

ACH AMENDMENTS

SECTION 1 INTRODUCTION AND GENERAL RULES

1.1.1 Purpose of the Clearing Facility

ASX ClearACH is the holder of an Australian CS facility licence granted under the Corporations Act and provides a facility (the “Clearing Facility”) for the following purposes:

- (a) to enable Participants to provide clearing services in relation to Cash CCP Transactions and Derivatives CCP Contracts;
- (b) to remove direct transaction counterparty risk for Cash CCP Transactions and Derivatives CCP Contracts by the assumption, through novation and registration, of those counterparty obligations by ASX ClearACH;
- (c) to manage counterparty risk exposure including by use of its own financial resources, contributions from Participants, rules governing prudential and participation requirements as well as imposing appropriate risk management techniques including the requirements for Cash Cover and Collateral;
- (d) to facilitate settlement of Cash CCP Transactions and Derivatives CCP Contracts; and
- (e) to provide other services in accordance with these Rules.

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1.2.1 Operating Rules of ASX ClearACH

These Rules are the operating rules of ASX ClearACH for the purposes of the Corporations Act. These Rules should be read in conjunction with:

- (a) the Procedures;
- (b) the ~~ASX Enforcement Australian Securities Exchange Disciplinary Processes~~ and Appeals Rulebook; and
- (c) the Corporations Act.

To the extent of any inconsistency between these Rules and the Procedures, these Rules will prevail.

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1.2.4 ~~Australian Securities Exchange Disciplinary Processes~~ ASX Enforcement and Appeals Rulebook

The ~~Australian Securities Exchange Disciplinary Processes~~ ASX Enforcement and Appeals Rulebook form part of these Rules where relevant for the purposes of the Corporations Act.

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1.8.2 ASX ClearACH may disclose information

~~ACH~~ASX Clear will take all reasonable measures to protect from unauthorised use or disclosure information provided to ACHASX Clear in confidence by or on behalf of a Participant pursuant to the Rules. For the purposes of this Rule the disclosure of information in the following circumstances does not constitute unauthorised use or disclosure:

- (a) pursuant to a Reciprocal Arrangement;

- (b) required to be disclosed by [ACHASX Clear](#) under any law or any order of any court or tribunal, authority or regulatory body;
- (c) which at the time of disclosure to or by [ACHASX Clear](#), was generally available to and known by the public;
- (d) for the purposes of monitoring compliance with, or the enforcement of, the Rules or the adjudication of those matters (including, without limitation, to the ~~Old~~ [Disciplinary Tribunal \(as defined in Rule 19.20\)](#) or the Appeal Tribunal);
- (e) to a Related Body Corporate of [ACHASX Clear](#), for the purpose of enabling that Related Body Corporate to assess whether the Participant is complying with, will comply with or has complied with the operating rules of, or any contractual arrangement with, that Related Body Corporate;
- (f) to an Approved Market Operator or Approved Settlement Facility, for the purpose of enabling the Approved Market Operator or Approved Settlement Facility to assess whether the Participant (or a Market Participant or Settlement Participant for whom the Participant clears Cash CCP Transactions or Derivatives CCP Contracts) is complying with, will comply with or has complied with the Approved Market Operator's or Approved Settlement Facility's rules or procedures;
- (g) to any governmental agency or regulatory authority including, without limitation, an exchange (including, without limitation, an Approved Market Operator), market, clearing house or clearing and settlement facility (in Australia or elsewhere) which requests [ACHASX Clear](#) to provide the information to it, in the proper exercise of its powers relating to:
 - (i) the order and good government of Participants; or
 - (ii) the efficient, honest, fair, competitive and informed trading, clearing and settlement of derivatives or securities (in Australia or elsewhere); and
- (h) any entity which provides financial backing or insurance to [ACHASX Clear](#) for the purpose of enabling that entity to assess the risk to [ACHASX Clear](#) or that entity from clearing activities generally or to assess any claim made in connection with the Participant's activities.

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SECTION 2 DEFINITIONS AND INTERPRETATION

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 any legislative provision substituted for, and any regulatory or statutory instrument issued under, that legislation or legislative provision;
- (b) a reference to the operating rules of an Approved Settlement Facility, the operating Rules of an Approved Market Operator, [the ASX Enforcement and Appeals Rulebook](#), these Rules or the Procedures is a reference to those operating rules, [that rulebook](#), the Rules or the Procedures as modified or amended from time to time;

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2.7.3 Change of name of Rules

As from the Effective Time (as defined in Rule 19.20), these Rules (formerly known as the ACH Clearing Rules) have been renamed the ASX Clear Operating Rules.

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

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

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2.10 Definitions

“ASX ClearCH” means ASX Clear ~~Australian Clearing House~~ Pty Limited ABN 48 001 314 503.

“Procedures” means any document, electronic file or other information (recorded by any mode of representing words or reproducing words) approved by ACHASX Clear and given where applicable to Regulated Persons and third party providers in accordance with Rule 1.3 and, without limitation, includes the ASX Clear Operating Rule~~ACH Clearing Rule~~ Procedures as amended from time to time.

“Appeal Tribunal” means the tribunal ~~convened~~~~established~~ in accordance with the provisions of the ~~ASX~~~~Australian Securities Exchange Disciplinary Processes~~ Enforcement and Appeals Rulebook.

“Approved Financial Product” means a financial product approved for settlement by ASX Settlement~~ASTC~~ in accordance with the ~~ASX~~~~ASTC~~ Settlement Operating Rules.

“ASIC Market Integrity Rules” means the ASIC Market Integrity Rules applying to trading on the financial market operated by ASX.

“ASTC” means ASX Settlement ~~& Transfer Corporation~~ Pty Limited ABN 49 008 504 532.

~~“Disciplinary Tribunal” means the tribunal established under Rule 19.3.~~

“Recognised Overseas Stock Exchange” has the meaning it has in the operating rules or procedures of ASX.

“Tribunal” means the ~~Disciplinary Tribunal or the~~ Appeal Tribunal, ~~as applicable.~~

~~“Tribunal Panel” means the panel established under Rule 19.12.~~

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SECTION 3 PARTICIPATION IN THE CLEARING FACILITY

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3.1.5 Right to appeal a condition to Appeal Tribunal

An applicant or Participant (as applicable) may appeal to the Appeal Tribunal against a decision of ACH~~ASX Clear~~ to impose a condition under Rule 3.1.4 in accordance with the provisions of the ASX Enforcement~~Australian Securities Exchange Disciplinary Processes~~ and Appeals Rulebook.

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3.7 BUSINESS CONNECTION REQUIREMENTS

3.7.1 Connections requiring ACH consent - ~~[Deleted]~~

~~The business connection requirements of this Section are that an applicant must not, without the prior written consent of ACH:~~

- ~~(a) be a Related Body Corporate of another Participant;~~
- ~~(b) allow a Controller or Employee to be a Controller of another Participant;~~
- ~~(c) have an Employee who is an Employee of another Participant or a Related Body Corporate of another Participant;~~
- ~~(d) share common computer facilities with, or allow its computer facilities to be linked with, another Participant; or~~
- ~~(e) share common premises with, or allow its premises to be accessed by another Participant or its Employees.~~

3.7.2 Access to records - ~~[Deleted]~~

~~Without limiting ACH’s discretion under Rule 3.7.1, when giving any consent under Rule 3.7.1, ACH may impose on one or both Participants involved conditions concerning access by common~~

~~Controllers or Employees to records of those Participants including, without limitation, the records of orders and instructions received by the Participants.~~

3.7.3 Undertakings – ~~[Deleted]~~

~~ACH may require a Participant to give an undertaking to ACH that:~~

- ~~(a) the Participant does not contravene this Rule 3.7; and~~
- ~~(b) the Participant will not allow any person who is not an Employee of the Participant to have access to the Participant's clients' records, other than as required by law or by ACH.~~

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3.9.3 Right to appeal to Appeal Tribunal

An applicant may appeal to the Appeal Tribunal against a decision to reject its application in accordance with the provisions of the ~~ASX Enforcement~~~~Australian Securities Exchange Disciplinary Processes~~ and Appeals Rulebook.

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SECTION 4 RIGHTS AND OBLIGATIONS OF PARTICIPANTS

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4.10 DEALING REQUIREMENTS

4.10.1 Consent Required for Trading by Employees - ~~[Deleted]~~

~~The dealing requirements of this Section are that a Participant must, at all times, have in place appropriate arrangements to ensure that all orders to enter into Market Transactions by the Participant on behalf of:~~

- ~~(a) an Employee;~~
- ~~(b) a company controlled by an Employee; or~~
- ~~(c) a Controlled Trust (other than a trust controlled by an Immediate Family of an employee or a trust in relation to which an Immediate Family of an Employee is a trustee or holds more than 50% of the whole beneficial interest);~~

~~have been reviewed prior to entering into Market Transactions and have prior written approval in accordance with Rule 4.10.2. Approval must not be given in circumstances where the Employee may have had access to information relevant to the proposed orders which is not publicly available.~~

~~For the purposes of this Rule 4.10.1, "Controlled Trust" means a trust in relation to which an Employee, Immediate Family of an Employee or a company controlled by an Employee:~~

- ~~(a) is a trustee; or~~
- ~~(b) holds more than 50% of the whole beneficial interest; or~~
- ~~(c) controls the trust.~~

4.10.2 Prior written approval - ~~[Deleted]~~

~~The prior written approval required by a Participant under Rule 4.10.1 must:~~

- ~~(a) be provided by a Responsible Executive, director or other person (other than the Employee on whose behalf the order is entered into) who has written delegation for providing such approval from a Responsible Executive or director; and~~
- ~~(b) include the following information:~~
 - ~~(i) all the information relevant to the order to purchase or sell; and~~
 - ~~(ii) the date and time of approval.~~

4.10.3 Circumstances to be taken into account - ~~[Deleted]~~

~~Prior to providing written approval in accordance with Rule 4.10.2, the Responsible Executive, director or person with written delegation must take into account the circumstances of the proposed transaction including anything which may materially affect the price of the Financial Products the subject of the Market Transactions.~~

4.10.4 Confirmation of transactions - ~~[Deleted]~~

~~If an order to enter into Market Transactions under Rule 4.10.1 is conducted through another person other than the Participant, the Participant must ensure that the person executing the order immediately forwards to the Participant copies of all confirmations for such Market Transactions.~~

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SECTION 6 COMMUNICATIONS WITH ACHASX CLEAR

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6.6.1 Participant may appeal notice

If ACHASX Clear takes steps under Rule 6.3.1 or 6.4.1 the Participant may appeal the decision in accordance with the provisions of the ASX Enforcement Australian Securities Exchange Disciplinary Processes and Appeals Rulebook. ACHASX Clear may exercise its rights under Rules 6.3.1 or 6.4.1 before any hearing is conducted under this Rule 6.6.1.

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SECTION 7 CLIENT REQUIREMENTS

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7.1.3 Terms of agreement

A Participant does not need to enter into a Client Agreement incorporating the terms set out in Schedule 5 where:

- (a) in relation to an Options Market Transaction, the Participant's client is a Wholesale Client and the Participant has satisfied itself that the Wholesale Client has previously executed and lodged with ACHASX Clear a client agreement in accordance with the operating rules of an Approved Market Operator and the ASIC Market Integrity Rules (as applicable); or
- (b) in relation to a Futures Market Transaction, the General Participant's client is a Market Participant and the services provided by the General Participant to the Market Participant are only those that are covered by a Clearing Agreement which complies with Rule 9.1.

If a Participant clears for a person and that person has lodged, or is taken to have lodged a Wholesale Client Agreement with the ACHASX Clear, that person, the Market Participant and the Participant are taken to have entered into an agreement in accordance with the terms of ~~tw~~hat Wholesale Client Agreement.

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SECTION 15 DEFAULT

15.1.1 Events of default by Participant

Each of the following events is an event of default by a Participant:

- (a) ACHASX Clear restricts the Participant from accessing the Clearing System;
- (b) the Participant fails to pay any amount due and payable to ACHASX Clear (under these Rules or otherwise);
- (c) the Participant fails to perform any of its obligations to ACHASX Clear (under these Rules or otherwise);
- (d) the Participant fails to comply with any reasonable direction, decision or requirement of ACHASX Clear ~~or any Tribunal~~ (under these Rules or otherwise);
- (da) the Participant has failed to comply with a determination made by an Old Tribunal (as defined in Rule 19.20) pursuant to the Old Australian Securities Exchange Disciplinary Processes and Appeals Rulebook (as defined in Rule 19.20);
- (db) the Participant fails to comply with any action taken by ASX Clear in accordance with Rule [19.3.1] or the provisions of the ASX Enforcement and Appeals Rulebook (including as may be affirmed or varied by the Appeal Tribunal (as the case may be following an appeal against such action) pursuant to the ASX Enforcement and Appeals Rulebook);
- (e) without limiting Rules 15.1(b),(c), ~~or~~ (d), (da) or (db), any failure by a Participant which is a Seller in respect of a Deliverable Derivatives CCP Contract to perform its settlement obligations on settlement of that contract or to take all steps required to put itself in the position to comply with its settlement obligations;
- (f) the Participant indicates that it will or may suspend payment to ACHASX Clear or to creditors;

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SECTION 19 ~~SUPERVISION, DISCIPLINARY MATTERS, TRIBUNAL PROCEEDINGS,~~ COMPLIANCE, ENFORCEMENT ACTIONS AND APPEALS

This Section deals with supervision and ~~enforcement~~disciplinary matters including:

- (a) investigating the activities of a Regulated Person and the powers of ACHASX Clear to obtain information, inspect records and obtain an Accountant's report at the cost of a Regulated Person;
- (b) the circumstances when a Regulated Person must inform ACHASX Clear of certain matters;
- (c) the taking of ~~enforcement~~disciplinary action by ASX Clear for a contravention of the Rules;

- (d) enforcement action ~~including the power of ACH~~ to suspend or terminate a Regulated Person; and
- (e) the consolidation of investigations.

The establishment and composition of the Tribunal Panel, ~~the Disciplinary Tribunal and the Appeal Tribunal~~, the powers of ~~these Tribunals~~ and how appeal proceedings (including from sanctions imposed by ASX Clear as part of an enforcement action) before the ~~Disciplinary Tribunal and the Appeal Tribunal~~ are to be conducted are set out in the ASX Australian Securities Exchange Disciplinary Enforcement and Appeals Processes Rulebook.

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19.2.3 Notice by Regulated Person

A Regulated Person must notify ACHASX Clear in writing immediately if:

- (a) it becomes aware that it has breached any of the Rules or the Procedures and that breach is significant;
- (b) any circumstance exists which constitutes an event of default under Rule 15.1 or an event referred to in paragraphs (a), (b) or (c) of Rule 15.3;
- (c) the Regulated Person or any of its Employees is the subject of any regulatory, ~~or~~ disciplinary or enforcement action by any market operator, another clearing and settlement facility, the Commission or any other regulatory authority (or if the Regulated Person becomes aware that any Market Participant which clears Market Transactions through the Regulated Person is the subject of any action of that type);
- (d) the Regulated Person suspects or becomes aware that any Employee has engaged in fraudulent conduct or other conduct which might constitute Unprofessional Conduct; or

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19.2.4 Notice by other Regulated Person

A Regulated Person (other than a Participant) must notify ACHASX Clear in writing immediately if the Regulated Person:

- (a) fails to perform any of his or her responsibilities under these Rules or the Procedures;
- (b) is the subject of any regulatory, ~~or~~ disciplinary or enforcement action by any market operator, another clearing and settlement facility, the Commission or any other regulatory authority; or
- (c) becomes aware of any other event or circumstance which adversely affects or may adversely affect his or her ability to perform any of his or her responsibilities under these Rules or the Procedures, or the Participant's ability to perform any of its responsibilities under these Rules or Procedures.

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19.3 ~~ENFORCEMENT~~**DISCIPLINARY** ACTION

19.3.1 ~~Grounds for disciplinary~~**Enforcement** action ~~for breach of rules~~

If ~~ACHASX Clear~~ considers that a Regulated Person has contravened the Rules or the Procedures, ~~ACHASX Clear~~ may take ~~any disciplinary~~ action in accordance with the provisions of the ~~ASX Australian Securities Exchange Disciplinary Process Enforcement~~ and Appeals Rulebook.

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19.4.1 Action pursuant to Section ~~159~~

~~ACHASX Clear~~ may exercise its powers under Section ~~159~~ to suspend or terminate a Participant's authority to clear all or any category of Market Transaction without following the procedures set out in Section 19.3. Action by ~~ACHASX Clear~~ under Rule ~~159~~ does not prevent ~~ACHASX Clear~~ from ~~taking commencing proceedings enforcement action~~ under Rule 19.3 in connection with the circumstances giving rise to that action or from taking any other action under Section ~~159~~.

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19.7 APPEALS

19.7.1 Appeal from decision of ~~Disciplinary Tribunal~~ **ASX Clear**

If a Regulated Person ~~or ACH~~ is dissatisfied with a determination of ~~the Disciplinary Tribunal, ASX Clear to issue an Enforcement Notice under Section 2 of the ASX Enforcement and Appeals Rulebook or any sanction imposed in the Enforcement Notice,~~ the Regulated Person ~~or ACH (as applicable)~~ may appeal to the Appeal Tribunal in accordance with the provisions of the ~~Australian Securities Exchange Disciplinary Processes~~ **ASX Enforcement** and Appeals Rulebook.

19.7.2 Appeal from decision of ~~ACHASX Clear~~ under Section 15

If a Participant is dissatisfied with a decision of ~~ACHASX Clear~~ to suspend or terminate the admission of a Participant under Section 15, the Participant may appeal to the Appeal Tribunal in accordance with the provisions of the ~~ASX Enforcement Australian Securities Exchange Disciplinary Processes~~ and Appeals Rulebook.

19.7.3 Appeal from decision of ~~ACHASX Clear~~ under Rule 19.6.2

If a Regulated Person is dissatisfied with a decision of ~~ACHASX Clear~~ to suspend or terminate the recognition of a Regulated Person under Rule 19.6.2, the Regulated Person may appeal to the Appeal Tribunal in accordance with the provisions of the ~~ASX Enforcement Australian Securities Exchange Disciplinary Processes~~ and Appeals Rulebook.

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19.7.5 Action which may not be implemented pending appeal

~~Neither ACHASX Clear, nor the Disciplinary Tribunal,~~ may **not** implement or announce a decision to:

- (a) ~~discipline~~**take enforcement action against** a Regulated Person under Rule ~~2.52.4.4~~ of the ~~Australian Securities Exchange Disciplinary Processes~~ **ASX Enforcement** and Appeals Rulebook;

- (b) terminate a Participant's admission as a Participant under ~~Rule 2.4.1 of the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook or~~ Section 15 of this Rulebook; or
- (c) terminate a Regulated Person's recognition as a Regulated Person under Rule 19.6.2,

before the expiry of the time for giving a notice of appeal or, if a notice of appeal is given in accordance with the ASX Enforcement and Appeals Rulebook, before the appeal is determined.

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19.19 TRANSITIONAL PROVISIONS ~~[DELETED]~~

~~19.19.1 Transitional Provisions~~

~~Following the Effective Time:~~

- ~~(a) — the Disciplinary Tribunal and Appeal Tribunal will have jurisdiction pursuant to the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook and may Commence disciplinary proceedings or appeal proceedings under those Rules (including the holding of any hearings or engaging in any procedures) after the Effective Time in respect of a Transitional Regulated Person concerning any conduct under, any failure to comply with, or any engagement in Unprofessional Conduct under, the Rules, irrespective of whether that conduct or failure occurred before or after the Effective Time or when ACH became aware of, or should have become aware of, that conduct or failure;~~
- ~~(b) — where disciplinary proceedings or appeal proceedings (including the holding of any hearings or engaging in any procedures) have Commenced prior to the Effective Time in respect of a Transitional Regulated Person concerning any conduct under, any failure to comply with, or any engagement in Unprofessional Conduct under, the Rules, the relevant Old Tribunal shall continue to conduct the relevant disciplinary proceedings (including any appeal proceedings from those disciplinary proceedings) or appeal proceedings (as the case may be) in accordance with, and pursuant to its jurisdiction under, the provisions of the Old ACH Rules;~~
- ~~(c) — the maximum penalty that may be imposed on a Transitional Regulated Person shall be the maximum penalty that would have been imposed for the relevant conduct under the Rules in existence at the time that the relevant conduct occurred, irrespective of whether the disciplinary proceedings or appeal proceedings (as the case may be) were Commenced before or after the Effective Time or whether the disciplinary proceedings or appeal proceedings (as the case may be) were conducted by an Old Tribunal pursuant to the Old ACH Rules or the Disciplinary Tribunal or Appeal Tribunal (as the case may be) pursuant to the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook;~~
- ~~(d) — the Old Tribunal pursuant to the Old ACH Rules and the Disciplinary Tribunal and Appeal Tribunal pursuant to the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook shall conduct the disciplinary proceedings or appeal proceedings (as the case may be) with due regard to the relevant Rules that were in force at the time that they were alleged to be contravened; and~~
- ~~(e) — Old ACH Rules continue to apply in respect of the Transitional Regulated Person to the extent required to give effect to the paragraphs above.~~

~~Introduced 31/03/08~~

~~19.19.2 Definitions~~

~~For the purposes of this Rule 19.19 the following definitions apply:~~

~~“Commence” means:~~

- ~~(a) — in relation to disciplinary proceedings prior to the Effective Time, the provision of a contravention notice by ACH to the Transitional Regulated Person pursuant to Rule 19.3.5 of the Old ACH Rules;~~

~~(b) — in relation to disciplinary proceedings following the Effective Time, the provision of a notice by ACH to a Transitional Regulated Person pursuant to Rule 2.1 of the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook;~~

~~(c) — in relation to appeal proceedings prior to the Effective Time, the provision of a notice of appeal by a Transitional Regulated Person or ACH pursuant to Rules 3.1.5, 3.9.3, 6.6, 19.7.1 or 22.6.2 of the Old ACH Rules; and~~

~~(d) — in relation to appeal proceedings following the Effective Time, the provision of a notice of appeal by the relevant person pursuant to Rule 3.1 of the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook.~~

~~“Effective Time” means the date set out in the Procedures to the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook;~~

~~“Old ACH Rules” means the ACH Clearing Rules which were in force immediately before the Effective Time; and~~

~~“Old Tribunal” means the Disciplinary Tribunal or Appeal Tribunal (as the context requires) in existence immediately before the Effective Time.~~

~~“Transitional Regulated Person” means a Regulated Person or an Affiliate Based CP or a person applying to ACH for admission as a Participant pursuant to Rule 3.1 of the Rules.~~

~~Introduced 31/03/08~~

19.20 TRANSITIONAL PROVISIONS

19.20.1 Transitional Provision Definitions

For the purposes of this Rule 19.20:

“Commence” means:

(a) in relation to disciplinary proceedings relating to conduct or a failure prior to the Effective Time, the provision of a contravention notice by ASX Clear to the Regulated Person pursuant to Rule 2.1 of the Old Australian Securities Exchange Disciplinary Processes and Appeals Rulebook; and

(b) in relation to appeal proceedings relating to conduct or a failure prior to the Effective Time, the provision of notice of appeal by the relevant person pursuant to Rule 3.1 of the Old Australian Securities Exchange Disciplinary Processes and Appeals Rulebook.

"Effective Time" means the date of commencement of Schedule 1 to the *Corporations Amendment (Financial Market Supervision) Act 2010*.

"Old ACH Rules" means the ACH Clearing Rules in force before the Effective Time.

“Old Australian Securities Exchange Disciplinary Processes and Appeal Rulebook” means the Australian Securities Exchange Disciplinary Processes and Appeals Rulebook in force before the Effective Time;

“Old Tribunal” means the Disciplinary Tribunal or Appeal Tribunal (as the context requires) convened in accordance with the Old Australian Securities Exchange Disciplinary Processes and Appeal Rulebook, irrespective of whether it is convened before or after the Effective Time.

“Relevant Person” or “Regulated Person” means a Regulated Person or an Affiliate Based CP or a person applying to ASX Clear for admission as a Participant pursuant to Rule 3.1 of the Rules.

19.20.2 Sanctions

Following the Effective Time:

- (a) ASX Clear will have jurisdiction pursuant to Rule 19.3.1 and the ASX Enforcement and Appeals Rulebook and may take any action under that rule or rulebook in respect of a Relevant Person concerning any conduct or failure under:

 - (i) these Rules, where that conduct or failure occurred on or after the Effective Time; or
 - (ii) these Rules and the Old ACH Rules, where the relevant conduct or failure the subject of the action spans both prior to and following the Effective Time, irrespective of when ASX Clear became aware of, or should have become aware of, that conduct or failure;

- (b) the Appeal Tribunal will have jurisdiction pursuant to the ASX Enforcement and Appeals Rulebook and may conduct appeal proceedings (including the holding of any hearings or engaging in any procedures) under those Rules in respect of a Relevant Person concerning any conduct or failure under:

 - (i) these Rules, where that conduct or failure occurred on or after the Effective Time; or
 - (ii) these Rules and the Old ACH Rules, where the relevant conduct or failure the subject of the proceedings spans both prior to and following the Effective Time, irrespective of when ASX Clear became aware of, or should have become aware of, that conduct or failure;

- (c) ASX Clear will continue to have jurisdiction pursuant to Rule 19.3.1 of the Old ACH Rules and the Old Australian Securities Exchange Disciplinary Processes and Appeals Rulebook and may take disciplinary action under that rule or rulebook after the Effective Time in respect of a Regulated Person concerning any conduct under or any failure to comply with, or any engagement in Unprofessional Conduct under, the Old ACH Rules, where that conduct or failure occurred prior to the Effective Time, irrespective of when ASX Clear became aware of, or should have become aware of, that conduct or failure;

- (d) the Old Tribunal shall continue to have jurisdiction to conduct disciplinary proceedings (including any appeal proceedings from those disciplinary proceedings) or appeal proceedings (as the case may be) in accordance with, and pursuant to its jurisdiction under, the provisions of the Old Australian Securities Exchange Disciplinary Processes and Appeal Rulebook in respect of a Regulated Person concerning any conduct under, any failure to comply with, or any engagement in Unprofessional Conduct under, the Old ACH Rules, where that conduct or failure occurred prior to the Effective Time, irrespective of whether disciplinary or appeal proceedings have Commenced prior to the Effective Time or when ASX Clear became aware of, or should have become aware of, that conduct or failure;

(e) for the purposes of paragraphs (c) and (d) above:

- (i) the maximum penalty that may be imposed on a Regulated Person shall be the maximum penalty that would have been imposed for the relevant conduct or failure under the rules in existence at the time that the relevant conduct or failure occurred, irrespective of whether the disciplinary proceedings or appeal proceedings (as the case may be) were Commenced before or after the Effective Time;
- (ii) ASX Clear and the Old Tribunal shall take disciplinary action and conduct the disciplinary proceedings or appeal proceedings (as the case may be) with due regard to the relevant rules that were in force at the time that they were alleged to be contravened;

(f) the Old ACH Rules and the Old Australian Securities Exchange Disciplinary Processes and Appeals Rulebook continue to apply in respect of the Regulated Person to the extent required to give effect to the paragraphs above;

(g) Nothing in this Rule 19.20.2 limits the continued operation of rule 19.19 of the Old ACH Rules where disciplinary proceedings or appeal proceedings have Commenced (as defined in the Old ACH Rules) prior to the Effective Time (as defined in the Old ACH Rules).

19.20.3 Conduct spanning pre and post Effective Time

For the avoidance of doubt, where the relevant conduct or failure the subject of the action or proceeding spans both prior to and following the Effective Time:

(a) ASX Clear and the Appeal Tribunal will have the jurisdiction and may take action or conduct appeal proceedings as referred to in Rules 19.20.2(a) & (b) above;

(b) Rules 19.20.2(c), (d) and (e) do not apply to such conduct or failure.

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SECTION 22 TRANSITIONAL ARRANGEMENTS FOR EXISTING ASX PARTICIPATING ORGANISATIONS (CASH MARKET TRANSACTIONS)

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22.7.8 Disciplinary action

AGHASX Clear may take disciplinary action or enforcement action under Section 19 against an Existing Participant which is a partnership in the name of the Existing Participant without taking action against each partner in the partnership. If the Existing Participant is determined pursuant to Section 19 to have contravened the Rules or to have engaged in Unprofessional Conduct, each partner is jointly and severally liable to pay any penalty imposed and any other sum directed to be paid to AGHASX Clear and to ensure that any other sanction imposed by the Old Tribunal (as defined in Rule 19.20), ASX Clear Disciplinary Tribunal (or any Appeal Tribunal) is enforced and implemented.

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SECTION 23 TRANSITIONAL ARRANGEMENTS FOR EXISTING ASX PARTICIPATING ORGANISATIONS (DERIVATIVES)

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23.7.8 Disciplinary action

ACHASX Clear may take disciplinary action or enforcement action under Rule 19 against a Participant which is a partnership in the name of the Participant without taking action against each partner in the partnership. If the Participant is determined pursuant to Rule 19 to have contravened the Rules or to have engaged in Unprofessional Conduct, each partner is jointly and severally liable to pay any penalty imposed and any other sum directed to be paid to ACHASX Clear and to ensure that any other sanction imposed by the Old Tribunal (as defined in Rule 19.20), ASX Clear Disciplinary Tribunal (or any Appeal Tribunal) is enforced and implemented.

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SCHEDULE 1 RISK BASED CAPITAL REQUIREMENTS

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S1.2.6 Guarantees and Indemnities

- (1) A Participant may only give a guarantee or indemnity:
- (a) for the purposes of these Rules, the operating rules of ASX ~~Market Rules~~ or the ASTC Settlement Rules;
 - (b) in the ordinary course of the conduct of its securities or derivatives business;
 - (c) outside the ordinary course of its securities or derivatives business if a maximum liability is specified in the guarantee or indemnity at the time it is entered into; or
 - (d) to settle legal proceedings that have been threatened or issued against it, and must not give a cross guarantee.

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