



A Guide to Becoming an ASX Participant

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Table of Contents

A. Introduction.....	4
B. Information for all Applicants.....	5
Types of Participation.....	5
(i) ASX Market Participant.....	5
(ii) ASX Clearing Participant	7
(iii) ASX Settlement Participant.....	9
(iv) ASX 24 Trading Participant	12
(v) ASX Clearing Participant (Futures)	14
Fees and Charges for gaining access to ASX markets.....	15
The Application Process	15
ASX Process and likely timeframes	15
Information for Domestic Applicants	16
Information for Foreign Applicants	16
ASX Clearing Applicants – Overseas Activity	17
Establishing new operations	18
How do new trading Participants establish trading operations?.....	18
How do new ASX Clearing Participants (Futures) establish clearing operations?	18
How do new ASX Clearing Participants establish clearing operations?.....	18
How do new ASX Settlement Participants establish operations?	19
Primary level accreditation (for service providers only).....	19
Secondary level accreditation (connectivity).....	19
ASX Information Services	20
C. The ASX Participant Application Form.....	21
Section 1: General Information – All Applicants	21
1.1 Applicant Details	21
1.2 Corporate Governance	21
1.3 Authorised Signatories.....	22
1.4 Other ASX Group Participations	23
1.5 Other Registrations.....	24
1.6 Other Market Activities.....	24
1.7 Principal Business Activities	24
1.8 Capital Requirements	25
Section 2: ASX Trade / ASX Trade 24 Trading Participants	30
2.1 Participant Type / Product.....	30
2.2 Trade Facilities	32
2.3 Access Model	32
2.4 Clearing and Settlement Arrangements.....	33
2.5 Compliance Requirements.....	33
Section 3: ASX Clearing Participants and ASX Clearing Participants (Futures).....	35
3.1 Participant Type.....	35
3.2 Products.....	35
3.3 Nominee Companies	35
3.4 Compliance Requirements.....	36
3.5 Settlement Arrangements	37
3.6 Business Continuity Arrangements.....	37

Section 4: ASX Settlement Participants.....	40
4.1 Participant Type.....	40
4.2 Performance Bonds	40
4.3 Operational Documentation	41
4.4 Business Continuity Arrangements.....	41
Section 5: Applicant Agreement.....	44
5.1 Acknowledgement / Attestation.....	44
D. ASX Contacts.....	45

A. Introduction

ASX Limited (ASX) was created by the merger of the Australian Stock Exchange and the Sydney Futures Exchange in July 2006. The ASX Group is one of the world's top-10 listed exchange groups measured by market capitalisation.

ASX is a multi-asset class, vertically integrated exchange group. Its activities span primary and secondary market services, including capital formation and hedging, trading and price discovery (Australian Securities Exchange); central counterparty risk transfer (ASX Clearing Corporation); and securities settlement for both the equities and fixed income markets (ASX Settlement Corporation).

ASX offers a range of Participant membership categories that span its trading, clearing and settlement facilities. This guide is designed to help applicants understand the options available to them and to assist applicants complete the ASX Participant Application Form.

This guide should be read in conjunction with the ASX Participant Application Form. It contains the following information:

- explanation of the different categories of trading, clearing and settlement Participants within the ASX Group
- outline of the Participant application process and key contact points within ASX
- information to help applicants accurately complete the ASX Participant Application Form
- overview of additional requirements for Off-shore Participants
- links to other relevant documents

Participants enter into a binding contractual relationship with ASX. This relationship is recognised in the Corporations Act 2001 (Cth). Participants agree to be bound by the relevant ASX rules. ASX Market Participants and ASX 24 Trading Participants are also required, under Australian law and under contract with ASX, to comply with the Australian Securities and Investments Commission (ASIC) Market Integrity Rules, see below.

For more information, please contact ASX Customer Management at +61 2 9227 0787 or Participants@asx.com.au

This Guide is available online in the 'Application Process' folder within the Participant Application Kit on ASXOnline: <https://www.asxonline.com/Participants/Welcome>

ASIC Market Integrity Rule (MIR) Obligations

If you are applying as an ASX Market Participant or an ASX24 Market Participant it is important for you to engage with ASIC at the point your application is accepted by ASX. To contact ASIC's Market and Participant Supervision group you can phone 1300 029 454 and select Option 3 for Participant enquiries or matters.

Alternatively, you can email the Market and Participant Team at market.participants@asic.gov.au.

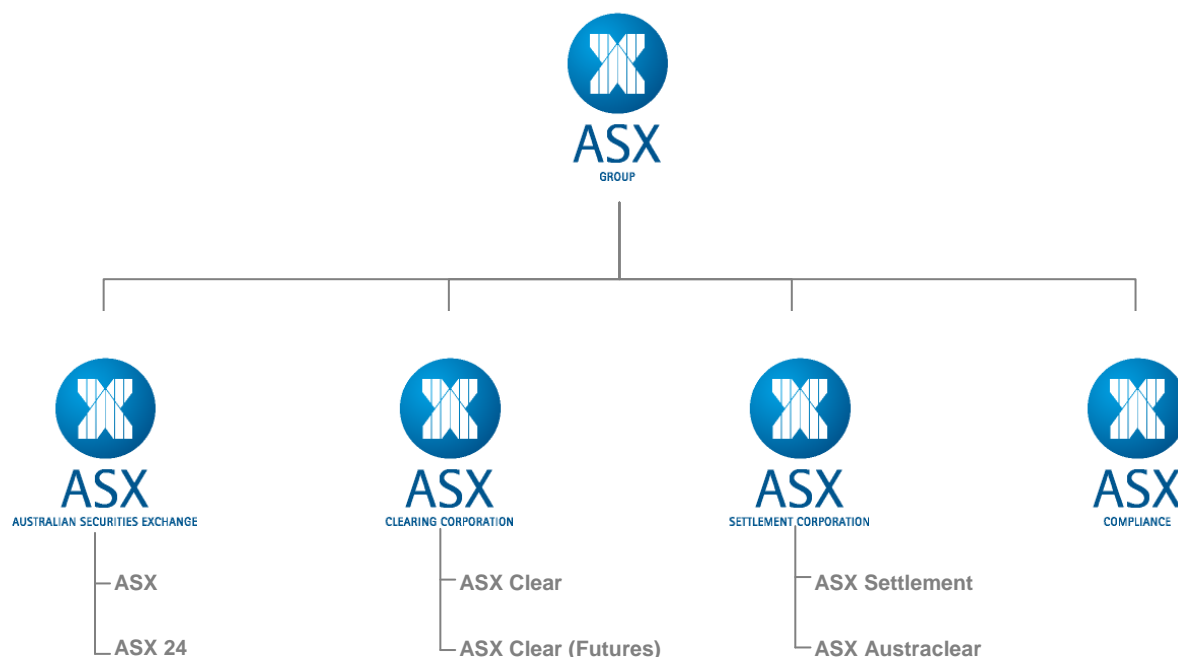
Information relating to the MIR's and all Regulatory Guides can be accessed from the ASIC website – [ASIC Market Integrity Rules](#)

It is important to note that a Participant has the obligation to comply with ASX Operating Rules and ASIC market integrity rules, on and from the date of admission as a Participant.

B. Information for all Applicants

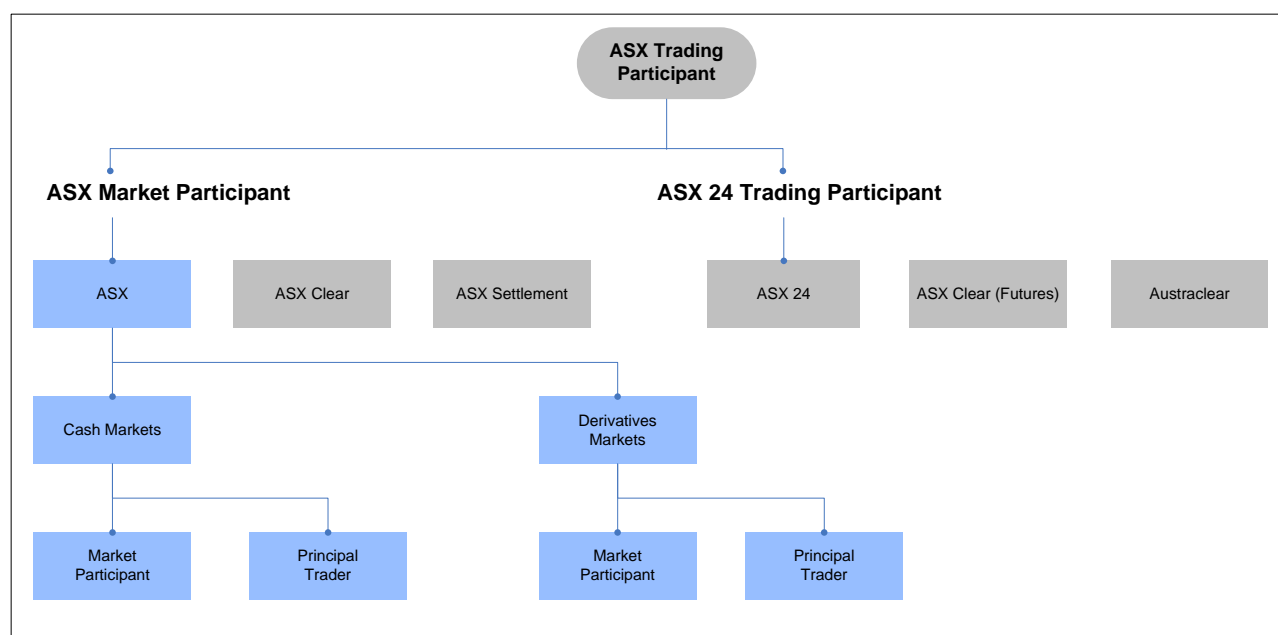
Types of Participation

This section describes the different ASX Participation categories. For more information, please contact ASX Customer Management at +61 2 9227 0787 or Participants@asx.com.au



The ASX market provides for Trading, Clearing and Settlement participants to transact in such products as Equities, Exchange Traded Options and ASX Futures, while the ASX 24 market provides for Trading and Clearing participants to transact in exchange traded products such as Futures and Contracts for difference (CFD).

(i) ASX Market Participant



The ASX Market consists of a Cash Market and a Derivatives Market. Applicants can apply to become either a Market Participant or Market Participant (Principal Trader) on either or both of these markets.

Market Participants

Once approved as a Market Participant of ASX with Cash Market permissions and / or Derivatives Market permissions you will have direct access to both markets via a direct connection to the ASX Trading platforms, and can begin providing execution services to your own organisation and your clients as permitted under your Australian Financial Services Licence (AFSL).

If you do not intend to clear your own transactions, then you will have to appoint a Third Party Clearing provider (who is an ASX Clearing and ASX Settlement Participant) to clear them on your behalf. You must also enter into a Clearing Agreement with the Third Party provider and ensure an executed copy of the agreement has been lodged with ASX Compliance prior to commencing trading.

As a Market Participant you have no capital requirements under the ASX Operating Rules however, depending on your business model you may have capital requirements under the ASIC Market Integrity Rules. Any enquiries in this regard should be referred to ASIC.

Market Participant (Principal Traders)

Once approved as a Principal Trader of ASX with Cash Market permissions and / or Derivatives Market permissions you will have direct access to both markets via a direct connection to the ASX Trading platforms.

Principal Traders transact on their own account and do not provide execution services to clients.

If you do not intend to clear your own transactions, then you will be required to enter into an arrangement with a Third Party Clearing provider (who is an ASX Clear and ASX Settlement Participant) to clear and settle transactions on your behalf. You must also enter into a Clearing Agreement with the Third Party Clearing provider and ensure an executed copy of the agreement has been lodged with ASX Compliance prior to commencing trading.

Making Markets

If either a Market Participant or Principal Trader wishes to make markets in either Warrants or Derivatives they should contact ASX Customer Acquisitions to discuss the contracting terms and conditions.

Admission of ASX Market Participants

The admission requirements under ASX Operating Rules 1000, 1001, 1002 and 1003 state,

- 1000 For an applicant to be eligible for admission as a Market Participant (other than a Principal Trader) the applicant must:
- (a) lodge an application in the form prescribed by ASX as set out in the Procedures;
 - (b) be a body corporate which is incorporated as a company or registered as a foreign company under the Corporations Act and not be applying in the capacity of a trustee under a trust;
 - (c) hold an Australian financial services licence which authorises the applicant to carry on its business as a Market Participant (unless such a licence is not required by ASIC);
 - (d) satisfy ASX that it is of high business integrity. Without limiting the discretion of ASX, in assessing whether an applicant is of high business integrity ASX may have regard to the matters set out in the Procedures;

- (e) satisfy ASX, in the manner set out in the Procedures, that it has organisational competencies which are adequate for the performance of its obligations as a Market Participant under these Rules;
- (f) satisfy ASX in the manner set out in the Procedures, that it has organisational competencies sufficient to prevent any action or inaction which results in a market for a Product not being both fair and orderly;
- (g) satisfy ASX, in the manner set out in the Procedures, that it has organisational competencies sufficient to prevent any action or inaction which interferes with the operational efficiency or proper functioning of the Trading Platform;
- (h) warrant to ASX that it is in compliance with the management requirements set out in the ASIC Market Integrity Rules;
- (i) satisfy ASX that it has in place and will maintain adequate clearing arrangements in accordance with Rule 1003 and Schedule 1; and
- (j) if the applicant is applying to be admitted up to one year after the Effective Time (as defined in Section 8), satisfy ASX that it complies with the Capital Requirements (as defined in Section 8) (or any other requirements applicable in accordance with the conditions of any exemption from the Capital Requirements under Rules 8220 to 8226).

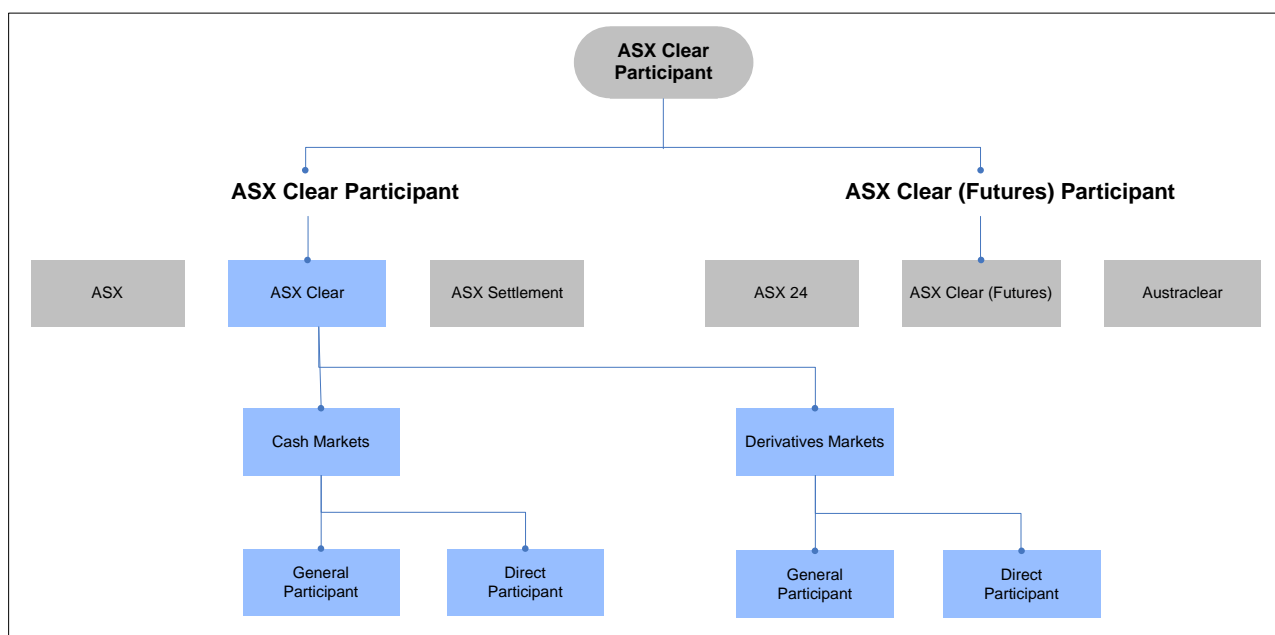
1001 A Principal Trader may only enter into transactions on its own behalf. For an applicant to be eligible for admission as a Market Participant which is a Principal Trader only the applicant must meet the requirements set out in Rule 1000 except that the applicant does not need to meet the requirements set out in Rule 1000(j).

If the applicant proposes to be registered as a Market Maker under Rule 3440 it must hold an Australian financial services licence which authorises it to carry on its business as a Market Participant.

1002 If an applicant is a body corporate incorporated or resident outside Australia, then ASX may impose additional requirements as specified in the Procedures.

1003 Rules in relation to clearing arrangements are set out in Schedule 1. All Trading Participants are required to comply with that Schedule and ASX has the powers specified in that Schedule.

(ii) ASX Clear Participant



Direct Participants

A Direct Participant of ASX Clear is a Clearing Participant that clears Cash CCP Transactions or Derivatives CCP Contracts for itself and its own Clients but not anyone else. Unless solely clearing ASX Futures, a Direct Participant must also be a General Participant of ASX Settlement.

As an ASX Clear Direct Participant you are responsible for the clearing process and bear the capital requirements for all transactions. You will need to have appropriate facilities and framework in place (including procedures and personnel) to adequately manage the counterparty risks that arise from the clearing function, together with adequate financial resources and systems to comply with ASX Clear Operating Rules.

General Participants

A General Participant of ASX Clear is a Clearing Participant that is a Third Party Clearer (TPC) that clears Cash CCP Transactions or Derivatives CCP Contracts for itself, its own Clients, Market Participants and their clients and other Participants and their clients.

Admission as a General Participant only entitles a Participant to clear transactions for someone else provided the Participant has entered into a Clearing Agreement and a copy has been submitted to ASX Clear.

As an ASX Clear General Participant you are responsible for the clearing process and bear the capital requirements for all transactions. You will need to have appropriate Supervisory, Risk and Compliance framework in place (including procedures and personnel) to adequately manage the counterparty risks that arise from the clearing function, together with adequate financial resources and systems to comply with ASX Clear Operating Rules.

Admission of ASX Clear Participants

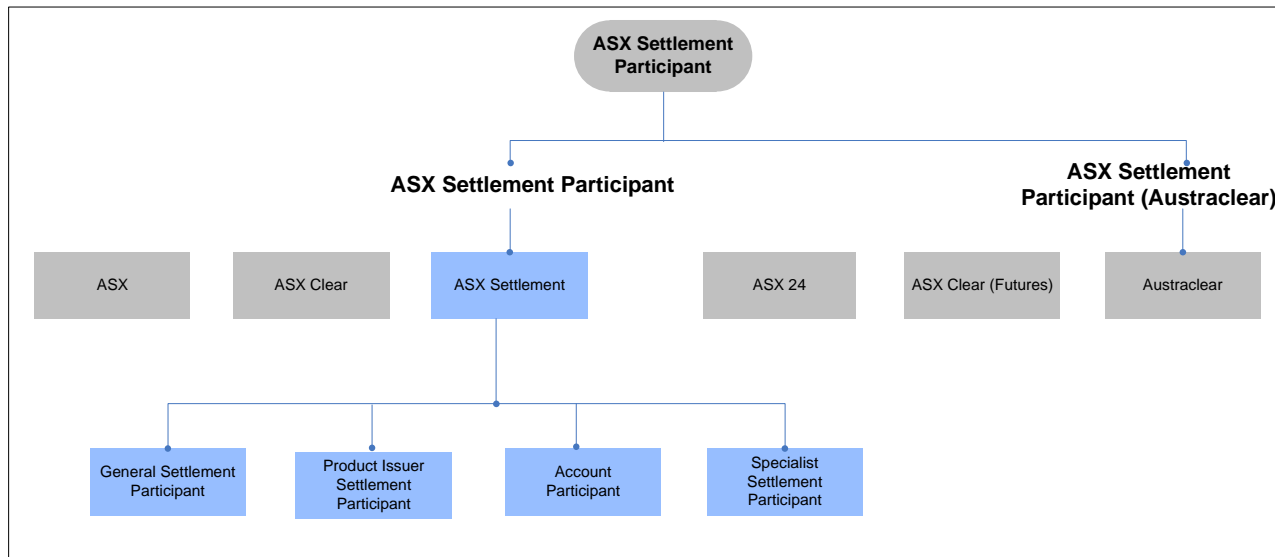
The admission requirements under Section 3 of the ASX Clear Operating Rules state:

3.2.1 For an applicant to be eligible to be admitted as a Participant the applicant must:

- (a) be a body corporate incorporated under the Corporations Act or registered as a foreign company under the Corporations Act, and not be applying in its capacity as a trustee of any trust;
- (b) if the applicant is incorporated or resident outside Australia, comply with Rule 4.19.2;
- (c) hold an Australian financial services licence which authorises the applicant to carry on its business as a Participant;
- (d) satisfy ASX Clear that it meets the business integrity requirements of this Section;
- (e) satisfy ASX Clear that it meets the management requirements of this Section;
- (f) satisfy ASX Clear that it has facilities, procedures, personnel and financial resources which are adequate for the performance by the applicant of its obligations as a Participant under these Rules, including without limitation, meeting the technical and performance requirements of this Section;
- (g) comply with the business connection requirements of this Section;
- (h) satisfy ASX Clear that it complies with the capital regime requirements in Section 5;
- (i) have insurance in place which complies with the requirements of Rule 4.3;
- (j) if the applicant seeks to be authorised to clear Options Market Transactions and/or OTC Options Market Transactions but is not or does not seek to be authorised to clear Cash Market Transactions associated with those Options Market Transactions, appoint a Participant which is authorised to clear the Cash Market Transactions and enter into, and maintain, a Clearing Agreement with that other Participant;
- (k) if the applicant is not itself able to settle Cash Market Transactions in an Approved Settlement Facility, appoint a Settlement Participant and maintain a Settlement Agreement with that Settlement Participant; and

- (l) comply with any condition imposed under Rules 3.1.4, 22.7.3 or 23.7.3.

(iii) ASX Settlement Participant



General Settlement Participants

A General Participant of ASX Settlement is admitted for purposes including the holding, transfer and settlement in Batch Settlement of Approved Financial Products in the Settlement Facility.

A General ASX Settlement Participant may also act in the Settlement Facility as a settlement agent on behalf of an ASX Clear Participant. A General ASX Settlement Participant may also establish and maintain Participant Sponsored Holdings;

As a General Settlement Participant you will need to have appropriate Supervisory, Risk and Compliance framework in place (including procedures and personnel) to adequately manage the counterparty risks that arise from the settlement function, together with adequate resources and systems to comply with ASX Settlement Operating Rules.

Admission of a General Participant of ASX Settlement

The admission requirements under Section 4 of the ASX Settlement Operating Rules state:

4.3.1 ASX Settlement will admit a person as a General Participant if ASX Settlement is satisfied that the person:

- (a) has applied for admission as a Participant in accordance with Rule 4.2.1;
- (b) is one of the following:
 - (i) the holder of an Australian financial services licence which authorises the applicant to carry on its business as a Participant;
 - (ii) a Market Operator;
 - (iii) a CS Facility;
 - (iv) a person regulated by APRA;
 - (v) a person regulated by an overseas regulatory authority approved by the Commission under section 911A(2)(h) of the Corporations Act;
 - (vi) a Trustee Company; or

- (vii) a corporation that is a wholly owned subsidiary of an Australian bank and the whole business of which is providing nominee, custody and related services or margin lending services; and
- (c) unless otherwise determined by ASX Settlement:
 - (i) meets the technical and performance requirements of this Section;
 - (ii) meets the performance bond requirements of this Section;
 - (iii) meets the payment facility requirements of this Section;
 - (iv) meets the business integrity requirements of this Section; and
 - (v) meets the management requirements of this Section.

Account Participants

An Account Participant is not a Settlement Participant. An Account Participant can participate in certain aspects of the holding and transfer of Approved Financial Products but do not participate in Batch Settlement in the Settlement Facility.

An Account Participant may also establish and maintain Participant Sponsored Holdings

As an Account Participant you will need to have an appropriate management structure in place and have appropriate supervisory policies / procedures..

If you wish to change your ASX Settlement participation from "General" to "Account" then you will need to:

- (a) Resign your ASX General Settlement Participation in accordance with the ASX Settlement Operating Rules; and
- (b) Apply to become an ASX Account Settlement Participant.

Admission of an Account Participant of ASX Settlement

The admission requirements under Section 4 of the ASX Settlement Operating Rules state:

4.5.1 ASX Settlement will admit a person as an Account Participant if ASX Settlement is satisfied that the person:

- (a) is the holder of an Australian financial services licence which authorises the applicant to carry on its business as a Participant;
- (b) has applied for admission as a Participant in accordance with Rule 4.2.1;
- (c) meets the technical and performance requirements of this section;
- (d) meets the business integrity requirements of this section;
- (e) meets the performance bond requirements of this section; and
- (f) meets the management requirements of this section

Specialist Settlement Participants

A Specialist Settlement Participant of ASX Settlement is admitted for limited purposes including acting as Offeror in relation to a takeover scheme or for processing an Allocation Component in DvP Batch Settlement.

Admission of a Specialist Settlement Participant of ASX Settlement

The admission requirements under Section 4 of the ASX Settlement Operating Rules state

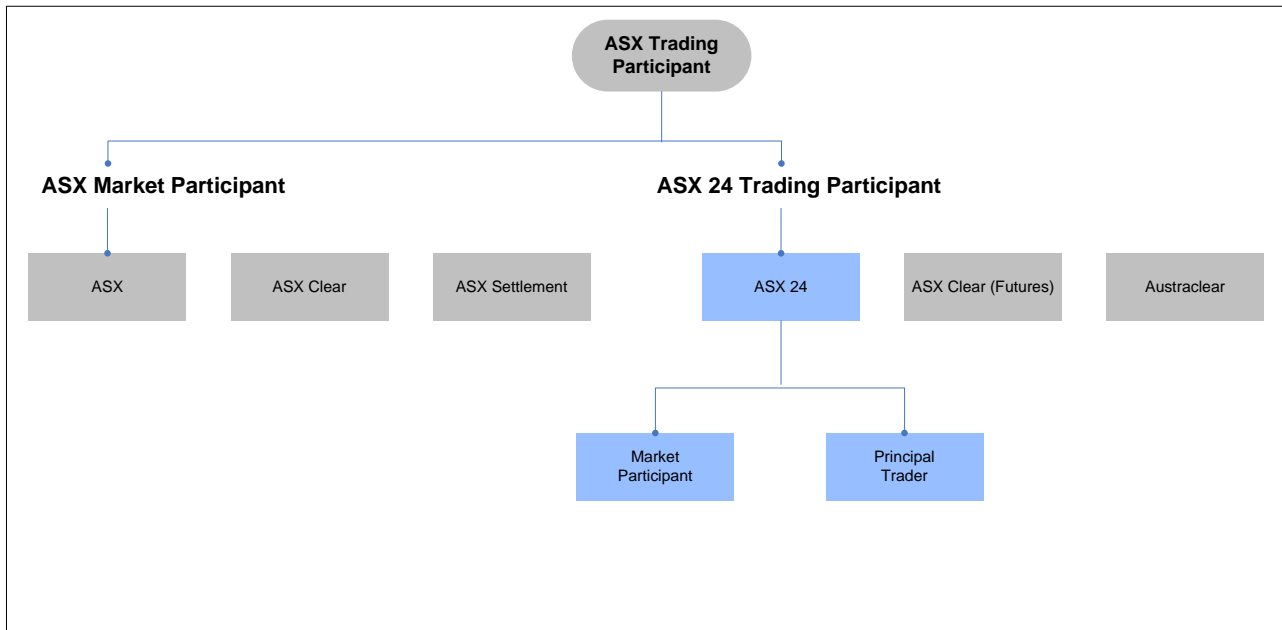
4.4.1 ASX Settlement will admit a person as a Specialist Settlement Participant if ASX Settlement is satisfied that the person;

- (a) has applied for admission as a Participant in accordance with Rule 4.2.1;
- (b) meets the technical and performance requirements of the Rules;
- (c) meets the performance bond requirements of the Rules;
- (d) and its Principals meet the capacity requirements of the Rules;
- (e) meets the business integrity requirements of the Rules;
- (f) meets the local establishment requirements (subject to Rule 4.4.2) of the Rules; and
- (g) meets the payment facility requirements of the Rules.

Note: a person admitted as a Settlement Participant under this Rule 4.4.1 may not act as a Sponsoring Participant

If a Specialist Settlement Participant acts only as a Participant Bidder the requirement in ASX Settlement Rule 4.4.1(f) will not apply.

(iv) ASX 24 Trading Participant



Applicants can apply to become either a Market Participant (Trading Participant) or Market Participant (Principal Trader) on ASX 24.

Trading Participants

Once approved as a Trading Participant you will have direct access to the market via a direct connection, and can begin providing execution services to your own organisation and your clients as permitted under your Australian Financial Services Licence (AFSL).

If you do not intend to clear your own transactions, then you will have to appoint a Third Party Clearing provider (who is a ASX Clear (Futures) Participant) to clear them on your behalf. You must maintain adequate clearing arrangements, including, where relevant, a Clearing Guarantee from a Guarantor Clearing Participant, which must be lodged with the ASX.

As a Trading Participant you have no capital requirements under the ASX 24 Operating Rules - however, depending on your business model you may have capital requirements under the ASIC Market Integrity Rules. Any enquiries in this regard should be referred to ASIC.

Principal Traders

Once approved as a Principal Trader you will have direct access to the market via a direct connection to the ASX 24 Trading platform.

Principal Traders transact on their own account and do not provide execution services to clients.

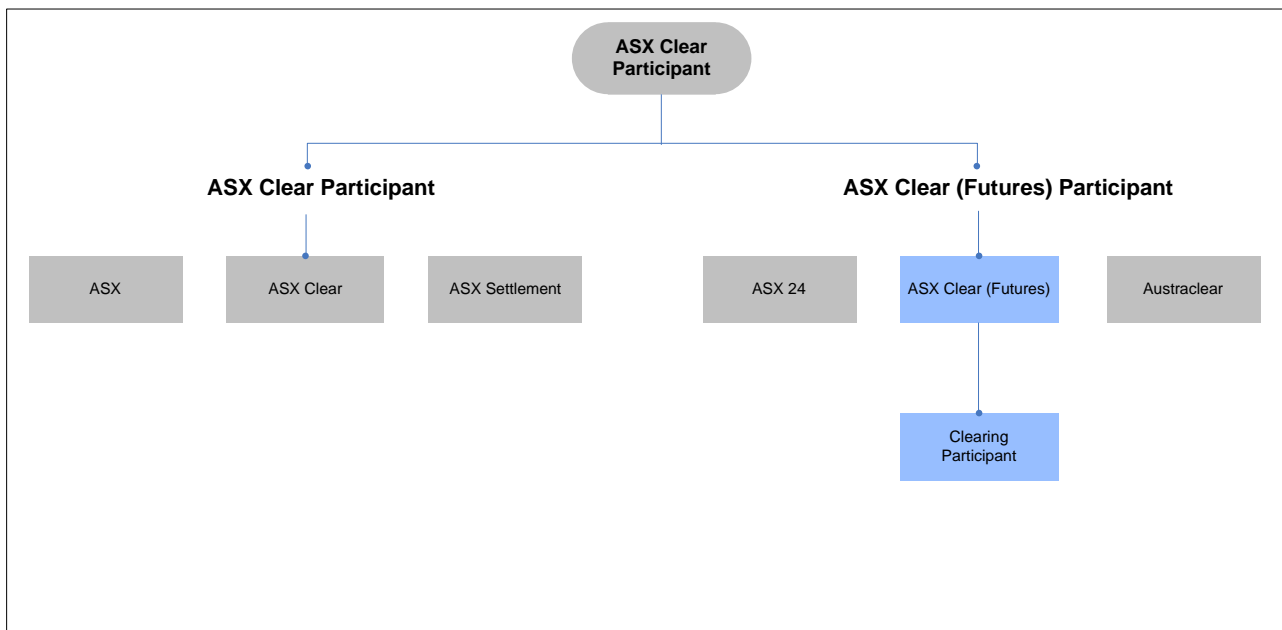
If you do not intend to clear your own transactions, then you will have to appoint a Third Party Clearing provider (who is a ASX Clear (Futures) Participant) to clear them on your behalf.

Admission of Trading Participants

The admission requirements under ASX 24 Operating Rules 1000, 1001 and 1002 state,

- 1000 For an applicant to be eligible for admission as a Trading Participant (other than a Principal Trader) the applicant must:
- (a) lodge an application in the form prescribed by the Exchange as set out in the Procedures;
 - (b) be a body corporate which is incorporated as a company or registered as a foreign company under the Corporations Act and not be applying in the capacity of a trustee under a trust;
 - (c) hold an Australian Financial Services Licence which authorises the applicant to carry on its business as a Trading Participant (unless such a licence is not required by ASIC);
 - (d) satisfy the Exchange that it is of high business integrity. In assessing whether an applicant is of high business integrity for the purposes of Rule 1000(d), but without limiting the discretion of the Exchange, the Exchange may have regard to the matters set out in the Procedures;
 - (e) satisfy the Exchange, in the manner set out in the Procedures, that it has organisational competencies which are adequate for the performance of its obligations as a Participant under these Rules;
 - (f) satisfy the Exchange in the manner set out in the Procedures, that it has organisational competencies sufficient to prevent any action or inaction which results in a market for a Product not being both fair and orderly;
 - (g) satisfy the Exchange, in the manner set out in the Procedures, that it has organisational competencies sufficient to not interfere with the efficiency, orderliness and proper functioning of the Trading Platform;
 - (h) warrant to the Exchange that it is in compliance with the management requirements set out in the ASIC Market Integrity Rules;
 - (i) satisfy the Exchange that it has in place and will maintain adequate clearing arrangements, including, where relevant, a Clearing Guarantee from a Guarantor Clearing Participant; and
 - (j) if the applicant is applying to be admitted up to one year after the Effective Time (as defined in Section 8), satisfy the Exchange that it complies with the Capital Requirements (as defined in Section 8) (or any other requirements applicable in accordance with the conditions of any exemption from the Capital Requirements under Rules 8400 to 8431).
- 1001 A Principal Trader may only enter into transactions on its own behalf. For an applicant to be eligible for admission as a Trading Participant which is a Principal Trader only the applicant must meet the requirements set out in Rule 1000 except that the application does not need to meet the requirements set out in Rule 1000(j) above.
- 1002 If an applicant is a body corporate incorporated or resident outside Australia, then the Exchange may impose additional requirements as specified in the Procedures.

(v) ASX Clear (Futures) Participant



ASX Clear (Futures) Participants

A Clearing Participant of ASX Clear (Futures) can clear Futures and CFDs for itself and its own Clients. It can also provide clearing services to non clearing ASX 24 Participants and Principal Traders.

A Clearing Participant must provide a 'Clearing Guarantee' for each non clearing ASX 24 Participant for whom they clear. A copy of this must be provided to ASX Clear (Futures).

As an ASX Clear (Futures) Participant you are responsible for the clearing process and must meet certain capital requirements. You will need to have appropriate facilities and framework in place (including procedures and personnel) to adequately manage the counterparty risks that arise from the clearing function, together with adequate financial resources and systems to comply with the ASX Clear (Futures) Operating Rules.

Admission of Clearing Participants

The admission requirements under ASX Clear (Futures) Operating Rules 4.2 state,

An applicant who wishes to be approved as a Clearing Participant shall lodge with the Board:

- (a) an application in the Prescribed form signed by the applicant;
- (b) such information concerning the applicant and supported by such evidence as the Board may prescribe
- (c) an undertaking by the applicant in the Prescribed form to abide by these Clearing Rules as amended from time to time, if the application is granted; and
- (d) an application fee of an amount determined from time to time in accordance with Clearing Rule 3.2.

Fees and Charges for gaining access to ASX markets

To access the current fees and charges please refer to the 'Schedules of Fees' available on the ASXOnline website at <https://www.asxonline.com/participants/index.html> under 'Library' and 'Information', in the 'Participants Application Kit'.

If your application to become an ASX Participant is not accepted, ASX will refund your application fee. However, if you withdraw your application, your fee will be refunded, less ASX's administration and processing costs, and any related infrastructure costs.

A direct debit form is the preferred method of payment and is attached to the ASX Participant Application Form. Alternatively, payment may be made via EFT or by cheque. Again, details are defined on the Application Form.

The Application Process

ASX Process and likely timeframes

The time taken to process an application will vary depending on the membership type requested and the applicant's circumstances. ASX will not commence processing an application until a complete Form (including all Annexures) has been received and accepted as complete.

In ASX's experience the most common reasons for delays are:

- incorrect information submitted
- errors in risk-based capital requirement calculations submitted
- involvement of off-shore regulators where an entity is based off-shore or trading on behalf of off-shore based clients

If an applicant has been unable to satisfy all the admission requirements within three months of lodging their application, then the application will be returned to the applicant together with all the supporting documentation. The applicant will be entitled to re-lodge the application when it believes it is in a position to satisfy all the admission requirements.

Applicants that are required by law to hold an AFSL or to modify an existing AFSL should contact ASIC early in the process in order to minimise possible delays in obtaining ASIC regulatory approval. Any timeframe estimates provided by ASX do not include the time that it takes an applicant to satisfy any ASIC or overseas regulator requirements, including the time taken to receive an Australian Financial Services Licence (AFSL) or to comply with ASIC Market Integrity Rules.

ASIC Market Integrity Rule (MIR) Obligations

If you are applying as an ASX Market Participant or an ASX24 Market Participant it is important for you to engage with ASIC at the point your application is accepted by ASX. To contact ASIC's Market and Participant Supervision group you can phone 1300 029 454 and select Option 3 for Participant enquiries or matters.

Alternatively, you can email the Market and Participant Team at market.participants@asic.gov.au.

Information relating to the MIR's and all Regulatory Guides can be accessed from the ASIC website – [ASIC Market Integrity Rules](#)

It is important to note that a Participant has the obligation to comply with ASX Operating Rules and ASIC market integrity rules, on and from the date of admission as a Participant.

Information for Domestic Applicants

Pre-lodgement discussions

Before you lodge an application, you are encouraged to discuss your application for admission as an ASX Participant with ASX Customer Management. The pre-lodgement discussion will clarify the admission requirements for a new ASX Participant, the application process and your ongoing requirements as a new ASX Participant, and will include an overview by the ASX Participant Compliance and Counterparty Risk Assessment units of the requirements of the ASX Operating Rules as applicable.

Application process

A new applicant is required to complete and submit the relevant application form for admission as a new ASX Participant. After discussions with ASX Customer Management, you can obtain application forms from the 'Participants Application Kit', found under 'Library' and 'Information', <https://www.asxonline.com/participants/index.html>. All Operating Rules are located at http://www.asx.com.au/supervision/rules_guidance/index.htm

All applications should be submitted to ASX Customer Management. ASX, including the ASX Compliance – Participants unit, will review your application to ensure it complies with the relevant ASX Rules. If your application complies with the Rules and meets all of the requirements, ASX Customer Management will prepare a submission in support of your application that is then forwarded to ASX management for consideration.

Successful applicants

Upon successfully gaining admission as an ASX Participant, you will receive a copy of the relevant ASX Operating Rules and a certificate of admission as an ASX Participant.

What if your application is rejected?

Before ASX can reject any application for admission as an ASX Participant you will be given an opportunity to provide further information or take steps to address the reasons for the rejection.

Information for Foreign Applicants

Where an applicant is not incorporated or resident in Australia, or where an applicant intends to trade on behalf of clients who are not resident in Australia, additional requirements for ASX and for the applicant may arise as a result of laws in overseas jurisdictions. ASX has in place arrangements with Hong Kong, Singapore, USA and UK market regulators to facilitate access to ASX markets. Due to the overseas laws, however, these arrangements may not cover all products or all off-shore client types. Please advise ASX Customer Management for further information.

ASX / ASX 24 Trading Applicants – Overseas Activity

If an applicant to be an ASX Market Participant or an ASX 24 Trading Participant is a body corporate incorporated or resident outside Australia, the Applicant must meet the requirements set out in the Procedures to the Operating Rules.

These include:

- (a) ASX must be satisfied that the body corporate (or a Related Body Corporate) currently conducts trading operations which are regulated by a foreign derivatives or securities exchange or foreign regulatory authority acceptable to ASX;
- (b) ASX may require the body corporate (or persons connected with the body corporate) to give an additional undertaking or undertakings governed by Australian law in respect of any matter which ASX considers reasonable including, without limitation, undertakings as to:
 - (i) the amount of resources and number of Employees to be located in Australia or, if operations are principally located outside Australia, any resources, disclosure or arrangements (including in relation to ASX of

information) that are of the kind required by the Commission in respect of foreign providers of financial services to the maintenance of a fair and orderly market;

- (ii) access by ASX to records required to be kept by the body corporate under these Rules;
 - (iii) foreign taxes that might be payable; and
 - (vi) the law governing the applicant's activities under the Rules and the applicant's submission to jurisdiction;
- (c) ASX may require the body corporate to provide a legal opinion, from independent lawyers acceptable to ASX, and paid for by the applicant, which deals with matters required by ASX and which is acceptable to ASX; and
- (d) ASX may require a performance bond in the form and substance acceptable to ASX.

Please contact ASX to obtain the precise list of conditions to be complied with and details of legal opinions to be obtained. This will vary depending on the jurisdiction.

ASX Clear Applicants – Overseas Activity

Approvals in respect of overseas activity

An Applicant that proposes to locate any part of its business as a Participant (including, without limitation, any Gateway or other appropriate means of communicating Clearing Messages), or to locate any of its personnel engaged in its business as a Participant, outside Australia (the 'Overseas Activity') must:

- (a) provide prior written notification to ASX Clear including details of the proposed Overseas Activity;
- (b) obtain all necessary regulatory approvals from any relevant governmental agency or regulatory authority in Australia or elsewhere; and
- (c) comply with the directions of ASX Clear and any relevant governmental agency or regulatory authority in Australia concerning the supervision of the Overseas Activity.

Location of personnel in Australia

An Applicant must ensure, even if part of its business as a Participant or some of its personnel are located outside Australia, that it has sufficient personnel and other resources located in Australia so that the Participant and ASX Clear (and related bodies corporate of ASX Clear) can communicate with each other promptly and receive each other's responses quickly on a day-to-day operational basis and so that the Participant can comply with the Rules or a request of ASX Clear (or a Related Body Corporate of ASX Clear) promptly.

Establishing new operations

How do new trading Participants establish trading operations?

The main steps involved in establishing operations for a new ASX Market Participant or ASX 24 Trading Participant will vary depending on how you have organised your business and the type of operation you plan to run. ASX Participant Operations (participant.operations@asx.com.au) will coordinate all aspects of the establishment process.

You should also note these steps are not sequential and can be implemented concurrently to reduce the time required to establish your operations.

1. ASX Participant Operations will assist Participants in establishing appropriate market infrastructure in their offices and/or data centre facilities, and to gain access to the ASX trading system and ASX24 trading system.
2. ASX Information Services can provide various electronic signals containing Market information to new Participants. Market Information can also connect you to our Voiceline service. This is a public address service over which price-sensitive listed company announcements and Market Control information is provided.
3. You will need to establish a bank account for client funds with an Approved Deposit Taking Institution (ADI) (if applicable).
4. You will need to open mail, telephone, and internet and email distribution channels in order to obtain access to ASX Online to maintain details and make changes to the ASX Participant database, to access the ASX Operating Rules, and receive other ASX information and directions.
5. If the participant is intending on using Automatic Order Processing it will be required to meet the requirements under the ASIC/ASX Market Integrity Rules. In this regard you should contact ASIC to discuss requirements. A participant will be unable to use its AOP until it has given a written certification to ASIC and received a written communication from ASIC that complies with the market integrity rules – see [RG 241](#) for further details.

How do new ASX Clear (Futures) Participants establish clearing operations?

The main steps involved in establishing operations for a new ASX Clear (Futures) Participant will vary depending on how you have organised your business and the type of operation you plan to run. ASX Participant Operations will assist with the coordination of the establishment process.

You should also note these steps are not sequential and can be implemented concurrently to reduce the time required to establish your operations.

1. ASX Clear (Futures) will assist you in establishing direct electronic links to SECUR.
2. ASX Information Services can provide various electronic signals containing trading information to new Participants.
3. Open mail and email distribution channels and obtain access to ASXOnline to maintain details and changes of the ASX Clear (Futures) Participant and to access ASX Clear (Futures) Operating Rules and other ASX information.

How do new ASX Clear Participants establish clearing operations?

The main steps involved in establishing operations for a new ASX Clear Participant will vary depending on how you have organised your business and the type of operation you plan to run. Participant Operations will assist with the coordination of the establishment process.

You should also note these steps are not sequential and can be implemented concurrently to reduce the time required to establish your operations.

1. Participant Operations will assist you in establishing direct electronic links to CHESS and DCS.
2. ASX Information Services can provide various electronic signals containing trading information to new Participants. Market Information can also connect you to our Voiceline service. This is a public address service over which price-sensitive listed company announcements and Market Control information is provided.
3. Open mail and email distribution channels and obtain access to ASXOnline to maintain details and changes of the ASX Clear Participant and to access ASX Clear Operating Rules and other ASX information.
4. Where a Clearing Participant intends to clear for more than one market they will also be required to attest that it has appropriate systems, procedures and controls to undertake clearing of trades from multiple trade execution platforms. An overview of the authorisation process for Clearing Participants to clear trades executed on multiple trading platforms is provided on the ASX Clearing and Settlement website at:

http://www.asx.com.au/documents/professionals/tas_detailed_application_and_attestation_procedure.pdf

How do new ASX Settlement Participants establish operations?

Software Service Providers

A new ASX Settlement Participant is required to acquire a system from an accredited software service provider for connectivity to CHESS. There are a number of accredited software service providers that are familiar with CHESS requirements and can assist in the development of systems for you.

ASX Participant Operations can provide you with a list of accredited providers and contacts.

Accreditation

A new applicant needs to obtain technical accreditation of their nominated system before commencing settlement operations. There are two levels of technical accreditation for CHESS Users:

Primary level accreditation (for service providers only)

Primary level accreditation is required for new services and any in-house applications. Successful execution of a scripted test prepared by ASX Settlement using the interface application with CHESS will lead to primary level accreditation.

Applicants using third party software applications which have already been accredited at this level will not be required to undertake this testing.

Secondary level accreditation (connectivity)

All CHESS users (including those using in-house developed applications which have obtained primary level accreditation) will be required to undergo a connectivity test from the user's production environment to the CHESS production environment. This secondary level accreditation test assesses the user's ability to communicate with CHESS using its CHESS interface application.

Performance Bonds

Applicants seeking admission as a General Settlement Participant, Account Participant, Product Issuer Settlement Participant or as a Specialist Settlement Participant may be required to provide a performance bond as required by the ASX Settlement Operating Rules.

There are two distinct types of bonds:

- 1) Settlement Bond – this bond covers the risk incurred as part of the DvP Settlement Batch. This bond protects ASX Settlement against contravention of the Rules by an ASX Settlement Participant. A bond of A\$500,000 is required by all Settlement Participants other than those entities that are prudentially supervised or act only as a

Participant Bidder during a takeover bid.

A Settlement Participant will be prudentially supervised, and therefore exempted from the requirement to lodge a Settlement Bond, if it is required to comply with the operating rules of an Approved Market Operator or Approved Clearing Facility that relate to the risk based capital requirements, Net Tangible Asset capital requirements or Other capital regime. Thus, a Settlement Participant that is also an ASX Market Participant or an ASX Clear Participant will not need to lodge a Settlement Bond.

A Settlement Bond is not required from an Account Participant as it does not participate in Batch Settlement.

- 2) Sponsorship Bond – a separate bond of A\$500,000 which protects investors, issuers and ASX Settlement against the contravention of the Rules by ASX Settlement Participants. This bond does not apply to an ASX Settlement Participant who holds only 'Direct' HIN's.

A Sponsoring Participant that is subject to the compensation arrangements specified in the Procedures will not have to lodge a Sponsorship Bond. At this stage, the Procedures only specify the National Guarantee Fund arrangements.

A Sponsorship Bond is not required from a Product Issuer Settlement Participant as it does not sponsor holders.

Bonds must be issued in a format approved by ASX Settlement and issued by:

- a) an Australian bank;
- b) an insurance company registered with the Australian Securities and Investments Commission (ASIC) under the Life Insurance Act; or
- c) an insurance company authorised to carry on insurance under the Insurance Act.

An ASX Settlement Participant is not permitted to issue a performance bond on its own behalf. ASX Settlement may however accept a performance bond issued by a related company (other than a subsidiary) that is a separate legal entity. A copy of a pro-forma bond is available from Customer Acquisition.

Payment Facility

A General Settlement Participant and Specialist Settlement Participant must establish and maintain at all times at least one payment facility with an approved payment provider (generally a bank). A payment facility is a facility operated on behalf of an ASX Settlement Participant by a payment provider for the purposes of paying and receiving payments in DvP settlement.

A Product Issuer Settlement Participant must establish at least two Payment Facilities – one for receiving cash for issuance of units (Applications) and one for the payment of cash for Redemptions.

Account Participants are not required to establish a payment facility.

You will need to complete a ['Request to Create a New Payment Facility'](#) form for ASX Settlement to activate the payment facility. It is recommended that you make preliminary arrangements with your payment provider when you submit your application to participate in ASX Settlement. Your payment provider must sign and stamp the 'Request to Create a New Payment Facility' form.

To assist you in establishing payment facility arrangements, a list of financial institutions is available from ASX Participant Operations.

ASX Information Services

ASX Information Services provides a broad range of market data and other information containing ASX trading, company announcement and securities information. Please see the ['Market Information Product Overview'](#) or contact ASX Market Information for further details - email info@asx.com.au.

C. The ASX Participant Application Form

The remaining sections of this Guide provide information to help applicants complete the ASX Participant Application Form. References to question numbers below are to questions contained in the Application Form.

Section 1: General Information – All Applicants

This information is required to be completed by applicants for all Participant types.

1.1 Applicant Details

Please ensure that all details provided are current and that details provided in the Application Form match the details on any supporting documentation.

1.1.1	Company Name	State the full name of the legal entity applying to be an ASX Participant
1.1.2	Registered Office	Provide full address details, including country
1.1.3	Place of Business	Provide full address details, including country of your principal place of business
1.1.4	Principal Contact	Include the full name and contact details of the person responsible for liaising with ASX on behalf of the applicant
1.1.5	Incorporation Details	Detail where the legal entity applying to be an ASX Participant is incorporated
1.1.6	Certificate of Registration	Provide a certified copy of the Certificate of Registration
1.1.7	Financial Year End	This is required for internal system setup, participant's annual reporting obligations, and ASX Compliance requirements.
1.1.8	Not acting as Trustee of a Trust	Confirm that you are not acting in the capacity of a Trustee under a Trust

1.2 Corporate Governance

1.2.1	Director Details	Provide the full name for all directors of the legal entity applying to be an ASX Participant In respect of ASX Market Participants and ASX 24 Trading Participants, a Director's Personal Information Form is required in respect of each director - Director's Information Form . This form is used to provide ASX with relevant information that an applicant is of high business integrity, as required by the ASX Operating Rules.
1.2.2	Company Secretary	Provide the name, address and contact details of the Company Secretary
1.2.3	Entity Details	Provide the names of each entity that controls the applicant (as defined by the Corporations Act) and indicate the number of shares allocated to each holding
1.2.4	Group Structure	Please provide a group structure chart that details the applicant's corporate ownership structure starting at the ultimate parent, dropping down to the immediate parent, the applicant, any subsidiaries (including nominee companies of the applicant) and any related / associated companies of the applicant.
1.2.5	Organisation Chart	In relation to its application as a Participant, please provide an organisation chart showing personnel and their reporting lines. This would include: (a) personnel in charge of general management;

		(b) personnel in charge of the trading operations; (c) risk management staff; and (d) support staff, performing financial control, back office settlements, internal audit and compliance functions
1.2.6	Infrastructure diagram	Please provide an infrastructure diagram that shows: (i) Connectivity between your Trading systems, the Exchange and your settlement systems (as applicable); (ii) Detail the order flow vs. the execution flow (as applicable); (iii) Identify which systems are Automated Trading systems; (iv) Identify which system are proprietary vs. those which are vendor systems; and (v) Include your business continuity systems where applicable.
1.2.7	Compliance Executive	Provide the name, address and contact details of the Senior Executive responsible for the Compliance function
1.2.8	Current AFSL Status	Provide details of your current AFSL licence including any variations required to fulfil your obligations as an ASX Participant
1.2.9	AFSL Application	Provide a copy of your existing AFSL licence. If you have to amend your licence then please provide a copy of the application that has been lodged with ASIC in support of the variation.
1.2.10	PI Insurance	Provide a copy of your Professional Indemnity Certificate of Insurance (or equivalent) insurance policy

1.3 Authorised Signatories

1.3.1	ASX Applicants and ASX24 Applicants	<p>Under ASX/ASX24 Operating Rules</p> <p>[6510] A Market/Trading Participant must submit to ASX/the Exchange, in the manner and form set out in the Procedures, details of persons who are authorised by the Market/Trading Participant to sign documentation and to deal with trading issues in connection with the operation of its business as a Market/Trading Participant.</p> <p>[6511] A Market/Trading Participant must promptly notify ASX in writing if any of the persons whose names are submitted under Rule [6510] cease to be authorised by the Market/Trading Participant to sign the relevant documentation or to deal with trading issues or if any new person is given that authority.</p> <p>Under ASX/ASX24 Operating Rule 6510 – Procedure:</p> <p>For the purposes of Rule [6510] the Participant must submit a list to Market Control which specifies the title, function and contact details of each of the persons authorised by the Market/Trading Participant to sign documentation and to deal with trading issues (including requesting cancellations of trades or agreeing to requests for trade cancellations), in connection with the operation of its business as a Market/Trading Participant.</p>
1.3.2	ASX Clear Applicants	<p>Under ASX Clear Operating Rule 4.12.1 a Participant must:</p> <p>(a) submit to ASX Clear, in the manner and form prescribed in the Procedures, details of persons who are authorised by the Participant to sign documentation</p>

		<p>in connection with the operation of its business as a Participant of ASX Clear. The list must specify the title and function of each of those persons in that business; and</p> <p>(b) promptly notify ASX Clear in writing if any of the persons whose names are submitted under this Rule 4.12.1 cease to be authorised by the Participant to sign the relevant documentation or if any new person is given that authority.</p> <p>Under ASX Clear Operating Rule 4.12.1 – Procedure</p> <p>A Participant must submit to ASX Clear a list of persons authorised by the Participant to sign documentation. The list must:</p> <ul style="list-style-type: none"> • be on Participant letterhead; • specify the title and function of each person; • show specimen signatures of any new authorised signatories; • show the date the authorised signatory was appointed. <p>A Participant must notify ASX Clear in writing if any authorised signatories cease to be authorised by the Participant or if any new persons are given that authority.</p>
1.3.3	ASX Clear (Futures) Applicants	<p>The authorised signatories form available at https://www.asxonline.com/intradoc-cgi/groups/public/documents/participantapplicationkitsfe/asx_027734.pdf is only required to be provided if the applicant wants to appoint <u>non-directors</u> as authorised signatories to be able to authorise NTA returns on behalf of the applicant's directors or, in the case of a bank ADI, to sign the Bank Participant Quarterly Capital Statements.</p> <p>Supporting documentation to verify that each person named has been duly authorised must be also be provided with the completed form. There is no set form for the supporting documentation – possible examples are power of attorney or extracts of Board minutes.</p> <p>Please note that this authorised signatories form is only in relation to NTA returns or Bank Participant Quarterly Capital Statements that will need to be submitted under the ASX Clear (Futures) Operating Rules.</p>

1.4 Other ASX Group Participations

1.4.1	Other Participations	<p>Applicants are asked to indicate if they have an existing relationship with the ASX Group, including as a listed entity. Please note the following name changes which took effect on 2 August 2010:</p> <ul style="list-style-type: none"> • ASX Clear was previously known as ACH • ASX Settlement was previously known as ASTC • ASX 24 was previously known as SFE • ASX Clear (Futures) was previously known as SFECC <p>For example, an applicant for ASX Market Participant membership, which has previously been admitted as an SFE Full Participant, should indicate that they have an existing relationship with ASX 24.</p>
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1.5 Other Registrations

1.5.1	Other Registrations	In some instances ASX rules explicitly refer to an entity's regulatory status. The purpose of this question is for ASX to obtain relevant information about the extent to which an applicant is regulated elsewhere, and in what capacity, for the purposes of administering ASX rules.
1.5.2		

1.6 Other Market Activities

1.6.1	Other Market Activities	<p>Applicants are asked to nominate memberships of other exchanges, trading venues, clearing or settlement facilities or the equivalent. An applicant is not required to provide information where the applicant has an indirect relationship with the venue or facility – i.e. an applicant is not required to list a trading venue where the applicant is not a member but executes trades on the venue as a client of a member.</p> <p>Equivalent venues include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • multilateral trading facility (MTF) • alternative trading system (ATS) • electronic communication network (ECN)
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1.7 Principal Business Activities

1.7.1	Business Activities	Please provide a brief description of your proposed business activities, including the types of products you intend to transact in and the types of clients to whom you intend to offer the products.
1.7.2	Objectives	Indicate your objectives for becoming a Participant e.g. to become a full service broker or to become a clearer for certain types of participants and products etc.
1.7.3	Volume Predictions	Indicate what volumes you are looking to achieve per product during the first 12 months
1.7.4	Business Locations	<p>Document the information relating to your business locations including, but not limited, to the following:</p> <ul style="list-style-type: none"> • Address of each business location; • The businesses operating within each location; and • The services and products offered in each location
1.7.5	Overseas Activity	<p>Document the information relating to your proposed Trading / Clearing/ Settlement operations that will be performed outside of Australia either by the applicant or an outsourced provider (i.e. related body corporate or unrelated service company) including, but not limited to:</p> <ol style="list-style-type: none"> 1. Details of the proposed Overseas Activity as they relate to your business as a participant including the following: <ol style="list-style-type: none"> 1.1 The part of your business that relates to the business as a participant that is being located outside Australia i.e. an Open Interface Device or a computer or other device connected to an Open Interface Device; any personnel engaged in your business as a Trading Participant; etc. 1.2 The due diligence and approval process undertaken to identify, assess, manage and report on the risks associated with the proposed Overseas

		<p>Activity including, but not limited to:</p> <ul style="list-style-type: none"> ▪ Business case approved by the Board ▪ Vendor selection and determination process ▪ Due diligence review on proposed service provider ▪ Offshoring /outsourcing policy ▪ How the applicant has identified and addressed the risks associated with its obligations under the relevant ASX Operating Rules ▪ Details of monitoring arrangements to evaluate that the outsourced/offshore provider has sufficient capacity to meet the performance levels required by you to meet obligations under the relevant ASX Operating Rules; ▪ Audit arrangements i.e. frequency of independent review of outsourced/offshore provider; ▪ Business Continuity Management arrangements. <p>2. Details of any Service Agreements associated with the outsourced functions that are material to your compliance with the relevant ASX Operating Rules including, but not limited to:</p> <ul style="list-style-type: none"> • A defined scope of the services to be provided and those excluded, with regard to ensuring compliance with relevant ASX Operating Rules; • Retention of records as required by the relevant ASX Operating Rules; • Guidelines to evaluate that the provider has sufficient capacity to meet the performance level required to meet the obligations of relevant ASX Operating Rules e.g. uptime, performance reporting, capacity; • Negotiated penalties for failure of services; • Compliance and Risk obligations (including audit requirements); • Escalation and Breach reporting to ASX; • Support requirements i.e. the ability for ASX to access premises and/or records of the Service Provider or any agency in connection with proposed participant business; • Notification terms or restrictions on delegations to other third parties for the performance of duties; • Termination and "orderly rollout period" to ensure no impact to business as a Participant; • Business Continuity Management arrangements.
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1.8 Capital Requirements

Section 1.8 of the application form is only applicable for ASX Clear or ASX Clear (Futures) applicants.

Section 1.8 of the application form does not need to be completed if:

- the applicant is currently an ASX Clear participant and is applying to become an ASX participant. In this case, please contact ASX Counterparty Risk Assessment to discuss any implications for your capital requirements.
- the applicant is currently an ASX Clear participant and is applying to become an ASX Clear (Futures) participant. An applicant NTA return will need to be submitted. Please contact ASX Counterparty Risk Assessment to discuss this further.
- the applicant is currently an ASX Clear (Futures) participant and is applying to become an ASX Clear participant under the NTA Requirements.
- the applicant is currently an ASX Clear participant seeking to extend the products for which it has clearing permission. In this case, please contact ASX Counterparty Risk Assessment to discuss any implications for your capital requirements.
- the applicant is currently an ASX Clear Direct Participant seeking to change to a General Participant. In this case, please contact ASX Counterparty Risk Assessment to discuss any implications for your capital requirements.

For applicants that are required to complete section 1.8 of the application form, please note that in most cases this is just the initial material required to be provided. ASX Counterparty Risk Assessment will request the applicant to provide additional material as the authorisation process proceeds. This will include:

- For risk based applicants:
 - Demonstration of the applicant's ability to calculate liquid capital and all applicable risk requirements (once these have been agreed)
 - Applicant capital liquidity return authorised by 2 directors
 - ASX Clear Rule S1 procedures manual
- For NTA applicants:
 - Applicant NTA return authorised by 2 directors (or alternatively 2 authorised signatories for ASX Clear (Futures) applicants)

For foreign applicants of ASX Clear, please note the following:

- The rules relating to the calculation of FX position risk requirement are written with the assumption that the participant is Australian based and hence has AUD as its home currency. In recognition that a foreign participant's home currency is not AUD, ASX Counterparty Risk Assessment will grant a conditional waiver of the relevant rule enabling the participant to calculate FX PRR on all currencies other than their home currency.
- If the applicant wants approval to use foreign accounting standards instead of Australian, ASX Counterparty Risk Assessment will need the applicant to provide an opinion from its auditors on the comparability of the foreign accounting standards to the Australian equivalents to the International Financial Reporting Standards (AIFRS) and confirmation that the adoption of the foreign accounting standards instead of the AIFRS would have no material impact on the participant's balance sheet, profit and loss statement and ASX Clear capital liquidity returns. If this is approved it will be subject to a number of conditions.
- Approved Subordinated Debt (ASD). If the applicant wants to use ASD:
 - If the applicant already has ASD with their home regulator, a copy of the subordinated debt documents with the foreign regulator need to be provided as a first step.
 - If the applicant does not already have ASD with their home regulator, ASX Counterparty Risk Assessment will provide the applicant with the necessary documents for its review and execution.

1.8.1	Capital Regime	<p>This question must be completed by all ASX Clear or ASX Clear (Futures) applicants.</p> <p>A maximum of two boxes can be ticked – one relating to ASX Clear participation</p>
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		<p>and one relating to ASX Clear (Futures) participation. The capital regime/s should be discussed with ASX Counterparty Risk Assessment in the pre-application phase.</p> <p>Guidance on the available capital regimes for all ASX Clear and ASX Clear (Futures) participants can be found in the Capital Requirements Guidance document available at https://www.asxonline.com/intradoc.cgi/groups/participant_services/documents/manuals/asx018340.pdf.</p> <ul style="list-style-type: none"> • Risk Based Capital Requirements is mandatory for all ASX Clear applicants seeking permission to trade and/or clear cash market products or options. • Net Tangible Assets is mandatory for all ASX Clear (Futures) applicants but is also available to ASX Clear applicants that are seeking permission to clear ASX futures contracts only. • The Bank ADIs box is only available to applicants that are or will be bank authorised deposit-taking institutions (ADIs) as defined under section 5 of the Banking Act 1959. Please ensure you have reviewed the Capital Requirements Guidance document for eligibility criteria and reporting requirements (section 6 of the document for ASX Clear applicants and section 8 for ASX Clear (Futures) applicants).
1.8.2	Audited Financial Statements	Financial statements are required to assist ASX Counterparty Risk Assessment in assessing the applicant's financial position.
1.8.3	Auditor's Details	<p>This question does not need to be completed by ASX Clear applicants that are or will be bank ADIs.</p> <p>Please provide the details of the applicant's auditor including audit partner, audit firm, address, phone number and email address. This will be recorded in ASX's systems. Any changes to auditor details after admission will need to be updated by the participant via ASX Online. Participants are subject to audit requirements as set out in the Operating Rules.</p>
1.8.4	Auditor Notification	<p>This question does not need to be completed by ASX Clear applicants that are or will be bank ADIs.</p> <p>This question is asked to highlight the need for applicants to advise their auditors of this application to facilitate audit planning.</p>
1.8.5	Subordinated Debt	<p>The reason for asking this question is to assist in the assessment of the applicant's ability to comply with the relevant capital requirements and to ensure that the appropriate legal documentation can be provided to the applicant.</p> <p>Approved Subordinated Debt (ASD) is a defined term in the Operating Rules. ASD is:</p> <ul style="list-style-type: none"> • included in a participant's Liquid Capital (for participants subject to the Risk Based Capital Requirements); or • excluded from the sum of liabilities for the purposes of calculating Net Tangible Assets (for participants subject to the NTA Requirements). <p>The relevant ASX group entity will be a party to the ASD documentation.</p> <p>Guidance on the use of ASD under the ASX Clear Rules is set out in the Capital Requirements Guidance document available at https://www.asxonline.com/intradoc.cgi/groups/participant_services/documents/manuals/asx018340.pdf</p>

1.8.6	Activities	<p>Under the Risk Based Capital Requirements, each participant must have sufficient Liquid Capital (i.e. regulatory capital) to cover its Total Risk Requirement (TRR) (which is a measure of risk in the organisation). The calculation of TRR needs to capture risks arising from all activities undertaken in the participant legal entity. It is not just restricted to activity on the ASX or ASX 24 markets.</p> <p>In order for the applicant and ASX Counterparty Risk Assessment to agree the risk requirements that will be applicable, it is necessary for the applicant to provide a full description of all activities to be undertaken in the applicant legal entity. This would include, but is not limited to, the following details:</p> <ul style="list-style-type: none"> • all products to be offered to clients (whether directly or through arrangements with other parties) regardless of whether these are traded on ASX/ASX 24, another exchange or OTC • all products to be traded as principal regardless of whether these are traded on ASX/ASX 24, another exchange or OTC • whether the applicant will be undertaking securities lending/borrowing, repo/reverse repo or free delivery transactions or offering margin lending and • whether the applicant will have foreign currency denominated assets or liabilities on its balance sheet.
1.8.7	Third Party Clearer	<p>The reason for asking this question is to assist in assessing the impact of the security deposit on the applicant's Liquid Capital. Security deposits provided to a third party clearer need to be treated as an Excluded Asset in accordance with the definitions in ASX Clear Rule S1 and hence deducted from Liquid Capital.</p>
1.8.8	Guarantees	<p>ASX Clear Rule S1.2.6 deals with the provision of guarantees and indemnities by participants. Guidance on this rule can be found in the Capital Liquidity Handbook (refer Section 3, Tab B).</p> <p>The reason for asking this question is to assist in assessing the impact of the guarantees on the applicant's Liquid Capital. Guarantees under ASX Clear Rule S1.2.6(1)(c) need to be treated as an Excluded Liability and hence deducted from Liquid Capital.</p>
1.8.9	Related Service Entity	<p>The monthly capital returns that need to be submitted by participants are on a single entity basis and not on a consolidated group basis.</p> <p>An understanding of the use of a service entity will assist ASX Counterparty Risk Assessment in its ongoing review of the income statement included in a participant's monthly returns.</p>
1.8.10	Consolidated Tax Group	<p>Please refer to the guidance for ASX Clear Rule S1.2.6 in the Capital Liquidity Handbook (refer Section 3, Tab B) for information on consolidated tax groups.</p> <p>An understanding of the applicant's tax status will assist ASX Counterparty Risk Assessment in its ongoing review of the income statement included in a participant's monthly returns.</p>
1.8.11	Principal Positions	<p>This information is required in order to assist in assessing the applicant's ability to comply with ASX Clear Rule S1.2.8 regarding the valuation of financial instruments held as principal.</p>
1.8.12	Applicant Status	<p>Please select the type of entity that the applicant is. The available types of entity are:</p> <ul style="list-style-type: none"> • An Australian authorised deposit-taking institution regulated by the

		<p>Australian Prudential Regulation Authority.</p> <ul style="list-style-type: none"> A foreign bank regulated under a capital regime which is consistent in all substantial respects with the Basel Capital Adequacy Framework that is not a foreign ADI as defined under section 5 of the Banking Act 1959. A foreign bank regulated under a capital regime which is consistent in all substantial respects with the Basel Capital Adequacy Framework that is also a foreign ADI as defined under section 5 of the Banking Act 1959. <p>If 'other' is selected, please provide full details.</p>
1.8.13	Exemption Request (ASX Clear)	<p>This question is only applicable for ASX Clear applicants that are or will be bank ADIs.</p> <p>Applicants must separately apply to ASX Counterparty Risk Assessment for an exemption under ASX Clear Rule 5.2.</p>
1.8.14	Tier 1 Capital	<p>Bank ADI applicants are required to disclose their latest quarterly Tier 1 Capital figure as calculated for their banking regulator. Please ensure you specify the amount, the currency and the date of calculation.</p> <p>This can be disclosed on a single entity basis or a consolidated group basis subject to the following:</p> <ul style="list-style-type: none"> Consolidated group data can only be provided if the consolidated group Tier 1 capital is over A\$5 billion. Australian incorporated banks should report their Level 2 Tier 1 capital (as defined by APRA under Prudential Standard APS 110). Foreign incorporated banks should report their consolidated group Tier 1 capital in accordance with the requirements of their home banking regulator. Single entity Tier 1 capital is mandatory where consolidated group Tier 1 capital is A\$5 billion or less. Australian incorporated banks should report their Level 1 Tier 1 capital (as defined by APRA under Prudential Standard APS 110). Foreign incorporated banks should report the Tier 1 capital for the participant legal entity.

- ASX Market Participant Applicants – proceed to Section 2 of the application form.
- ASX 24 Trading Participant Applicants – proceed to Section 2 of the application form.
- ASX Clearing Participant Applicants – proceed to Section 3 of the application form.
- ASX Clearing Participant (Futures) Applicants – proceed to Section 3 of the application form.
- ASX Settlement Participant Applicants – proceed to Section 4 of the application form.

Section 2: ASX Trade / ASX Trade 24 Trading Participants

2.1 Participant Type / Product

2.1.1	ASX Types	Indicate whether you will be applying for ASX Participation as either a Market Participant or Principal Trader (refer section 2 for more details) and also the products you intend to transact in.
2.1.2	ASX 24 Types	Indicate whether you will be applying for ASX Participation as either a Trading Participant or Principal Trader (refer section 2 for more details).
2.1.3	Client Types	Indicate whether the applicant will be trading on behalf of retail, sophisticated or wholesale clients
	Offshore Clients	<p>If clients may be located in off-shore locations other than U.S – please just indicate proposed locations – no further details are required at this time.</p> <p>Does the applicant intend to deal on behalf of clients located in the U.S?</p> <p>If yes, please provide details upon what basis the company is entitled to deal on behalf of US Customers (i.e. has the company been granted relief under Part 30.10 of the Commodity Futures Trading Commission (CFTC) regulations or is it registered as a Futures Commission Merchant (FCM) in the US? Please provide relevant evidence in relation to this part 2.1.2(b).</p> <p>If the company has obtained relief from Part 30.10 of the CFTC Regulations, please advise which of the Exchanges Determined under ASX 24 Rule 1800 it intends to deal on behalf of US Customers (Note that the company must ensure that the products it intends offering to US Customers are approved - there is no restriction on exchange traded futures over commodities, or options over those futures contracts, but the offer or sale of exchange traded futures or options on stock index and government debt products is not permitted unless specific approval has been given by the CFTC. A list of all such products approved by the CFTC is kept up to date by the CFTC on their website – see http://www.cftc.gov/opa/backgrounder/opapart30.htm)</p>
2.1.4	Principal Trader	<p>ASX admission requirements state that an applicant for Principal Trader or at least one director of the applicant must meet the Corporations Act 2001 (Cth) definition of a professional investor or a sophisticated investor.</p> <p>A Sophisticated Investor (s708(8)) is a person who can demonstrate, by way of an accountant's certificate, that the person has net assets of at least \$2.5 million or a gross income for each of the last 2 financial years of at least \$250,000.</p> <p>A Professional Investor (s9) means a person in relation to whom one or more of the following paragraphs apply:</p> <p>(a) the person is a financial services licensee;</p> <p>(b) the person is a body regulated by APRA, other than a trustee of any of the following (within the meaning of the Superannuation Industry (Supervision) Act 1993):</p> <p>(i) a superannuation fund;</p> <p>(ii) an approved deposit fund;</p> <p>(iii) a pooled superannuation trust;</p> <p>(iv) a public sector superannuation scheme;</p>

		<p>(c) the person is a body registered under the Financial Corporations Act 1974 ;</p> <p>(d) the person is the trustee of:</p> <ul style="list-style-type: none"> (i) a superannuation fund; or (ii) an approved deposit fund; or (iii) a pooled superannuation trust; or (iv) a public sector superannuation scheme; <p>within the meaning of the Superannuation Industry (Supervision) Act 1993 and the fund, trust or scheme has net assets of at least \$10 million;</p> <p>(e) the person controls at least \$10 million (including any amount held by an associate or under a trust that the person manages);</p> <p>(f) the person is a listed entity, or a related body corporate of a listed entity;</p> <p>(g) the person is an exempt public authority;</p> <p>(h) the person is a body corporate, or an unincorporated body, that:</p> <ul style="list-style-type: none"> (i) carries on a business of investment in financial products, interests in land or other investments; and (ii) for those purposes, invests funds received (directly or indirectly) following an offer or invitation to the public, within the meaning of section 82, the terms of which provided for the funds subscribed to be invested for those purposes; <p>(i) the person is a foreign entity that, if established or incorporated in Australia, would be covered by one of the preceding paragraphs.</p>
2.1.5	Principal Trader (Experience)	<p>As per ASX Operating Rule – Procedure 1000(e)</p> <p>In order to satisfy ASX that it has the organisational competencies which are adequate for the performance of its obligations as a Market Participant under these Rules an applicant as a Principal Trader only must provide to ASX:</p> <ul style="list-style-type: none"> (a) a certification in the form prescribed by ASX from time to time (and signed by the directors and senior executive responsible for the compliance function of the applicant) that: <ul style="list-style-type: none"> (i) the applicant or at least one director of the applicant is a Professional Investor or Sophisticated Investor (as defined in the Corporations Act 2001); and (ii) the applicant is aware of and understands the obligations contained in the Rules. (b) proof that at least one director of the applicant: <ul style="list-style-type: none"> (i) possesses a minimum of five (5) years experience in a senior trading role, trading on ASX or a recognised exchange; or (ii) is currently actively trading on a recognised exchange in the capacity of Principal Trader (or equivalent status); and (c) details of any service agreements, if the applicant is outsourcing functions to a third party which are material to the applicant's compliance with the Rules; and (d) a statement by the directors of the applicant confirming that the applicant satisfies ASIC Market Integrity Rule 2.1.
2.1.6	Market –Maker Schemes	<p>If proposing to Make-Markets on either Exchange Traded Options (ETOs) or ETF/ETC's, you will need to complete the relevant Agreement Contracts which will be made available to you upon Application. Full details of each scheme can be provided upon request.</p>

2.2 Trade Facilities

TradeMatch™ is an ultra-low latency, high capacity, trading platform that will provide a full functionality trade execution offering for all ASX-quoted securities. This is the default trading market on the ASX Trade platform (previously known as ITS).

2.2.1	Pure Match	<p>PureMatch® is an additional order book within our trading platform aimed at meeting the needs of latency sensitive traders, which will provide trading in a subset of ASX listed securities.</p> <p>View PureMatch fact sheet (PDF 472KB)</p>
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2.3 Access Model

2.3.1	Access Model	<p>Distributed Access means that the Gateway/router infrastructure is installed outside of the Exchange (your office, hosting facility etc)</p> <p>Co-location facility for both ASX Market and ASX 24 Trading Participants will be available Q4 2011. Co-location hosting allows Participants of the ASX to place their trading equipment and assigned ITS Gateway machines within the same physical data centre as the ASX's ITS primary matching engine.</p> <p>This enables high speed market data and trade execution with network latency at globally competitive levels of below one millisecond. Refer to the ASX ITS Co-location Hosting Solution document for further information. - Co location Hosting</p> <p>Each ASX Market must have at least one Designated Trading Representative (DTR) registered to act on the Participant's behalf. Qualified DTR's can both be recruited and then registered by the ASX Market Participant, or new DTR's may be trained by the ASX Market Participant. Each DTR must be registered by ASX (as prescribed by ASX Market Rules, Policies and Procedures)</p> <p>ITS can be accessed only through an ITS user ID and password issued by Market Control. These must remain confidential to the person that they are issued to. Upon registration, each DTR is issued with an ITS user ID. ITS user IDs are also issued to those firms that access ITS through the Open Interface</p>
2.3.2	Trading Application	<p>You can access ITS either through ASX provided ITS Workstation software running on a PC or via another device connected to the ITS Open Interface.</p> <p>The Open Interface provides electronic access to trading on ITS and to market information. ASX Market Participants can use the Open Interface to link their own dealing systems directly to ITS in order to provide their clients with sophisticated order-routing capabilities.</p> <p>Participants may develop their own proprietary Open Interface compatible dealing system or buy one from a third party vendor</p>

2.4 Clearing and Settlement Arrangements

2.4.1	Clearing	<p>Please indicate if you will be clearing your own transactions or using a third party clearer ('TPC').</p> <p>For ASX Market Participants who are using a TPC you are required to lodge a copy of your signed Clearing Agreement with the ASX.</p> <p>For ASX 24 Trading Participants who are using a TPC you are required to lodge a copy of the Clearing Guarantee with ASX.</p> <p>Please indicate if you intend to clear transactions for more than one market.</p>
2.4.2	Multiple Clearers	<p>If you are applying as an ASX Market Participant and you intend using more than one clearer e.g. you are going to clear some transactions yourself and use a TPC for the balance or you are dividing your clearing between two different clearers, then in accordance with ASX Clear Operating Rule 3.2.2 – Procedure you will need to ensure that your Clearer(s) lodge an attestation with ASX attesting that the Clearing Participant is aware of the increased risks in relation to a Trading Participant using multiple Clearing Participants.</p>

2.5 Compliance Requirements

2.5.1	Attestation	<p>An applicant must provide the following information to ASX in order to satisfy ASX that it is of high business integrity and that it has the organisational competencies which are adequate for the performance of its obligations as an ASX Market Participant / ASX 24 Trading Participant.</p> <p><u>Business Integrity</u></p> <ul style="list-style-type: none"> (a) any previous bankruptcy, insolvency, receivership, administration, or similar event; (b) any charges or convictions for any offences relating to dishonesty, fraud, financial markets-related conduct, or money laundering; (c) any fines, banning, suspension or other disciplinary measures for financial markets-related conduct; (d) any disciplinary action or adverse mention in a report made by, or at the request of, any government or governmental authority or agency, the Commission, ASX, an Approved Clearing Facility, an Approved Settlement Facility, and any other exchange, market operator or clearing and/or settlement facility; (e) any refusal of membership or revocation of membership of any financial markets-related, legal or accounting professional organisation or body; (f) any refusal of an application for Market Participant status (or equivalent status) on another exchange or market operator (with consent provided by the applicant for ASX to obtain details from the relevant exchange or market operator); and (g) consent for ASX to obtain information on the credit worthiness of the applicant. <p><u>Organisational Competencies</u></p> <ul style="list-style-type: none"> (a) a certification in the form prescribed by ASX from time to time (and signed by the directors and senior executive responsible for the compliance function of the applicant) that the applicant has developed processes and procedures that are reasonably designed and that when implemented will function, so as to achieve compliance by the applicant with the Rules. In providing this certification to ASX the applicant must be able to demonstrate to the
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		<p>satisfaction of ASX, at anytime, the basis on which the certification is provided, including the following:</p> <ul style="list-style-type: none"> (i) the applicant has the necessary regulatory approvals to trade on ASX, and that the applicant's AFSL (or other regulatory approval) enables it to trade the Products that it intends to trade on ASX; (ii) the applicant is aware of and understands the obligations contained in the Rules; (iii) the applicant has a compliance program designed in accordance with the Australian Standard AS3806:2006 Compliance Programs to regularly assess and monitor its performance against the Rules, readily identify issues and provide continual improvements to its compliance program as required; (iv) the applicant has, at an organisational level, determined the resource competencies (be they human or systems) required for the adequate performance of its obligations as a Market Participant and that the applicant has a program that monitors performance against these competencies; (v) the applicant has an initial and ongoing training program on the Rules (and any associated changes) for its Employees involved in its business as a Market Participant; (vi) the applicant has awareness, understanding and can evidence its infrastructure arrangements and infrastructure change management processes (including comprehensive testing programs) specific to its access to the Trading Platform and its business as a Market Participant; (vii) the applicant has appropriate security and access arrangements, controls and monitoring programs relating to its infrastructure arrangements specific to access its Open Interface to the ASX; (viii) the applicant has processes in place to ensure it can, provide evidence and produce supporting documentation relevant to the design, implementation and functioning of its compliance program; and <p>(b) details of any service agreements, if the applicant is outsourcing functions to a third party which are material to the applicant's compliance with the Rules</p> <p>Also ASX Market Participants also need to provide:</p> <p>(c) a statement by the directors of the applicant confirming that the applicant satisfies ASIC Market Integrity Rule 2.1.</p>
2.5.2	Daily Beneficial Ownership Report (DBOR)	<p>ASX 24 Trading applicants that self-clear are required to complete the DBOR questionnaire to enable ASX to understand how automated the process is for the production of the daily DBOR report.</p> <p>Where the applicant is outsourcing this activity to an existing clearer the DBOR questionnaire is not required.</p>
2.5.3	Client Agreement	For ASX24 Trading applicants please provide a copy of your Client Agreement

Section 3: ASX Clear Participants and ASX Clear (Futures) Participants

3.1 Participant Type

3.1.1	ASX Clear Participant	<p>Please indicate the type of ASX Clear participant you are applying to become.</p> <p><u>Direct Participants</u> A Direct Participant is a Participant that clears Cash CCP Transactions or Derivatives CCP Contracts for itself and its own Clients but not anyone else.</p> <p><u>General Participants</u> A General Participant is a Participant that is a third party clearer that clears Cash CCP Transactions or Derivatives CCP Contracts for itself, its own Clients, Market Participants and their clients and other Participants and their clients.</p> <p>Admission as a General Participant only entitles a Participant to clear transactions for someone else provided the Participant has entered into a Clearing Agreement or Client Agreement as required by these Rules</p>
3.1.2	ASX Clear (Futures) Participant	Please advise if you will be providing Third Party Clearing services to other Participants
3.1.3	Client Clearing	For applicants who will be proving Clearing Services to clients you are required to lodge a sample copy of your proposed Client agreement with ASX Clear.
3.1.4	Third Party Clearing	<p>For applicants who will be providing Clearing Services to ASX Market Participants you are required to lodge a copy of your signed Clearing Agreement with the ASX Clear.</p> <p>For applicants who will be proving Clearing Services to ASX 24 Trading Participants you are required to lodge a copy of the Clearing Guarantee with ASX Clear.</p> <p>Also please provide a list of potential customers (if known) for whom you intend to provide Clearing Services to in the first six months.</p>
3.1.5	Multiple Clearers	If you are going to be providing Clearing services to ASX Market Participants that use more than one Clearer, then in accordance with ASX Clear Operating Rule 3.2.2 – Procedure you will need to ensure that you lodge an attestation with ASX attesting that you are aware of the increased risks in relation to a Trading Participant using multiple Clearing Participants.

3.2 Products

3.2.1	ASX Clear	Indicate what products the applicant intends to clear.
3.2.2	ASX Clear (Futures)	Indicate what products the applicant intends to clear.

3.3 Nominee Companies

	Nominee Company	Please provide details of the Nominee Companies registered by the applicant in which client assets will be held, and evidence that the Nominees Companies are wholly, legally and beneficially owned by the applicant.
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3.4 Compliance Requirements

3.4.1	Supervisory, Risk and Compliance framework	<p>Provide a copy of your Supervisory Framework which defines the supervisory responsibilities, risk assessment and accountability for each of the key elements of the ASX Clear (Futures) framework, including but not limited to:</p> <ul style="list-style-type: none"> • New Clients • Position Management <ul style="list-style-type: none"> • Allocations • Reporting (DBOR's) • Back to back close outs • Transfers • Margining • Position Monitoring <ul style="list-style-type: none"> • Limits • Concentration • Expiry • Settlement <ul style="list-style-type: none"> • Physical Delivery process • Financials <ul style="list-style-type: none"> • Commitment • NTA <p>In addition please provide copies of the following procedures for review:</p> <ul style="list-style-type: none"> • Margin processes; and • Delivery process around expiry <p>Note we may call to review additional procedure during the course of the application review process.</p>
3.4.2	Management Plan	<p>Please provide a copy of your Management Plan detailing your Supervisory, Risk and Compliance framework. This plan must include details of the applicants Management Structure, Risk Assessment, Allocation of Responsibilities and identify the people who will be Responsible Executives.</p> <p>In addition please provide copies of the following procedures for review:</p> <ul style="list-style-type: none"> • Discharge of Net Clearing Obligations; and • Exchange Traded Options margining processes (if intending to trade ETO's) <p>Please be advised that we may call for additional information and/or procedures during the course of the application review process.</p> <p>For more information please refer to the ASX Clear Guidance 4 and 13 as well as the Management Plan Summary located in the Participants Kit located on the ASX website.</p>
3.4.3	Responsible Executive Notification and Undertaking	<p>Please execute and provide a Responsible Executive Notification and Undertaking form from each proposed Responsible Executive of the applicant.</p> <p>This form should be used by Participants who wish to notify ASX Clear Pty Limited ABN 48 001 314 503 (ASX Clear) of the appointment of a natural person as a Responsible Executive (the "Appointee") pursuant to the ASX Clear Operating Rules ("the Rules").</p>

3.4.4	Key Risk Statement	Once the application and the supporting documentation has been assessed by ASX and the applicant has met their Capital Requirements, ASX will request the applicant to provide a Key Risk Statement to ASX (signed by two authorised signatories) confirming that the applicants systems, procedures and controls are operating effectively and are adequate having regards to the nature and extent of the Participant's clearing activities to ensure compliance with the relevant ASX Clear / ASX Clear (Futures) Operating rules
3.4.5	Intra-day Contact List	<p>Please complete the Intra-day Contact List</p> <p><u>Intraday margin calls</u></p> <p>In the event of an intraday margin call, ASX will call the Operations contacts to arrange for the payment to be effected. If no operations contacts are available, Risk Management and Treasury will subsequently be called to alert the Clearing Participant of the intraday call and then Executives will be called.</p> <p><u>Changes to the intraday margin call contact list</u></p> <p>Given the importance of the intraday margin call process, Clearing Participants are requested to notify ASX Clear and ASX Clear (Futures) of changes to their intra-day margin call contact list.</p>

3.5 Settlement Arrangements

3.5.1	EXIGO Settlement	Please complete the Application to make cash settlements with ASX Clear (Futures) Pty Limited using the Austraclear System form. This form is used by Clearing Participants for the settlement of ASX Clear (Futures) margins.
3.5.2	Contact Details	Please complete the Clearing Participant Contact Details Form to enable Clearing Risk Operations to contact the relevant people in relation to Intra-day Margin Calls and such matters.
3.5.3	ASX Clear (Futures)	Please complete the Risk Management Survey and Daily Cash Settlement Forms for Clearing Risk Operations.

3.6 Business Continuity Arrangements

3.6.1	Self Certification	<p>This section provides guidance to applicants in relation to matters that they should consider for inclusion in their Business Continuity Plans (BCP).</p> <p>This guidance should be read in conjunction with the relevant Operating Rules.</p> <p>Participant Obligations</p> <p>The following are the minimum Business Continuity standards with which each Participant is expected to comply.</p> <p>Each Participant must address the below listed categories to the extent applicable and necessary. If any of the below listed categories is not applicable, the Participant's business continuity plan need not address the category. The Participant's business continuity plan, however, must document the rationale for not including such category in its plan. If a Participant relies on another entity for any one of the listed categories below or any critical system, the Participant's business continuity plan must address this relationship.</p>
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	<p>Participants are required to have in place and maintain business continuity and technology recovery arrangements that are adequate to ensure the effective, timely and reliable recovery of their usual operations. Such arrangements, commensurate with the assessed criticality of the various systems and processes involved and with regards to the nature and extent of business carried on by the Participant, should include:</p> <p>(a) Documented Business Continuity Plans (BCPs)</p> <p>Business continuity and technology recovery plans must be documented and be readily available at both primary and back up sites. Arrangements described should consider relevant incident scenarios (e.g. loss of systems, loss of site, etc.) and may include the following:</p> <ul style="list-style-type: none"> i. Clearly identified processes and systems which are key to market activities; ii. Impact assessment against critical processes and systems considering relevant incident scenarios; iii. Planned recovery time objectives for critical processes and systems; iv. Recovery Strategies for critical processes and systems; v. Data back up and recovery (hard copy and electronic); vi. Alternate communication methods, with clients, providers/suppliers and regulators; vii. Alternate physical location of employees (site requirements and location details); viii. Incident / Crisis management framework <p>(b) Plan Updates</p> <p>Each Participant must update its plan in the event of any material change to the Participants operations, structure, business or location. Each Participant must also conduct an annual review of its business continuity plan to determine whether any modifications are necessary in light of changes to the Participant's operations, structure, business or location.</p> <p>(c) Ownership of plan</p> <p>Participants must designate a member of senior management to approve the plan and he or she shall be responsible for conducting the required annual review. Furthermore, the status of business continuity arrangements should be periodically reported to the Participant's senior management and/or Board.</p> <p>d) Key Service Provider Service Level Agreements</p> <p>This refers to assessing a Participants dependency on key service providers in recovery strategies and recovery time objectives, and taking steps to ensure that key service providers are capable of supporting the Participant's key business activities, even in disruptions.</p> <p>Key service providers refer to third parties who are performing functions that are not normally carried out by the Participants internally, but are critical to your ability to carry on business operations.</p> <p>(e) Review and Testing</p> <p>Participants should conduct regular testing of their business continuity plans to ensure that transition to back-up systems and operational procedures are known by staff and are timely, reliable and address relevant scenarios. Additionally it is recommended that plans and testing are checked as a part of Participant's internal audit/compliance reviews. This regular testing should demonstrate that the Participant's BC arrangements are such that they have sufficient capacity with their back up arrangements to process the expected volumes and values of transactions with the required speed.</p>
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		<p>(f) Technology requirements</p> <p>Participants should ensure that the key technology components are housed in a data centre providing physical access control, dedicated air conditioning, environmental controls, fire detection and suppression. They should also ensure that sufficient hardware, communications and power redundancy is considered for both the primary and back up sites.</p> <p>To support any ASX Clearing or ASX Settlement application the applicant will be required to provide the ASX information regarding the confirmation of Business Continuity Plans (BCP) through the provision of a completed Business Continuity Self Assessment Form, including any supporting documents requested.</p>
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3.7 Authorised deposit-taking institution (ADI) applicants

3.7.1	Confirmation	<p>Where an applicant is an ADI, written confirmation is required that the applicant as an ADI is aware of and has met the conditions set out in APRA's "Letter to ADIs - membership of central counterparties" dated 4 June 2013.</p>
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Section 4: ASX Settlement Participants

4.1 Participant Type

Without limiting in any way what a person who participates in the Settlement Facility may do or be permitted to do under these Rules, participation in the Settlement Facility is broadly divided into the following classes:

4.1.1	Participant Type	<p><u>General Settlement</u> Being those persons who are admitted for purposes including the holding, transfer and settlement in Batch Settlement of Approved Financial Products in the Settlement Facility.</p> <p>A General Settlement Participant may also act in the Settlement Facility as a settlement agent on behalf of a Clearing Participant. A General Settlement Participant may also establish and maintain Participant Sponsored Holdings;</p> <p><u>Product Issuer Settlement</u> Being those persons who are admitted for limited purposes including facilitating the cash settlement in Batch Settlement of transactions relating to requests for issue (applications) and redemption of AQUA products.</p> <p>A Product Issuer Settlement Participant may not establish or maintain CHESSE Sponsored Holdings. A Product Issuer Settlement Participant may act as a settlement agent within the Settlement Facility for multiple AQUA product issuers.</p> <p><u>Account</u> Being those persons who participate in certain aspects of the holding and transfer of Approved Financial Products but who do not participate in Batch Settlement in the Settlement Facility.</p> <p>An Account Participant may also establish and maintain Participant Sponsored Holdings</p> <p><u>Specialist Settlement</u> Being those persons who are admitted for limited purposes including acting as Offeror in relation to a takeover scheme or for processing an Allocation Component in DvP Batch Settlement.</p>
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4.2 Performance Bonds

4.2.1	Settlement Bond	<p>If accessing Batch Settlement (as an ASX Settlement – General Participant or Product Issuer Participant), and if not:</p> <ul style="list-style-type: none"> • prudentially supervised; • a CS Facility; or • acting only as a Participant Bidder <p>You will need to submit a Settlement Bond. Please refer to Performance Bonds in ASX Settlement Operating Rule 4.9</p>
4.2.2	Sponsorship Bond	<p>If you intend to Sponsor Clients and are not subject to an approved compensation arrangement (NGF) you will need to submit a Sponsorship Bond. Please refer to Performance Bonds in section 2.3.4 – How do new ASX Settlement Participants establish Operations for further details.</p>

4.3 Operational Documentation

4.3.1	Operational Documentation	<p>The appendices defined below refer to the ASX Settlement (formerly ASTC Procedure Guide) that is available on ASXOnline for all ASX Settlement Participants</p> <p>Appendix W – New External CHESS User – This form is required to establish a new user in the CHESS system</p> <p>Appendix P1 – Request to create new payment facility – used to associate a Participant in the CHESS system to a Payment Provider.</p>
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4.4 Business Continuity Arrangements

4.4.1	Self Certification	<p>This section provides guidance to applicants in relation to matters that they should consider for inclusion in their Business Continuity Plans (BCP).</p> <p>This Guidance should be read in conjunction with the relevant Operating Rules.</p> <p>Participant Obligations The following are the minimum Business Continuity standards with which each Participant is expected to comply.</p> <p>Each Participant must address the below listed categories to the extent applicable and necessary. If any of the below listed categories is not applicable, the Participant's business continuity plan need not address the category. The Participant's business continuity plan, however, must document the rationale for not including such category in its plan. If a Participant relies on another entity for any one of the listed categories below or any critical system, the Participant's business continuity plan must address this relationship.</p> <p>Participants are required to have in place and maintain business continuity and technology recovery arrangements that are adequate to ensure the effective, timely and reliable recovery of their usual operations. Such arrangements, commensurate with the assessed criticality of the various systems and processes involved and with regards to the nature and extent of business carried on by the Participant, should include:</p> <p>(a) Documented Business Continuity Plans (BCPs) Business continuity and technology recovery plans must be documented and be readily available at both primary and back up sites. Arrangements described should consider relevant incident scenarios (e.g. loss of systems, loss of site, etc.) and may include the following:</p> <ul style="list-style-type: none"> ix. Clearly identified processes and systems which are key to market activities; x. Impact assessment against critical processes and systems considering relevant incident scenarios; xi. Planned recovery time objectives for critical processes and systems; xii. Recovery Strategies for critical processes and systems; xiii. Data back up and recovery (hard copy and electronic);
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		<p>xiv. Alternate communication methods, with clients, providers/suppliers and regulators;</p> <p>xv. Alternate physical location of employees (site requirements and location details);</p> <p>xvi. Incident / Crisis management framework</p> <p>(b) Plan Updates Each Participant must update its plan in the event of any material change to the Participants operations, structure, business or location. Each Participant must also conduct an annual review of its business continuity plan to determine whether any modifications are necessary in light of changes to the Participant's operations, structure, business or location.</p> <p>(c) Ownership of plan Participants must designate a member of senior management to approve the plan and he or she shall be responsible for conducting the required annual review. Furthermore, the status of business continuity arrangements should be periodically reported to the Participant's senior management and/or Board.</p> <p>d) Key Service Provider Service Level Agreements This refers to assessing a Participants dependency on key service providers in recovery strategies and recovery time objectives, and taking steps to ensure that key service providers are capable of supporting the Participant's key business activities, even in disruptions. Key service providers refer to third parties who are performing functions that are not normally carried out by the Participants internally, but are critical to your ability to carry on business operations.</p> <p>(e) Review and Testing Participants should conduct regular testing of their business continuity plans to ensure that transition to back-up systems and operational procedures are known by staff and are timely, reliable and address relevant scenarios. Additionally it is recommended that plans and testing are checked as a part of Participant's internal audit/compliance reviews. This regular testing should demonstrate that the Participant's BC arrangements are such that they have sufficient capacity with their back up arrangements to process the expected volumes and values of transactions with the required speed.</p> <p>(f) Technology requirements Participants should ensure that the key technology components are housed in a data centre providing physical access control, dedicated air conditioning, environmental controls, fire detection and suppression. They should also ensure that sufficient hardware, communications and power redundancy is considered for both the primary and back up sites.</p> <p>To support any ASX Clearing or ASX Settlement application the applicants will be required to provide the ASX information regarding the confirmation of Business Continuity Plans (BCP) through the provision of a completed Business Continuity Self Assessment Form, including any supporting documents requested.</p>
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4.5 Compliance Requirements

4.5.1	Procedures	Please provide a copy of your Management Plan detailing your Supervisory, Risk and Compliance framework. This plan must include details of the applicants Management Structure, Risk Assessment, Allocation of Responsibilities and identify
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		<p>the people who will be Responsible Executives.</p> <p>In addition please provide copies of the following procedures for review:</p> <ul style="list-style-type: none">• Batch Settlement;• Sponsorship Agreements;• Automatic Close-Out Obligations; and• Reporting of Securities Lending activity <p>Please be advised that we may call for additional information and/or procedures during the course of the application review process.</p> <p>For more information please refer to the Management Plan Summary located in the Participants Kit located on the ASX website.</p>
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Section 5: Applicant Agreement

5.1 Acknowledgement / Attestation

The attestation must be signed by:

- (1) two directors of the company; or
- (2) a director and a company secretary of the company; or
- (3) for a proprietary company that has a sole director who is also the sole company secretary - that director; or
- (4) for a company signing by power of attorney, a person authorised by a valid power of attorney document, and a witness.

If signing by power of attorney, ASX will require a copy of the power of attorney document.

If you have any questions about how to sign the attestation, please contact ASX Customer Management (see Part A for contact details).

D. ASX Contacts

For more information, please contact ASX Customer Management at +61 2 9227 0787 or Participants@asx.com.au

Useful Websites:

ASX Public Website <http://www.asx.com.au>

ASX Online <https://www.asxonline.com/participants/index.html>

ASIC <http://www.asic.gov.au>