



ASIC

Australian Securities & Investments Commission

ASIC Market Integrity Rules (Chi-X Australia Market) Amendment 2015 (No. 2)

I, Oliver Harvey, delegate of the Australian Securities and Investments Commission, with the written consent of the Minister, make the following legislative instrument.

Date 19 October 2015

Oliver Harvey

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Part 1—Preliminary

1 Name of legislative instrument

This instrument is *ASIC Market Integrity Rules (Chi-X Australia Market) Amendment 2015 (No. 2)*.

2 Commencement

This instrument commences on the day after it is registered on the Federal Register of Legislative Instruments.

Note: The register may be accessed at www.comlaw.gov.au.

3 Authority

This instrument is made under subsection 798G(1) of the *Corporations Act 2001*.

4 Schedule

Schedule 1 amends the *ASIC Market Integrity Rules (Chi-X Australia Market) 2011*.

Schedule 1—Amendments

ASIC Market Integrity Rules (Chi-X Australia Market) 2011

1 Rule 1.4.3, before definition of “AFSL”

Insert ““**Accreditation Examination**” means an examination approved by ASIC in accordance with subrule 2.4.7(4) or 2.4.8(4).”

“**Accredited Adviser**” means:

- (a) a Level One Accredited Derivatives Adviser;
- (b) a Level Two Accredited Derivatives Adviser.”

2 Rule 1.4.3, after definition of “Approved Ratings Agency”

Insert ““**AQUA Product**” means a Financial Product which is admitted to trading status as an AQUA product on the ASX Market.”

3 Rule 1.4.3, definition of “Bid”

Omit the definition, substitute ““**Bid**” means, in relation to a Cash Market Product, a price and quantity of the Cash Market Product to be purchased.”

4 Rule 1.4.3, after definition of “Business Day”

Insert ““**Cash Market Product**” means an Equity Market Product and an Investment Product.

“**Cash Market Transaction**” means a transaction between Market Participants for one or more Cash Market Products.”

5 Rule 1.4.3, after definition of “Clearing Rules”

Insert ““**Client Agreement**” means an agreement between the Market Participant and a client, entered into under Rule 3.1.8 or 3.1.9.”

6 Rule 1.4.3, after definition of “Compliance Education Requirements”

Insert ““**Compliance Manager**” means a person who has responsibility for all or part of the compliance function in the business of the Market Participant in connection with the Chi-X Market.”

7 Rule 1.4.3, after definition of “Conditional Sale”

Insert ““**Continuing Professional Education Requirements**” means the requirements of Rule 2.4.21.”

8 Rule 1.4.3, definition of “ETF”

Repeal the definition.

9 Rule 1.4.3, definition of “ETF Security”

Repeal the definition.

10 Rule 1.4.3, after definition of “Equity Securities”

Insert ““**ETF**” means a Managed Fund:

(a) which is listed on the ASX Market or admitted to trading status as an AQUA Product or which is admitted to quotation as an Investment Product (MIS) on the Chi-X Market;

(b) with power and approval to continuously issue and have quoted on the ASX or Chi-X Market, Equity Securities in the Managed Fund;

(c) which provides for the issue of new Equity Securities in return for the subscriber transferring to the Managed Fund a portfolio of Securities, cash, or a combination of Securities and cash; and

(d) for which the price of the Financial Product, index, foreign or Australian currency, commodity or other point of reference for determining the value of the Equity Securities is continuously disclosed or can be immediately ascertained.

“**ETF Security**” means a Financial Product issued by or provided pursuant to an ETF.”

11 Rule 1.4.3, after definition of “Financial Product”

Insert ““**Financial Product Advice**” has the meaning given by section 766B of the Corporations Act.”

12 Rule 1.4.3, after definition of “In Price/Time Priority”

Insert ““**Investment Product**” means an Investment Product (MIS) and an Investment Product (Warrant).

“**Investment Product (MIS)**” means an ETF Security admitted to quotation on the Chi-X Market.

“**Investment Product (Warrant)**” means a Warrant admitted to quotation on the Chi-X Market.

“**Investment Product Issuer**” means an entity which issues, distributes or makes available Investment Products and which has been registered by the Market Operator as a product issuer under the Operating Rules.”

13 Rule 1.4.3, definition of “Issuer”

Omit the definition, substitute ““**Issuer**” means, in relation to a Cash Market Product, the legal entity which issues the Cash Market Product.”

14 Rule 1.4.3, after definition of “Issuer”

Insert “**Level One Accredited Derivatives Adviser**” means a person who has been accredited under Rule 2.4.7 and whose accreditation is current.

“**Level Two Accredited Derivatives Adviser**” means a person who has been accredited under Rule 2.4.8 and whose accreditation is current.”

15 Rule 1.4.3, definition of “Managed Fund”

Omit the definition, substitute “**Managed Fund**” means:

(a) a managed investment scheme which is a registered managed investment scheme pursuant to section 601EB of the Corporations Act or a managed investment scheme which ASIC has exempted from those registration requirements; or

(b) a foreign company which has the economic features of a managed investment scheme, namely:

(i) investors contribute money or money’s worth to acquire rights to benefits produced by the collective investment;

(ii) contributions of investors are to be pooled, or used in a common enterprise, to produce financial benefits, or benefits consisting of rights or interests in property, for investors holding Financial Products in the collective investment; and

(iii) investors holding Financial Products issued in the collective investment do not have day to day control over the operation of the collective investment.”

16 Rule 1.4.3, after definition of “Market Bid”

Insert “**Market Maker**” means a Market Participant registered by the Market Operator as a market maker, which has an obligation to make a market in assigned classes of Investment Products.”

17 Rule 1.4.3, definition of “Market Transaction”

Omit “Equity”, substitute “Cash”.

18 Rule 1.4.3, definition of “Offer”

Omit the definition, substitute “**Offer**” means, in relation to a Cash Market Product, a price and quantity of the Cash Market Products to be sold.”

19 Rule 1.4.3, definition of “Order”

Omit the definition, substitute “**Order**” means, in relation to Cash Market Products, an instruction to purchase or sell Cash Market Products, or an instruction to amend or cancel a prior instruction to purchase or sell Cash Market Products.”

20 Rule 1.4.3, after definition of “Relevant Financial Market”

Insert ““**Renewal Date**” means the date notified by ASIC to the Market Participant under paragraph 2.4.9(2)(b), subrule 2.4.14(2) or paragraph 2.4.20(5)(b), as the date on which a person will cease to be an Accredited Adviser, unless their accreditation is renewed before that date under subrule 2.4.14(2) or 2.4.15(3).

“**Renewal Period**” means the period that commences 60 days prior to the Renewal Date and ends 7 days prior to the Renewal Date.”

21 Rule 1.4.3, after definition of “Target”

Insert ““**Terms of Issue**” means, in relation to Warrants, rights, conditions and obligations of the Warrant-Issuer and the holder of the Warrant.”

22 Rule 1.4.3, after definition of “Trading Suspension”

Insert ““**Training Register**” means the list, published on ASIC’s website, of training courses and assessment services that meet ASIC’s training requirements under Regulatory Guide 146 *Licensing: Training of financial product advisers*.”

23 Rule 1.4.3, after definition of “Unprofessional Conduct”

Insert ““**Warrant**” has the meaning given by Corporations Regulation 1.0.02.

“**Warrant-Issuer**” means an entity approved by the Market Operator to issue Warrants.”

24 After Rule 2.3.5

Insert “**Part 2.4 Retail Client Adviser Accreditation**

2.4.1 Accreditation required

(1) A Market Participant must ensure that each of its Representatives who provides Financial Product Advice to a Retail Client in relation to Investment Products (Warrants) holds the relevant accreditation required by these Rules.

(2) 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 these Rules if they do not hold that type of accreditation.

(3) A person:

(a) accredited as a Level One Accredited Derivatives Adviser under the Rule 2.4.7 of the ASX Market Integrity Rules is a Level One Accredited Derivatives Adviser under these Rules;

(b) accredited as a Level Two Accredited Derivatives Adviser under the Rule 2.4.8 of the ASX Market Integrity Rules is a Level Two Accredited Derivatives under these Rules.

Maximum penalty: \$100,000

2.4.2 Extent of advice to clients—Level One Accredited Derivatives Adviser

(1) A Market Participant must ensure that each of its Representatives who provides Financial Product Advice to a Retail Client in relation to:

(a) subscribing for and buying and selling Investment Products (Warrants); and

(b) exercising Investment Products (Warrants),

is accredited as a Level One Accredited Derivatives Adviser or a Level Two Accredited Derivatives Adviser.

Maximum penalty: \$100,000

Note: There is no Rule 2.4.3

2.4.4 Extent of advice to clients—Level Two Accredited Derivatives Adviser

(1) A Market Participant must ensure that each of its Representatives who provides Financial Product Advice to a Retail Client in relation to:

(a) subscribing for, buying, selling and exercising Investment Products (Warrants); and

(b) all trading strategies relating to Investment Products (Warrants),

is accredited as a Level Two Accredited Derivatives Adviser.

(2) For the avoidance of doubt, a person accredited as a Level Two Accredited Derivatives Adviser may advise and make recommendations in relation to the Financial Products and strategies set out in Rule 2.4.2.

Maximum penalty: \$100,000

Note: There is no Rule 2.4.5 or 2.4.6

2.4.7 Accreditation—Level One Accredited Derivatives Adviser

(1) ASIC may, subject to any conditions ASIC considers appropriate, accredit a person as a Level One Accredited Derivatives Adviser for a period of time if:

(a) the person is a Representative of a Market Participant and the Market Participant nominates the person to be a Level One Accredited Derivatives Adviser under subrule (2);

(b) the person:

(i) unless the person is applying for, or has been granted, an exemption under subrule 2.4.11(1), has obtained a score of 80% or more for an Accreditation Examination for Level One Accredited Derivatives Advisers approved by ASIC in accordance with subrule (4);

(ii) has successfully completed an educational module or subject, or a series of educational modules or subjects, approved by ASIC in accordance with subrule (4); and

(c) ASIC has no reason to believe that the person does not have the requisite skill, knowledge and integrity to provide Financial Product Advice of the kind covered by Rule 2.4.2.

(2) A Market Participant may nominate a person to be a Level One Accredited Derivatives Adviser by submitting a written application to ASIC that includes:

(a) the full name, date of birth, business address and email address of the applicant, a statement that the applicant is a Representative of the Market Participant and a description of the nature of the relationship of the applicant to the Market Participant (for example, employee);

(b) the name, business address and AFSL number of the Market Participant nominating the person to be a Level One Accredited Derivatives Adviser;

(c) the name, position and contact telephone number of the director, partner, Responsible Executive or Compliance Manager of the Market Participant referred to in subrule (3);

(d) unless the person has been granted, or is applying for, an exemption under subrule 2.4.11(1), a declaration by the Market Participant that the applicant meets the requirements of paragraph (1)(b);

(e) if subparagraph (1)(b)(ii) applies, evidence that the applicant has successfully completed the educational subject or module, or series of educational subjects or modules, referred to in that subparagraph; and

(f) an acknowledgement by the Market Participant that accreditation as a Level One Accredited Derivatives Adviser will only authorise the applicant to provide Financial Product Advice of the kind covered by Rule 2.4.2.

(3) A director, partner, Responsible Executive or Compliance Manager of the Market Participant must sign and date the application referred to in subrule (2).

(4) 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 Rule 2.4.2.

Note: There is no penalty for this Rule.

2.4.8 Accreditation—Level Two Accredited Derivatives Adviser

(1) ASIC may, subject to any conditions ASIC considers appropriate, accredit a person as a Level Two Accredited Derivatives Adviser for a period of time if:

- (a) the person is a Representative of a Market Participant and the Market Participant nominates the person as a Level Two Accredited Derivatives Adviser in accordance with subrule (2);
- (b) unless the person is applying for, or has been granted, an exemption under subrule 2.4.11(1), the person has obtained a score of 80% or more for each of the Accreditation Examinations for Level One Accredited Derivatives Advisers and Level Two Accredited Derivatives Advisers approved by ASIC in accordance with subrule (4); and
- (c) ASIC has no reason to believe that the person does not have the requisite skill, knowledge and integrity to provide Financial Product Advice of the kind covered by Rules 2.4.2 and 2.4.4.

(2) A Market Participant may nominate a person to be a Level Two Accredited Derivatives Adviser by submitting a written application to ASIC that includes:

- (a) the full name, date of birth, business address, email address and contact telephone number of the applicant, a statement that the applicant is a Representative of the Market Participant and description of the nature of the relationship of the applicant to the Market Participant (for example, employee);
- (b) the name, business address and AFSL number of the Market Participant nominating the person to be a Level Two Accredited Derivatives Adviser;
- (c) the name, position and contact telephone number of the director, partner, Responsible Executive or Compliance Manager of the Market Participant referred to in subrule (3);
- (d) unless the person has been granted, or is applying for, an exemption under subrule 2.4.11(1), a declaration by the Market Participant that the applicant meets the requirements of paragraph (1)(b); and
- (e) an acknowledgement by the Market Participant that accreditation as a Level Two Accredited Derivatives Adviser will only authorise the applicant to provide Financial Product Advice of the kind covered by Rules 2.4.2 and 2.4.4.

(3) A director, partner, Responsible Executive or Compliance Manager of the Market Participant must sign and date the application referred to in subrule (2).

(4) 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 and 2.4.4.

Note: There is no penalty for this Rule.

2.4.9 Acceptance of application

(1) If ASIC is satisfied that:

(a) an application for accreditation made by a Market Participant; and

(b) the person in respect of which the application for accreditation is made,

under Rule 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.

(2) ASIC will give the Market Participant a written notice that a person has been accredited under subrule (1), specifying:

(a) any conditions to which the accreditation is subject;

(b) the Renewal Date.

(3) 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.

Note: There is no penalty for this Rule.

2.4.10 Rejection of application

(1) Subject to subrule (2), if ASIC is not satisfied that:

(a) an application for accreditation made by a Market Participant; or

(b) the person in respect of which the application for accreditation is made,

under Rule 2.4.7 or 2.4.8, meets the applicable requirements of the Rule, ASIC will reject the application.

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

(3) 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.

Note: There is no penalty for this Rule.

2.4.11 Exemption for other accreditation and experience

(1) ASIC may exempt a person, in writing, from the requirement to sit an Accreditation Examination if the person has:

(a) completed a course listed on ASIC's Training Register as a specialist course and which, in the opinion of ASIC, provides appropriate coverage of these Rules, the Market Operating Rules, the Trading Platform and the relevant Financial Products;

(b) completed relevant training, other than a course listed on ASIC's Training Register, and can demonstrate, to the satisfaction of ASIC, their knowledge of these Rules, the Market Operating Rules, the Trading Platform and the relevant Financial Products; or

(c) extensive relevant industry experience and can demonstrate, to the satisfaction of ASIC, their knowledge of these Rules, the Market Operating Rules, the Trading Platform and the relevant Financial Products.

(2) 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 this Rule for exemption from the examination requirement.

(3) ASIC may require a person nominated for exemption under this Rule to complete and pass a modified version of an Accreditation Examination to demonstrate the person's expertise and knowledge of the Rules, the Market Operating Rules, the Trading Platform and relevant Financial Products.

Note: There is no penalty for this Rule.

2.4.12 Examinations

(1) Unless ASIC gives permission under this Rule, a person may sit an Accreditation Examination for a category of accreditation no more than three times.

(2) If a person has not obtained the required pass level after sitting the Accreditation Examination three times, the Market Participant may apply to ASIC under subrule (3) for permission for the person to sit the Accreditation Examination again.

(3) A Market Participant may apply for permission for a person to sit an Accreditation Examination again by submitting a written application to ASIC that includes:

(a) the full name, business and email address of the applicant;

(b) the name and business address of the Market Participant seeking permission for the applicant to sit the Accreditation Examination again;

- (c) the type of Accreditation Examination that the Market Participant is applying for the applicant to re-sit;
- (d) the date on which the person last sat the Accreditation Examination;
- (e) reasons in support of the applicant being permitted to sit the Accreditation Examination again; and
- (f) the name and position of the Responsible Executive referred to in subrule (4).

(4) A Responsible Executive of the Market Participant (or, if the applicant is a Responsible Executive, another Responsible Executive of the Market Participant) must sign and date the application referred to in subrule (3).

(5) After considering the application, ASIC may permit the person to sit the examination again.

(6) ASIC will not consider an application under this Rule unless 3 months have passed since the person last sat the Accreditation Examination.

Note: There is no penalty for this Rule.

2.4.13 Renewal of accreditation

(1) ASIC may renew the accreditation of an Accredited Adviser for a period of time with effect from the Renewal Date if:

- (a) the person is a Representative of a Market Participant and the Market Participant applies to ASIC during the Renewal Period to renew the person's accreditation under subrule (2);
- (b) the person has complied with the Continuing Professional Education Requirements pro-rata to the number of full months in the period from the date the Accredited Adviser was first accredited or last renewed their accreditation to the date of the application; and
- (c) ASIC has no reason to believe that the person does not have the requisite skill, knowledge and integrity to provide Financial Product Advice of the kind covered by the relevant category of accreditation.

(2) A Market Participant may apply to ASIC to renew the accreditation of a person by submitting a written application to ASIC during the Renewal Period that includes:

- (a) the name and business address of the Market Participant seeking renewal of the accreditation of the persons named in the application;
- (b) in respect of each Accredited Adviser seeking renewal of accreditation:
 - (i) the name of the Accredited Adviser;

- (ii) the category of accreditation held by the Accredited Adviser;
 - (iii) a declaration that the Accredited Adviser is a Representative of the Market Participant;
 - (iv) a declaration that the Accredited Adviser meets the requirements of paragraph (1)(b); and
 - (c) the name, position, contact telephone number, facsimile number and email address of the director, partner, Responsible Executive or Compliance Manager of the Market Participant referred to in subrule (3).
- (3) A director, partner, Responsible Executive or Compliance Manager of the Market Participant must sign and date the application referred to in subrule (2).

Note: There is no penalty for this Rule.

2.4.14 Acceptance of application

- (1) If ASIC is satisfied that:
- (a) an application for renewal of accreditation made by a Market Participant; and
 - (b) a person in respect of which the application has been made,
- meets the requirements of Rule 2.4.13, ASIC will renew the accreditation of the person with effect from the Renewal Date.
- (2) 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.
- (3) 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.

Note: There is no penalty for this Rule.

2.4.15 Rejection of application or renewal subject to conditions

- (1) Subject to subrule (2), if ASIC is not satisfied that:
- (a) an application for renewal of accreditation; or
 - (b) a person in respect of which the application has been made,
- meets the requirements of Rule 2.4.13, ASIC may:
- (c) reject the application for renewal in respect of one or more persons; or

(d) renew the person's accreditation but subject to such conditions as ASIC considers appropriate.

(2) If ASIC rejects the application under paragraph (1)(c), ASIC will give the Market Participant a written notice that a person's application for renewal has been rejected, specifying the reason or reasons that the application has been rejected.

(3) If ASIC renews the person's accreditation subject to conditions under paragraph (1)(d), ASIC will give the Market Participant a written notice that a person's accreditation has been renewed, specifying:

(a) the conditions to which the renewed accreditation is subject; and

(b) the next Renewal Date.

(4) 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.

Note: There is no penalty for this Rule.

2.4.16 Effect of non-renewal

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.

Note: There is no penalty for this Rule.

2.4.17 Automatic withdrawal of accreditation

(1) 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.

(2) 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:

(a) the name and date of birth of the Accredited Adviser; and

(b) the date the Accredited Adviser ceased to be a Representative of the Market Participant.

Note: There is no penalty for this Rule.

2.4.18 Voluntary withdrawal of accreditation

(1) 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 withdraw the accreditation under subrule (2).

(2) A Market Participant may request that ASIC withdraw the accreditation of an Accredited Adviser by submitting a written application to ASIC that includes:

- (a) the name and date of birth of the Accredited Adviser;
- (b) the name and business address of the Market Participant requesting that the accreditation be withdrawn;
- (c) the category of the accreditation which is to be withdrawn;
- (d) the Trading Day on which the Market Participant wishes the withdrawal to take effect;
- (e) the reasons for withdrawal of the accreditation; and
- (f) the name, position and contact telephone number of the director, partner, Responsible Executive or Compliance Manager of the Market Participant referred to in paragraph (3)(a).

(3) The application must be signed and dated by:

- (a) a director, partner, Responsible Executive or Compliance Manager of the Market Participant; and
- (b) the relevant Accredited Adviser.

Note: There is no penalty for this Rule.

2.4.19 Suspension or withdrawal by ASIC

(1) ASIC may suspend or withdraw the accreditation of an Accredited Adviser in a category of accreditation if ASIC has reason to believe that the person does not have the requisite skill, knowledge or integrity to provide Financial Product Advice of the kind covered by the relevant category of accreditation.

(2) ASIC will notify the relevant Market Participant and the Accredited Adviser in writing of a suspension or withdrawal of accreditation under subrule (1) and the reasons for the suspension or withdrawal.

Note: There is no penalty for this Rule.

2.4.20 Re-accreditation after withdrawal or expiry

(1) ASIC may re-accredit a person whose accreditation has been withdrawn or has expired, without the person sitting another Accreditation Examination if:

- (a) the person is a Representative of a Market Participant and the Market Participant applies to ASIC to re-accredit the person under subrule (2);

(b) the person became an Employee of, or was otherwise engaged by, a Market Participant within 2 years from the date their accreditation was withdrawn or expired, and within 2 months of being re-accredited will re-commence providing Financial Product Advice to clients of a Market Participant of a kind covered by Rules 2.4.2 or 2.4.4;

(c) the person has complied with the Continuing Professional Education Requirements pro-rata to the number of full months since the date their accreditation was granted or last renewed; and

(d) ASIC has no reason to believe that the person does not have the requisite skill, knowledge and integrity to provide Financial Product Advice of the kind covered by the relevant category of accreditation.

(2) A Market Participant may apply to ASIC to re-accredit a person whose accreditation has been withdrawn or has expired by submitting a written application to ASIC that includes:

(a) the name, date of birth, business address and email address of the applicant, a statement that the applicant is a Representative of the Market Participant and a description of the nature of the relationship of the applicant to the Market Participant (for example, employee);

(b) the name, business address and AFSL number of the Market Participant seeking renewal of the accreditation of the applicant;

(c) the category of accreditation sought;

(d) a statement that the Market Participant requests the requirement for the person to sit the Accreditation Examination be waived;

(e) a declaration by the Market Participant that the applicant meets the requirements of paragraph (1)(c); and

(f) the name, position, contact telephone number, facsimile number and email address of the director, partner, Responsible Executive or Compliance Manager of the Market Participant referred to in subrule (3).

(3) A director, partner, Responsible Executive or Compliance Manager of the Market Participant must sign and date the application.

(4) If ASIC is satisfied that:

(a) an application for re-accreditation made by a Market Participant; and

(b) the person in respect of which the application for re-accreditation is made, meets the applicable requirements of this Rule, ASIC will re-accredit the person in the relevant category of accreditation.

(5) ASIC will give the Market Participant a written notice that the person has been re-accredited under subrule (4), specifying:

(a) any conditions to which the accreditation is subject;

(b) the Renewal Date.

(6) Nothing in subrule (4) 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.

Note: There is no penalty for this Rule.

2.4.21 Continuing Professional Education Requirements for Accredited Advisers

(1) A Market Participant must ensure that all of its Accredited Advisers comply with any continuing professional education requirements approved by ASIC in accordance with subrule (2).

(2) For the purposes of subrule (1), ASIC may approve, in writing, 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.

Maximum penalty: \$20,000

2.4.22 Managed Discretionary Accounts— Investment Products (Warrants)

A Market Participant must ensure that a Managed Discretionary Account for a Retail Client which involves dealing in Investment Products (Warrants) is operated by an Accredited Adviser with the appropriate accreditation under these Rules.

Maximum penalty: \$1,000,000”.

25 Rule 2.5.5, paragraph (a)

Omit “Equity”, substitute “Cash”.

26 Rule 2.5.5, paragraph (b)

Omit “Equity”, substitute “Cash”.

27 After Rule 3.1.1

Insert “**3.1.2 Documents to be given to a client: Investment Products (Warrants)**”

(1) Subject to subrule (2), before a Market Participant accepts an Order from a person to purchase an Investment Product (Warrant), the Market Participant must give the person a copy of any current explanatory booklet in respect of Investment Products (Warrants) published by the Market Operator, together with any updates to that explanatory booklet published by the Market Operator,

if it is the first time an Order in respect of Investment Products (Warrants) is accepted from the person.

(2) A Market Participant is not required to comply with subrule (1) if the person from whom the Order is accepted is a Wholesale Client, unless the person expressly requests it.

(3) For the avoidance of doubt, a Market Participant is not required to comply with subrule (1) if the person from whom the Order is accepted is entering into a Market Transaction to sell Investment Products (Warrants).

Maximum penalty: \$100,000”.

28 Subrule 3.1.3(2), paragraph (c)

After “;”, omit “and”.

29 Subrule 3.1.3(2), paragraph (d)

Omit “.”, substitute “; and”.

30 Subrule 3.1.3(2), after paragraph (d)

Insert “(e) the Market Transaction is a Market Transaction in a Cash Market Product.”

31 Subrule 3.1.4(2), subparagraph (b)(ii)

Omit “Equity”, substitute “Cash”.

32 Subrule 3.1.4(2), sub-subparagraph (b)(iii)(A)

Omit “Equity”, substitute “Cash”.

33 Subrule 3.1.4(2), sub-subparagraph (b)(iii)(B)

Omit “Equity”, substitute “Cash”.

34 Subrule 3.1.4(3), paragraph (c)

After “;”, omit “and”.

35 Subrule 3.1.4(3), paragraph (d)

Omit “.”, substitute “; and”.

36 Subrule 3.1.4(3), after paragraph (d)

Insert “(e) the Market Transaction is a Market Transaction in a Cash Market Product.

Note: there is no Rule 3.1.5, 3.1.6, or 3.1.7”

37 After Rule 3.1.4Insert “**3.1.8 Client Agreement for Investment Products (Warrants)**”

(1) Before entering into a Market Transaction in respect of Investment Products (Warrants) on behalf of a Retail Client (the “Client”), subject to subrule (3), the Market Participant must enter into a written agreement with the Client under which the Market Participant discloses, and the Client acknowledges that they are aware that:

(a) an Investment Product (Warrant) has a limited life and cannot be traded after its expiry date;

(b) Investment Products (Warrants) do not have standardised Terms of Issue and it is the responsibility of the Client to become aware of the Terms of Issue of any Investment Product (Warrant) in which the Client chooses to invest; and

(c) Investment Products (Warrants) may be subject to adjustments after their initial issue and it is the Client’s responsibility to become aware of any adjustments which may have been made to any Investment Product (Warrant) in which the Client chooses to invest.

(2) 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 Investment Products (Warrants).

(3) A Market Participant is not required to enter into an agreement under subrule (1) before entering into a Market Transaction to sell Investment Products (Warrants).

(4) A Market Participant is not required to comply with subrules (1) and (2) if the Market Participant is an ASX Participant and the Market Participant has a written agreement with the Client under Rule 3.1.8 of the ASX Market Integrity Rules.

Note: Subrule (4) does not affect a Market Participant’s obligation to give a Client a copy of an explanatory booklet under Rule 3.1.2.

Maximum penalty: \$100,000”.

38 Rule 3.1.10

After “the requirements of”, omit “Rule”, substitute “Rules 3.1.8 and”.

39 Subrule 3.2.5(2)

Omit “Equity”, substitute “Cash”.

40 Subrule 3.2.5(3)

Omit "Equity" wherever occurring, substitute "Cash"

41 Subrule 3.4.1(3), subparagraph (d)(i)

Omit “Equity”, substitute “Cash”.

42 Subrule 3.4.1(3), paragraph (h)

Omit the paragraph, substitute “(h) if the confirmation is a confirmation in respect of a Conditional Sale of a Cash Market Product and the corresponding confirmation in respect of the conditional purchase of the relevant Cash Market Product, the confirmation must be endorsed as conditional and state the condition and the effect of non-fulfilment of the condition.”

43 Rule 3.4.2, paragraph (b)

Omit “Equity”, substitute “Cash”.

44 Rule 3.5.1,

Omit the rule, substitute “**3.5.1 Trust accounts Cash Market Transactions**

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.

Maximum penalty: \$1,000,000”

45 Subrule 4.2.1(1), paragraph (e)

Omit “Equity”, substitute “Cash”.

46 Subrule 4.2.1(1), paragraph (f)

Omit “Equity”, substitute “Cash”.

47 Subrule 4.2.1(1), subparagraph (f)(i)

Omit “Equity”, substitute “Cash”.

48 Subrule 4.2.1(1), subparagraph (f)(ii)

Omit “Equity”, substitute “Cash”.

49 Subrule 4.2.1(2)

Omit “Equity”, substitute “Cash”.

50 Subrule 4.2.1(3)

Omit “Equity”, substitute “Cash”.

51 Subrule 4.2.1(4)

Omit “Equity”, substitute “Cash”.

52 Rule 5.1.1

Omit "Equity" wherever occurring, substitute "Cash".

53 Subrule 5.1.4(1), paragraph (e)

Omit "Equity", substitute "Cash".

54 Subrule 5.1.4(2)

Omit "Equity", substitute "Cash".

55 Subrule 5.1.4(2), paragraph (a)

Omit "The Equity", substitute "the Cash".

56 Subrule 5.1.4(2), paragraph (b)

Omit "Equity" wherever occurring, substitute "Cash".

57 Rule 5.1.7

Omit the rule, substitute "**5.1.7 Unexecuted order in Cash Market Products—Market Participant not to make Bids or Offers**

If a Market Participant has or receives an Order to buy or sell a Cash Market Product underlying a Derivatives Market Contract in the Underlying Market which may materially affect:

(a) the market price of the Cash Market 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 Cash Market Product and other products,

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

58 Subrule 5.4.2(3)

Omit "Equity", substitute "Cash".

59 Subrule 5.6.3(1), subparagraph (d)(iii)

Omit "Equity", substitute "Cash".

60 Subrule 5.6.12(2), subparagraph (b)(iv)

Omit "Equity", substitute "Cash".

61 Rule 5.7.1

Omit "Equity" wherever occurring, substitute "Cash".

62 Rule 5.7.1, subparagraph (a)

Omit "Equity" wherever occurring, substitute "Cash".

63 Rule 5.7.2, paragraph (a)

Omit "Equity", substitute "Cash".

64 Rule 5.7.2, paragraph (b)

Omit "Equity", substitute "Cash".

65 Rule 5.7.2, paragraph (d)

Omit "Equity" wherever occurring, substitute "Cash".

66 Rule 5.7.2, paragraph (g)

Omit "Equity", substitute "Cash".

67 Rule 5.7.2, paragraph (j)

Omit "Equity", substitute "Cash".

68 Rule 5.7.2, paragraph (k)

Omit "Equity", substitute "Cash".

69 Rule 5.9.1

Omit "an Equity", substitute "a Cash".

70 Rule 5.10.4

Omit the rule, substitute "**5.10.4 Dealings in Cash Market Products suspended from Official Quotation**

A Market Participant must not deal in Cash Market Products which have been suspended from quotation or trading unless the Cash Market Product is quoted on another Equity Market and is not in a Trading Suspension on that Equity Market.

Maximum penalty: \$100,000".

71 Rule 5.10.6

Omit "Equity" wherever occurring, substitute "Cash".

72 Subrule 5.11.1(1), paragraph (a)

After "transaction on the", insert "Chi-X".

73 Subrule 5.11.1(1), subparagraph (b)(i)

After “products on the”, insert “Chi-X”.

74 Subrule 5.11.1(1), subparagraph (b)(ii)

After “products on the”, insert “Chi-X”.

75 Subrule 5.11.1(1), subparagraph (b)(iii)

After “products on the”, insert “Chi-X”.

76 Subrule 5.11.1(1), subparagraph (b)(iv)

After “products on the”, insert “Chi-X”.