

## SECTION 2 DEFINITIONS AND INTERPRETATION

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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.

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

## **2.2 WORDS AND EXPRESSIONS DEFINED IN THE CORPORATIONS ACT**

### **2.2.1 Words and expressions defined have the same meaning in these Rules**

Words and expressions defined in the Constitutions or the Corporations Act will unless otherwise defined or specified in these Rules, or the contrary intention appears, have the same meaning in these Rules.

Introduced 11/03/04 Origin SCH 21.1.2 Amended 04/04/05

## **2.3 HEADINGS AND INTRODUCTORY OVERVIEW**

### **2.3.1 Headings and introductory overview for convenience of reference only**

In these Rules, headings and the introductory overview at the beginning of each Section are for convenience of reference only and do not affect interpretation of the Rules or the Procedures.

Introduced 11/03/04 Origin SCH 21.2.1

## **2.4 CONDUCT, ACTS AND OMISSIONS**

### **2.4.1 References to conduct or doing any act or thing**

In these Rules:

- (a) a reference to conduct or engaging in conduct includes a reference to doing, refusing to do or omitting to do, any act, including the making of, or the giving effect to a provision of, an agreement; and
- (b) unless the contrary intention appears, a reference to doing, refusing or omitting to do any act or thing includes a reference to causing, permitting or authorising:
  - (i) the act or thing to be done; or
  - (ii) the refusal or omission to occur.

Introduced 11/03/04 Origin SCH 21.3.1, 21.3.5

## **2.4.2 Conduct by officers, employees, agents and Third Party Providers**

In these Rules, conduct engaged in on behalf of a person:

- (a) by an officer, employee, Third Party Provider or other agent of the person, and whether or not within the scope of the actual or apparent authority of the officer, employee, Third Party Provider or other agent; or
- (b) by any other person at the direction or with the consent or agreement (whether express or implied) of an officer, employee, Third Party Provider or other agent of the person, and whether or not the giving of the direction, consent or agreement is within the scope of the actual or apparent authority of the officer, employee, Third Party Provider or other agent,

is deemed to have been engaged in also by the person.

Introduced 11/03/04 Origin SCH 21.3.2 Amended 31/03/08

## **2.4.3 State of mind of a person**

If for the purposes of these Rules in respect of conduct engaged in by a person, it is necessary to establish the state of mind of the person, it is sufficient to show that an officer, employee, Third Party Provider or other agent of the person, being an officer, employee, Third Party Provider or other agent by whom the conduct was engaged in and whether or not the conduct was within the scope of the actual or apparent authority of that officer, employee, Third Party Provider or other agent, had that state of mind.

In this Rule 2.4.3, a reference to the state of mind of a person includes a reference to the knowledge, intention, opinion, belief or purpose of the person and the person's reasons for the person's intention, opinion, belief or purpose.

Introduced 11/03/04 Origin SCH 21.3.3, 21.3.4 Amended 31/03/08

## **2.5 REGARD TO BE HAD TO PURPOSE OR OBJECT OF RULES**

### **2.5.1 Construction to promote purpose of Rules**

In the interpretation of a Rule, a construction that would promote the purpose or object underlying the Rules (whether that purpose or object is expressly stated in the Rules or not) is to be preferred to a construction that would not promote that purpose or object.

Introduced 11/03/04 Origin SCH 21.4.1

## **2.6 EXAMPLES AND NOTES**

### **2.6.1 Use of examples and notes**

If these Rules include an example of, or a note about, the operation of a Rule:

- (a) the example or note is not to be taken to be exhaustive; and
- (b) if the example or note is inconsistent with the Rule, the Rule prevails.

Introduced 11/03/04 Origin SCH 21.5.1

## **2.7 CHANGE OF NAME**

### **2.7.1 Reference to a body or office under a former name**

If:

- (a) the name of a body is changed in accordance with the law (whether or not the body is incorporated); or
- (b) the name of an office is changed by law,

then a reference in these Rules to the body or office under any former name, except in relation to matters that occurred before the change took effect, is taken as a reference to the body or office under the new name.

Introduced 11/03/04 Origin SCH 21.6

### **2.7.2 References to Australian Stock Exchange Limited**

All references to 'Australian Stock Exchange Limited' in the Rules, Procedures, appendices, schedules, guidance notes, circulars, notices, bulletins, explanatory memoranda and other communications issued or made by ASX Settlement under the Rules are as and from 5 December 2006 taken to be references to 'ASX Limited'.

Introduced 20/07/07

### **2.7.3 Change of name of Rules**

As from the Effective Time (as defined in Rule 12.23), these Rules (formerly known as the ASTC Settlement Rules) have been renamed the ASX Settlement Operating Rules.

Introduced 01/08/10

## **2.8 EFFECT OF AMENDMENT TO RULES AND PROCEDURES**

### **2.8.1 Where amendments to Rules and Procedures are made**

Unless expressly stated otherwise, where a Rule or Procedure is:

- (a) amended;
- (b) deleted; or
- (c) lapses or otherwise ceases to have effect,

that circumstance does not:

- (d) revive anything not in force or existing at the time at which that circumstance takes effect;
- (e) affect the previous operations of that Rule or Procedure or anything done under that Rule or Procedure;
- (f) affect any right, privilege, obligation or liability acquired, accrued or incurred under that Rule or Procedure;

- (g) affect any penalty, forfeiture, suspension, expulsion or other enforcement action taken or incurred in respect of any contravention of that Rule or Procedure; or
- (h) affect any investigation, proceeding, enforcement process, appeal process or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture, suspension, expulsion or other enforcement action,

and any such investigation, proceeding, enforcement process, appeal process or remedy may be instituted, continued or enforced, and any such penalty, forfeiture, suspension, expulsion or other enforcement action may be imposed as if the circumstance had not taken effect.

Introduced 11/03/04 Origin OCH 19.2.5 Amended 01/08/10

## **2.9 RULES IN FORCE AT TIME OF CONTRAVENTION**

### **2.9.1 Determining a contravention of the Rules**

Unless expressly stated otherwise, in determining whether the act or omission of a party constitutes a contravention of the Rules, the matter will be determined with regard to the Rules in force at the time of the relevant act or omission.

Introduced 11/03/04 Origin OCH 19.2.6 Amended 10/06/04

## **2.10 SPECIFIC DEFINITIONS FOR THE PURPOSE OF THE CORPORATIONS ACT AND OTHER LEGISLATION**

### **2.10.1 ASTC Regulated Transfers**

For the purposes of the definition of "ASTC-regulated transfer" in Regulation 1.0.02 of the Corporations Regulations, any Transfer or purported Transfer of Approved Financial Products, whether or not effected in accordance with the Rules, is an ASTC-regulated transfer. A reference to an 'SCH regulated transfer' in any legislation or regulation means an ASTC-regulated transfer. Any ASTC-regulated transfer is, for the purposes of the Corporations Regulations, to be taken, and always to have been, a proper ASTC transfer.

Introduced 11/03/04 Origin SCH 21.9.1

### **2.10.2 CHESS Subregister**

For the purposes of the definition of "ASTC subregister" in Regulation 7.11.01 of the Corporations Regulations, a CHESS Subregister is an ASTC subregister.

Introduced 11/03/04 Amended 05/12/19

### **2.10.3 References to SCH**

Where legislation refers to "SCH" or "Securities Clearing House", references in these Rules to ASX Settlement are taken to be references to "SCH" or "Securities Clearing House" for the purposes only of that legislation.

Introduced 11/03/04

## **2.11 ENTERING AND DEDUCTING FINANCIAL PRODUCTS FROM HOLDINGS**

### **2.11.1 References to entering or deducting Financial Products**

In these Rules, a reference to entering a number of Financial Products into a Holding is a reference to:

- (a) if the Holding does not exist at the time of the entry, establishing the Holding with a Holding Balance equal to that number of Financial Products; or
- (b) if the Holding already exists at the time of the entry, adding that number of Financial Products to the Holding Balance of the Holding.

In these Rules, a reference to deducting a number of Financial Products from a Holding is a reference to:

- (c) if the Holding Balance of the Holding is equal to that number, removing the Holding from the register; and
- (d) if the Holding Balance of the Holding is greater than that number, subtracting that number of Financial Products from the Holding Balance.

Introduced 11/03/04 Origin SCH 21.11

## **2.12 MEANING OF RESERVATION AND RELEASE OF FINANCIAL PRODUCTS FOR SUBPOSITION PURPOSES**

### **2.12.1 Reservation in a Subposition**

For the purposes of these Rules, a number of Financial Products in a CHESS Holding are reserved in a Subposition if:

- (a) the Subposition is created over that number of Financial Products; or
- (b) an existing reservation in a Subposition of Financial Products in that Holding is increased by that number of Financial Products.

Introduced 11/03/04 Origin SCH 21.12.1

### **2.12.2 Release from a Subposition**

For the purposes of these Rules, a number of Financial Products in a CHESS Holding are released from a Subposition if:

- (a) the Subposition over that number of Financial Products is removed; or
- (b) where the total number of Financial Products in the Holding that are reserved in the Subposition exceeds the number of Financial Products specified to be released, the Subposition reservation is reduced by that specified number of Financial Products.

Introduced 11/03/04 Origin SCH 21.12.2



## 2.13 DEFINITIONS

### 2.13.1 Definitions used in the Rules

In these Rules, unless the context otherwise requires:

**“ABN”** stands for Australian Business Number and means a person’s number as shown in the Australian Business Register.

**“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).

Amended 04/03/13

**“Account Participant”** means a Participant admitted to participate in the Settlement Facility under Rule 4.5.

**“Accountant”** means a member of the Australian Society of Certified Practising Accountants, the Institute of Chartered Accountants in Australia or other body approved by ASX Settlement.

**“Accrued Batch Instruction”** means a Batch Instruction generated by ASX Settlement to effect a distribution of Financial Products arising from a Corporate Action.

**“Accrued DvP Batch Instruction”** means an Accrued Batch Instruction with a Settlement Amount that is scheduled to settle in DvP Batch Settlement.

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

**“Accumulation Account”** means a Holder Record maintained by a Settlement Participant for the purpose of facilitating settlement of transactions in Approved Financial Products with non-Participant clients.

**“Accumulation Holding”** means a Holding of Financial Products for which the Holder Record is an Accumulation Account.

**“ADI”** means an Authorised Deposit-Taking Institution that has been granted an authority to carry on banking business in Australia under the Banking Act 1959.

Introduced 15/06/15

**“Admission Form”** means an admission form, as specified by ASX Settlement from time to time, for use by a Participant seeking to become a Participant in the Settlement Facility.

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

**“AIF”** stands for Automated Information Facility and means the service so designated that is offered by the Reserve Bank of Australia in connection with RITS/RTGS.

**“AIS”** means ASX International Services Pty Limited (ABN 62 089 068 913).

**“Allocation Component”** means, without limitation, in respect of an Offer:

- (a) a Firm Allocation Component;
- (b) a book-build; or
- (c) a placement.

**“Allocation Interest”** means a journal entry on a CHES or Issuer operated record:

- (a) representing an Approved Financial Product applied for, or to be applied for, under an Offer; and
- (b) by which the Issuer calculates the number of Approved Financial Products to be issued or disposed under Rule 15.27.

Amended 10/06/04

**“Alternative Settlement Facility”** means a CS Facility which, in the opinion of ASX Settlement, has:

- (a) adequate rules or procedures relating to the operation of the facility, including effective risk management procedures;
- (b) adequate arrangements for supervision and regulation of the facility; and
- (c) sufficient resources to conduct the facility and perform its supervisory and regulatory functions.

Introduced 18/12/06

**“Appeal”** means an appeal in accordance with the provisions of the ASX Enforcement and Appeals Rulebook.

Amended 31/03/08 Amended 01/08/10

**“Appeal Tribunal”** means the tribunal convened in accordance with the ASX Enforcement and Appeals Rulebook

Introduced 01/08/10

**“Applications Close 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.

**“Approved Agent”** means a person who has such qualifications for the purposes of Section 12 as ASX Settlement determines.

Amended 18/12/06, 23/10/09

**“Approved Clearing Facility”** means a CS Facility approved by ASX Settlement as an Approved Clearing Facility and specified in the Procedures.

**“Approved Clearing House”** means a settlement and deposit system for the safe custody, delivery and payment of Principal Financial Products or Participating International Financial Products, approved by ASX Settlement for the purposes of establishing a Segregated Account.

**“Approved Financial Products”** means a Financial Product approved by ASX Settlement in accordance with Section 8 or Section 13.

Amended 06/06/05

**“Approved Listing Market Operator”** means, in respect of a class of Financial Products or the Issuer of a class of Financial Products, the Approved Market Operator:

- (a) to whose official list the Issuer is admitted or has applied for admission in connection with the quotation of the class of Financial Products on the financial market operated by the Approved Market Operator; or
- (b) under whose operating rules the Issuer has applied for admission of the class of Financial Products to trading status on the financial market operated by the Approved Market Operator.

Introduced 27/06/11

**“Approved Market Operator”** means a Market Operator approved by ASX Settlement as an Approved Market Operator and specified in the Procedures.

**“AQUA Application Payment Batch Instruction”** means a Batch Instruction scheduled by ASX Settlement in connection with a request for issue of AQUA Products.

Introduced 21/03/14

**“AQUA Payment Batch Instruction”** means an AQUA Application Payment Batch Instruction or an AQUA Redemption Payment Batch Instruction.

Introduced 21/03/14

**“AQUA Product”** means an Approved Financial Product that is admitted under Schedule 10A of the ASX Operating Rules, and is a Managed Fund Product (as defined in the ASX Operating Rules) which meets the requirements in Rule 10A.3.3(h) of the ASX Operating Rules.

Introduced 21/03/14 Amended 06/02/17

**“AQUA Redemption Payment Batch Instruction”** means a Batch Instruction scheduled by ASX Settlement in connection with a request for redemption of AQUA Products.

Introduced 21/03/14

**“ASX Settlement Indemnity”** means the indemnity in Rule 3.6.7.

**“ASTC Regulated Transfer”** means any Transfer or purported Transfer of Approved Financial Products.

**“ASX”** means ASX Limited (ABN 98 008 624 691).

Amended 20/07/07

**“ASX Clear”** means ASX Clear Pty. Limited (ABN 48 001 314 503).

Amended 01/08/10

**“ASX Group”** means ASX and its subsidiaries and controlled entities.

**“ASX Settlement”** means ASX Settlement Pty Ltd (ABN 49 008 504 532).

Amended 01/08/10

**“ASX World Link Agreement”** means the agreement between AIS and a Settlement Participant which is a Market Participant for participation in the ASX World Link Service as displayed on the ASX World Link Website from time to time.

**“ASX World Link Service”** has the same definition as that set out in the ASX World Link Agreement.

**“ASX World Link Website”** means in relation to the ASX World Link Service the information (whether data, text, images, speech or otherwise) concerning the ASX World Link Service displayed from time to time by AIS or a Related Body Corporate of ASX on the internet at the URL: <https://www.asxonline.com>, or at any other additional or replacement URL notified by AIS to Participants from time to time, as that information is varied from time to time.

**“Austraclear System”** means the facility established by Austraclear Limited for the deposit and safe custody of securities, the facilitation of the settlement of transactions between participants of Austraclear, the transmission of information relating to dealings between participants of Austraclear and the movement of funds between the banks of participants of Austraclear.

Introduced 21/05/13

**“Australian ADI”** has the meaning it has in the Corporations Act.

Introduced 09/05/05

**“Australian ADI Account”** means an account held with an Australian ADI.

Introduced 09/05/05

**“Authorised Copy”** in relation to documents specified under Section 6 of these Rules, means a true and complete copy of the document in a form authorised by ASX Settlement.

**“Authorised Person”** means any person who has actual authority of the Facility User to cause Messages to be Transmitted by that Facility User.

**“Available Credit”** in Section 11, has the meaning given in Rule 11.20.3.

**“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 CHESSE Holding, not reserved in a Subposition;
- (d) not the subject of a Client Trust Account Amount Message which has been scheduled for settlement.

Amended 25/05/15

**“Bank”** means the person that operates the clearing facility for inter-bank payments on behalf of ASX Settlement and may, where permitted by the Reserve Bank of Australia, include ASX Settlement and for the purposes of the Standard Payments Provider Deed is known as the CHESSE Bank.

**“Bankruptcy”** means:

- (a) in the case of a body corporate, where:
  - (i) an administrator of the body corporate is appointed under section 436A, 436B or 436C of the Corporations Act;
  - (ii) the body corporate commences to be wound up or ceases to carry on a business;
  - (iii) a receiver, or a receiver and manager, of property of the body corporate is appointed, whether by a court or otherwise; or
  - (iv) the body corporate enters into a compromise or arrangement with its creditors or a class of them; or
- (b) in the case of a natural person, where:
  - (i) a creditor’s petition or a debtor’s petition is presented under Division 2 or 3, as the case may be, of Part IV of the Bankruptcy Act 1966 against the person, the partnership in which the person is a partner, or two or more joint debtors who include the person;
  - (ii) the person’s property becomes subject to control under Division 2 of Part X of the Bankruptcy Act 1966;
  - (iii) the person executes a deed of assignment or deed of arrangement under Part X of the Bankruptcy Act 1966;
  - (iv) the person’s creditors accept a composition under Part X of the Bankruptcy Act 1966; or
  - (v) the person’s creditors accept a debt agreement proposal under Part IX of the Bankruptcy Act 1966,

and, where a reference is made to a Division or Part of the Bankruptcy Act 1966, that reference includes a reference to the provisions of a law of an external territory, or a country other than Australia or an external territory, that correspond to that Division or Part.

**“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 Net Batch Instruction;

(b) a CCP Gross Batch Instruction;

(c) a CCP Derivatives Payment Batch Instruction;

(d) a Dual Entry Batch Instruction;

(e) a Dual Entry Payment Batch Instruction;

(f) a Single Entry Batch Instruction;

(g) a Direct Batch Instruction; and

(h) an AQUA Payment Batch Instruction.

Amended 21/03/14

**“Batch Settlement”** means the process by which transactions are settled in the Settlement Facility in accordance with Section 10 whether or not in DvP Batch Settlement.

**“Borrower”** has the meaning given to it in the definition of Securities Lending Arrangement.

Introduced 02/11/09

**“Business Day”** means a day other than:

(a) a Saturday, Sunday, New Year’s Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and

(b) any other day which ASX Settlement notifies Facility Users is not a Business Day.

Amended 10/06/04

**“Business Hours”** means the hours between Start of Day and End of Day.

**“Cash Market Transaction”** means a transaction entered into on or reported to the market of an Approved Market Operator under which:

(a) one party has an obligation to deliver a number and class of transferable Financial Products; and

(b) the other party has an obligation to pay an amount of money for the delivery.

Introduced 07/06/13

**“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”** means ASX Clear and any other person nominated by ASX Settlement and approved by the Commission when operating as a central counterparty to a transaction novated in accordance with the operating rules of an Approved Clearing Facility.

**“CCP Batch Instruction”** means either a CCP Gross Batch Instruction or a CCP Net Batch Instruction.

**“CCP Derivatives Payment Batch Instruction”** means an Instruction notified by CCP to ASX Settlement for settlement in relation to a derivatives payment in Batch Settlement on each Business Day;

**“CCP Gross 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 but that has not been 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 Gross Batch Instruction.

Amended 28/04/14

**“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 Net 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.

Amended 28/04/14

**“CDI”** stands for CHES Depositary Interest and means a unit of beneficial ownership in a Principal Financial Product, registered in the name of the Depositary Nominee, and includes:

- (a) CUFS;
- (b) DIs; and
- (c) Government Bond Depositary Interests.

Amended 21/05/13

**“CDI Register”** means a register of CDI Holdings maintained by a Principal Issuer under the Rules, consisting of:

- (a) an Issuer-Sponsored Subregister of Holders of CDIs and a CHES Subregister of Holders of CDIs; or
- (b) with the consent of ASX Settlement, a CHES Subregister of Holders of CDI.

*Note: ASX Settlement may consent to a CDI Register consisting of a CHES Subregister only, where the relevant offer is limited to institutional Holders.*

**“Certificate”** means any document issued to a Holder of Principal Financial Products or Participating International Financial Products as evidence of that Holder’s title to those Principal Financial Products or Participating International Financial Products, for example, a share certificate, an option certificate, debenture or warrant.

Amended 06/06/05

**“Certificate Number”** means a reference number allocated by an Issuer in respect of, and printed on, a Certificate.

**“Certificated Holding”** means a Holding of Principal Financial Products on the Principal Register.

Introduced 06/06/05

**“Certificated Subregister”** means a register of Principal Financial Product or Participating International Financial Product holdings, administered by an Issuer, for which a Certificate is issued as evidence of title.

Introduced 04/03/13

**“Change of Registration Details”** means information altering Registration Details in the electronic records of ASX Settlement.

**“CHES”** stands for the Clearing House Electronic Subregister 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 Financial Products and registering Transfers.

**“CHES Holding”** means a Holding of Financial Products on the CHES Subregister.

**“CHES Provision”** means:

- (a) a provision of these Rules; or
- (b) a provision of Chapter 7 of the Corporations Act which is material to the operation of CHES.

**“CHES Renounceable Rights Subregister”** means the Subregister administered by ASX Settlement that records Holdings of rights.

**“CHES Software”** means all systems and applications programs relevant to the operation of CHES including (without limitation) all of the computer software maintained and used by ASX Settlement for the purposes of CHES (other than software used by a Facility User to communicate with CHES).



**“CHESS Subregister”** means:

- (a) that part of an Issuer’s register;
  - (b) that part of a Foreign Issuer’s or Government Bond Issuer’s CDI Register, for a class of the Foreign Issuer’s or Government Bond Issuer’s (as applicable) Approved Financial Products; or
  - (c) the FDI Register for a class of Participating International Financial Products,
- that is administered by ASX Settlement.

Amended 06/06/05, 21/05/13

**“CHESS to Certificated”** means a Transfer or Conversion of Principal Financial Products from a CHESS Holding to a certificated register administered by the Principal Issuer.

**“CHESS to CHESS”** means a Transfer of Financial Products from one CHESS Holding to another CHESS Holding.

**“CHESS to Issuer Sponsored”** means a Transfer or Conversion of Financial Products from a CHESS Holding to an Issuer Sponsored Holding.

**“Clearing Account”** means a Settlement Account or an Accumulation Account.

**“Clearing Holding”** means a Settlement Holding or an Accumulation Holding.

**“Clearing Participant”** means a person admitted as a participant in an Approved Clearing Facility under the operating rules of that facility.

**“Client Trust Account”** means:

- (a) if the Settlement Participant is settling Cash Market Transactions for which it is the Clearing Participant, the clients’ trust account maintained by the Settlement Participant (in its capacity as Clearing Participant) pursuant to Rule 4.23 of the ASX Clear Operating Rules for money received by it in connection with dealings in such Cash Market Transactions; or
- (b) if the Settlement Participant is acting as a Settlement Agent for a Clearing Participant for settling Cash Market Transactions, the clients’ trust account maintained by the Clearing Participant pursuant to Rule 4.23 of the ASX Clear Operating Rules for money received by it in connection with dealings in such Cash Market Transactions.

Introduced 25/05/15

**“Client Trust Account Amount Message”** means a Valid Single Entry 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

**“Client Trust Receivable Amount”** has the meaning given in Rule 6.3B.8.

Introduced 25/05/15

**“Client Trust Deductible Amount”** has the meaning given in Rule 6.3B.8.

Introduced 25/05/15

**“Combined Product Disclosure Statement”** means the Product Disclosure Statement and all Supplementary Product Disclosure Statement(s) for an AQUA Product combined into one document with the most recent Supplementary Product Disclosure Statement at the front. The date of this document is the date of that most recent Supplementary Product Disclosure Statement.

Introduced 06/02/17

**“Commencement Date”** in relation to a class of an Issuer’s Financial Products, means the date on which Financial Products in that class become Approved Financial Products.

Amended 06/06/05

**“Commission”** means the Australian Securities and Investments Commission.

**“Communication”** means an electronic communication within CHESS which may affect the balance of a CHESS Holding.

**“Complete Corporate Action Record”** means a record of information relating to a Corporate Action that includes all relevant dates.

**“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”*

**“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”, 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”, 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.

**“Contravention Notice”** means a Notice given by ASX Settlement to a Facility User under Section 12.

**“Controlling Participant”** in relation to a CHESS Holding, means the Participant that has the capacity in CHESS to either:

- (a) Transfer or Convert Financial Products from the Holding; or
- (b) transfer in terms of Rule 13.19.2; or
- (c) Transmute FDIs from the Holding.

**“Conversion”** means a movement of Financial Products from a Holding on one Subregister to a Holding on another Subregister without any change in legal ownership.

**“Convertible Form”** means when the Participant has received all the necessary documentation such that:

- (a) the registry is satisfied that the Registration Details for the Certificates, SRN or other form of Source Holding match the Registration Details for the Target Holding; and
- (b) the Participant is able to initiate the Conversion message.

**“Corporate Action”** means:

- (a) action taken by an Issuer of Financial Products for the purpose of giving an Entitlement to Holders of a class of the Issuer’s Financial Products;
- (b) action taken by a Principal Issuer for the purpose of giving an Entitlement in respect of Principal Financial Products held by a Depositary Nominee to Holders of CDIs; and
- (c) in relation to Section 13 action taken by an issuer of Participating International Financial Products for the purposes of giving an Entitlement in respect to Participating International Financial Products, held by a Depositary Nominee.

**“Corporations Act”** means the Corporations Act 2001 (Cth).

Introduced 05/12/19

**“Cover”** means Financial Products lodged with, or otherwise made available to, an Approved Clearing Facility as security for deposits or margins payable in relation to Derivatives transactions or Cash Market Transactions or transactions under an Offsetting Transaction Arrangement.

Amended 07/06/13, 28/04/14

**“CS Facility”** means a CS facility licensed as such under the Corporations Act or a Foreign Clearing House.

**“CUFS”** stands for CHESS Units of Foreign Securities and means a unit of beneficial ownership in a Financial Product of a Foreign Issuer, registered in the name of the Depositary Nominee.

Amended 10/06/04

**“Cum Entitlement”** in relation to a Transfer or a Conversion, means a Transfer or Conversion of Parent Financial Products together with the Entitlement to a Corporate Action.

**“Cum Entitlement Balance”** means, in respect of a Corporate Action, the number of Parent Financial Products to be used by the Issuer to calculate the Entitlement of a Holder or a former Holder of Parent Financial Products.

**“Cum Processing”** means processing of Cum Entitlement Transfers and Conversions by deducting Financial Products from or entering Financial Products into the Cum Entitlement Balance for a Holding.

**“Current Valuation”** means the current market valuation of Financial Products, being the last sale price for the Financial Products at the close of business on the previous Business Day, or if a higher offer price or lower bid price exists at that time, that price.

**“Custodial Purposes”** for the purposes of Rule 6.3.4 means in relation to Financial Products in a Clearing Holding, any purpose other than the purpose of facilitating:

- (a) the execution of outstanding orders; or
- (b) the clearing and settlement of outstanding transactions.

**“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 an RTGS Instruction, means an obligation on the part of one party to deliver certain Financial Products to the other on settlement.

**“Demand Report”** means a Message Transmitted by ASX Settlement to a Facility User to provide information about CHES Holdings or CHES Subregister movements in accordance with parameters specified by the Facility User.

**“Demand Transfer”** means a Transfer other than a Settlement Transfer.

**“Demand Transfer Settlement”** means settlement of a Batch Instruction is effected by the counterparties by Demand Transfer

**“Depository Nominee”** means the person appointed under these Rules, being either:

- (a) CHESS Depository Nominees Pty Ltd (as long as it remains admitted to participate in CHESS under Rule 4.3.1); or
- (b) a person admitted as a General Settlement Participant under Rule 4.3.1, whose function is to hold Title or Other Interest to Principal Financial Products or Participating International Financial Products.

**“Derivatives”** means derivatives entered into on a market in a derivatives instrument that is operated by an Approved Market Operator.

**“DI”** stands for Depository Interest and means a unit of beneficial ownership in a Financial Product which is not a Financial Product of a Foreign Issuer, registered in the name of the Depository Nominee.

**“DI Issuer”** means an Issuer of Financial Products quoted on ASX, a condition of the issue being that the Financial Products are held by investors in Australia in the form of DIs.

**“Direct Batch Instruction”** means a Batch Instruction under which the obligations are effected by the counterparties directly.

**“Direct Holding”** means a CHESS Holding where the Holder is:

- (a) the Controlling Participant; or
- (b) if the Controlling Participant is an incorporated entity, a Related Body Corporate of that Participant; or
- (c) if the Controlling Participant is a partnership, a nominee company provided all of its issued capital is owned by the partners.

**“Disciplinary Register”** means the register maintained by ASX Settlement under Rule 12.6.1.

**“Divestment”** means action taken by an Issuer to require or effect the disposal of Financial Products.

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

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

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

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

**“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 Batch Instruction”** means a Batch Instruction to be settled in DvP Batch Settlement.

**“DvP Batch Settlement”** means a component of Batch Settlement in which irrevocable payment is made through the funds transfer procedures or alternative payment arrangements specified in Rule 10.7.1 or 10.7.2 in exchange for the irrevocable Transfer of Financial Products.

**“DvP Declaration”** means the time when all the registered payment instructions in the CHESS Payments Provider User Group are simultaneously effected for the purposes of Batch Settlement.

**“DvP Facilitation Service”** means a service provided by ASX Settlement to an Approved Listing Market Operator for the holding and settlement (on a delivery versus payment basis) of Approved Financial Products that are quoted or admitted to trading status on the market of that Approved Listing Market Operator, in accordance with Rule 4.1A.

Introduced 28/12/11

**“DvP Instruction”** means:

- (a) a DvP Batch Instruction; or
- (b) a DvP RTGS Instruction.

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

**“DvP Real Time Gross Settlement”** means a component of Real Time Gross Settlement in CHESS in which the Payment Obligation and the Delivery Obligation identified in a DvP RTGS Instruction are irrevocably and simultaneously settled in accordance with Rule 11.25.

**“DvP RTGS”** stands for DvP Real Time Gross Settlement.

**“DvP RTGS Instruction”** means an RTGS Instruction that identifies a Payment Obligation and a Delivery Obligation.

**“DvP Settlement”** means:

- (a) DvP Batch Settlement; or
- (b) DvP Real Time Gross Settlement.

**“Effective Date”** means the date referred to in a Participant Change Notice on which the novation of a Client Agreement is deemed to have occurred.

**“EIS”** stands for External Interface Specification, and means 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.

**“Election Date”** means the date by which a person must instruct an Issuer if the person wishes to convert or exercise Financial Products in accordance with the terms of a Corporate Action.

**“Email Details”** means, in respect of a Holding, the email address and Email Purpose of the Holder.

Introduced 02/11/09

**“Email Purpose”** means, in respect of an email address specified in relation to a Holding, the categories of communications, as specified in the Procedures, that the Holder has indicated a preference to receive by delivery to that email address.

Introduced 02/11/09

**“Employee”**, in relation to a Participant or Issuer, means a director, employee, officer, agent, representative, consultant or advisor of that Participant or Issuer (as the case may be) or any Related Body Corporate who is involved in its activities as a Participant or Issuer (as the case may be).

Amended 02/08/13

**“End of Day”** means on any Trading Day, 7:00pm Sydney time or such other time as ASX Settlement may from time to time determine.

**“End of Day Processing Phase”** means on any Trading Day, the time period after End of Day during which various scheduled processing and system administration tasks are completed (for example, financial products maintenance, corporate action processing, archiving and system backup).

**“Entitlement”** means:

- (a) property (other than Financial Products) or money transferred or paid to a person because the person is or was the holder of a Financial Product; or
- (b) a right that a person has because the person is or was the holder of a Financial Product, including, for example:
  - (i) A right to be paid an amount or to be issued with additional Financial Products; or
  - (ii) A right that arises out of a reduction in share capital, a scheme of arrangement or compromise or a takeover bid;

and includes a reference to a right, whether existing or future, and whether contingent or not. It includes (without limitation):

- (c) rights;
- (d) bonus issues;
- (e) dividend, interest and trust distribution payments;
- (f) priority issues;
- (g) offers under an equal access scheme;
- (h) in relation to Participating International Financial Products, any equivalent or similar benefit (however described) provided or offered by the issuer of the Participating International Financial Products; and
- (i) interest, principal and any other payments arising in respect of a Government Bond.

Amended 01/01/12, 21/05/13

**“Entitlement Date”** in relation to Section 13 means, a date specified by the Depositary Nominee as the date by reference to which the Depositary Nominee will identify the persons entitled to the benefit of a Corporate Action.

**“ETF Application”** means the application required by an Issuer to enable new ETF Financial Products to be created and issued to a subscriber.

Amended 04/03/13

**“ETF Financial Products”** has the same meaning as:

- (a) ETF Securities under the operating rules of ASX; and
- (b) ETF financial product under the operating rules of an Approved Market Operator.

Amended 15/09/08, 01/08/10, 23/07/18

**“Event of Non-Compliance”** means an event for which Notice must be given under Rule 12.18.

**“Ex Date”** means the date on which the Approved Listing Market Operator changes the basis of quotation for a class of Parent Financial Products to signify that trading in that class no longer carries the entitlement.

Amended 27/06/11

**“Ex Entitlement”** in relation to a Transfer or a Conversion, means a Transfer or Conversion of Parent Financial Products without the Entitlement to a Corporate Action.

**“Ex Period”** means the Period from Start of Day on the Ex Date to End of Day on the Record Date in respect of a Corporate Action.



**“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 “F”, on the day when the Foreign Ownership Percentage Level Foreign Holder Percentage Level is exceeded.

**“Excluded Class of Financial Products”** means a class of Financial Products declared by ASX Settlement from time to time as a class of Financial Products that is not eligible for processing in CHES.

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

**“Exemption Code”** means a numeric code in the form approved by the Australian Taxation Office for the purpose of TFN exemption reporting.

**“Facility User”** means:

- (a) a Participant;
- (b) an Issuer of Approved Financial Products; or
- (c) a market licensee which is provided with a Settlement Facilitation Service under Rule 4.1A.

Amended 22/01/10, 28/12/11

**“Fail”** means the removal under the Rules of the whole or part of an Instruction from Batch Settlement or Real Time Gross Settlement, on a Business Day.

*Note: A Failed CCP Batch Instruction removed from Batch Settlement may be notified by ASX Settlement to the Approved Clearing Facility for settlement on that day through an Offsetting Transaction Arrangement entered into between the Approved Clearing Facility and the respective non-defaulting Participant in accordance with the operating rules of the Approved Clearing Facility.*

Amended 28/04/14

**“Failed Settlement Shortfall”** means, in relation to a Holding and a class of Financial Products, a deficiency in the number of Financial Products of the class in the Holding relative to the total number of Financial Products of the class due to be delivered from the Holding on a Business Day pursuant to one or more Rescheduled Batch Instructions, where the deficiency is a number greater than zero, calculated using the following formula:

$$\text{FSS} = \text{D} - \text{H}$$

FSS is the Failed Settlement Shortfall

- D is the total number of Financial Products of the relevant class projected to be delivered from the Holding pursuant to one or more Rescheduled Batch Instructions
- H is the total number of Financial Products of the relevant class in the Holding

Introduced 30/03/09

**“FDI”** stands for Foreign Depositary Interest and which comprises a beneficial interest or Other Interest in a Participating International Financial Product held by a Depositary Nominee.

**“FDI Register”** means the record of Holders of FDIs containing the information required by Rule 13.19.4.

**“FDI Transaction”** means a transaction where on transfer of clear funds the Depositary Nominee records or removes FDIs in the FDI Register, as the case requires.

**“Feeder System”** in relation to CHESS, means collectively the systems and procedures to effect Real Time Gross Settlement utilising an electronic interface to RITS/RTGS and, when appropriate, the AIF.

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

- (a) test RTGS Instructions within CHESS in the manner contemplated by Rules 11.18, 11.19 and 11.20; and
- (b) hold and allow ASX Settlement to monitor unsettled RTGS Instructions during the RTGS Settling Phase.

**“Fees and Charges Schedule”** means the Fees and Charges Schedule made by ASX Settlement under Rule 1.6.

**“Financial Products”** means:

- (a) Division 4 financial products as defined in Regulation 7.11.03 of the Corporations Regulations and, for the purposes of the rules relating to AQUA Products, interests in managed investment schemes that are registered under section 601EB of the Corporations Act and not quoted on the financial market operated by ASX;
- (b) For the purposes of Rule 8.3.2, financial products issued under an employee incentive scheme and company issued options; or
- (c) AQUA Products to be settled in accordance with Section 18.

Amended 21/03/14

**“Financial Products Code”** means the code that is assigned to a class of Approved Financial Products by the Approved Listing Market Operator.

Amended 27/06/11

**“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 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 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.

**“Financial Products Transformation”** means either:

- (a) an adjustment to the Holding Balance of a CHESS Holding initiated by the Issuer because Financial Products in the Holding have:
  - (i) been absorbed into an existing class of Financial Products (for example, Financial Products that do not rank for a Dividend to Financial Products that do); or
  - (ii) been assigned a new Financial Product Code (for example, because of a Reconstruction); or
- (b) in respect of Allocation Interests, an adjustment to a Holding of Allocation Interests initiated by the Issuer in order to Issue Approved Financial Products under Rule 15.27.

Amended 04/03/13

**“Firm Allocation Component”** means that part of an Offer which is reserved for clients of a Participant under an agreement between the Issuer and a Participant.

**“FOR Financial Products”** means a class of Approved Financial Products included in Schedule 1, pursuant to Rule 5.18.2.

**“Foreign Clearing House”** means a person which:

- (a) has its principal place of business in a country other than Australia;
- (b) is authorised to provide clearing and settlement services in the country in which it has its principal place of business; and
- (c) is subject to prudential and/or other regulatory supervision in the country in which it has its principal place of business by a regulatory authority that has entered into an information sharing arrangement dealing with market matters with the Commission.

**“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 Issuer”** means an Issuer whose place of incorporation does not recognise CHESS as a system that can transfer and register legal Title to Financial Products.

**“Foreign Ownership Percentage Level”** means the aggregate limit of foreign ownership, pursuant to the constitution or governing legislation of an Issuer whose Financial Products are included in Schedule 1.

**“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 “F” denotes a Foreign Person*

**“Foreign Register”** means a register of an Issuer that is located outside Australia.

**“Foreign Financial Products”** means financial products issued or made available by a Foreign Issuer.

**“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 “F”, thus resulting in a Holding of Confirmed FOR Financial Products.

Amended 18/12/06

**“Full Download”** in relation to the CHESS Subregister for a class of an Issuer’s Financial Products, means a Demand Report Transmitted to the Issuer of:

- (a) the HINs of all Holders on the Subregister; and
- (b) the Holding Balances of all Holdings; and/or
- (c) the Cum Entitlement Balances for all Holdings or former Holdings.

**“Fund Request Cut-Off”** means, in relation to an application for issue or redemption of AQUA Products or an application to Switch between AQUA Products, on any Business Day, the time specified in the Scheduled Times.

Introduced 21/03/14

**“General Settlement Participant”** means a Participant admitted to participate in the Settlement Facility under Rule 4.3 but does not include a Recognised Market Operator under Rule 4.3.13.

**“Government Bond”** means a debenture, stock or bond (however described) issued by a Government Bond Issuer.

Introduced 21/05/13

**“Government Bond Depositary Interest”** means a unit of beneficial ownership in a Government Bond registered in the name of a Depositary Nominee or its nominee.

Introduced 21/05/13

**“Government Bond Issuer”** means an issuer of Government Bonds that ASX has approved for quotation and trading on ASX in the form of Government Bond Depositary Interests in respect of such Government Bonds in accordance with the Operating Rules of ASX.

Introduced 21/05/13

**“Held Balance”** means the number of Financial Products that remain in a Certificated Holding after a Transfer by a Participant of only some of the Financial Products represented by a Certificate or Marked Transfer.

Introduced 06/06/05

**“Held Balance Reference Number”** means the number allocated by an Issuer to identify a Held Balance.

**“HIN”** stands for Holder Identification Number and means a number used to:

- (a) identify a Holder of Financial Products on the CHESS Subregister; and
- (b) link the Holding details maintained on the CHESS Subregister with the Holder’s Registration Details.

**“Holder”** means:

- (a) a person registered as the legal owner of Financial Products in a Holding;
- (b) a person who is recorded as holding CDIs on the CDI Register;
- (c) a person who is recorded on a record of Allocation Interests;
- (d) a person who is recorded as holding FDIs on the FDI Register; or
- (e) an owner of a Government Bond.

Amended 21/05/13

**“Holder Record”** means the Registration Details, the HIN and the Holder Type 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 deducted from any current Holding to which the relevant Holder Record applies, pursuant to a Transfer or Conversion.

**“Holder Type”** means a code used to indicate the capacity in which a Participant:

- (a) establishes a Holder Record;
- (b) controls a CHESS Holding, (for example, Direct, Participant Sponsored or Clearing Account).

**“Holding”** means:

- (a) a number of Financial Products of an Issuer held by a Holder on the Issuer's register;
- (b) a number of CDIs held by a Holder on the CDI Register;
- (c) a number of Allocation Interests recorded in respect of a Holder;
- (d) a number of FDIs recorded as held by a Holder on an FDI Register; or
- (e) a number of Government Bonds held by a Holder.

Amended 21/05/13

**“Holding Adjustment”** means a movement of Financial Products to or from a CHESS Holding that is initiated by an Issuer Transmitting a Message to ASX Settlement to:

- (a) give effect to a Corporate Action or Reconstruction in relation to a class of the Issuer's Financial Products;
- (b) establish a CHESS Holding pursuant to a new issue of Approved Financial Products;
- (c) move Financial Products from a CHESS Holding for the purpose of Divestment or forfeiture; or

- (d) move Financial Products to or from a CHESS Holding in such other circumstances as:
  - (i) are permitted by these Rules; or
  - (ii) may be agreed between ASX Settlement and the Issuer.

**“Holding Balance”** means the number of Financial Products in a Holding.

**“Holding Lock”** means, in relation to a Holding on either the CHESS Subregister or an Issuer Operated Subregister, a facility that prevents Financial Products from being deducted from, or entered into, a Holding 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:
  - (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.

**“Incapacity Law”** means a law relating to the administration of the estates of persons who, through mental or physical incapacity, are incapable of managing their affairs.

**“Industry Group”** means one of the following groups:

- (a) Participants or senior officers of Participants; or
- (b) senior officers of Issuers or of Issuers’ Third Party Providers.

**“Instruction”** means a Batch Instruction or an RTGS Instruction.

**“Issue”** means the entry of the Principal Financial Products or Participating International Financial Products into an Uncertificated Subregister or a Certificated Subregister, as applicable.

Introduced 04/03/13

**“Issue Date”** means the date set, in accordance with the Approved Listing Market Operator’s Listing Rules, on which the Issue occurs.

*Note: This date may be prescribed by the Approved Listing Market Operator.*

Introduced 04/03/13

**“Issuer”** means a person who issues or makes available or proposes to issue or make available, Approved Financial Products and includes (without limitation):

- (a) a listed company or company whose Financial Products are quoted by a market licensee or by a financial market or type of financial market exempted under section 791C of the Corporations Act;
- (b) a warrant issuer;
- (c) the responsible entity of a managed investment scheme;
- (d) a Foreign Issuer.

**“Issuer Operated Subregister”** means an Issuer Sponsored Subregister.

**“Issuer Sponsored Holding”** means a Holding of Financial Products on the Issuer Sponsored Subregister.

**“Issuer Sponsored Subregister”** means:

- (a) that part of an Issuer’s register that records uncertificated Holdings of Financial Products in accordance with Listing Rule 8.2 or, in the case of AQUA Products, Rule 5.2; or
- (b) that part of a CDI Register, that is administered by the Issuer (and not ASX Settlement).

Amended 21/03/14

**“Issuer Sponsored to CHESS”** means a Transfer or Conversion of Financial Products from an Issuer Sponsored Holding to a CHESS Holding.

**“Issuer Warranties and Indemnities”** means warranties and indemnities given by an Issuer under these Rules.

**“Last Corporate Action Event Date”** means in the case of an Entitlement under a Corporate Action that involves:

- (a) the issue of Financial Products only, the Issue Date;
- (b) the payment of money only, the due date of payment; or
- (c) a combination of the issue of Financial Products and the payment of money, the later of the Issue Date and the due date of payment,

where, before the date when the Issuer must have completed its obligation to pay money or issue Financial Products is unknown or unclear the Last Corporate Action Event Date will be a date ASX Settlement reasonably determines is appropriate in the circumstances and notifies the Issuer and each Participant.

Amended 04/03/13

**“Lender”** has the meaning given to it in the definition of Securities Lending Arrangement.

Introduced 02/11/09



**“Listing Rules”** means, in respect of an Approved Listing Market Operator or a class of Financial Products quoted on the financial market operated by an Approved Market Operator, the listing rules (as defined in section 761A of the Corporations Act) of the Approved Listing Market Operator.

Amended 27/06/11

**“Locked”** in relation to a Holding, means subject to a Holding 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.

**“Managed Fund Settlement Service”** means the settlement service called mFund provided by ASX Settlement in respect of AQUA Products.

Introduced 21/03/14

**“Marked Transfer”** means a Registrable Transfer Document that has been marked by the Issuer or a marking body.

Introduced 06/06/05

**“Market Operator”** means:

- (a) ASX; or
- (b) in the Rules made from time to time pursuant to arrangements entered into under section 798C of the Corporations Act, in relation to quoted financial products issued by ASX, “the Commission”; or
- (c) in relation to:
  - (i) a class of financial products quoted, or to be quoted by; or
  - (ii) a participant of a market licensee under the Corporations Act other than ASX,that market licensee; or
- (d) the operator of a financial market or type of financial market exempted under section 791C of the Corporations Act.

**“Market Participant”** means a participant of an Approved Market Operator.

**“Marketable Parcel”** means in relation to a Financial Product, the number determined by the Approved Listing Market Operator to be a marketable parcel.

Introduced 18/12/06, 27/06/11

**“Marking Number”** means the unique reference number allocated to a Marked Transfer by the Issuer or a marking body.

Introduced 06/06/05

**“Match and Matched”** in relation to Messages Transmitted to ASX Settlement by a Participant, means that the Message contains, or under the Rules may be taken to contain, the same details for message fields that require mandatory matching.

**“Matched Messages”** means:

- (a) in relation to Dual Entry RTGS Messages, Messages that are Matched under Rule 11.13.3;
- (b) in relation to Dual Entry 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
- (e) in relation to Dual Entry Payment Batch Messages, Messages that are Matched under Rule 10.8.3,

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

**“Maximum Percentage”** means 10% or such other percentage prescribed by ASX Settlement.

**“Maximum Value”** means \$350,000 or such other amount prescribed by ASX Settlement.

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

**“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.

**“Nominee Company”** means a body corporate controlled and operated by a Participant admitted under Rule 4.3.1 that carries on the business of holding Financial Products as a trustee or nominee.

**“Non Participant Related Body Corporate”** means, in respect of an entity, a Related Body Corporate of the entity which is not a Participant.

Introduced 14/12/09

**“Notice”** has a meaning given by Rule 1.10.

**“Notice of Death”** means a death certificate or any other document which provides satisfactory evidence of a Holder’s death.

Amended 23/07/18

**“Off Market Transaction”** means a transaction in Approved Financial Products that is not an On Market Transaction.

**“Offsetting Transaction Arrangement”** means an arrangement entered into between the Approved Clearing Facility and a Clearing Participant under the operating rules of the Approved Clearing Facility in respect of a Failed CCP Batch Instruction notified to the Approved Clearing Facility under Rule 10.11.7A or 10.16A.

Introduced 28/04/14

**“Offer”** means:

- (a) an offer for subscription or an invitation to subscribe for Financial Products, under which an Issuer must Issue; or
- (b) an offer under which an Issuer must dispose of,

Approved Financial Products to successful applicants.

Amended 04/03/13

**“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.

**“Old Corporations Act”** means the Corporations Act as in force immediately before 11 March 2002.

**“On Market Transaction”** means a transaction in Approved Financial Products in relation to which one of the following conditions is satisfied:

- (a) the transaction was entered into in the ordinary course of trading on an Approved Market Operator's market; or
- (b) the transaction is, under the operating rules of an Approved Market Operator, described, or to be described, as 'special' when it is reported to the Approved Market Operator; or
- (c) in relation to a transaction between a Participant and a Participant who is not a Market Participant, a confirmation is issued in relation to a transaction under paragraph (a) or (b); or
- (d) in relation to a transaction between two Participants that are not Market Participants, the transaction is entered into solely for the purpose of facilitating settlement of a transaction of a kind referred to in paragraph (a) or (b).

Amended 10/06/04

**“Originating Message”** means a Message Transmitted to ASX Settlement by the Controlling Participant for a CHESS Holding which (as a consequence of that Message being processed) results in ASX Settlement or a Facility User Transmitting another

Message (whether or not that consequential Message also results from the processing of any intervening Message).

**“Other Interest”** means any right or interest whether legal or equitable in the Participating International Financial Product and includes an option to acquire a right or interest in the Participating International Financial Product.

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

**“Parent DvP Batch Instruction”** means a Parent Batch Instruction with a Settlement Amount scheduled to settle in DvP Batch Settlement.

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

**“Parent Financial Products”** means a class of Approved Financial Products to which an Entitlement to cash or Financial Products attaches that, during an Ex Period, may be Transferred with or without the Entitlement.

**“Parent Participant”** means:

- (a) in relation to a group of Participants within paragraph (a) of the definition of Participant Group, any Participant within that group that is notified to ASX Settlement by all the Participants within that group; or
- (b) in relation to a group of Participants within paragraph (b) of the definition of Participant Group, the Settlement Participant that is notified to ASX Settlement by all the Participants within that group.

Amended 18/12/06

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

**“Participant”** means an Account Participant, a Specialist Settlement Participant, a General Settlement Participant or a Product Issuer Settlement Participant.

Amended 21/03/14

**“Participant Bidder”** means a Participant entitled or authorised (whether as the bidder or on behalf of the bidder) to receive acceptances of bids made under a takeover bid in accordance with these Rules.

**“Participant Change Notice”** means the Notice sent to a Participant Sponsored Holder which complies with the requirements of Rule 7.1.10(a)

Amended 04/04/05

**“Participant Group”** means:

- (a) a group of Participants that are related bodies corporate within the meaning of section 50 of the Corporations Act; or

- (b) a Settlement Participant which has a written agreement with one or more Account Participants and each of those Account Participants with whom it has a written agreement.

Amended 18/12/06

**“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 Sponsored Holder”** means a person that has a current Sponsorship Agreement with a Participant as required or permitted under these Rules.

**“Participant Sponsored Holding”** means a CHESS Holding of a Participant Sponsored Holder.

**“Participant Warranties and Indemnities”** means warranties and indemnities given by a Participant under these Rules.

**“Participation Requirements”** means matters set out in Section 4 in relation to which ASX Settlement must be satisfied in order for a person to be admitted to participate in CHESS in any capacity.

**“Participating International Financial Products”** mean financial products:

- (a) traded on a market other than in Australia; and
- (b) declared by ASX Settlement under Rule 13.15 from time to time to be available for settlement by means of FDIs.

*Note: financial products in this definition are not restricted by jurisdictional limits in the Corporations Act.*

Amended 06/06/05

**“Party”** in relation to a Proceeding or Appeal, means:

- (a) the Facility User to whom a Contravention Notice was given in the Proceeding; or,
- (b) ASX Settlement or the Facility User to or by whom an Appeal Notice was given in the Appeal,

as the case requires.

**“Payment Batch Instruction”** means:

- (a) a CCP Derivatives Payment Batch Instruction; or
- (b) a Dual Entry Payment Batch Instruction; or
- (c) an AQUA Payment Batch Instruction.

Amended 21/03/14

**“Payment Facility”** means a Facility operated for a Participant at a Payments Provider for the purposes of paying and receiving payments in Batch Settlement.

**“Payment Obligation”** in relation to an RTGS Instruction means an obligation on the part of one party to pay a cash amount to the other on settlement.

**“Payment Shortfall”** for a Payment Facility, means:

- (a) if the Participant’s net obligation to make payment is not authorised, the amount of the net obligation for which authorisation is sought; or
- (b) if the Participant’s net obligation to make payment is not authorised, the difference between the amount of the net obligation to make the payment that has already been authorised by the Payments Provider and the amount of the net obligation to make a payment for which further authorisation is sought from the Payments Provider.

**“Payment Systems and Netting Act”** means the Payment Systems and Netting Act 1998 (Cth).

**“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 CHES; 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 Payment 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).

**“Payments Provider User Group”** means the subsystem within the interbank payments system, operated by the Reserve Bank of Australia, established to enable financial institutions to satisfy payment obligations of CHES Participants on behalf of CHES Participants.

**“PID”** stands for participant identifier and means a UIC allocated 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 CHES Subregister; and

- (b) included in a Message header to identify the source and/or destination of CHES Data Messages.

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

Amended 08/08/13

**“Pre-Cash Settlement Period”** means, for the purposes of Regulation 7.5.44 of the Corporations Regulations 15 Business Days.

**“Pre-commencement Testing”** means testing at the direction of ASX Settlement to establish whether a Facility User meets the Technical and Performance Requirements.

**“Prescribed Percentage”** means 50% or such other percentage determined by ASX Settlement.

**“Prescribed Person”** means the person from time to time notified as such by ASX Settlement to Participants and RTGS Payments Providers.

**“Principal Financial Products”** means Financial Products issued or made available by a Principal Issuer.

**“Principal Issuer”** means:

- (a) a Foreign Issuer; or
- (b) a DI Issuer; or
- (c) a Government Bond Issuer.

Amended 21/05/13

**“Principal Register”** means the register of Holdings of Principal Financial Products maintained by a Principal Issuer under laws applicable to the Principal Issuer in the place where it is established and which otherwise complies with these Rules.

Amended 05/12/19

**“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 and the ASX Settlement Procedures as amended from time to time.

Amended 18/12/06

**“Proceeding”** means proceedings taken under Section 12 by ASX Settlement against a Facility User and commenced by a Contravention Notice.

**“Product Issuer Settlement Participant”** means a Participant admitted to participate in the Settlement Facility under Rule 4.4A.

Introduced 21/03/14

**“Publish a Notice”** means to publish a Notice in at least one national newspaper and at least one state or territory based newspaper in each state and territory.

**“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 and, in relation to CHESS, is effected in accordance with systems and procedures contained in Section 11.

**“Reciprocal Arrangement”** means any agreement or arrangement between ASX Settlement and any governmental agency or regulatory authority (including, without limitation, a market, clearing house or clearing and settlement facility), in Australia or elsewhere, whose functions include the regulation of trading in, or clearing and settlement of, financial products (in Australia or elsewhere) which provides for the disclosure of information between ASX Settlement and the other party in relation to dealings in, or clearing and settlement of, financial products (in Australia or elsewhere).

**“Recognised Market Operator”** means a Market Operator admitted as a Participant under Rule 4.3.1 and which is recognised under Rule 4.3.13.

**“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 CHESS; or
- (b) in the case of ASX Settlement, the physical location of the application system that operates CHESS.

**“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.

**“Record Date”** means 5:00pm (or, in the case of a ASTC-Regulated Transfer, a later time permitted by the Rules) on the date specified by an Issuer as the date by reference to which the Issuer will establish Cum Entitlement Balances for the purpose of identifying the persons entitled to the benefit of a Corporate Action.

**“Recorded”** in relation to an RTGS Instruction, means that its details have been stored in CHESS in accordance with Rule 11.15.

**“Records”** means books, computer software, information processing equipment and any other item on which information is stored or recorded in any manner.

**“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 of a Holder.

Amended 02/11/09

**“Related Body Corporate”** has the meaning set out in Section 50 of the Corporations Act.

**“Related Party”** means each entity in the ASX Group.

**“Remove”** means to move a Holding between a Principal Register and a CHESS or an Issuer Operated Subregister without a change of legal ownership.



**“Renounceable Rights Record”** means the record maintained by an Issuer of Holders of renounceable rights not held on the CHES Rights Subregister.

**“Report”** means a Standing Report or a Demand Report.

**“Reporting Point”** means a particular point during a Business Day when information is stored by CHES 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.

**“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. 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.

Introduced 30/03/09, Amended 07/03/16

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

**“Reserved Processing Period”** means the End of Day Processing Phase.

**“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 CHES Subregister or an Issuer Operated Subregister, for the purposes of settling transactions in FOR Financial Products. (i.e. “D” for Domestic, “F” for Foreign Person, and in the case of Holdings of Financial Products where beneficial ownership is both domestic and foreign, “M” for Mixed).

**“Restricted Financial Products”** means Financial Products that are subject to a restriction agreement under Listing Rule 9.1.

**“Restriction”** in relation to the participation of a Participant, means any limitation on the entitlement of the Participant to send a Message or a class of Messages to ASX Settlement.

**“Rights Period”** means the period from Start of Day on the date that rights trading begins on the Approved Listing Market Operator to End of Day on the date that application money to take up those rights must be paid to the Issuer.

Amended 27/06/11

**“RITS”** means the Reserve Bank Information and Transfer System.

**“RITS Postsettlement Advice”** means a settlement confirmation, elected to be received by an RTGS Payments Provider, that is generated by RITS/RTGS and sent through the AIF to that RTGS Payments Provider.

**“RITS Presettlement Advice”** means an advice, elected to be received by an RTGS Payments Provider to enable it to make a credit decision in connection with the

performance of a Payment Obligation, that is generated by RITS/RTGS and sent through the AIF to that RTGS Payments Provider.

**“RITS/RTGS”** means RITS, as operated by the Reserve Bank of Australia for Real Time Gross Settlement.

**“RITS Regulations”** means the regulations and conditions of operation that govern RITS as published from time to time by the Reserve Bank of Australia.

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

**“RTGS”** stands for Real Time Gross Settlement.

**“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 Accredited”** in relation to a Participant, has the meaning set out in Rule 11.5.2.

**“RTGS Business Day”** means a Settlement Day within the meaning of the RITS Regulations, or any other day declared by the Reserve Bank as a day on which RITS/RTGS will operate that is notified by ASX Settlement to Participants.

**“RTGS Contingency Report”** means a report of the settlement status of CHESS-related funds transfer requests sent to RITS/RTGS that is provided to ASX Settlement by the Reserve Bank of Australia in manner and form as agreed between them.

**“RTGS Cut-Off”** means on any RTGS Business Day, 4.30pm Sydney time or such other time as ASX Settlement may from time to time determine.

**“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 Sydney time or such other time as ASX Settlement may from time to time determine.

**“RTGS Instruction”** means an instruction to ASX Settlement 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 Instruction Cut-off”** on any RTGS Business Day means 4.25pm Sydney time or such other time as ASX Settlement may from time to time determine.

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

**“RTGS Message”** means a 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 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 Payments Provider”** means a Payments Provider that:

- (a) satisfies the criteria for participation in Real Time Gross Settlement in CHESSE set out in Rule 11.6.1; and
- (b) has been admitted to participate in Real Time Gross Settlement in CHESSE in that capacity.

**“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.

**“RTGS Settlement Report”** means a report required to be made available by ASX Settlement to an RTGS Payments Provider in accordance with Rule 11.30.

**“RTGS Settling Phase”** in relation to an RTGS Instruction, means the time period that commences in accordance with Rule 11.22.1 and ends when all components of that RTGS Instruction have been settled in CHESSE in accordance with Rule 11.25.

**“Rules”** means the operating rules of the Settlement Facility in accordance with Rule 1.2 including the appendices, schedules and any State of Emergency Rules.

**“Scheduled Time”** means the time within or by which a requirement under these Rules must be complied with as specified in Appendix 1 to these Rules.

**“Section”** means a section of these Rules.

**“Securities Lending Arrangement”** means an arrangement under which:

- (a) an entity (the Lender) agrees that it will:
  - (i) deliver Financial Products to another entity (the Borrower) or to an entity nominated by the Borrower; and
  - (ii) vest title in those Financial Products in the entity to which they are delivered; and
- (b) the Borrower agrees that it will, after the Lender does the things mentioned in paragraph (a):
  - (i) deliver the Financial Products (or equivalent Financial Products) to the Lender or to an entity nominated by the Lender; and
  - (ii) vest title in those Financial Products (or equivalent Financial Products) in the entity to which they are delivered.

Introduced 02/11/09

**“Securities Lending Transaction”** means a transaction in Approved Financial Products entered into under a Securities Lending Arrangement.

Introduced 02/11/09

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

- (a) generated by ASX Settlement; and
- (b) used to ensure secure communications between ASX Settlement and Facility Users.

**“SEGC”** means Securities Exchanges Guarantee Corporation Ltd (ABN 19 008 626 793).

**“Segregated Account”** means an account maintained in accordance with these Rules with an Approved Clearing House which contains Principal Financial Products or Participating International Financial Products held solely on behalf of the Depositary Nominee.

**“Settlement Account”** means a Holder Record maintained in CHES by a Participant for the purpose of facilitating settlement of transactions in Approved Financial Products with other Participants.

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

**“Settlement Agent”** means a General Settlement Participant that has a Settlement Agreement with a Clearing Participant.

Amended 23/07/18

**“Settlement Agreement”** means an agreement between a General Settlement Participant and a Clearing Participant under which the General Settlement Participant agrees to act as Settlement Agent for the Clearing Participant.

**“Settlement Amount”** means the consideration for an Instruction.

**“Settlement Amount Tolerance”** means \$1.00 or such other amount that ASX Settlement prescribes.

**“Settlement Bond”** means a bond issued to ASX Settlement at the request of a Participant in accordance with Rule 4.9.1.

**“Settlement Cut-off”** means, on any Business Day, 11.30 am Sydney time or such other time as ASX Settlement may from time to time determine.

Amended 07/03/16

**“Settlement Date”** means the Business Day on which an Instruction is scheduled to settle.

**“Settlement Facilitation Service”** means a DvP Facilitation Service or a Transfer Facilitation Service.

Introduced 28/12/11

**“Settlement Facilitation Service Agreement”** means an agreement for the provision of a Settlement Facilitation Service in the form made available by ASX Settlement from time to time.

Introduced 28/12/11

**“Settlement Facilitation Service Requirements”** means the matters set out in Rule 4.1A in relation to which ASX Settlement must be satisfied in order for a market licensee to be provided with a Settlement Facilitation Service.

Introduced 28/12/11

**“Settlement Facility”** means the facility provided by ASX Settlement as described in Rules 1.1.1 and 1.1.2.

**“Settlement Holding”** means a Holding of Financial Products for which the Holder Record is a Settlement Account.

**“Settlement Participant”** means:

- (a) a Participant that has been admitted to participate in the Settlement Facility as a General Settlement Participant;
- (b) a person that has been admitted to participate in the Settlement Facility as a Specialist Settlement Participant; or

- (c) a person that has been admitted to participate in the Settlement Facility as a Product Issuer Settlement Participant.

Amended 21/03/14

**“Settlement Processing Phase”** in relation to DvP Net 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.

**“Settlement Transfer”** means a Transfer of Financial Products that gives effect to an Instruction.

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

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

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

Amended 10/05/04

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

Introduced 10/05/04

**“Source Holding”** means the Holding from which Financial Products will be deducted in giving effect to a Transfer, Conversion, Corporate Action or other transaction.

**“Specialist Settlement Participant”** means a Participant admitted under Rule 4.4.

**“Sponsoring Participant”** means a Participant that establishes and maintains a Participant Sponsored Holding.

**“Sponsorship Agreement”** means a written agreement between the Sponsoring Participant and another person, signed by both parties, as required under Section 7 of these Rules.

**“Sponsorship Bond”** means a bond issued to ASX Settlement at the request of a Participant in accordance with Rule 4.9.3.

**“SRN”** stands for Security holder Reference Number and means a number allocated by an Issuer to identify a Holder on an Issuer Operated Subregister.

**“Standard Acceptance Form”** means a standard entitlement and acceptance form in respect of renounceable rights as specified by ASX Settlement from time to time.

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

**“Standard Conversion Form”** means a standard form, as specified by ASX Settlement from time to time, for the conversion of convertible Financial Products.

**“Standard Exercise Form”** means a standard form of notice of exercise, as specified by ASX Settlement from time to time, for options and other Financial Products that carry exercisable rights.

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

**“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 Instructions”** means a Holder's instructions to an Issuer in relation to matters relevant to Holdings, including (without limitation) TFN notification, Residency Indicator, direct credit of dividends or interest payments, annual report elections and elections in respect of shareholders' dividend plans.

**“Standing Report”** means one of a series of Messages periodically Transmitted by ASX Settlement to a Facility User, each of which provides information about CHES Holdings or CHES 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.

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

**“Start of Day”** means, on any Trading Day, 8.00 am Sydney time or such other time as ASX Settlement may from time to time determine.

**“State of Emergency”** means any of the following:

- (a) fire, power failure or restriction, communication breakdown, accident, flood, embargo, boycott, labour dispute, unavailability of data processing or any other computer system or facility, act of God; or
- (b) act of war (whether declared or undeclared) or an outbreak or escalation of hostilities in any region of the world which in the opinion of ASX Settlement prevents or significantly hinders the operation of the Settlement Facility; or
- (c) an act of terrorism; or
- (d) other event which, in the opinion of ASX Settlement, prevents or significantly hinders the operations of the Settlement Facility.

**“State of Emergency Rules”** means any Rules made by ASX Settlement under Rule 1.3.

**“Subposition”** means a facility in CHESS by which in accordance with Rule 14.1.3:

- (a) activity in relation to Financial Products held in a CHESS Holding may be restricted; and
- (b) access to those Financial Products for limited purposes may be given to a Participant other than the Controlling Participant.

**“Subregister”** means:

- (a) in the case of Financial Products other than CDIs, a CHESS Subregister or an Issuer Operated Subregister; or
- (b) in the case of CDIs, a CDI Register.

**“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.

Introduced 21/03/14

**“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.

**“Takeover Consideration Code”** means a unique code allocated by the Approved Listing Market Operator in respect of each alternate form of consideration offered under a takeover.

Amended 27/06/11

**“Takeover Transfer”** means a Transfer of Financial Products from a CHESS Holding pursuant to acceptance of an offer for the Financial Products made under a takeover scheme.

**“Takeover Transferee Holding”** means a CHESS Holding to which Financial Products are to be Transferred pursuant to acceptances of offers made under a takeover bid.

**“Target Holding”** means the Holding into which Financial Products will be entered in giving effect to a Transfer, Conversion, Corporate Action or other transaction.

**“Target Transaction Identifier”** means a reference number identifying a transaction which is the target of another transaction.

Introduced 09/05/05



**“Tax”** means any present or future tax, levy, impost, duty, charge, fee, deduction, or withholding of whatever nature, levied, collected, assessed or imposed by any government or semi-government authority and any amount imposed in respect of any of the above.

**“Technical and Performance Requirements”** means the requirements on Facility Users set out in Section 16.

**“Terms and Conditions for FDI Controlling Participants”** means those terms and conditions between AIS, CDN and the Controlling Participant of FDIs from time to time displayed on the ASX World Link Website.

**“Terms of Trade Acceptance Service”** means the contractual terms on which an Approved Clearing Facility and ASX Settlement provide a Trade Acceptance Service to an Approved Market Operator. It includes any operational, technical or other standards promulgated under those contractual terms.

Introduced 27/06/11

**“TFN”** stands for Tax File Number and means a numeric code allocated by the Australian Taxation Office for taxation purposes.

**“Third Party Provider”** means a person that:

- (a) operates an interface with CHESS;
  - (b) performs any obligations of a Facility User under these Rules; or
  - (c) uses facilities provided by ASX Settlement,
- on behalf of a Facility User.

**“Title”** in relation to Financial Products, means:

- (a) legal title where the Financial Products can be owned at law, and
- (b) equitable or beneficial title where the Financial Products can be owned only in equity.

For the avoidance of doubt, Title in relation to Government Bonds under these Rules refers to equitable or beneficial title and not legal title where the Government Bonds are held in the Austraclear System.

Amended 21/05/13

**“Total Security Balance Report”** means a report that sets out the aggregate of all Holding Balances held on the CHESS Subregister for a class of Financial Products as at a specified point in time.

**“Trade Acceptance Service”** means a service provided by an Approved Clearing Facility and ASX Settlement to an Approved Market Operator under which certain categories of market transactions entered into on or reported to the market of the Approved Market Operator are accepted by the Approved Clearing Facility and ASX Settlement, subject to and in accordance with the Terms of Trade Acceptance Service,

for clearing and settlement in the CS Facilities operated by the Approved Clearing Facility and ASX Settlement.

Introduced 27/06/11

**“Trade Date”** means the date on which an agreement or arrangement for the purchase or sale of Financial Products was executed.

**“Trade Instruction Cut-Off”** means, on any Business Day, 11.30am Sydney Time or such other time as ASX Settlement may from time to time determine.

Amended 07/03/16

**“Trading Day”** means a day other than:

- (a) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and
- (b) any other day that ASX Settlement may declare and publish is not a trading day.

**“Trading Participant”** has the same meaning as in the operating rules of ASX.

Introduced 23/10/09 Amended 01/08/10

**“Transaction Identifier”** means a reference number identifying a Message Transmitted through CHES.

Amended 09/05/05

**“Transaction Statement”** means a transaction statement for an Issuer Sponsored Holding as referred to in Listing Rules 8.5, 8.6 and 8.7.

**“Transfer”** means a transfer of Financial Products, or for the purposes of Section 15, a transfer of Allocation Interests:

- (a) from a CHES Holding to any other Holding; or
- (b) from any Holding to a CHES Holding.

**“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 CHES Holding.

Amended 18/12/19

**“Transfer Facilitation Service”** means a service provided by ASX Settlement to an Approved Listing Market Operator for the holding and settlement (on a free of payment basis) of Approved Financial Products that are quoted or admitted to trading status on the market of that Approved Listing Market Operator, in accordance with Rule 4.1A.

Introduced 22/01/10 Amended 28/12/11

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

**“Transmit”** means cause a Message to be made available for collection in the Message collection facility 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.*

**“Transmute”** means to cause:

- (a) Principal Financial Products to be converted into CDIs, or CDIs to be converted into Principal Financial Products; or
- (b) Participating International Financial Products to be converted into FDIs, or FDIs to be converted into Participating International Financial Products;

under these Rules, without any change in beneficial ownership.

**“Transmutation Ratio”** means the ratio which identifies the number or fraction of CDIs into which a Principal Financial Product may be converted, and the number or fraction of Principal Financial Products into which a CDI may be converted.

**“Tribunal”** means the Appeal Tribunal.

Amended 01/08/10

**“Trustee Company”** means a trustee company within the meaning of State or Territory Trustee Companies legislation or a Public Trustee of a State or Territory.

**“UIC”** stands for User Identification Code and means a unique numeric code allocated by ASX Settlement to ASX Settlement and each Facility User 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 by ASX Settlement.

**“Uncertificated Subregister”** means the CHESS Subregister or the Issuer Operated Subregister.

Introduced 04/03/13

**“Valid”** in relation to a Message, means a Message that:

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

- (e) meets CHES encryption requirements specified in the EIS.

**“Warranty and Indemnity Provision”** means a provision of:

- (a) the Participant Warranties and Indemnities;
- (b) the Issuer Warranties and Indemnities; or
- (c) the ASX Settlement Indemnity.

**“Withdrawal Instructions”** means written or oral instructions from a Participant Sponsored Holder to the Controlling Participant for the withdrawal of Financial Products from a Participant Sponsored Holding and includes instructions:

- (a) for the Conversion of Financial Products in a Participant Sponsored Holding to any other mode of Holding;
- (b) to initiate a change of sponsorship for the Financial Products;
- (c) to endorse or initiate an off market transfer of Financial Products; or
- (d) to accept a takeover offer for the Financial Products on behalf of the Participant Sponsored Holder;
- (e) to accept a takeover offer for the Securities on behalf of the Participant Sponsored Holder.

Introduced 11/03/04 Origin SCH 21.13

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