

ASIC MARKET INTEGRITY RULES (ASX MARKET) 2010

EXPLANATORY STATEMENT

Prepared by the Australian Securities and Investments Commission

Corporations Act 2001

The Australian Securities and Investments Commission (ASIC) makes the *ASIC Market Integrity Rules (ASX Market) 2010* (the *Market Integrity Rules*) under subsection 798G(1) of the *Corporations Act 2001* (the *Act*).

Subsection 798G(1) of the Act provides that ASIC may, by legislative instrument, make rules that deal with:

- (a) the activities or conduct of licensed markets;
- (b) the activities or conduct of persons in relation to licensed markets;
- (c) the activities or conduct of persons in relation to financial products traded on licensed markets.

Subsection 798G(1) of the Act is inserted by Schedule 1 of the *Corporations Amendment (Financial Market Supervision) Act 2010* (the *Amending Act*).

On 24 August 2009, the Australian Government announced that it had decided to transfer the responsibility for supervision of Australia's domestic licensed financial markets from market operators to ASIC. The Amending Act gave effect to this decision and received Royal Assent on 25 March 2010. On 8 July 2010, the commencement date for Schedule 1 to the Amending Act was fixed by proclamation as 1 August 2010 (the *Commencement Date*).

These Market Integrity Rules apply to the market (the *Market*) operated by ASX Limited (the *Market Operator*) under *Australian Market Licence (Australian Stock Exchange Limited) 2002*.

The main purpose of the Market Integrity Rules is to promote market integrity, protect investors and enable ASIC to perform the functions contemplated by the transfer of real-time supervision of the Market.

The Market Integrity Rules are based on a subset of the ASX Market Rules that were in existence prior to the Commencement Date (the *pre-commencement ASX Market Rules*). The split between the pre-commencement ASX Market Rules and the Market Integrity Rules was agreed between ASIC and the Market Operator. The main guiding principles in splitting the pre-commencement ASX Market Rules were that:

- (a) existing operational and mechanical style rules, including the core operational functioning of the Market, should be the responsibility of the Market Operator;
- (b) admission of participants should be the responsibility of the Market Operator;
- (c) rules relating to market integrity should be the responsibility of ASIC;
- (d) rules that assist the real-time monitoring of trading and market conduct should be the responsibility of ASIC; and
- (e) rules relating to general participant conduct, including participant conduct with clients, should be the responsibility of ASIC.

To ensure market certainty and minimise impact on participants on the Commencement Date, ASIC has, to the extent possible, maintained the substance of the regulatory regime embodied in the pre-commencement ASX Market Rules on which the Market Integrity Rules are based. Amendments were made to the drafting of those pre-commencement ASX Market Rules to reflect the transfer of supervisory responsibility for those rules to ASIC, and to incorporate material from the Procedures and Appendices to the Procedures of those rules.

Details of the Market Integrity Rules are contained in the Attachment.

Public consultation on the Market Integrity Rules was conducted in February and March 2010. A number of submissions were received, including submissions from industry groups and the Market Operator. Many of the issues raised in the submissions were of a technical nature and have been addressed in the drafting of the final Market Integrity Rules to the extent possible.

In addition to those changes, the Market Integrity Rules were amended from the consultation version to take into account:

- (a) the incorporation into the Market Integrity Rules of additional detail and obligations contained in the Procedures and Appendices to the Procedures of the pre-commencement ASX Market Rules (particularly in relation to Responsible Executives, Accredited Advisers, Client Agreements and certification of Automated Order Processing Systems);
- (b) the inclusion of additional Market Integrity Rules about providing data and information to ASIC that apply to the Market Operator only;
- (c) the inclusion of additional Market Integrity Rules (particularly in relation to professional indemnity insurance, Designated Trading Representatives, corners and takeovers) where it was agreed with the Market Operator that ASIC would supervise compliance by participants in these areas going forward; and
- (d) the removal of one proposed Market Integrity Rule in relation to monthly reporting requirements for derivatives market transactions, where it was agreed with the Market Operator that this obligation is adequately dealt with elsewhere.

Subsection 798G(1) of the Act provides that market integrity rules are legislative instruments for the purposes of the *Legislative Instruments Act 2003*.

Subsection 798G(2) of the Act provides that market integrity rules may include a penalty amount for a rule. A penalty amount must not exceed \$1,000,000. The penalty amount set out below a Market Integrity Rule is the penalty amount for that Market Integrity Rule.

The Market Integrity Rules will commence on the later of the day they are registered on the Federal Register of Legislative Instruments or the Commencement Date.

ATTACHMENT

Chapter 1 Introduction

Part 1.1 Preliminary

Rule 1.1.1 – Enabling legislation

Rule 1.1.1 provides that the enabling legislation for the Rules is subsection 798G(1) of the Corporations Act.

Rule 1.1.2 Title

Rule 1.1.2 provides that the title for the Rules is *ASIC Market Integrity Rules (ASX Market) 2010*.

Rule 1.1.3 Commencement

Rule 1.1.3 provides that the Rules commence on the later of:

- (a) the day the instrument is registered under the *Legislative Instruments Act 2003*; and
- (b) the commencement of Schedule 1 to the *Corporations Amendment (Financial Market Supervision) Act 2010*.

The commencement of Schedule 1 of the *Corporations Amendment (Financial Market Supervision) Act* has been fixed by proclamation as 1 August 2010.

Rule 1.1.4 Scope of these Rules

Rule 1.1.4 provides that the Rules apply to:

- (a) the activities or conduct of the Market;
- (b) the activities or conduct of persons in relation to the Market;
- (c) the activities or conduct of persons in relation to Financial Products traded on the Market.

Rule 1.1.5 Entities that must comply with these Rules

Rule 1.1.5 provides that the following entities must comply with the Rules:

- (a) the Market Operator;
- (b) Market Participants; and
- (c) Other Regulated Entities;

as specified in each Rule.

Rule 1.1.6 Conduct by officers, Employees or agents

Paragraph 1.1.6(a) provides that in the Rules, conduct engaged in on behalf of a person by officers, Employees or other agents of the person is deemed to have been engaged in by the person. Paragraph 1.1.6(b) provides that in the Rules, conduct engaged in on behalf of a person

by any other person at the direction or with the consent or agreement (express or implied) of an officer, Employee or other agent of the person, is deemed to have been engaged in by the person.

Rule 1.1.6 reflects pre-commencement ASX Market Rule 2.4.2.

Rule 1.1.7 State of mind of a person

Subrule 1.1.7(1) provides that, if for the purposes of the 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 by whom the conduct was engaged in had that state of mind.

Subrule 1.1.7(2) provides that, in subrule (1), 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.

Rule 1.1.7 reflects pre-commencement ASX Market Rule 2.4.3.

Part 1.2 Waiver

Rule 1.2.1 Waiver of Rules

Subrule 1.2.1(1) provides that ASIC may relieve any person or class of persons from the obligation to comply with a provision of the Rules, either generally or in a particular case or category, and either unconditionally or subject to such conditions as ASIC thinks fit.

Subrule 1.2.1(2) provides that if any conditions on a waiver are imposed, all of the conditions must be complied with for the waiver to be effective. Subrule 1.2.1(3) provides that ASIC may withdraw a waiver in writing at any time.

Subrules 1.2.1(4) to (5) provide that a waiver, conditions on a waiver and a request by a person for a waiver must be in writing. Subrule (6) provides that ASIC may publish notice of a waiver.

Rule 1.2.1 reflects pre-commencement ASX Market Rule 1.5.1.

Rule 1.2.2 Compliance with conditions

Rule 1.2.2 provides that failure to comply with a condition imposed under Rule 1.2.1 is a contravention of Rule 1.2.2.

Rule 1.2.2 reflects pre-commencement ASX Market Rule 1.5.2.

Rule 1.2.3 Period during which relief applies

Rule 1.2.3 provides that ASIC may specify the period or specific event during which any relief from an obligation to comply with a provision of the Rules may apply.

Rule 1.2.3 reflects pre-commencement ASX Market Rule 1.5.4.

Rule 1.2.4 Register

Subrule 1.2.4(1) provides that ASIC may establish and maintain a register for recording details of relief granted under Rule 1.2.1 and sets out the details that may be entered in the register. Subrule 1.2.4(2) provides that ASIC may publish the register.

Rule 1.2.4 reflects pre-commencement ASX Market Rule 1.5.5.

Part 1.3 Notice, notification and service of documents

Rule 1.3.1 Market Participant to have email

Rule 1.3.1 provides that a Market Participant must acquire and maintain an operating email system for the purposes of receiving notices under the Rules.

Rule 1.3.1 reflects pre-commencement ASX Market Rule 1.6.4.

Rule 1.3.2 Methods of giving notice in writing

Rule 1.3.2 provides for methods by which ASIC may give a notice under the Rules.

Rule 1.3.2 reflects pre-commencement ASX Market Rule Procedure 1.6.2.

Part 1.4 Interpretation

Rule 1.4.1 References to time

Rule 1.4.1 provides that in the Rules, references to time are to the time in Sydney, Australia.

Rule 1.4.1 reflects pre-commencement ASX Market Rule 2.1(k).

Rule 1.4.2 Words and expressions defined in the Corporations Act

Rule 1.4.2 provides that words and expressions defined in the Corporations Act will unless otherwise defined or specified in the Rules or the contrary intention appears, have the same meaning in the Rules.

Rule 1.4.2 reflects pre-commencement ASX Market Rule 2.2.1.

Rule 1.4.3 Definitions

Rule 1.4.3 provides definitions for terms used in the Rules. Rule 1.4.3 includes new definitions for:

- “Accreditation Examination”;
- “Accredited Futures Adviser”;
- “Commencement Date”;
- “Company Announcements Office”;
- “Compliance Education Requirements”;
- “Compliance Manager”;

- “Continuing Professional Education Requirements”;
- “Corporations Act”;
- “DTR identifier”;
- “Financial Product Advice”;
- “Futures Option”;
- “LEPOs”;
- “Level One Accredited Derivatives Adviser”;
- “Level Two Accredited Derivatives Adviser”;
- “Market Listing Rules”;
- “Market Operator”;
- “NGF”;
- “Operating Rules”;
- “Other Regulated Entities”;
- “Overseas Broker”;
- “Relevant Activities”;
- “Renewal Period”;
- “Settlement Participant”; and
- “Training Register”.

The other definitions in Rule 1.4.3 substantially reflect the definitions in pre-commencement ASX Market Rule 2.10.

Chapter 2 Participants and Representatives

Part 2.1 Management requirements

Rule 2.1.1 Management structure

Subrule 2.1.1(1) provides that a Market Participant must have appropriate management structures in place to ensure that:

- (a) it has operations and processes in place that are reasonably designed, implemented, and that function, so as to achieve compliance by the Market Participant with the Rules and the Market Operating Rules;
- (b) the design, implementation, functioning and review of those operations and processes are subject to the supervision of one or more Responsible Executives; and
- (c) each Responsible Executive has sufficient seniority and authority within the Market Participant to exert control, leadership, influence and supervision over those operations and processes.

Subrule 2.1.1(2) provides that the Market Participant must keep accurate records of its management structure and its allocation of responsibilities among its Responsible Executives.

Rule 2.1.1 reflects pre-commencement ASX Market Rule 3.6.1.

Rule 2.1.2 Notification of management structure

Subrules 2.1.2(1) and (2) provide that an existing Market Participant must give to ASIC a document that sets out its management structure and its allocation of responsibilities among its Responsible Executives within three months of the Commencement Date and a new Market

Participant must give to ASIC such a document within 10 Business Days of becoming a Market Participant. Subrule 2.1.2(3) provides that a Market Participant must notify ASIC within 10 Business Days of any significant change in its management structure and its allocation of responsibilities among its Responsible Executives shown in that document.

Rule 2.1.2 reflects pre-commencement ASX Market Rules 3.6.1(b) and 4.3.2(b)(iv).

Rule 2.1.3 Supervisory procedures

Rule 2.1.3 provides that a Market Participant must have appropriate supervisory policies and procedures to ensure compliance by the Market Participant and each person involved in its business as a Market Participant with the Rules, the Market Operating Rules and the Corporations Act.

Rule 2.1.3 reflects pre-commencement ASX Market Rule 3.6.3.

Rule 2.1.4 Persons involved in the business – Good fame and character requirement

Rule 2.1.4 provides that a Market Participant must ensure that any Employee or other person who is or will be involved in the business of the Market Participant in connection with the Market and, in the case of a body corporate, each director or Controller, is of good fame and character and high business integrity having regard to the matters set out in the Rule.

Rule 2.1.4 reflects pre-commencement ASX Market Rules 3.3.2, 3.4.2, 3.6.4(b) and 3.6.5(a).

Rule 2.1.5 Unprofessional Conduct

Rule 2.1.5 provides that a Market Participant must not engage in Unprofessional Conduct and must ensure that its Responsible Executives do not engage in Unprofessional Conduct. "Unprofessional Conduct" is defined in Rule 1.4.3.

Rule 2.1.5 reflects pre-commencement ASX Market Rules 3.6.5(d), 4.1.1(w) and 4.1.3(c).

Rule 2.1.6 Responsibility for individuals involved in business

Rule 2.1.6 provides that a Market Participant is responsible for all actions and omissions of its Employees.

Rule 2.1.6 reflects pre-commencement ASX Market Rule 4.1.2.

Part 2.2 Insurance and information requirements

Rule 2.2.1 Insurance requirements - Obligation to have insurance

Rule 2.2.1 provides that, subject to Rule 2.2.2, a Market Participant must have and maintain professional indemnity or equivalent insurance where the Market Participant acts for any person other than itself or a Related Body Corporate. The insurance must be adequate having regard to the matters set out in the Rule and must include insurance against a breach of duty the Market Participant owes in a professional capacity, whether owed in contract or otherwise at law, arising from any act or omission of the Market Participant and its Employees.

Rule 2.2.1 reflects pre-commencement ASX Market Rule 4.6.1.

Rule 2.2.2 Insurance requirements - Insurance with Related Body Corporate

Rule 2.2.2 provides that a Market Participant must provide to ASIC the information specified in the Rule in relation to professional indemnity or equivalent insurance provided by a Related Body Corporate of the Market Participant, by no later than 10 Business Days after the issue or renewal of the insurance.

Rule 2.2.2 reflects pre-commencement ASX Market Rule 4.6.2.

Rule 2.2.3 Insurance requirements - Notification of amount and period of cover

Subrules 2.2.3(1) and (3) provide that a Market Participant must, within 10 Business Days following the issue or renewal of a professional indemnity or equivalent insurance policy, notify ASIC of the information specified in the Rule in relation to the policy and give to ASIC a copy of the certificate of insurance. Subrule 2.2.3(2) provides that the Market Participant must renew the cover with effect from no later than its expiry to comply with Rule 2.2.1.

Rule 2.2.3 reflects pre-commencement ASX Market Rule 4.6.3.

Rule 2.2.4 Insurance requirements - Notification of claims

Rule 2.2.4 provides that, in relation to any liability or potential liability of the type referred to in Rule 2.2.1, a Market Participant must immediately notify ASIC of any notification to its insurer of any claim, potential claim or circumstance that might give rise to a claim. Rule 2.2.4 also specifies information that must be included in such a notification to ASIC.

Rule 2.2.4 reflects pre-commencement ASX Market Rule 4.6.4.

Rule 2.2.5 Information Requirements—Obligation to notify of legal proceedings

Rule 2.2.5 provides that a Market Participant must immediately notify ASIC and the Market Operator when the Market Participant becomes aware that it will commence, or have legal proceedings commenced against it, in the circumstances set out in the Rule.

Rule 2.2.5 reflects pre-commencement ASX Market Rule 4.18.1.

Part 2.3 Responsible Executives

Rule 2.3.1 Appointment or resignation of Responsible Executives

Subrule 2.3.1(1) provides that a Market Participant must notify ASIC within 10 Business Days if the Market Participant appoints a new Responsible Executive, or if a person ceases to be a Responsible Executive of the Market Participant.

Subrule 2.3.1(1) reflects pre-commencement ASX Market Rule 4.3.2(a) and (b)(i).

Subrule 2.3.1(2) provides that a Market Participant must not appoint a person as a Responsible Executive unless the person has skills, knowledge and experience that are appropriate having regard to the supervisory role that the person will perform as a Responsible Executive in the business of the Market Participant and has satisfied the examination and Compliance Education requirements set out in the Rule.

Subrule 2.3.1(2) reflects pre-commencement ASX Market Rules 3.6.5(b) and (c), 4.1.3(c) and Procedure 3.6.5.

Subrule 2.3.1(3) provides, for the purposes of subparagraph (2)(c)(i), that ASIC may approve, in writing, one or more examinations that, in the opinion of ASIC, assess knowledge and competency in the application of the provisions of the Rules, the Market Operating Rules and the Corporations Act that govern the operation of the Market and are relevant to the role performed by Responsible Executives.

Rule 2.3.2 Ongoing Responsibilities of Market Participants in relation to Responsible Executives

Rule 2.3.2 provides that a Market Participant must ensure that each of its Responsible Executives supervises the design and implementation activities and the functioning and review of the operations and processes referred to in Rule 2.1.1 for the Relevant Activities of that Responsible Executive and is accountable to the Market Participant for the effective design, implementation, functioning and review of those operations and processes.

Rule 2.3.2 reflects pre-commencement ASX Market Rules 4.1.3(a) and (b).

Rule 2.3.3 Annual review and representation to Market Participant

Subrule 2.3.3(1) provides that a Market Participant must ensure that each of its Responsible Executives:

- (a) maintains the currency of his or her knowledge of the Rules, the Market Operating Rules and the Corporations Act related to the business that the Market Participant conducts in the Market;
- (b) performs an annual review, in accordance with the Rule, of the supervision and control procedures involved in the business of the Market Participant; and
- (c) provides an annual representation, in accordance with the Rule, as to whether the controls over the operations and processes of the Relevant Activities have been, and continue to be, reasonably designed, implemented and functioning to achieve compliance by the Market Participant with the Market Operating Rules and the Rules.

Subrule 2.3.3(2) provides that the Market Participant must retain copies of the annual representation and documentation on which it is based for 7 years.

Rule 2.3.3 reflects pre-commencement ASX Market Rule 4.1.3(f), Procedure 4.1.3 and Appendix 4.1.3.

Rule 2.3.4 Continuing education requirements for Responsible Executives

Rule 2.3.4 sets out obligations on Market Participants in relation to the Compliance Education Requirements for their Responsible Executives.

Rule 2.3.4 reflects pre-commencement ASX Market Rule 4.8.1 and part of Procedure 4.8.1.

Rule 2.3.5 Annual continuing education and compliance self-assessment

Subrules 2.3.5(1) and (2) set out obligations on Market Participants to provide an annual self-assessment concerning compliance with certain requirements of the Rules in relation to their

Responsible Executives. Subrule 2.3.5(3) provides that the Market Participant must retain copies of the records on which the notification is based for 7 years.

Rule 2.3.5 reflects pre-commencement ASX Market Rule Procedure 4.8.1 and Appendix 4.8-2.

Part 2.4 Retail Client Adviser Accreditation

Rule 2.4.1 Accreditation required

Subrule 2.4.1(1) provides that a Market Participant must ensure that each of its Representatives who provides Financial Product Advice to a Retail Client in relation to Options Market Contracts, Futures Market Contracts or Warrants, holds the relevant accreditation required by the Rules.

Subrule 2.4.1(2) provides that a Market Participant must not, and must ensure that a Representative does not, hold himself or herself out as holding a type of accreditation under the Rules if they do not hold that type of accreditation.

Rule 2.4.1 reflects pre-commencement ASX Market Rules 8.3.1 and 8.3.2.

Rule 2.4.2 Extent of advice to clients – Level One Accredited Derivatives Adviser

Subrule 2.4.2(1) provides that a Market Participant must ensure that each of its Representatives who provides Financial Product Advice to a Retail Client in relation to the products and trading strategies set out in the Rule is accredited as a Level One Accredited Derivatives Adviser or a Level Two Accredited Derivatives Adviser. Subrule 2.4.2(2) provides that a Market Participant must ensure that each of its Representatives who is only accredited as Level One Accredited Derivatives Adviser does not advise or make recommendations in relation to LEPOs.

Rule 2.4.2 reflects pre-commencement ASX Market Rule 8.4.1(a) and the relevant part of Procedure 8.4.1.

Rule 2.4.3 Covered Call Option Strategy

Rule 2.4.3 sets out, for the purposes of Rule 2.4.2, what a Covered Call Option writing strategy entails.

Rule 2.4.3 reflects pre-commencement ASX Market Rule 8.4.1(a) and the relevant part of Procedure 8.4.1.

Rule 2.4.4 Extent of advice to clients – Level Two Accredited Derivatives Adviser

Subrule 2.4.4(1) provides that a Market Participant must ensure that each of its Representatives who provides Financial Product Advice to a Retail Client in relation to the products and trading strategies set out in the Rule is accredited as a Level Two Accredited Derivatives Adviser.

Subrule 2.4.4(2) provides that, for the avoidance of doubt, a person accredited as a Level Two Accredited Derivatives Adviser may advise and make recommendations in relation to the Products and strategies set out in Rules 2.4.2 and 2.4.3.

Rule 2.4.4 reflects pre-commencement ASX Market Rule 8.4.1(b) and the relevant part of Procedure 8.4.1.

Rule 2.4.5 Extent of advice to clients – Accredited Futures Adviser

Rule 2.4.5 provides that a Market Participant must ensure that each of its Representatives who provides Financial Product Advice to a Retail Client in relation to the products and trading strategies set out in the Rule is accredited as an Accredited Futures Adviser.

Rule 2.4.5 reflects pre-commencement ASX Market Rule 8.4.1(c) and the relevant part of Procedure 8.4.1.

Rule 2.4.6 Accreditation (Accredited Futures Adviser)

Subrule 2.4.6(1) provides that ASIC may, subject to any conditions ASIC considers appropriate, accredit a person as an Accredited Futures Adviser for a period of time if the person meets the requirements of the Rule. Subrules 2.4.6(2) and (3) set out the requirements for a written application to ASIC to nominate a person as an Accredited Futures Adviser.

Subrule 2.4.6(4) provides that, for the purposes of paragraphs (1)(b) and (c), ASIC may approve, in writing, educational modules, subjects and reading materials that are relevant to Financial Product Advice of the kind covered by Rule 2.4.5.

Rule 2.4.6 reflects pre-commencement ASX Market Rule 8.5.1, the relevant part of Procedure 8.5.1 and Appendices 8.5.1(A)-1 and 8.5.1(D)-1.

Rule 2.4.7 Accreditation (Level One Accredited Derivatives Adviser)

Subrule 2.4.7(1) provides that ASIC may, subject to any conditions ASIC considers appropriate, accredit a person as Level One Accredited Derivatives Adviser for a period of time if the person meets the requirements of the Rule. Subrules 2.4.7(2) and (3) set out the requirements for a written application to ASIC to nominate a person as a Level One Accredited Derivatives Adviser.

Subrule 2.4.7(4) provides that, for the purposes of subrule (1), ASIC may approve examinations, educational modules or subjects, or a series of educational modules or subjects, that are relevant to Financial Product Advice of the kind covered by Rules 2.4.2 and 2.4.3.

Rule 2.4.7 reflects pre-commencement ASX Market Rule 8.5.1, the relevant part of Procedure 8.5.1, and Appendix 8.5.1(A)-2.

Rule 2.4.8 Accreditation (Level Two Accredited Derivatives Adviser)

Subrule 2.4.8(1) provides that ASIC may, subject to any conditions ASIC considers appropriate, accredit a person as Level Two Accredited Derivatives Adviser for a period of time if the person meets the requirements of the Rule. Subrules 2.4.8(2) and (3) set out the requirements for a written application to ASIC to nominate a person as a Level Two Accredited Derivatives Adviser.

Subrule 2.4.8(4) provides that, for the purposes of subrule (1), ASIC may approve, in writing one or more examinations that are relevant to Financial Product Advice of the kind covered by Rules 2.4.2, 2.4.3 and 2.4.4.

Rule 2.4.8 reflects pre-commencement ASX Market Rule 8.5.1, the relevant part of Procedure 8.5.1 and Appendix 8.5.1(A)-3.

Rule 2.4.9 Acceptance of application

Subrule 2.4.9(1) provides that if ASIC is satisfied that an application for accreditation made by a Market Participant and the person in respect of which the application is made under Rule 2.4.6, 2.4.7 or 2.4.8, meets the applicable requirements of the Rule, ASIC will accredit the person in the relevant category of accreditation.

Subrule 2.4.9(2) provides that ASIC will give the Market Participant a written notice that a person has been accredited under subrule 2.4.9(1), specifying any conditions to which the accreditation is subject, and the Renewal Date.

Subrule 2.4.9(3) provides that nothing in subrule (1) prevents ASIC from seeking further information from the Market Participant for the purposes of satisfying itself that the person or the application meets the requirements of the relevant Rule.

Rule 2.4.9 reflects pre-commencement ASX Market Rule 8.5.1.

Rule 2.4.10 Rejection of application

Subrule 2.4.10(1) provides that if ASIC is not satisfied that an application for accreditation made by a Market Participant and the person in respect of which the application is made under Rule 2.4.6, 2.4.7 or 2.4.8, meets the applicable requirements of the Rule, ASIC will reject the application.

Subrule 2.4.10(2) provides that ASIC will give the Market Participant a written notice that the application for accreditation has been rejected under subrule (1), specifying the reason or reasons why the application has been rejected.

Subrule 2.4.10(3) provides that nothing in subrule (1) prevents ASIC from seeking further information from the Market Participant for the purposes of satisfying itself that the person or the application meets the requirements of the relevant Rule.

Rule 2.4.10 reflects pre-commencement ASX Market Rule 8.5.2.

Rule 2.4.11 Exemption for other accreditation and experience

Subrule 2.4.11(1) provides that ASIC may exempt a person, in writing, from the requirement to sit an Accreditation Examination if the person has completed a course or relevant training, or has extensive relevant industry experience, as set out in the Rule. Subrule 2.4.11(2) provides that ASIC may require a Market Participant to provide further information which ASIC considers necessary to establish the experience, expertise and professional history of a person nominated under the Rule for exemption from the examination requirement. Subrule 2.4.11(3) provides that ASIC may require a person nominated for exemption under the Rule to complete and pass a modified version of an Accreditation Examination.

Rule 2.4.11 reflects pre-commencement ASX Market Rules 8.6.1, 8.6.2 and 8.6.3.

Rule 2.4.12 Examinations

Subrule 2.4.12(1) provides that, unless ASIC gives permission under the Rule, a person may sit an Accreditation Examination for a category of accreditation no more than three times. Subrules 2.4.12(2) to (4) set out how a Market Participant may apply to ASIC for permission for a person

to sit the Accreditation Examination again. Subrule 2.4.12(5) provides that, after considering the application, ASIC may permit the person to sit the examination again. Subrule 2.4.12(6) provides that ASIC will not consider an application under Rule 2.4.12 unless 3 months have passed since the person last sat the Accreditation Examination.

Rule 2.4.12 reflects pre-commencement ASX Market Rules 8.7.1 and 8.7.2, Procedure 8.7.2 and Appendix 8.7.2.

Rule 2.4.13 Renewal of Accreditation

Subrule 2.4.13(1) provides that ASIC may renew the accreditation of an Accredited Adviser for a period of time with effect from the Renewal Date if the requirements of the Rule are met. Subrules 2.4.13(2) and (3) set out the requirements for a written application to ASIC to renew the accreditation of a person.

Rule 2.4.13 reflects pre-commencement ASX Market Rule 8.8.1(c), the relevant part of Procedure 8.8.1 and Appendix 8.8.1(C).

Rule 2.4.14 Acceptance of application

Subrule 2.4.14(1) provides that if ASIC is satisfied that an application for renewal of accreditation made by a Market Participant and a person in respect of which the application is made under Rule 2.4.13, meets the applicable requirements of the Rule, ASIC will renew the accreditation of the person with effect from the Renewal Date.

Subrule 2.4.14(2) provides that ASIC will give the Market Participant a written notice that a person's accreditation has been renewed under subrule (1), specifying the next Renewal Date. Subrule 2.4.14(3) provides that nothing in subrule (1) prevents ASIC from seeking further information from the Market Participant for the purposes of satisfying itself that the person or the application meets the requirements of the relevant Rule.

Rule 2.4.14 reflects pre-commencement ASX Market Rule 8.8.1(d)(i).

Rule 2.4.15 Rejection of application or renewal subject to conditions

Subrule 2.4.15(1) provides that if ASIC is not satisfied that an application for renewal of accreditation made by a Market Participant and a person in respect of which the application is made under Rule 2.4.13, meets the applicable requirements of the Rule, ASIC may either reject the application for renewal, or renew the person's accreditation subject to such conditions ASIC considers appropriate.

Subrule 2.4.15(2) provides that, if ASIC rejects the application under paragraph (1)(c), ASIC will give the Market Participant a written notice that the application for renewal of accreditation has been rejected, specifying the reason or reasons why the application has been rejected.

Subrule 2.4.15(3) provides that, if ASIC renews the person's accreditation subject to conditions under paragraph (1)(d), ASIC will give the Market Participant a written notice that the person's accreditation has been renewed, specifying the conditions to which the renewed accreditation is subject and the next Renewal Date.

Subrule 2.4.15(4) provides that nothing in subrule (1) prevents ASIC from seeking further information from the Market Participant for the purposes of satisfying itself that the person or the application meets the requirements of the relevant Rule.

Rule 2.4.15 reflects pre-commencement ASX Market Rule 8.8.2.

Rule 2.4.16 Effect of non-renewal

Rule 2.4.16 provides that if, by 1 Business Day after the Renewal Date, ASIC has not renewed the accreditation of an Accredited Adviser under subrule 2.4.14(1) or paragraph 2.4.15(1)(d), the person will cease to hold the relevant accreditation with effect from the Renewal Date.

Rule 2.4.16 reflects pre-commencement ASX Market Rule 8.8.3 and Procedure 8.8.3.

Rule 2.4.17 Automatic withdrawal of accreditation

Subrule 2.4.17(1) provides that an Accredited Adviser's accreditation is automatically withdrawn when the Accredited Adviser ceases to be a Representative of the Market Participant that made the application for the person to be accredited. Subrule 2.4.17(2) provides that, if an Accredited Adviser ceases to be a Representative of a Market Participant, the Market Participant must notify ASIC in writing within 5 Business Days of the name and date of birth of the Accredited Adviser and the date the Accredited Adviser ceased to be a Representative of the Market Participant.

Rule 2.4.17 reflects pre-commencement ASX Market Rules 8.9.1 and 8.9.2, Procedure 8.9.2 and Section 1 of Appendix 8.9.2.

Rule 2.4.18 Voluntary withdrawal of accreditation

Subrule 2.4.18(1) provides that ASIC may withdraw the accreditation of an Accredited Adviser in one or more categories of accreditation if the Market Participant of which the person is a Representative requests that ASIC do so under the Rule. Subrules 2.4.18(2) and (3) set out the requirements for an application to withdraw the accreditation of an Accredited Adviser.

Rule 2.4.18 reflects pre-commencement ASX Market Rules 8.9.3 and 8.9.4, Procedure 8.9.4 and Section 2 of Appendix 8.9.2.

Rule 2.4.19 – Suspension or withdrawal by ASIC

Subrule 2.4.19(1) provides that ASIC may suspend or withdraw the accreditation of an Accredited Adviser in a category of accreditation in the circumstances specified in the Rule. Subrule 2.4.19(2) sets out how ASIC will notify the relevant Market Participant and the Accredited Adviser in writing of a suspension or withdrawal of accreditation under subrule 2.4.19(1).

Rule 2.4.19 reflects pre-commencement ASX Market Rule 8.9.5.

Rule 2.4.20 – Re-accreditation after withdrawal or expiry

Subrule 2.4.20(1) provides that ASIC may re-accredit a person whose accreditation has been withdrawn or has expired, without the person sitting another Accreditation Examination, in the circumstances specified in the Rule. Subrules 2.4.20(2) and (3) set out how a Market Participant

may apply to ASIC for renewal of accreditation of a person whose accreditation has been withdrawn or has expired.

Rule 2.4.20 reflects pre-commencement ASX Market Rule 8.10.1, the relevant parts of Procedure 8.10.1 and Appendix 8.10.1(a).

Rule 2.4.21 – Continuing professional education requirements for Accredited Advisers

Subrule 2.4.21(1) provides that a Market Participant must ensure that all of its Accredited Advisers comply with any continuing professional education requirements approved by ASIC under subrule 2.4.21(2). Subrule 2.4.21(2) provides that ASIC may approve continuing professional education requirements for Accredited Advisers that are relevant to the skills and knowledge required to provide Financial Product Advice of the kind covered by the relevant category of accreditation.

Rule 2.4.21 reflects pre-commencement ASX Market Rule 8.11.1.

Rule 2.4.22 – Managed Discretionary Accounts - Derivatives Market Transactions and Warrants

Rule 2.4.22 provides that a Market Participant must ensure that a Managed Discretionary Account for a Retail Client which involves dealing in Derivatives Market Transactions or Warrants is operated by an Accredited Adviser with the appropriate accreditation under the Rules.

Rule 2.4.22 reflects pre-commencement ASX Market Rule 7.10.2.

Part 2.5 Designated Trading Representatives (DTRs)

Rule 2.5.1 Trading in a Trading Platform

Rule 2.5.1 provides that a Trading Participant must ensure that all trading in a Trading Platform by the Trading Participant is carried out either by DTRs or in accordance with the Automated Order Processing Requirements.

Rule 2.5.1 reflects pre-commencement ASX Market Rule 13.1.3.

Rule 2.5.2 Trading Participant must have a DTR

Rule 2.5.2 provides that a Trading Participant must have at least one DTR in respect of any one or more Products for which the Trading Participant has Trading Permission.

Rule 2.5.2 reflects pre-commencement ASX Market Rule 13.2.1.

Rule 2.5.3 DTRs may submit Trading Messages

Rule 2.5.3 provides that a Trading Participant must ensure that only its DTRs submit Trading Messages into the Trading Platform through the Trading Participant's system, unless the trading is conducted in accordance with the Automated Order Processing Requirements.

Rule 2.5.3 reflects pre-commencement ASX Market Rule 13.2.2.

Rule 2.5.4 Responsibility of Trading Participant

Rule 2.5.4 provides that a Trading Participant is responsible for the accuracy of details, the integrity and bona fides of all Trading Messages containing their unique identifier that are submitted into the Trading Platform, regardless of whether a DTR of the Trading Participant was involved in their submission.

Rule 2.5.4 reflects pre-commencement ASX Market Rule 13.1.1.

Rule 2.5.5 DTR criteria

Paragraphs 2.5.5(a), (b) and (c) provide that a Trading Participant must ensure that each of its DTRs is a Representative of the Trading Participant authorised to deal in the Products in respect of which the DTR submits orders on behalf of the Trading Participant, is suitably qualified and experienced to deal in those Products and has demonstrated knowledge of the Dealing Rules and relevant practices of the Market Operator.

Subparagraph 2.5.5(d)(i) provides that a Trading Participant must ensure that each of its DTRs does not execute any order in a Trading Platform for or on behalf of, or which will directly or indirectly benefit the DTR or associates or Relatives of the DTR, without the prior written approval of the Trading Participant. Subparagraph 2.5.5(d)(ii) provides that a Trading Participant must ensure that each of its DTRs does not intentionally take advantage of a situation arising as a result of a breakdown, malfunction or error.

Rule 2.5.5 reflects pre-commencement ASX Market Rules 8.2.3, 8.2.6, 8.2.12 and 8.2.14.

Rule 2.5.6 Trading Participant must allocate unique identifier

Rule 2.5.6 provides that a Trading Participant must allocate a unique identifier to each DTR of the Trading Participant.

Rule 2.5.6 reflects pre-commencement ASX Market Rule 12.5.2(b).

Rule 2.5.7 Records-DTRs

Rule 2.5.7 provides that a Trading Participant must maintain a record of the name, contact details and DTR identifier of each of its DTRs while the person remains a DTR of a Trading Participant and must maintain a record of that information for a period of 7 years from the date the person ceases to be a DTR of the Trading Participant.

Rule 2.5.7 reflects pre-commencement ASX Market Rule 13.1.10(b) and Procedure 13.1.10.

Chapter 3 – Client relationships

Part 3.1 – Clients trading in products for first time

Rule 3.1.1 – Documents to be given to a client

Rule 3.1.1 provides that, before accepting an order from a person to enter into a Market Transaction, a Market Participant must give the person, in addition to all of the documents which

the Market Participant is required to give the person in respect of the Market Transaction under the Corporations Act, all of the documents the Market Participant is required to give the person in respect of the Market Transaction under Part 3.1 of the Rules.

Rule 3.1.1 reflects pre-commencement ASX Market Rule 7.1.1(a).

Rule 3.1.2 – Documents to be give to a client: Options, LEPOs and Warrants

Subrules 3.1.2(1) to (3) provide that a Market Participant must give a client a copy of any current explanatory booklet (together with any updates) published by the Market Operator in respect of certain products (Options, LEPOs and Warrants), before accepting an Order from the person in respect of that product for the first time. Subrule 3.1.2(4) provides that a Market Participant is not required to give a copy of an explanatory booklet to a Wholesale Client, unless the person expressly requests it. Subrule 3.1.2(5) provides, for the avoidance of doubt, that a Market Participant is not required to give a copy of an explanatory booklet where the person from whom the Order is accepted is entering into a Market Transaction to sell Warrants.

Rule 3.1.2 reflects pre-commencement ASX Market Rule 7.1.1(a) and the relevant part of Procedure 7.1.1.

Rule 3.1.3 – Information to be given to a client: Execution arrangements

Rule 3.1.3 provides that, before accepting an Order from a person to enter into a Market Transaction, if the Market Participant does not have Trading Permission to execute that Market Transaction, the Market Participant must give the person a document which clearly discloses the execution arrangements in place for that Market Transaction. Rule 3.1.3 specifies, without limitation, information that must be included in that document.

Rule 3.1.3 reflects pre-commencement ASX Market Rule 7.1.1(b) and the relevant part of Procedure 7.1.1.

Rule 3.1.4 – Information to be given to a client: Clearing arrangements for Equity Securities, Loan Securities or Warrants

Subrule 3.1.4(1) provides that, before accepting an order from a Client to enter into a Cash Market Transaction for an Equity Security, Loan Security or Warrant, if the Market Participant:

- (a) is not a Clearing Participant, who is permitted under the Clearing Rules to clear the Cash Market Transaction; or
- (b) is a Clearing Participant who is permitted under the Clearing Rules to clear that Cash Market Transaction, but has an arrangement with another Clearing Participant to clear that Cash Market Transaction, and such transaction is cleared under the arrangement,

the Market Participant must give the Client a document which clearly discloses the clearing arrangements in place for that Cash Market Transaction.

Subrule 3.1.4(2) specifies, without limitation, information that must be included in the document that discloses the clearing arrangements.

Rule 3.1.4 reflects pre-commencement ASX Market Rule 7.1.1(c) and the relevant part of Procedure 7.1.1.

Rule 3.1.5 – Information to be given to a client: Clearing arrangements for Futures Market Transactions

Rule 3.1.5 provides that, before accepting an order from a Client to enter into a Futures Market Transaction where the Client does not have a direct relationship with a Clearing Participant, if the Market Participant:

- (a) is not a Clearing Participant, who is permitted under the Clearing Rules to clear that Futures Market Transaction; or
- (b) is a Clearing Participant who is permitted under the Clearing Rules to clear that Futures Market Transaction, but has an arrangement with another Clearing Participant to clear that Futures Market Transaction, and such transaction is cleared under the arrangement,

the Market Participant must give the Client a document which clearly discloses the clearing arrangements in place for that Futures Market Transaction. Rule 3.1.5 specifies, without limitation, information that must be included in the document that discloses the clearing arrangements.

Rule 3.1.5 reflects pre-commencement ASX Market Rule 7.1.1(d) and the relevant part of Procedure 7.1.1.

Rule 3.1.6 – Minimum terms of Client Agreement for Futures Market Contracts

Subrule 3.1.6(1) provides that a Market Participant must, before entering into a Market Transaction in respect of a Futures Market Contract, enter into a written agreement with the Client in relation to the relevant Market Transaction under which the Market Participant discloses, and the Client acknowledges, the matters set out in the Rule. Subrule 3.1.6(2) provides that the Market Participant must set out in a Client Agreement entered into under subrule (1) any minimum period of notice to terminate the agreement and any other limitations on the right to terminate the agreement.

Rule 3.1.6 reflects pre-commencement ASX Market Rule 7.1.2, the relevant part of Procedure 7.1.2 and terms 3 to 9, 11, 12 and 16 of Appendix 7.1.2-1.

Rule 3.1.7 – Minimum terms of Client Agreement for Options Market Contracts

Subrule 3.1.7(1) provides that a Market Participant must, before entering into a Market Transaction on behalf of a Client in respect of an Options Market Contract, enter into a written agreement with the Client under which the Client and Market Participant agree on the instruments in which the Market Participant may deal on behalf of the Client and the Market Participant discloses, and the Client acknowledges, the matters set out in the Rule. Subrule 3.1.7(2) provides that the Market Participant must set out in a Client Agreement entered into under subrule (1) any minimum period of notice to terminate the agreement and any other limitations on the right to terminate the agreement.

Rule 3.1.7 reflects pre-commencement ASX Market Rule 7.1.2, the relevant part of Procedure 7.1.2 and terms 2 to 7, 9, 10 and 14 of Appendix 7.1.2-2.

Rule 3.1.8 – Client Agreement for Warrants

Subrule 3.1.8(1) provides that a Market Participant must, before entering into a Market Transaction in respect of Warrants on behalf of a Retail Client, enter into a written agreement

with the Client under which Market Participant discloses, and the Client acknowledges, the matters set out in the Rule. Subrule 3.1.8(2) provides that the written agreement referred to in subrule (1) must include an acknowledgement from the Client that the Client has received and read a copy of any current explanatory booklet issued by the Market Operator in respect of Warrants. Subrule 3.1.8(3) provides that a Market Participant is not required to comply with subrule (1) before entering into a Market Transaction to sell Warrants.

Rule 3.1.8 reflects pre-commencement ASX Market Rule 7.1.2, the relevant part of Procedure 7.1.2 and terms 1-4 of Appendix 7.1.2-3.

Rule 3.1.9 – Client Agreement for Partly Paid Securities

Subrule 3.1.9(1) provides that a Market Participant must, before entering into a Market Transaction in respect of Partly Paid Securities on behalf of a Retail Client, enter into a written agreement with the Client under which the Market Participant discloses, and the Client acknowledges the matters set out in the Rule. Subrule 3.1.9(2) provides that a Market Participant is not required to enter into an agreement under subrule (1) before entering into a Market Transaction to sell Partly Paid Securities.

Rule 3.1.9 reflects pre-commencement ASX Market Rule 7.1.2, the relevant part of Procedure 7.1.2, and terms 1-6 of Appendix 7.1.2-4.

Rule 3.1.10 – Other terms of Client Agreements

Rule 3.1.10 provides that, for the avoidance of doubt, a Client Agreement may include other disclosures, acknowledgements, terms and conditions agreed between the Market Participant and the Client, or required to be included under the Market Operating Rules, provided they are not inconsistent with the requirements of Rules 3.1.6, 3.1.7, 3.1.8 and 3.1.9.

Rule 3.1.10 reflects pre-commencement ASX Market Rule 7.1.2.

Rule 3.1.11 – Market Participant to keep copy of Client Agreement and disclosures

Rule 3.1.11 provides that the Market Participant must retain a copy of each Client Agreement and any disclosures made under Part 3.1 of the Rules for at least 7 years following the date on which the Client Agreement, or the arrangement the subject of the disclosure, is terminated.

Rule 3.1.11 reflects pre-commencement ASX Market Rule 7.1.3 and Procedure 7.1.3.

Rule 3.1.12 – Client agreement where Market Participant is not the Clearing Participant (Options Market Transactions only)

Rule 3.1.12 provides that, before entering into an Options Market Transaction for a Client, where the Market Participant:

- (a) is not a Clearing Participant, who is permitted under the Clearing Rules to clear that Options Market Transaction; or
- (b) is a Clearing Participant, who is permitted under the Clearing Rules to clear that Market Transaction, but has an arrangement with another Clearing Participant to clear that Options Market Transaction, and such transaction is cleared under the arrangement,

the Market Participant must:

- (c) have previously confirmed with the Clearing Participant that the Client has entered into an agreement with the Clearing Participant as required under the Clearing Rules; or
- (d) where the Client is a Wholesale Client, have satisfied itself that the Client has executed and lodged with the Clearing Facility a Wholesale Client Agreement as required under the Market Operating Rules.

Rule 3.1.12 reflects pre-commencement ASX Market Rule 7.1.4.

Rule 3.1.13 – Client agreement where Market Participant is the Clearing Participant (Options Market Transactions only)

Rule 3.1.13 provides that, before entering into an Options Market Transaction for a Client, where the Market Participant is the Clearing Participant in relation to the Options Market Transaction, the Market Participant must:

- (a) have entered into an agreement with the Client as required under the Clearing Rules; or
- (b) where the client is a Wholesale Client, have satisfied itself that the Client has executed and lodged with the Clearing Facility a Wholesale Client Agreement as required under the Market Operating Rules.

Rule 3.1.13 reflects pre-commencement ASX Market Rule 7.1.5.

Part 3.2 – Trading as principal

Rule 3.2.1 Application

Rule 3.2.1 provides that Part 3.2 applies where a Market Participant enters into a Market Transaction with a Client as Principal, except where the Client is a Market Participant or a participant or member of a Recognised Stock Exchange.

Rule 3.2.1 reflects pre-commencement ASX Market Rule 7.3.1.

Rule 3.2.2 – Disclosure and consent

Rule 3.2.2 provides that, before entering into a Market Transaction as Principal with a Client, the Market Participant must disclose, or have previously disclosed, in accordance with paragraph 991E(1)(c) of the Corporations Act, that it is acting, or may act, as Principal and have obtained the consent of the Client, in accordance with paragraph 991E(1)(d) of the Corporations Act.

Rule 3.2.2 reflects pre-commencement ASX Market Rule 7.3.2.

Rule 3.2.3 – Confirmation must include disclosure

Rule 3.2.3 provides that, when a Market Participant enters into a Market Transaction with a client as Principal, the confirmation issued by the Market Participant under Rule 3.4.1 in respect of the Market Transaction must state that the Market Participant entered into the transaction as Principal and not as agent.

Rule 3.2.3 reflects pre-commencement ASX Market Rule 7.3.3.

Rule 3.2.4 – Brokerage and commission

Subrule 3.2.4(1) prohibits a Market Participant, when entering into a Market Transaction as Principal on its own behalf with a Client, from charging the client brokerage, commission or any other fee except in the circumstances specified in the Rule. Subrule 3.2.4(2) provides that a Market Participant must keep a written record of any consent given by a Wholesale Client under paragraph (1)(b), and send a copy of the record to that Wholesale Client as soon as practicable.

Rule 3.2.4 reflects pre-commencement ASX Market Rule 7.3.4.

Rule 3.2.5 – Extended meaning of dealing as Principal

Rule 3.2.5 provides that, except where a Market Participant is dealing as a trustee of a trust in which the Market Participant has no direct or indirect beneficial interest, a reference in Part 3.2 of the Rules to a Market Participant dealing or entering into a Market Transaction as Principal, includes a reference to the Market Participant entering into a Market Transaction on its own behalf or on behalf of any of the persons specified in paragraphs 3.2.5(1)(a) to (e).

Rule 3.2.5 reflects pre-commencement ASX Market Rule 7.3.5.

Rule 3.2.6 – Register of persons who are regarded as Principal

Rule 3.2.6 imposes an obligation on the Market Participant to keep a register of the persons referred to in paragraphs 3.2.5(1)(a) to (e).

Rule 3.2.6 reflects pre-commencement ASX Market Rule 7.3.6.

Part 3.3 – Client instructions

Rule 3.3.1 – Market Participant restrictions

Rule 3.3.1 sets out restrictions on a Market Participant when accepting or executing instructions from a Client, entering into and arranging a Market Transaction for a Client and allocating Market Transactions to a Client's account.

Rule 3.3.1 reflects pre-commencement ASX Market Rule 7.4.1.

Rule 3.3.2 – Excessive trading

Rule 3.3.2 provides that a Market Participant must not enter into Market Transactions on a Managed Discretionary Account for a Retail Client where the size or frequency of the Market Transactions may be considered excessive having regard to the factors specified in the Rule.

Rule 3.3.2 reflects pre-commencement ASX Market Rule 7.10.5.

Part 3.4 – Reporting to clients

Rule 3.4.1 – Confirmations – form and timing

Subrule 3.4.1(1) provides that a Market Participant must, subject to Rule 3.4.3, give a confirmation to a client in respect of each Market Transaction entered into on a Client's

instructions or a Client's Managed Discretionary Account. Subrule 3.4.1(2) provides that a Market Participant must send to, or cause to be sent to, the Client a confirmation in writing, electronically or in another form permitted by ASIC, as soon as practicable after the Market Participant enters into the Market Transaction. Subrule 3.4.1(3) sets out requirements that the confirmation must meet.

Rule 3.4.1 reflects pre-commencement ASX Market Rule 7.9.1 and Procedure 7.9.1.

Rule 3.4.2 – Confirmations – accumulation and price averaging

Rule 3.4.2 sets out the circumstances in which a Market Participant may accumulate Market Transactions on a single confirmation and specify the volume weighted average price for those Market Transactions.

Rule 3.4.2 reflects pre-commencement ASX Market Rule 7.9.2.

Rule 3.4.3 – Confirmations – clients other than retail clients

Rule 3.4.3 provides that a Market Participant is not required to comply with Rule 3.4.1 in respect of a client that is not a Retail Client provided the Market Participant has notified the client of certain matters before entering a Trading Message on the client's behalf.

Rule 3.4.3 reflects pre-commencement ASX Market Rule 7.9.3.

Part 3.5 – Client money and property

Rule 3.5.1 – Trust accounts – Cash Market Transactions and Options Market Transactions

Rule 3.5.1 provides that a Market Participant must establish one or more clients' trust accounts for money received by the Market Participant in connection with dealings in Cash Market Transactions or Options Market Transactions.

Rule 3.5.1 reflects pre-commencement ASX Market Rule 7.11.2.

Rule 3.5.2 – Segregated accounts or trust accounts – Futures Market Transactions

Rule 3.5.2 provides that a Market Participant must establish either one or more clients' trust accounts or clients' segregated accounts for money received by the Market Participant in connection with dealings in:

- (a) Futures Market Transactions; and
- (b) Options Market Transactions over an Underlying Financial Product which is a Futures Market Contract.

Rule 3.5.2 reflects pre-commencement ASX Market Rule 7.11.3.

Rule 3.5.3 – Bank accounts to be with Australian ADI

Rule 3.5.3 provides that all money received by a Market Participant which the Corporations Act requires the Market Participant to deposit in a clients' segregated account or in a clients' trust account must be deposited in an account with an Australian ADI in Australia (which has been rated by an Approved Ratings Agency as being at least short term investment grade) unless:

- (a) the money is received by the Market Participant in another country and the Market Participant deposits the money in a clients' segregated account or clients' trust account with a branch of an Australian ADI with such a rating in that country; or
- (b) Rule 3.5.4 applies.

Rule 3.5.3 reflects pre-commencement ASX Market Rule 7.11.4.

Rule 3.5.4 – Approved foreign banks

Rule 3.5.4 sets out the circumstances in which ASIC may approve foreign banks at which Market Participants may open clients' segregated accounts or clients' trust accounts for the handling of money received for a person in another country or for a person who is resident in another country and invest money held in clients' segregated accounts or clients' trust accounts in another country.

Rule 3.5.4 reflects pre-commencement ASX Market Rule 7.11.5.

Rule 3.5.5 – Change of rating or approval of ADI

Rule 3.5.5 provides that, if the Market Participant has a clients' segregated account or a clients' trust account with an Australian ADI which ceases to have the rating referred to in Rule 3.5.3 or with a foreign bank which ceases to be a bank approved under Rule 3.5.4, the Market Participant must transfer the balance of the relevant account to an entity which meets the requirements of Rule 3.5.3 or Rule 3.5.4, as applicable.

Rule 3.5.5 reflects pre-commencement ASX Market Rule 7.11.6.

Rule 3.5.6 – Liquidity requirement – clients' segregated accounts – Futures Market Transactions

Rule 3.5.6 provides that, if a Market Participant invests money from a clients' segregated account maintained under Rule 3.5.2 pursuant to paragraph 981C(a) of the Corporations Act, that investment must be readily realisable and at least 50% of money invested under that paragraph must be invested on 24 hour call terms.

Rule 3.5.6 reflects pre-commencement ASX Market Rule 7.11.7.

Rule 3.5.7 – Top up requirement – clients' segregated accounts – Futures Market Transactions

Subrule 3.5.7(1) provides that, where a Client does not satisfy a request for payment by the Market Participant to meet:

- (a) an Initial Margin call in relation to positions in Futures Market Transactions held by the Market Participant on behalf of the Client; or
- (b) a call in relation to the close out, settlement or daily settlement of Open Contracts,

within 48 hours following the call for payment, the Market Participant must pay into the clients' segregated account the lesser of:

- (c) the amount of the request; or
- (d) the amount which the Market Participant would be obliged under the Market Operating Rules to request from the Client on the following day.

Subrule 3.5.7(2) provides that, where the request by a Market Participant for payment or the provision of security relates to derivatives traded on a market operated by a person other than the Market Operator, the Market Participant must by the time required under the rules of that market, pay into the clients' segregated account the lesser of:

- (a) the amount of the request; or
- (b) the amount which the Market Participant would be obliged under the operating rules of the other market to request from the Client on the following day.

Rule 3.5.7 reflects pre-commencement ASX Market Rule 7.11.8 and Procedure 7.11.8.

Rule 3.5.8 – Reconciliation of clients' segregated accounts

Subrule 3.5.8(1) provides that a Market Participant must perform an accurate reconciliation, by 7.00pm on the Trading Day after the Trading Day to which the reconciliation relates, of the aggregate balance held by it at the close of business on each Business Day in clients' segregated accounts maintained pursuant to Rule 3.5.2 and the corresponding balance as recorded in the Market Participant's accounting records. Subrules 3.5.8(2) and (3) set out the requirements for the reconciliation.

Rule 3.5.8 reflects pre-commencement ASX Market Rule 7.11.9, Procedure 7.11.9 and Appendix 7.11.9.

Rule 3.5.9 – Reconciliation of trust accounts

Rule 3.5.9 provides that a Market Participants must perform daily and weekly reconciliations of clients' trust accounts in accordance with the Rule.

Rule 3.5.9 reflects pre-commencement ASX Market Rule 7.11.10 and Procedure 7.11.10.

Rule 3.5.10 – Obligation to notify ASIC in respect of reconciliation

Rule 3.5.10 provides that a Market Participant must notify ASIC where a reconciliation has not been performed in accordance with the Rules or, as a result of a reconciliation, the deficiencies specified in the Rule are identified.

Rule 3.5.10 reflects pre-commencement ASX Market Rule 7.11.11 and Procedure 7.11.11.

Rule 3.5.11 – Schedule of trust accounts

Rule 3.5.11 provides that each Market Participant must by no later than 5 Business Days after 31 March, 30 June, 30 September and 31 December in each year cause to be prepared a schedule as at those dates showing the respective amounts held in the Market Participant's trust account on behalf of clients together with the names of the particular client in respect of each amount.

Rule 3.5.11 reflects pre-commencement ASX Market Rule 7.11.12.

Part 3.6 – Prohibition of advice to client

Rule 3.6.1 – Definitions used in this Part 3.6

Rule 3.6.1 provides that, for the purposes of Part 3.6, "Client" includes a shareholder in a company which constitutes the Market Participant.

Rule 3.6.1 reflects pre-commencement ASX Market Rule 7.18.1.

Rule 3.6.2 Market Participant possesses information that is not generally available

Rule 3.6.2 provides that, where, as a result of its relationship to a Client, a Market Participant is in possession of information that is not generally available in relation to a Financial Product and which would be likely to materially affect the price of that Financial Product if the information was generally available, that Market Participant must not give any advice to any other Client of a nature that would damage the interest of either of those Clients.

Rule 3.6.2 reflects pre-commencement ASX Market Rule 7.18.2.

Rule 3.6.3 – Chinese Walls in place

Rule 3.6.3 provides that, for the purposes of Rule 3.6.2, a Market Participant is not regarded as having possession of information that is not generally available in relation to a Financial Product where the Market Participant has Chinese Walls in place as described in the Rule and the person advising the Client is not in possession of that information.

Rule 3.6.3 reflects pre-commencement ASX Market Rules 7.18.1 and 7.18.3.

Rule 3.6.4 – Certain actions do not constitute giving advice

Rule 3.6.4 provides that, for the purposes of Rule 3.6.2, a Market Participant or an Employee or partner of a Market Participant advising a Client that the Market Participant is precluded from giving the Client advice will not be regarded as giving advice.

Rule 3.6.4 reflects pre-commencement ASX Market Rule 7.18.4.

Chapter 4 – Records

Part 4.1 – Trading records

Rule 4.1.1 - Records of dealings for clients

Subrule 4.1.1(1) provides that Rule 4.1.1 applies to a Market Participant who receives instructions to enter into a Market Transaction on behalf of a client, whether or not a Trading Message corresponding to those instructions is entered into or matched on a Trading Platform.

Subrule 4.1.1(2) provides that, subject to Rule 4.1.7 and in addition to complying with the requirements of the Corporations Act to the extent that those requirements apply to dealing in the Market, the Market Participant must maintain sufficiently detailed records of the matters set out in the Rule, including particulars of the instructions and the name of the Client and any other persons involved in passing on the instructions.

Rule 4.1.1 reflects pre-commencement ASX Market Rule 4.10.1.

Rule 4.1.2 – Records of dealings on Own Account

Subrule 4.1.2(1) provides that Rule 4.1.2 applies to a Market Participant that makes a decision, or gives instructions to enter into a Market Transaction on its Own Account, whether or not the Market Transaction is executed.

Subrule 4.1.2(2) provides that subject to Rule 4.1.8 and in addition to complying with the requirements of the Corporations Act to the extent that those requirements apply to dealing in the Market, the Market Participant must maintain sufficiently detailed records of the matters set out in the Rule, including particulars of the instructions and the name any other persons involved in passing the instructions.

Rule 4.1.2 reflects pre-commencement ASX Market Rule 4.10.2.

Rule 4.1.3 – Records to be made immediately

Rule 4.1.3 provides that a Market Participant must make the records referred to in Rules 4.1.1, 4.1.2, 4.1.7 and 4.1.8 immediately after the event to which they relate and record the time of the relevant event.

Rule 4.1.3 reflects pre-commencement ASX Market Rule 4.10.5.

Rule 4.1.4 – Records to be retained for prescribed period

Rule 4.1.4 provides that a Market Participant must retain the records referred to in Rules 4.1.1, 4.1.2, 4.1.7 and 4.1.8 for 7 years from the date the record is made.

Rule 4.1.4 reflects pre-commencement ASX Market Rule 4.10.6 and Procedure 4.10.6.

Rule 4.1.5 – Certain records maintained by the Market Operator

Rule 4.1.5 provides that where a Market Participant is a Trading Participant, certain of its obligations under Rules 4.1.1 and 4.1.2 may be met by relying on records maintained electronically as set out in Rule 4.1.6.

Rule 4.1.5 reflects pre-commencement ASX Market Rule 4.10.7.

Rule 4.1.6 – Conditions for reliance on the Market Operator records

Subrule 4.1.6(1) sets out the circumstances in which a Trading Participant may:

- (a) when dealing for clients, satisfy certain of its obligations in relation to Rule 4.1.1; and
- (b) when dealing on its Own Account, satisfy certain of its obligations in relation to Rule 4.1.2,

by relying on records maintained by the Market Operator. Subrule 4.1.6(1) provides that the Trading Participant may only rely on the records maintained by the Market Operator to the extent permitted by subrule 4.1.6(2). Subrule 4.1.6(2) sets out, for the purposes of subrule (1), the specific obligations which may be met by relying on specific records maintained by the Market Operator.

Rule 4.1.6 reflects pre-commencement ASX Market Rule 4.10.8 and Procedure 4.10.8.

Rule 4.1.7 – Records of dealings for clients by a Market Participant who instructs another Trading Participant to execute the dealings

Rule 4.1.7 provides that a Market Participant that instructs another Trading Participant to enter into a Market Transaction on behalf of a person need not comply with the requirements of Rule 4.1.1(2)(e) to (j) and must maintain sufficiently detailed records in respect of such instruction showing the particulars set out in the Rule.

Rule 4.1.7 reflects pre-commencement ASX Market Rule 4.10.9.

Rule 4.1.8 – Records of dealings on its own account by a Market Participant who instructs another Trading participant to execute the dealings

Rule 4.1.8 provides that a Market Participant that instructs a Trading Participant to enter into a Market Transaction on its behalf need not comply with the requirements of Rule 4.1.2(2)(c) to (f) in respect of that instruction and must maintain sufficiently detailed records in respect of such instruction showing the particulars set out in the Rule.

Rule 4.1.8 reflects pre-commencement ASX Market Rule 4.10.10.

Rule 4.1.9 – Records regarding Authorised Persons

Rule 4.1.9 provides that a Trading Participant must maintain records, for a period of 7 years from the date a person ceases to be an Authorised Person, of:

- (a) the name and contact details of the Authorised Person, and if that Authorised Person is an agent of another person, the details of that other person; and
- (b) the security arrangements regarding access by the Authorised Person to a computer or other device connected to the Trading Participant's Open Interface Device and its location or if not fixed, the method of identifying the computer or other device.

Rule 4.1.9 reflects pre-commencement ASX Market Rule 13.3.3 and Procedure 13.3.3.

Rule 4.1.10 – Telephone recording of client dealings – Futures Market Transactions

Subrule 4.1.10(1) provides that a Market Participant must record, by tape, telephone lines or other electronic device, all telephone conversations with clients in relation to its dealings in Futures Market Transactions including, without limitation, conversations relating to the receipt, transaction and confirmation of orders. Subrule 4.1.10(2) provides that the Market Participant must retain the records referred to in subrule (1) for at least 3 months.

Rule 4.1.10 reflects pre-commencement ASX Market Rule 7.15.1.

Part 4.2 – Records - General

Rule 4.2.1 General recordkeeping requirements

Subrule 4.2.1(1) provides that a Market Participant must maintain accurate records in sufficient detail to show particulars of the matters specified in the Rule, including transactions by the Market Participant with or for the account of specified persons, the Market Participant's income, assets and liabilities and Cash Market Products and Derivatives Market Products which are the property of the Market Participant or for which the Market Participant or any nominee controlled by the Market Participant is accountable. Subrules 4.2.1(2) to (4) set out requirements in relation to Cash Market Products and Derivatives Market Contracts held by the Market Participant for safe custody or as security for loans or advances made by the Market Participant.

Rule 4.2.1 reflects pre-commencement ASX Market Rule Procedure 4.9.2.

Rule 4.2.2 – Client complaints—Records of complaints and correspondence

Subrule 4.2.2(1) provides that a Market Participant must keep the following records of complaints received from clients:

- (a) a copy of all written complaints;
- (b) a copy of all written correspondence between the Market Participant and the clients and a written summary of any oral communication in connection with a written complaint; and
- (c) any correspondence or documents relating to the resolution of a complaint through any complaints resolution scheme.

Subrule 4.2.2(2) provides that a Market Participant must keep those records in respect of a complaint for at least five years from the date of the last correspondence in respect of that complaint.

Rule 4.2.2 reflects pre-commencement ASX Market Rules 7.16.1, 7.16.2 and Procedure 7.16.2.

Part 4.3 Access to Records

Rule 4.3.1 – Records to be in writing and in English

Subrule 4.3.1(1) provides that a Market Participant must keep all of the records it is required to maintain under Chapter 4 of the Rules, in writing and in the English language or in a manner which will enable them to be readily accessible by ASIC and readily converted into writing in the English language. Subrule 4.3.1(2) provides that a Market Participant must, if directed by ASIC in writing to do so, convert records maintained under Chapter 4 of the Rules into writing and into English. Subrule 4.3.1(3) provides that a Market Participant must comply with a direction given under subrule (2) by the time specified by ASIC when giving the direction.

Rule 4.3.1 reflects pre-commencement ASX Market Rule 4.11.1.

Rule 4.3.2 – Records kept outside of Australia

Subrule 4.3.2(1) provides that, if the records which a Market Participant is required to maintain under Chapter 4 of the Rules are kept outside Australia:

- (a) the Market Participant must send, or cause to be sent, to Australia records which will enable true and fair financial statements to be prepared; and
- (b) the Market Participant must, if directed by ASIC in writing to do so, produce any of its records in Australia.

Subrule 4.3.2(2) provides that a Market Participant must comply with a direction given by ASIC under paragraph (1)(b) by the time specified by ASIC when giving the direction.

Rule 4.3.2 reflects pre-commencement ASX Market Rule 4.11.2.

Chapter 5 Trading

Part 5.1 - Client order priority

Rule 5.1.1 Application and meaning of dealing on "Own Account"

Rule 5.1.1 defines the meaning of a Market Participant dealing on its "own account" in relation to Cash Market Transactions and Derivatives Market Transactions.

Rule 5.1.1 reflects pre-commencement ASX Market Rule 7.5.1.

Rule 5.1.2 Exceptions

Rule 5.1.2 provides for types of orders that are not regarded as orders on a Market Participant's Own Account.

Rule 5.1.2 reflects pre-commencement ASX Market Rule 7.5.2.

Rule 5.1.3 - Fairness and priority in dealing

Rule 5.1.3 provides that a Market Participant must deal fairly and in due turn with:

- (a) clients' orders; and
- (b) a client order and an order on its Own Account.

Rule 5.1.3 reflects pre-commencement ASX Market Rule 7.5.3.

Rule 5.1.4 – Relevant factors

Subrule 5.1.4(1) sets out factors that are relevant in considering whether Rule 5.1.3 has been complied with, including where the Market Participant acts in accordance with its instructions and gives preference to orders of a client over orders on the Market Participant's own account as set out in the Rule.

Subrules 5.1.4(2) and (3) provide for the meaning of giving preference to an order of a client over an order on the Market Participant's Own Account for the purposes of paragraph (1)(c). Subrule 5.1.4(4) provides that a Market Participant must keep a record of any consent given by a client for the purposes of paragraph (1)(c).

Rule 5.1.4 reflects pre-commencement ASX Market Rule 7.5.4.

Rule 5.1.5 - Fairness and priority in allocation

Rule 5.1.5 provides that a Market Participant must allocate Market Transactions fairly.

Rule 5.1.5 reflects pre-commencement ASX Market Rule 7.5.5.

Rule 5.1.6 – Relevant factors

Rule 5.1.6 sets out factors that are relevant in considering whether Rule 5.1.5 has been complied with, including the client's instructions and where Market Transactions are allocated in sequence and in accordance with the disclosed allocation policy of the Market Participant.

Rule 5.1.6 reflects pre-commencement ASX Market Rule 7.5.6.

Rule 5.1.7 - Unexecuted order in Underlying Financial Products - Trading Participant not to make Bids or Offers

Rule 5.1.7 provides that, if a Trading Participant has or receives an Order to buy or sell an Underlying Financial Product in the Underlying Market which may materially affect:

- (a) the market price of the Underlying Financial Product in the Underlying Market; or
- (b) the level of an Underlying Index, the level of which is calculated by reference to the value of that Underlying Financial Product and other Products,

the Trading Participant must not make Bids or Offers to enter into an Options Market Transaction over that Underlying Financial Product as Principal until the order in the Underlying Financial Product has been executed in the Underlying Market.

Rule 5.1.7 reflects pre-commencement ASX Market Rule 25.4.1.

Rule 5.1.8 – Allocation policy and Automated Client Order Processing Crossings— Disclosure to Client

Subrule 5.1.8(1) provides that a Market Participant must, when requested to do so by a Client, disclose to the Client its allocation policy and the fact that Client's orders may match opposite orders in a Trading Platform:

- (a) by the same Market Participant, resulting in a Crossing and entitling the Market Participant to commission from both sides of the transaction; and
- (b) on behalf of the same Market Participant dealing as Principal.

Subrule 5.1.8(2) provides that a Market Participant must keep a record of such disclosure.

Rule 5.1.8 reflects pre-commencement ASX Market Rule 7.7.1.

Part 5.2 Business connections between Market Participants

Rule 5.2.1 - Connections requiring ASIC consent

Rule 5.2.1 provides that a Market Participant must not, without the prior written consent of ASIC, have business connections with other Market Participants of the kind set out in the Rule.

Rule 5.2.1 reflects pre-commencement ASX Market Rule 4.7.1.

Rule 5.2.2 – Access to records

Rule 5.2.2 provides that, where ASIC gives written consent under Rule 5.2.1, ASIC may impose on one or both of the Market Participants involved conditions concerning access by common Controllers or Employees to records of those Market Participants including, without limitation, the records of orders received by the Market Participants.

Rule 5.2.2 reflects pre-commencement ASX Market Rule 4.7.2.

Part 5.3 – Large order facilitation

Rule 5.3.1 – Futures Market Contracts - Action a Market Participant may take when insufficient opposite orders

Subrule 5.3.1(1) provides that Part 5.3 applies only to orders to deal in Futures Market Contracts.

Subrule 5.3.1(2) provides for steps that a Market Participant may take where a Market Participant receives a Large Order from a client and there are insufficient opposite orders in the Central Orderbook at that time to satisfy that order.

Rule 5.3.1 reflects pre-commencement ASX Market Rule 7.6.1.

Rule 5.3.2 – Application

Rule 5.3.2(1) provides that, for the purposes of Part 5.3, "Large Order" means an Order for a number of Futures Market Contracts that is greater than or equal to the number set out in subrule (2) and, where the Market Participant is a body corporate, a Related Body Corporate and a division of the Market Participant other than its futures division are each regarded as "Clients".

Subrule 5.3.2(2) sets out the number of Futures Market Contracts for the purposes of subrule (1) by reference to the Underlying Index or Underlying Commodity.

Rule 5.3.2 reflects pre-commencement ASX Market Rule 7.6.2 and Procedure 7.6.2.

Part 5.4 – Transactions by connected persons (including persons connected with other Market Participants)

Rule 5.4.1 – Application

Rule 5.4.1 provides that in Part 5.4, a reference to a connected person is a reference to the following persons:

- (a) an Employee;
- (b) a company controlled by an Employee; and
- (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).

Rule 5.4.1 reflects pre-commencement ASX Market Rule 7.8.1.

Rule 5.4.2 – Internal consent required for trading by "connected person"

Subrule 5.4.2(1) provides that a Market Participant must not enter into a Market Transaction by or for the account of its "connected persons", whether the Market Transaction is conducted through that Market Participant or through another Market Participant, unless the Market Transaction has been approved by a Responsible Executive, director or partner of the Market Participant or a person with written delegation for that responsibility from a Responsible Executive, director or partner other than the Employee concerned. Subrules 5.4.2(2) to (5) set out requirements in relation to approval and confirmation of the Market Transaction.

Rule 5.4.2 reflects pre-commencement ASX Market Rule 7.8.2.

Part 5.5 – Participant's trading infrastructure

Rule 5.5.1 – Knowledge of Trading Participant

Rule 5.5.1 provides that, if a Trading Message embedded with a Trading Participant's unique identifier is submitted, the Trading Message is taken for all purposes under the Rules to have been submitted in a Trading Platform by or with the knowledge of the Trading Participant.

Rule 5.5.1 reflects pre-commencement ASX Market Rule 13.1.2.

Rule 5.5.2 – Organisational and technical resources

Rule 5.5.2 provides that a Trading Participant must have and maintain the necessary organisational and technical resources to ensure that:

- (a) Trading Messages submitted by the Trading Participant do not interfere with:
 - (i) the efficiency and integrity of the Market; or
 - (ii) the proper functioning of a Trading Platform; and
- (b) the Trading Participant complies at all times with the Rules and the Market Operating Rules.

Rule 5.5.2 reflects pre-commencement ASX Market Rule 13.1.5.

Rule 5.5.3 Trading management arrangements

Rule 5.5.3 provides that a Trading Participant must have arrangements in place so that at all times the Trading Participant can determine the origin of all orders and Trading Messages, including the information set out in the Rule.

Rule 5.5.3 reflects pre-commencement ASX Market Rule 13.1.6.

Rule 5.5.4 Trading management arrangements - Records

Rule 5.5.4 provides that a Trading Participant must maintain records of the matters referred to in Rule 5.5.3 for a period of 7 years from the date of the Trading Message to which the matters relate.

Rule 5.5.4 reflects pre-commencement ASX Market Rule 13.1.10(a) and Procedure 13.1.10.

Part 5.6 – Automated order processing – Filters, conduct and infrastructure

Rule 5.6.1 – Responsible use of system for Automated Order Processing

Rule 5.6.1 provides that a Trading Participant which uses its system for Automated Order Processing must at all times:

- (a) have appropriate automated filters, in relation to Automated Order Processing; and
- (b) ensure that such use does not interfere with:
 - (i) the efficiency and integrity of the Market ; or
 - (ii) the proper functioning of any Trading Platform.

Rule 5.6.1 reflects pre-commencement ASX Market Rule 13.3.1.

Rule 5.6.2 – Authorised persons for Automated Client Order Processing

Rule 5.6.2 provides that a Trading Participant which uses its system for Automated Client Order Processing must also have procedures in place to ensure that each Authorised Person has demonstrated to the Trading Participant knowledge of the order entry system of the Trading Participant and of the Dealing Rules, directions, decisions and requirements of the Market Operator relevant to the type of order submission facilities given to the Authorised Person by the Trading Participant.

Rule 5.6.2 reflects pre-commencement ASX Market Rule 13.3.2(b).

Rule 5.6.3 Automated Order Processing System requirements

Rule 5.6.3 provides that a Trading Participant which uses its system for Automated Order Processing must ensure that the system has in place organisational and technical resources, trading management arrangements, and security arrangements as described in the Rule.

Rule 5.6.3 reflects elements of pre-commencement ASX Market Rule 13.3.4, Procedure 13.3.4 and Appendix 13.3.4.

Rule 5.6.4 Review of documentation and systems prior to use of Automated Order Processing system

Rule 5.6.4 provides that, before using their system for Automated Order Processing, a Trading Participant must, for the purposes of providing the certification referred to in Rule 5.6.6, perform a review of the Trading Participant's policies, procedures, system design documentation,

including the Trading Participant's procedures for implementation of subsequent changes to the Automated Order Processing software, filters and filter parameters, and other relevant documentation concerning the Trading Participant's compliance with Part 5.6 of the Rules.

Rule 5.6.4 reflects elements of pre-commencement ASX Market Rule 13.3.4, Procedure 13.3.4 and Appendix 13.3.4.

Rule 5.6.5 Representations as to organisational and technical resources, trading management arrangements and security arrangements, prior to use of Automated Order Processing system

Subrule 5.6.5(1) provides that, before using their system for Automated Order Processing, the Trading Participant must, for the purposes of providing the certification referred to in Rule 5.6.6, obtain written representations that their Automated Order Processing system meets the requirements of each of paragraphs 5.6.3(a), (b) and (c).

Subrule 5.6.5(2) sets out requirements in relation to who must provide the representations and what must be included in the representations.

Rule 5.6.5 reflects elements of pre-commencement ASX Market Rule 13.3.4, Procedure 13.3.4 and Appendix 13.3.4.

Rule 5.6.6 Certification of Automated Order Processing System

Subrule 5.6.6(1) provides that, before using their system for Automated Order Processing, a Trading Participant must:

- (a) give a written certification to ASIC that includes the matters set out at subrule (2); and
- (b) receive a written confirmation from ASIC that the certification complies with subrule (2).

Subrule 5.6.6(2) sets out what must be included in the written certification given by the Trading Participant to ASIC. Subrule 5.6.6(3) provides that at least two directors of the Trading Participant must sign and date the written certification.

Rule 5.6.6 reflects elements of pre-commencement ASX Market Rule 13.3.4, Procedure 13.3.4 and Appendix 13.3.4.

Rule 5.6.7 Material changes

Subrule 5.6.7(1) provides that, if a Trading Participant who uses its system for Automated Order Processing under the Rules proposes to make a material change to any of the organisational or technical resources employed to comply with Rule 5.6.3, the Trading Participant must immediately notify ASIC of the proposed change.

Subrule 5.6.7(2) provides that the Trading Participant must, before implementing the change, undertake a review as required by Rule 5.6.8 and provide, at the option of ASIC, a confirmation as required by Rule 5.6.9 or a further certification as required by Rule 5.6.10. A Trading Participant must also, before implementing the change, receive a written confirmation from ASIC that the confirmation or certification complies with Rule 5.6.9 or 5.6.10, as applicable.

Rule 5.6.7 reflects pre-commencement ASX Market Rule 13.3.5 and Procedure 13.3.5.

Rule 5.6.8 Material change review

Rule 5.6.8 provides that, before making a material change to any of the organisational or technical resources employed to comply with Rule 5.6.3, the Trading Participant must, for the purposes of providing the confirmation referred to in Rule 5.6.9 or the further certification referred to in Rule 5.6.10, ensure that an appropriately qualified person performs a review of the material changes to the Automated Order Processing system, the Trading Participant's policies, procedures, system design documentation, including the Trading Participant's procedures for implementation of subsequent changes to the Automated Order Processing software, filters and filter parameters and other relevant documentation concerning the Trading Participant's compliance with Part 5.6 of the Rules.

Rule 5.6.8 reflects elements of pre-commencement ASX Market Rule 13.3.5, Procedure 13.3.5 and Appendices 13.3.5(A) and (B).

Rule 5.6.9 Material change confirmation

Subrule 5.6.9(1) sets out requirements in relation to a material change confirmation provided under Rule 5.6.7, including a description of the material changes and a confirmation from an appropriately qualified person as specified in the Rule. Subrule 5.6.9(2) provides that the confirmation must include the name of the person making the confirmation and be signed and dated by that person.

Rule 5.6.9 reflects pre-commencement ASX Market Rule 13.3.5, Procedure 13.3.5 and Appendix 13.3.5(A).

Rule 5.6.10 Material change further certification

Subrule 5.6.10(1) sets out requirements in relation to a material change further certification provided under Rule 5.6.7, including a description of the material changes and a confirmation from an appropriately qualified person as specified in the Rule. Subrule 5.6.10(2) provides that the confirmation must include the name of the person making the confirmation and be signed and dated by that person.

Rule 5.6.10 reflects pre-commencement ASX Market Rule 13.3.5, Procedure 13.3.5 and Appendix 13.3.5(B).

Rule 5.6.11 Further certification

Subrule 5.6.11(1) provides that a Trading Participant must, if directed by ASIC in writing to do so, provide a further certification in a form acceptable to ASIC from an appropriately qualified person acceptable to ASIC as to compliance by the Trading Participant with the Automated Order Processing Requirements. Subrule 5.6.11(2) provides that a Trading Participant must comply with a direction under subrule (1) within the time specified in the direction.

Rule 5.6.11 reflects pre-commencement ASX Market Rule 13.3.6.

Rule 5.6.12 – Limitations on Automated Order Processing

Subrule 5.6.12(1) provides that Rule 5.6.12 applies where ASIC reasonably considers that:

- (a) a Trading Participant is not complying with the Automated Order Processing Requirements; or
- (b) it is otherwise appropriate to direct a Trading Participant to take the actions referred to in subrule (2).

Subrule 5.6.12(2) provides that a Trading Participant must, if directed to do so by ASIC, cease conducting Automated Order Processing until ASIC is satisfied that the Trading Participant complies with the Automated Order Processing Requirements, or immediately suspend, limit or prohibit the conduct of Automated Order Processing in respect of one or more Authorised Persons or clients, Automated Client Order Processing, Automated Order Processing, or one or more Products.

Rule 5.6.12 reflects pre-commencement ASX Market Rule 13.3.8.

Part 5.7 – Manipulative trading

Rule 5.7.1 - False or misleading appearances

Paragraph 5.7.1(a) provides that a Market Participant must not make a Bid or Offer, or deal in any Products as Principal, with the intention of creating a false or misleading appearance of active trading in any Product or with respect to the market for, or the price of, any Product. Paragraph 5.7.1(a) also provides that a Market Participant must not make a Bid or Offer, or deal in any Products as Principal, if that Bid, Offer or dealing has the effect, or is likely to have the effect, of creating a false or misleading appearance of active trading in any Product or with respect to the market for, or the price of, any Product.

Paragraph 5.7.1(b) provides that a Market Participant must not make a Bid or Offer, or deal in any Products on account of any other person where:

- (a) the Market Participant intends to create a false or misleading appearance of active trading in any Product or with respect to the market for, or the price of, any Product;
- (b) the Market Participant is aware that the person intends to create a false or misleading appearance of active trading in any Product or with respect to the market for, or the price of, any Product; or
- (c) taking into account the circumstances of the Order, a Market Participant ought reasonably suspect that the person has placed the Order with the intention of creating a false or misleading appearance of active trading in any Product or with respect to the market for, or the price of, any Product.

Rule 5.7.1 reflects pre-commencement ASX Market Rule 13.4.1.

Rule 5.7.2 Circumstances of Order

Rule 5.7.2 provides, for the purposes of Rule 5.7.1, that a Market Participant, in considering the circumstances of the Order, must have regard to the matters set out in the Rule.

Rule 5.7.2 reflects pre-commencement ASX Market Rule 13.4.2.

Rule 5.7.3 – Obligations apply to Automated Order Processing

Rule 5.7.3 provides that a Market Participant must also comply with Part 5.7 in respect of Orders the subject of Automated Order Processing.

Rule 5.7.3 reflects pre-commencement ASX Market Rule 13.4.4.

Part 5.8 – Prohibition on wash trades, pre-arranged trades and dual trading - Futures

Rule 5.8.1 Application of Part 5.8

Rule 5.8.1 provides that Part 5.8 applies to Future Market Transactions only.

Rule 5.8.1 reflects pre-commencement ASX Market Rule 13.5.1.

Rule 5.8.2 – Wash trades

Rule 5.8.2 provides that a Market Participant must not effect any Futures Market Transaction where the account on behalf of which the Market Participant enters into the Futures Market Transaction is the same on both sides of that transaction.

Rule 5.8.2 reflects pre-commencement ASX Market Rule 13.5.2.

Rule 5.8.3 – Pre-arranged trades

Subrule 5.8.3(1) provides that a Market Participant must not give or accept a request or instructions that a Futures Market Transaction only be entered into between particular Market Participants.

Subrule 5.8.3(2) provides that a Market Participant must not arrange a Futures Market Transaction with another Market Participant to the exclusion of other Market Participants.

Rule 5.8.3 reflects pre-commencement ASX Market Rule 13.5.3.

Rule 5.8.4 – Dual trading

Rule 5.8.4 provides that a Market Participant must ensure that arrangements are in place to ensure that a Representative responsible for placing orders for the Market Participant's own account does not have access to orders submitted by clients of the Market Participant before the client orders are transmitted for execution.

Rule 5.8.4 reflects pre-commencement ASX Market Rule 13.5.4.

Rule 5.8.5 Corners – Postponement of deliveries

Rule 5.8.5 provides for steps ASIC may take when, in the opinion of ASIC, a person or two or more persons acting in concert have acquired such control of a Quoted Product that the Quoted Product cannot be obtained for delivery on existing contracts except at prices or on terms arbitrarily dictated by such persons which are unfair, harsh or unconscionable.

Rule 5.8.5 reflects pre-commencement ASX Market Rule 5.9.1.

Rule 5.8.6 Establishment of a fair settlement price

Rule 5.8.6 provides that, if the parties to a contract referred to in Rule 5.8.5 do not agree on a fair settlement price and set a date for payment they must submit the differences or matter in dispute to arbitration by an independent arbiter capable of making an award on the difference or matters in dispute in accordance with the provisions of the *Commercial Arbitration Act 1984* (NSW).

Rule 5.8.6 reflects pre-commencement ASX Market Rule 5.9.2.

Part 5.9 – Fair and orderly markets

Rule 5.9.1 – Market must remain fair and orderly

Rule 5.9.1 provides that a Market Participant must not do anything which results in a market for a Product not being both fair and orderly, or fail to do anything where that failure has that effect.

Rule 5.9.1 reflects pre-commencement ASX Market Rule 14.1.1.

Rule 5.9.2 – Trading representative must be available

Rule 5.9.2 provides that a Trading Participant must ensure that a Representative of the Trading Participant is available to receive communications from other Trading Participants or from the Market Operator during the times on a Trading Day set out in the Rule, unless otherwise determined in writing by ASIC and notified to the Trading Participant.

Rule 5.9.2 reflects pre-commencement ASX Market Rule 14.1.3 and Procedure 14.1.3.

Rule 5.9.3 – Must not take advantage of breakdown or malfunction

Rule 5.9.3 provides that a Market Participant must not take advantage of a situation arising as a result of a breakdown or malfunction in the Market Operator's procedures or systems or an error in any Trading Message submitted by the Market Operator.

Rule 5.9.3 reflects pre-commencement ASX Market Rule 14.1.4.

Part 5.10 – Dealing in cash market products

Rule 5.10.1 Trading Participants may not deal in Cash Market Products for which Official Quotation will be sought

Rule 5.10.1 provides that, except as permitted in Rule 5.10.2, a Trading Participant is prohibited, either in its own office or elsewhere, from making quotations or dealing in a new issue or placement of Cash Market Products (except Loan Securities):

- (a) made for the purpose of qualifying a company for admission to the Official List; or
- (b) for which Official Quotation will be sought,

until those Cash Market Products have been granted Official Quotation.

Rule 5.10.1 reflects pre-commencement ASX Market Rule 16.1.1.

Rule 5.10.2 When Trading Participants may deal in Cash Market Products for which Official Quotation will be sought

Rule 5.10.2 sets out the circumstances in which, notwithstanding Rule 5.10.1 but subject to any other provisions of the Rules and the Market Operating Rules, a Trading Participant may deal in Cash Market Products to which Rule 5.10.1 applies.

Rule 5.10.2 reflects pre-commencement ASX Market Rule 16.1.2.

Rule 5.10.3 Dealings in Securities for which Official Quotation will not be sought

Rule 5.10.3 provides that a Trading Participant may deal in new Securities issued by a listed entity for which Official Quotation will not be sought 24 hours after that entity has advised the Market of the details of the issue.

Rule 5.10.3 reflects pre-commencement ASX Market Rule 16.1.3 and Procedure 16.1.3.

Rule 5.10.4 Dealings in Cash Market Products suspended from Official Quotation

Rule 5.10.4 provides that a Trading Participant must not deal in Cash Market Products which have been suspended from quotation or trading unless prior written approval has been given by the Market Operator.

Rule 5.10.4 reflects pre-commencement ASX Market Rule 16.1.4.

Rule 5.10.5 Disclosure of Shortfall—Must Disclose to Client

Rule 5.10.5 provides that a Market Participant, an Employee or a director of a Market Participant or a company which is a partner of a Market Participant who or which will be required to acquire Cash Market Products as underwriter or sub-underwriter must not offer such Cash Market Products to clients unless:

- (a) they first inform the clients concerned of the closing date of the issue or offering of the Cash Market Products and the reasons for the acquisition; or
- (b) the offer to the client is made more than 90 days from the closing date.

Rule 5.10.5 reflects pre-commencement ASX Market Rule 7.20.1.

Rule 5.10.6 Expenses—Reimbursement for Out-Of-Pocket Expenses

Rule 5.10.6 provides that where a Trading Participant seeks out-of-pocket expenses involved in the purchase or sale of Cash Market Products, the Trading Participant must not cover that charge by an increase or reduction in the price of the Cash Market Products.

Rule 5.10.6 reflects pre-commencement ASX Market Rule 16.16.1.

Rule 5.10.7 Nominee Holdings—Restrictions on when an Equity Security can be Recorded in the Name of a Nominee Company

Subrule 5.10.7(1) provides that a Market Participant must not cause the ownership of an Equity Security of which it is not the beneficial owner to be registered in its own name or in the name of its partners, directors or Employees. Subrule 5.10.7(2) provides that a Market Participant may only cause the ownership of an Equity Security referred to in subrule (1) to be registered in the name of a nominee company which meets the requirements of the Rule.

Rule 5.10.7 reflects pre-commencement ASX Market Rule 7.19.1.

Chapter 6 - Takeovers

Part 6.1 Market Bid – Announcements by Market Participant

Rule 6.1.1 Announcement of Market Bid

Subrule 6.1.1(1) provides that a Market Participant acting on behalf of a Bidder in relation to a Market Bid must announce the bid to the Market in accordance with subrule (2). Subrule 6.1.1(2) sets out information that must be included in the announcement, including information about the Bid Class and the Offer Period.

Rule 6.1.1 reflects pre-commencement ASX Market Rule 20.2.1.

Rule 6.1.2 Announcement of variations to Market Bid

Rule 6.1.2 provides that a Market Participant acting on behalf of a Bidder in relation to a Market Bid must announce to the Market, in writing:

- (a) an increase to the price offered for Cash Market Products in the Bid Class;
- (b) an extension to the Offer Period;
- (c) a withdrawal of the Market Bid;
- (d) any other variation to the Market Bid in accordance with the Corporations Act; or
- (e) if the Market Participant ceases to act on behalf of the Bidder.

Rule 6.1.2 reflects pre-commencement ASX Market Rule 20.2.2.

Part 6.2 Acquisition of Cash Market Products During the Bid Period

Rule 6.2.1 Acquisition of Cash Market Products by Bidder

Subrule 6.2.1(1) provides that Rule 6.2.1 applies to both Market Bids and Off-Market Bids. Subrule 6.2.1(2) provides that a Market Participant acting on behalf of a Bidder must not offer to buy on behalf of the Bidder Cash Market Products in the Bid Class On-Market during the Bid Period for a price that varies from the consideration offered under the Takeover Bid unless and until an announcement has been made to the Market. Subrule 6.2.1(3) provides that, for the purposes of subrule (2), the announcement must be made in writing, by facsimile or electronic delivery to the Market Operator.

Rule 6.2.1 reflects pre-commencement ASX Market Rule 20.3.1 and Procedure 20.3.1.

Rule 6.2.2 Acquisition of Cash Market Products by another Bidder

Subrule 6.2.2(1) provides that, where Cash Market Products are subject to a Market Bid, a Market Participant acting on behalf of another Bidder, must not buy the Cash Market Products in the Bid Class of the Target on behalf of that Bidder unless and until the Market Participant has announced in accordance with subrule (2):

- (a) a Market Bid on behalf of the person pursuant to Rule 6.1.1; or
- (b) an increase in the price offered under a Market Bid for the Cash Market Products pursuant to Rule 6.1.2.

Subrule 6.2.2(2) provides that, for the purposes of subrule (1), the announcement must be made in writing, by facsimile or electronic delivery to the Market Operator.

Rule 6.2.2 reflects pre-commencement ASX Market Rule 20.3.2 and Procedure 20.3.2.

Part 6.3 Market Participant Acting for Bidder or Issuer

Rule 6.3.1 Market Participant to advise seller if acting for Bidder or Issuer

Rule 6.3.1 provides that, where a Market Participant:

- (a) has an order from the Bidder in relation to an Off-Market Bid;
- (b) has made an announcement to the Market on behalf of a Bidder to acquire Cash Market Products under a Market Bid; or
- (c) acts for a company involved in a buy-back under Chapter 2J of the Corporations Act conducted On-Market,

the Market Participant must not accept, or transact, an order to sell Cash Market Products in the Bid Class referred to in paragraph (a) or subject to the announcement referred to in paragraph (b) or subject to the buy-back referred to in paragraph (c) unless the Market Participant:

- (d) advises the seller that it is acting for the Bidder or that it is acting for the company involved in the buy-back and is thus unable to give the seller advice in respect of the proposed sale; and
- (e) does not give the seller any advice in respect of the proposed sale.

Rule 6.3.1 reflects pre-commencement ASX Market Rule 20.5.1.

Part 6.4 Limitations On Late, Overseas And Overnight Crossings During A Takeover Bid Or Scheme

Rule 6.4.1 Late, overseas and overnight Crossings in Cash Market Products

Subrule 6.4.1(1) provides that, during the Offer Period under a Market Bid or Scheme, a Trading Participant must not effect a Crossing of the type set out in subrule (2) in a class of Cash Market Products where the Crossing is at a price which is at or below the offer price for that class of Cash Market Products.

Subrule 6.4.1(2) provides that, for the purposes of subrule (1), the type of Crossing is a Crossing (other than a Special Crossing) that is effected after CSPA Session State on a Trading Day and up to 15 minutes prior to commencement of the Open Session State on the next Trading Day in accordance with the Market Operating Rules.

Rule 6.4.1 reflects pre-commencement ASX Market Rule 20.6.1.

Rule 6.4.2 Crossings after Trading Close in Derivatives Market Contracts

Subrule 6.4.2(1) provides that a Trading Participant must not execute a Crossing of the type set out in subrule (2) in Derivatives Market Contracts that are over a Cash Market Product in respect of which there is currently an Offer Period for a Takeover Bid or Scheme.

Subrule 6.4.2(2) provides that, for the purposes of subrule (1), the type of Crossing is a Crossing (other than a Special Crossing) that is effected during Late Trading Session State in accordance with the Market Operating Rules.

Rule 6.4.2 reflects pre-commencement ASX Market Rule 20.6.2.

Rule 6.4.3 Late, overseas and overnight Crossings and Crossings after Trading Close in Combinations

Subrule 6.4.3(1) provides that a Trading Participant must not execute a Crossing in a Combination of the type set out in subrule (2) at a price which is at or below the offer price for the relevant class of Cash Market Products, or of the type set out in subrule (3), if a component part of that Combination is:

- (a) a Cash Market Product (other than a Warrant); or
- (b) a Derivatives Market Contract over a Cash Market Product; or
- (c) a Warrant over a Cash Market Product,

in respect of which there is currently an Offer Period for a Takeover Bid or Scheme (in respect of a Crossing under subrule (3)) or an Offer Period for a Market Bid (in respect of a Combination under subrule (2)).

Subrule 6.4.3(2) provides that, for the purposes of subrule (1), the type of Crossing is a Crossing (other than a Special Crossing) in a Cash Only Combination that is effected after CSPA Session State on a Trading Day and up to 15 minutes prior to commencement of the Open Session State on the next Trading Day in accordance with the Market Operating Rules.

Subrule 6.4.3(3) provides that, for the purposes of subrule (1), the type of Crossing is a Crossing (other than a Special Crossing) in a Derivatives Combination that that is effected during Late Trading Session State in accordance with the Market Operating Rules.

Rule 6.4.3 reflects pre-commencement ASX Market Rule 20.6.3.

Part 6.5 Special Crossings prohibited during Offer Period

Rule 6.5.1 Special Crossings in Cash Market Products (excluding Warrants)

Rule 6.5.1 provides that a Trading Participant must not effect a Special Crossing of any Cash Market Products (excluding Warrants) of an Issuer during a Bid Period for a Takeover Bid or Scheme for the Cash Market Products (excluding Warrants) of the Issuer.

Rule 6.5.1 reflects pre-commencement ASX Market Rule 20.8.1.

Rule 6.5.2 Special Crossings in Warrants

Rule 6.5.2 provides that a Trading Participant must not execute Special Crossings in Warrants that are over a Cash Market Product in respect of which there is currently a Bid Period for a Takeover Bid or Scheme.

Rule 6.5.2 reflects pre-commencement ASX Market Rule 20.8.2.

Rule 6.5.3 Special Crossings in Derivatives Market Contracts

Rule 6.5.3 provides that a Trading Participant must not execute Special Crossings in Derivative Market Contracts over a Cash Market Product in respect of which there is currently an Offer Period for a Takeover Bid or Scheme.

Rule 6.5.3 reflects pre-commencement ASX Market Rule 20.8.3.

Rule 6.5.4 Special Crossings in Combinations

Rule 6.5.4 provides that a Trading Participant must not execute a Special Crossing in a Combination if a component part of that Combination is:

- (a) a Cash Market Product (other than a Warrant); or
- (b) a Derivatives Market Contract over a Cash Market Product; or
- (c) a Warrant over a Cash Market Product,

in respect of which there is currently an Offer Period for a Takeover Bid or Scheme.

Rule 6.5.4 reflects pre-commencement ASX Market Rule 20.8.4.

Part 6.6 Limitations on Crossings during buy-back conducted On-Market

Rule 6.6.1 Special Crossing in Cash Market Products (excluding Warrants) on behalf of Issuer

Rule 6.6.1 provides that a Trading Participant must not effect a Special Crossing of any Cash Market Products (excluding Warrants) of an Issuer, on behalf of that Issuer during the term of a buy-back offer conducted On-Market by that Issuer.

Rule 6.6.1 reflects pre-commencement ASX Market Rule 20.9.1.

Rule 6.6.2 Crossings after Trading Close and Special Crossings in Derivatives Market Contracts

Subrule 6.6.2(1) provides that a Trading Participant must not execute, on behalf of an Issuer:

- (a) Crossings of the type set out in subrule (2); or
- (b) Special Crossings,

in Derivatives Market Contracts if those Derivative Market Contracts are over a Cash Market Product of that Issuer in respect of which there is currently a buy-back being conducted On-Market.

Subrule 6.6.2(2) provides that, for the purposes of paragraph (1)(a), the type of Crossing is a Crossing (other than a Special Crossing) that is effected during Late Trading Session State in accordance with the Market Operating Rules.

Rule 6.6.2 reflects pre-commencement ASX Market Rule 20.9.2.

Rule 6.6.3 Crossings after Trading Close and Special Crossings in Combinations

Subrule 6.6.3(1) provides that a Trading Participant must not execute, on behalf of an Issuer:

- (a) Crossings of the type set out in subrule (2); or
- (b) Special Crossings,

in a Combination if a component part of that Combination is:

- (c) a Cash Market Product (other than a Warrant); or
- (d) a Derivatives Market Contract over a Cash Market Product; or
- (e) a Warrant over a Cash Market Product,

during the term of a buy back offer conducted On-Market by the Issuer.

Subrule 6.6.3(2) provides that, for the purposes of paragraph (1)(a), the type of Crossing is a Crossing other than a Special Crossing that is effected during Late Trading Session State in accordance with the Market Operating Rules.

Rule 6.6.3 reflects pre-commencement ASX Market Rule 20.9.3.

Chapter 7 – Rules applying to the Market Operator

Part 7.1 Data feeds

Rule 7.1.1 – Live feed of information

Subrule 7.1.1(1) requires the Market Operator to deliver a live feed of information from its Trading Platform to ASIC or its nominated service provider. Subrule 7.1.1(2) specifies the data and fields of information required to be delivered. Subrule 7.1.1(3) requires that the electronic data must be delivered in such format as ASIC notifies the Market Operator. Subrule 7.1.1(4) requires the Market Operator to comply with any data security requirements notified by ASIC

and, if requested by ASIC, to redeliver the information if there is a disruption to the telecommunications link through which delivery takes place. Subrule 7.1.1(5) requires the Market Operator to deliver the electronic data to ASIC or its nominated service provider in a manner and to a location notified by ASIC to the Market Operator.

Rule 7.1.2- Notification of changes

Rule 7.1.2 provides that ASIC may to notify the Market Operator of the following details, and changes to these details on provision of a reasonable period of notice to the Market Operator:

- (a) a service provider to whom the live feed of information should be sent;
- (b) additional data items generated on or by the Market Operator's Trading Platform which are not specifically referred to in Rule 7.1.1;
- (c) any data format requirements;
- (d) any data security requirements or requests for redelivery of the data; or
- (e) any requirements around the manner and location of delivery.

Part 7.2 Information

Rule 7.2.1 Provision of information about Market Participants

Rule 7.2.1 requires the Market Operator to advise ASIC in writing of changes to specified information about its Market Participants. The information includes:

- (a) changes to its Market Participant names (Rule 7.2.1(a));
- (b) changes to the unique identifiers used by the Market Operator to identify trading activities of its Market Participants (Rule 7.2.1(b)); and
- (c) changes to the types of Market Participant, including any changes to the types of products the Market Participants are permitted to trade on the Market (Rule 7.2.1(c)).