

**ASX CLEAR AND ASX SETTLEMENT
TRADE ACCEPTANCE SERVICE
AMENDMENTS TO OPERATING RULES PROCEDURES**

ASX CLEAR OPERATING RULES PROCEDURES

Procedure	Text of Existing Procedure	Amendments required?	Purpose of amendment
ASX CLEAR OPERATING RULES PROCEDURES			
3.1.4	<p>Conditions on admission</p> <p>ASX Clear will always impose a-conditions which authorises a Participant to clear:</p> <p>(a) one or more of the following classes of Market Transactions through ASX Clear:</p> <p>(i) all or some classes of Cash Market Transactions;</p> <p>(ii) all or some classes of Options Market Transactions; or</p> <p>(iii) all or some classes of Futures Market Transactions;</p> <p>(b) such class or classes of Market Transactions executed on or reported to one or more specified Approved Market Operators traded on a trading platform of ASX.</p>	Yes.	<p>Participants may clear transactions effected through multiple AMOs.</p> <p>Addition of standard condition. ASX Clear to specify AMOs in respect of which Participants are authorised to clear Market Transactions through ASX Clear.</p>
3.1.8 (new)	<p><u>Application for authorisation to clear Market Transactions effected through additional Approved Market Operators</u></p> <p><u>An application by a Participant wishing to have conditions relating to the Approved Market Operators in respect of which it is authorised to clear Market Transactions amended must be made in the form set out in Annexure 3.1.8.</u></p>	New procedure.	Governs Participant's application to clear Market Transactions effected through additional/different AMOs.
3.2.3 (new)	<p><u>Additional requirements for Participants clearing Market Transactions effected through multiple Approved Market Operators</u></p> <p><u>ASX Clear Operating Rule 3.2.3 provides that if an applicant for admission, or an existing Participant, wishes to clear Market Transactions effected through two or more Approved Market Operators, the applicant or Participant must, in addition to complying with Rule 3.2.1, comply with any requirements specified by ASX Clear in the Procedures.</u></p> <p><u>When an applicant or Participant proposes to clear Market Transactions effected through two or more Approved Market Operators, ASX Clear requires the applicant or Participant to lodge an Attestation. This attests that the applicant or Participant is aware of, accepts and has taken appropriate steps to mitigate the increased risk in relation to clearing Market Transactions effected through two or more Approved Market Operators.</u></p> <p><u>Time for delivery of Attestation</u></p> <p><u>ASX Clear requires lodgement of the Attestation prior to the first occasion on which the Participant commences clearing Market Transactions effected through two or more Approved Market Operators.</u></p> <p><u>Form of Attestation</u></p> <p><u>The Attestation must be in the form set out in Annexure 3.2.3. The Attestation must be enclosed with the application form referred to in ASX Clear Operating Rules Procedure 3.1.8 and sent to:</u></p> <p style="margin-left: 40px;"><u>General Manager, Clearing and Settlement Operations</u> <u>ASX Clear Pty Limited</u> <u>20 Bridge Street</u> <u>SYDNEY NSW 2000.</u></p>	New procedure.	Sets out additional requirements for Participants wishing to clear transactions effected through 2 or more AMOs. Attestation is similar in form and content (with necessary changes) to Rule/Procedure/Annexure 3.2.2.

3.6.1 (new)	<p><u>Applicant to have necessary organisational and technical resources</u> <u>For the purposes of Rule 3.6.1(b) an applicant must:</u> (a) <u>employ or retain such personnel familiar with the Rules and Procedures as are necessary to allow the applicant to generate, receive and process Clearing Messages in accordance with the Rules and Procedures;</u> (b) <u>appoint a person to be responsible for communication with ASX Clear in connection with the Clearing System and communicate the name of that person to ASX Clear, both upon admission to participation and where there are any subsequent changes made.</u></p>	New procedure.	Sets out additional requirements for applicants regarding personnel. Mirrors aspects of technical and performance requirements imposed on Settlement Participants under ASX Settlement Operating Rule 4.7.1.
4.2.1	<p>Participant to maintain disaster recovery and business continuity arrangements A Participant must, at all times, maintain adequate disaster recovery and business continuity arrangements to ensure timely recovery of its usual operations including addressing the following matters:</p> <ul style="list-style-type: none"> •Data Communications lines •Routers (derivatives) •Gateways (derivatives) •Open interface sessions •Clearing software applications and associated hardware •Databases and archives / storage •Payment Facility access •Site contingency •Personnel, processes, procedures and financial resources •Communication with clients •Communication with regulators (including ASX Clear) <p><u>Unless notified otherwise in writing by ASX Clear, a Participant must test its disaster recovery and business continuity arrangements at least once annually. A Participant must also test its disaster recovery and business continuity arrangements as soon as practicable following material changes to the Participant's business or material changes to its disaster recovery and business continuity arrangements.</u></p>	Yes.	Sets out additional matters that Participants must address in their disaster recovery and business continuity arrangements. Sets out a new obligation on Participants to test those arrangements at least once annually (and also upon changes to the Participants business or material changes to its business continuity arrangements).
4.7.1 (new)	<p><u>Notification Requirements</u> <u>For the purposes of Rule 4.7.1(g), a Participant must notify ASX Clear in writing as soon as reasonably practicable, if it becomes aware of any fact or matter or intends to take any action that will or may affect its capacity to communicate reliably with CHES or the Derivatives Clearing System including (without limitation) any change to its interface with CHES or the Derivatives Clearing System.</u></p>	New procedure.	Introduces an additional matter that Participants must notify ASX Clear of, which is similar in effect to obligations imposed on Facility Users under ASX Settlement Rule 16.1.1(c).
4.20.1 (new)	<p><u>Settlement of Cash Market Transactions and Cash CCP Transactions</u> <u>For the purposes of Rule 4.20.1, a Cash Market Transaction may be settled on a day other than the third Business Day following the date the transaction was created on or reported to the Approved Market Operator where:</u> (a) <u>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</u> (b) <u>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).</u></p>	New procedure.	Sets out exceptions to the requirement for Cash Market Transactions to be settled on the third Business Day following the date the transaction was reported. Similar to exceptions outlined under ASX Operating Rules Procedures 3600
6.2.1	<p>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 CHES Participant Technical Accreditation document available from ASX Clear.</p>	Yes.	Procedure recast to achieve consistency in wording re: requirements for DCS Validation Testing and Primary Accreditation

	<p>All tests will be based on specifications and procedures defined in the EIS and PPG APG.</p> <p>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.</p> <p>Validation testing – DCS Validation tests must be successfully completed by Participants using ASX Derivatives Clearing System OIS software, which replaces the ASX-supplied MCM application which will include: The extent of the testing required is contained in the Derivatives Clearing System Participant Technical Accreditation document available from ASX Clear.</p> <ul style="list-style-type: none"> • establish accounts • perform allocation • transfer • perform exercise and assignment • receive messages via the broadcast • exclude from exercise • give up and take up • request database refresh • close out • request close out reversal • request position deletion • price averaging • amend allocation • amend & delete exercise • amend/delete exclusion from exercise • acknowledge message when there is an assignment to the Participant on non-expiry night <p>ASX Clear will notify Participants of any amendment or addition to these validation tests.</p>		Testing for CHES.
12.1.1	<p>Cash Market Transactions ASX Clear will accept for registration a Cash Market Transaction for a sale of Financial Products that is: (a) — a reportable transaction under the ASX Market Rules operating rules of an Approved Market Operator that: (i) — results from the process of matching bids and offers in a trading platform of ASX the Approved Market Operator; or (ii) — is recorded by a trading platform of ASX the Approved Market Operator; and (b) — is notified to ASX Clear by ASX with a Settlement Date.</p>	Yes.	Cash Market Transactions will not be notified with a Settlement Date
12.1.2	<p>Market Transactions notified but not registered No categories of Cash Market Transactions are presently specified. If a Cash Market Transaction is: (a) (i) — a Wholesale Loan or a Wholesale Return Loan; or (ii) — a reportable transaction under the ASX Operating Rules that: A. — is on a different basis of quotation in accordance with the ASX Operating Rules; B. — is subject to a condition other than a condition “overseas register”; and (b) — notified to ASX Clear by ASX, ASX Clear will report the transaction to the relevant Participants and ASX Settlement for settlement.</p>	Yes.	This procedure has no present application. Wholesale Loans (12.1.2(a)(i)) are not settled in ASX Settlement. Special market transactions (12.1.2(a)(ii)) are registered by ASX Clear.
12.6.2	<p>Notification of Cash CCP Transactions to Approved Settlement Facility The time by which ASX Clear will generate and forward CCP Net Batch Settlement Instructions to the Approved Settlement Facility is by Start of Day on the Business Day before the Settlement Date notified to ASX Clear by the Approved Market Operator. The CCP Net Batch Settlement 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; (iii) the net Settlement Amount to be paid to ASX Clear by the Participant or received from ASX Clear by the Participant; (iv) if the Participant is obliged to deliver Financial Products, the source PID from which the Financial Products are to be delivered; (v) if the Participant is entitled to receive Financial Products, the target PID to which the Financial Products are to be delivered; and (vi) the scheduled Settlement Date;</p>	Yes.	Cash Market Transactions will not be notified with a 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.		
12.7.2	Buyer and Seller may request Cash Market Transaction be removed from novation and Set Off 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 notified to ASX Clear by the Approved Market Operator , normally T+1.	Yes.	Cash Market Transactions will not be notified with a Settlement Date
12.7.3	Buyer and Seller may request Cash CCP Transactions be excluded from Set Off 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 notified to ASX Clear by the Approved Market Operator , normally T+1. The Buyer and Seller must notify ASX Clear of their request to settle a Cash Market Transaction in Real Time Gross Settlement is before End of Day on the second Business Day before the Settlement Date notified to ASX Clear by the Approved Market Operator .	Yes.	Cash Market Transactions will not be notified with a Settlement Date
12.7.4	Action by ASX Clear where Buyer and Seller request Cash CCP Transaction be excluded from Set Off 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 notified to ASX Clear by the Approved Market Operator . 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 notified to ASX Clear by the Approved Market Operator .	Yes.	Cash Market Transactions will not be notified with a Settlement Date
12.7.5	Buyer and Seller may cancel request 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 notified to ASX Clear by the Approved Market Operator .	Yes.	Cash Market Transactions will not be notified with a Settlement Date
20.3.4	Information generated automatically A Participant is taken to have complied with Rule 20.3.3 if that information is generated automatically and supplied to the Underlying Market by ASX Clear in accordance with the Procedures through facilities provided by the Approved Listing Market Operator. ASX Clear will transmit details of the transaction in the Underlying Financial Products arising from the exercise of an Options CCP Contract to a the trading platform of ASX the Approved Listing Market Operator at approximately 7.30 am (Sydney time) on the Business Day following the allocation of the Exercise Notice. Details transmitted are: (a) the date on which the Exercise Notice was allocated; (b) the identity of the Participants or Market Participants indicated under Rule 20.3.3; (c) the Exercise Price of the Options CCP Contract (being the price at which the Underlying Financial Products are to be transferred); and (d) the number of Underlying Financial Products. From the details transmitted by ASX Clear, an ASX trade is created for the Standard Quantity of the Underlying Financial Products at the Exercise Value with an "as at" date of the day on which the Exercise Notice was allocated. The transaction in the Underlying Financial Products is identified by the following condition codes: "C" where the transaction arises from the exercise of a call option; and "T" where the transaction arises from the exercise of a put option.	Yes.	Refer changes to definitions ("Approved Listing Market Operator")
PROCEDURES – ANNEXURES			
3.1.8	ASX CLEAR OPERATING RULES ANNEXURE 3.1.8 APPLICATION FOR AUTHORISATION TO CLEAR MARKET TRANSACTIONS EFFECTED THROUGH TWO OR MORE APPROVED MARKET OPERATORS	New Annexure.	Form of application for Participants wishing to clear Market Transactions effected through two or more Approved Market Operators.

--

<u>Name of Clearing Participant (the "Applicant")</u>		

ABN, ARBN or ARSN AFSL Number Participant Clearing ID (PID)

--

Current Settlement System [including Name, Version and Vendor (if applicable)]

<u>1</u>	
<u>2</u>	
<u>3</u>	

Proposed new Approved Market Operator/s

A directors' attestation is required under ASX Clear Operating Rule 3.2.3 in connection with this application and is attached (please tick if applicable)

Applicant's Acknowledgement

- (a) The Applicant acknowledges that this application is upon the terms of and subject to the ASX Clear Operating Rules as varied from time to time;
- (b) The Applicant represents and warrants to ASX Clear that the information the applicant has provided to ASX Clear in connection with this application (including in the Annexures) is true and correct; and
- (c) The Applicant acknowledges that ASX Clear relies on the information provided in considering this application and acknowledges that any wilful omission or misstatement on a material point in or in connection with this application may lead to rejection of the application or, if the application is approved, subsequent cessation of the applicant's approval.

EXECUTED for and on behalf of
the Applicant by its authorised signatory:

.....
Name:

.....

	<u>Title</u>		
3.2.3(new)	<p><u>ASX CLEAR OPERATING RULES ANNEXURE 3.2.3</u></p> <p style="text-align: center;"><u>ATTESTATION BY CLEARING PARTICIPANT'S DIRECTORS TO ASX CLEAR</u></p> <p style="text-align: center;"><u>PARTICIPANT'S KEY RISKS AND INTERNAL SYSTEMS STATEMENT FOR A CLEARING PARTICIPANT CLEARING MARKET TRANSACTIONS EFFECTED THROUGH TWO OR MORE APPROVED MARKET OPERATORS</u></p> <p><i>(To be completed ONLY by a Participant that proposes to clear Market Transactions effected through two or more Approved Market Operators).</i></p> <p>Participant:</p> <p><u>We hereby certify that:</u></p> <p><u>The Participant has considered the operational, legal and ASX Clear Operating Rule risks arising from clearing Market Transactions effected through two or more Approved Market Operators and has developed and implemented systems, procedures and controls necessary to minimise the risks of undertaking this business.</u></p> <p><u>The systems, procedures and controls are operating effectively and are adequate having regard to the nature and extent of the Participant's clearing activities to ensure compliance with the ASX Clear Operating Rules.</u></p> <p><u>The Participant has:</u></p> <ul style="list-style-type: none"> • <u>successfully completed a comprehensive testing program in respect of its ability to process and reconcile, in a timely manner, Clearing Messages it receives from ASX Clear and information it receives from each AMO in respect of which the Participant is authorised to clear Market Transactions and (where applicable) Market Participants; and</u> • <u>in relation to its disaster recovery and business continuity arrangements:</u> <ul style="list-style-type: none"> • <u>performed a detailed review of its arrangements and has made such changes as it considers prudent having regard to its obligations under ASX Clear Operating Rule 4.2.1; and</u> • <u>performed a successful test of the arrangements to ensure timely recovery of its existing clearing operations and the proposed operations for clearing Market Transactions effected through multiple Approved Market Operators.</u> <p><u>The Participant acknowledges that it will, in accordance with the ASX Clear Operating Rules, be taken to have agreed to clear every Market Transaction submitted by an Approved Market Operator for registration in the Participant's name, notwithstanding that the Participant has been incorrectly identified in the Approved Market Operator's trade registration request message as a clearing counterparty to the trade (see ASX Clear Operating Rule 12.1.4) and that such Clearing Obligations may cause the Participant to breach the ASX Clear Operating Rules, including but not limited to Section 5 (Risk Management, Capital Requirements).</u></p> <p>Signature: Signature: Director Director/Company Secretary</p> <p>Name Name (please print) (please print)</p> <p>Dated this day of 20</p>	New Annexure.	Additional requirement imposed on Participants wishing to clear transactions through two or more AMOs. Attestation is in form similar to Rule/Procedure/Annexure 3.2.2.

ASX SETTLEMENT OPERATING RULES PROCEDURES

Procedure	Text of existing Procedure	Amendments required?	Purpose of amendment
ASX SETTLEMENT OPERATING RULES PROCEDURES			
2	<p>“Approved Market Operator” —</p> <p>ASX Settlement has approved ASX Limited as an Approved Market Operator.</p> <p><u>Additionally ASX Settlement has approved each of the following Australian market licensees as an Approved Market Operator for the limited purpose of providing a Transfer Service to those market licensees under ASX Settlement Rule 4.1A:</u></p> <ul style="list-style-type: none"> • <u>NSX Limited</u> • <u>Asia Pacific Exchange Limited</u> • <u>SIM Venture Securities Exchange Limited</u> 	Yes	To confirm market licensees that receive Transfer Service are Approved Market Operators as provided by Operating Rule 4.1A.1.
4.9.1 (new)	<u>Settlement Participant to lodge Settlement Bond</u> <u>For the purpose of Rule 4.9.1(d), ASX Limited (being an Approved Market Operator) is specified.</u>	New procedure.	Specify Approved Market Operators for purpose of Rule 4.9.1.
8.1.2	An application form for a person to act as an Issuer in relation to a class of Financial Products which is not to be quoted on <u>the market of</u> an Approved <u>Listing</u> Market Operator, and to have that class of Financial Products Approved, is to be completed in the form which is available from ASX Settlement.	Yes.	Refer changes to definitions (“Approved Listing Market Operator”)
10.4.5	<p>Dual Entry Batch Instructions</p> <p>A Settlement Participant must notify ASX Settlement if it wishes to schedule for settlement any Batch Instruction other than a Batch Instruction which is for the purpose of:</p> <ol style="list-style-type: none"> (a) settling a transaction which was entered into in the ordinary course of trading on the market of an Approved Market Operator (b) settling a transaction which is described as ‘special’ under the ASX Listing Rules or ASX Operating Rules (c) settling a transaction which the Settlement Participant reasonably believes is for the purpose of facilitating settlement of a transaction which falls within (a) or (b) above (d) a transaction which relates to either a loan of Financial Products or return of a loan of Financial Products (e) transferring a portfolio of Financial Products the subject of an ETF Application (f) a transaction approved by ASX Settlement that uses the primary market facility <p>The Settlement Participant must notify ASX Settlement in the following manner: By <u>facsimile email to CHESHelp@asx.com.au</u>, before 9.30 am (Sydney time) on the settlement day or the first settlement day in the case of a series of similar payments. The facsimile must be on the participant’s letter head and signed by an authorised signatory and addressed to: The Manager-Operations Clearing and Settlement On the following facsimile numbers 02 9227 0264 02 9227 0265 <u>The email</u> and must include the following information in the notification:</p> <ol style="list-style-type: none"> (a) the business reason for the settlement (ASX Settlement retains the right to request clarification on these reasons); (b) whether the notification is for a one off payment or a series of similar payments; and (c) where the payment is one in a series of similar payments a description of the expected duration and frequency. <p>Note: Following notification to ASX Settlement under this Procedure, all Dual Entry Batch Instructions for the notified class of settlements should use a Transaction Basis of</p>	Yes.	Updates.

	"F."		
--	------	--	--