



# ASX 24 OPERATING RULES

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## SECTION 7 DEFINITIONS AND INTERPRETATION

### INTERPRETATION

#### General Principles of Interpretation

[7000] 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 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 Settlement Facility, the ASX Enforcement and Appeals Rulebook, these Rules or the Procedures is a reference to those operating rules, the Rules or the Procedures as modified or amended from time to time;
- (c) the singular includes the plural and vice-versa;
- (d) a reference to a 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) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (h) reference to power includes a reference to authority and discretion;
- (i) a reference to a Rule (eg Rule [7040]) includes a reference to all sub-Rules included under that Rule (eg Rule [7040](a) and Rule [7040](b));
- (j) a reference to a Section (eg Section 2) includes a reference to all Rules and sub-Rules within that Section;
- (k) a reference to any Rule or Procedure is a reference to that Rule or Procedure as amended from time to time;
- (l) a reference to time is to the time in Sydney, Australia;
- (m) a reference to currency is a reference to Australian currency;
- (n) a reference to writing includes typing, printing, lithography, photography, telex, facsimile or any other mode of representing or reproducing words in a visible form;
- (o) where there is a reference to the power of the Exchange to make, demand or impose a requirement there is a corresponding obligation of the relevant Trading Participant to comply with that demand or requirement in all respects;
- (p) a reference to the Exchange notifying or giving notice to a Trading Participant or vice-versa is a reference to notifying or giving notice in accordance with Rules [6900] to [6904]; and

- (q) a reference to records includes any documents and any electronic records which the Exchange considers are relevant for the purposes of performing its functions under the Rules.

Amended 01/01/12

### **Words and expressions defined in the Corporations Act**

[7020] Words and expressions defined in the Corporations Act will unless otherwise defined or specified in these Rules or the contrary intention appears, have the same meaning in these Rules.

### **Headings and any Introductory Review**

[7030] Headings and any introductory overview at the beginning of each Section are for convenience of reference only and do not affect the interpretation of the Rules or the Procedures.

### **Conduct, Acts and Omissions**

[7040] 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.

[7041] In these Rules, conduct engaged in on behalf of a person:

- (a) by an officer, Employee, or other agent of the person, and whether or not within the scope of the actual or apparent authority of the officer, Employee, 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, 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, or other agent,

is deemed to have been engaged in by the person.

[7042] 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, or other agent of the person, being an officer, Employee, 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, or other agent, had that state of mind.

In this Rule [7042], 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.

### **Regard to be had to purpose or object of Rule**

[7050] 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 which would not promote that purpose or object.

## Notes

[7060] If these Rules include a note about the operation of a Rule:

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

## Change of name

[7070] 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.

[7072] As from the Effective Time (as defined in Rule [8000]), these Rules (formerly known as the Operating Rules of Sydney Futures Exchange Limited) have been renamed the ASX 24 Operating Rules.

## Effect of amendment to rules and procedures

[7080] 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:

- (a) revive anything not in force or existing at the time at which that circumstance takes effect;
- (b) affect the previous operations of that Rule or Procedure or anything done under that Rule or Procedure;
- (c) affect any right, privilege, obligation or liability acquired, accrued or incurred under that Rule or Procedure;
- (d) affect any penalty, forfeiture, suspension, expulsion or other enforcement action taken or incurred in respect of any breach of that Rule or Procedure; or
- (e) affect any investigation, proceeding, enforcement process, appeal process, sanction 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, sanction 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.

## Rule in force at time of contravention

[7090] Unless expressly stated otherwise, in determining whether the act or omission of a party constitutes a contravention of the Rules or a breach of a condition imposed by the Exchange under the Rules, the matter will be determined with regard to the Rules in force at the time of the relevant act or omission.

## DEFINITIONS

**“Account”** means an account of a Clearing Participant with an Approved Clearing Facility in which Derivatives Market Contracts cleared by the Clearing Participant are registered.

**“Acquire”** has the meaning set out in the Corporations Act.

**“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 Requirements”** means the requirements for admission as a Trading Participant which are set out in Rules [1000] to [1002].

**“Affiliated Accounts”** means two or more accounts maintained or carried by a Trading Participant which that Trading Participant knows, or with the exercise of due care should know, or is advised by the Exchange, are controlled by or under common control with the same related or affiliated persons or entities or are acting pursuant to an express or implied agreement or understanding that they will act in concert.

**“Allocation or Allocated”** means the signification through the Relevant Clearing System that the bought or sold side of a Futures Contract or Option Contract is to be held in the name of another Trading Participant.

**“Alternative Clearing Facility”** means a CS Facility which, in the opinion of the Exchange, 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, and which is recognised by the Exchange as an Alternative Clearing Facility.

**“API”** means an Applications Programming Interface.

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

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

**“Approved Foreign Bank”** means a bank approved by the Exchange.

**“Approved Securities”** means those Securities approved by the Exchange and set out in the Procedures.

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

**“Approved Warehouse”** has the meaning defined by the relevant Rule for each Contract to which it applies.

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

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

**“ASXO”** means ASX Operations Pty Limited (ABN 42 004 523 782).

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

**“Australian CS Facility Licence”** means a licence granted to the operator of a Clearing and Settlement Facility in accordance with the Corporations Act that authorises it to operate a facility providing Clearing and Settlement services in respect of all products traded on the Exchange.

**“Australian Financial Services Licence”** means a licence granted under Section 913B of the Corporations Act.

**“Bid”** means an offer to enter into a Derivatives Market Transaction in respect of the relevant Derivatives Market Contract as Buyer.

**“Block Trade”** means any trade which is executed via the Block Trade Facility.

**“Block Trade Facility”** means the facility described in the Procedures by which Block Trades are executed.

**“Block Trade Order”** means an order in a Class of Contract prescribed by the Exchange which must be executed via the Block Trade Facility.

**“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 the Exchange notifies Trading Participants is not a Business Day.

**“Buyer”** means, in relation to a Derivatives Market Transaction, the Trading Participant whose purchase, bid or buy instruction, order or other Trading Message has resulted in the Derivatives Market Transaction being entered into, whether or not in connection with any other Derivatives Market Transaction and includes the taker of an Options Market Contract.

**“Calendar Quarter”** means the Calendar Quarter in which settlement of a particular Class of Contract is to take place or takes place.

**“Capital Requirements”** means, in relation to a Trading Participant, the NTA Requirements.

**“Central Order Book”** means a part of a Trading Platform known as the “central orderbook” which is a facility for submitting Trading Messages in respect of, and entering into transactions in respect of Derivatives Market Contracts.

**“Call Option Contract”** has the meaning set out in the Rules.

**“CFD or Contract For Difference”** means a Futures Contract designated by the Exchange as a Contract for Difference.

**“CFD Daily Adjustment”** means the daily cash flows relevant to a CFD Contract calculated by reference to the CFD Daily Settlement Price.

**“CFD Daily Settlement Price”** means the daily settlement price of a CFD Contract as determined by the Exchange.

**“Class of Contract”** means:

- (a) all those Contracts which have the same Individual Contract Specifications; and
- (b) all those Contracts whose Contract Units differ in terms of the number of securities, the class of securities or the company issuing the securities, provided the Individual Contract Specifications of such Contracts are otherwise the same.

**“Clearing Guarantee”** means the guarantee in the form set out in the Procedures from a Guarantor Clearing Participant.

**“Clearing Obligation”** means an obligation imposed on a Clearing Participant under the Clearing Rules.

**“Clearing Participant”** means a person admitted as a participant under the Clearing Rules.

**“Clearing Rules”** means the operating rules, procedures, practices, directions, decisions and requirements of an Approved Clearing Facility (and, when used in relation to a particular Approved Clearing Facility or Clearing Participant, refers to such rules of that Approved Clearing Facility or to which that Clearing Participant is subject).

**“Client”** means in relation to a Trading Participant, any person, firm or corporation on behalf of whom the Trading Participant enters, acquires or disposes of a Futures Contract or Option Contract, or on whose behalf the Trading Participant proposes to enter, acquire or dispose of a Futures Contract or Option Contract or from whom the Trading Participant accepts instructions to enter, acquire or dispose of Futures Contracts or Option Contracts.

**“Client Access”** means an arrangement whereby:

- (a) a Trading Participant permits either a client or an agent of the client to submit Trading Messages (to which the Trading Participant's unique identifier is attached) through the Trading Participant's system; or
- (b) a Trading Participant permits either a client or an agent of the client to submit Trading Messages (to which the Trading Participant's unique identifier allocated by the Exchange under Rule [1300](c) is attached) other than through the Trading Participant's system.

**“Client Account”** means an account of a Clearing Participant with an Approved Clearing Facility in which Derivatives Market Contracts cleared by the Clearing Participant for one or more clients are registered.

**“Client Agreement”** means an agreement between the Trading Participant and its client entered into under Rule [3801] of these Rules and/or the ASIC Market Integrity Rules as applicable.



**“Client Identifier”** means the unique identifier of at least one character assigned by a Trading Participant to each Client to identify the Client in the Trading Participant’s dealing record.

**“Client Positions”** means Open Positions designated as Client Positions under the Clearing Rules.

**“Client Trade”** means a trade of a Trading Participant held on behalf of a Client.

**“Close Out”** means to extinguish an Open Position by matching it with offsetting an Open Position and effecting the settlement of each such Open Position against the other.

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

**“Confirmation or Confirmed”** means the confirmation that the bought or sold side of a Futures Contract or Options Contract has been:

- (a) entered, acquired or disposed of by a Trading Participant; or
- (b) accepted by Allocation from a Trading Participant.

**“Contract”** means a contract entered, acquired or disposed of on the Exchange or capable of being entered, acquired, or disposed of on the Exchange.

**“Contract Premium”** means the premium at which an Option Contract is traded.

**“Contract Series”** means a Futures Series or an Option Series.

**“Contract Unit”** means the amount of the underlying security, index, commodity, futures contract or other thing in respect of which the parties to a Contract make an agreement.

**“Contract Value”** means the value or worth of a Contract at the time of making that Contract.

**“Controller”** means:

- (a) a person holding 20% of the total votes attached to voting shares of an applicant or a Trading Participant or a person who, together with Related Parties, holds 20% of such votes; or
- (b) a person who has the power to control the Trading Participant or applicant Trading Participant, whether that power is direct or indirect or is, or can be, exercised as a result of, by means of, in breach of, or by revocation of, trusts, relevant agreements and practices, or any of them, and whether or not they are enforceable,

but for the purposes of Section 1 and Section 4 does not include an entity if the entity, a holding company of the entity, or a subsidiary of the entity through which the entity has an interest in the applicant or Trading Participant is an entity listed on ASX or any other Australian market licensee or a Recognised Overseas Stock Exchange.

**“Custom Market”** means the facility within the Trading Platform whereby non-standard multi-legged strategies may be entered, consisting of up to six legs or such other number as determined by the Exchange and, in respect of either Futures Contracts or Option Contracts or a combination of both, entered, acquired or disposed of pursuant to Rule [4403].

**“Custom Market Order”** means a non-standard multi-legged strategy of either Futures Contracts or Option Contracts or a combination of both, consisting of up to 6 legs or such other number as determined by the Exchange, entered, acquired or disposed of pursuant to Rule [4403].

**“Daily Settlement Price”** means the official daily quotation for each Contract entered, acquired or disposed of on a Market of the Exchange for each delivery or cash settlement month (and in the case of Option Contracts, for each series) as determined by the Exchange for the purpose of margining and settling by the Approved Clearing Facility.

**“Deal, Deal In or Dealing or Cognate Expressions”** means deal or dealing as those terms are defined in Section 766C of the Corporations Act.

**“Dealing Dispute”** has the meaning given in Section 3.

**“Declaration Date”** means the last date on which an Option Contract may be exercised by the Buyer.

**“Deny Automatic Exercise Request”** means the notice which may be lodged in the Clearing System by Trading Participants holding a bought Option Position in the Clearing System pursuant to which the automatic exercise on the Declaration Date of an Option Contract in the money is denied.

**“Derivative”** in Rule [2000], has the same meaning set out in Section 761D of the Corporations Act.

**“Derivatives Market Contract”** means a Futures Market Contract, an Options Market Contract and any other contract that the Exchange authorises for trading on a Trading Platform and determines to be a Derivatives Market Contract.

**“Derivatives Market Transaction”** means a transaction between Trading Participants for one or more Derivatives Market Contracts.

**“Designate”** means the indication or designation by any means within the Clearing System that the trade is either a House Trade or a Client Trade.

**“Dispose”** has the meaning set out in the Corporations Act.

**“Employee”** in relation to a Trading Participant means a director, employee, officer, agent, representative, consultant or adviser of that Trading Participant or any Related Body Corporate who is involved in its activities as a Trading Participant.

Amended 15/06/15

**“Entry of Order”** means to enter, amend and/or cancel an order.

**“Exchange”** means Australian Securities Exchange Limited (ABN 000 943 377 (formerly known as Sydney Futures Exchange Limited).

**“Exchange Equipment”** means equipment required by a Participant in Order to access the Exchange System for the purpose of carrying out its activities as a Participant of the Exchange, which may be supplied from time to time by the Exchange or a Related Body Corporate.

**“Exchange for Physical”** (EFP) means a transaction of the kind described in Rule [4800].

**“Exchange Software”** means the software developed by or on behalf of the Exchange or a Related Body Corporate from time to time to operate the Exchange System and required by a Trading Participant in order to access the Exchange System for the purpose of carrying out its activities as a Trading Participant of the Exchange.

**“Exchange System”** means any system, including trading system, computer system or other electronic system (including the Exchange Software and Exchange Equipment) utilised by the Exchange or any of its Related Bodies Corporate from time to time in connection with any business of the Exchange or any of its Related Bodies Corporate.

**“Exercise Limit”** means a limit set by the Exchange under Rule [3410] or an exercise limit set by the Approved Clearing Facility under the Clearing Rules.

**“Exercise Notice”** means a notice given by the Buyer of an Options Market Contract in accordance with these Rules to exercise an Options Market Contract.

**“Exercise Price”** means the price specified by the Exchange for the exercise of an Options Market Contract (as adjusted in accordance with the Rules).

**“Expiry Date”** means, in relation to an Options Market Contract, the date determined by the Exchange as the date on which the Options Market Contract expires.

**“Expiry Month”** means the calendar month in which an Option Contract Expires.

**“Expression of Interest”** means an enquiry made to a Trading Participant either:

- (a) to obtain the current best bid and/or offer in a particular Market; or
- (b) to enquire as to the volume that may be obtained at a given price,

but is not a firm order to buy or sell.

**“Extreme Trade Range”** means the range set out in Procedure 3200.

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

**“Facility Participant”** means any person approved by the Exchange who has an Australian CS Facility Licence and is a Clearing Participant.

**“Fidelity Fund”** means the fund referred to in the Compensation Arrangement Rules.

Note: Refer to ASX’s website for Fidelity Fund Compensation Arrangement Rules.

**“Final Trading Day”** means the last day on which trading is permitted in any Contract within a Class of Contracts for the particular settlement month.

**“Financial Market”** means “Financial Market” as that term is defined in the Corporations Act.

**“Financial Product”** has the meaning set out in Division 3 of Part 7.1 of the Corporations Act.

**“Futures Clearing Participant”** means a person admitted as a Futures Participant under the Clearing Rules.

Introduced 30/11/15

**“Futures Market Contract”** means a contract on the terms of a Futures Series.

**“Futures Series”** means a set of contractual terms which include the terms set out in Schedule 1 and other terms determined by the Exchange under Rule [2221].

**“Futures Market Transaction”** means a Market Transaction for one or more Futures Market Contracts.

**“Guarantor Clearing Participant”** means in relation to a Trading Participant a Clearing Participant which has provided a guarantee of the trading of that Trading Participant as provided in Section 1 of the Rules and, unless the context otherwise requires, a reference to a Guarantor Clearing Participant in the Rules includes a Facility Participant.

**“House Account”** means an account of a Clearing Participant with an Approved Clearing Facility in which Derivatives Market Contracts cleared by the Clearing Participant for its own account are registered.

**“House Trade”** means any Trade other than a Client Trade.

**“Individual Contract Specifications”** means the terms of a Class of Contracts identified in Schedule 1.

**“In Price/Time Priority”** means, in respect of Bids and Offers, in accordance with the following order:

- (a) Bids entered into a Trading Platform are ranked from highest to lowest priced and Offers are ranked from lowest to highest priced;
- (b) Bids entered into a Trading Platform are ranked above Bids entered later at the same price and Offers entered into a Trading Platform are ranked above Offers entered later at the same price; and
- (c) an Order withdrawn from a Trading Platform loses its priority under (a) and (b) and, if re-entered, will be treated as a new Order.

**“Intellectual Property”** means:

- (a) any patent, trade mark (whether registered or common law), copyright, registered design or other design right, and any corresponding property right under the laws of any jurisdiction throughout the world;
- (b) any right under the laws of Australia, or of any jurisdiction throughout the world, to apply for the grant or registration of a patent, trade mark, copyright, design, or any corresponding property or right; and
- (c) any rights throughout the world in respect of an invention, discovery, trade secret, know-how, concept, idea, information, data, algorithm or formula.

**“Interim Daily Settlement Price”** means in respect of a Contract, the Daily Settlement Price for the Contract determined by the Exchange immediately following the Close of the Market.

**“Intra-Day Option”** means an Option which expires on the afternoon of the same Business Day of the relevant Trading Date.

**“Intra-Day Option Futures Price”** means the price against which an Intra-Day Option over a Futures Contract is settled.

**“In Writing”** means written, typed, printed or lithographed, or partly one and partly another and including any other mode of representing or reproducing words in a visible form, including electronically produced, displayed and recorded matter.

**“Licence”** in Rule [1700] means a licence or sub-licence.

**“Licensed Software”** means the Exchange Software which is the subject of a licence granted in Rule [1700].

**“Licensor”** means, a Third Party who, as an owner of intellectual property rights, licenses the Exchange or a Related Body Corporate to use those Intellectual Property rights in the manner set out in any relevant licence.

**“List”** means to make a Class of Contract available for acquisition or disposal on a trading facility operated by the Exchange.

**“Market”** means a market in one or more of the Class of Contracts entered into, acquired or disposed of on the Exchange.

**“Market Contract”** has the meaning set out in the Clearing Rules.

**“Market Transaction”** means a transaction for one or more Products entered into on a Trading Platform or reported to the Exchange under these Rules.

**“Message Facility”** means a function of the Trading Platform which enables messages to be sent to the market.

**“Minimum Volume Threshold”** means the threshold determined by the Exchange from time to time, being the minimum number of lots in respect of each Contract.

**“Month”** means calendar month.

**“No Cancellation Range”** means the range set out in Procedure 3200.

**“Non-quarter Months”** means those months which are not Quarter Months.

**“Non-US Exchanges”** means exchanges, other than the Exchange and ASX, which are located outside the USA.

**“Offer”** in relation to a Derivatives Market Contract, means an offer to enter into a Derivatives Market Contract in respect of the relevant Contract Series as Seller.

**“Open Contract”** means a contract, on the terms of a Contract Series which is registered with an Approved Clearing Facility under the Clearing Rules (and any contract which replaces that contract through the transfer, adjustment or settlement to market of that contract under the Clearing Rules).

**“Open”** means the commencement of Open Trading in a particular Contract or such other time as is designated by the Exchange.

**“Open Interface Device”** means the means by which Trading Participants access a Trading Platform and which enables a Trading Participant to submit Trading Messages and as named in the Procedures.

**“Open Position”** means an open position exists where the obligations under a Contract held by a party, which has not been closed out are yet to be performed and shall refer as the context requires either to an open position as defined by the Clearing Rules held by a Clearing Participant or to such an open position which is

held by a Participant on the instructions of a client, including open positions held, where applicable on markets other than Markets of the Exchange.

**“Open Trading”** means the Session State being the period of Trading in a particular Contract following the Pre-Opening Phase, during which bids and offers may be freely made, accepted, matched, cancelled and amended.

**“Operational Requirements”** is defined in Rule [1401].

**“Options Market Contract”** means a contract on the terms of an Option Series.

**“Options Market Transaction”** means a Market Transaction for one or more Options Market Contracts.

**“Option Series”** means a set of contractual terms which include the terms set out in Schedule 1 and other terms determined by the Exchange under Rule [2221].

**“Option or Option Contract”** means an Option over a Futures Contract or a number of Futures Contracts or an Option over an Underlying Physical as listed by the Exchange.

**“Order”** means an instruction to enter into a Derivatives Market Transaction, or an instruction to amend or cancel a prior instruction to enter into a Derivatives Market Transaction.

**“Order System”** means a software application, satisfactory to the Exchange, for entering orders into the Trading Platform through a terminal.

**“Ordinary Option”** means an Option over a Futures Contract which expires in the same Settlement Month as the Underlying Futures Contract, on or about the Final Trading Day as the Underlying Futures contract.

**“OTC Clearing Participant”** means a person admitted as an OTC Participant under the Clearing Rules

Introduced 30/11/15

**“Overnight Option”** means an Option which expires in the morning of the relevant Trading Date.

**“Overnight Option Futures Price”** means the price against which an Overnight Option over a Futures Contract is settled.

**“Overnight Option Months”** means Futures Contract months in which the Exchange has determined that Overnight Options may be traded.

**“Position Limit”** means a limit set by the Exchange under Rule [3400] or a position limit set by an Approved Clearing Facility under the Clearing Rules.

**“Pre-Opening Phase”** means the Session State being a period of ten (10) minutes (or such other period as may be determined by the Exchange) prior to the Open in respect of a particular Contract during which bids and offers may be entered into the Trading Book for execution at a common price on the Open.

**“Pre-Price Discovery Phase”** means the Session State being a phase where the market is halted and appropriate orders are Purged in preparation for the Price Discovery Phase.

**“Prescribed Rate”** means the base rate charged by the Exchange’s principal banker to corporate customers from time to time in respect of overdraft loans in excess of \$100,000 calculated on a daily basis and a year of 365 days.

**“Price Discovery Phase”** means the Session State being a second Pre-Opening Phase.

**“Prioritised Execution”** means a method of prioritising orders for execution based upon orders being received on the Trading Platform obtaining priority of execution over:

- (a) all subsequent entries at the same price;
- (b) all entries at a lower price in the case of a bid to buy; and
- (c) all entries at a higher price in the case of an offer to sell,

with each entry being recorded by the Trading Platform.

**“Price Step”** means the minimum bid increment that can be entered on a Trading Platform as set out in the Procedures.

**“Principal Trader”** means a Trading Participant with Trading Permission for one or more Products which limits it to trading on its own behalf.

**“Procedures”** means any document, electronic file or other information (recorded by any mode of representing words or reproducing words) approved by the Exchange and given where applicable to third party providers in accordance with Rules [6020] to [6022] and, without limitation, includes the Exchange Operating Rule Procedures as amended from time to time.

**“Product”** means a Derivatives Market Contract.

**“Purge”** means the process whereby, in the event of a terminal losing connection to the Trading Platform for a period of time, an order which has not been designated as “Retain” will be automatically cancelled by the Trading Platform.

**“Put Option Contract”** has the meaning set out in Section 2.

**“Qualifying Cancellation Range”** means the range set out in Procedure [3200].

Amended 28/11/11

**“Quarter Months”** means March, June, September and December.

**“Reciprocal Arrangement”** means any agreement or arrangement between the Exchange and any governmental agency or regulatory authority (including, without limitation, an exchange, market operator, 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 the Exchange and the other party in relation to dealings in, or clearing and settlement of, derivatives or securities (in Australia or elsewhere).

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

**“Related Party”** means:

- (a) in relation to a body corporate:
  - (i) the meaning in Section 228 of the Corporations Act; or

- (ii) a Substantial holder of the body corporate;
- (b) in relation to a trust, which is not a registered management investment scheme, the management company, trustee and their related parties within the meaning of Section 228 of the Corporations Act;
- (c) in relation to a trust which is a registered managed investment scheme, the responsible entity and a related party of the responsible entity under Section 228 of the Corporations Act, as modified by Section 601LA of the Corporations Act;
- (d) in relation to a person:
  - (i) his or her spouse, de facto spouse, parent, son, or daughter, or a spouse or de facto spouse of that person;
  - (ii) an entity over which one or more of the persons referred to in paragraph (i) has control;
  - (iii) an entity that he or she controls, or its holding company or which is controlled by the holding company;
  - (iv) a person who acts, or proposes to act, in concert with anyone referred to above;
  - (v) a person who was a related party in the previous 6 months, or who would be a related party in the future, under the tests in Section 228 of the Corporations Act (applied with any necessary adaptation).

**“Relevant Clearing Participant”** means, in relation to a Trading Participant:

- (a) where the Trading Participant is not itself a Clearing Participant and has a third party clearing arrangement with only one Clearing Participant to clear all of its Market Transactions in a class of Product, that Clearing Participant; and
- (b) where the Trading Participant is itself a Clearing Participant and clears all of its Market Transactions in a class of Products, itself; and
- (c) where the Trading Participant has third party clearing arrangements with more than one Clearing Participant, or is itself a Clearing Participant and has third party clearing arrangements with other Clearing Participants to clear its Market Transactions in a class of Product, the Clearing Participant which it has identified through the Open Interface Device in respect of the Market Transaction.

**“Representative”** in relation to a Trading Participant, means a “representative” within the meaning of Section 910A of the Corporations Act.

**“Retain”** means in the event of a Trading Terminal losing connection to the Trading Platform for a specified period an order designated as “Retain” will remain active in the Trading Platform.

**“Roll”** means trading a position from the nearest delivery month to an equivalent position in a different delivery month.

**“Rules”** means these rules.

**“Security or security”** means:

- (a) a “security” within the meaning of Section 761A of the Corporations Act; or
- (b) a managed investment product.



**“Seller”** means, in relation to a Derivatives Market Transaction, the Trading Participant whose sell or offer instruction, order or other Trading Message has resulted in the Derivatives Market Transaction being entered into.

**“Serial Option”** means an Option over a Futures Contract which expires in a Settlement Month which is different from the Settlement Month of the Underlying Futures Contract.

**“Settlement Day”** means the day on which:

- (a) the parties to a cash settled contract are required, in accordance with the Rules, to make an adjustment between them according to whether the settlement value of the contract is greater or less than the contract value;
- (b) the parties to a deliverable contract are required, in accordance with the Rules, to give delivery in the case of the Seller and to take delivery and make payment in the case of the Buyer;
- (c) the parties to an exercised deliverable Option over an Underlying Physical are required, in accordance with the Rules, to transfer the Underlying Physical and make payment for them.

**“Settlement Month”** means the calendar month in which the Final Trading Day in a particular Class of Contract occurs.

**“Settlement Price”** means the price of a contract on the Settlement Day.

**“Settlement Quarter”** means the quarter in which settlement of a particular Class of Contract is to take place or takes place.

**“Settlement Value”** means the value or worth of a cash settled contract on the Settlement Day.

**“Session State”** means, in respect of a Trading Platform, a Session State specified by the Exchange during which trading will take place in accordance with the parameters specified by the Exchange. Unless otherwise specified the parameters specified in the Procedures will apply.

**“Shared Order”** means an order that may be viewed and actioned by authorised Representatives of the same Trading Participant.

**“Spread Order”** means a type of strategy order under Section 3.

**“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;
- (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 the Exchange prevents or significantly hinders the operation of the market;
- (c) an act of terrorism; or
- (d) other events which, in the opinion of the Exchange prevents or significantly hinders the operation of the market.

**“Support Fee”** means the fee determined by the Exchange from time to time, charged by the Exchange, for providing support services in relation to the Exchange System.

**“Throughput Capacity”** means the number of transactions per second which can be processed through an Open Interface Device.

**“To Trade”** and similar expressions means to enter, acquire or dispose of Contracts on a Market operated by the Exchange.

**“Trading Close”** means the time determined by the Exchange and notified to Trading Participants as the time on each Trading Day at which the entry of orders into a Trading Platform must cease.

**“Trading Day”** means a day determined by the Exchange to be a Trading Day and notified to Trading Participants.

**“Trading Date”** means the period from any commencement of Open Trading to the Close of Trading (disregarding any temporary interruptions to Trading).

**“Trading Hours”** means the times on a Trading Day determined by the Exchange and notified to Trading Participants as the times between which Market Transactions may be entered into by Trading Participants on a Trading Platform.

**“Trading Infrastructure Fee”** means any and all charges determined by the Exchange from time to time payable by a Trading Participant to the Exchange in consideration for, or in any way connected with, the use of the Exchange System.

**“Trading Messages”** means those messages submitted into a Trading Platform relating to trading functions, such as Orders, amendment or cancellation of Orders and the reporting or cancellation of Market Transactions on the Trading Platform.

**“Trading Participant”** means a Participant which has Trading Permission in respect of one or more Products.

**“Trading Permission”** means the right to submit Trading Messages in a Trading Platform.

**“Trading Permission Requirements”** means the requirements in Rules [1110], [1120], [1130] and [1140] (as applicable).

**“Trading Period”** means the period from the Open of Trading to the Close of Trading on the following Business Day, or such other period as may be designated by the Board.

**“Trading Platform”** means a platform made available by the Exchange to Trading Participants for the entry of Trading Messages, the matching of Orders, the advertisement of invitations to trade and the reporting of transactions. Parts of the Trading Platform may be referred to as ‘a Trading Platform’ or ‘the relevant Trading Platform’.

**“Underlying Commodity”** means in relation to a Derivatives Market Contract, the commodity which underlies that contract as determined by the Exchange.

**“Underlying Financial Product”** means in relation to a Derivatives Market Contract, the Financial Product underlying that contract as determined by the Exchange.

**“Underlying Futures Contract”** means the Futures Contract or Contracts upon which an Option over a Futures Contract is based.

**“Underlying Index”** means in relation to a Derivatives Market Contract, the index which underlies that contract, as determined by the Exchange.

**“Underlying Instrument”** means in relation to Option Series and Futures Series, the instrument which underlies that Option Series or Futures Series as determined by the Exchange.

**“Year”** means calendar year.

**End of Section.**