii);
- (j) the Plan Record identifier;
- (k) the type of Corporate Action that the election relates to;
- (l) the processing status of the cancellation, i.e. if the cancellation is acknowledged or rejected;
- (m) the code for the relevant Approved Financial Product;
- (n) the HIN of the relevant CHES Holding;
- (o) the option number code;

- (p) the Election Option Type;
- (q) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Corporate Action Election Status Advice Message relates to; and
- (r) if the election is rejected, the reason must be provided.

#### **PROCEDURE 5.19A.9 REQUEST FOR DETAILS OF ELECTION STATUS FOR DIVIDEND OR OTHER DISTRIBUTION REINVESTMENT PLAN OR BONUS SHARE PLAN**

##### **Request for election status**

A Valid Originating Message requesting details of the existing election status recorded by the Issuer will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

- (a) includes a Participant's PID as that of the Participant Transmitting the Message;
- (b) specifies the HIN of the relevant CHES Holding; and
- (c) specifies the code for the relevant Approved Financial Product.

## **SECTION 6**

### **PROCEDURE 6.3.4 SETTLEMENT AND ACCUMULATION ACCOUNTS**

A Settlement Participant which is a Clearing Participant must establish both a Settlement Account and an Accumulation Account in respect of each PID allocated or attributed by ASX Clear to the Clearing Participant under the ASX Clear Operating Rules.

A Settlement Participant which is a Clearing Participant must establish both a Settlement Account and an Accumulation Account with a residence indicator of foreign (as identified in the User Technical Documentation)<sup>"F"</sup> to facilitate Foreign to Foreign Allocations in respect of each PID allocated or attributed by ASX Clear to the Clearing Participant under the ASX Clear Operating Rules.

All other Settlement Participants need not establish both a Settlement Account and Accumulation Account but may do so if they wish to.

Introduced 11/03/04 Amended 08/08/13

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## PROCEDURE 6.3B.2 TRANSFER OF FINANCIAL PRODUCTS FROM ACCUMULATION ACCOUNT TO SETTLEMENT ACCOUNT

For the purposes of the Valid ~~Single Entry~~ Unilateral Batch Message under Rule 6.3B.2:

- (a) the Message type to be used is [that specified in the User Technical Documentation for the purpose of Transfers from a Settlement Participant's Accumulation Account to its Settlement Account that contains a field for the inclusion of the Client Trust Receivable Amount](#) ~~a MT107~~ (or such other Message type as determined and notified by ASX Settlement from time to time);
- (b) a separate Message is required in respect of each class of Financial Product sold under a Cash Market Transaction which is due for settlement on the relevant Settlement Date;
- (c) The Client Trust Receivable Amount must be specified as a value of zero or greater, [unless the Message is in respect of a PID for which the relevant Settlement Participant is not:](#)
  - (i) [the Clearing Participant; or](#)
  - (ii) [acting as Settlement Agent for a Clearing Participant,](#)[in which case the Client Trust Receivable Amount is not required to be specified in the Message;](#)
- (d) The Message must include the scheduled Settlement Date in respect of the Transfer of Financial Products under the Batch Instruction arising from that Message. Transfers may be scheduled for a future Settlement Date;
- (e) Participants may send more than one Message for a Settlement Date or a single Message that covers the net settlement obligations for that Settlement Date in respect of that class of Financial Product;
- (f) Where the Message provides for the Transfer of Financial Products relating to more than one Cash Market Transaction, the Client Trust Receivable Amount to be included is to represent the gross Client Trust Receivable Amount in respect of each of those Financial Products.

Introduced 25/05/15

## PROCEDURE 6.3B.3 TRANSFER OF FINANCIAL PRODUCTS FROM CHESS HOLDING (OTHER THAN ACCUMULATION ACCOUNT) TO SETTLEMENT ACCOUNT

For the purposes of the Valid ~~Single Entry~~ Unilateral Batch Message under Rule 6.3B.3:

- (a) the Message type to be used is [that specified in the User Technical Documentation for the purpose of Transfers from a CHES Holding \(other than the Settlement Participant's Accumulation Account\) to its Settlement Account that contains a field for the inclusion of the Client Trust Receivable Amount](#) ~~a MT107~~ (or such other Message type as determined and notified by ASX Settlement from time to time);
- (b) a separate Message is required in respect of each class of Financial Product sold under a Cash Market Transaction which is due for settlement on the relevant Settlement Date;



- (c) The Client Trust Receivable Amount must be specified as a value of zero or greater, unless the Message is in respect of a PID for which the relevant Settlement Participant is not:
- (i) the Clearing Participant; or
  - (ii) acting as Settlement Agent for a Clearing Participant.
- in which case the Client Trust Receivable Amount is not required to be specified in the Message;
- (d) The Message must include the scheduled Settlement Date in respect of the Transfer of Financial Products under the Batch Instruction arising from that Message. Transfers may be scheduled for a future Settlement Date;
- (e) Participants may send more than one Message for a Settlement Date or a single Message that covers the net settlement obligations for that Settlement Date in respect of that class of Financial Product;
- (f) Where the Message provides for the Transfer of Financial Products relating to more than one Cash Market Transaction, the Client Trust Receivable Amount to be included is to represent the gross Client Trust Receivable Amount in respect of each of those Financial Products.

Introduced 25/05/15

#### **PROCEDURE 6.3B.4 TRANSFER OF FINANCIAL PRODUCTS FROM SETTLEMENT ACCOUNT TO A HOLDING OTHER THAN ACCUMULATION ACCOUNT**

For the purposes of the Valid ~~Single Entry~~ Unilateral Batch Message under Rule 6.3B.4:

- (a) the Message type to be used is that specified in the User Technical Documentation for the purpose of Transfers from the Settlement Participant's Settlement Account to a CHES Holding other than the Settlement Participant's Accumulation Account that contains a field for the inclusion of the Client Trust Deductible Amount~~a MT107~~ (or such other Message type as determined and notified by ASX Settlement from time to time);
- (b) a separate Message is required in respect of each class of Financial Product purchased under a Cash Market Transaction which is due for settlement on the relevant Settlement Date;
- (c) The Client Trust Deductible Amount must be specified as a value of zero or as a negative amount, unless the Message is in respect of a PID for which the relevant Settlement Participant is not:
- (i) the Clearing Participant; or
  - (ii) acting as Settlement Agent for a Clearing Participant.
- in which case the Client Trust Deductible Amount is not required to be specified in the Message;
- (d) The Message must include the scheduled Settlement Date in respect of the Transfer of Financial Products under the Batch Instruction arising from that Message. Transfers may be scheduled for a future Settlement Date;

- (e) Participants may send more than one Message for a Settlement Date in respect of a CHES Holding for that class of Financial Product or a single Message that covers the net settlement obligations for that Settlement Date in respect of a CHES Holding for that class of Financial Product;
- (f) Where the Message provides for the Transfer of Financial Products relating to more than one Cash Market Transaction and it is intended that a Client Trust Deductible Amount be included in respect of some or all of those Financial Products, the Client Trust Deductible Amount to be included is to represent the gross Client Trust Deductible Amount in respect of each of those Financial Products it is intended that a Client Trust Deductible Amount be included for.

Introduced 25/05/15

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## SECTION 8 APPROVAL OF ISSUERS AND FINANCIAL PRODUCTS

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### PROCEDURE 8.7.2 ESTABLISHING A HOLDER RECORD

The matters to be specified in the Message from the Participant to ASX Settlement requesting the establishment of a Holder Record are:

- (a) the Participant's PID;
- (b) a Holder Type;
- (c) [Registration Details](#); ~~a Residency Indicator~~; and
- (d) in the case of a Clearing Account, a designation to identify that Clearing Account as either:
  - (i) a Settlement Account; or
  - (ii) for a Clearing Participant, an Accumulation Account, ~~and~~
- (e) where the Clearing Account is to be used for the purposes of Foreign to Foreign Allocations, a Residency Indicator of [foreign \(as identified in the User Technical Documentation\)](#) "F";
- (f) [Entity Type for each Holder](#);
- (g) [for a Participant Sponsored Holding, the Communication Preference and if the Communication Preference indicated is receipt of communications electronically, the Email Details](#); and
- (h) [Ownership Type](#).

Introduced 11/03/04

### PROCEDURE 8.15.7 ACTION FOLLOWING THE APPLICATION OF A HOLDING LOCK

The Notice to be given by ASX Settlement is a Notice:

- (a) notifying the Controlling Participant that the Holding Lock has been applied; and
- (b) to:
  - (i) if an Issuer requested the Holding Lock to be applied, that Issuer;
  - (ii) if the Locked Holding is a Participant Sponsored Holding, the Holder;
  - (iii) if some or all of the Financial Products in the Locked Holding are reserved in a Subposition, the Participant in whose favour the Financial Products are reserved; and
  - (iv) the [Approved Market Operator](#)~~Exchange~~.

Introduced 11/03/04

#### **PROCEDURE 8.15.14 APPLICATION OF ~~HOLDING~~[HOLDER RECORD](#) LOCK FOR THE PURPOSES OF FREEZING ASSETS**

The relevant legislation and regulations are:

- (a) Charter of the United Nations Act (Cth) 1945, [including any regulations made under that Act; and](#)
- (b) [Autonomous Sanctions Act \(Cth\) 2011, including any regulations made under that Act.](#)  
~~Charter of the United Nations (Sanctions – Afghanistan) Regulations (Cth) 2001~~
- ~~(c) Charter of the United Nations (Terrorism and Dealings with Assets) Regulations (Cth) 2002~~

Introduced 11/03/04

#### **PROCEDURE 8.15.15 APPLICATION OF HOLDING LOCK [OR HOLDER RECORD LOCK](#) BY ASX SETTLEMENT FOR THE PURPOSE OF FREEZING ASSETS**

The relevant legislation and regulations are:

- (a) Charter of the United Nations Act (Cth) 1945, [including any regulations made under that Act; and](#)
- (b) [Autonomous Sanctions Act \(Cth\) 2011, including any regulations made under that Act.](#)  
~~Charter of the United Nations (Sanctions – Afghanistan) Regulations (Cth) 2001~~
- ~~(c) Charter of the United Nations (Terrorism and Dealings with Assets) Regulations (Cth) 2002~~

Introduced 09/05/06

#### **[PROCEDURE 8.15.21 REQUEST TO APPLY A SETTLEMENT LOCK](#)**

[For the purposes of a Valid Message under Rule 8.15.21, the Message must include:](#)

- [\(a\) the delivering HIN;](#)

- (b) the number and class of Financial Products to be Transferred under the Unilateral Batch Instruction or Bilateral Batch Instruction (as relevant);
- (c) the Transaction Identifier of the related Unilateral Batch Message, Unilateral Batch Instruction, Bilateral Batch Message or Bilateral Batch Instruction (as applicable); and
- (d) any other information ASX Settlement may request from time to time.

#### **PROCEDURE 8.16.4 ACTION FOLLOWING THE REMOVAL OF A HOLDING LOCK OR A HOLDER RECORD LOCK OR RELATED NAMED HOLDER INDICATOR**

The Notice to be given by ASX Settlement is a Notice:

- (a) notifying the Controlling Participant that the Holding Lock or Holder Record Lock and related Named Holder Indicator (if relevant) has been removed; and
- (b) of the removal of the Holding Lock or Holder Record Lock to:
  - (i) the relevant Issuer(s);
  - (ii) if the Holding is a Participant Sponsored Holding, the Holder;
  - (iii) if some or all of the Financial Products in the Locked Holding are reserved in a Subposition, the Participant in whose favour the Financial Products are reserved; and
  - (iv) the Exchange Approved Market Operator.

Introduced 11/03/04

#### **PROCEDURE 8.16.6 REMOVAL OF SETTLEMENT LOCK ON REQUEST**

For the purposes of a Valid Message under Rule 8.16.6, the Message must include:

- (a) the delivering HIN;
- (b) the number and class of Financial products subject to the Settlement Lock;
- (c) the Transaction Identifier of the related Unilateral Batch Message, Unilateral Batch Instruction, Bilateral Batch Message or Bilateral Batch Instruction (as applicable); and
- (d) any other information ASX Settlement may request from time to time.

#### **PROCEDURE 8.16.11 ACTION FOLLOWING THE REMOVAL OF A SETTLEMENT LOCK**

The Notice to be given by ASX Settlement is a Notice notifying the Participant controlling the Source Holding that the Settlement Lock has been removed.

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## PROCEDURE 8.18.2 CHANGE OF HOLDER RECORD DETAILS

The action to be taken by a Participant where there is a change to Registration Details recorded in a Holder Record is as follows:

- (a) the Participant must Transmit a Valid Originating Message that ~~specified~~ specifies the existing HIN for the Holder Record and the new ~~New~~ Registration Details;
- (b) the Controlling Participant must maintain documentation to verify that the Registration Details relating to the change are noted in the Valid Originating Message, are correct and authorised by the client;
- (c) on receipt of notification from ASX Settlement that the change to the Registration Details has been made in accordance with the Valid Originating Message, the Participant must check to make sure that the change to the Registration Details of the Holder have been made to the correct Holding; and
- (d) if the change to the Registration Details were not made to the correct Holding, then the Controlling Participant must liaise with ASX Settlement as soon as possible, and in any event no later than two Business Days, to rectify the error.

Introduced 11/03/04

## PROCEDURE 8.18.3

The Notice to be given by ASX Settlement is a ~~N~~nnotice:

- (a) notifying:
  - (i) the Controlling Participant that the requested change has been made; and
  - (ii) in respect of each class of Financial Products in a CHESS Holding of that person, the Issuer of those Financial Products that there has been a change of Holder Record details for that person; and
- (b) if the Holder Record has been established on behalf of a Participant Sponsored Holder, ASX Settlement must:
  - (i) give Notice of the change to that Participant Sponsored Holder; and
  - (ii) if the change to the Holder Record includes:
    - (A) a change of address, where that Participant Sponsored Holder has not indicated a preference to receive ASX Settlement communications by delivery to an email address, send the Notice to the old address of that Participant Sponsored Holder;
    - (B) a change of email address, where that Participant Sponsored Holder has indicated a preference to receive ASX Settlement communications by delivery to an email address, send the Notice to the old email address of that Participant Sponsored Holder;

- (C) a preference to receive ASX Settlement communications by delivery to an email address, rather than by post, send the Notice to the address of that Participant Sponsored Holder;
- (D) the removal of a preference to receive ASX Settlement communications by delivery to an email address, send the Notice to that email address of that Participant Sponsored Holder.

*Note: For the purpose of Procedure 8.18.3(b)(ii), references to a preference to receive ASX Settlement communications by delivery to an email address relate only to indications of such preference received by ASX Settlement by way of Message on or after the e-statements commencement date (as referred to in the definition of Email Purpose in Procedure 2.13.1).*

Introduced 11/03/04 Amended 13/12/21

### **PROCEDURE 8.18.6 CHANGE OF HOLDER TYPE OR REMOVAL OF HOLDER RECORD**

The matters to be specified in the Message from a Participant to ASX Settlement requesting a change of Holder Type, or removal of a Holder Record are:

- (a) the Participant's PID;
- (b) HIN for the relevant Holder Record; and
- (c) for a change of Holder Type, the updated Holder Type.

### **PROCEDURE 8.18.9 CHANGE OF RESIDENCY INDICATOR**

The action to be taken by a Participant where there is a change to a Residency Indicator is as follows:

- (a) the Participant must Transmit a Valid Originating Message that specifies the existing HIN for the Holder Record and the new Residency Indicator;
- (b) prior to sending the Valid Originating Message check that the details in the Valid Originating Message are correct;
- (c) at the time it transmits the Valid Originating Message have the authority of the Holder to make the changes noted in the Valid Originating Message; and
- (d) where relevant, maintain documentation which is sufficient to verify that it has been directed by the Holder to change the Residency Indicator.

Introduced 11/03/04

### **PROCEDURE 8.18.10**

ASX Settlement will take the following action upon receipt of the Message:

- (a) change the Residency Indicator recorded in the Holder Record in accordance with the specified details in the Valid Originating Message;
- (b) notify the Controlling Participant and the Issuer or Issuers whose Financial Products are included in Schedule 1 to which the change in Residency Indicator relates that the requested change has been made;

- (c) if the Holder Record has been established on behalf of a Participant Sponsored Holder, give Notice of that change to the Participant Sponsored Holder.

Introduced 11/03/04

### **PROCEDURE 8.18.12 CHANGE OF OTHER HOLDER RECORD DETAILS**

The action to be taken by a Participant where there is a change to Holder Record details under Rule 8.18.12 is as follows:

- (a) the Participant must Transmit a Valid Originating Message that specifies the existing HIN for the Holder Record and UUID for the Holder (if applicable) and the new Holder Record Details;
- (b) on receipt of notification from ASX Settlement that the change to the Holder Record details has been made in accordance with the Valid Originating Message, the Participant must check to make sure that the change to the Holder Record details of the Holder have been made to the correct Holding; and
- (c) if the change to the Holder Record details were not made to the correct Holding, then the Controlling Participant must liaise with ASX Settlement as soon as possible, and in any event no later than two Business Days, to rectify the error.

### **PROCEDURE 8.18.13**

The Notice to be given by ASX Settlement is a Notice notifying:

- (a) the Controlling Participant that the requested change has been made; and
- (b) in respect of each class of Financial Products in a CHESS Holding under that Holder Record, the Issuer of those Financial Products if there has been a change in Holder Record details that is relevant to an Issuer.

### **PROCEDURE 8.19.3 ACTION BY ASX SETTLEMENT FOLLOWING RECEIPT OF TFN, ABN OR EXEMPTION CODE DETAILS**

The ~~n~~Notice to be given by ASX Settlement is a ~~n~~Notice notifying:

- (a) the Issuer of the Financial Products, of the TFN, ABN or Exemption Code details; and
- (b) the Controlling Participant that the TFN, ABN or Exemption Code details have been notified to the Issuer; or
- (c) the Issuer of those details by including them in the Message Transmitted by ASX Settlement to the Issuer under Rule ~~9.7.2(b).~~

Introduced 11/03/04

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### **PROCEDURE 8.20.2 SUPPRESSION OR REINSTATEMENT OF PRODUCTION OF HOLDING STATEMENTS [DELETED]**

~~The entities are:~~

- ~~(a) a related body corporate of the Participant making the request; or~~
- ~~(b) an entity that is any one of the following:
  - ~~(i) a bank;~~
  - ~~(ii) a merchant bank;~~
  - ~~(iii) a building society or credit union;~~
  - ~~(iv) a life insurance company;~~
  - ~~(v) a general insurance company;~~
  - ~~(vi) a superannuation fund with net assets of not less than \$5 million at the date of its last audited balance sheet;~~
  - ~~(vii) an investment company or investment trust with net assets of not less than \$5 million at the date of its last published audited balance sheet; and~~
  - ~~(viii) such other bodies corporate as ASX Settlement may from time to time determine.~~~~

Introduced 11/03/04

## **PROCEDURE 8.20.2 [\[Deleted\]](#)**

~~The Notice must:~~

- ~~(a) quote the HIN of the Participant Sponsored Holder; and~~
- ~~(b) be accompanied by written instructions signed by the Participant Sponsored holder in support of the request.~~

Introduced 11/03/04

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## **PROCEDURE 8.30.1 ESTABLISHING A REGISTRATION IDENTIFIER**

The matters to be specified in a Valid Originating Message from a Participant to ASX Settlement requesting the establishment of a Registration Identifier are:

- (a) the Participant's PID;
- (b) name, address and Residency Indicator of the Holder;
- (c) Ownership Type; and
- (d) Entity Type for each Holder.



## SECTION 9

### PROCEDURE 9.4.1 VALID ORIGINATING MESSAGE FOR ~~SINGLE ENTRY~~UNILATERAL DEMAND TRANSFER

A Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

- (a) includes a Participant's PID as that of the Participant Transmitting the Message;
- (b) specifies as the Source Holding, a CHES Holding Controlled by the Participant;
- (c) specifies as the Target Holding, a different CHES Holding;
- (d) specifies the number and class of Financial Products to be Transferred; and
- (e) in the case of a Foreign to Foreign Allocation:
  - ~~(i) includes a Confirmed FOR Indicator; and~~
  - ~~(ii) specifies a Source Holding which has a Residency Indicator of foreign (as identified in the User Technical Documentation) "F".~~

Introduced 11/03/04

### PROCEDURE 9.5.1 INITIATION OF ~~DUAL ENTRY~~BILATERAL DEMAND TRANSFER

A ~~Dual Entry~~Bilateral Demand Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

- (a) includes the PID of:
  - (i) the Participant Transmitting the Message; and
  - (ii) the counterparty Participant;
- (b) specifies:
  - (i) the number and class of Financial Products to be Transferred;
  - (ii) if the Participant Transmitting the Message is the delivering Participant, specifies as the Source Holding, a Holding controlled by the Participant;
  - (iii) if the Participant Transmitting the Message is the receiving Participant, specifies as the Target Holding, a Holding controlled by the Participant;
- (d) designates the transaction as: ~~either~~
  - (i) On Market; or
  - (ii) Off Market;
  - (iii) IPO;
  - (iv) Securities Lending; or

(v) Non Reportable,

as the case requires;

- (e) designates the transaction as Cum Entitlement or Ex Entitlement.
- (f) in the case of a Foreign to Foreign Allocation:
  - (i) includes a Confirmed FOR Indicator; and
  - (ii) if the Participant Transmitting the Message is the Delivering Participant, specifies a Source Holding which has a Residency Indicator of foreign (as identified in the User Technical Documentation)<sup>“F”</sup>.

Introduced 11/03/04

## **PROCEDURE 9.5.2 MATCHING ~~DUAL-ENTRY~~BILATERAL DEMAND TRANSFERS**

A Valid ~~Dual-Entry~~Bilateral Demand Message will be Transmitted in accordance with the Procedures if it specifies or implies:

- (a) the number and class of Financial Products to be Transferred;
- (b) the designation as On Market, ~~or~~ Off Market, IPO, Securities Lending or Non Reportable;
- (c) the designation as Cum Entitlement or Ex Entitlement;
- (d) the PID of the delivering Participant;
- (e) the PID of the receiving Participant;
- (f) in the case of a Foreign to Foreign Allocation, a Confirmed FOR Indicator.

Introduced 11/03/04

### **PROCEDURE 9.5A.1 INITIATION OF BILATERAL DEMAND SETTLEMENT TRANSFER**

A Bilateral Demand Settlement Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

- (a) includes the PID of:
  - (i) the Participant Transmitting the Message; and
  - (ii) the counterparty Participant;
- (b) specifies:
  - (i) the number and class of Financial Products to be Transferred;
  - (ii) if the Participant Transmitting the Message is the delivering Participant, specifies as the Source Holding, a Holding controlled by the Participant;
  - (iii) if the Participant Transmitting the Message is the receiving Participant, specifies as the Target Holding, a Holding controlled by the Participant;

- (iv) the Settlement Amount;
- (v) if required, the Settlement currency;
- (vi) if required, the credit / debt indicator;
- (vii) the Settlement Date;
- (viii) if required, the Trade Date;
- (ix) if required, the Payment Type;

(c) designates the transaction as:

- (i) On Market;
- (ii) Off Market;
- (iii) IPO;
- (iv) Securities Lending; or
- (v) Non Reportable,

as the case requires;

(d) designates the transaction as Cum Entitlement or Ex Entitlement.

(e) in the case of a Foreign to Foreign Allocation:

- (i) includes a Confirmed FOR Indicator; and
- (ii) if the Participant Transmitting the Message is the Delivering Participant, specifies a Source Holding which has a Residency Indicator of "F".

#### **PROCEDURE 9.5A.4 MATCHING BILATERAL DEMAND SETTLEMENT MESSAGES**

A Valid Bilateral Demand Settlement Message will be Transmitted in accordance with the Procedures if it specifies or implies:

- (a) the number and class of Financial Products to be Transferred;
- (b) the designation as On Market, Off Market, IPO, Securities Lending or Non Reportable;
- (c) the designation as Cum Entitlement or Ex Entitlement;
- (d) the PID of the delivering Participant;
- (e) the PID of the receiving Participant;
- (f) the Settlement Amount;
- (g) if required, the Settlement currency;
- (h) if required, the credit / debt indicator.

- (i) if required, the Settlement Date;
- (j) if required, the Trade Date;
- (k) if required, the Payment Type,
- (l) in the case of a Foreign to Foreign Allocation, a Confirmed FOR Indicator.

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#### **PROCEDURE 9.7.1 TRANSFERS AND CONVERSIONS FROM CHESS HOLDINGS**

A Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

- (a) includes a Participant's PID as that of the Participant Transmitting the Message;
- (b) specifies as the Source Holding, a CHESS Holding controlled by the Participant;
- (c) in the case of a Message initiating a Transfer, specifies the Registration Details for a Target Holding on the Issuer Sponsored Subregister;
- (d) specifies the number of Financial Products to be Transferred or Converted, as the case requires; **and**
- (e) in the case of a Foreign to Foreign Allocation
  - (i) includes a Confirmed FOR Indicator; and
  - (ii) specifies a Source Holding which has a Residency Indicator of foreign (as identified in the User Technical Documentation) ~~"F"~~;
- (f) includes the relevant movement reason; and
- (g) includes the relevant transaction basis.

A CHESS to Issuer Sponsored Demand Transfer or Conversion is not permitted for Government Bond Depository Interests.

Introduced 11/03/04 Amended 21/05/13

#### **PROCEDURE 9.8.1 TRANSFERS AND CONVERSIONS INTO CHESS HOLDINGS**

A Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

- (a) includes a Participant's PID as that of the Participant Transmitting the Message;
- (b) specifies as the Source Holding, an Issuer Sponsored Holding by quoting the SRN for the Holder of that Holding;
- (c) in the case of a Message initiating a Transfer, specifies the Registration Details for a Source Holding on the Issuer Sponsored Subregister;

- (de) specifies as the Target Holding, a CHES Holding controlled by that Participant;
- (ed) specifies the number of Financial Products to be Transferred or Converted, as the case requires; ~~and~~
- (fe) in the case of a Foreign to Foreign Allocation:
  - (i) includes a Confirmed FOR Indicator; and
  - (ii) specifies a Source Holding which has a Residency Indicator of foreign (as identified in the User Technical Documentation)~~“F”~~;
- (g) includes the relevant movement reason; and
- (h) includes the relevant transaction basis.

Introduced 11/03/04 Amended 23/09/05

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#### **PROCEDURE 9.9.1 STANDING HINS DELETED**

~~The manner for determining whether a Message of a type listed in Appendix 2 specifies a Source Holding or a Target Holding is as follows:~~

- ~~(a) If:~~
  - ~~(i) the Message does not specify a HIN for the Source Holding; and~~
  - ~~(ii) the Participant specified in the Message as the Transmitting Participant has given Notice of a Standing HIN for that Message type,~~
- ~~the Message will be taken to specify that Standing HIN as the HIN of the Source Holding;~~
- ~~(b) If:~~
  - ~~(i) the Message does not specify a HIN for the Target Holding;~~
  - ~~(ii) the Participant specified in the Message as the Controlling Participant for the Target Holding has given Notice of a Standing HIN for that Message type; and~~
  - ~~(iii) paragraph (a) applies to the Message and the Transmitting Participant is not the Controlling Participant for the Target Holding, the Message will be taken to specify the Standing HIN as the HIN of the Target Holding.~~

Introduced 11/03/04

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#### **PROCEDURE 9.14.2 REQUEST FOR DETAILS OF SRN OR HOLDING BALANCE OF ISSUER SPONSORED HOLDING**

##### Request for SRN

A Valid Originating Message requesting SRN details of an Issuer Sponsored Holding will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

- (a) includes a Participant's PID as that of the Participant Transmitting the Message; and
- (b) specifies the Registration Details for the Source Holding on the Issuer Sponsored Subregister.

### **Request for Holding Balance**

A Valid Originating Message requesting Holding Balance details of an Issuer Sponsored Holding will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

- (a) includes a Participant's PID as that of the Participant Transmitting the Message; and
- (b) specifies the SRN and Registration Details for the Source Holding on the Issuer Sponsored Subregister.

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## **SECTION 10**

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### **PROCEDURE 10.4.5B DESIGNATION OF BATCH INSTRUCTIONS**

A Settlement Participant must designate **using a Transaction Basis of foreign (as identified in the User Technical Documentation)~~“F”~~**:

1. any Batch Instruction in respect of which the Settlement Participant is required (or would, but for the grant of a waiver by ASX Settlement, be required) to give notice to ASX Settlement under Rule 10.4.5; and
2. any Batch Instruction which is for one of the purposes mentioned in paragraphs 1(a) – (c) of Procedure 10.4.5 where the Approved Market Operator on whose market the transaction was executed or to whom the off-market transaction was reported (as the case may be) is provided with a Settlement Facilitation Service under Rule 4.1A.

Introduced 28/12/11

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### **PROCEDURE 10.9.2 BILATERAL~~DUAL-ENTRY~~ BATCH INSTRUCTIONS**

(1) A Valid Bilateral~~Dual-Entry~~ Batch Message will be Transmitted in accordance with the Procedures if the Message:

- (a) specifies:
  - (i) the number and class of Financial Products to be Transferred;

- (ii) a Source Holding controlled by the delivering Settlement Participant, or a Target Holding controlled by the receiving Settlement Participant, as the case requires;
  - (iii) in the case of a DvP Batch Instruction, the Settlement Amount;
  - (iv) in the case of a DvP Batch Instruction (excluding a Wholesale Loan or a Wholesale Return Loan), a Trade Date;
  - (v) a Settlement Date;
  - (vi) in the case of a Foreign to Foreign Allocation:
    - (A) a Confirmed FOR Indicator; and
    - (B) if the Settlement Participant Transmitting the Message is the Delivering Participant, a Source Holding controlled by the Participant which has a Residency Indicator of [foreign \(as identified in the User Technical Documentation\)](#) ~~“F”~~, and
- (b) includes the PID of:
- (i) the Settlement Participant Transmitting the Message; and
  - (ii) the counterparty Settlement Participant;
- (c) designates the transaction as On Market, ~~or~~ Off Market, [IPO, Securities Lending or Non Reportable](#) as the case requires; and
- (d) if from the Settlement Participant that is a delivering Settlement Participant and requests ASX Settlement to apply a Settlement Lock to the Financial Products identified in the Bilateral Batch Message, the Message specifies whether the Settlement Participant requests ASX Settlement to apply the Settlement Lock:
- (i) promptly on receipt of the Valid Bilateral Batch Message; or
  - (ii) from the time that the Message is Matched in accordance with Rule 10.9.3.

(2) Without limiting paragraph (1) of this Procedure 10.9.2, a Valid Bilateral Batch Message may, but is not required to, include a Settlement Link ID

Introduced 11/03/04

### PROCEDURE 10.9.3 ~~DUAL-ENTRY~~[BILATERAL](#) BATCH INSTRUCTIONS – MATCHING

The details to be specified or implied in a ~~Dual-Entry~~[Bilateral](#) Batch Message are:

- (a) the number and class of Financial Products to be Transferred;
- (b) the designation as On Market, ~~or~~ Off Market, [IPO, Securities Lending or Non Reportable](#);
- (c) the designation as Cum Entitlement or Ex Entitlement;

- (d) the PID of the delivering Participant (or, if a DvP Transaction the relevant Clearing Participant);
- (e) the PID of the receiving Participant;
- (f) the Settlement Date;
- (g) if required, the Trade Date;
- (h) if required, a Settlement Amount; and
- (i) in the case of a Foreign to Foreign Allocation, a Confirmed FOR Indicator.

Introduced 11/03/04

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### PROCEDURE 10.9.11 ~~SINGLE ENTRY~~ UNILATERAL BATCH INSTRUCTIONS

(1) The details to be specified in a ~~Single Entry~~ Unilateral Batch Message are:

- (a) the Source Holding and another Holding as the Target Holding, each of which must be controlled by the Participant that Transmits the Message;
- (b) the number and class of Financial Products to be Transferred;
- (c) the Settlement Date;
- (d) includes the PID of the Participant Transmitting the Message;
- (e) designates the transaction as On Market or Off Market, as the case requires; and
- (f) in the case of a Foreign to Foreign Allocation, ~~and~~:

~~(i) a Confirmed FOR Indicator; and~~

~~(ii) a Source Holding which has a Residency Indicator of foreign (as identified in the User Technical Documentation) "F".~~

(2) Without limiting paragraph (1) of this Procedure 10.9.11, a Valid Unilateral Batch Message may, but is not required to, include a Settlement Link ID

Introduced 11/03/04

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### PROCEDURE 10.13.3 SETTLEMENT MOVEMENT CONFIRMATION

For Rule 10.13.3(a), a notification of the net movement of Financial Products and funds for a Holding will be made in accordance with the Procedures if the notification includes:

- (a) the identifier for the relevant Settlement Processing Phase;
- (b) the PID of the Participant;
- (c) the HIN to which the settlement movement confirmation relates;



- (d) the number and class of Financial Products in respect of each type of Batch Instruction comprising the settlement movement confirmation;
- (e) the total number of Batch Instructions in respect of each type of Batch Instruction, comprising the settlement movement confirmation, including the number of:
  - (i) CCP Market Trade Batch Instructions included in the settlement movement confirmation in respect of that Settlement Date;
  - (ii) CCP Rescheduled Batch Instructions, CCP Offsetting Transaction Arrangement Batch Instructions and CCP Isolate Counterparty Batch Instructions (in aggregate) included in the settlement movement confirmation in respect of that Settlement Date;
  - (iii) Bilateral Batch Instructions included in the settlement movement confirmation in respect of that Settlement Date;
  - (iv) Unilateral Batch Instructions included in the settlement movement confirmation in respect of that Settlement Date;
  - (v) Accrued Batch Instructions included in the settlement movement confirmation in respect of that Settlement Date; and
  - (vi) Direct Batch Instructions included in the settlement movement confirmation in respect of that Settlement Date.
- (f) the new Holding balance for the HIN following completion of the Settlement Processing Phase; and
- (g) the amount of money in respect of each type of Batch Instruction comprising the settlement movement confirmation.

Note: For the purpose of the settlement movement confirmation, CCP Rescheduled Batch Instructions, CCP Offsetting Transaction Arrangement Batch Instructions and CCP Isolate Counterparty Batch Instructions are together referred to as Novated Rescheduled Instructions (NRIN).

For the purpose of determining the number and class of Financial Products comprising the settlement movement confirmation in respect of each type of Batch Instruction on a Business Day during an Ex-Period, regard is to be had to whether the Financial Product is to be transferred with or without the relevant Entitlement.

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## **SECTION 11**

### **PROCEDURE 11.1.1 ELIGIBLE INSTRUCTIONS**

For the purpose of Rule 11.1.1, the following Instructions are specified:

- (a) Bilateral Demand Settlement Instructions.

### PROCEDURE 11.4.3 BANK ACCOUNT DETAILS

For the purpose of Rule 11.4.3(c), the prescribed particulars of each bank account to be given by an RTGS Participant are as follows:

(a) Name of the RTGS Payments Provider;

(b) BSB number; and

(c) Account number.

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## **SECTION 14**

### **PROCEDURE 14.6.1 RESERVATION OF SECURITIES IN CHES HOLDINGS AS COVER**

A Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if it:

(a) specifies the Clearing Participant and ~~ASX Clear Account~~ ~~and ASX Clear Lodgement Number~~ in respect of which the Financial Products are to be reserved; ~~and~~

(b) specifies the number and class of Financial Products to be reserved in the Subposition; ~~and~~

(c) specifies the source HIN; ~~and~~

(d) specifies the relevant Subposition type.

Introduced 11/03/04 Amended 07/06/13

### PROCEDURE 14.8.1 COVER RELEASE

A Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if it:

(a) specifies the Clearing Participant, ASX Clear Account and ASX Clear lodgement number (if an ASX Clear lodgement number was provided in a Valid Originating Message Transmitted in accordance with Procedure 14.6.1 pursuant to which the Financial Products were reserved as Cover) in respect of which the Financial Products are to be released;

(b) specifies the number of Financial Products to be released from the Subposition;

(c) specifies the Source Holding that contains Financial Products that have been reserved in a Subposition in favour of ASX Clear; and

(d) specifies the relevant Subposition type.

## PROCEDURE 14.9.1 COVER RELEASE AND TRANSFER

A Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if it:

- (a) specifies a Source Holding that contains Financial Products that have been reserved in a Subposition in favour of ASX Clear;
- (b) specifies another CHES Holding as the Target Holding; and
- (c) specifies the ASX Clear Lodgement nNumber (if such number was provided in a Valid Originating Message Transmitted in accordance with Procedure 14.6.1 pursuant to which the Financial Products were reserved as Cover) and number of Financial Products to be released from that Subposition and Transferred to the Target Holding.

Introduced 11/03/04 Amended 07/06/13

## PROCEDURE 14.23.3 OBLIGATIONS OF OFFEROR

For the purposes of Rule 14.23.3, a notice must be in the form and include the information specified in the Participant Offeror Notice as determined by ASX Settlement from time to time.

## SECTION 16 COMMUNICATIONS WITH ASX SETTLEMENT

### PROCEDURE 16.25.1 PARTICIPANT MAY REQUEST ASX SETTLEMENT FOR ASSISTANCE

If a Participant is no longer able to transmit Messages, the Participant may request ASX Settlement to provide emergency assistance on a reasonable endeavours basis by following the following procedure.

An authorised signatory of the Participant (as notified to ASX Settlement under Rule 4.6.2) should immediately contact ASX Operations.

Unless otherwise determined by ASX Settlement, the authorised signatory of the Participant must provide ASX Settlement with its request for emergency assistance in writing as soon as possible, including identifying the specific actions the Participant requests that ASX Settlement take.

A letter signed by the authorised signatory of the Participant in the form set out below must also be provided as soon as possible.

The written request for emergency assistance and letter are to be sent by email to: CHESShelp@asx.com.au.

ASX Settlement may require that such written request for emergency assistance is received by ASX Settlement before it provides the emergency assistance on a reasonable endeavours basis.

#### [Participant letterhead]

By email to: CHESShelp@asx.com.au.

[date]

Request for emergency assistance

I confirm that:

1. I am an authorised signatory of the Participant as notified to ASX Settlement under Rule 4.6.2;
2. I warrant that I have the authority to request and bind the Participant to the terms of the request for emergency assistance and to ASX Settlement’s Rules, Procedures and practices (as amended from time to time);
3. I, on behalf of the Participant, acknowledge that ASX Settlement accepts no responsibility or liability for activities undertaken as a result of the Participant’s request; and
4. I, on behalf of the Participant, indemnify ASX Settlement and its officers, employees, agents and contractors against all actions, proceedings, claims, demands, damages, costs, expenses and any other amounts against or incurred by ASX Settlement, or its officers, employees, agents or contractors arising out of or in connection with any action taken by or any inaction by any of ASX Settlement, or its officers, employees, agents or contractors under the ASX Settlement Operating Rules in relation to the emergency assistance.

## **SECTION 18**

### **PROCEDURE 18.3.1 VALID ORIGINATING MESSAGE FOR AQUA PRODUCTS – INITIATION OF REQUEST**

#### **Initial Application for issue**

“**Initial Application**” means an application for units in a Financial Product where the investor does not have a Holding in that Financial Product at the time the application is made.

For the purposes of Rule 18.3.1, a Valid Originating Message in respect of an Initial Application for issue of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message ~~includes~~comprises:

- (a) a Valid AQUA Product applicant Message; followed by
- (b) a Valid Initial AQUA Product application Message.

If the matters specified in respect of both Messages above are not received by ASX Settlement within 5 Business Days of the Originating Message being sent, ASX Settlement will cancel the Originating Message and notify the Settlement Participant of such cancellation.

For the purposes of Procedure 18.3.1(a) above, a “Valid AQUA Product applicant Message” will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (c) all required account type details;
- (d) all required investor details;
- (e) all required tax residency details;
- (f) all required details of the investor's advisor;
- (g) the distribution preference of the investor (full distribution reinvestment plan, partial distribution reinvestment plan or cash); and where a partial distribution reinvestment plan or cash is nominated; and
- (h) the bank account details of the investor.

For the purposes of Procedure 18.3.1(b) above, a “Valid Initial AQUA Product Application Message” will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the code for the AQUA Product;
- (b) the HIN;
- (c) the amount to be invested; and
- (d) the identification number for the request transaction.;
- ~~(e) all required account type details;~~
- ~~(f) all required investor details;~~
- ~~(g) all required tax residency details;~~
- ~~(h) all required details of the investor's advisor; and~~
- ~~(i) the distribution preference of the investor (full distribution reinvestment plan, partial distribution reinvestment plan or cash); and~~
- ~~(j) where a partial distribution reinvestment plan or cash is nominated; the bank account details of the investor.~~

~~If the matters specified above are not received by ASX Settlement within 5 Business Days of the Originating Message being sent, ASX Settlement will cancel the Originating Message and notify the Settlement Participant of such cancellation.~~

### **Subsequent Application for issue**

“**Subsequent Application**” means an application for units in a Financial Product where the Holding Balance of that Financial Product of a Holder is greater than zero at the time the application is made.

For the purposes of Rule 18.3.1, a Valid Originating Message in respect of a Subsequent Application for issue of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the code for the AQUA Product;

- (b) the HIN;
- (c) the amount to be invested; and
- (d) the identification number for the request transaction.

### **Application for redemption**

For the purposes of Rule 18.3.1, a Valid Originating Message in respect of an application for redemption of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the code for the AQUA Product;
- (b) the number of AQUA Products to be redeemed;
- (c) the identification number for the request transaction;
- (d) the HIN;
- ~~(e) a statement as to whether the redemption is to be net or gross; and~~
- ~~(f) indication if a full or partial redemption is requested; and~~
- ~~(f) either:~~
  - ~~(i) if the application for redemption relates to the exercise of cooling-off rights, the redemption request reason "Cooling-Off" must be provided; or~~
  - ~~(ii) otherwise the redemption request reason "Fund Redemption" must be provided.~~

### **Applications for issue or redemption**

For the purposes of Rule 18.3.1, a Valid Originating Message in respect of an Initial Application, a Subsequent Application, or application for redemption of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures only if:

- (a) in respect of an Initial Application, or a Subsequent Application, the relevant AQUA Products are open for applications (in the case) of the kind contemplated by the relevant request; and
- (b) and in respect of an application for a redemption of AQUA Products only, if:
  - (i) the relevant AQUA Products are open for redemptions of the kind contemplated by the relevant request;
  - (ii) the relevant Holding is not Locked,
  - (iii) either:
    - (A) the available balance in relation to the Holding is greater than or equal to the total number of AQUA Products to which the application relates; or
    - (B) in the case of a request for a "Full Redemption" of a particular Holding of an AQUA Product, the total balance in relation to the Holding is equal to the total number of AQUA Products to which the application relates;

- (iv) the total number of AQUA Products to which the application relates are available at the time that the Settlement Participant seeks to Transmit the relevant Message; and
- (v) the current Payment Facility established by the Product Issuer Settlement Participant in relation to the relevant AQUA Product is active.

Introduced 21/03/14 Amended 01/07/14, 15/08/16, 12/11/18

### PROCEDURE 18.3.3 VALID MESSAGE FOR AQUA PRODUCTS – ACCEPTING OR, REJECTING ~~OR DEFERRING~~ A REQUEST

#### Issue

For the purposes of Rule 18.3.3(b), a Valid Message in respect of an acceptance or rejection of an application for issue of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) a timestamp to show the time of processing;
- (b) the identification number for the acceptance or rejection transaction (as applicable);
- (c) the identification number of the originating request transaction;
- (d) a statement as to whether the request under Rule 18.3.1 is accepted or rejected ;
- (e) if the request under Rule 18.3.1 is accepted, the day on which the price of the AQUA Product units will be determined and the day for delivery of AQUA Products to an applicant for issue of AQUA Products; and
- (f) if the request under Rule 18.3.1 is rejected, the reason must be provided.

#### Redemption

For the purposes of Rule 18.3.3(b), a Valid Message in respect of an acceptance or, rejection ~~or deferral~~ of an application for redemption of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) a timestamp to show the time of processing;
- (b) the identification number for the acceptance or, rejection ~~or deferral~~ transaction (as applicable);
- (c) the identification number of the originating request transaction;
- (d) a statement as to whether the request under Rule 18.3.1 is accepted or, rejected ~~or deferred~~;
- (e) if the request under Rule 18.3.1 is accepted, the day on which the price of the AQUA Product units will be determined and the Settlement Date; and
- ~~(f) if the request under Rule 18.3.1 is deferred, the reason must be provided; and~~
- ~~(f)~~ (g) if the request under Rule 18.3.1 is rejected, the reason must be provided.

Introduced 21/03/14 Amended 15/08/16, 12/11/18

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## PROCEDURE 18.3.6A VALID MESSAGE FOR AQUA PRODUCTS – INFORMATION TO BE PROVIDED PRIOR TO ISSUE OR REDEMPTION

### Issue

For the purposes of Rule 18.3.6A(a), a Valid Message in respect of an application for issue of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) a timestamp to show the time of processing;
- (b) the Controlling Participant's UIC;
- (c) the identification number for the transaction;
- (d) the identification number for the originating request transaction;
- (e) the number of AQUA Product units for issue;
- (f) the price per AQUA Product unit for issue;
- (g) the settlement amount; and
- (hg) the transaction status; ~~and~~
- ~~(h) the order type.~~

### Redemption

For the purposes of Rule 18.3.6A(a), a Valid Message in respect of an application for redemption of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) a timestamp to show the time of processing;
- (b) the Controlling Participant's UIC;
- (c) the identification number for the transaction;
- (d) the identification number for the originating request transaction;
- (e) the price per AQUA Product unit for redemption;
- (f) the settlement amount;
- (gf) any change to the day on which the price of the AQUA Product units will be determined or the Settlement Date (as applicable); and
- ~~(hg) the transaction status; and~~
- ~~(h) the order type.~~



#### **PROCEDURE 18.4.1 VALID ORIGINATING MESSAGE FOR AQUA PRODUCTS – INITIATION OF REQUEST TO SWITCH – ~~[DELETED]~~**

~~For the purposes of Rule 18.4.1, a Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) — the code for the AQUA Product that is to be redeemed;~~
- ~~(b) — the code for the AQUA Product that is to be issued;~~
- ~~(c) — the identification number for the switch request transaction;~~
- ~~(d) — the HIN; and~~
- ~~(e) — indication if a full or partial switch is requested. If a partial switch is requested, the number of AQUA Products that are to be switched.~~

~~Introduced 21/03/14 Amended 01/07/14, 15/08/16, 12/11/18~~

#### **PROCEDURE 18.4.3 VALID MESSAGE FOR AQUA PRODUCTS – ACCEPTING OR, REJECTING ~~OR DEFERRING~~ THE SWITCH REQUEST – ~~[DELETED]~~**

~~For the purposes of Rule 18.4.3(b), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) — the code for the AQUA Product that is to be redeemed;~~
- ~~(b) — the code for the AQUA Product that is to be issued;~~
- ~~(c) — the identification number for the acceptance, rejection or deferral transaction (as applicable);~~
- ~~(d) — the identification number for the originating switch request transaction;~~
- ~~(e) — the HIN;~~
- ~~(f) — a timestamp to show the time of processing; and~~
- ~~(g) — the transaction status.~~

~~Introduced 21/03/14 Amended 15/08/16, 12/11/18~~

#### **PROCEDURE 18.4.4 VALID MESSAGE FOR AQUA PRODUCTS – HOLDING ADJUSTMENT REQUEST – ~~[DELETED]~~**

~~For the purposes of Rule 18.4.4(b), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) — the code for the AQUA Product;~~
- ~~(b) — the HIN;~~

- ~~(c) — the identification number for the transaction;~~
- ~~(d) — the identification number for the originating request transaction;~~
- ~~(e) — the number of AQUA Product units to be increased or decreased (as applicable); and~~
- ~~(f) — the reason for the transaction type.~~

Introduced 15/08/16

### **PROCEDURE 18.5.1 VALID MESSAGE FOR AQUA PRODUCTS – CANCELLATION OF ACCEPTED ISSUER OR REDEMPTION REQUESTS BY PRODUCT ISSUER SETTLEMENT PARTICIPANT**

For the purposes of Rule 18.5.1, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Product Issuer Settlement Participant Transmits the Message to ASX Settlement prior to:

- (a) settlement of the AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, that relates to the request; and
- (b) initiation of the Holding Adjustment to increase or decrease the Holding Balance of the CHESS Holding, as the case requires, that relates to the request; and

the Message includes the following:

- (c) a timestamp to show the time of processing;
- (d) the Controlling Participant's UIC;
- (e) the identification number for the cancellation transaction;
- (f) the identification number for the originating transaction;
- (g) the transaction status; and
- (h) a reason for the cancellation must be provided~~the order type.~~

~~For the purposes of Rule 18.5.2, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) — a timestamp to show the time of processing;~~
- ~~(b) — the Controlling Participant's UIC;~~
- ~~(c) — the identification number for the cancellation transaction;~~
- ~~(d) — the identification number for the originating transaction;~~
- ~~(e) — the transaction status; and~~
- ~~(f) — the order type.~~

Introduced 15/08/16

## **PROCEDURE 18.6.1 VALID MESSAGE FOR AQUA PRODUCTS – CANCELLATION OF REQUEST FOR REDEMPTION BY APPLICANT**

For the purposes of Rule 18.6.1, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Settlement Participant Transmits the Message to ASX Settlement prior to:

- (a) settlement of the AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, that relates to the request; and
- (b) initiation of the Holding Adjustment to increase or decrease the Holding Balance of the CHESS Holding, as the case requires, that relates to the request; and

the Message includes the following:

- (a) the identification number for the cancellation request transaction; and
- (b) the identification number for the originating transaction.

For the purposes of Rule 18.6.1(d), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) a timestamp to show the time of processing;
- (b) the Controlling Participant's UIC;
- (c) the identification number for the cancellation transaction;
- (d) the identification number for the originating cancellation request transaction; and
- (e) the transaction status; ~~and~~
- ~~(f) the order type.~~

Introduced 21/03/14 Amended 15/08/16

## **PROCEDURE 18.6.1A VALID MESSAGE FOR AQUA PRODUCTS – CANCELLATION OF REQUEST FOR ISSUE BY APPLICANT**

For the purposes of Rule 18.6.1A, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes the following:

- (a) the identification number for the cancellation request transaction;
- (b) the identification number for the originating transaction;
- (c) a timestamp to show the time of processing; and
- (d) a reason for the cancellation must be provided.

## PROCEDURE 18.7.1 VALID MESSAGE FOR AQUA PRODUCTS – CHANGE OF DETAILS NOTIFIED BY PRODUCT ISSUER SETTLEMENT PARTICIPANT

For the purposes of Rule 18.7.1, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if:

- (a) for the issue of AQUA Products ~~or the issue component of a switch between AQUA Products~~, the Message relates to a change of details for the day for delivery of AQUA Products to an applicant for issue of AQUA Products; or
- (b) for the redemption of AQUA Products ~~or the redemption component of a switch between AQUA Products~~, the Message relates to a change of details for the Settlement Date, and

includes the following:

- (c) a timestamp to show the time of processing;
- (d) the status of the transaction;
- (e) the identification number of the change request transaction;
- (f) the identification number of the originating transaction; [and](#)
- ~~(g) the order type; and~~
- ~~(gh)~~ a reason for the change request must be provided.

Introduced 21/03/14 Amended 15/08/16

## PROCEDURE 18.9.1 VALID ORIGINATING MESSAGE FOR AQUA PRODUCTS – INITIATION OF REQUEST FOR INCOME ADVICE – [\[DELETED\]](#)

~~For the purposes of Rule 18.9.1, a Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) the code for the AQUA Product;~~
- ~~(b) the HIN;~~
- ~~(c) the identification number for the income advice request transaction; and~~
- ~~(d) the income advice preference of the investor; and where income advice is nominated; the preference of the investor for an annual income advice or a periodic income advice.~~

Introduced 15/08/16

## PROCEDURE 18.9.2 VALID MESSAGE FOR AQUA PRODUCTS – ACCEPTING OR REJECTING REQUEST FOR INCOME ADVICE – [\[DELETED\]](#)

~~For the purposes of Rule 18.9.2(b), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) the identification number for the acceptance or rejection transaction (as applicable);~~

- ~~(b) — the identification number for the originating income advice request transaction; and~~
- ~~(c) — a statement as to whether the request under Rule 18.9.1 is accepted or rejected. If the request is rejected, a reason must be provided.~~

~~Introduced 15/08/16~~

## **PROCEDURE 18.9.4 VALID MESSAGE FOR AQUA PRODUCTS – INCOME ADVICE DETAILS –** **[DELETED]**

### **Periodic Income Advice**

~~Where the preference of the investor is for a periodic income advice, for the purposes of Rule 18.9.4(a), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) — a timestamp to show time of processing;~~
- ~~(b) — the code for the AQUA Product;~~
- ~~(c) — the HIN;~~
- ~~(d) — the identification number for the income advice transaction;~~
- ~~(e) — the identification number for the originating income advice request transaction;~~
- ~~(f) — the gross amount of the income distribution entitlement;~~
- ~~(g) — the net amount of the income distribution entitlement;~~
- ~~(h) — a statement as to whether the income advice is an initial income advice or an amended income advice;~~
- ~~(i) — the payment date; and~~
- ~~(j) — the record date.~~

~~Where the preference of the investor is for a periodic income advice, for the purposes of Rule 18.9.4(b), a Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) — the code for the relevant AQUA Product;~~
- ~~(b) — the gross amount of the income distribution entitlement;~~
- ~~(c) — the identification number of the income advice transaction;~~
- ~~(d) — the HIN;~~
- ~~(e) — the PID;~~
- ~~(f) — the income distribution entitlement amount per AQUA Product unit;~~
- ~~(g) — the number of AQUA Product units participating;~~

~~(h) — the payment date; and~~

~~(i) — the record date.~~

### **Annual Income Advice**

~~Where the preference of the investor is for an annual income advice, for the purposes of Rule 18.9.4(a), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

~~(a) — a timestamp to show time of processing;~~

~~(b) — the code for the AQUA Product;~~

~~(c) — the HIN;~~

~~(d) — the identification number for the income advice transaction;~~

~~(e) — the identification number for the originating income advice request transaction;~~

~~(f) — the net amount of the income distribution entitlement;~~

~~(g) — the identification number of the set transaction for the income advice;~~

~~(h) — the period that the income advice relates to; and~~

~~(i) — a statement as to whether the income advice is an initial income advice or an amended income advice.~~

~~The information included in a Valid Message must be provided in accordance with the tax reporting requirements of the relevant AQUA Product.~~

~~Where a Product Issuer Settlement Participant provides details of the relevant income distribution entitlement in a series Valid Messages, it must also provide a Valid Message with consolidated details of the relevant income distribution entitlement.~~

~~Where the preference of the investor is for an annual income advice, for the purposes of Rule 18.9.4(b), no details for the reinvestment of income distribution entitlements in respect of each CHESS Holding of AQUA Products are prescribed in the Procedures.~~

~~Introduced 21/03/14 Amended 15/08/16~~

### **PROCEDURE 18.9.6 VALID MESSAGE FOR AQUA PRODUCTS – CANCELLATION OF ACCEPTED REQUEST FOR INCOME ADVICE**

For the purposes of Rule 18.9.6, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

(a) the Controlling Participant's UIC;

(b) the identification number for the cancellation request transaction; and

(c) the identification number for the originating income advice request transaction.

Introduced 15/08/16

## **PROCEDURE 18.9A.1 VALID ORIGINATING MESSAGE FOR AQUA PRODUCTS – INITIATION OF REQUEST TO CHANGE HOLDER’S STANDING INSTRUCTIONS**

The details specified in Procedure 18.3.1(f) may only be changed by a Settlement Participant initiating a request in accordance with Rule 18.9A.1.

For the purposes of Rule 18.9A.1, a Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message relates to the details specified in Procedure 18.3.1(f) and includes the following:

- (a) the code for the AQUA Product;
- (b) the HIN;
- (c) the Controlling Participant’s [UIC](#);
- (d) the identification number for the change request transaction;
- (e) the distribution preference of the investor; and where cash or a partial distribution reinvestment plan is nominated; the Bank Account details of the investor; and
- (f) confirmation that the Holder has received a copy of the current version of the Product Disclosure Statement specified by date required to be given in connection with issue of the AQUA Product to a person as a retail client under the Corporations Act ([if applicable](#)).

Introduced 15/08/16

## **PROCEDURE 18.9A.2 VALID MESSAGE FOR AQUA PRODUCTS – ACCEPTING OR REJECTING REQUEST TO CHANGE DETAILS**

For the purposes of Rule 18.9A.2(b), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the identification number for the acceptance or rejection transaction (as applicable);
- (b) the identification number for the originating change request transaction; and
- (c) a statement as to whether the request under Rule 18.9A.1 is accepted or rejected. If the request is rejected a reason must be provided.

Introduced 15/08/16

## **PROCEDURE 18.10.1 VALID MESSAGE FOR AQUA PRODUCTS – HOLDING ADJUSTMENT REQUEST**

For the purposes of Rule 18.10.1, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the code for the AQUA Product;
- (b) the HIN;
- (c) [the Controlling Participant’s UIC](#);

- (ed) the identification number for the transaction;
- ~~(d) the identification number for the originating request transaction;~~
- (e) the number of AQUA Product units to be increased or decreased (as applicable); and
- (f) the reason for the transaction type.

Introduced 15/08/16

### **PROCEDURE18.11.1 TECHNICAL ACCREDITATION**

A prospective Product Issuer Settlement Participant seeking technical accreditation must contact ASX Settlement to arrange for access to the CHES external test environment for AQUA Products. ASX Settlement will provide each prospective Product Issuer Settlement Participant with a CHES test kit and an accreditation script.

A Product Issuer Settlement Participant obtains technical accreditation when it has, to the reasonable satisfaction of ASX Settlement:

- (a) demonstrated the capacity to communicate reliably with CHES using Messages required for the issue, redemption ~~and switch~~ of AQUA Products; and
- (b) adhered to and successfully completed each of the testing scenarios outlined in the accreditation script.

Introduced 21/03/14



## **SECTION 19**      **TRANSITIONAL ARRANGEMENTS**

### **PROCEDURE 19.1.1 DEFINITIONS**

The standards published by ASX Settlement for the purposes of the definition of “Non-Compliance” in Rule 19.1.1 are specified in the User Technical Documentation available at the following website:

<https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/856719933/Exceptions+Warnings+and+Errors>

### **PROCEDURE 19.1.2 COMMENCEMENT**

For the purposes of Rule 19.1.2, the Rules in Section 19 become effective from the dates specified in the table below:

<b><u>Rule</u></b>	<b><u>Effective Period</u></b>
<b><u>Rule 19.1.1</u></b>	<u>The period commencing on the date 6 months prior to the Old System Close Date and ending on the date which ASX Settlement notifies Facility Users on which Section 19 ceases to be effective.</u>
<b><u>Rule 19.1.2</u></b>	<u>The period commencing on the date 6 months prior to the Old System Close Date and ending on the date which ASX Settlement notifies Facility Users on which Section 19 ceases to be effective.</u>
<b><u>Rule 19.2.1</u></b>	<u>The period commencing on the date that is 6 months prior to the Old System Close Date and ending at the start of the Transition Period.</u>
<b><u>Rule 19.2.2</u></b>	<u>The period commencing on the date that is 6 months prior to the Old System Close Date and ending at the start of the Transition Period.</u>
<b><u>Rule 19.2.3</u></b>	<u>The period commencing on the date that is 6 months prior to the Old System Close Date and ending at the Scheduled Time for Rule 19.2.3.</u>
<b><u>Rule 19.2.4</u></b>	<u>The period commencing on the date that is 6 months prior to the Old System Close Date.</u>
<b><u>Rule 19.2.5</u></b>	<u>The period commencing on the date that is 6 months prior to the Old System Close Date.</u>
<b><u>Rule 19.2.6</u></b>	<u>The period commencing at the start of the Transition Period and ending at the Scheduled Time for Rule 19.2.6.</u>
<b><u>Rule 19.2.7</u></b>	<u>The period commencing at the start of the Transition Period and ending at the Scheduled Time for Rule 19.2.7.</u>

<a href="#"><u>Rule 19.2.8</u></a>	<a href="#"><u>The Transition Period.</u></a>
<a href="#"><u>Rule 19.2.9</u></a>	<a href="#"><u>The period commencing at the start of the Transition Period and ending at the Scheduled Time for Rule 19.2.9.</u></a>
<a href="#"><u>Rule 19.2.10</u></a>	<a href="#"><u>The period commencing at the start of the Transition Period and ending at the Scheduled Time for Rule 19.2.10.</u></a>
<a href="#"><u>Rule 19.2.11</u></a>	<a href="#"><u>The period commencing at the start of the Transition Period.</u></a>
<a href="#"><u>Rule 19.2.12</u></a>	<a href="#"><u>The period commencing at the end of the Transition Period.</u></a>
<a href="#"><u>Rule 19.3.1</u></a>	<a href="#"><u>The period commencing at the start of the Transition Period.</u></a>
<a href="#"><u>Rule 19.3.2</u></a>	<a href="#"><u>The period commencing on the date that is 2 Business Days prior to the Old System Close Date.</u></a>
<a href="#"><u>Rule 19.3.3</u></a>	<a href="#"><u>The period commencing on the date that is 2 Business Days prior to the Old System Close Date.</u></a>
<a href="#"><u>Rule 19.3.4</u></a>	<a href="#"><u>The period commencing on the date that is 2 Business Days prior to the Old System Close Date.</u></a>
<a href="#"><u>Rule 19.3.5</u></a>	<a href="#"><u>The period commencing at the start of the Transition Period.</u></a>
<a href="#"><u>Rule 19.4.1</u></a>	<a href="#"><u>The period commencing on the date that is 2 Business Days prior to the Old System Close Date.</u></a>
<a href="#"><u>Rule 19.4.2</u></a>	<a href="#"><u>The period commencing on the date that is 2 Business Days prior to the Old System Close Date.</u></a>
<a href="#"><u>Rule 19.4.3</u></a>	<a href="#"><u>The period commencing on the date that is 2 Business Days prior to the Old System Close Date.</u></a>
<a href="#"><u>Rule 19.5.1</u></a>	<p><a href="#"><u>The period commencing at Fund Request Cut-Off on the date that is 3 Business Days prior to the Old System Close Date and ending at the end of the Transition Period.</u></a></p> <p><a href="#"><u>Note: To illustrate, if the Old System Close Date is on a Friday, this Rule commences at 11:00am on the Tuesday before the Old System Close Date.</u></a></p>
<a href="#"><u>Rule 19.5.2</u></a>	<a href="#"><u>The period commencing at Fund Request Cut-Off on the date that is 3 Business Days prior to the Old System Close Date and ending at the end of the Transition Period.</u></a>

	<u>Note: To illustrate, if the Old System Close Date is on a Friday, this Rule commences at 11:00am on the Tuesday before the Old System Close Date.</u>
<b><u>Rule 19.5.3</u></b>	<u>The period commencing at Fund Request Cut-Off on the date that is 3 Business Days prior to the Old System Close Date and ending at the end of the Transition Period.</u>  <u>Note: To illustrate, if the Old System Close Date is on a Friday, this Rule commences at 11:00am on the Tuesday before the Old System Close Date.</u>
<b><u>Rule 19.5.4</u></b>	<u>The period commencing at Fund Request Cut-Off on the date that is 3 Business Days prior to the Old System Close Date and ending at the end of the Transition Period.</u>  <u>Note: To illustrate, if the Old System Close Date is on a Friday, this Rule commences at 11:00am on the Tuesday before the Old System Close Date.</u>
<b><u>Rule 19.5.5</u></b>	<u>The period commencing at Fund Request Cut-Off on the date that is 3 Business Days prior to the Old System Close Date.</u>  <u>Note: To illustrate, if the Old System Close Date is on a Friday, this Rule commences at 11:00am on the Tuesday before the Old System Close Date.</u>
<b><u>Rule 19.5.6</u></b>	<u>The period commencing at Fund Request Cut-Off on the date that is 3 Business Days prior to the Old System Close Date.</u>  <u>Note: To illustrate, if the Old System Close Date is on a Friday, this Rule commences at 11:00am on the Tuesday before the Old System Close Date.</u>
<b><u>Rule 19.5.7</u></b>	<u>The period commencing at Fund Request Cut-Off on the date that is 3 Business Days prior to the Old System Close Date.</u>  <u>Note: To illustrate, if the Old System Close Date is on a Friday, this Rule commences at 11:00am on the Tuesday before the Old System Close Date.</u>

## **PROCEDURE 19.2.2 REMEDIATION OF REGISTRATION DETAILS BY PARTICIPANTS PRIOR TO MIGRATION**

The action to be taken by a Participant where there is a remediation of a Non-Compliance in relation to the Registration Details recorded in a Holder Record is as follows:

- (a) other than as specified below in this Procedure 19.2.2, the Participant must Transmit a Valid Originating Message that specifies the existing HIN for the Holder Record and the remediated Registration Details to be recorded in the Holder Record;
- (b) where applicable, the Controlling Participant must maintain documentation to verify that the Registration Details relating to the remediation noted in the Valid Originating Message, are correct;

- (c) on receipt of notification from ASX Settlement that the remediation of the Registration Details has been made in accordance with the Valid Originating Message, the Participant must check to make sure that the remediation of the Registration Details of the Holder has been made to the correct Holding; and
- (d) if the remediation of the Registration Details were not made to the correct Holding, then the Controlling Participant must liaise with ASX Settlement as soon as possible, and in any event no later than two Business Days, to rectify the error.

The Participant is not required to take the action specified in Procedure 19.2.2(a) where the standards published by ASX Settlement for the purposes of Rule 19.2.2 classify the relevant Non-Compliance in relation to the Registration Details recorded in a Holder Record as a “Warning” for which remediation is not required.

The standards published by ASX Settlement for the purposes of Rule 19.2.2 are specified in the User Technical Documentation available at the following website:

<https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/856719933/Exceptions+Warnings+and+Errors>

### **PROCEDURE 19.2.3 ACTION TO BE TAKEN BY ASX SETTLEMENT**

The notice to be given by ASX Settlement is a notice:

- (a) notifying:
  - (i) the Participant that the requested remediation has been made;
  - (ii) in respect of each class of Financial Products in a CHESSE Holding of that person, the Issuer of those Financial Products that there has been a remediation of Registration Details for that person; and
- (b) if the Holder Record has been established on behalf of a Participant Sponsored Holder, notifying the Participant Sponsored Holder that there has been a remediation of the Registration Details.

### **PROCEDURE 19.2.5 PARTICIPANT INDEMNITIES**

The standards published by ASX Settlement the purposes of Rule 19.2.5 are specified in the User Technical Documentation available at the following website:

<https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/856719933/Exceptions+Warnings+and+Errors>

### **PROCEDURE 19.2.6 REMEDIATION OF REGISTRATION DETAILS BY ASX SETTLEMENT DURING TRANSITION PERIOD**

For the purposes of Rule 19.2.6(a), the types of Non-Compliance are:

- (a) more than one Holder name is recorded and the Holder Record relates to a Direct Account or Clearing Account;

- (b) more than four Holder names are recorded and the Holder Record relates to a Participant Sponsored Account;
- (c) no comma character is recorded;
- (d) more than one comma character is recorded;
- (e) one or more characters is recorded between:
  - (i) a closed angle bracket which ASX Settlement reasonably considers to represent the end of a designation; and
  - (ii) a comma character which ASX Settlement reasonably considers to represent the end of the Holder name and designation field;
- (f) an invalid country code is recorded;
- (g) a Holder name is recorded that contains more than 80 characters;
- (h) a designation is recorded that contains more than 35 characters;
- (i) no character or characters are recorded for the Holder name or address;
- (j) no character or characters are recorded for the Holder name after plus (“+”) character;
- (k) a Residency Indicator of “M” is recorded and the Holder Record relates to a Clearing Account; or
- (l) any other Non-Compliance exists as determined by ASX Settlement in its absolute discretion.

For the purposes of Rule 19.2.6(c), where ASX Settlement identifies a Non-Compliance of a type specified in the Procedure for Rule 19.2.6(a) as reproduced below, ASX Settlement will make the following remediations of Registration Details:

- (a) where more than one Holder name is recorded and the Holder Record relates to a Direct Account or Clearing Account, ASX Settlement will remove the name of each Holder other than the first-named Holder;
- (b) where more than four Holders are recorded and the Holder Record relates to a Participant Sponsored Account, ASX Settlement will remove the Holder names that are recorded after the fourth-named Holder;
- (c) where the Registration Details do not contain a comma character, ASX Settlement will insert a comma character immediately after what ASX Settlement reasonably considers to be:
  - (i) if a designation is present, the closed angle bracket at the end of the designation;
  - (ii) if a designation is not present, the name of the Holder (in the case of a Holder Record with a single Holder) or last-named Holder (in the case of a Holder Record with joint Holders);

- (d) where the Registration Details contain more than one comma character, ASX Settlement will remove any comma character that is not placed immediately after what ASX Settlement reasonably considers to be:
- (i) if a designation is present, the closed angle bracket at the end of the designation;
  - (ii) if a designation is not present, the name of the Holder (in the case of a Holder Record with a single Holder) or last-named Holder (in the case of a Holder Record with joint Holders);
- (e) where the Registration Details contain one or more characters between:
- (i) a closed angle bracket which ASX Settlement reasonably considers to represent the end of a designation; and
  - (ii) a comma character which ASX Settlement reasonably considers to represent the end of the Holder name and designation field,
- ASX Settlement will move that comma character so that it is located immediately after the closed angle bracket;
- (f) where the Registration Details contain an invalid country code, ASX Settlement will:
- (i) if ASX Settlement can reasonably infer the correct country code by reference to the address specified in the Registration Details, replace the country code with what ASX Settlement reasonably considers to be the correct country code; or
  - (ii) if ASX is unable to reasonably infer the correct country code by reference to the address specified in the Registration Details, change the country code to “ZZ”;
- (g) where a Holder name in the Registration Details contains more than 80 characters, ASX Settlement will remove the characters in the name of that Holder which occur after the 80th character;
- (h) where a designation in the Registration Details contains more than 35 characters, ASX Settlement will remove the characters in the designation which occur after the 35th character;
- (i) where the address or name in the Registration Details is missing, ASX Settlement will insert one dash character (“-”) as the relevant address or name (as applicable);
- (j) where no character or characters are recorded for the Holder name after a plus (“+”) character, ASX Settlement will remove the plus (“+”) character;
- (k) where a Residency Indicator of “M” is recorded and the Holder Record relates to a Clearing Account, ASX Settlement will change the Residency Indicator if it is notified of a change to the Residency Indicator during the Transition Period; or
- (l) where any other kind of Non-Compliance exists in the Registration Details, ASX Settlement may change the Registration Details as it considers appropriate to address the Non-Compliance.

For the purposes of Rule 19.2.6(d), the notice to be given by ASX Settlement is a notice:

- (a) notifying:
- (i) the Participant authorised to operate one or more Holdings linked to the Holder Record that there has been a remediation of the Registration Details recorded in the Holder Record;
  - (ii) in respect of each class of Financial Products in a CHESS Holding linked to the Holder Record, the Issuer of those Financial Products that there has been a remediation of Registration Details recorded in the Holder Record; and
- (b) if the Holder Record has been established on behalf of a Participant Sponsored Holder, notifying the Participant Sponsored Holder that there has been a remediation of Registration Details recorded in the Holder Record.

### **PROCEDURE 19.2.7 CONVERSION AND MIGRATION OF HOLDER RECORDS**

The conversion logic published by ASX Settlement for the purposes of Rule 19.2.7 is specified in the User Technical Documentation available at the following websites:

<https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/856719909/Cutover+and+Migration+++Registration+Details+Tool>

<https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/25297080/Email+Address>

For the purposes of Rule 19.2.7(b), the notice to be given by ASX Settlement is a notice notifying:

- (a) the Participant authorised to operate one or more Holdings linked to the Holder Record that the Holder Record has not been recorded in the New System;
- (b) if the Holder Record has been established on behalf of a Participant Sponsored Holder, notifying the Participant Sponsored Holder that the Holder Record has not been recorded in the New System.

### **PROCEDURE 19.2.8 HOLDER RECORDS EXCLUDED FROM CONVERSION AND MIGRATION**

For the purposes of Rule 19.2.8, ASX Settlement will not, unless it determines otherwise at its absolute discretion, convert and migrate a Holder Record under Rule 19.2.7 if the Holder Record satisfies each of the following criteria:

- (a) at the End of Day on the Old System Close Date:
  - (i) no Holding is linked to the Holder Record; and
  - (ii) ASX Settlement has not scheduled for settlement on or after the New System Start Date any Batch Instruction linked to the Holder Record; and
- (b) the Holder Record contains Registration Details with any of the following types of Non-Compliance:
  - (i) more than one Holder name is recorded and the Holder Record relates to a Direct Account or Clearing Account;

- (ii) more than four Holder names are recorded and the Holder Record relates to a Participant Sponsored Account;
- (iii) no comma character is recorded;
- (iv) more than one comma character is recorded;
- (v) one or more characters is recorded between:
  - (A) a closed angle bracket which ASX Settlement reasonably considers to represent the end of a designation; and
  - (B) a comma character which ASX Settlement reasonably considers to represent the end of the Holder name and designation field;
- (vi) an invalid country code is recorded;
- (vii) a Holder name is recorded that contains more than 80 characters;
- (viii) a designation is recorded that contains more than 35 characters;
- (ix) no character or characters are recorded for the Holder name or address;
- (x) a Residency Indicator of "M" is recorded and the Holder Record relates to a Clearing Account; or
- (xi) any other Non-Compliance exists as determined by ASX Settlement in its absolute discretion.

### **PROCEDURE 19.2.9 CHANGES TO EMAIL PURPOSE**

The notice to be given by ASX Settlement is a notice notifying:

- (a) the Participant authorised to operate one or more Holdings linked to the Holder Record that there has been a change to the Email Purpose in respect of a Holder's Registration Details recorded in the Holder Record; and
- (b) in respect of each class of Financial Products in a CHESS Holding linked to the Holder Record, the Issuer of those Financial Products that there has been a change to the Email Purpose in respect of a Holder's Registration Details recorded in the Holder Record.

### **PROCEDURE 19.2.10 REMOVAL OF EMAIL DETAILS**

The notice to be given by ASX Settlement is a notice notifying:

- (a) the Participant authorised to operate one or more Holdings linked to the Holder Record that there has been a change of Holder Record details for that Holder Record; and
- (b) in respect of each class of Financial Products in a CHESS Holding linked to the Holder Record, the Issuer of those Financial Products that there has been a change of Holder Record details for that Holder Record.



## PROCEDURE 19.2.12 CONFIRMATION OF ENTITY TYPE FOR UNCATEGORISED HOLDER RECORDS

The matters to be specified in the Message from a Participant to ASX Settlement notifying of a change to the Entity Type are:

- (a) the existing HIN for the Holder Record;
- (b) for each Holder in relation to the Holder Record:
  - (i) the relevant holder identifier for that Holder;
  - (ii) the name of the Holder; and
  - (iii) the relevant Entity Type for that Holder.

## PROCEDURE 19.3.1 REDUCING TO OLD SYSTEM CLOSE DATE THE TIME FOR FACILITY USERS TO COMPLY WITH REQUIREMENTS ON MESSAGES RECEIVED

The following types of Messages received by Facility Users are specified for the purposes of Rule 19.3.1(a)(i).

The following Rules dealing with the corresponding requirements of Facility Users (including to respond to the Message) are specified for the purposes of Rule 19.3.1(a)(ii) and 19.3.1(b):

<u>Type of Message received by Facility User (for purpose of Rule 19.3.1(a)(i))</u>	<u>Rules dealing with corresponding requirements of Facility User (for purpose of Rules 19.3.1(a)(ii) and 19.3.1(b))</u>
<u>Notification to an Issuer of Australian ADI Account details under Rule 8.19.8</u>	<u>Rule 8.19.9</u>
<u>Request to an Issuer for an Issuer Sponsored to CHES Demand Transfer or Conversion under Rule 9.8.2</u>	<u>Rule 9.8.5 or 9.8.6</u>
<u>Notification to a Controlling Participant of a takeover offer acceptance submitted by a Participant Bidder under Rule 14.14.8</u>	<u>Rule 14.14.9</u>
<u>Request to a Participant Bidder for authorisation for the release of Financial Products from an Offer Accepted Subposition under Rule 14.16.2</u>	<u>Rule 14.16.3</u>

<a href="#">Request to a Product Issuer Settlement Participant for the issue or redemption of AQUA Products under Rule 18.3.3(a)</a>	<a href="#">Rule 18.3.3(b)</a>
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### **PROCEDURE 19.3.2 REDUCING TO OLD SYSTEM CLOSE DATE THE TIME FOR MATCHING OF MESSAGES BY ASX SETTLEMENT**

The following types of Messages received by ASX Settlement are specified for the purposes of Rule [19.3.2\(a\)\(i\)](#).

The following Rules dealing with Matching of Messages by ASX Settlement are specified for the purposes of Rule [19.3.2\(a\)\(ii\)](#) and [19.3.2\(b\)](#):

<a href="#">Type of Message received by ASX Settlement (for purpose of Rule 19.3.2(a)(i))</a>	<a href="#">Rules dealing with Matching of Messages by ASX Settlement (for purpose of Rule 19.3.2(a)(ii) and 19.3.2(b))</a>
<a href="#">Dual Entry Demand Message under Rule 9.5.2</a>	<a href="#">Rule 9.5.8</a>
<a href="#">Request to cancel a Direct Batch Instruction or a Dual Entry Batch Instruction under Rule 10.5.3</a>	<a href="#">Rule 10.5.3</a>
<a href="#">Dual Entry Batch Message or Dual Entry Payment Batch Message under Rule 10.9.2</a>	<a href="#">Rule 10.9.3(d)</a>
<a href="#">Request to change to a Dual Entry Batch Instruction or Dual Entry Payment Batch Instruction under Rule 10.9.4</a>	<a href="#">Rule 10.9.4</a>
<a href="#">Request to change the designation of the Dual Entry Batch Instruction as available or not available for settlement in part under Rule 10.9.5</a>	<a href="#">Rule 10.9.5</a>

### **PROCEDURE 19.3.4 UNACTIONED OR UNMATCHED MESSAGES AT END OF DAY ON OLD SYSTEM CLOSE DATE NOT MIGRATED**

For the purposes of Rule [19.3.4\(a\)\(iii\)](#), the following Messages are specified:

- (a) [a Valid Originating Message Transmitted to ASX Settlement by a Controlling Participant under Rule 14.14.2, notifying of a takeover offer acceptance under a takeover bid for Financial Products.](#)

**PROCEDURE 19.3.5 REJECTION BY PARTICIPANT BIDDER OF OFFER ACCEPTED  
SUBPOSITION AFTER OLD SYSTEM CLOSE DATE**

For the purposes of Rule 19.3.5(b), rejections of an Offer Accepted Subposition after the Old System Close Date may only be notified by the Participant Bidder Transmitting a Valid Corporate Action Cancellation Request (evnt 746) Message to ASX Settlement.

## APPENDIX 1 SCHEDULED TIMES

ASX Settlement will provide 30 days' notice of any amendments to the Scheduled Times in this appendix, other than in exceptional circumstances where an urgent amendment is required.

Rule Number	Sydney Time
<b>Rule 2.13.1</b> (Fund Request Cut-Off)	11:00am on any Business Day.
<b>Rule 18.3.1</b>	A Message Transmitted by a Settlement Participant under Rule 18.3.1 will be cancelled if all relevant information is not provided within 5 Business Days of the Message being sent.
<b>Rule 18.3.3(a)</b>	Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted before Fund Request Cut-Off: Settlement Cut-Off on the same Business Day.  Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted after Fund Request Cut-Off: Settlement Cut-Off on the next Business Day.
<b>Rule 18.3.3(b)</b>	Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted before Fund Request Cut-Off: Settlement Cut-Off on the same Business Day.  Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted after Fund Request Cut-Off: Settlement Cut-Off on the next Business Day.
<a href="#"><u>Rule 18.3.5</u></a>	<a href="#"><u>Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted before Fund Request Cut-Off: 31 days after Settlement Cut-Off on the same Business Day.</u></a>  <a href="#"><u>Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted after Fund Request Cut-Off: 31 days after Settlement Cut-Off on the next Business Day.</u></a>
<b>Rule 18.3.6(b)</b>	Prior to CHES End of Day on the day on which the issue is to occur, as specified by the Product Issuer Settlement Participant in the Message Transmitted under Rule 18.3.3(b) or Rule 18.7.

<b>Rule 18.3.6A(a)</b>	In relation to a request for issue of AQUA Products: as soon as reasonably practicable prior to the issue of AQUA Product units on the day on which the issue is to occur.  In relation to a request for redemption of AQUA Products: as soon as reasonably practicable prior to settlement on the Settlement Date.
<b>Rule 18.3.6A(b)</b>	Within 4 Business Hours of receipt of a Message from a Product Issuer Settlement Participant Transmitted under Rule 18.3.6A(a).
<del>Rule 18.4.3(a)</del>	<del>Within 4 Business Hours of receipt of a Message from a Settlement Participant Transmitted under Rule 18.4.1.</del>
<del>Rule 18.4.3(b)</del>	<del>Within 12 Business Hours of receipt of a Message from ASX Settlement Transmitted under Rule 18.4.3(a).</del>
<del>Rule 18.4.4(b)</del>	<del>Prior to CHES End of Day on the day on which the Switch is to occur, as specified by the Product Issuer Settlement Participant in the Message Transmitted under Rule 18.4.3(b).</del>
<b>Rule 18.5.1</b>	<del>Within 90 calendar days of the day on which the Message under Rule 18.3.1 was Transmitted</del> <u>Prior to the Product Issuer Settlement Participant accepting the relevant application for issue or redemption.</u>
<b>Rule 18.5.2</b>	Within 90 calendar days of the day on which the Message under Rule 18.4.1 was Transmitted.
<b>Rule 18.6.1</b>	Within 90 calendar days of the day on which the Message under Rule 18.3.1 or 18.4.1 was Transmitted.
<b>Rule 18.6.1(ae)</b>	Within 4 Business Hours of receipt of a Message from a Settlement Participant under Rule 18.6.1 (a) or (b).
<b>Rule 18.6.1(bd)</b>	Within 12 Business Hours of receipt of a Message in accordance with Rule 18.6.1(c).
<u>Rule 18.6.1A</u>	<u>Before the acceptance of the relevant request for issue by the Product Issuer Settlement Participant under Rule 18.3.3(b).</u>
<u>Rule 18.6.1A(a)</u>	<u>Within 4 Business Hours of receipt of a Message from the Settlement Participant under Rule 18.6.1A.</u>

<b>Rule 18.7.1</b>	<p>In relation to a request for issue of AQUA Products, <del>or a Switch between AQUA Products</del>: prior to CHESSE End of Day on the day on which the issue is to occur, as specified by the Product Issuer Settlement Participant in the Message Transmitted under Rule 18.3.3(b) or 18.4.3(b), as the case may be.</p> <p>In relation to a request for redemption of AQUA Products: prior to Settlement Cut-Off on the day specified as the payment date by the Product Issuer Settlement Participant in a Message Transmitted under Rule 18.3.3(b).</p>
<del><b>Rule 18.9.2(a)</b></del>	<del>Within 4 Business Hours of receipt of a Message from a Settlement Participant Transmitted under Rule 18.9.1.</del>
<del><b>Rule 18.9.2(b)</b></del>	<del>Within 12 Business Hours of receipt of a Message from ASX Settlement Transmitted under Rule 18.9.2(a).</del>
<del><b>Rule 18.9.4</b></del>	<p><del>Where the Message Transmitted by a Product Issuer Settlement Participant under Rule 18.9.4 relates to a periodic income advice: no later than five (5) Business Days after each periodic income distribution or reinvestment of income distribution (as applicable) occurs.</del></p> <p><del>Where the Message Transmitted by a Product Issuer Settlement Participant under Rule 18.9.4 relates to an annual income advice: no later than five (5) Business Days after details of the annual income distribution entitlements or reinvestment of income distribution entitlements (as applicable) is sent or made available to that investor.</del></p>
<del><b>Rule 18.9.6(a)</b></del>	<del>Within 4 Business Hours of receipt of a Message from a Settlement Participant Transmitted under Rule 18.9.6.</del>
<del><b>Rule 18.9.6(b)</b></del>	<del>Within 12 Business Hours of receipt of a Message from ASX Settlement Transmitted under Rule 18.9.6(a).</del>
<b>Rule 18.9A.2(a)</b>	Within 4 Business Hours of receipt of a Message from a Settlement Participant Transmitted under Rule 18.9A.1.
<b>Rule 18.9A.2(b)</b>	Within 12 Business Hours of receipt of a Message from ASX Settlement Transmitted under Rule 18.9A.2(a).
<b>Rule 18.9A.4</b>	Within 12 Business Hours of Transmitting a Valid Message to ASX Settlement accepting the request under Rule 18.9A.2(b).

Introduced 21/03/14 Amended 07/03/16, 15/08/16, 12/11/18

## ASX CLEAR OPERATING RULES

### SECTION 2 DEFINITIONS AND INTERPRETATION

...

#### 2.10 DEFINITIONS AND INTERPRETATION

##### 2.10.1 Definitions used in the Rules

In these Rules and in the Procedures, unless the context otherwise requires:

...

“Accrued Batch Instruction” has the meaning given in the ASX Settlement Operating Rules.

...

“BIC” stands for business identifier code.

...

“Buyer” means:

- (a) in relation to a Cash Market Transaction, the party who has an obligation to pay money under the terms of the transaction;
- (b) in relation to:
  - (i) a Cash CCP Transaction; or
  - (ii) a CCP ~~Net~~ Batch Instruction; ~~;~~
  - ~~(iii) a CCP Gross Batch Instruction;~~
  - ~~(iv) a CCP RTGS Instruction;~~the Participant responsible to ASX Clear for performing the obligations of the buyer under the terms of the relevant Cash Market Transaction or Offsetting Transaction Arrangement;
- (c) in relation to a Direct ~~Settlement~~ Batch Instruction, the Participant who has an obligation to pay money under the terms of the relevant Cash Market Transaction;
- (d) in relation to a Derivatives Market Contract which is an Options Market Contract, the party with the exercisable rights under the terms of the contract;

- (e) in relation to a Derivatives Market Contract which is a Futures Market Contract, the party specified as buyer under the terms of the contract;
- (f) in relation to a Derivatives CCP Contract, being a Futures CCP Contract or an Options CCP Contract, the Participant responsible to ASX Clear for performance of the obligations of the buyer under the terms of the relevant Derivatives Market Contract; and
- (g) ASX Clear where a specific Rule refers to ASX Clear as buyer.

Amended 28/04/14

...

**“CCP Batch Instruction”** means ~~either a CCP Gross Batch Instruction or a~~ CCP Net Market Trade Batch Instruction, a CCP Rescheduled Batch Instruction, a CCP Offsetting Transaction Arrangement Batch Instruction or a CCP Isolate Counterparty Batch Instruction.

Introduced 28/04/14

...

**“CCP Isolate Counterparty ~~Gross~~ Batch Instruction”** means an instruction generated by ASX Clear for notification to the Approved Settlement Facility and which contains details of payment and delivery obligations in relation to CCP Rescheduled Batch Instructions, CCP Offsetting Transaction Arrangement Batch Instructions or Accrued Batch Instructions (as applicable) pursuant to a request to isolate a counterparty ~~a Cash CCP Transaction that has been excluded from netting in accordance with Rule 12.7.3 and includes an instruction which contains payment and delivery obligations under an Offsetting Transaction Arrangement entered into in respect of a Failed CCP Gross Batch Instruction.~~

Amended 28/04/14

**“CCP ~~Net~~ Market Trade Batch Instruction”** means an instruction generated by ASX Clear for notification to the Approved Settlement Facility and which contains details of payment and delivery obligations in relation to a Cash CCP Transaction that has been netted in accordance with Rule 12.6.1 ~~and includes an instruction which contains payment and delivery obligations under an Offsetting Transaction Arrangement entered into in respect of a Failed CCP Net Batch Instruction.~~

Amended 28/04/14

**“CCP Offsetting Transaction Arrangement Batch Instruction”** means an instruction generated or deemed to be generated by ASX Clear for notification to the Approved Settlement Facility and which contains details of payment and delivery obligations under the second leg of an Offsetting Transaction Arrangement entered into in respect of a Failed CCP Batch Instruction.

**“CCP Rescheduled Batch Instruction”** means an instruction generated by ASX Clear for notification to the Approved Settlement Facility and which contains details of payment and delivery obligations in relation to CCP Market Trade Batch Instructions that are:

- (a) Failed by an Approved Settlement Facility due to a Financial Products Shortfall;
- (b) suspended by an Approved Settlement Facility due to the suspension of the approval of a class of Financial Products; or
- (c) due for settlement on a Business Day that Batch Settlement is cancelled by the Approved Settlement Facility.



...

~~“CCP RTGS Instruction” means an instruction generated by ASX Clear for notification to the Approved Settlement Facility and which contains details of payment and delivery obligations in relation to a Cash CCP Transaction that is to be settled in Real Time Gross Settlement.~~

....

~~“CHESS” means the post trade system stands for the Clearing House Electronic Subregister System as~~ operated by:

- (a) ASX Clear for the purpose of clearing Cash Market Transactions and Cash CCP Transactions; and
- (b) ASX Settlement for the purpose of settling transactions in Approved Financial Products, transferring Financial Products and registering transfers.

*Note: The CHESS system was previously called the Clearing House Electronic Subregister System.*

....

**“Fail”** means the removal by the Approved Settlement Facility of the whole or part of:

- ~~(a) a CCP Net-Batch Instruction;~~
- ~~(b) a CCP Gross Batch Instruction; or~~
- ~~(c) a CCP RTGS Instruction;~~

from settlement in accordance with the operating rules of the Approved Settlement Facility.

*Note: A Failed CCP Batch Instruction removed from Batch Settlement (as defined in the operating rules of the Approved Settlement Facility) may be notified by the Approved Settlement Facility to ASX Clear for settlement on that day through an Offsetting Transaction Arrangement entered into between ASX Clear and the respective non-defaulting Participant in accordance with Rule 12.8A.*

Amended 28/04/14

....

**“Financial Products Shortfall”** has the meaning given to that term under the operating rules of the Approved Settlement Facility.

...

**“Instruction”** means:

- ~~(a) a CCP Net-Batch Instruction;~~
- ~~(b) a CCP Gross Batch Instruction; or~~
- ~~(c) a CCP RTGS Instruction.~~

...

“Novated Net Delivery Position” means, in respect of a PID of a Participant and each relevant Business Day, the net delivery and payment obligations or entitlements (as applicable) for all Cash CCP Transactions in a class of Financial Product due for settlement on that Business Day by way of CCP Market Trade Batch Instructions.

Note: The Novated Net Delivery Position in respect of a PID of a Participant will not include delivery or payment obligations or entitlements for Cash CCP Transactions due for settlement by way of CCP Offsetting Transaction Arrangement Batch Instructions, CCP Rescheduled Batch Instructions or CCP Isolate Counterparty Batch Instructions.

Where a Participant (or its Settlement Agent) operates multiple Settlement Accounts for the settlement of CCP Batch Instructions in respect of a PID of the Participant, and CCP Market Trade Batch Instructions in a class of Financial Products due for settlement on a Business Day relate to more than one of those Settlement Accounts, separate Novated Net Delivery Positions apply in respect of each Settlement Account to which the CCP Market Trade Batch Instructions relate.

...

“PID” stands for participant identifier and means a unique identification code allocated or attributed by ASX Clear to a Participant that is used as the identification code, or one of the identification codes, of the Participant for the purposes of instructions notified to the Approved Settlement Facility for settlement. ASX Clear may allocate or attribute up to a maximum number of PIDs per Participant as specified in the Procedures.

Note: A code will be ‘attributed’ by ASX Clear where such code is allocated to the Participant by a person other than ASX Clear but is attributed by ASX Clear to the Participant for the purposes outlined above.

Amended 08/08/13

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~~“Real Time Gross Settlement” means the processing and settling of payment and delivery obligations in real time and on a gross, not net, basis, the fundamental characteristic of which is that the payment and delivery components of a transaction become irrevocable at the time of settlement.~~

...

~~“RTGS” means Real Time Gross Settlement.~~

....

“Seller” means:

- (a) in relation to a Cash Market Transaction, the party who has an obligation to deliver a particular number and class of transferable Financial Products under the terms of the transaction;
- (b) in relation to:
  - (i) a Cash CCP Transaction; or

(ii) a CCP ~~Net~~ Batch Instruction;

~~(iii) a CCP Gross Batch Instruction; and~~

~~(iv) a CCP RTGS Instruction;~~

the Participant responsible to ASX Clear for performing the obligations of the seller under the relevant Cash Market Transaction or Offsetting Transaction Arrangement;

- (c) in relation to a Direct ~~Settlement~~ Batch Instruction, the Participant who has an obligation to deliver a particular number and class of transferable Financial Products under the terms of the relevant Cash Market Transaction;
- (d) in relation to a Derivatives Market Contract which is an Options Market Contract, the party with the obligation to acquire or dispose of a specified quantity of an Underlying Financial Product, an Underlying Derivative or an Underlying Commodity, to pay an amount of money, or to enter into an Underlying Derivative under the terms of the contract;
- (e) in relation to a Derivatives Market Contract which is a Futures Market Contract, the party specified as seller under the terms of the contract;
- (f) in relation to a Derivatives CCP Contract, being a Futures CCP Contract or an Options CCP Contract, the Participant responsible to ASX Clear for performance of the obligations of the seller under the terms of the relevant Derivatives Market Contract; and
- (g) ASX Clear where a specific Rule refers to ASX Clear as seller.

Amended 19/08/09, 28/04/14

...

[“Settlement Account” has the meaning given in the ASX Settlement Operating Rules.](#)

[“Settlement Agent” has the meaning given in the ASX Settlement Operating Rules.](#)

...

[“Settlement Processing Phase” has the meaning given in the ASX Settlement Operating Rules.](#)

...

**“Standard Settlement Price”** means a price determined by reference to bids/offers and the last sale price of a class of Financial Products on one or more Approved Market Operators (as selected by ASX Clear in its absolute discretion) ~~on the~~ two Business Days before the Settlement Date on which an Instruction Fails in accordance with the operating rules of the Approved Settlement Facility.

Amended 27/06/11

...

## SECTION 4 RIGHTS AND OBLIGATIONS OF PARTICIPANTS

...

## 4.21 PARTICIPANT'S AUTHORITY TO INCLUDE PID

### 4.21.1 Participant irrevocably authorises ASX Clear to include PID

Each Participant irrevocably authorises ASX Clear to include its PID in each:

- (a) CCP ~~Net~~ Batch Instruction; and
- ~~(b) CCP Gross Batch Instruction;~~
- ~~(c) CCP RTGS Instruction; and~~
- ~~(b)~~ each Cash Market Transaction accepted for reporting by ASX Clear under Rule 12.1.2,

as the PID of the delivering Participant or receiving Participant, as the case requires.

Introduced 11/03/04 Origin SCH 9.22.2

...

## SECTION 6 COMMUNICATIONS WITH ASX CLEAR

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## 6.7 IDENTIFICATION OF CLEARING MESSAGES FROM A PARTICIPANT

### 6.7.1 Clearing Message taken to have been submitted by Participant

A Clearing Message that:

- (a) is submitted into the Clearing System by a Participant; or
- (b) in the case of a Cash CCP Transaction, specifies the PID of the Participant,

is taken for all purposes under these Rules to have been submitted by, and with the knowledge of, that Participant.

Introduced 11/03/04 Origin SCH 4.5.1, OCH 3.1.2 Corresponds to ASX Settlement 16.17

### 6.7.2 Use of BIC as a PID of a Participant

A Participant may request that ASX Clear attribute to the Participant as one of its PIDs the BIC allocated to the Participant by a person other than ASX Clear, for inclusion in Clearing Messages from or to the Participant as an alternative to the inclusion in such Clearing Messages of a PID allocated by ASX Clear to the Participant. Where this occurs:

- (a) the Participant must nominate the PID allocated by ASX Clear to the Participant that the BIC is referable to;
- (b) a Clearing Message received from the Participant which includes the Participant's BIC will be treated as a Clearing Message from the nominated PID that the BIC is referable to, and not as a Clearing Message from the BIC as a separate PID to that nominated PID;
- (c) for the purpose of obligations or entitlements of a Participant under these Rules in respect of each PID, those obligations and entitlements will apply in respect of the nominated PID that the BIC is referable to, and not as obligations and entitlements in respect of the BIC as a separate PID to that nominated PID; and

(d) the BIC will not be included in calculating the maximum number of PIDs per Participant for the purposes of the definition of PID.

## SECTION 12 REGISTRATION, NOVATION, NETTING AND SETTLEMENT

This Section deals with the novation, netting and settlement of transactions.

Market Transactions are either Cash Market Transactions or Derivatives Market Transactions. A Derivatives Market Transaction may be a Futures Market Transaction or an Option Market Transaction. A Derivatives Market Transaction comprises the number of Derivatives Market Contracts entered into on the market of an Approved Market Operator, or over the counter in the case of OTC Options Market Transactions. Market Transactions are notified to ASX Clear by an Approved Market Operator, or by the relevant Participant in the case of OTC Options Market Transactions, and (if eligible) will either be accepted by ASX Clear for registration or accepted for reporting but not registration. In the case of Derivatives Market Transactions, ASX Clear will register each of the Derivatives Market Contracts (Futures Market Contracts, Options Market Contracts or OTC Options Market Transactions) comprising the Derivatives Market Transaction.

If a Market Transaction is accepted by ASX Clear for registration and meets the requirements for novation set out in Rule 12.2.1, it will be novated to ASX Clear. Once novated, a Cash Market Transaction is discharged and replaced with two Cash CCP Transactions, a Derivatives Market Contract is discharged and replaced with two Derivatives CCP Contracts, a Futures Market Contract is discharged and replaced with two Futures CCP Contracts and an Options Market Contract is discharged and replaced with two Options CCP Contracts.

Cash CCP Transactions and Derivatives CCP Contracts may then be subject to set off and the netting of delivery obligations and payment obligations. ~~In general terms, in relation to a Cash CCP Transaction both Participants together may, prior to netting and set off, choose to take a transaction out of the Clearing Facility and settle it directly or in an Alternative Settlement Facility.~~ ASX Clear also has power, in certain circumstances to remove a transaction.

~~Once~~ ASX Clear will, for each Business Day, has calculated, or cause to be calculated, the Novated Net Delivery Position net delivery and net payment obligations of Participants for all Cash CCP Transactions in a class of Financial Product due for settlement on that Business Day by way of CCP Market Trade Batch Instructions, and notify such Novated Net Delivery Position to the Participant as at the end of each Business Day.

ASX Clear ~~it~~ will also then notify the Approved Settlement Facility of:

- (a) each Cash CCP Transaction due for settlement on a particular Business Day by way of a CCP Market Trade Batch Instruction; and
- (b) the Novated Net Delivery Position for each Participant for all CCP Cash Transactions in a class of Financial Products due for settlement on that Business Day by way of CCP Market Trade Batch Instructions.
  - (a) ~~those net delivery and net payment obligations which have been set off and netted by way of a CCP Net Batch Instruction; and~~
  - (b) ~~those delivery and payment obligations which have been novated but not netted by way of a CCP Gross Batch Instruction or CCP RTGS Instruction.~~

If a Market Transaction is accepted by ASX Clear for reporting but not registration, ASX Clear will notify the reported transaction to the Approved Settlement Facility and ASX Clear has no other obligation or responsibility for the Market Transaction.

In addition to dealing with the above matters, this section deals with:

- (c) when Market Transactions are novated to ASX Clear;
- (d) the effect of novation;
- (e) the circumstances in which a Cash Market Transaction may be excluded from novation and the consequences of so excluding it;
- (f) the circumstances in which a Cash CCP Transaction may be removed from novation and excluded from netting and the consequences of so doing;
- ~~(g) the circumstances in which a Participant may remove and settle transactions by Real-Time Gross Settlement;~~
- (gh) what is to happen if there is a payment or delivery failure in the case of Cash CCP Transactions (including generation of CCP Rescheduled Batch Instructions or CCP Offsetting Transaction Arrangement Batch Instructions) or a payment failure in respect of Derivatives CCP Contracts;
- (hi) the circumstances in which a Buyer (or if the Buyer is not also a Settlement Participant, a Settlement Participant acting as Settlement Agent for a Buyer) may choose to isolate counterparty in respect of CCP Rescheduled Batch Instructions, CCP Offsetting Transaction Arrangement Batch Instructions or Accrued Batch Instructions ~~Cash CCP Transactions~~ and what is to happen if that occurs;
- (ij) the discharge of payment and delivery obligations;
- (jk) a Participant's obligation to report positions in relation to Derivatives CCP Contracts to ASX Clear;
- (kl) the giving of trading and clearing information in relation to Derivatives Market Contracts and Derivatives CCP Contracts by ASX Clear to Participants, the Participant's obligation to check that information and report any errors to ASX Clear;
- (lm) the correction of errors by ASX Clear; and
- (mn) the cancellation and amendment of Derivatives Market Contracts.

This section also deals with the Offsetting Transaction Arrangements which will apply between ASX Clear and Participants for failed CCP Batch Instructions notified by the Approved Settlement Facility in order to facilitate the settlement (rather than rescheduling) of those instructions for the purposes of Sub-standard 7.9 of the Financial Stability Standards for Central Counterparties. Delivery and payment obligations under such Offsetting Transaction Arrangements are to be dealt with on the same basis as delivery and payment obligations under other Cash CCP Transactions and be subject to set-off against those obligations.

## 12.1 REGISTRATION AND NOTIFICATION OF MARKET TRANSACTIONS

### 12.1.1 Market Transactions to be registered

Subject to Rule 12.2.5, ASX Clear will register a Market Transaction (other than an OTC Options Market Transaction) if, and only if:

- (a) there is a current agreement between ASX Clear, an Approved Settlement Facility and the Approved Market Operator through which the Market Transaction was effected, for the provision of a Trade Acceptance Service;
- (b) the Approved Market Operator has submitted the Market Transaction to ASX Clear in accordance with the Terms of Trade Acceptance Service; and
- (c) the Market Transaction is in a category of Market Transactions which ASX Clear will accept for registration, as specified by ASX Clear in the Procedures.

Introduced 11/03/04 Origin OCH 5.4.1, 5.4.2, SCH 7.4 Amended 27/06/11, 28/05/12, 01/10/15

*Note: Market Transactions that are not eligible for registration (a pre-requisite for novation) may nevertheless be eligible to be notified by ASX Clear to an Approved Settlement Facility under Rule 12.1.2.*

### **12.1.1A Registration of OTC Options Market Transactions**

Subject to Rule 12.2.5, ASX Clear will register an OTC Options Market Transaction if, and only if, the relevant Participant or Participants notify ASX Clear of the OTC Options Market Transaction in the manner set out in the Procedures. In notifying an OTC Options Market Transaction a Participant warrants to ASX Clear that it has satisfied itself that its client is not a 'U.S. person' (as that term is defined in the Procedures).

Introduced 28/05/12 Amended 01/10/15, 23/11/16

### **12.1.2 Market Transactions notified but not registered**

ASX Clear will notify an Approved Settlement Facility of a Cash Market Transaction which is not registrable under Rule 12.1.1 if:

- (a) there is a current agreement between ASX Clear, the Approved Settlement Facility and the Approved Market Operator through which the Cash Market Transaction was effected, under which ASX Clear agrees to notify that category of Cash Market Transaction to the Approved Settlement Facility for settlement by that facility;
- (b) the Approved Market Operator notifies ASX Clear of that Cash Market Transaction in accordance with the terms of that agreement; and
- (c) the Cash Market Transaction is in a category of Cash Market Transactions which ASX Clear will notify to an Approved Settlement Facility, as specified by ASX Clear in the Procedures.

Introduced 11/03/04 Origin SCH 7.4.3 Amended 27/06/11

### **12.1.3 Participants liable to settle Cash Market Transactions notified but not registered**

Participants must settle Cash Market Transactions notified to an Approved Settlement Facility under Rule 12.1.2 in accordance with the operating rules of that Approved Settlement Facility.

Introduced 11/03/04

### **12.1.4 Reliance on particulars of Market Transactions**

ASX Clear is entitled to rely on the particulars of any Market Transaction notified to it by an Approved Market Operator as being correct and, subject to Rule 12.21 in relation to Derivatives Market Contracts, is not bound to recognise any error in relation to those particulars. Without limiting the generality of the foregoing, but subject to Rule 12.21 in relation to Derivatives Market Contracts:



- (a) where:
- (i) an Approved Market Operator submits a Market Transaction to ASX Clear for registration in the name of a Participant (that is, the particulars of the Market Transaction notified to ASX Clear by the Approved Market Operator identify the Participant, by its PID or otherwise, as a clearing counterparty to the Market Transaction); and
  - (ii) the Participant is authorised under these Rules to clear one or more categories of Market Transactions effected through the Approved Market Operator, or
- (b) where a Participant is directed a Misdirected Market Transaction;

the Participant is taken for all purposes under these Rules to have agreed to clear the Market Transaction and has the corresponding obligations in respect of the Market Transaction, notwithstanding any actual or alleged error concerning the identification of the Participant as a clearing counterparty to the Market Transaction.

*Note: In relation to Cash Market Transactions which are notified to ASX Clear by an Approved Market Operator with incorrect particulars of Buyer or Seller, refer Rule 12.7.1 under which ASX Clear may remove Cash CCP Transactions from transactions to be notified for settlement under Rule 12.6.2+ if it is notified by an Approved Market Operator that the original Cash Market Transaction has been cancelled.*

Introduced 11/03/04 Origin OCH 5.4.9 Amended 27/06/11

## 12.2 NOVATION

### 12.2.1 ASX Clear to novate Cash Market Transactions and Derivatives Market Contracts

ASX Clear will novate a Cash Market Transaction which is registered in accordance with Rule 12.1.1 if and only if the delivering PID and the receiving PID ~~specified in the particulars of for~~ the Cash Market Transaction submitted to ASX Clear by the Approved Market Operator relate to two different legal entities.

If the delivering PID and the receiving PID relate to the same legal entity, ASX Clear will, ~~unless instructed otherwise in accordance with the Procedures,~~ register the Cash Market Transaction and notify the relevant Participant that the Cash Market Transaction has been registered for information only.

ASX Clear will novate a Cash Market Transaction subject to and in accordance with this Rule 12.2.1 with effect from:

- (a) if the Cash Market Transaction is the result of the matching of bids and offers on the market of the Approved Market Operator, immediately after the matching of those bids and offers; or
- (b) if the Cash Market Transaction is the result of a transaction being recorded by the Approved Market Operator, immediately after the transaction is recorded.

ASX Clear will novate a Derivatives Market Contract, if the Derivatives Market Transaction to which it relates has been registered under Rules 12.1.1 or 12.1.1A, at the time of registration.

*Note: A Cash Market Transaction which is submitted by an Approved Market Operator to ASX Clear for registration must be validated by ASX Clear in accordance with the Terms of Trade Acceptance Service in order to confirm that the Cash Market Transaction is registrable under Rule 12.1.1. If the Cash Market Transaction is determined by ASX Clear to be registrable and if it meets the requirements for novation in this Rule 12.2.1, then it is novated with effect from the point in time specified by Rule 12.2.1.*

*For the avoidance of doubt, Derivatives Market Contract includes an Options Market Contract executed on the over the counter market and a Derivatives Market Transaction includes an OTC Options Market Transaction.*

Introduced 11/03/04 Origin OCH 5.4.4, SCH 7.7 Amended 27/06/11, 28/05/12, 07/06/13, 03/12/18

## **12.2.2 Effect of novation**

Upon novation of a Cash Market Transaction or a Derivatives Market Contract under Rule 12.2.1:

- (a) the Cash Market Transaction is discharged and replaced with two Cash CCP Transactions; and
- (b) the Derivatives Market Contract is discharged and replaced with two Derivatives CCP Contracts,

with the following effect, subject to these Rules:

- (c) the obligations owed by a Seller to a Buyer are replaced by obligations in the same terms owed by the Seller to ASX Clear, and by obligations owed by ASX Clear to the Buyer;
- (d) the obligations owed by a Buyer to a Seller are replaced by obligations in the same terms owed by the Buyer to ASX Clear, and by obligations owed by ASX Clear to the Seller.

ASX Clear and each Participant acknowledge that:

- (e) Cash CCP Transactions (excluding Cash CCP Transactions which are removed from novation pursuant to Rule 12.7.1 ~~or 12.7.2 and not reinstated pursuant to Rule 12.7.5~~); and
- (f) Derivatives CCP Contracts,

are market netting contracts (as defined in the Payment Systems and Netting Act 1998) the terms of which incorporate any and all Rules which provide for or relate to the exercise of default rights, the netting, set-off or termination of obligations, the calculation or payment of termination values or net amounts and obligations to pay deposits or margin calls, or which otherwise affect the rights and obligations of the parties to the contracts, including, without limitation the Recovery Rules and:

- (g) in respect of Cash CCP Transactions, Rules 12.4.1, 12.6.1, and 15; and
- (h) in respect of Derivatives CCP Contracts, Rules 12.16, 12.17, 13.2, 14 and 15.

Introduced 11/03/04 Origin OCH 5.4.4, SCH 7.8.1 Amended 18/12/06, 13/07/09, 19/08/09, 01/10/15

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## 12.6 CALCULATION OF NET CLEARING OBLIGATIONS

### 12.6.1 Calculation, set-off and notification of net payment obligation

Subject to Rule 12.6.2A and Rule 12.7 upon novation of a Cash Market Transaction due for settlement on a particular Business Day, the payment and delivery obligations under the Cash CCP Transaction are immediately set off against all other payment and delivery obligations due for settlement on that Business Day in accordance with the rules of law as follows:

- (a) the total of all the amounts that a Participant is obliged to pay ASX Clear on that Business Day for a PID will be set off against the total of all the amounts that the Participant is entitled to receive from ASX Clear on that Business Day for the same PID; and
- (b) the total number of Financial Products of a particular class to be delivered to a Participant by ASX Clear on that Business Day for a PID will be set off against the total number of Financial Products of that class to be delivered to ASX Clear on that Business Day for the same PID.

*Note: For the purpose of determining net delivery or payment obligations and entitlements in respect of a class of Financial Products due to be delivered or received on a Business Day during an Ex-Period (as defined in the ASX Settlement Operating Rules), regard is to be had to whether the Financial Product is to be transferred with or without the relevant Entitlement.*

Introduced 11/03/04 Origin SCH 7.9.1 Amended 08/08/13, 28/04/14

### 12.6.1A Calculation of a Participant's Novated Net Delivery Position and netted obligation report

ASX Clear will:

- (a) calculate, or cause to be calculated, the Novated Net Delivery Position in respect of a PID of a Participant for all CCP Cash Transactions in a class of Financial Products due for settlement on a Business Day by way of CCP Market Trade Batch Instructions in the manner specified below:
  - (i) the net delivery obligation or entitlement of a Participant for each PID will be calculated by setting off the total of the number of Financial Products that the Participant is obliged to deliver to ASX Clear on a Business Day by way of all CCP Market Trade Batch Instructions in respect of Cash CCP Transactions in that class of Financial Products for a PID against the total of the number of Financial Products that the Participant is entitled to receive from ASX Clear on that Business Day by way of all CCP Market Trade Batch Instructions in respect of Cash CCP Transactions in that class of Financial Products for the same PID;
  - (ii) the associated net payment obligation or entitlement of the Participant for each PID will be calculated by setting off the total of the amounts that the Participant is obliged to pay ASX Clear on that Business Day by way of all CCP Market Trade Batch Instructions in respect of Cash CCP Transactions in that class of Financial Products for that PID against the total of the amount that the Participant is entitled to receive from ASX Clear on that Business Day by way of all CCP Market Trade Batch Instructions in respect of Cash CCP Transactions in that class of Financial Products for the same PID;

- (b) notify Participants of their projected Novated Net Delivery Position calculated in accordance with paragraph (a) above in respect of a PID of the Participant as at the End of Day of each Business Day that the Participant has CCP Market Trade Batch Instructions in respect of Cash CCP Transactions in a class of Financial Products due for settlement, in accordance with the Procedures;
- (c) notify the Approved Settlement Facility of the Novated Net Delivery Position calculated in accordance with paragraph (a) above in respect of a PID of a Participant as at the commencement of the Settlement Processing Phase in respect of that Business Day; and
- (d) where both of the following apply:
  - (i) a Participant (or its Settlement Agent) operates multiple Settlement Accounts for the settlement of CCP Batch Instructions in respect of a PID of the Participant; and
  - (ii) CCP Market Trade Batch Instructions in a class of Financial Products due for settlement on a Business Day relate to more than one of those Settlement Accounts,

ASX Clear will calculate, or cause to be calculated, and notify a separate Novated Net Delivery Position in respect of each Settlement Account to which the CCP Market Trade Batch Instructions relate.

Note: For the purpose of determining the relevant Novated Net Delivery Position in respect of a PID of a Participant for a class of Financial Products due to be delivered or received on a Business Day during an Ex-Period (as defined in the ASX Settlement Operating Rules), regard is to be had to whether the Financial Product is to be transferred with or without the relevant Entitlement.

A Settlement Participant that is a Clearing Participant must operate at least two Settlement Accounts, including one Settlement Account with a 'foreign' residency indicator to facilitate foreign to foreign allocations, unless otherwise agreed by ASX Settlement (refer to ASX Settlement Operating Rule 6.3.4).

The Novated Net Delivery Position in respect of a PID of a Participant will not include delivery or payment obligations or entitlements for Cash CCP Transactions due for settlement by way of CCP Offsetting Transaction Arrangement Batch Instructions under Rule 12.6.2A, CCP Rescheduled Batch Instructions under Rule 12.6.2B or CCP Isolate Counterparty Batch Instructions under Rule 12.9.1.

For reconciliation purposes against the projected Novated Net Delivery Position notified to a Participant by ASX Clear under Rule 16.2.1A(b), the Participant in its capacity as Settlement Participant (or if it is not also a Settlement Participant, a Settlement Participant acting as a Settlement Agent for the Participant), may also request an obligation status report in respect of the underlying Cash CCP Transactions due for settlement on the relevant Business Day by way of CCP Market Trade Batch Instructions in respect of a PID for a particular class of Financial Products in accordance with Rule 16.20 of the operating rules of the Approved Settlement Facility.

## **12.6.2 Notification of Cash CCP Transactions to Approved Settlement Facility**

Subject to Rule 12.6.2A, within the time prescribed in the Procedures, ASX Clear will for each Business Day send to the Approved Settlement Facility a CCP ~~Net~~-Market Trade Batch

Instruction containing the details specified in the Procedures in respect of each Cash CCP Transaction due for settlement on that Business Day;

- ~~(a) the net delivery obligation or entitlement of a Participant for each PID for all CCP Cash Transactions in a class of Financial Products due for settlement on that Business Day; and~~
- ~~(b) the associated net payment obligation or entitlement of the Participant for each PID for all Cash CCP Transactions in the class of Financial Products due for settlement on that Business Day which will be calculated by setting off the total of the amounts that the Participant is obliged to pay ASX Clear on that Business Day in respect of transactions in that class of Financial Products for a PID against the total of the amount that the Participant is entitled to receive from ASX Clear in respect of transactions in that class of Financial Products for the same PID;~~

~~and will notify the Participant of the CCP Net Batch Instruction.~~

Introduced 11/03/04 Amended 08/08/13, 28/04/14

#### **12.6.2A Obligations under Offsetting Transaction Arrangement relating to Failed CCP ~~Net~~ Batch Instruction**

Where the Approved Settlement Facility notifies ASX Clear of Failed CCP ~~Net~~ Batch Instructions under Rule 12.8A and pursuant to that Rule ASX Clear enters into an Offsetting Transaction Arrangement with the Participant that has obligations or entitlements under the Failed CCP ~~Net~~ Batch Instruction, then:

- (a) obligations and entitlements under the first leg of an Offsetting Transaction Arrangement entered into in respect of each such Failed CCP ~~Net~~ Batch Instruction will be set-off against and discharged by equal but opposite obligations and entitlements under the Failed CCP ~~Net~~ Batch Instruction in the manner set out in Rule 12.8A;
- (b) obligations and entitlements under the second leg of an Offsetting Transaction Arrangement entered into in respect of each such Failed CCP ~~Net~~ Batch Instruction will also be included as delivery and payment obligations or entitlements (as applicable) of the Participant for the PID to which those Failed CCP ~~Net~~ Batch Instructions related in the class of Financial Products due for settlement on the next Business Day;
- (c) where the Failed CCP Batch Instruction is a CCP Market Trade Batch Instruction, ASX Clear will, within the time specified in the Procedures, send to the Approved Settlement Facility a CCP Offsetting Transaction Arrangement Batch Instruction containing the details specified in the Procedures in respect of:
  - (i) the net delivery obligation or entitlement of a Participant for each PID under the second leg of the Offsetting Transaction Arrangements entered into in respect of all CCP Market Trade Batch Instructions that are Failed on a Settlement Date in that class of Financial Product; and
  - (ii) the associated net payment obligation or entitlement of the Participant for each PID under the second leg of the Offsetting Transaction Arrangements entered into in respect of all CCP Market Trade Batch Instructions that are Failed on that Settlement Date in that class of Financial Product; and

(iii) where both of the following apply:

(A) a Participant (or its Settlement Agent) operates multiple Settlement Accounts for the settlement of CCP Batch Instructions in respect of a PID of the Participant; and

(B) the CCP Market Trade Batch Instructions in a class of Financial Products that are Failed on a Settlement Date relate to more than one of those Settlement Accounts.

ASX Clear will send to the Approved Settlement Facility a separate CCP Offsetting Transaction Arrangement Batch Instruction in respect of each Settlement Account to which the Failed CCP Market Trade Batch Instructions relate.

and will notify the Participant of the CCP Offsetting Transaction Arrangement Batch Instruction; and

(d) where the Failed CCP Batch Instruction is a CCP Rescheduled Batch Instruction, a CCP Offsetting Transaction Arrangement Batch Instruction or a CCP Isolate Counterparty Batch Instruction:

(i) the CCP ~~Net~~ Batch Instructions due for settlement on a Business Day in respect of that Participant will ~~, in addition to the CCP Net Batch Instructions notified under Rule 12.6.2, also~~ include separate ~~CCP Net Batch Instructions~~ CCP Offsetting Transaction Arrangement Batch Instructions containing details of delivery and payment obligations and entitlements (as applicable) of the Participant under the second leg of each Offsetting Transaction Arrangement entered into in respect of a CCP Rescheduled Batch Instruction, CCP Offsetting Transaction Arrangement Batch Instruction or CCP Isolate Counterparty Batch Instruction ~~CCP Net Batch Instruction~~ (and representing equivalent delivery and payment obligations and entitlements of the Participant (as applicable) as under the ~~CCP Net Batch Instruction~~ CCP Rescheduled Batch Instruction, CCP Offsetting Transaction Arrangement Batch Instruction or CCP Isolate Counterparty Batch Instruction) Failed on the previous Business Day relating to that PID and class of Financial Products; and

(ii) ~~an instruction~~ CCP Offsetting Transaction Arrangement Batch Instructions will be deemed to have been generated by ASX Clear and sent to the Approved Settlement Facility which contains the details referred to in ~~(ed)~~ (i) above.

Introduced 28/04/14

## 12.6.2B Rescheduling of CCP Market Trade Batch Instructions as CCP Rescheduled Batch Instructions

Where the Approved Settlement Facility notifies ASX Clear of:

(a) Failed CCP Market Trade Batch Instructions due to a Financial Products Shortfall, ASX Clear will, within the time specified in the Procedures, send to the Approved Settlement Facility a CCP Rescheduled Batch Instruction containing the details specified in the Procedures in respect of:

(i) the net delivery obligation or entitlement of a Participant for each PID for all CCP Market Trade Batch Instructions that are Failed on a Settlement Date in a class of Financial Products; and

- (ii) the associated net payment obligation or entitlement of the Participant for each PID for all CCP Market Trade Batch Instructions that are Failed on that Settlement Date in that class of Financial Products;
- (b) the suspension of CCP Market Trade Batch Instructions scheduled for settlement on the day that ASX Settlement suspends approval of a class of an Issuer's Financial Products or on a subsequent Business Day in accordance with the operating rules of the Approved Settlement Facility, ASX Clear will, within the time specified in the Procedures, send to the Approved Settlement Facility a CCP Rescheduled Batch Instruction containing the details specified in the Procedures in respect of:
  - (i) the net delivery obligation or entitlement of a Participant for each PID for all CCP Market Trade Batch Instructions that are suspended on a Settlement Date in a class of Financial Products; and
  - (ii) the associated net payment obligation or entitlement of the Participant for each PID for all CCP Market Trade Batch Instructions that are suspended on that Settlement Date in that class of Financial Products; or
- (c) the cancellation of Batch Settlement on a particular Business Day in accordance with the operating rules of the Approved Settlement Facility and there are CCP Market Trade Batch Instruction due for settlement on that Business Day, ASX Clear will, within the time specified in the Procedures, send to the Approved Settlement Facility a CCP Rescheduled Batch Instruction containing the details specified in the Procedures in respect of:
  - (i) the net delivery obligation or entitlement of a Participant for each PID for all CCP Market Trade Batch Instructions that are due for settlement on that Business Day in a class of Financial Products; and
  - (ii) the associated net payment obligation or entitlement of the Participant for each PID for all CCP Market Trade Batch Instructions that are due for settlement on that Business Day in that class of Financial Products; and
- (d) where both of the following apply:
  - (i) a Participant (or its Settlement Agent) operates multiple Settlement Accounts for the settlement of CCP Batch Instructions in respect of a PID of the Participant; and
  - (ii) the CCP Market Trade Batch Instructions in a class of Financial Products that are:
    - a. Failed or suspended on a Settlement Date; or
    - b. due for settlement on a Business Day when batch settlement is cancelled,

relate to more than one of those Settlement Accounts,

ASX Clear will send to the Approved Settlement Facility a separate CCP Rescheduled Batch Instruction in respect of each Settlement Account to which those CCP Market Trade Batch Instructions relate,

and will notify the Participant of the CCP Rescheduled Batch Instruction.



### 12.6.3 Failure to discharge net obligation – [Deleted]

Introduced 11/03/04 Origin SCH 7.9.3 Deleted 31/03/05

## 12.7 CANCELLATION AND REMOVAL OF CASH CCP TRANSACTIONS FROM NOVATION, NETTING AND SETTLEMENT

### 12.7.1 Removal by ASX Clear of a Cash CCP Transaction from settlement notification

ASX Clear may, before the time specified in the Procedures, remove Cash CCP Transactions from transactions to be notified for settlement under Rule 12.6.2<sup>+</sup> if:

- (a) ASX Clear reasonably considers it appropriate having regard to Rule 1.15 in order to maintain the orderly operation and integrity of ASX Clear;
- (b) it is requested to do so by an Approved Market Operator in accordance with the Terms of Trade Acceptance Service, or by an Approved Settlement Facility, in order to ensure the efficiency, orderly operation, integrity or proper functioning of the market or facility; or
- (c) it is notified by an Approved Market Operator in accordance with the Terms of Trade Acceptance Service, or by an Approved Settlement Facility, that the original Cash Market Transaction has been cancelled,

and if it removes the Cash CCP Transactions, ASX Clear will immediately notify:

- (d) the affected Participants that the Cash CCP Transactions have been removed; and
- (e) where relevant, the Approved Market Operator or the Approved Settlement Facility that the Cash CCP Transactions have been removed,

and Rule 12.7.6 will have effect.

[For the purpose of this Rule 12.7.1, requests for removal of Cash CCP Transactions from transactions to be notified for settlement under Rule 12.6.2 can only be made by Approved Market Operators before End of Day on the day that the relevant underlying Cash Market Transaction was submitted to ASX Clear under Rule 12.1.1 by the Approved Market Operator.](#)

Introduced 11/03/04 Origin SCH 7.5A1, 7.5A.2 Amended 27/06/11

### 12.7.2 Buyer and Seller may request Cash CCP Transactions be removed from novation and set off – [Deleted]

~~If before the time specified in the Procedures, the Buyer and Seller to a Cash Market Transaction request ASX Clear to remove the transaction from novation under Rule 12.2.1 and set off under Rule 12.6.1, in order, for example, to remove the transaction to an Alternative Settlement Facility, ASX Clear will:~~

- ~~(a) — remove the corresponding Cash CCP Transactions from set off; and~~
- ~~(b) — notify the Buyer and Seller accordingly;~~

~~and Rule 12.7.6 will have effect.~~

~~If the Buyer and Seller request it, ASX Clear will send to an Approved Settlement Facility a corresponding Direct Batch Instruction.~~



Introduced 11/03/04 Origin SCH 7.13.1

**12.7.3 ~~Buyer and Seller may request~~ Cash CCP Transactions may be excluded from set off**

ASX Clear may exclude Cash CCP Transactions from set off under Rule 12.6.1 if ASX Clear reasonably considers it appropriate having regard to Rule 1.15 in order to maintain the orderly operation and integrity of ASX Clear.

If ASX Clear excludes the Cash CCP Transactions, ASX Clear will immediately notify:

- (a) the affected Participants that the Cash CCP Transactions have been excluded from set-off; and
- (b) where relevant, the Approved Market Operator or the Approved Settlement Facility that the Cash CCP Transactions have been excluded from set-off.

~~If before the time specified in the Procedures a Buyer and Seller to a Cash Market Transaction:~~

- ~~(a) request ASX Clear to remove the corresponding Cash CCP Transactions from set off under Rule 12.6.1; or~~
- ~~(b) request ASX Clear to remove the corresponding Cash CCP Transactions from set off under Rule 12.6.1 for the purpose of settlement in Real Time Gross Settlement;~~

~~ASX Clear will remove the Cash CCP Transactions from set off.~~

Introduced 11/03/04 Origin SCH 7.12

**12.7.4 Action by ASX Clear where Buyer and Seller request Cash CCP Transaction be excluded from set off - [Deleted]**

~~Subject to Rule 12.7.9, where ASX Clear accepts a request under Rule 12.7.3 to exclude a transaction from set off, ASX Clear will, within the time specified in the Procedures, send to the Approved Settlement Facility corresponding:~~

- ~~(a) CCP Gross Batch Instructions; or~~
- ~~(b) CCP RTGS Instructions;~~

~~as the case requires and notify the Buyer and Seller accordingly.~~

Introduced 11/03/04 Origin SCH 7.12, 28/04/14

**12.7.5 Buyer and Seller may cancel request - [Deleted]**

~~If before the time specified in the Procedures, the Buyer and Seller to a transaction cancel a request made to ASX Clear to:~~

- ~~(a) remove the transaction from novation and set off under Rule 12.7.2; or~~
- ~~(b) remove the transaction from set off under Rule 12.7.3;~~

~~and ASX Clear accepts the request for cancellation, ASX Clear will reinstate the transaction to novation and set off or set off as the case requires.~~

Introduced 11/03/04 Origin SCH 7.1.4A, 7.12, 7.12A, 7.13

## 12.7.6 Effect of removal of Cash CCP Transaction

If ASX Clear removes Cash CCP Transactions under Rules 12.7.1 ~~or 12.7.2~~:

- (a) the Seller and the Buyer are, and are taken from the time the original Cash Market Transaction was entered into, to be in direct contractual relationship with each other on the terms of that transaction;
- (b) the CCP Market Trade Batch Instructions generated and sent to the Approved Settlement Facility in respect of the Cash CCP Transactions will be cancelled; and
- (~~b~~) ASX Clear has no obligation in relation to those transactions.

Introduced 11/03/04 Origin SCH 7.5A.2, 7.13.3

## 12.7.7 Request by Buyer or Seller where counterparty not known ~~– [Deleted]~~

~~Where a Buyer or Seller (as the case may be) is not aware of the identity of its counterparty for the purpose of making a request to ASX Clear for the removal of a transaction under either Rule 12.7.2 or Rule 12.7.3, the Buyer or Seller may ask ASX Clear, by the time and in the manner set out in the Procedures, to facilitate such a request.~~

Introduced 28/11/05

## 12.7.8 ASX Clear action where asked to facilitate a request ~~– [Deleted]~~

~~Upon being asked under Rule 12.7.7 to facilitate a request, ASX Clear will use reasonable endeavours to contact the counterparty to ascertain whether the counterparty is agreeable or otherwise to a request to remove the transaction. ASX Clear will notify the Buyer or Seller as soon as reasonably practicable whether the counterparty is agreeable to the request.~~

Introduced 28/11/05

## 12.7.9 Obligations under second leg of Offsetting Transaction Arrangement relating to Failed CCP Gross Batch Instruction ~~– [Deleted]~~

~~Where the Approved Settlement Facility notifies ASX Clear of Failed CCP Gross Batch Instructions under Rule 12.8A and pursuant to that Rule ASX Clear enters into an Offsetting Transaction Arrangement with the Participant that has obligations or entitlements under the Failed CCP Gross Batch Instruction, then:~~

- (a) ~~obligations and entitlements under the first leg of an Offsetting Transaction Arrangement entered into in respect of each such Failed CCP Gross Batch Instruction will be set off against and discharged by equal but opposite obligations and entitlements under the Failed CCP Gross Batch Instruction in the manner set out in Rule 12.8A;~~
- (b) ~~CCP Gross Batch Instructions due for settlement on a Business Day in respect of that Participant will, in addition to the CCP Gross Batch Instructions notified under Rule 12.7.4, also include separate CCP Gross Batch Instructions containing details of delivery and payment obligations and entitlements (as applicable) of the Participant under the second leg of each Offsetting Transaction Arrangement entered into in respect of a CCP Gross Batch Instruction (and representing equivalent delivery and payment obligations and entitlements of the Participant (as applicable) as under the CCP Gross Batch Instruction) Failed on the previous Business Day relating to that PID; and~~

~~(e) an instruction will be deemed to have been generated by ASX Clear and sent to the Approved Settlement Facility which contains the details referred to in (b) above.~~

Introduced 28/04/14

### 12.7.10 Cancellation by Approved Settlement Facility of CCP Isolate Counterparty Batch Instructions

Where the Approved Settlement Facility cancels CCP Isolate Counterparty Batch Instructions generated in respect of a request from a Buyer to isolate a counterparty under Rule 12.9.1, pursuant to a request by the receiving Settlement Participant and delivering Settlement Participant(s) to those CCP Isolate Counterparty Batch Instructions, then:

- (a) ASX Clear has no obligation in relation to those CCP Isolate Counterparty Batch Instructions; and
- (b) the relevant Cash CCP Transactions (or part thereof (as applicable)) which underlie the CCP Isolate Counterparty Batch Instructions are cancelled and ASX Clear and the relevant Buyer and Seller have no obligations in relation to those Cash CCP Transactions.

## 12.8 PAYMENT OR DELIVERY FAILURE OF CASH CCP TRANSACTIONS

### 12.8.1 Failure causing an increase in ASX Clear's payment obligations

If an Approved Settlement Facility Fails:

- (a) a CCP Market Trade ~~Net~~ Batch Instruction generated by ASX Clear under Rule 12.6.2-~~or 12.6.2A~~;
- (b) a CCP ~~Gross~~ Isolate Counterparty Batch Instruction generated by ASX Clear under Rule 12.9.1.7.4 ~~or 12.7.9~~; ~~or~~
- ~~(e) a CCP RTGS Instruction generated by ASX Clear under Rule 12.7.4,~~
- (c) a CCP Rescheduled Batch Instruction generated by ASX Clear under Rule 12.6.2B; or
- (d) a CCP Offsetting Transaction Arrangement Batch Instruction generated or deemed to be generated by ASX Clear under Rule 12.6.2A(c) or 12.6.2A(d),

and as a result of the Failure there is an increase in ASX Clear's obligation to make payment, ASX Clear may make arrangements to meet its increased obligation. Where ASX Clear considers that a Participant's default would trigger a Failure in respect of an Instruction referred to in this Rule 12.8.1, ASX Clear may also make arrangements to make payments to avoid such Instructions being Failed.

Introduced 11/03/04 Origin SCH 7.26.1 Amended 28/04/14

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### 12.8.5 Application of Standard Settlement Price by ASX Clear

If an Approved Settlement Facility Fails in full or in part:

- (a) a CCP ~~Net~~ Market Trade Batch Instruction generated by ASX Clear under Rule 12.6.2-~~or 12.6.2A~~;

- (b) a CCP ~~Gross-Isolate Counterparty~~ Batch Instruction generated by ASX Clear under Rule 12.9.17.4 or 12.7.9; or
- ~~(e) a CCP RTGS Instruction generated by ASX Clear under Rule 12.7.4;~~
- (c) a CCP Rescheduled Batch Instruction generated by ASX Clear under Rule 12.6.2B; or
- (d) a CCP Offsetting Transaction Arrangement Batch Instruction generated or deemed to be generated by ASX Clear under Rule 12.6.2A(c) or Rule 12.6.2A(d),

and ASX Clear requests the Approved Settlement Facility to reschedule the Instruction or schedule the resulting Instruction (as applicable) to the next Business Day, ASX Clear will apply a Standard Settlement Price to determine a Revised Settlement Amount for each Instruction or part of Instruction that ASX Clear requests the Approved Settlement Facility to reschedule or schedule (as applicable) for settlement and:

- ~~(d)~~ if ASX Clear has an entitlement to receive under ~~a rescheduled~~the Instruction and:
  - (i) if the Revised Settlement Amount is greater than the Settlement Amount of the Instruction that has Failed, the delivering Participant must pay ASX Clear the difference between the two amounts; or
  - (ii) if the Revised Settlement Amount is less than the Settlement Amount of the Instruction that has Failed, ASX Clear must pay to the delivering Participant the difference between the two amounts;
- ~~(e)~~ if ASX Clear has an obligation to deliver under ~~a rescheduled~~the Instruction and:
  - (i) if the Revised Settlement Amount is less than the Settlement Amount of the ~~Settlement~~ Instruction that has Failed, the receiving Participant must pay ASX Clear the difference between the two amounts; and
  - (ii) if the Revised Settlement Amount is greater than the Settlement Amount of the Instruction that has Failed, ASX Clear must pay the receiving Participant the difference between the two amounts; and
- ~~(f)~~ ASX Clear will apply the Revised Settlement Amount to each Instruction.

Introduced 11/03/04 Origin SCH 7.28.2 Amended 28/04/14

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## 12.8A ASX CLEAR TO ENTER INTO OFFSETTING TRANSACTIONS

### 12.8A.1 Offsetting Transaction Arrangement

Where the Approved Settlement Facility Fails CCP Batch Instructions for a Payment Shortfall (or to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a) of the operating rules of the Approved Settlement Facility) or for a suspension or termination of a Payments Provider that would affect payment under a CCP Batch Instruction, and notifies ASX Clear of those CCP Batch Instructions:

- (a) ASX Clear may, in its absolute discretion, enter into an Offsetting Transaction Arrangement with each non-defaulting Participant (or in the case of a CCP Batch Instruction Failed for a suspension or termination of a Payments Provider, with the

affected Participant other than for where the affected Participant's authority to clear the category of Market Transaction that underlies the Failed CCP Batch Instruction has been suspended or terminated) that has obligations or entitlements under the Failed CCP Batch Instruction (reflecting obligations and entitlements under Cash CCP Transactions to which the Participant is a counterparty which underlie such CCP Batch Instruction);

- (b) The Offsetting Transaction Arrangement is to provide for:
- (i) under the first leg of the Offsetting Transaction Arrangement, obligations and entitlements which are equal but opposite to the outstanding obligations and entitlements of ASX Clear and the Participant under the Failed CCP Batch Instruction;
  - (ii) under the second leg of the Offsetting Transaction Arrangement, obligations and entitlements which are equal but opposite to the obligations and entitlements of ASX Clear and the Participant under the first leg of the Offsetting Transaction Arrangement (ie equal to the outstanding obligations and entitlements of ASX Clear and the Participant under the Failed CCP Batch Instruction),

on the terms set out in the Procedures.

- (c) Nothing further is required to be done by either ASX Clear or the Participant in order to enter into and bring into effect such Offsetting Transaction Arrangement;
- (d) At the time of entry into an Offsetting Transaction Arrangement, the delivery and payment obligations and entitlements of the Participant and ASX Clear under the Failed CCP Batch Instruction are to be set-off against the equal but opposite payment and delivery obligations and entitlements of the Participant and ASX Clear under the first leg of the Offsetting Transaction Arrangement relating to the Failed CCP Batch Instruction, with the result that:
- (i) each of the obligations of a Participant to deliver Financial Products (or Entitlements relating to those Financial Products) to ASX Clear under the Failed CCP Batch Instruction are discharged by the equal but opposite obligations of ASX Clear to deliver Financial Products (or Entitlements relating to those Financial Products) to the Participant under the first leg of the Offsetting Transaction Arrangement;
  - (ii) each of the obligations of ASX Clear to make payment to the Participant under the Failed CCP Batch Instruction are discharged by the equal but opposite obligations of the Participant to make payment to ASX Clear under the first leg of the Offsetting Transaction Arrangement;
  - (iii) each of the obligations of ASX Clear to deliver Financial Products (or Entitlements relating to those Financial Products) to a Participant under the first leg of the Offsetting Transaction Arrangement are discharged by the equal but opposite obligations of the Participant to deliver Financial Products (or Entitlements relating to those Financial Products) to ASX Clear under the Failed CCP Batch Instruction; and
  - (iv) each of the obligations of a Participant to make payment to ASX Clear under the first leg of the Offsetting Transaction Arrangement are discharged by the

equal but opposite obligations of ASX Clear to make payment to the Participant under the Failed CCP Batch Instruction;

- (e) payment and delivery obligations and entitlements of a Participant under the second leg of the Offsetting Transaction Arrangement will be due for settlement on the following Business Day and are subject to set-off against all other payment and delivery obligations and entitlements for the PID to which the Failed CCP Batch Instruction related and inclusion for settlement in accordance with Rules 12.6 ~~and 12.7 (as applicable)~~ and discharge by net delivery and net payment in accordance with Rule 12.4.

Introduced 28/04/14 Amended 01/10/15

## 12.9 ISOLATE COUNTERPARTY – CASH CCP TRANSACTIONS

### 12.9.1 Where CCP ~~Net~~ Market Trade Batch Instruction has Failed, been suspended or upon cancellation of Batch Settlement

In relation to a CCP ~~Net~~ Market Trade Batch Instruction:

- (a) which has Failed in full or in part and results in the generation of a CCP Rescheduled Batch Instruction under Rule 12.6.2B(a), a CCP Offsetting Transaction Arrangement Batch Instruction under Rule 12.6.2A or an Accrued Batch Instruction under the operating rules of the Approved Settlement Facility;
- (b) which has been suspended and results in the generation of a CCP Rescheduled Batch Instruction under Rule 12.6.2B(b); or
- (c) which was due to settle on a day when Batch Settlement was cancelled and results in the generation of a CCP Rescheduled Batch Instruction under Rule 12.6.2B(c),

a Buyer (or if the Buyer is not also a Settlement Participant, a Settlement Participant acting as Settlement Agent for a Buyer) may request ASX Clear to isolate a counterparty in relation to the CCP Rescheduled Batch Instruction, CCP Offsetting Transaction Arrangement Batch Instruction or Accrued Batch Instruction (as applicable) and ASX Clear may, in its absolute discretion:

- (~~d~~) select one or more Sellers in respect of the CCP Rescheduled Batch Instruction, CCP Offsetting Transaction Arrangement Batch Instruction or Accrued Batch Instruction (as applicable) ~~CCP Net Batch Instruction~~ relating to that particular class of Financial Products so that the Financial Products to be delivered by the Seller or Sellers matches the total number of Financial Products to be received by the Buyer in relation to that particular class of Financial Products;
- (~~e~~) create ~~a~~ CCP Gross-Isolate Counterparty Batch Instructions between ASX Clear and the Seller or Sellers and ASX Clear and the Buyer relating to that number of Financial Products and send the Instructions to the Approved Settlement Facility for settlement on the next Business Day;
- (f) apply to the CCP Isolate Counterparty Batch Instructions created under paragraph (e) the same unique identifier code for the purpose of the Approved Settlement Facility linking the settlement of those CCP Isolate Counterparty Batch Instructions in Batch Settlement, so that if one of the linked CCP Isolate Counterparty Batch Instructions is Failed in full or in part on a Settlement Date, the linked CCP Isolate Counterparty

Batch Instructions with the same unique identifier code will also be Failed in full or in part (as applicable) on that Business Day;

- (ge) reduce the Seller's or Sellers' relevant CCP Rescheduled Batch Instructions, CCP Offsetting Transaction Arrangement Batch Instruction(s) or Accrued Batch Instruction(s) (as applicable) ~~CCP-Net Batch instructions~~ by the number of units included in the ~~i~~Instruction created under Rule 12.9.1(e); and
- (hd) reduce the Buyer's relevant CCP Rescheduled Batch Instruction, CCP Offsetting Transaction Arrangement Batch Instruction or Accrued Batch Instruction (as applicable) ~~CCP-Net Batch instructions~~ by the number of units included in the Instruction created under Rule 12.9.1(e).

Introduced 11/03/04 Origin SCH 7.45.1 Amended 01/10/15

## 12.9.2 ASX Clear may take action to isolate counterparties

Even though a Buyer has not requested ASX Clear to act in accordance with Rule 12.9.1, ASX Clear:

- (a) may take such action under Rule 12.9.1 as if the identified Buyer had made such request under Rule 12.9.1; and
- (b) where such action is taken, will notify all Sellers and Buyers of the resulting settlement obligation.

Introduced 11/03/04 Origin SCH 7.45.4

## 12.9.3 Application of the Rules

Rule 12.9.1 applies to action taken by ASX Clear under Rule 12.9.2 as if the Buyer had made the request under Rule 12.9.1.

Introduced 11/03/04 Origin SCH 7.45.5

## 12.10 DISCHARGE OF SETTLEMENT OBLIGATIONS RELATING TO CASH CCP TRANSACTIONS

### 12.10.1 Time at which discharge of settlement obligations occur

Subject to Rule 12.8A in respect of Cash CCP Transactions underlying a Failed CCP Batch Instruction settled through a Cash CCP Transaction that is a transaction under the first leg of an Offsetting Transaction Arrangement, ASX Clear and Participants will be taken under these Rules to have discharged their settlement obligations in relation to Cash CCP Transactions under Rule 4.20 only upon receipt by ASX Clear and the Participant or the Participant's Settlement Participant of a declaration by an Approved Settlement Facility that in accordance with the operating rules of that Approved Settlement Facility:

- (a) each obligation to deliver Financial Products is discharged irrevocably in full;
- (b) each entitlement to receive Financial Products or Entitlements is satisfied irrevocably in full;
- (c) each obligation to make payment has been discharged irrevocably in full; and
- (d) each entitlement to receive a payment has been satisfied irrevocably in full.

Note: A notification from ASX Settlement under Rule 10.13.3 of the ASX Settlement Operating Rules is a relevant declaration for the purposes of this Rule 12.10.1.

Introduced 11/03/04 Origin SCH 7.30.2 Amended 28/04/14

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### **12.17.3 Single net payment**

In addition to Rule 12.17.2A, ASX Clear may determine, and set out in the Procedures, that any net payment rights and net payment obligations arising under Rule 12.16 (including, where the Participant has been allocated or attributed more than one PID, any net payment rights or net payment obligations notified under Rule 12.16.1(c) or any net payment rights or net payment obligations notified under Rule 12.16.2(c)) may be settled through a single net payment of those amounts.

Introduced 11/03/04 Origin OCH 4.3.5A Amended 08/08/13

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## SECTION 24 TRANSITIONAL ARRANGEMENTS (TRANSITION TO NEW SYSTEM)

This Section sets out transitional arrangements governing the transition from the Old System to the New System, including:

- (a) the processing of Collateral removal requests;
- (b) Clearing Messages that will not be migrated from the Old System to the New System;
- (c) transitional arrangements for CCP Batch Instructions; and
- (d) the commencement timing for the transitional arrangements.

### 24.1 INTERPRETATION

#### 24.1.1 Definitions

In this Rule 24:

“Effective Period” in respect of a Rule in this Section 24 means the period during which that Rule is effective, as specified in the Procedure to Rule 24.1.2.

“New System” means the Clearing House Electronic Subregister System operated by ASX Clear and ASX Settlement from the New System Start Date.

“New System Start Date” means the date that ASX Clear notifies Participants as being the date on which the New System commences operation.

“Old System” means the Clearing House Electronic Subregister System operated by ASX Clear and ASX Settlement until the Old System Close Date.

“Old System Close Date” means the date that ASX Clear notifies Participants as being the date on which the Old System will cease to accept Clearing Messages from Participants.

#### 24.1.2 Commencement

Each Rule specified in this Section 24 will:

- (a) be effective on and from the commencement of the Effective Period for that Rule specified in the Procedures; and
- (b) if applicable, will cease to be effective at the end of the Effective Period for that Rule specified in the Procedures.

### 24.2 COLLATERAL REQUESTS

#### 24.2.1 Lodgement or withdrawal of Approved Financial Products as Cover against margin obligations

- (a) Notwithstanding paragraph 3.4 in Annexure 1 of the Procedures, if in the event that a Participant wishes to exchange Collateral or replace one form of Cover with another

form of Cover in respect of margin obligations on the Old System Close Date or the New System Start Date, which involves a process occurring through the Old System on or prior to the Old System Close Date, then:

- (i) for an exchange of Collateral under paragraph 3.4(a) in Annexure 1 of these Procedures, ASX Clear can determine, at its absolute discretion, a different time for when the relevant Collateral may be replaced by other Collateral than the times currently specified in that paragraph (i.e. between 8:00 am and 5:00pm on a Business Day);
- (ii) for a replacement of Collateral with Cash Cover under paragraph 3.4(b) in Annexure 1 of these Procedures, ASX Clear can determine, at its absolute discretion, a different time for when withdrawal requests must be transmitted by a Participant than the time currently specified in that paragraph (i.e. by 5:00 pm on the Business Day before the release of the Collateral is required); and
- (iii) for a replacement of Cash Cover with Collateral under paragraph 3.4(c) in Annexure 1 of these Procedures, ASX Clear can determine, at its absolute discretion, a different time for when the replacement Collateral must be lodged by a Participant than the time currently specified in that paragraph (i.e. by 5:00 pm on the Business Day before the release of the Cash Cover is required).

(b) Without limiting Rule 24.3.1, where in relation to the:

- (i) lodgement of Approved Financial Products as Cover or specific Cover for margin obligations;
- (ii) exchange of Collateral or replacement of one form of Cover with another form of Cover for margin obligations;
- (iii) withdrawal of Approved Financial Products not covering margin obligations; or
- (iv) transfer of Collateral from one Participant to another Participant,

the workflow required to be performed through the Old System in respect of such lodgement, exchange or replacement, withdrawal or transfer has not been completed through the Old System by the End of Day on the Old System Close Date, ASX Clear will not give effect to such lodgement, exchange or replacement, withdrawal or transfer.

Note: ASX Clear will attempt to process requests relating to such lodgement, exchange, replacement, withdrawal or transfer of Cover submitted through the Old System on the Old System Close Date or on the prior Business Day by End of Day on the Old System Close Date.

Subject to these Rules, requests relating to such lodgement, exchange, replacement, withdrawal or transfer of Cover submitted through the Old System that are not given effect to by ASX Clear may be re-initiated by Participants through the New System from the New System Start Date.

## 24.2.2 Third Party Withdrawals of CHESSE Holdings

Notwithstanding paragraph 3.6 in Annexure 1 of the Procedures, for withdrawals of CHESSE Holdings lodged as Cover in respect of margin obligations for Derivatives CCP Contracts under Rule 14.6 where the ASX Settlement participant is different to the ASX Clear Participant, if the ASX Clear Participant receives a CHESSE 168 – CP Collateral Removal Authorisation Request message less than 2 Business days prior to the Old System Close Date, the ASX Clear Participant must respond with a CHESSE 103 – CP Collateral Removal Authorisation message or a CHESSE 109 – CP Collateral Removal Rejection message by End of Day on the Old System Close Date.

Note: If an ASX Clear Participant receives a Message of a type specified in Rule 24.2.2 less than two Business days before the Old System Close Date and the ASX Clear Participant does not respond to the Message with a CHESSE 168 – CP Collateral Removal Authorisation Request message by the End of Day on the Old System Close Date, pursuant to Rule 24.3 the Message will not be migrated to the New System unless the Message is of a type specified in the Procedure to Rule 24.3.1.

## 24.3 UNACTIONED CLEARING MESSAGES

### 24.3.1 Unactioned Old System Clearing Messages at End of Day on Old System Close Date not migrated

Notwithstanding any other Rule:

(a) if a Clearing Message is:

- (i) submitted by a Participant or ASX Clear through the Old System before the End of Day on the Old System Close Date;
- (ii) not responded to by ASX Clear or a Participant (as applicable) through the Old System, by the End of Day on the Old System Close Date; and
- (iii) not of a type specified in the Procedures.

ASX Clear will not migrate the Message from the Old System to the New System and will not give effect to the Clearing Message; and

(b) if a Participant submits a Clearing Message to ASX Clear on or after the New System Start Date responding, or purporting to respond, to a Clearing Message that is not migrated by ASX Clear under paragraph (a), ASX Clear will not give effect to the Clearing Message submitted by the Participant despite any other Rule.

Note: This Rule 24.3 only applies to Clearing Messages submitted through CHESSE. It does not apply to Clearing Messages submitted through the Derivatives Clearing System or the giving effect to those Clearing Messages. This includes, without limitation, any Exercise Notices submitted by a Buyer of an Options CCP Contract to ASX Clear through the Derivatives Clearing System, which when allocated by ASX Clear to a Seller of an Options CCP Contract will continue to generate in CHESSE CCP Batch Instructions notified by ASX Clear to the Approved Settlement Facility for settlement in the Approved Settlement Facility on the relevant Settlement Date.

Subject to these Rules, requests, notifications or other actions relating to Clearing Messages submitted through the Old System that are not migrated by ASX Clear may

be re-initiated by Participants through the New System from the New System Start Date.

Where a Clearing Message which has submitted through the Old System is of a type specified in the Procedure to Rule 24.3.1(a)(iii), ASX Clear may give effect to that Clearing Message through the New System from the New System Start Date.

## **24.4 CCP BATCH INSTRUCTIONS**

### **24.4.1 Migration of CCP Batch Instructions**

Each CCP Batch Instruction generated or deemed to be generated by ASX Clear and sent to the Approved Settlement Facility by Start of Day on the New System Start Date in respect of the Old System which is yet to be discharged in full, is to be migrated to the New System and scheduled for settlement in the manner set out in ASX Settlement Operating Rule 19.4.1.

Note: ASX Settlement Operating Rule 19.4.1 deals with the migration to the New System and scheduling in DvP Batch Settlement of CCP Batch Instructions received or deemed to be received by the Approved Settlement Facility from ASX Clear by Start of Day on the New System Start Date in respect of the Old System which are yet to be discharged in full.

### **24.4.2 Linked CCP Batch Instructions**

- (a) For each CCP Gross Batch Instruction generated by ASX Clear and sent to the Approved Settlement Facility by Start of Day on the New System Start Date in respect of the Old System which is yet to be discharged in full, for which the underlying Cash CCP Transaction is of a type specified in the Procedures, ASX Clear will notify the Approved Settlement Facility of a unique identifier code in respect of that CCP Gross Batch Instruction for the purpose of the Approved Settlement Facility linking the settlement of the CCP Rescheduled Batch Instruction recorded in the New System and scheduled for settlement in DvP Batch Settlement in respect of that CCP Gross Batch Instruction, so that if one of the linked CCP Rescheduled Batch Instructions is Failed or Failed in part on a Settlement Date, the linked CCP Rescheduled Batch Instructions will also be Failed or Failed in part (as applicable) on that Business Day.
- (b) For each CCP Gross Batch Instruction generated by ASX Clear under Rule 12.9.1 and sent to the Approved Settlement Facility by Start of Day on the New System Start Date in respect of the Old System which is yet to be discharged in full, ASX Clear will notify the Approved Settlement Facility of a unique identifier code in respect of that CCP Gross Batch Instruction for the purpose of the Approved Settlement Facility linking the settlement of the CCP Isolate Counterparty Batch Instruction recorded in the New System and scheduled for settlement in DvP Batch Settlement in respect of that CCP Gross Batch Instruction, so that if one of the linked CCP Isolate Counterparty Batch Instructions is Failed or Failed in part on a Settlement Date, the linked CCP Isolate Counterparty Batch Instructions will also be Failed or Failed in part (as applicable) on that Business Day.

# ASX CLEAR OPERATING RULES PROCEDURES

## SECTION 1 INTRODUCTION AND GENERAL RULES

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### PROCEDURE 1.17.1 GRANT OF CHESS LICENCE

The Procedures referred to in this Rule are contained in the ~~ASX Settlement Participant Guidelines (APG), and the External Interface Specification (EIS).~~ [User Technical Documentation](#).

Introduced 11/03/04 Amended 21/06/05

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## SECTION 2 DEFINITIONS AND INTERPRETATION

### PROCEDURE 2.10 DEFINITIONS AND INTERPRETATION

“PID” – where requested by a Participant in accordance with any requirements (including the payment of any fee) notified by ASX Clear from time to time, ASX Clear may allocate [or attribute](#) more than one PID per Participant up to a maximum number of five (5) PIDs per Participant.

Introduced 02/08/13

[“User Technical Documentation” - has the meaning given to it in the ASX Settlement Operating Rules.](#)

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### PROCEDURE 4.20.1 SETTLEMENT OF CASH MARKET TRANSACTIONS AND CASH CCP TRANSACTIONS

For the purposes of Rule 4.20.1, a Cash Market Transaction may be settled on a day other than the second Business Day following the date the transaction was created on or reported to the Approved Market Operator where:

- (a) the Cash Market Transaction is a forward delivery transaction (in which case the Cash Market Transaction must be settled on the agreed forward date); ~~or~~
- (b) ASX Clear classifies the Cash Market Transaction as “deferred delivery” or “deferred settlement” (in which case the Cash Market Transaction must be settled on the day specified by ASX Clear); ~~;~~
- (c) [the Cash Market Transaction is reported to the Approved Market Operator with an “as at” date that is one Business Day prior to the date the transaction was reported to the Approved Market Operator \(in which case, the Cash Market Transaction will be settled on the second Business Day following the “as at” date\);](#)
- (d) [the Cash Market Transaction is reported to the Approved Market Operator with an “as at” date that is more than one Business Day prior to the date the transaction was reported to the Approved Market](#)

Operator (in which case, the Cash Market Transaction must be settled on the first Business Day following the date the transaction was reported to the Approved Market Operator); or

- (e) a market for dealing in a Financial Product which involves a different basis of quotation to the existing quotation in that Financial Product is established in accordance with the operating rules of the Approved Market Operator, and a Cash Market Transaction for the Financial Product is executed on a 'cum' benefit basis during a period when the existing quotation of the Financial Product is on the basis of 'ex' the benefit (in which case, the Cash Market Transaction must be settled on the first Business Day following the date that the transaction was created on or reported to the Approved Market Operator).

Introduced 27/06/11 Amended 07/03/16

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## **SECTION 6 COMMUNICATIONS WITH ASX CLEAR**

### **PROCEDURE 6.2 TESTING REQUIREMENTS**

ASX Clear may require a Participant to undertake the following testing:

#### **Primary Technical Accreditation – CHES**

Accreditation must be successfully completed for all Participants' ~~EIS~~ software. The extent of the testing required is contained in the applicable CHES Participant technical accreditation ~~Technical Accreditation~~ document available from ASX Clear.

All tests will be based on specifications and procedures defined in the ~~EIS and APG~~ User Technical Documentation.

#### **Connectivity testing – DCS**

The connectivity test is an objectively successful status check of the Gateway and server undertaken by the Central Clearing Controller (CCC) as initiated by ASX Clear. Note that this does not require ASX Clear to physically attend the premises of the Participant.

#### **Validation testing – DCS**

Validation tests must be successfully completed by Participants using ASX Derivatives Clearing System OIS software. The extent of the testing required is contained in the applicable Derivatives Clearing System Participant Technical Accreditation document available from ASX Clear.

ASX Clear will notify Participants of any amendment or addition to these validation tests.

Introduced 11/03/04 Amended 21/06/05, 27/06/11

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## SECTION 12 REGISTRATION, NOVATION, NETTING AND SETTLEMENT

### PROCEDURE 12.1.1 MARKET TRANSACTIONS TO BE REGISTERED

#### Cash Market Transactions:

- (a) Subject to paragraph (b), ASX Clear will accept for registration a Cash Market Transaction that is a reportable transaction under the operating rules of an Approved Market Operator that:
  - (i) results from the process of matching bids and offers in a trading platform of the Approved Market Operator; or
  - (ii) is recorded by a trading platform of the Approved Market Operator.
- (b) ASX Clear will not accept for registration a Cash Market Transaction in a class of Financial Product to which the acceptable considerations for not clearing certain securities apply. The acceptable considerations are set out in the Open Access Principles for a licensed listing market seeking access to ASX Clear published by the Commission and Reserve Bank of Australia.

If the delivering PID and the receiving PID relate to the same legal entity, ASX Clear will, ~~unless instructed otherwise in accordance with the Procedures,~~ register the Cash Market Transaction and notify the relevant Participant that the Cash Market Transaction has been registered for information only.

Amended 23/11/20

#### Derivatives Market Transactions:

#### ~~CONTRACTS WHICH WILL BE REGISTERED~~

ASX Clear will accept for registration a Derivatives Market Transaction that comprises:

- (a) an Options Market Contract; or
- (b) a Futures Market Contract,

traded on a trading platform of ASX.

ASX Clear will notify Participants of any new, or amendments to, Derivatives Market Contracts that it will accept for registration. Notification will be by way of a Notice to Participants.

Introduced 11/03/04 Amended 28/11/05, 27/06/11, 07/06/13

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### PROCEDURE 12.1.5 TIMING OF REGISTRATION

#### Cash Market Transactions:

Registration of a Cash Market Contract will occur immediately upon novation of the Cash Market Transaction under Rule 12.2.1, or in the case of an Offsetting Transaction Arrangement, registration of a transaction under the second leg of the Offsetting Transaction Arrangement will occur immediately upon the entry into of the Offsetting Transaction Arrangement.

## Derivatives Market Transactions:

### ~~TIME OF REGISTRATION OF MARKET CONTRACTS~~

Unless ASX Clear notifies Participants of another time, registration of a Derivatives Market Transaction will occur when the Derivatives Market Contract has been properly designated to Accounts of **both** Participants in whose names the Derivatives CCP Contracts will be registered.

Introduced 11/03/04 Amended 28/04/14

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### PROCEDURE 12.2.1 NOVATION – [DELETED]

~~Where the delivering PID and the receiving PID relate to the same legal entity, a Participant may instruct ASX Clear in writing and in a manner advised by ASX Clear from time to time, that it is not necessary to register a Cash Market Transaction and notify the Participant that it has been registered.~~

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### PROCEDURE 12.6.1A NETTED OBLIGATION REPORT

For Rule 12.6.1A(b):

- (a) unless otherwise notified by ASX Clear, ASX Clear will notify a Participant of its projected Novated Net Delivery Position in respect of each PID for each class of Financial Product before Start of Day on each Business Day; and
- (b) the notification will include:
  - (i) the Participant's projected Novated Net Delivery Position:
    - a. for each class of Financial Product for the relevant PID;
    - b. in respect of each Business Day on which a Cash CCP Transaction in that class of Financial Product is due for settlement;
    - c. calculated as at the time specified in Rule 12.6.1A(b);
  - (ii) the Settlement Account to which the Novated Net Delivery Position relates;
  - (iii) the class and number of Financial Products to be delivered or received in relation to the Novated Net Delivery Position;
  - (iv) whether the relevant Novated Net Delivery Position would result in a net delivery obligation or a net receipt entitlement in relation to that class of Financial Products;
  - (v) the Settlement Date to which the relevant Novated Net Delivery Position relates;
  - (vi) the total number of Cash CCP Transactions that comprise the relevant Novated Net Delivery Position; and



(vii) the amount of money to be paid or received in relation to the relevant Novated Net Delivery Position.

in respect of each applicable Settlement Date.

*Note:* For the purpose of paragraph (b)(i)a. in determining the relevant Novated Net Delivery Position in respect of a PID of a Participant for a class of Financial Products due to be delivered or received on a Business Day during an Ex-Period (as defined in the ASX Settlement Operating Rules), regard is to be had to whether the Financial Product is to be transferred with or without the relevant Entitlement.

Pursuant to Rule 12.6.1A(d), where a Participant (or its Settlement Agent) operates multiple Settlement Accounts for the settlement of CCP Batch Instructions in respect of a PID of the Participant, and CCP Market Trade Batch Instructions in a class of Financial Products due for settlement on a Business Day relate to more than one of those Settlement Accounts, ASX Clear will calculate, or cause to be calculated, and notify a separate Novated Net Delivery Position in respect of each Settlement Account to which the CCP Market Trade Batch Instructions relate.

## **PROCEDURE 12.6.2 NOTIFICATION OF CASH CCP TRANSACTIONS TO APPROVED SETTLEMENT FACILITY**

~~The time by which~~ ASX Clear will generate and forward a CCP Market Trade Net Batch Instructions in respect of each Cash CCP Transaction to the Approved Settlement Facility on a continuous basis as the Cash CCP Transaction arises ~~is by Start of Day on the Business Day before the Settlement Date.~~

The CCP Market Trade Net Batch Instruction will:

- (a) specify:
  - (i) the class of Financial Products;
  - (ii) the ~~net~~ number of Financial Products of that class to be delivered to ASX Clear by the Participant or received from ASX Clear by the Participant ~~for each PID~~;
  - (iii) the net Settlement Amount to be paid to ASX Clear by the Participant or received from ASX Clear by the Participant ~~for each PID~~;
  - (iv) if the Participant is obliged to deliver Financial Products, the source ~~PID~~-HIN from which the Financial Products are to be delivered;
  - (v) if the Participant is entitled to receive Financial Products, the target ~~PID~~-HIN to which the Financial Products are to be delivered; and
  - (vi) the scheduled Settlement Date;
- (b) include the PID of the delivering Participant or receiving Participant, as the case requires; and
- (c) be designated as an on market transaction.

*Note:* For the purpose of determining the number of Financial Products in a class due to be delivered or received on a Business Day during an Ex-Period (as defined in the ASX Settlement Operating Rules), regard is to be had to whether the Financial Product is to be transferred with or without the relevant Entitlement.

## **PROCEDURE 12.6.2A OBLIGATIONS UNDER OFFSETTING TRANSACTION ARRANGEMENT RELATING TO FAILED CCP BATCH INSTRUCTION**

The time by which ASX Clear will generate and forward a CCP Offsetting Transaction Arrangement Batch Instruction to the Approved Settlement Facility is during the Settlement Processing Phase on a Settlement Date.

The CCP Offsetting Transaction Arrangement Instruction will:

- (a) specify:
  - (i) the class of Financial Products;
  - (ii) the net number of Financial Products of that class to be delivered to ASX Clear by the Participant or received from ASX Clear by the Participant for each PID;
  - (iii) the net Settlement Amount to be paid to ASX Clear by the Participant or received from ASX Clear by the Participant for each PID;
  - (iv) if the Participant is obliged to deliver Financial Products, the source HIN from which the Financial Products are to be delivered;
  - (v) if the Participant is entitled to receive Financial Products, the target HIN to which the Financial Products are to be delivered; and
  - (vi) the scheduled Settlement Date, being the next Settlement Date;
- (b) include the PID of the delivering Participant or receiving Participant, as the case requires; and
- (c) be designated as an on market transaction.

*Note: Pursuant to Rule 12.6.2A(c)(iii), where a Participant (or its Settlement Agent) operates multiple Settlement Accounts for the settlement of CCP Batch Instructions in respect of a PID of the Participant, and the CCP Market Trade Batch Instructions in a class of Financial Products that are Failed on a Settlement Date relate to more than one of those Settlement Accounts, ASX Clear will send to the Approved Settlement Facility a separate CCP Offsetting Transaction Arrangement Batch Instruction in respect of each Settlement Account to which the Failed CCP Market Trade Batch Instructions relate.*

## **PROCEDURE 12.6.2B RESCHEDULING OF CCP MARKET TRADE BATCH TRANSACTIONS AS CCP RESCHEDULED INSTRUCTIONS**

The time by which ASX Clear will generate and forward CCP Rescheduled Batch Instructions to the Approved Settlement Facility is during the Settlement Processing Phase on a Settlement Date, or in the case of a cancellation of Batch Settlement on a Business Day, on or about the time of notification by the Approved Settlement Facility to ASX Clear of the cancellation.

The CCP Rescheduled Batch Instruction will:

- (a) specify:
  - (i) the class of Financial Products;

- (ii) the net number of Financial Products of that class to be delivered to ASX Clear by the Participant or received from ASX Clear by the Participant for each PID;
  - (iii) the net Settlement Amount to be paid to ASX Clear by the Participant or received from ASX Clear by the Participant for each PID;
  - (iv) if the Participant is obliged to deliver Financial Products, the source HIN from which the Financial Products are to be delivered;
  - (v) if the Participant is entitled to receive Financial Products, the target HIN to which the Financial Products are to be delivered; and
  - (vi) the scheduled Settlement Date, being the next Settlement Date;
- (b) include the PID of the delivering Participant or receiving Participant, as the case requires; and
- (c) be designated as an on market transaction.

*Note: Pursuant to Rule 12.6.2B(d), where a Participant (or its Settlement Agent) operates multiple Settlement Accounts for the settlement of CCP Batch Instructions in respect of a PID of the Participant, and the CCP Market Trade Batch Instructions in a class of Financial Products that are Failed or suspended on a Settlement Date or that are due for settlement on a Business Day when batch settlement is cancelled (as applicable) relate to more than one of those Settlement Accounts, ASX Clear will send to the Approved Settlement Facility a separate CCP Rescheduled Batch Instruction in respect of each Settlement Account to which those CCP Market Trade Batch Instructions relate.*

## **PROCEDURE 12.7.1 REMOVAL BY ASX CLEAR OF A CASH CCP TRANSACTION FROM SETTLEMENT NOTIFICATION**

ASX Clear may remove a Cash Market Transaction from settlement notification under this Rule provided it does so prior to the commencement of the Settlement Processing Phase on the Settlement Date~~netting for scheduled settlement.~~

Introduced 11/03/04

## **PROCEDURE 12.7.2 BUYER AND SELLER MAY REQUEST CASH MARKET TRANSACTION BE REMOVED FROM NOVATION AND SET OFF – [DELETED]**

~~The Buyer and Seller must notify ASX Clear of their request to remove a Cash Market Transaction from novation and set off before netting for scheduled settlement, i.e. before End of Day on the second Business Day before the Settlement Date.~~

Introduced 11/03/04 Amended 27/06/11, 07/03/16

## **PROCEDURE 12.7.3 BUYER AND SELLER MAY REQUEST CASH CCP TRANSACTIONS BE EXCLUDED FROM SET OFF - [DELETED]**

~~The Buyer and Seller must notify ASX Clear of their request to exclude a Cash Market Transaction from set off before End of Day on the second Business Day before the Settlement Date.~~

~~The Buyer and Seller must notify ASX Clear of their request to settle a Cash Market Transaction in Real-Time Gross Settlement before End of Day on the second Business Day before the Settlement Date.~~

Introduced 11/03/04 Amended 27/06/11, 07/03/16

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#### **PROCEDURE 12.7.4 ACTION BY ASX CLEAR WHERE BUYER AND SELLER REQUEST CASH CCP TRANSACTION BE EXCLUDED FROM SET OFF – [\[DELETED\]](#)**

##### **~~Requests relating to CCP Gross Batch Instructions:~~**

~~The time by which ASX Clear will generate and forward CCP Gross Batch Instructions to the Approved Settlement Facility is by Start of Day on the Business Day before the Settlement Date of the Cash CCP Transaction.~~

##### **~~Requests relating to CCP RTGS Instructions:~~**

~~The time by which ASX Clear will generate and forward CCP RTGS Instructions to the Approved Settlement Facility is by Start of Day on the Business Day before the Settlement Date.~~

Introduced 11/03/04 Amended 27/06/11

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#### **PROCEDURE 12.7.5 BUYER AND SELLER MAY CANCEL REQUEST – [\[DELETED\]](#)**

~~The Buyer and Seller must notify ASX Clear of their cancellation of a request to:~~

- ~~(a) — exclude the Cash CCP Transaction from novation and set off (under Rule 12.7.2);~~
- ~~(b) — exclude the Cash CCP Transaction from set off (under Rule 12.7.3);~~

~~before End of Day on the second Business Day before the Settlement Date.~~

Introduced 11/03/04 Amended 27/06/11

#### **PROCEDURE 12.7.7 REQUEST BY BUYER OR SELLER WHERE COUNTERPARTY NOT KNOWN – [\[DELETED\]](#)**

~~A Clearing Participant must notify ASX Clear if it wishes to make a request under either Rule 12.7.2 or Rule 12.7.3, in the following manner:~~

~~By email or telephone to the Help Desk during the operating hours of 8.00 am (Sydney time) to 5.00 pm (Sydney time), prior to the netting process.~~

~~and must include the following information:~~

- ~~(a) — the ASX security code~~
- ~~(b) — the settlement amount~~
- ~~(c) — the unit quantity~~
- ~~(d) — the CHESST transaction id from the CHESSTMT-164 (Notified Trade)~~
- ~~(e) — the settlement date~~

Introduced 28/11/05

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## SECTION 14 RISK MANAGEMENT

### PROCEDURE 14.6.2 DEPOSIT OF EXCESS CASH

Currently ASX Clear only accepts deposits of Excess Cash in respect of Cash Market Accounts and Client Accounts in which Options Market Contracts are registered.

#### Cash Market Account

A Participant may maintain an Excess Cash balance in its Cash Market Account with ASX Clear if, prior to depositing Excess Cash with ASX Clear, the Participant notifies ASX Clear, in the manner specified by ASX Clear, of its lodges a standing settlement instruction by sending a 909 Excess Cash Standing Instruction Amendment Request CHESS message. A standing settlement instruction which must identify the maximum amount of Excess Cash the Participant intends to deposit in its Cash Market Account with ASX Clear. After the Participant receives confirmation from ASX Clear of the application of that standing settlement instruction a 936 Effected Excess Cash Standing Instruction Amendment, the standing settlement instruction will become effective for settlement on the next business day.

A Participant may amend an existing standing settlement instruction by ~~sending a 909 Excess Cash Standing Instruction Amendment Request CHESS message to~~ notifying ASX Clear, in the manner specified by ASX Clear. After the Participant receives confirmation from ASX Clear of the amendment a 936 Effected Excess Cash Standing Instruction Amendment, the standing settlement instruction will become effective for settlement on the next business day.

#### Client Accounts for Options Market Contracts

A Participant may maintain Excess Cash with ASX Clear for a Client Account in which Options Market Contracts are registered if the Participant has notified ASX Clear of a total cash amount that ASX Clear is to record in respect of that Client Account. Notification is to be provided by a Clearing Participant to ASX Clear using the method notified by ASX Clear from time to time.

Notification to ASX Clear in respect of a Client Account may be made at any time prior to 7.00pm, however, ASX Clear will only update its records when the cash amount is settled. The total cash amount notified in respect of a Client Account can be less than, equal to or more than Participant's Initial Margin and other margin obligations for the Client Account determined under Rule 14.5.1. However, such notification does not relieve the Participant of its obligation to provide ASX Clear with Cover for its Initial Margin and other margin obligations for the Client Account determined under Rule 14.5.1.

A notification provided by a Participant in respect of a Client Account remains in effect until changed by a further notice from the Participant.

A Participant may amend the total cash amount to be recorded by ASX Clear for a Client Account by:

- (a) notifying ASX Clear at any time prior to 7.00pm of an increase in the total cash amount that ASX Clear is to credit to that Client Account; or
- (b) complying with Procedure 14.6.6 in order to reduce the total cash amount credited by ASX Clear to that Client Account.

ASX Clear will determine the Excess Cash (if any) to be credited to a Client Account from time to time taking into account:

- (a) the Initial Margin and other margin obligations of the Participant in respect of that Client Account;
- (b) any Collateral provided in respect of that Client Account; and
- (c) the total cash amount (if any) notified to ASX Clear by the Participant in respect of that Client Account.

If no total cash amount is notified by the Participant in respect of a Client Account, then ASX Clear will record nil Excess Cash in respect of that Client Account.

A notice of a total cash amount for a Client Account is not valid if it would result in the aggregate Cash Cover and Excess Cash balances of all Client Accounts of the Participant being greater than the cash deposited by the Participant with ASX Clear for all the Participant's Client Accounts.

Introduced 11/03/04 Amended 07/06/13, 30/11/15

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## **PROCEDURE 14.6.6 RETURN OF EXCESS CASH**

Currently ASX Clear only accepts deposits of Excess Cash in respect of Cash Market Accounts and Client Accounts in which Options Market Contracts are registered.

### **Cash Market Account**

A Participant may request the return of some or all Excess Cash credited to its Cash Market Account by ASX Clear by ~~sending a 909 Excess Cash Standing Instruction Amendment Request CHES message to notifying~~ ASX Clear of the request in the manner specified by ASX Clear. The Participant is required to ~~notify~~lodge the request on the business day before release of the Excess Cash is required. ASX Clear will undertake to return the Excess Cash to the Participant on the following business day in the normal daily scheduled Austraclear settlement.

### **Client Accounts for Options Market Contracts**

A Participant may request the reduction of the total cash amount recorded by ASX Clear in respect of a Client Account in which Options Market Contracts are registered by notifying ASX Clear of the intended cash withdrawal value by 7.00pm on the business day before the cash is required to be released.

If the requested reduction in total cash amount is greater than the Excess Cash credited by ASX Clear to that Client Account, then the Participant must replace the Cash Cover with cash or Collateral before that cash amount will be released. Thereafter, the total cash amount recorded in respect of that Client Account will be the reduced total cash amount. However, such reduction in the total cash amount recorded does not relieve the Participant of its obligation to provide ASX Clear with Cover for the Initial Margin and other margin obligations for the Client Account determined under Rule 14.5.1.

Introduced 11/03/04 Amended 07/06/13, 30/11/15

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## **SECTION 24      TRANSITIONAL ARRANGEMENTS**

### **PROCEDURE 24.1.2 COMMENCEMENT**

For the purposes of Rule 24.1.2, the Rules in Section 24 becomes effective from the dates specified in the table below:

<b><u>Rule</u></b>	<b><u>Effective Period</u></b>
<b><u>Rule 24.1.1</u></b>	<u>The period commencing on the date 6 months prior to the Old System Close Date and ending on the date which ASX Clear notifies Facility Users on which Section 24 ceases to be effective.</u>
<b><u>Rule 24.1.2</u></b>	<u>The period commencing on the date 6 months prior to the Old System Close Date and ending on the date which ASX Clear notifies Facility Users on which Section 24 ceases to be effective.</u>
<b><u>Rule 24.2.1</u></b>	<u>The period commencing on the date that is 2 Business Days prior to the Old System Close Date.</u>
<b><u>Rule 24.2.2</u></b>	<u>The period commencing on the date that is 2 Business Days prior to the Old System Close Date.</u>
<b><u>Rule 24.3.1</u></b>	<u>The period commencing on the date that is 1 Business Day prior to the Old System Close Date.</u>
<b><u>Rule 24.4.1</u></b>	<u>The period commencing on the date that is 2 Business Days prior to the Old System Close Date.</u>
<b><u>Rule 24.4.2</u></b>	<u>The period commencing on the date that is 2 Business Days prior to the Old System Close Date.</u>

### **PROCEDURE 24.3.1 UNACTIONED OLD SYSTEM CLEARING MESSAGES AT END OF DAY ON OLD SYSTEM CLOSE DATE NOT MIGRATED**

For the purposes of Rule 24.3.1(a)(iii), the following Messages are specified:

- (a) none currently specified.

### **PROCEDURE 24.4.2 LINKED CCP BATCH INSTRUCTIONS**

For the purpose of Rule 24.4.2(a), the types of Cash CCP Transactions are those that ASX Clear determines, at its discretion, to be ineligible for netting having regard to Financial Product eligibility and condition codes on the underlying Cash Market Transaction.

Note: CHES currently applies netting eligibility criteria determined by:

- Financial Product eligibility - where a Financial Product is marked 'ineligible' for complex corporate action event processing purposes, namely where the Financial Product is subject to a corporate action for which diary adjustments (i.e. redress mechanism for a settlement fail) are not supported by ASX Settlement.
- Condition codes on the trade – namely OR (Overseas Resident (Foreign to Foreign)); P1 (Put through trade report \$1M), P2 (Put through trade report \$0.5M) and PR (Prompt Rebooking)

This Procedure 24.4.2 does not apply to CCP Gross Batch Instructions in relation to Cash CCP Transactions with a Settlement Date that is less than two Business Days after the Cash CCP Transaction arises, namely Cash CCP Transactions arising from the exercise of option contracts for settlement on the following Business Day (also referred to as T+1 trades with an 'as at' date of T (being the date on which the exercise notice was allocated)).

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## ANNEXURE 1 COLLATERAL PROCEDURES

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### 3. FINANCIAL PRODUCTS MOVEMENTS

#### 3.1 Prerequisites to lodgement of Approved Financial Products

##### Client Accounts

Client Accounts may qualify to participate in the paperless lodgement scheme where:-

- (a) the Account name in DCS matches the Registered Holder name in CHESSE, the ASX Clear Participant is the ASX Settlement Participant that controls the Registered Holding and a completed original *Addendum to Derivatives Client Agreement Form* has been lodged with ASX Clear prior to 28 February 2005; or
- (b) a completed *Registered Holder Collateral Cover Authorisation* form has been lodged for the Client Accounts with ASX Clear prior to 1 March 2019; or
- (c) a Participant has lodged with ASX Clear a document in a form approved by ASX Clear, that identifies a Holder Identification Number (HIN) on the CHESSE Subregister against that Client Account (“**Linking Information**”).

Client Accounts for which these requirements have not been completed must lodge other forms of Cover, i.e. cash or bank guarantees.

With effect from 1 November 2011, where a Participant lodges a copy of the *Registered Holder Collateral Cover Authorisation* form, it must retain the original of the form and be able to produce it for ASX Clear on request for a period of 7 years from the date on which the Participant ceases to be the relevant client’s Controlling Participant.

##### House Accounts

Prior to lodging Approved Financial Products on a House Account a completed *House Account HIN* form must be lodged with ASX Clear.



The *House Account HIN* form is included at Annexure 2.

House Accounts for which these requirements have not been completed must lodge other forms of Cover, i.e. cash or bank guarantees.

#### Cash Market Accounts

Prior to lodging Approved Financial Products on a Cash Market Account a completed *Cash Market Account HIN* form must be lodged with ASX Clear.

The *Cash Market Account HIN* form is included at Annexure 2.

Cash Market Accounts for which these requirements have not been completed must lodge cash as Cover.

Introduced 11/03/04 Amended 10/12/04, 20/05/05, 02/02/09, 01/11/11, 07/06/13, 08/02/17, 01/03/19

### 3.2 Lodgement of Approved Financial Products

ASX Clear will only accept lodgements over financial products which are CHESSE sponsored and that meet the Collateral eligibility criteria.

#### **a. Lodgement of Approved Financial Products to Cover Derivative Margin Obligations**

Participants can arrange for an ASX Settlement participant to lodge Collateral electronically by sending a [message requesting the lodgement of Collateral in accordance with the User Technical Documentation](#). ~~CHESSE 027 Options Cover Creation Request message to CHESSE.~~ CHESSE then forwards this message to ASX Clear [in accordance with the User Technical Documentation](#) ~~as a 610 Options Cover Notification CHESSE message.~~

~~If ASX Clear rejects the lodgement, the CHESSE participant will receive from CHESSE an 030 Reduced Options Cover CHESSE message.~~ [If ASX Clear accepts the lodgement, both the ASX Settlement participant and the Participant who has the Derivative margin obligation \(where such Participant is different to the ASX Settlement participant\) will receive notification from CHESSE of the acceptance by ASX Clear of the lodgement of Collateral in accordance with the User Technical Documentation.](#)

[If ASX Clear rejects the lodgement, the ASX Settlement participant will receive notification from CHESSE of the rejection in accordance with the User Technical Documentation.](#)

Once it has been processed by ASX Clear, the Participant will be sent confirmation via DCS.

#### **b. Lodgement of Approved Financial Products to Cover Cash Market Margin Obligations**

Participants can arrange for an ASX Settlement participant to lodge Collateral electronically by sending a [message requesting the lodgement of Collateral in accordance with the User Technical Documentation](#) ~~an 871 Margin Cover Creation request CHESSE message.~~ [CHESSE then forwards this message to ASX Clear in accordance with the User Technical Documentation.](#)

~~Once the request has been processed, the Participant will receive an 876 Accepted Margin Cover Creation CHESSE message.~~ [If ASX Clear accepts the lodgement, the ASX Settlement participant will receive notification from CHESSE of the acceptance by ASX Clear of the lodgement of Collateral in accordance with the User Technical Documentation.](#)

If ASX Clear rejects the lodgement, the ASX Settlement participant will receive notification from CHESSE of the rejection in accordance with the User Technical Documentation. ~~If the request is rejected, the Participant will receive an 878 – Reduced Margin Cover CHESSE message.~~

Introduced 11/03/04 Amended 20/05/05, 02/02/09, 07/06/13

### 3.3 Lodgement of Approved Financial Products as Specific Cover

Specific Cover lodgements may be established at the Financial Product level within an Account or at the Account level as follows:

#### a. Financial Product Level

A Participant may classify any Financial Product level within an Account as specific Cover.

ASX Clear will only accept lodgements of Financial Products which are CHESSE sponsored. Participants can arrange for an ASX Settlement participant to lodge Collateral electronically by sending a message in accordance with the User Technical Documentation which specifies the specific Cover to be lodged~~CHESSE 027 – Options Cover Creation Request message to CHESSE specifying specific Cover lodgement.~~ CHESSE then forwards this message to ASX Clear in accordance with the User Technical Documentation~~as a 610 – Options Cover Notification CHESSE message.~~

~~If ASX Clear rejects the lodgement, the ASX Settlement Participant will receive from CHESSE an 030 – Reduced Options Cover CHESSE message.~~ If ASX Clear accepts the lodgement, both the ASX Settlement participant and the Participant who has the margin obligation (where such Participant is different to the ASX Settlement participant) will receive notification from CHESSE of the acceptance by ASX Clear of the lodgement of Collateral as specific Cover in accordance with the User Technical Documentation.

If ASX Clear rejects the lodgement, the ASX Settlement participant will receive notification from CHESSE of the rejection in accordance with the User Technical Documentation.

Once it has been processed by ASX Clear, the Participant will be sent confirmation via DCS.

#### b. Account Level

A Participant may classify any Account as specific Cover.

When an Account has been classified as specific Cover, any future Financial Product lodgements in the Account will be automatically classified as specific Cover and will only be applied against written Call Option positions with the same underlying Financial Products lodged in the Account (see 2.2.1(ii)).

However, if a Participant requires existing Financial Product lodgements in a specific Cover Account to be classified as specific Cover, the Participant must submit a request to ASX Clear via email to clearing@asx.com.au ~~deriv.clearing@asx.com.au~~.

Introduced 02/02/09 Amended 07/06/13

### 3.4 Withdrawal of Approved Financial Products or Cash Lodged as Cover Against Margin Obligations

In the event that a Participant wishes to exchange Collateral or replace one form of Cover (Collateral or Cash Cover) with another form of Cover in respect of margin obligations, the replacement Cover must be received by ASX Clear before ASX Clear will release the Cover to

be exchanged or replaced (as the case may be). Three alternative approaches are outlined below.

**a. 'Exchanging' Collateral**

Collateral may be replaced by other Collateral at any time between 8.00 am and 5.00 pm on any Business Day. Where a Participant wishes to replace Collateral with other Collateral, ASX Clear will release the Collateral that is to be replaced upon receipt of the replacement Collateral.

**b. Replacement of Collateral with Cash Cover**

Where a Participant wishes to replace Collateral with Cash Cover, ASX Clear will release the Collateral that is to be replaced upon receipt of the replacement Cash Cover. There is no mechanism available to effect the replacement of Collateral with Cash Cover intra-business day. Participants are required to transmit withdrawal requests by 5.00 pm on the business day before release of the Collateral is required. ASX Clear will remove the Collateral from the account(s) and release it back to the Participant after the scheduled (CHES or Austraclear) settlement *has completed* on the required day of release.

**c. Replacement of Cash Cover with Collateral**

Where a Participant wishes to replace Cash Cover with Collateral, ASX Clear will release the Cash Cover that is to be replaced following receipt of the replacement Collateral. There is no mechanism available to effect the replacement of Cash Cover with Collateral Cover intra-business day. Participants will be required to lodge the replacement Collateral with ASX Clear by 5.00 pm on the business day before the Cash Cover is required to be released. ASX Clear will undertake the resulting payment to the Clearing Participant on the following day in the normal daily scheduled CHES/ Austraclear settlement.

**It is important that Participants ensure these timings are taken into account in planning all movements of Cover and that the monitoring tools available in collateral management are utilised.**

~~In all cases,~~ Participants are required to contact Clearing Operations and Settlements (phone 1800 ~~814 240 051 033~~, email ~~clearing@asx.com.au~~ deriv-clearing@asx.com.au) to request the exchange of Collateral referred to in Paragraph 3.4a above ~~replacement of Cover~~.

Amended 16/07/07, 02/02/09, 07/06/13

### **3.5 Withdrawal of Approved Financial Products Not Covering Margin Obligations**

ASX Clear will attempt to process Collateral withdrawals by the following times:

for withdrawal requests received by ASX Clear by 9.00 am (Sydney time) - by 10.00 am on that day.

for withdrawal requests received by ASX Clear by 5.00 pm (Sydney time) - on the same day.

for withdrawal requests received by ASX Clear after 5.00 pm (Sydney time) - by 10.00 am the next Business Day.

The time of receipt of a withdrawal request is the time when the CHES message is received by ASX Clear.

### 3.6 Withdrawal of CHESS Holdings

#### Total Withdrawal

The Participant must arrange for the relevant ASX Settlement participant to transmit a [message requesting the withdrawal of Derivatives Collateral in accordance with the User Technical Documentation](#)~~CHESS 029—Options Cover Removal Request message~~. ASX Clear will receive a message from CHESS notifying it of the request for withdrawal of Derivatives Collateral in accordance with the User Technical Documentation. ~~which is received by ASX Clear from CHESS as a 612—Notification of Removal of Options Cover CHESS message.~~

For the withdrawal of Collateral covering a margin obligation in respect of a Cash Market Account, the [ASX Settlement Participant](#) must send [a message requesting the withdrawal of Collateral in accordance with the User Technical Documentation](#). ~~an 877—Margin Cover Removal Request CHESS message~~. ASX Clear will receive a message from CHESS notifying it of the request for withdrawal of Collateral in respect of a Cash Market Account in accordance with the User Technical Documentation.

#### Partial withdrawals

For partial withdrawals, the ~~029/612 CHESS~~ message must identify the number of financial products to be withdrawn.

For partial withdrawals of Collateral covering a margin obligation in respect of a Cash Market Account, the [ASX Settlement Participant](#) must send ~~a an 877 CHESS~~ message identifying the number of financial products to be withdrawn [in accordance with the User Technical Documentation](#).

#### Rejection of Withdrawal

Incomplete or incorrect [Derivatives Collateral Options Cover Removal](#) ~~r~~Requests will be rejected. ASX Clear will send a [rejection message](#)~~CHESS 605—Options Cover Removal Rejection message~~ to CHESS and CHESS will send [a rejection message](#) ~~an 078—Rejected Options Cover Removal CHESS message~~ to the [ASX Settlement CHESS](#) participant [in accordance with the User Technical Documentation](#).

Incomplete or incorrect Cash Market Margin Cover ~~r~~Removal ~~r~~Requests will be rejected. ASX Clear will send a [rejection message to CHESS and CHESS will send a rejection message to the ASX Settlement participant in accordance with the User Technical Documentation](#) ~~956—Rejected Margin Cover Removal Request CHESS message~~.

#### Third Party Withdrawals

For withdrawals where the ASX Settlement ~~p~~Participant is different to the ASX Clear Participant, the ASX Clear Participant will receive a [message in accordance with the User Technical Documentation](#) ~~CHESS 168—CP Collateral Removal Authorisation Request message following a message sent to request the withdrawal of Derivatives Collateral in response to the CHESS 029 message~~. The ASX Clear Participant must then respond with an [authorisation or rejection message in accordance with the User Technical Documentation](#) ~~CHESS 103—CP Collateral Removal Authorisation message~~, which will trigger ~~the either the withdrawal message to ASX Clear or the withdrawal rejection message to the ASX Settlement participant in accordance with the User Technical Documentation~~ ~~CHESS 612 message to ASX Clear, or a CHESS 109—CP Collateral Removal Rejection message~~. The ASX Clear Participant must respond to these messages within 2 business days of receipt.

Third Party withdrawals are not currently permitted on Financial Products lodged to satisfy margin obligations on a Participant's Cash Market Account.

### 3.7 Transfers of Collateral Lodgements

#### Participant to Participant Transfers

ASX Clear will only transfer Collateral from one Participant (transferring) to another Participant (receiving) after the receiving Participant [has sent a message requesting a change of controlling participant and the transferring Participant has sent the relevant authorisation message \(in accordance with the User Technical Documentation\)](#) ~~has sent their 245 CHESS message – Change Controlling Participant Request and the transferring Participant has sent their 251-CHESS message – Change Controlling Participant Authorisation~~ and both messages have been matched in CHESS's overnight processing.

Both the transferring and receiving Participants must send a ~~facsimile of~~ *Transfer of Collateral between Participants* form with the appropriate sections completed. Once the HINs have been transferred on CHESS, ASX Clear will transfer the Collateral to the receiving Participant provided the *Transfer of Collateral between Participants* form is completed appropriately. Collateral lodgements will not be transferred to the receiving Participant until the above information has been received.

Once a transfer of Collateral has been processed by ASX Clear, the Participant will be sent confirmation of this via DCS.

#### Account to Account Transfers (Within a Participant)

If a Participant wishes to transfer Collateral lodged in respect of an Account to another Account of that Participant, the Participant must send a facsimile or letter on their standard letterhead containing the following information:

A list of the lodgements to be transferred and their existing Account numbers;

The names of the Account(s) from which the lodgement is to be transferred;

The numbers and names of the Account(s) to which the lodgement is to be transferred.

The new account names must be identical, otherwise standard withdrawals and lodgements must be processed.

Amended 16/07/07, 02/02/09, 01/03/19

### 3.8 Lodgement in Favour of Futures Only Participant

The ASX Settlement participant who has control of the HIN must send the lodgement and withdrawal CHESS messages that show the Futures Participant No. and Account No. in the appropriate fields.

The Futures Participant must send the lodgement/withdrawal forms with the corresponding Participant and Account information. Lodgement forms must be fully completed showing the Account no., PID, HIN, client name and registered holder name.

Clients' securities are not acceptable as lodgement in favour of an Omnibus Account.

Amended 16/07/07, 02/02/09

### **3.9 Reports on Lodgements of Approved Financial Products as Collateral**

For ASX Settlement Participants that are not ASX Clear Participants, printed reports are available from ASX Clear on request showing details of their Collateral lodgements. These include reports showing all Collateral lodged, or Collateral lodged in respect of the Accounts of specified clients (with each client on a separate page).

ASX Clear may charge for this service depending on the frequency and size of the reports.

Amended 16/07/07, 02/02/09

## ASX OPERATING RULES

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### SECTION 3 TRADING RULES

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#### SETTLEMENT

##### Time for settlement

[3600] Trading Participants must ensure that each Cash Market Transaction to which they are a party is settled on the second Business Day following the date that the transaction was created on or reported to the Market, unless otherwise permitted in the Procedures.

Amended 07/03/16

## ASX OPERATING RULES PROCEDURES

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### CASH MARKET PRODUCTS

#### Quotation

##### Procedure 2110

ASX will adjust the basis of quotation for Cash Market Products to reflect corporate actions upon the instruments and advise the market of such changes on the morning of the day that the corporate action takes effect or as soon as relevant information is available thereafter. These adjustments will be made visible to the market through the Trading Platform. [ASX may record no more than three bases of quotation for each Cash Market Product.](#)

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### REPORTING

##### Procedure 3500

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#### **“OR” condition code – Reporting of foreign to foreign transactions**

The purpose of foreign to foreign transactions is to ensure trades can occur in a security with foreign ownership limits, eg Telstra, without these limits being breached.

A foreign to foreign transaction is:

1. A transaction between two Foreign Persons on the basis that settlement of the transaction will be effected pursuant to the ASX Settlement Operating Rules applicable to FOR Financial Products, i.e. the trade will be excluded from settlement netting so that ownership is guaranteed to pass from one foreign owner to another; and
2. In FOR Financial Products being ASX listed securities which:
  - (a) are subject to aggregate foreign ownership restrictions;
  - (b) have been included in Schedule 1 of the ASX Settlement Operating Rules as FOR Financial Products; and
  - (c) are held and recorded in a CHESS holding with a residency indicator [of foreign \(as identified in the User Technical Documentation, as that term is defined in the ASX Settlement Operating Rules\)](#)~~F~~.

....

## SETTLEMENT

### Procedure 3600

For the purposes of Rule [3600], a Cash Market Transaction may be settled on a day other than the second Business Day following the date that the transaction was created on or reported to the Market, where:

- (a) the Cash Market Transaction is a Forward Delivery Transaction (in which case, the Cash Market Transaction must be settled on the agreed forward date); ~~or~~
- (b) ASX classifies the Cash Market Transaction as "deferred delivery" or "deferred settlement" (in which case, the Cash Market Transaction must be settled on the day specified by ASX);
- (c) [the Cash Market Transaction is reported to the Market with an "as at" date that is one Business Day prior to the date the transaction was reported to the Market \(in which case, the Cash Market Transaction must be settled on the second Business Day following the "as at" date\)](#);
- (d) [the Cash Market Transaction is reported to the Market with an "as at" date that is more than one Business Day prior to the date the transaction was reported to the Market \(in which case, the Cash Market Transaction must be settled on the first Business Day following the date the transaction was reported to the Market\)](#); or
- (e) [a market for dealing in a Cash Market Product is established in accordance with Rule \[2111\] and a Cash Market Transaction for the Cash Market Product is executed on a 'cum' benefit basis during a period when the existing quotation of the Cash Market Product is on the basis of 'ex' the benefit \(in which case, the Cash Market Transaction must be settled on the first Business Day following the date that the transaction was created on or reported to the Market\)](#).



## **ASX ENFORCEMENT AND APPEALS RULEBOOK**

### **SECTION 1 SCOPE OF RULEBOOK**

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#### **1.12 DEFINITIONS**

##### **1.12.1 Definitions**

In these Rules and the Procedures, unless the context otherwise requires:

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[“RTGS Payments Provider” has the same meaning it has in the ASX Settlement Operating Rules;](#)

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### **SECTION 3 APPEALS**

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#### **3.1.2 ASX Settlement Operating Rule appeals**

- (a) A Participant, Issuer or Other Facility User if dissatisfied with a decision of ASX under Section 2 of this Rulebook to issue an Enforcement Notice or any sanction imposed in the Enforcement Notice;
- (b) An applicant against a decision of ASX to reject its application to become a Participant under ASX Settlement Operating Rule 4.14.3;
- (c) An Issuer if dissatisfied with a decision of ASX to revoke approval of a class of the Issuer's Financial Products under ASX Settlement Operating Rule 8.4.1(b);
- (d) A Settlement Participant or an affected person if dissatisfied with the decision of ASX under ASX Settlement Operating Rule 10.4 to:
  - (i) not admit a class of Batch Instruction into DvP Batch Settlement; or
  - (ii) remove a class of Batch Instruction from Batch Settlement or DvP Batch Settlement,
- (e) ~~[\[deleted\]A person who has applied for admission of the relevant Approved Financial Products or a Participant if dissatisfied with a decision of ASX under ASX Settlement Operating Rule 11.1 to:](#)~~

- ~~(i) not admit a class of Instructions into Real Time Gross Settlement; or~~
- ~~(ii) remove a class of Instructions from Real Time Gross Settlement,~~
- (f) An Issuer if dissatisfied with the decision of ASX to revoke approval of the Issuer's Financial Products under ASX Settlement Operating Rule 12.17.4;
- (g) A non-compliant Participant if dissatisfied with a decision of ASX under ASX Settlement Operating Rule 12.19.1 unless:
  - (i) the non-compliance is in respect of a prohibition or restriction imposed by a State Revenue Authority against the Participant paying stamp duty by lodgement of a periodic return;
  - (ii) in the case of a General Settlement Participant, the Settlement Participant no longer complies with the capacity requirements specified in ASX Settlement Operating Rule 4.10;
  - (iii) in the case of a Settlement Participant which is a Foreign Clearing House:
    - (a) the Settlement Participant no longer complies with the requirement to be appropriately authorised to provide clearing services in the foreign country in which its principal place of business is located; or
    - (b) any necessary regulatory approval granted to the Settlement Participant to allow the Settlement Participant to provide services as a Participant have been withdrawn,
- (h) A Facility User if dissatisfied with a decision of ASX to suspend processing of Messages or classes of messages under ASX Settlement Operating Rule 16.3.1(e);
- (i) An RTGS Payments Provider if dissatisfied with a decision of ASX to suspend, impose conditions on or terminate its participation in Real Time Gross Settlement under ASX Settlement Operating Rule 11.8.6.

Amended 01/08/10, 25/05/15

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## **SECTION 4 ASX ANNOUNCEMENT AND IMPOSITION OF PENALTY**

### **4.1 ASX ANNOUNCEMENT**

#### **4.1.1 Announcement**

Without limitation to any announcement or publication which ASX is permitted to make under the relevant ASX Operating Rules, subject to Rules 3.3 and 3.4:

- (a) ASX may make public, in the form and manner ASX considers appropriate having regard to Rule 1.5.1, any of the following matters:
- (i) enforcement action (including pursuant to Rule 2.4) against a Participant, Issuer or Other Facility User, including the exercise by ASX of any of its powers under Rules 2.2.1, 2.2.2 or 2.2.2A and an explanation of, or reasons for, such action;
  - (ii) the suspension or termination of a Participant's [or an RTGS Payments Provider's](#) admission, including any explanation of, or reasons for, such suspension or termination;
  - (iii) any other matters set out in the Procedures.

In the case of enforcement action against a Participant, Issuer or Other Facility User or the suspension or termination of a Participant's [or RTGS Payments Provider's](#) admission which is the subject of an appeal, paragraph (b) applies.

- (b) an Appeal Tribunal may direct ASX to make public, in the form and manner ASX considers appropriate having regard to Rule 1.5.1, any of the following matters:
- (i) enforcement action against a Participant, Issuer or Other Facility User which has been the subject of an appeal (and has not been entirely set aside), including the exercise by ASX of any of its powers under Rules 2.2.1, 2.2.2 or 2.2.2A, the affirmation or variation by an Appeal Tribunal of such exercise of powers and an explanation of, or reasons for, such action by ASX or determination by the Appeal Tribunal;
  - (ii) the suspension or termination of a Participant's admission as a Participant [or the suspension or termination of an RTGS Payments Provider's admission as an RTGS Payments Provider](#) which has been the subject of an appeal, including an explanation of, or reasons for, such suspension or termination by ASX or determination by the Appeal Tribunal;
  - (iii) any other matters set out in the Procedures.
- (c) Unless ASX or an Appeal Tribunal (as the case may be) determines otherwise, an announcement or publication made under Rule 4.1.1(a) or 4.1.1(b) will include:
- (i) the name of the Participant, Issuer, ~~or~~ Other Facility User [or RTGS Payments Provider](#) (as applicable), except in the circumstances set out in the Procedures; and
  - (ii) any other information which ASX or the Appeal Tribunal (as the case may be) considers relevant to the matters dealt with in the announcement or publication.

#### **4.1.2 No action for disclosure**

A Participant, Issuer, ~~or~~ Other Facility User or RTGS Payments Provider must not take (and must procure that its Employees do not take) any action or proceeding (including without limitation an action for damages) against ASX, any officer, employee or agent of ASX, any member of an Appeal Tribunal or any other person acting under the authority of any of the above, for publishing or circulating any announcement, or which would stop any person from publishing or circulating any announcement under Rule 4.1.1 (or under any other relevant Operating Rule which permits such announcement or publication) or making any record in the register under Rule 4.1.3. Any person against whom an action or proceeding is taken in breach of this Rule 4.1.2 may rely on this Rule 4.1.2 as a defence to that action or proceeding.

Amended 01/08/10, 25/05/15

#### **4.1.3 Register of banned individuals**

ASX will enter the name of a person in respect of whom an order is made under Rule 2.2.1(d)(i) on a register made available to all Participants.

Amended 01/08/10, 25/05/15

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**ASX ENFORCEMENT AND APPEALS RULEBOOK**  
**PROCEDURES**

**SECTION 3      APPEALS**

**PROCEDURE 3.1      DECISIONS THAT MAY BE APPEALED**

Each notice of appeal (“Appeal Notice”) must identify the decision against which the appeal is made and set out the grounds of appeal. For the purposes of Rule 3.1, any Appeal Notice to be lodged shall be in the format specified in the table below and:

- (a)      addressed to the chairperson of the Appeal Tribunal Panel at the following address:

The Chairperson  
c/o Legal Counsel to the Appeal Tribunal  
Exchange Centre  
20 Bridge Street,  
SYDNEY NSW 2000  
e-mail: [Tribunals@asx.com.au](mailto:Tribunals@asx.com.au)  
Fax: 02 9227 0917

- (b)      accompanied by a bank cheque or electronic funds transfer payable to ASX Operations Pty Limited for the appeal fee set out in the table below.

**If payment is made by electronic funds transfer, the payment should be made to the following account:**

Bank: National Australia Bank  
Account Name: ASX Operations Pty Ltd  
BSB: 082 057  
A/C: 494728375  
Swift Code (Overseas Customers): NATAAU3302S

**and the applicant should email its remittance advice to [ar@asx.com.au](mailto:ar@asx.com.au) or fax it to (612) 9227-0553, describing the payment as “appeal fee” and including the name of the appellant and the amount paid.**

In the case of an appeal under Rule 3.1.1(e) or Rule 3.1.5(c), the appeal fee must be paid to ASX Operations Pty Limited by bank cheque or electronic funds transfer no later than 1 Trading Day from the lodgement of the Appeal Notice (irrespective of the outcome of the appeal).

Type of Appeal	Form of Appeal Notice	Time to lodge Appeal Notice	Appeal Fees
<b>3.1.1 ASX Operating Rules Appeals</b>			
Rule 3.1.1 (a)	Written notice	No later than 20 Business Days from receipt of the Enforcement Notice.	\$5000 GST exclusive
Rule 3.1.1(b)	Written notice	No later than 10 Business Days from receipt of notification of ASX's decision.	\$5000 GST exclusive
Rule 3.1.1 (c)	Written notice	No later than 1 Trading Day from receipt of notification of ASX's decision.	\$5000 GST exclusive
Rule 3.1.1(d)	Written notice	No later than 1 Trading Day from receipt of notification of ASX's decision.	\$5000 GST exclusive
Rule 3.1.1(e)	Written notice	Within 5 minutes of notification of ASX's decision to cancel or not cancel the trade.	\$5000 GST exclusive
<b>3.1.2 ASX Settlement Operating Rule Appeals</b>			
Rule 3.1.2(a)	Written notice	No later than 20 Business Days from receipt of the Enforcement Notice.	\$5000 GST exclusive
Rules 3.1.2(b), (d), <del>(f)</del> - <del>(h)</del>	Written notice	No later than 10 Business Days from receipt of notification of ASX's decision.	\$5000 GST exclusive
Rule 3.1.2(c)	Written notice	No later than 10 Business Days from receipt of notification of ASX's decision.	\$5000 GST exclusive
<b>3.1.3 ASX Clear Operating Rule Appeals</b>			
Rule 3.1.3 (a)	Written notice	No later than 20 Business Days from receipt of the Enforcement Notice.	\$5000 GST exclusive
All appeals except for those referred to in Rule 3.1.3(a)	Written notice	No later than 10 Business Days from receipt of notification of ASX's decision.	\$5000 GST exclusive

Type of Appeal	Form of Appeal Notice	Time to lodge Appeal Notice	Appeal Fees
<b>3.1.4 ASX Listing Rule Appeals – [Deleted]</b>			
<b>3.1.5 ASX 24 Operating Rule Appeals</b>			
Rule 3.1.5(a)	Written notice	No later than 20 Business Days from receipt of the Enforcement Notice.	\$5000 GST exclusive
Rule 3.1.5(b)	Written notice	No later than 10 Business Days from receipt of notification of ASX's decision.	\$5000 GST exclusive
Rule 3.1.5(c)	Written notice	Within 5 minutes of notification of ASX's decision to cancel or not cancel the trade.	\$5000 GST exclusive
<b>3.1.6 ASX Clear (Futures) Operating Rule Appeals</b>			
Rule 3.1.6(a)	Written notice	No later than 20 Business Days from receipt of the Enforcement Notice.	\$5000 GST exclusive
Rule 3.1.6(b)	Written notice	No later than 10 Business Days from receipt of notification of ASX's decision.	\$5000 GST exclusive
Rule 3.1.6(c)	Written notice	No later than 10 Business Days from receipt of notification of ASX's decision.	\$5000 GST exclusive
<b>3.1.7 Austraclear Appeals</b>			
Rule 3.1.7(a)	Written notice	No later than 20 Business Days from receipt of the Enforcement Notice.	\$5000 GST exclusive
Rule 3.1.7(b) and (c)	Written notice	No later than 10 Business Days from receipt of notification of ASX's decision.	\$5000 GST exclusive

Amended 01/08/10, 20/12/10, 25/05/15, 15/06/15, 24/12/15

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