

ASIC Class Order [CO 10/1034]

Margin lending relief for ASX-traded instalment warrants

This instrument has effect under s761EA(9) of the *Corporations Act 2001*.

This compilation was prepared on 11 November 2015 taking into account amendments up to ASIC Corporations (Amendment) Instrument 2015/963 that commenced on 10 November 2015. See the table at the end of this class order.

Prepared by the Australian Securities and Investments Commission.

Australian Securities and Investments Commission Corporations Act 2001 — Subsection 761EA(9) — Declaration

Enabling provision

1. The Australian Securities and Investments Commission (*ASIC*) makes this instrument under subsection 761EA(9) of the *Corporations Act 2001* (the *Act*).

Title

2. This instrument is ASIC Class Order [CO 10/1034].

Commencement

3. This instrument commences on the day it is registered under the *Legislative Instruments Act 2003*.

Note: An instrument is registered when it is recorded on the Federal Register of Legislative Instruments (*FRLI*) in electronic form: see *Legislative Instruments Act 2003*, s 4 (definition of *register*). The FRLI may be accessed at <http://www.frli.gov.au/>.

Declaration

4. ASIC declares that a facility that is an instalment warrant:
 - (a) that is in a class of financial products that are admitted to quotation on the licensed market operated by ASX Limited or Chi-X Australia Pty Ltd; and
 - (b) that is issued by a financial services licensee (the *issuer*); and
 - (c) that is a standard margin lending facility;

is not a margin lending facility.

Note: This declaration does not have the effect that an instalment warrant covered by this declaration is not a financial product.

Interpretation

5. In this instrument:

instalment warrant means a financial product that is a security or an interest in a managed investment product under the terms of which:

- (a) credit is provided by the issuer to the person (the ***client***) acquiring the financial product; and
- (b) the credit is applied to acquire one or more marketable securities (the ***underlying asset***), which may include applying the credit to pay for expenses incurred in connection with providing the credit or acquiring the underlying asset; and
- (c) the underlying asset is held on trust so that the client acquires a beneficial interest in the underlying asset; and
- (d) the client has a right to acquire legal ownership of the underlying asset by making one or more payments after acquiring the beneficial interest; and
- (e) the rights of the issuer, or any other person, against the client are limited to rights relating to the underlying asset.

issue has the meaning given by section 761E of the Act.

licensed market has the meaning given by section 761A of the Act.

margin lending facility has the meaning given by subsection 761EA(1) of the Act.

security has the meaning given by section 761A of the Act.

standard margin lending facility has the meaning given by subsection 761EA(2) of the Act.

Notes to ASIC Class Order [CO 10/1034]

Note 1

ASIC Class Order [CO 10/1034] (in force under s761EA(9) of the *Corporations Act 2001*) as shown in this compilation comprises that class order amended as indicated in the tables below.

Table of Instruments

Instrument number	Date of FRLI registration	Date of commencement	Application, saving or transitional provisions
[CO 10/1034]	25/11/2010 (<i>see</i> F2010L03103)	25/11/2010	
2015/963	9/11/2015 (<i>see</i> F2015L01767)	10/11/2015	-

Table of Amendments

ad. = added or inserted am. = amended rep. = repealed rs. = repealed and substituted

Provision affected	How affected
Subparagraph 4(a).....	am. 2015/963