SECTION 33. GLOSSARY

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For the legal definition of a particular term, refer to the definitions included in the relevant operating rules (e.g. ASX Operating Rules, ASX Clear Operating Rules, or ASX Settlement Operating Rules).

*Refer also to the glossary published on the ASX website (*http://www.asx.com.au*).*

Account	In CHESS terms, an account is the same as a holding. Holding is the preferred term in the CHESS documentation.
Account participant	An account participant is an ASX Settlement participant that sponsors holders on the CHESS subregister but does not participate in the daily settlement facility.
Accrual	An accrual is an entitlement due from a corporate action (e.g. bonus share, rights entitlement, dividend etc).
Accumulation HIN	An accumulation HIN is used by participants for temporarily holding financial products during the settlement period, in preparation for a future settlement cycle.
Aggregation	Aggregation is the process of totalling the unit quantity or settlement amount of individual settlement instructions that are settling on the same holding or through the same payment facility in the same settlement cycle.
AMFS	*See ASX Managed Funds Service*
AML/CTF	Anti-money laundering/ Counter Terrorism Funding

AMO	Approved Market Operator
Approved financial products	Approved financial products are those approved to be cleared and settled through CHESS.
Approved Market Operator	Market Operator approved by ASX Clear as an Approved Market Operator and specified in the Procedures
ASM	See *Australian Securities Management system*
ASX Managed Funds Service	Enables CHESS Participants to settle primary market fund applications and redemptions routed via ASX to Product issuers, represented by Product Issuer Settlement Participants (PISPs).
ASX	Australian Securities Exchange Limited
ASXCL	ASX Clear Pty Limited
ASX Clear Pty Limited	ASX Clear Pty Limited (ASXCL) is the ASX wholly owned subsidiary providing clearing facilities to the market.

ASXS	ASX Settlement Pty Limited
ASXS Participant	An ASX Settlement participant is an entity that meets the participation criteria of the ASX Settlement Operating Rules and performs one or more of the following market roles: • clearing participant; • settlement participant; and • sponsorship participant.
ASX Settlement Pty Limited	ASX Settlement Pty Limited (ASXS) is the ASX wholly owned subsidiary that provides settlement services to the market and maintains the CHESS subregister.
ASX Trade	ASX Trade is the ASX's screen trading system for trading approved financial products.
Austraclear System	Austraclear System means the facility established by Austraclear Limited for the deposit and safe custody of securities, the facilitation of the settlement of transactions between participants of Austraclear, the transmission of information relating to dealings between participants of Austraclear and the movement of funds between the banks of participants of Austraclear.
Authorisation Cut-Off	Authorisation cut-off is the time by which payment providers must give final and irrevocable authorisation for participants' funds commitments for that day's settlement.
Available Balance	Available balance is the difference between the financial products in a registered holding on the CHESS subregister and the financial products reserved in holding subpositions.
Bond	A security that pays a defined distribution (coupon) for a set period and repays the face value of the security at maturity. A bond is a loan from the investor to the issuer of the security. There are many types of bonds including; floating, fixed and index-linked.
Broker Sponsored Holders	See *Sponsored Holders*
Business Day	Identifies the period of time that commences with CHESS start of day and ends with a corresponding CHESS end of day. CHESS processes transactions submitted by participants during this period.

Cash Market Margin (CMM)	Margins are calculated based on the Clearing Participant's total unsettled novated cash market transactions.
CDI	See *CHESS Depositary Interest*
CDN	CHESS Depositary Nominees Pty Limited
Certificated Holding	A certificated holding is a holding of financial products, maintained by the issuer, for which certificates are required as evidence of title. Since February 1999, all Australian domiciled listed entities have operated fully uncertified registers.
CHESS	CHESS is a system run by ASX Settlement Pty Limited to facilitate settlement and maintain the electronic subregister. CHESS is an acronym of clearing house electronic subregister system.
CHESS Depositary Nominees Pty Limited	CHESS Depositary Nominees Pty Limited is the wholly owned subsidiary of the ASX group of companies that offers the standard depositary service for CDIs and FDIs.
CHESS Depositary Interest	CHESS Depositary Interest (CDI) means a unit of beneficial ownership in a principal financial product, registered in the name of the depositary nominee, and includes: (a) CUFS; (b) DIs; and (c) Government Bond Depositary Interests
CHESS user	A CHESS user is an entity that has access to some or all CHESS functionality under the ASX Clear Operating Rules and/or the ASX Settlement Operating Rules. CHESS users perform one or more of the following business roles: clearing participant, settlement participant, and sponsorship participant.
CHESS subregister	CHESS subregister means: (a) that part of an issuer's principal register; (b) that part of a foreign issuer's or Government bond issuer's CDI register, for a class of the foreign issuer's or Government bond issuer's (as applicable) approved financial products; or (c) the FDI register for a class of participating international financial products; That is administered by ASX Settlement. Compare with *Issuer Sponsored Subregister*

Clearing Function	The clearing function is the business of acting as the principal to a novated trade (with the central counterparty as the other principal) and managing the associated risks.
Clearing Participant	A clearing participant is an entity that provides the clearing function for a trading participant, i.e. they act as principal to the central counterparty.
Confirmed Foreign Financial Products	Confirmed foreign financial products are financial products subject to CHESS foreign ownership restrictions that are available for delivery via a foreign to foreign allocation. See *Foreign to Foreign Allocations*
Controlling Participant	A controlling participant is an ASX Settlement participant that can direct the movement of financial products for holdings under their control.
Conversion	A conversion is a transaction that moves holdings between different subregisters without changing the registered title of the holding.
Coupon interest	The rate of interest paid to holders of a fixed income security or bond at set intervals.
CRS	Common Reporting Standard. Global tax determination regime.
Cum Entitlement Balances	Cum entitlement balances are temporary cum balances maintained by CHESS for each holding during the ex period for a corporate action. Only cum designated transactions are applied to these balances during the ex period. On record date it is the cum entitlement balances which the Issuer will use as the basis of calculation for the corporate action. Cum entitlement balances allow CHESS to provide concurrent cum and ex registration of financial products.
Data Service	The data service is an ASX service for disseminating stock market data to the public in the form of electronic signals. The information disseminated includes intra-day market data, market snapshots, issuer and financial product information, company announcements and trade/quote data.
DCS	Derivatives Clearing System

Deferred Settlement	Deferred settlement is a basis of quotation for financial products arising from a corporate event, which results in the scheduling of settlement obligations outside the prescribed fixed settlement period.
Delivery versus Payment	Delivery versus Payment (DvP) is the irrevocable exchange of unconditional financial products for unconditional same day funds.
Demand Transaction	A demand transaction is one submitted by a participant to effect a movement on a CHESS holding which they control. The transaction is processed within time constraints published in ASX Settlement Operating Rules. The transaction is not included with other transactions and does not involve a transfer of funds through CHESS.
	Demand transactions are not part of the daily settlement run.
Derivatives Clearing System	The derivatives clearing system (DCS) is the system used by the ASX for clearing derivatives traded on DTP.
Derivatives Trading Platform	The derivatives trading platform (DTP) is the system used for trading derivatives.
Issue Date	Issue date is a date announced by an issuer for the issue of financial products pursuant to a corporate event and is defined as the date that the securities are entered into a certificated subregister or uncertificated subregister.
Direct Clearing Participant	A direct clearing participant is an entity that performs the clearing function for themselves and their clients but not for other market participants.
Direct Holding	A direct holding is a CHESS holding where the holder is the controlling participant, a body corporate related to the controlling participant, or a nominee company of the controlling participant.
	Refer also to the definition in the ASX Settlement Operating Rules.
DTP	Derivatives Trading Platform
Dual Entry Transfer	A dual entry transfer is a transfer (demand or settlement) that is effected by CHESS matching instructions submitted by two participants.
DvP	Delivery versus Payment
EIS	External interface specification

Email Details	The email address and Email Purpose of a holder
Email Purpose	The categories of communications that a holder has indicated a preference to receive by delivery to an email address
Encryption	Encryption is a mechanism for ensuring confidentiality of information sent between two parties and preventing a third party from accessing that information. Its use is transparent to the sending and receiving systems.
End of Day	End of day is the cut-off time for CHESS to accept transactions for end of day processing.

Entitlement

Entitlement means property (other than Financial Products) or money transferred or paid to a person because the person is or was the holder of a Financial Product, or a right that a person has because the person is or was the holder of a Financial Product, including, for example:

(i) a right to be paid an amount or to be issued with additional Financial Products; or

(ii) a right that arises out of a reduction in share capital, a scheme of arrangement or compromise or a takeover bid;

and includes a reference to a right, whether existing or future, and whether contingent or not. It includes (without limitation):

(c) rights;

(d) bonus issues;

(e) dividend, interest and trust distribution payments;

(f) priority issues;

(g) offers under an equal access scheme; and

(h) in relation to Participating International Financial Products, any equivalent or similar benefit (however described) provided or offered by the issuer of the Participating International Financial Products;. and

(i) interest, principal and any other payments arising in respect of a Government Bond.

Entrepot	An entrepot is a type of HIN in which a participant is required to establish for the sole purpose of facilitating settlement.
ETF	Exchange traded funds
Exchange Traded Funds	Exchange traded funds are open-ended listed managed investment funds that can continually issue new units and redeem existing ones.

External Interface Specification	The external interface specification (EIS) is a document that provides detailed information about the communication protocols, message formats and security features used by participant systems to interface with CHESS.
Face value	Face value means the initial capital value of a bond or security.
FDI	Foreign depositary interest
FATCA	Foreign Account Tax Compliance Act
First Allowable Settlement Date	First allowable settlement date is the earliest settlement date for transactions in financial products issued as a result of certain corporate actions.
	The ASX calculates the first allowable settlement date to be the fixed settlement period plus the settlement offset business days after the nominated issue date.
Fixed Period Settlement	Fixed period settlement is a settlement that takes place on a fixed date related to the transaction date (T) under the rules of the market. Presently, the fixed period settlement date is T+2.
Foreign Depositary Interests	Foreign depositary interests (FDIs) are units of beneficial ownership in a participating foreign security held by a depositary nominee.
Foreign Guaranteed Financial Products	See *Confirmed Foreign Financial Products*
Foreign Ownership Restrictions	Foreign ownership restrictions are restrictions placed on the aggregate level of foreign ownership for particular issuers.
Foreign to Foreign Allocation	Foreign to foreign allocation is the transfer of financial products subject to CHESS foreign ownership restrictions where a foreign buyer replaces a foreign seller on the issuer's register.
General Clearing Participant	A general clearing participant is an entity that performs the clearing function for themselves, their own clients, and other market and or clearing participants and their clients.
General Settlement Participant	A general settlement participant is an entity that performs the settlement function for themselves, their own clients, and [optionally] for other market and/or clearing participants.

Government Bond	Government Bond means a debenture, stock or bond (however described) issued by a Government Bond Issuer.
Government Depositary Interest	Government Bond Depositary Interest means a unit of beneficial ownership in a Government Bond registered in the name of a Depositary Nominee or its nominee.
HIN	Holder identification number
Holder Identification Number	Holder identification number is the unique identifier of a holder who holds financial products on the CHESS subregister.
Holding	A holding is record detailing the ownership of an issuer's financial products. In CHESS, holdings are identified by HIN and a security code. Holding records comprise registration details and a holding balance.
Holding Adjustment	A holding adjustment is a change to the holding balance of a CHESS holding effected by a message sent by an issuer to CHESS.
Holding Balance	A holding balance is the registered balance of a holding. It is the aggregate of the available balance and all subpositions for a holding.
Holding Lock	The holding lock is a facility to prevent participant transactions from being applied against a holding. The total holding balance is not accessible while a holding lock is in place.
Holding Subposition	A holding subposition is a balance segregated from the available holding balance of a holding on the CHESS subregister. The aggregate of the subposition balances and the available balance for any one holding comprises the registered balance of the holding. Subpositions are typically used to reserve units in favour of a third party.
IPO	Initial public offering
ISE	Issuer sponsored enquiry
Issuer	An issuer is an entity that issues financial products that are quoted on ASX.

Issuer Sponsored Enquiry	Issuer sponsored enquiry is an optional facility that allows participants to send an enquiry to a registry via CHESS, to determine specific holder attributes such as SRN or holder balance.
Issuer Sponsored Subregister	The issuer sponsored subregister is that part of the issuer's principal register maintained by the issuer or their agent and not by ASX Settlement Pty Limited. Compare with CHESS subregister
Knock On	In a CHESS context, a knock on is the effect on unrelated parties of the failure of a transaction to settle in CHESS.
Market Participant	A market participant executes investors' and their own house orders to buy and sell financial products on the ASX.
Maturity	The date on which a security or bond is due for repayment by the issuer. The face value and any outstanding interest is typically paid to the holder on this date.
National Guarantee Fund	The national guarantee fund (NGF) is the fund that protects investors who deal with ASX market participants against loss in circumstances specified under the Corporations Act. The NGF is administered by the SEGC.
NBP	Non-broker participant is an obsolete term replaced by non-market participant in March 2004.
NGF	National guarantee fund
Nil Paid Rights Register	A register of issued rights jointly maintained by the issuer and ASX Settlement Pty Limited to enable rights trading to be brought into line with fixed settlement and DvP concepts.
Non Broker Participant	Obsolete term replaced by non-market participant in March 2004.
Non Settlement Sponsorship Participant	Obsolete term replaced by account participant in March 2004.
Non-Market Participant	A non-market participant is a participant in CHESS who, since they are not market participants, are not protected by the NGF.

Non-Value	A settlement in which ASX Settlement Pty Limited gives effect to the delivery of financial products but does not give effect to a corresponding payment. For example, this may occur when parties settle the payment side of a trade externally to ASX Settlement Pty Limited, and transfer the required uncertificated financial products via CHESS.
Novated trade	A novated trade is a trade where the original obligation between two parties is replaced by an obligation between each party (or their agent) and a central counter party. This has the effect of placing the central counter party as buyer to the selling party and as seller to the buying party.
NSSP	Non settlement sponsorship participant, an obsolete term replaced by account participant in March 2004.
Off Market Transaction	An off market transaction is a transaction in an approved financial products that is not an on-market transaction as defined in the ASX Settlement Operating Rules.
On Market Transaction	An on market transaction is a transaction in an approved financial product in relation to which one of the following conditions is satisfied:

    (a) the transaction was entered into in the ordinary course of trading on the ASX; or

    (b) the transaction is, under the ASX Market Rules or the ASX Listing Rules, described, or to be described, as 'special' when it is reported to ASX; or

    (c) in relation to a transaction between a participant and a non-participant, a contract note is issued by the participant in relation to a transaction under (a) or (b); or

    (d) in relation to a transaction between two entities that are not participants, the transaction is entered into solely for the purpose of facilitating settlement of a transaction of a kind referred to in (a) or (b).

For more information, refer to the ASX Settlement Operating Rules.

Parent Financial Product	In the context of corporate action entitlements, the parent financial product is the financial product from which a corporate action entitlement is derived.

Participant	A participant is an entity that meets the participation criteria of one or more of :
	• ASX Market Rules;
	• ASX Clear Operating Rules; and
	• ASX Settlement Operating Rules;
	and performs one or more of the following market roles:
	• market participant;
	• clearing participant;
	• settlement participant; and
	• sponsorship participant.
Participant Identifier code	The participant identifier (PID) code uniquely identifies a participant within CHESS. A PID is also called a UIC. All CHESS users have a UIC, but only participants have a PID.
PDB	Price Display Board
PDS	Product Disclosure Statement
PID	Participant identifier code
PISP	Product Issuer Settlement Participant
PMF	Primary market facility
Primary Market Facility	The CHESS primary market facility is an optional CHESS service available to issuers to allow them to use DvP to settle allocation interests in certain types of primary market offers.
Priority Allocation	See *Foreign to Foreign Allocation*
Procedure Guidelines	The procedure guidelines is a document that provides CHESS users with guidelines to assist in developing and managing their internal operations with CHESS.
Record Date	Record date is the date on which an issuer determines the entitled holding balances for the purpose of a corporate action.
Registered Balance	See *Holding Balance*

Registration Address	A registration address is that part of a holder's registration details that appears after the comma.
Registration Details	Registration details are the holder's name, address, Email Details (if any) and Residency Indicator.
Registration Name	A registration name is that part of a holder's registration details that appears before the comma.
Registry Transaction	A registry transaction is a transaction initiated by a registry to effect a movement on a subregister holding. The transaction is processed within time constraints published in the ASX Settlement Operating Rules. A registry transaction does not involve a transfer of funds though CHESS.
RITS	Reserve Bank Information & Transfer System
RTGS	Real time gross settlement
Securities Exchanges Guarantee Corporation	The Securities Exchanges Guarantee Corporation is the entity responsible under the Corporations Act for administration of the NGF.
Security Code	Security code identifies the financial product that is subject to a CHESS message. It may be either an ASX code or an ISIN security code.
Securityholder Reference Number	Securityholder reference number is a unique number that identifies a holder on an issuer sponsored subregister. It is allocated by the issuer or its registry.
SEGC	Securities Exchanges Guarantee Corporation
Settlement	The completion of a transaction, whereupon financial products and, where appropriate, corresponding funds are irrevocably transferred.
	Settlement (and settlement run) are also used in CHESS to refer to the operational process that runs each day to effect the movement of financial products and the exchange of funds.
Settlement Cut-Off	Settlement cut-off is the time by which settlement instructions must be to be submitted and matched in CHESS for them to be included in the current settlement cycle.

Settlement Date	Settlement date is the date when participants have an obligation to either deliver financial products or make a payment.
Settlement HIN	A settlement HIN is a HIN identified by CHESS as the target or source holder on the subregister where the financial product component of a transaction is to be delivered to or sourced from as part of the settlement process.
Settlement Instruction	A settlement instruction effects a movement of financial products during the CHESS settlement process. A settlement instruction is one of the following:

- netted obligations;
- dual entry settlement transfers;
- single entry settlement transfers;
- market trades.

Settlement Offset	The settlement offset is an allowance to assist holders in discharging their delivery obligations on the due date. Currently, the offset has a value of one business day.
	The ASX uses the settlement offset when calculating the first allowable settlement date (fixed settlement period plus the settlement offset business days after the nominated issue date).
Settlement Tolerance Amount	The settlement tolerance amount is the tolerance used for the matchable field Settlement Amount when CHESS is matching dual-entry transactions.
	The settlement tolerance amount is currently $1 with the lower of the two settlement amounts being the one adopted for settlement.
Settlement Transaction	A settlement transaction is a transaction submitted by a participant to effect a movement of financial products from one holding on the CHESS subregister to another and which is directed to a specific settlement run.
Shunt	A shunt it the movement of a holding of depositary interests or principal financial products between branch registers without a change in beneficial ownership.
Signal E	A signal E is an ASX Data Service signal that comprises issuer and diary adjustment details, trade/quote and index details and full corporate action details relevant to CHESS.

Single Entry Transfer	A single entry transfer is a transfer (demand and settlement) that is effected by a single instruction sent by the delivering participant.
Specialist Settlement Participant	A specialist settlement participant is an entity admitted as a participant in the daily settlement facility for a specific purpose such as managing a takeover offer or buyback.
Sponsored Holders	Sponsored holders are holders that have a sponsorship agreement with a participant whereby the participant has full operational control over the holder's holdings on the CHESS subregister.
SRN	Securityholder reference number
Standard Settlement Price	Standard settlement price is calculated as the "valuation price" of a financial product at the end of the previous day. CHESS uses the standard settlement price to mark to market failed net obligations.
Start of Day	Start of day is the time when the full range of overnight CHESS reporting is available to the CHESS users.
Subposition	See *Holding Subposition*
Subregister	A subregister is a component of the principal register whereby financial products held in different modes are segregated. In the CHESS environment, two subregisters exist: • issuer sponsored subregister (maintained by the issuer); and • CHESS subregister (registration details and holding balances maintained by ASX Settlement Pty Limited).
T + n	See *Fixed Settlement*
Trade	A trade is a financial product transaction between two parties. A trade may be one of: • trade where both parties are ASX market participants; • trade where one party is an ASX market participant and the other is not; • trade where neither party is an ASX market participants.

Transaction Id	A transaction is a reference number that uniquely identifies a transaction within CHESS. The transaction id is allocated by the participant's system as it sends the message to CHESS.
	A transaction id is composed of 16 characters and is made up of the following sub-fields:
	• UIC (5 numerics) – the UIC allocated by ASX Settlement Pty Limited to the participant sending the transaction
	• user defined identifier (9 characters) – the participant may insert any data in this area provided it is unique across all transactions submitted by that participant
	• accrual number (2 numerics) – this sub-field must contain numeric zeros. CHESS may generate non-zero accrual numbers on some messages sent back to the user.
Transfer	A transfer is a transaction to move a quantity of financial product from one holding to another effecting a change in registered title.
Transformation	A transformation is a transaction to change financial products from one class to another (e.g. from options to underlying shares).
Transmutation	Transmutation is the process of converting:
	• CDIs into principal securities;
	• Principal securities into CDIs;
	• FDIs into participating foreign securities; and
	• Participating foreign securities into FDIs.
UIC	User identification code
User Identification Code	The user identification code uniquely identifies a CHESS user. A participant's UIC may also be called a PID.

Valuation Price	The valuation price is a price available from the ASX's data service signal E. The price is calculated as follows:
	1. Price Traded Stocks
	If there was a trade on the previous day then the last price adjusted by either a higher bid price or a lower ask price is used to create the valuation price. If there were no trades on the previous day then yesterday's valuation price, adjusted by a higher bid price or a lower ask price, becomes the new valuation price.
	2. Yield Traded Stocks
	The valuation yield is converted to a price using a formula that takes into account maturity date, interest rate, interest payment date, interest payments per year and basis of quotation. The value of interest accrued since the last interest payment date is calculated and subtracted from the converted price giving the valuation price.

For the legal definition of a particular term, refer to the definitions included in the relevant operating rules (e.g. ASX Operating Rules, ASX Clear Operating Rules, or ASX Settlement Operating Rules).

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