



# ASX 24 OPERATING RULES

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## SECTION 3 TRADING RULES

### GENERAL OBLIGATIONS

- [3000] A Trading Participant is responsible for the accuracy of details, the integrity and bona fides of all Trading Messages that are submitted containing their unique identifier, regardless of the method by which the Trading Message is submitted.
- [3001] If a Trading Message embedded with a Trading Participant's unique identifier is submitted, the Trading Message is taken for all purposes under these Rules to have been submitted in a Trading Platform by or with the knowledge of the Trading Participant and the Trading Participant is responsible for that message.
- [3002] Except as otherwise permitted in these Rules or permitted in writing by the Exchange, Derivatives Market Transactions must be made in a Trading Platform in accordance with these Rules.

### ORDERLY TRADING

#### Fair and Orderly Markets

- [3100] The Exchange may take any action it considers necessary to ensure that a market for one or more Products is fair, orderly and transparent, including, without limitation:
- (a) suspending or halting trading in one or more Products for any period of time;
  - (b) cancelling or amending any Transaction;
  - (c) directing any Trading Participant to take, or not to take, a specified action in connection with the affected markets;
  - (d) modifying or restricting access to the Trading Platform by one or more Trading Participants;
  - (e) taking, or refraining from taking, any other action which the Exchange considers is appropriate having regard to Rule [6120];
  - (f) requesting any relevant Approved Clearing Facility (or any relevant Alternative Clearing Facility) to exercise its powers relating to the situation or practice; and
  - (g) directing that Products be offered or settled at a price other than that provided for by the Rules, in such manner and on such conditions as it may determine.
- [3101] A Trading Participant must:
- (a) not do anything which results in a Market for a Product not being both fair and orderly, or fail to do anything where failure has that effect;
  - (b) not take advantage of a situation arising as a result of a breakdown or malfunction in the Exchange's procedures or systems or an error in any Trading Message submitted by the Exchange; and
  - (c) ensure that a representative of the Trading Participant is available to receive communications from other Trading Participants or from the Exchange during the times set out in the Procedures.

## Technical failure

[3110] Without limiting the Exchange's powers under Rule [3130], if access to a Trading Platform is affected because of a systems or communication failure the Exchange may:

- (a) suspend or restrict trading in one or more Products;
- (b) impose such Session States it considers appropriate in relation to a Product; or
- (c) take any other steps which it considers appropriate having regard to Rule [6120].

The Procedures may set out further consequences of a suspension or restriction under this Rule and any further steps prior to the resumption of trading.

[3111] A Trading Participant must notify the Exchange as soon as practicable, by the means set out in the Procedures, if it is unable to transmit or receive Trading Messages due to a systems or communication failure other than due to an action taken by the Exchange pursuant to these Rules. The Procedures may set out further steps to be taken by the Trading Participant after notifying the Exchange.

[3112] If a Trading Platform registers that a Trading Participant is no longer able to transmit Trading Messages because of a systems or communications failure or a Trading Participant has notified the Exchange under Rule [3111]:

- (a) the Exchange may cancel in the Trading Platform all Orders of a Trading Participant (after the period and in the manner set out in the Procedures) unless, before cancellation is effected, the Trading Participant has requested the Exchange not to effect the cancellation; and
- (b) the Trading Participant may request the Exchange, on a reasonable endeavours basis, to cancel orders in a Trading Platform on the Trading Participant's behalf.

[3113] In relation to any action taken or failure to take action by the Exchange (or its officers, employees, agents, delegates or contractors) under Rule [3112]:

- (a) the Trading Participant agrees that the Exchange has no liability for activities conducted on behalf of a Trading Participant;
- (b) the Trading Participant indemnifies and will keep indemnified the Exchange against all actions, proceedings, claims, demands, damages, costs, expenses and any other amounts against or incurred by the Exchange.

## Communications with a Trading Platform

[3120] If the Exchange reasonably believes there is some fact or matter which may impair the ability of a Trading Participant to communicate Trading Messages reliably with a Trading Platform or to correctly process those Trading Messages, the Exchange may on reasonable notice require a Trading Participant to undertake testing as specified by the Exchange.

[3121] If the testing referred to in Rule [3120]:

- (a) has been completed and the Exchange continues to reasonably believe there is some fact or matter which may impair the ability of a Trading Participant to communicate Trading Messages reliably with a Trading Platform or to correctly process those Trading Messages; or
- (b) is not completed within the time specified by the Exchange;

the Exchange may immediately take any steps which it considers appropriate having regard to Rule [6120] including any steps specified in the Procedures. The Exchange must immediately notify a Trading Participant of any steps taken.

### **Efficiency and Proper Functioning of market or Trading Platform**

[3130] The Exchange may take any action it considers appropriate, having regard to Rule [6120], to maintain the operational efficiency and proper functioning of the Trading Platform. That action may include, without limitation:

- (a) suspending Trading Permission of a Trading Participant whose actions have, in the opinion of the Exchange, adversely impacted on the operational efficiency or proper functioning of a market or the Trading Platform;
- (b) modifying the access to, or the functioning of, a Trading Platform in respect of that Trading Participant; or
- (c) suspending or modifying the operation of a Trading Platform generally.

If the Exchange takes action under this Rule in relation to a Trading Participant referred to in (a) or Trading Participants generally the Exchange must notify as soon as reasonably practicable the Trading Participant concerned or Trading Participants generally, as applicable.

### **State of Emergency**

[3140] If the Exchange determines that a State of Emergency exists, it may do any or all of the following:

- (a) suspend trading in one or more Products or a Trading Platform;
- (b) direct Trading Participants to take, or refrain from taking, a specified action in connection with the affected Products or a Trading Platform;
- (c) take, or refrain from taking, any other action which the Exchange considers is appropriate having regard to Rule [6120]; and
- (d) request an Approved Clearing Facility (or any relevant Alternative Clearing Facility) to exercise its powers relating to emergencies.

## **CANCELLATIONS AND DEALING DISPUTES**

### **Request for Cancellation**

[3200] If a Trading Participant submits an Order incorrectly which is subsequently executed, and the Trading Participant wants that trade be considered for cancellation, it must submit a request to the Exchange to obtain the consent of the counterparty to cancel the trade if certain conditions specified in the Procedures are met. Subject to the exceptions specified in the Procedures, if the conditions are met the Exchange will cancel the trade.

Amended 31/03/13

### **Exchange Cancellation of Trades in the Extreme Trade Range**

[3210] The Exchange will, subject to the exceptions specified in the Procedures, undertake an Exchange enforced cancellation of trades in the Extreme Trade Range on such conditions as specified in the Procedures.

Amended 28/11/11, 31/03/13

## **Dealing Disputes**

[3220] A Trading Participant may notify the Exchange if it believes another Trading Participant has executed a trade in the Extreme Cancellation Range (a 'Dealing Dispute'). The Exchange will promptly consider whether Rule [3210] applies to the situation and commence the process under that Rule.

Amended 28/11/11

## **Appeal of Decisions of Exchange**

[3230] If a Trading Participant is dissatisfied with the actions taken by the Exchange under Rules [3200] to [3220] the Trading Participant may appeal to the Appeal Tribunal in accordance with the provisions of the ASX Enforcement and Appeals Rulebook.

## **Exchange Power Not Limited**

[3240] Nothing in Rules [3200] to [3220] limits or precludes the Exchange exercising its powers under Rules [3100] to [3140] in relation to circumstances which are covered by Rules [3200] to [3220].

[3241] Nothing in Rules [3200] to [3220] precludes the Exchange from taking any other action which it is permitted to take under these Rules in connection with the circumstances giving rise to the Dealing Dispute including, without limitation, the taking of enforcement action or exercising any power under the ASX Enforcement and Appeals Rulebook.

Amended 28/11/11

## **No Liability of the Exchange**

[3250] Without limiting Rules [6800] to [6802], none of the Exchange, its officers, employees, agents or contractors are liable to a Trading Participant or any other person for any loss, liability, damage, cost or expense arising in any way (including, without limitation, by negligence) from the bona fide exercise of any power, right or discretion conferred upon the Exchange by Rules [3200] to [3220].

## **TRADING OF DERIVATIVES MARKET CONTRACTS**

### **Position Limits**

[3400] The Exchange may set out in the Procedures (or otherwise notify to Trading Participants) a limit on the number of Derivatives Market Contracts in a Contract Series or Class which may be entered into or registered with an Approved Clearing Facility (either generally or in one or more Accounts or in respect of one or more persons). The Exchange will notify Trading Participants of a change to a Position Limit before the change becomes effective.

[3401] A Trading Participant must not enter into a Derivatives Market Transaction if the registration of that Derivatives Market Transaction with an Approved Clearing Facility or entering that Derivatives Market Transaction will have the effect that a Position Limit is exceeded.

### **Exercise limits**

[3410] The Exchange may set out in the Procedures (or otherwise notify to Trading Participants) a limit on the exercise of Options Market Contracts in a Contract Series or Class (either generally or in one or more accounts or in respect of one or more

persons). The Exchange will notify Trading Participants of a change to an Exercise Limit before the change becomes effective.

- [3411] A Trading Participant must not exercise an Options Market Contract if the exercise will have the effect that an Exercise Limit is exceeded.

### **Restrictions on Exercise**

- [3420] The Exchange may at any time impose a restriction on the exercise of Options Market Contracts if it considers the restriction is appropriate having regard to Rule [6120]. A Trading Participant must only exercise Options Market Contracts in accordance with the terms of this restriction. Unless the Exchange specifically advises to the contrary, any Exercise Limit ceases to be effective during the 10 Business Days immediately prior to and including the date on which the relevant Options Series Expires.

### **Transactions outside Trading Hours**

- [3430] Unless the Rules expressly provide otherwise, Trading Participants must only enter into a Derivatives Market Transaction during Trading Hours.
- [3431] A Trading Participant may enter into, amend or cancel a Derivatives Market Transaction after Trading Close and before the time set out in the Procedures if the Trading Participant complies with the steps set out in the Procedures. A Derivatives Market Transaction is entered into when the Trading Participant has complied with those steps.
- [3432] A Trading Participant may enter into a Derivatives Market Transaction outside of Trading Hours on behalf of an overseas client at the time and in the circumstances set out in the Procedures. A Derivatives Market Transaction is entered into when the Trading Participant has complied with those steps.

## **REPORTING**

- [3500] A Trading Participant must report to the Exchange, in the time and manner set out in the Procedures, each Derivatives Market Transaction entered into by the Trading Participant, including daily beneficial ownership reports, except for transactions listed in the Procedures. A Trading Participant is taken to have reported information if that information is generated automatically and supplied to the Exchange through facilities provided by the Exchange in accordance with any applicable Procedures.

## **REGISTRATION WITH THE APPROVED CLEARING FACILITY, ALLOCATION AND DESIGNATION**

### **Original Contract Extinguished on Registration with Approved Clearing Facility**

- [3700] Upon the registration of each contract with the Approved Clearing Facility such contract so registered shall be extinguished and replaced by a contract or contracts with the Approved Clearing Facility in accordance with the Clearing Rules and the original parties shall be released from their obligations to each other.

### **No Recognition of Rights of Other Parties**

- [3701]
- (a) All trading on the Markets of the Exchange or otherwise pursuant to the Rules shall be between Trading Participants as principals and the

Exchange shall not be obliged to recognise the interest of any other party other than such Trading Participants; and

- (b) Upon the registration of a contract with the Approved Clearing Facility the Exchange shall not be obliged to recognise the interest of any party other than the party to a contract with the Approved Clearing Facility arising from such contract.

### **Approved Clearing Facility Clearing as Party**

[3702] Where a Contract is traded on the Markets of the Exchange or otherwise traded pursuant to the Rules and registered with the Approved Clearing Facility, references in the Rules to the Buyer or Seller of a Contract shall be read as a reference to the other party to a contract with the Approved Clearing Facility as a party.

### **Transmission by Exchange to Approved Clearing Facility**

[3703] Particulars of all Trades executed on the Trading Platform shall be promptly transmitted by the Exchange to the Approved Clearing Facility and shall be available for registration in accordance with the Clearing Rules.

### **Definition of Client**

[3704] In Rules [3704] and for the purposes of the definition of "Client" in the Clearing Rules, "Client" shall mean a Client within the meaning of Section 981A(1) of the Corporations Act or a person whose monies are required or authorised to be placed in a clients' segregated account by the Corporations Act.

### **Recording of Trades in Clearing System**

- [3705] Trades may be recorded in the Clearing System in the name of:
- (a) the Trading Participant which executed the Trade or which is responsible for the Trade; or
  - (b) another Trading Participant or Clearing Participant to whom a Trade is Allocated.
  - (c) Trades may only be Allocated by a Trading Participant referred to in Rule [3705](a).
  - (d) Trades may only be Allocated to a Trading Participant or a Clearing Participant.

### **Deemed Confirmation of Trades Upon Recording**

[3706] All Trades recorded as having been Traded by the Trading Platform shall be deemed Confirmed by both parties immediately upon such recording.

### **Deemed Confirmation where there has been an Objection**

[3707] Upon the resolution of a Dealing Dispute in accordance with Rule [3220] the Trade(s) as determined by the Exchange shall be deemed to be Confirmed by the parties and the Exchange shall correct any entries in the Clearing System accordingly.

### **Action by Participant on Entering a Trade in the Clearing System**

[3708] Where a Trade is entered into the Clearing System in the name of a Trading Participant the Trading Participant shall:



- (a) Designate the Trade in the Clearing System as a House Trade or a Client Trade; or
- (b) Allocate the Trade to another Trading Participant entitled to receive Allocations.

### **Action by Participant who Receives an Allocation of a Trade within the Clearing System**

[3709] Where a Trading Participant receives an Allocation of a Trade within the Clearing System it may either:

- (a) Designate the Trade in the Clearing System as a House Trade or a Client Trade; or
- (b) Allocate the Trade to another Trading Participant entitled to receive Allocations.

### **The Party Deemed to have Confirmed the Trade**

[3710]

- (a) Where a Trade has been Designated pursuant to Rule [3709](a) the Trading Participant who Designated the Trade shall be deemed to have Confirmed the Trade.
- (b) Where a Trade has been Allocated pursuant to Rule [3709](b) the Trading Participant who Allocated the Trade shall be deemed to have Confirmed the Trade and such Confirmation stands until the Trade is Confirmed by the other Trading Participant to whom the Trade has been Allocated.
- (c) Where a Trade has been Allocated pursuant to Rule [3709](b) to a Trading Participant that is a Facility Participant, the Trading Participant who Allocated the Trade shall be deemed to have Confirmed the Trade.

### **Failure to Designate or Allocate a Trade**

[3711] Where a Trade is Confirmed pursuant to Rule [3706] a failure to Designate or Allocate such Trade by 6.30 pm on the Trading Date, or such other time set out in the Procedures, shall, subject to any provision of the Rules or the Clearing Rules, be deemed to have been Designated as a House Trade.

### **Where Executing Participant is Not a Clearing Participant**

[3712] Where the Trading Participant which executed the Trade is a Trading Participant which is not a Clearing Participant then:

- (a) Confirmation of the Trade by the Trading Participant shall also be deemed to be a confirmation by the Guarantor Clearing Participant of the Trading Participant;
- (b) the Trade shall be deemed to be immediately Allocated to the Guarantor Clearing Participant of the Trading Participant; and
- (c) an Allocation deemed to be made under sub-paragraph (b) shall cease to apply upon the Trading Participant Allocating a Trade to another Trading Participant and the Allocation being confirmed by that Trading Participant.

### **Time to Designate and Allocate**

[3713]

- (a) All Designations and Allocations shall be effected by the time set out in the Procedures.
- (b) The Exchange may grant an extension of time to Allocate or Designate but is under no obligation to grant such an extension.

### **Registration of Trades**

[3714] A Trading Participant shall ensure that all transactions it enters into on the Markets of the Exchange are registered in its name if the Trading Participant is a Clearing Participant or in the name of its Guarantor Clearing Participant, if it is not a Clearing Participant.

### **DOCUMENTS TO BE GIVEN TO A CLIENT AND CLIENT AGREEMENTS**

[3801] A Trading Participant must include the minimum terms specified in Procedures in Client Agreements in the circumstances set out in the Procedures. The Client Agreement may include other terms and conditions agreed between the Trading Participant and the client, provided those terms are not inconsistent with the terms set out in the Procedures. To the extent of any inconsistency, the terms set out in the Procedures will prevail.

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