



Authorisation Process for Clearing Participants to Clear Market Transactions Executed on Multiple Trading Platforms

A Clearing Participant that intends to clear Market Transactions executed on the market of an Approved Market Operator is required to submit an application to ASX Clear in the approved form and (where the Participant clears or seeks to clear Market Transactions executed through another Approved Market Operator) to attest that it has appropriate systems, procedures and controls to undertake clearing of trades from multiple trade execution platforms.

This document has been prepared for the assistance of Clearing Participants and provides an overview of the authorisation process for Participants to clear Market Transactions executed on multiple trading platforms. It is a summary document and should not be relied upon as a substitute for the ASX Clear Operating Rules.

Unless defined in this document or the context indicates otherwise, capitalised terms have the meaning given to them in the ASX Clear Operating Rules.

Authorisation Process

Where a Clearing Participant wishes to clear Market Transactions effected through the market of an Approved Market Operator the Participant is required to:

1. (Operating Rule 3.1.8) submit to ASX Clear an application in the form contained in Annexure 3.1.8 to the ASX Clear Operating Rules Procedures (see Attachment 1); and
2. (Operating Rule 3.2.3) submit to ASX Clear an attestation in the form contained in Annexure 3.2.3 to the ASX Clear Operating Rules Procedures (see Attachment 2) if it proposes to clear Market Transactions effected through two or more Approved Market Operators.

Signed application forms and attestations should be scanned and emailed to ASX Clearing and Settlement Operations at Chesshelp@asx.com.au.

If a Clearing Participant makes an application in the form prescribed by ASX Clear and (if applicable) provides an attestation in compliance with Rule 3.2.3, ASX Clear will approve the Participant's application. The Participant's authorisation to clear Market Transactions effected through the nominated Approved Market Operator will take effect from the time notified to the Participant by ASX Clear.

Clearing Participant Attestation

A Clearing Participant is required to submit an attestation to ASX Clear under Operating Rule 3.2.3 only if the Participant wishes to clear Market Transactions effected through two or more Approved Market Operators.

In providing an attestation to ASX Clear under ASX Clear Operating Rule 3.2.3, it is expected that the Participant will have:

- considered the operational, legal and ASX Clear Operating Rules risks arising from clearing Market Transactions effected through two or more Approved Market Operators;

- developed and implemented systems, procedures and controls (or otherwise updated existing arrangements) necessary to minimise the risks of undertaking such business;
- updated its Management Plan to reflect the new arrangements and the supervision requirements;
- successfully completed a comprehensive systems 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 Approved Market Operator in respect of which the Participant is authorised (or seeks authorisation) to clear Market Transactions and (where applicable) Market Participants;
- performed a detailed review of its Business Continuity Management arrangements and made such changes as it considers prudent having regard to its obligations under ASX Clear Operating Rule 4.2.1; and
- performed a successful test of the Business Continuity Management arrangements to ensure timely recovery of its existing clearing operations and the proposed operations for clearing Market Transactions effected through multiple Approved Market Operators.

With respect to the first two points noted above, General Participants engaged in third party clearing should ensure that their Clearing Agreements reflect the revised requirements of ASX Clear Operating Rule 9.1.1. (The operating rule amendments introduced in connection with the ASX Group's Trade Acceptance Service are available on the Trade Acceptance Service website at: <http://www.asx.com.au/clearing/trade-acceptance-service.htm> - refer amendments released on 25th March 2011.) General Participants are reminded of their obligation to notify ASX Clear in writing of any amendments to a Clearing Agreement to which the Participant is a party at least 10 Business Days before the amendment becomes effective (ASX Clear Operating Rule 9.1.5).

Clearing Participants are not required to submit documentation supporting the matters covered by the attestation however Clearing Participants must be able to demonstrate, on request by ASX Clear at any time, the basis on which the attestation was provided.

Further information

Further information on the Trade Acceptance Service, including historical bulletins, can be found on the ASX website:

<http://www.asx.com.au/clearing/trade-acceptance-service.htm>.

For further information on the Trade Acceptance Service, please contact Rohan Delilkhan, General Manager, Clearing and Settlement Services at rohan.delilkhan@asx.com.au or on (02) 9227 0115.

For further information on compliance matters please contact Fiona Hooymans, General Manager, Participants at Fiona.hooymans@asx.com.au or on (02) 9227 0784.

ATTACHMENT 1**ANNEXURE 3.1.8****APPLICATION FOR AUTHORISATION TO CLEAR MARKET TRANSACTIONS EFFECTED THROUGH TWO OR MORE APPROVED MARKET OPERATORS**

 Name of Clearing Participant (the "Applicant")

 ABN, ARBN or ARSN

 AFSL Number

 Participant Clearing ID (PID)

Operational Contact Details:

 Name

 Telephone

 Email

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

1

2

3

 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

Title

ATTACHMENT 2

ANNEXURE 3.2.3

ATTESTATION BY CLEARING PARTICIPANT’S DIRECTORS TO ASX CLEAR

**PARTICIPANT’S KEY RISKS AND INTERNAL SYSTEMS
STATEMENT FOR A CLEARING PARTICIPANT
CLEARING MARKET TRANSACTIONS EFFECTED THROUGH
TWO OR MORE APPROVED MARKET OPERATORS**

(To be completed ONLY by a Participant that proposes to clear Market Transactions effected through two or more Approved Market Operators.)

Participant:

We hereby certify that:

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.

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.

The Participant has:

- 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 (or seeks authorisation) to clear Market Transactions and (where applicable) Market Participants; and
- in relation to its disaster recovery and business continuity arrangements:
 - 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
 - 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.

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).

Signature: _____
Director

Signature: _____
Director/Company Secretary

Name: _____
(please print)

Name: _____
(please print)

Dated this _____ day of _____ 20