27 August 2025

ASX Limited
20 Bridge Street
Sydney NSW 2000

By email.

Dear ClearStar Team

ClearStar ETD Futures Clearing Consultation

AFMA welcomes ASX's consultation on ClearStar ETD Futures Clearing.

Please find attached our responses to the consultation questions.

We have appreciated the comprehensive consultation process so far and look forward to continuing our engagement.

Yours sincerely

[redacted]

AFMA

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Consultation Question 1: Is your organisation supportive of continuous visibility of new overnight trades with no ability to complete trade management activities on overnight session trades until after end of day activities have completed?

a. **Supportive**
   Please provide reasoning for your response

Members support the proposed functionality. It adds additional transparency and optionality and is expected to increase the ability to clear more trades.

The change will result in improved risk management outcomes for participants

Consultation Question 2: Is your organisation supportive of the other enhancements to the service set out in section 4.1?

a. Supportive

Please provide reasoning for your response.

Members support the pricing enhancement as aligning with international standards. Members note the implementation time required and potentially additional resourcing to support some features.

Consultation Question 3: Is your organisation supportive of removing the strip 'headline' bundled trade from clearing?

a. Supportive

Please provide reasoning for your response

Members support the removal of 'deadline' bundled trade but require retention of the Unique Transaction identifiers for operational efficiency and reconciliation purposes.

Consultation Question 4: Is your organisation able to make use of tag 1031 in the post trade clearing process in advance of the tag being populated directly from ASX 24 execution platform replacement?

a. Yes

Please provide reasoning for your response.

Members report using Tag1031 where available and it has increased visibility of how the order was placed and has yielded significant improvements in brokerage collection rates and a reduction in collection times.

Consultation Question 5: Is your organisation supportive of the enhancements to the service set out in section 4.2?

a. Supportive

Please provide reasoning for your response.

Members are supportive are supportive of a four-eye check.

Consultation Question 6: Are there any additional fields your organisation would like ASX to consider adding to the Atlantis feed?

- Trade indicators for Tag1031
- Average price
- Spread flags
- Roll trades
- Trader name – assists in identifying trades when allocations are missing
- Voice DMA flag – request this as a mandatory field for brokers to update Tag1031 field
- Actual executing broker (order taking broker information) for cases where 3rd party broker uses an agent e.g. Broker A uses Agent B and the trade is coded with Agent B instead of Broker A. This will result in an incorrect brokerage assignment and commission
- Block Trade flags
- EFP / EFR / EFS flags
- GST
- Trade Cancellation Indicators from the Exchange

Please provide reasoning for your response.

Additional fields can enhance transparency and assists minimizing the risk of disputes during the brokerage settlement process, by correctly identifying trade types.

Consultation Question 7: Is your organisation supportive of retiring the on-exchange brokerage settlement process?

a. Supportive

Please provide reasoning for your response.

There is a standard agreement that is widely used by the industry. Allowing the on-exchange brokerage settlement process makes the brokerages process inconsistent with agreed rates.

Consultation Question 8: Is your organisation supportive of the proposed internet browser support of the clearing solution?

a. Supportive

Please provide reasoning for your response.

Supported browser is suitable.

Consultation Question 9: Is your organisation supportive of the proposed user roles?

Members were either fully supportive or conditionally supportive.

Please provide reasoning for your response.

Those conditionally supportive noted that there needs to be a clear distinction between Maker and Checker profiles without the ability for another profile to override. These rights need to be indicated clearly in relation to the type of request to which it is being applied.

Consultation Question 10: Is your organization supportive of using secure file transfer protocol (sFTP) as the delivery method to access the user access report?

Members were either fully supportive or conditionally supportive.

Please provide reasoning for your response.

Those conditionally supportive suggested that sFTP should be the default for all reports with alternative methods like ASX Online and email in case of a sFTP failure.

Consultation Question 11: Is your organisation supportive of the expanded functionality covered by the Member Gateway?

b) Conditionally supportive

Please provide reasoning for your response.

Participants should agree on a priority list on functionalities they would like to see to be automated via the member gateway. Based on that list member/including feedback from Vendors a priority order list can be developed.

Consultation Question 12: Is your o4rganisation supportive of the changes to participant and account data set up?

a. Supportive

Please provide reasoning for your response

This avoids unnecessary confusion and segregation of trades to different accounts. Further details and practical examples from ASX would be helpful to fully understand the changes and their impact.

Consultation Question 13: Is your organisation supportive of merging the separate SY and NZ account reference data?

a. Supportive

Please provide reasoning for your response.

The segregation was unnecessary and consolidation into one account is timely. Members note that vendors that support downstream services will also need to support the new structure.

Consultation Question 14: Is your organisation supportive of the proposed simplification of futures transaction and positions reporting in section 6.4, including the proposal to provide the reporting in csv format only?

Members were either fully supportive or conditionally supportive.

Please provide reasoning for your response.

The fewer the number of changes required in the CSV format, would allow for the data to be consumed and processed appropriately. Those that were conditionally supportive required an understanding from the ASX that significant work will be required by participants to update reconciliation logic and engage with multiple teams internally, and that therefore sufficient lead time would be required.

Consultation Question 15: Is your organisation supportive of incorporating details of the exchange fees in the transaction report?

Members were either fully supportive or conditionally supportive.

Please provide reasoning for your response.

Members noted this proposal will provide a more complete picture of the trades' clearing details. Members who were conditionally supportive required an understanding from the ASX that significant work will be required by participants to update reconciliation logic and engage with multiple teams internally and therefore that sufficient lead time will be required.

Consultation Question 16: Is your organisation supportive of retaining the reports listed in section 6.4 (from Collateral/Balances onwards) in their current form?

Members were either fully supportive or conditionally supportive.

Please provide reasoning for your response.

Members expected minimal changes required to adjust to the proposal. The conditionally supportive members suggested the OTC Cross-Margin Exception Reports should be provided in csv format for easier data analysis, and that historical report retrieval should be supported across the ASX reporting suite.

Consultation Question 17: Is your organisation supportive of the proposal to consolidate AUD and NZD reporting?

b. Conditionally supportive (please explain)

Please provide reasoning for your response.

AFMA is conditionally supportive as long as there is a clear distinction between AUD and NZD details and sufficient time is allowed for the significant changes required to accommodate.

Consultation Question 18: Are there any other reporting delivery mechanisms that you would like ASX to consider?

Please provide reasoning for your response.

AFMA would like to understand the alternatives more, and suggest that availability of reports should primarily be via sFTP, with ASX Online and email as back up options.

Consultation Question 19: Is your organisation supportive of the proposed maker-checker functionality?

Members were either fully supportive or conditionally supportive.

Please provide reasoning for your response

Members that were conditionally supportive suggested the manager profile should have the functionality to approve or reject only, not override.

Consultation Question 20: With the information currently provided, is your organisation supportive of the proposed engagement, time and scope of industry activities?

b Conditionally supportive (please explain)

Please provide reasoning for your response

Conditionally supportive noting some engagement and communication concerns which ASX is requested to adequately address:

- IWT and the proposed rollout schedule is tight, which highlights the importance of adequate preparation time and clear communication from ASX

- There is an expectation that ASX will continue consulting on field-level details and report formats, with participants likely to request clarity on any changes that would require significant internal work, such as reconciliation logic and report structure.
- Timelines need to be sufficiently spaced out and implementation of contingency plans in the event of a failure, as there is dependency on external vendors.

Consultation Question 21: Which months (if any) should be avoided for the proposed go-live? Please provide supporting detail for each month that should be avoided.

Please provide your reasoning for your response

- December –IT change freezes typical start in December, making it difficult to implement changes during this period.
- January / February - low staff availability; also typically a GMI release in January
- Roll-months should be avoided due to operational complexity and increased workload during these periods

Consultation Question 22: Are there any functional or technical areas not covered in this consultation paper that your organisation would like to bring to ASX's attention?

Yes.

Please provide reasoning for your response.

Inclusion of the add on margin logic to daily margin files to for application to underlying client's positions, Pre-trade aggregate loss limits, increase in number of characters for execution references to facilitate STP clearing, availability of trade history and give up reports in sFTP for archiving purposes.

Members would support the capacity to build own data extracts.

Members would support the facility to "lock" or auto reject any trades post a nominated time.