

ASX OTC Rulebook

1 SCOPE AND INTERPRETATION

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1.10 OTC Terms

The terms of OTC Open Contracts are referred to as the **OTC Terms** and are set out in the OTC Handbook.

To the extent that there are any OTC Open Contracts on 4 October 2021, then the OTC Terms of such OTC Open Contracts are taken to be amended and restated in the terms set out in Schedule 2 of the OTC Handbook on 4 October 2021. Each OTC Participant, OTC Affiliate and CPM Client is taken to have agreed to this by its entry into any OTC Open Contract on or after that date.

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ASX OTC HANDBOOK

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Schedule 1 – OTC Eligibility Criteria

An OTC Transaction is eligible to be registered by ASX Clear (Futures) if it satisfies the eligibility criteria contained in this schedule. However, there are other conditions in the OTC Rules and this OTC Handbook for the registration of an OTC Transaction which also apply, including that an OTC Participant is, or is taken to be (in accordance with the OTC Rules), a party to the OTC Transaction, and that the required matched information in respect of that OTC Transaction has been submitted to and accepted by ASX Clear (Futures).

The eligibility criteria for an OTC Transaction are set out in this schedule separately with respect to each Approved Trade Source System through which the OTC Transaction may be submitted.

1 Introduction

This schedule defines the base clearing and trade eligibility rules and associated criteria that are to be applied within MarkitWire to OTC Transactions submitted, or taken to have been submitted, by OTC Participants for OTC Clearing.

Terms defined in the OTC Rules, OTC Handbook, Futures Rules, MarkitWire to ASX Clearing Eligibility Specification and the 2006 or 2021 ISDA Definitions (as applicable) as published by the International Swaps and Derivatives Association, Inc. as amended, varied or supplemented or restated from time to time[†], have the same meaning when used in this schedule.

The rules set out in this schedule constitute the “OTC Eligibility Criteria” applicable to an OTC Transaction which is submitted using MarkitWire as the Approved Trade Source System.

The rules outlined in this schedule do not include any additional rules or criteria that may be specified for or by individual MarkitWire participants, or subsequently added into MarkitWire’s clearing eligibility rules framework.

For technical reasons these trade eligibility rules and criteria may also be applied independently of the MarkitWire trade affirmation platform.

ASX Clear (Futures) will apply the OTC Eligibility Criteria without discriminating between OTC Transactions that were executed bilaterally and OTC Transactions that were executed on or subject to the rules of an unaffiliated electronic matching platform or trade execution facility.

Amended 07/04/14, 25/09/15, 30/11/15

Explanatory Note:

The final paragraph of this provision 1 has been included in the OTC Handbook to meet CFTC requirements in connection with the exemption of ASX Clear (Futures) from registration as a Derivatives Clearing Organisation as defined in the Commodity Exchange Act of the United States.

[†] <http://www.isda.org/publications/isda2000def-annex-sup.aspx#2006defs>

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3 IRS Specific Eligibility Rules

3.1 Product Types

Vanilla Interest Rate Swap – fixed rate leg versus floating rate leg.

3.2 Structure

Single Currency

3.3 Currencies and Floating Rate Indices

The following Currencies and Floating Rate Indices are supported for OTC Clearing through ASX Clear (Futures):

Currency	Floating Rate Index
AUD	AUD- <u>BBR-BBSW</u> ² AUD- <u>BBSW</u> ³
NZD	NZD- <u>BBR-FRA</u> ⁴ NZD- <u>BKBM FRA</u> ⁵

Amended 27/11/17

3.4 Designated Maturity

The Designated Maturity of an OTC Transaction with a Floating Rate Index must be as specified in the following table:

Floating Rate Index	Designated Maturity
AUD- <u>BBR-BBSW</u> AUD- <u>BBSW</u>	1, 3 or 6 months
NZD- <u>BBR-FRA</u> NZD- <u>BKBM FRA</u>	3 months

Amended 07/07/14, 27/11/17

3.5 Day Count Fraction

The Day Count Fraction of the OTC Transaction must be one of those specified in the following table:

Currency	Day Count Fraction	Markit Wire/FpML Code
AUD	Actual/365 (Fixed)	ACT/365.FIXED
	Actual/Actual.ISDA	ACT/ACT.ISDA

² This terminology reflects the ISDA 2006 Definitions and is referenced in the same way in other parts of this Schedule 1.

³ This terminology reflects the ISDA 2021 Definitions and is referenced in the same way in other parts of this Schedule 1.

⁴ This terminology reflects the ISDA 2006 Definitions and is referenced in the same way in other parts of this Schedule 1

⁵ This terminology reflects the ISDA 2021 Definitions and is referenced in the same way in other parts of this Schedule 1.

	ACT/360	ACT/360
	30/360	30/360
	30E/360	30E/360
NZD	Actual/365 (Fixed)	ACT/365.FIXED

Amended 07/07/14, 03/10/16, 27/11/17

3.6 Minimum Term

An OTC Transaction must have a Term of at least 29 calendar days.

Amended 07/07/14

3.7 Minimum Residual Term

An OTC Transaction must have a Minimum Residual Term (as calculated from, and including, the date the OTC Transaction is submitted for OTC Clearing to, and including the Termination Date) greater than or equal to 3 Sydney Business Days.

3.8 Maximum Residual Term

An OTC Transaction must have a Maximum Residual Term (as calculated from, and including, the date the OTC Transaction is submitted for OTC Clearing to, and including the Termination Date) as specified in the following table in respect of the Currency, Designated Maturity and Floating Rate Index.

Currency	Floating Rate Index	Designated Maturity	Maximum Residual Term
AUD	AUD-BBR-BBSW <u>AUD-BBSW</u>	6 months	(Spot – starting within 5 Business Days): Less than or equal to 11,342 calendar days
			(Forward starting – starting greater than 5 Business Days): Less than or equal to 11,342 calendar days
		3 months	(Spot – starting within 5 Business Days): Less than or equal to 11,342 calendar days
			(Forward starting – starting greater than 5 Business Days): Less than or equal to 11,342 calendar days
		1 month	(Spot – starting within 5 Business Days): Less than or equal to 3,677 calendar days
			(Forward starting – starting greater than 5 Business Days): Less than or equal to 3,677 calendar days
NZD	NZD-BBR-FRA <u>NZD-BKBM FRA</u>	3 months	(Spot – starting within 5 Business Days): Less than or equal to 5,502 calendar days

			(Forward starting – starting greater than 5 Business Days): Less than or equal to 5,502 calendar days
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Amended 07/04/14, 07/07/14, 03/10/16, 27/11/17, 26/02/18

3.9 Fixing Days Offset and Fixing Holiday Centres

An OTC Transaction must have only the following Fixing Days Offset and Fixing Holiday Centres for a given Floating Rate Index to be eligible for OTC Clearing:

Floating Rate Index	Fixing Days Offset	Fixing Holiday Centre
AUD-BBR-BBSW <u>AUD-BBSW</u>	0	AUSY
NZD-BBR-FRA <u>NZD-BKBM FRA</u>	0	NZAU, NZWE

Amended 27/11/17

3.10 Minimum First Fixing Rate

An OTC Transaction with a specified First Fixing Rate for a Floating Rate Index of less than or equal to zero percent cannot be cleared. An OTC Transaction where the First Fixing Rate is not specified is eligible for OTC Clearing.

3.11 Different First Fixing Rule

Where a Different First Fixing Rule is specified in MarkitWire as being applicable to an OTC Transaction, the following conditions must be satisfied for the OTC Transaction to be eligible for OTC Clearing:

- The First Fixing Days Offset must be between 0 and –10 days inclusive, as adjusted in accordance with the applicable Business Day Convention.
- The First Fixing Holiday Centres must be recognised by ASX Clear (Futures) (see Appendix A) and must, at a minimum, include the Fixing Holiday Centres specified in Section 3.9.

3.12 Ineligible Floating Rate Indices

An OTC Transaction with a Floating Rate Index not listed as supported under Sections 3.3, 4.3 or 5.3 cannot be cleared.

3.13 Non-Mutual Optional Early Termination

An OTC Transaction with Optional Early Termination that is not a mutual put (identified by the field labelled 'Option' on the Break (2) IRS template page containing either the value 'Optional – Unilateral My Option' or 'Optional – Unilateral Other Party Option') cannot be cleared.

3.14 Mandatory Early Termination

An OTC Transaction with Mandatory Early Termination (identified by the field labelled 'Option' on the Break (2) IRS template page containing the value 'Mandatory') cannot be cleared.

3.15 Period End Date Adjustments

An OTC Transaction with an unadjusted Termination Date (identified by either of the “Adj Final (Fixed)” or “Adj Final (Float)” checkboxes on the Holidays IRS template page being un-ticked) can be cleared.

An OTC Transaction with no adjustment to the Period End Dates (identified by either of the “Adjust Fixed Period End Dates” or “Adjust Float Period End Dates” checkboxes on the Holidays IRS template page being un-ticked) can be cleared, unless such a setting is not facilitated by MarkitWire.

An OTC Transaction with an “Accrual Period Adjustment” type that is not set to the same value for both legs can be cleared.

Amended 03/10/16

3.16 Payment Lag

An OTC Transaction with Payment Lag of more than 2 Business Days cannot be cleared.

3.17 Principal Currency Holiday Centres

An OTC Transaction denominated in any supported Currency shown below and which does not specify the associated holiday centre(s) for purposes of determining Business Days for payments and interest calculations cannot be cleared. In addition, any or all of the ASX Supported Holiday Centres listed in Appendix A may also be specified.

Currency	Holiday Centre	Markit Wire/FpML Code
AUD	Sydney	AUSY
NZD	Auckland	NZAU
	Wellington	NZWE

Amended 27/11/17

3.18 Business Day Convention

An OTC Transaction that does not specify one of following Business Day Conventions cannot be cleared:

Business Day Convention	Markit Wire/FpML Code
Modified Following	MODF
Following	FOLL
Preceding	PREC

An OTC Transaction must apply a single Business Day Convention to each of: the Fixed Rate Payer Payment Dates, the Fixed Rate Payer Period End Dates, the Floating Rate Payer Payment Dates, the Floating Rate Payer Period End Dates, the Floating Rate Payer compounding dates, and the Termination Date.

3.19 Minimum Notional

An OTC Transaction with a Notional Amount of less than one currency unit cannot be cleared.

Amended 07/04/14

3.20 Payment and Roll Holiday Centres

An OTC Transaction where the Payment Holiday Centres and Roll Holiday Centres are not the same cannot be cleared. An OTC Transaction where the Payment Holiday Centres do not include the relevant principal holiday centre associated with the Currency cannot be cleared (see Section 3.17 for Principal Currency Holiday Centres).

An OTC Transaction where the Payment Holiday Centres include one or more centres not supported by ASX cannot be cleared (see Appendix A for ASX Supported Holiday Centres).

3.21 Fees (Additional Payments)

An OTC Transaction with more than two Additional Payments⁶ cannot be cleared.

An OTC Transaction with an Additional Payment in a currency different to the Currency cannot be cleared.

An OTC Transaction with an Additional Payment where the Additional Payment Holiday Calendar does not include the principal holiday centre associated with the Currency cannot be cleared.

An OTC Transaction with an Additional Payment where the Additional Payment Holiday Calendar includes one or more centres not supported by ASX Clear (Futures) (as described in Appendix A) cannot be cleared.

An OTC Transaction which does not have the same holiday centres for Additional Payments, Payment Dates and roll dates cannot be cleared.

An OTC Transaction which does not have the Business Day Convention on Additional Payments, set to Modified Following (MODF) cannot be cleared.

An OTC Transaction with an Additional Payment where the Payment Date is prior to the Effective Date or after the Termination Date cannot be cleared.

3.22 Fixed and Float Start Date

An OTC Transaction with different start dates for each of the Fixed Start Date and Float Start Date can be cleared.

An OTC Transaction with a Floating Rate Option of AUD-BBR-BBSW or AUD-BBSW or NZD-BBR-FRA or NZD-BKBM FRA with different start dates for the Fixed Start Date and Float Start Date cannot have a difference between the Fixed Start Date and Float Start Date equal to or more than 366 calendar days.

Amended 03/10/16, 27/11/17

3.23 Floating Leg Calculation

An OTC Transaction with Reset In Arrears specified cannot be cleared.

⁶ An additional payment under the terms of this section means any payment not part of the normal coupon cycle.

3.24 Zero Coupon IRS

To be eligible for OTC Clearing, an OTC Transaction with a Floating Rate Index of AUD-BBR-BBSW or AUD-BBSW with a fixed leg zero coupon structure (identified by the “Zero Coupon (Fixed)” checkbox on the IRS template page being ticked) must have a Maximum Residual Term of less than or equal to 1,122 calendar days.

To be eligible for OTC Clearing, an OTC Transaction with a Floating Rate Index of NZD-BBR-FRA or NZD-BKBM FRA with a fixed leg zero coupon structure (identified by the “Zero Coupon (Fixed)” checkbox on the IRS template page being ticked) must have a Maximum Residual Term of less than or equal to 757 calendar days.

Amended 27/11/17, 26/02/18

3.25 Adjusted Fixed (or Float) Starts

An OTC Transaction with different value for both the Adjust Fixed Start Date and Adjust Float Start Date cannot be cleared.

An OTC Transaction with a different Adjust Fixed Start Date and Adjust Float Start Date cannot have a difference between the Adjust Fixed Start Date and Adjust Float Start Date equal to or more than 366 calendar days.

Amended 03/10/16

3.26 Compounding Method

An OTC Transaction with a Compounding Method of ‘Spread Exclusive’ can be cleared.

Amended 17/10/16

3.27 Leg Compliance

An OTC Transaction with a Floating Rate Index of AUD-BBR-BBSW or AUD-BBSW or NZD-BBR-FRA or NZD-BKBM FRA which does not use one of the following Leg combinations cannot be cleared:

- Fixed/Float
- Float/Fixed

Amended 27/11/17

3.28 Payment Frequency

An OTC Transaction which does not use one of the following Payment Frequencies cannot be cleared:

- Monthly
- Quarterly
- Semi-Annually
- Annually (Fixed Payment Frequency only)
- At maturity (Fixed Payment Frequency only)

Amended 11/02/14, 07/07/14

3.29 Stubs

Non-standard Calculation Periods (referred to as **Stub Periods**) may occur at the start or end or both start and end of the OTC Transaction. An OTC Transaction with

a Stub Period at the start of the OTC Transaction greater than or equal to 2 Calculation Periods cannot be cleared.

An OTC Transaction with a Designated Maturity of 1 or 3 months and a Stub Period at the end of the OTC Transaction exceeding 2 Calculation Periods cannot be cleared. An OTC Transaction with a Designated Maturity of 6 months and a Stub Period at the end of the OTC Transaction exceeding 1 Calculation Period cannot be cleared.

Application of Linear Interpolation for Stub Periods is only permitted between acceptable Stub Interpolation Floating Rate Index Tenors (currently 1m, 2m, 3m, 4m, 5m, 6m). OTC Transactions with Stub Period lengths outside of this tenor range, may elect to use "First Fixing Rate" or a Floating Rate Index without interpolation to be eligible for OTC Clearing. An OTC Transaction with Linear Interpolation for Stub Period lengths of less than 1 month (or greater than 6m), cannot be cleared.

Amended 03/10/16

3.30 Eligible Start Dates

An OTC Transaction with a Start Date exceeding the submission date by more than the days specified in the following table cannot be cleared:

Currency	Transaction Type	Designated Maturity	Days
AUD	Spot		5 Business Days
	Forward Starting	1 month	3,677 calendar days
	Forward Starting	3 months	11,342 calendar days
	Forward Starting	6 months	11,342 calendar days
NZD	Spot		5 Business Days
	Forward Starting	3 months	5,502 calendar days

Amended 07/04/14, 07/07/14, 03/10/16, 27/11/17, 26/02/18

4 OIS Specific Eligibility Rules

4.1 Product Types

Vanilla Interest Rate Swap – fixed rate leg versus floating rate leg.

4.2 Structure

Single Currency

4.3 Currencies and Floating Rate Indices

The following Currency and Floating Rate Indices are supported for OTC Clearing through ASX Clear (Futures):

Currency	Floating Rate Index
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AUD	AUD-AONIA-OIS-COMPOUND ⁷ AUD-AONIA-OIS Compound ⁸
NZD	NZD-NZIONA-OIS-COMPOUND ⁹ NZD-NZIONA-OIS Compound ¹⁰

Amended 27/11/17

4.4 Designated Maturity

The Designated Maturity of the OTC Transaction with a Floating Rate Index of AUD-AONIA-OIS-COMPOUND or [AUD-AONIA-OIS Compound](#) or NZD-NZIONA-OIS-COMPOUND or [NZD-NZIONA-OIS Compound](#), must be daily.

Amended 27/11/17

4.5 Day Count Fraction

The Day Count Fraction of the OTC Transaction must be one of those specified in the following table:

Currency	Day Count Fraction	Markit Wire/FpML Code
AUD	Actual/365 (Fixed)	ACT/365.FIXED
	Actual/Actual.ISDA	ACT/ACT.ISDA
NZD	Actual/365 (Fixed)	ACT/365.FIXED

Amended 07/07/14, 27/11/17

4.6 Minimum Term

An OTC Transaction must have a Term of at least 3 Sydney Business Days.

4.7 Minimum Residual Term

An OTC Transaction must have a Minimum Residual Term (as calculated from, and including, the date the OTC Transaction is submitted for OTC Clearing to, and including, the Termination Date) greater than or equal to 3 Sydney Business Days.

4.8 Maximum Residual Term

An OTC Transaction must have a Maximum Residual Term (as calculated from, and including, the date the OTC Transaction is submitted for OTC Clearing to, and including the Termination Date) as specified in the following table in respect of the Currency and Floating Rate Index:

Currency	Floating Rate Index	Maximum Remaining Term
AUD	AUD-AONIA-OIS-COMPOUND AUD-AONIA-OIS Compound	Less than or equal to 1,122 calendar days

⁷ This terminology reflects the ISDA 2006 Definitions and is referenced in the same way in other parts of this Schedule 1.

⁸ This terminology reflects the ISDA 2021 Definitions and is referenced in the same way in other parts of this Schedule 1.

⁹ This terminology reflects the ISDA 2006 Definitions and is referenced in the same way in other parts of this Schedule 1.

¹⁰ This terminology reflects the ISDA 2021 Definitions and is referenced in the same way in other parts of this Schedule 1.

NZD	NZD-NZIONA-OIS-COMPOUND <u>NZD-NZIONA-OIS Compound</u>	Less than or equal to 757 calendar days
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Amended 27/11/17

4.9 Fixing Days Offset and Fixing Holiday Centres

An OTC Transaction must have only the following Fixing Days Offset and Fixing Holiday Centres for a given Floating Rate Index to be eligible for OTC Clearing:

Floating Rate Index	Fixing Days Offset	Fixing Holiday Centre
AUD-AONIA-OIS-COMPOUND <u>AUD-AONIA-OIS Compound</u>	0	AUSY
NZD-NZIONA-OIS-COMPOUND <u>NZD-NZIONA-OIS Compound</u>	0	NZAU, NZWE

Amended 27/11/17

4.10 Minimum First Fixing Rate

An OTC Transaction with a specified First Fixing Rate for a Floating Rate Index less than or equal to zero percent cannot be cleared. An OTC Transaction where the First Fixing Rate is not specified is eligible for OTC Clearing.

4.11 Ineligible Floating Rate Indices

An OTC Transaction with a Floating Rate Index not listed as supported under Sections 3.3, 4.3 or 5.3 cannot be cleared.

4.12 Non-Mutual Optional Early Termination

An OTC Transaction with Optional Early Termination that is not a mutual put (identified by the field labelled 'Option' on the Break (2) OIS template page containing either the value 'Optional – Unilateral My Option' or 'Optional – Unilateral Other Party Option') cannot be cleared.

4.13 Mandatory Early Termination

An OTC Transaction with Mandatory Early Termination (identified by the field labelled 'Option' on the Break (2) OIS template page containing the value 'Mandatory') cannot be cleared.

4.14 Period End Date Adjustments

An OTC Transaction with an unadjusted Termination Date (identified by either of the "Adj Final (Fixed)" or "Adj Final (Float)" checkboxes on the Holidays OIS template page being un-ticked) cannot be cleared.

An OTC Transaction with no adjustment to the Period End Dates (identified by either of the "Adjust Fixed Period End Dates" or "Adjust Float Period End Dates" checkboxes on the Holidays OIS template page being un-ticked) cannot be cleared, unless such a setting is not facilitated by MarkitWire.

An OTC Transaction with an "Accrual Period Adjustment" type that is not set to the same value for both legs cannot be cleared.

4.15 Payment Lag

An OTC Transaction cannot be cleared where it has a Payment Lag of:

- less than one Business Day; or

- more than two Business Days.

Amended 07/07/14

4.16 Principal Currency Holiday Centres

An OTC Transaction denominated in any supported Currency shown below and which does not specify the associated holiday centre(s) for purposes of determining Business Days for payments and interest calculations cannot be cleared. In addition, any or all of the ASX Supported Holiday Centres listed in Appendix A may also be specified.

Currency	Holiday Centre	Markit Wire/FpML Code
AUD	Sydney	AUSY
NZD	Auckland	NZAU
	Wellington	NZWE

Amended 27/11/17

4.17 Business Day Convention

An OTC Transaction that does not specify one of the following Business Day Conventions cannot be cleared:

Business Day Convention	Markit Wire/FpML Code
Modified Following	MODF
Following	FOLL
Preceding	PREC

An OTC Transaction must apply a single Business Day Convention to each of: the Fixed Rate Payer Payment Dates, the Fixed Rate Payer Period End Dates, the Floating Rate Payer Payment Dates, the Floating Rate Payer Period End Dates, the Floating Rate Payer compounding dates, and the Termination Date.

Amended 11/02/14

4.18 Minimum Notional

An OTC Transaction with a Notional Amount of less than one currency unit cannot be cleared.

Amended 07/04/14

4.19 Payment and Roll Holiday Centres

An OTC Transaction where the Payment Holiday Centres and Roll Holiday Centres are not the same cannot be cleared.

An OTC Transaction where the Payment Holiday Centres do not include the principal holiday centre associated with the Currency cannot be cleared (see Section 4.16 for Principal Currency Holiday Centres).

An OTC Transaction where the Payment Holiday Centres include one or more centres not recognised by ASX cannot be cleared (see Appendix A for ASX Supported Holiday Centres).

4.20 Fees (Additional Payments)

An OTC Transaction with more than two Additional Payments¹¹ cannot be cleared.

An OTC Transaction with an Additional Payment in a currency different to the Currency cannot be cleared.

An OTC Transaction with an Additional Payment where the Additional Payment Holiday Calendar does not include the principal holiday centre associated with the Currency cannot be cleared.

An OTC Transaction with an Additional Payment where the Additional Payment Holiday Calendar includes one or more centres not supported by ASX Clear (Futures) (as described in Appendix A) cannot be cleared.

An OTC Transaction which does not have the Business Day Convention on additional payments, set to Modified Following (MODF) cannot be cleared.

An OTC Transaction which does not have the same holiday centres for Additional Payments, Payment Dates and roll dates cannot be cleared.

An OTC Transaction with an Additional Payment where the Payment Date is prior to the Effective Date or after the Termination Date cannot be cleared.

4.21 Fixed and Float Start Date

An OTC Transaction with different start dates for each of the Fixed Start Date and the Float Start Date cannot be cleared.

4.22 Zero Coupon OIS

To be eligible for OTC Clearing, an OTC Transaction with a Floating Rate Option of AUD-AONIA-OIS-COMPOUND or AUD-AONIA-OIS Compound, with a fixed leg or floating leg zero coupon structure must have a Maximum Residual Term of less than or equal to 1,122 calendar days.

A Zero Coupon OIS OTC Transaction with a Floating Rate Option of AUD-AONIA-OIS-COMPOUND or AUD-AONIA-OIS Compound, with a Start Date exceeding the submission date by more than 1,122 calendar days cannot be cleared.

To be eligible for OTC Clearing, an OTC Transaction with a Floating Rate Option of NZD-NZIONA-OIS-COMPOUND or NZD-NZIONA-OIS Compound, with a fixed leg or floating leg zero coupon structure must have a Maximum Residual Term of less than or equal to 757 calendar days.

A Zero Coupon OIS OTC Transaction with a Floating Rate Option of NZD-NZIONA-OIS-COMPOUND or NZD-NZIONA-OIS Compound, with a Start Date exceeding the submission date by more than 757 calendar days cannot be cleared.

Amended 07/04/14, 07/07/14, 03/10/16, 27/11/17

4.23 Adjusted Fixed (or Float) Starts

An OTC Transaction with a different value for both the Adjust Fixed Start Date and Adjust Float Start Date cannot be cleared.

¹¹ An additional payment under the terms of this section means any payment not part of the normal coupon cycle.

4.24 Leg Compliance

An OTC Transaction with a Floating Rate Option of AUD-AONIA-OIS-COMPOUND or AUD-AONIA-OIS Compound or NZD-NZIONA-OIS-COMPOUND or NZD-NZIONA-OIS Compound which does not use one of the following Leg combinations cannot be cleared:

- Fixed/Float
- Float/Fixed

Amended 27/11/17

4.25 Payment Frequency

An OTC Transaction which does not use one of the following Payment Frequencies cannot be cleared:

- Monthly
- Quarterly
- Semi-Annually
- Annually
- At maturity

Amended 11/02/14, 17/10/16

4.26 Stubs

Non-standard Calculation Periods (referred to as **Stub Periods**) may only occur at the start or end of the OTC Transaction. An OTC Transaction with Stub Periods at both the start and end of the transaction is subject to rejection by ASX Clear (Futures) in its discretion.

An OTC Transaction with a Payment Frequency of 1, 3 or 6 months and a stub period at the start of the transaction exceeding 1 calculation period cannot be cleared. An OTC Transaction with an annual payment frequency and a Stub Period at the start of the OTC Transaction exceeding 366 Business Days cannot be cleared.

An OTC Transaction with a Stub Period at the end of the OTC Transaction exceeding 0 Business Days cannot be cleared.

Amended 17/10/16

4.27 Eligible Start Dates

An OTC Transaction Floating Rate Option of AUD-AONIA-OIS-COMPOUND or AUD-AONIA-OIS Compound with a Start Date exceeding the submission date by more than 1,122 calendar days cannot be cleared.

An OTC Transaction with a Floating Rate Option of NZD-NZIONA-OIS-COMPOUND or NZD-NZIONA-OIS Compound, with a Start Date exceeding the submission date by more than 757 calendar days cannot be cleared.

Amended 07/04/14, 03/10/16, 27/11/17

5 Basis-Swap Specific Eligibility Rules

5.1 Product Types

Vanilla Basis Swap – float rate leg versus floating rate leg within a single eligible currency.

5.2 Structure

Single Currency

5.3 Currencies and Floating Rate Indices

The following Currency and Floating Rate Indices are supported for OTC Clearing through ASX Clear (Futures):

Currency	Floating Rate Index
AUD	AUD-BBR-BBSW AUD-BBSW
AUD	AUD-AONIA-OIS-COMPOUND AUD-AONIA-OIS Compound

Amended 03/10/16

5.4 Designated Maturity

The Designated Maturity of an OTC Transaction with a Floating Rate Index must be as specified in the following table:

Floating Rate Index	Designated Maturity
AUD-AONIA-OIS-COMPOUND AUD-AONIA-OIS Compound	Daily
AUD-BBR-BBSW AUD-BBSW	1, 3 or 6 months

Amended 07/07/14, 03/10/16, 27/11/17

5.5 Day Count Fraction

The Day Count Fraction of the OTC Transaction must be one of those specified in the following table:

Currency	Day Count Fraction	Markit Wire/FpML Code
AUD	Actual/365 (Fixed)	ACT/365.FIXED
	Actual/Actual.ISDA	ACT/ACT.ISDA
	ACT/360	ACT/360

Amended 07/07/14, 03/10/16

5.6 Minimum Term

An OTC Transaction must have a Term of at least 29 calendar days.

Amended 07/07/14

5.7 Minimum Residual Term

An OTC Transaction must have a Minimum Residual Term (as calculated from, and including, the date the OTC Transaction is submitted for OTC Clearing to, and including, the Termination Date) greater than or equal to 3 Sydney Business Days.

5.8 Maximum Residual Term

An OTC Transaction must have a Maximum Residual Term (as calculated from, and including, the date the OTC Transaction is submitted for OTC Clearing to, and including, the Termination Date) as specified in the following table in respect of the Currency, Designated Maturity and Floating Rate Index:

Currency	Floating Rate Index	Designated Maturity	Maximum Residual Term
AUD	AUD-BBR-BBSW <u>AUD-BBSW</u>	6 months	(Spot – starting within 5 Business Days): Less than or equal to 11,342 calendar days
			(Forward starting – starting greater than 5 Business Days): Less than or equal to 11,342 calendar days
		3 months	(Spot – starting within 5 Business Days): Less than or equal to 11,342 calendar days
			(Forward starting – starting greater than 5 Business Days): Less than or equal to 11,342 calendar days
	1 month	(Spot – starting within 5 Business Days): Less than or equal to 3,677 calendar days	
		(Forward starting – starting greater than 5 Business Days): Less than or equal to 3,677 calendar days	
AUD-AONIA-OIS-COMPOUND <u>AUD-AONIA-OIS Compound</u>	1 Day	(Spot – starting within 5 Business Days): Less than or equal to 3,677 calendar days	
		(Forward Starting – starting greater than 5 Business Days): Less than or equal to 3,677 calendar days	

- Note: Where an OTC Transaction specifies a different Designated Maturity for each leg, the Maximum Residual Term will be set based on the lower of the two Designated Maturities.

Amended 07/04/14, 07/07/14, 03/10/16

5.9 Fixing Days Offset and Fixing Holiday Centres

An OTC Transaction must have only the following Fixing Days Offset and Fixing Holiday Centres for a given Floating Rate Index to be eligible for OTC Clearing:

Floating Rate Index	Fixing Days Offset	Fixing Holiday Centre
AUD-BBR-BBSW <u>AUD-BBSW</u>	0	AUSY

5.10 Minimum First Fixing Rate

An OTC Transaction with a First Fixing Rate for a Floating Rate Index less than or equal to zero percent cannot be cleared. Note that an OTC Transaction where the First Fixing Rate is not specified is eligible for OTC Clearing.

5.11 Different First Fixing Rule

Where a Different First Fixing Rule is specified in MarkitWire as being applicable to an OTC Transaction the following conditions must be satisfied for the OTC Transaction to be eligible for OTC Clearing:

- The First Fixing Days Offset must be between 0 and –10 days inclusive as adjusted in accordance with the applicable Business Day Convention.
- The First Fixing Holiday Centres must be recognised by ASX Clear (Futures) (see Appendix A) and must, at a minimum, include the Fixing Holiday Centre specified in Section 5.9 above.

5.12 Ineligible Floating Rate Indices

An OTC Transaction with a Floating Rate Index not listed in Sections 3.3, 4.3 or 5.3 as supported cannot be cleared.

5.13 Non-Mutual Optional Early Termination

An OTC Transaction with Optional Early Termination that is not a mutual put (identified by the field labelled 'Option' on the Break (2) IRS template page containing either the value 'Optional – Unilateral My Option' or 'Optional – Unilateral Other Party Option') cannot be cleared.

5.14 Mandatory Early Termination

An OTC Transaction with Mandatory Early Termination (identified by the field labelled 'Option' on the Break (2) IRS template page containing the value 'Mandatory') cannot be cleared.

5.15 Period End Date Adjustments

An OTC Transaction with an unadjusted Termination Date (identified by either (or both) the Adj Final (Fixed) or Adj Final (Float) checkboxes on the Holidays IRS template page being un-ticked) cannot be cleared.

An OTC Transaction with no adjustment to the Period End Dates (identified by either (or both) the Adjust Fixed Period End Dates or Adjust Float Period End Dates checkboxes on the Holidays IRS template page being un-ticked) cannot be cleared, unless such a setting is not facilitated by MarkitWire.

An OTC Transaction with an "Accrual Period Adjustment" type that is not set to the same value for both legs cannot be cleared.

5.16 Payment Lag

An OTC Transaction with Payment Lag of more than 2 Business Days cannot be cleared.

5.17 Principal Currency Holiday Centres

An OTC Transaction denominated in any supported Currency shown below and which does not specify the associated holiday centre(s) for purposes of determining

Business Days for payments and interest calculations cannot be cleared. In addition, any or all of the ASX Supported Holiday Centres listed in Appendix A may also be specified.

Currency	Holiday Centre	Markit Wire/FpML Code
AUD	Sydney	AUSY

5.18 Business Day Convention

An OTC Transaction that does not specify one of the following Business Day Conventions cannot be cleared:

Business Day Convention	Markit Wire/FpML Code
Modified Following	MODF
Following	FOLL
Preceding	PREC

An OTC Transaction must apply a single Business Day Convention to each of: the Floating Rate Payer Payment Dates, the Floating Rate Payer Period End Dates, the Floating Rate Payer compounding dates, and the Termination Date.

Amended 11/02/14

5.19 Minimum Notional

An OTC Transaction with a Notional Amount less than one currency unit cannot be cleared.

Amended 07/04/14

5.20 Payment and Roll Holiday Centres

An OTC Transaction where the Payment Holiday Centres and Roll Holiday Centres are not the same cannot be cleared.

An OTC Transaction where the Payment Holiday Centres do not include the relevant principal holiday centre associated with the Currency cannot be cleared (see Section 5.17 for Principal Currency Holiday Centres).

An OTC Transaction where the Payment Holiday Centres include one or more centres not supported by ASX Clear (Futures) cannot be cleared (see Appendix A for ASX Supported Holiday Centres).

5.21 Fees (Additional Payments)

An OTC Transaction with more than two Additional Payments¹² cannot be cleared.

An OTC Transaction with an Additional Payment in a currency different to the Currency cannot be cleared.

An OTC Transaction with an Additional Payment where the Additional Payment Holiday Calendar does not include the principal holiday centre associated with the Currency cannot be cleared.

¹² An additional payment under the terms of this section means any payment not part of the normal coupon cycle.

An OTC Transaction with an Additional Payment where the Additional Payment Holiday Calendar includes one or more holiday centres not supported by ASX Clear (Futures) (as described in Appendix A) cannot be cleared.

An OTC Transaction which does not have the Business Day Convention on Additional Payments, set to Modified Following (MODF) cannot be cleared.

An OTC Transaction which does not have the same holiday centres on Additional Payments, Payment Dates and roll dates cannot be cleared.

An OTC Transaction with an Additional Payment where the Payment Date is prior to the Effective Date or after the Termination Date cannot be cleared.

5.22 Float Start Date

An OTC Transaction with different start dates for each of the Float Start Dates cannot be cleared.

5.23 Floating Leg Calculation

An OTC Transaction with Reset In Arrears specified for a leg cannot be cleared.

An OTC Transaction with a Float Reset Frequency not equal to the Designated Maturity cannot be cleared.

5.24 Adjusted Starts

An OTC Transaction with a different value for both Adjust Float Start Dates cannot be cleared.

5.25 Compounding Method

An OTC Transaction which has a Compounding Method of 'Spread Exclusive' can be cleared.

Amended 11/02/14, 17/10/16

5.26 Leg Compliance

An OTC Transaction with a Floating Rate Index of AUD-BBR-BBSW or AUD-BBSW and which does not use one of the following Leg combinations cannot be cleared:

- Float/Float

5.27 Payment Frequency

An OTC Transaction which does not use one of the following Payment Frequencies cannot be cleared:

- Monthly
- Quarterly
- Semi-Annually
- Annually (AUD-AONIA-OIS-COMPOUND or AUD-AONIA-OIS Compound rate index only)
- At Maturity (AUD-AONIA-OIS-COMPOUND or AUD-AONIA-OIS Compound rate index only)

Amended 11/02/14, 07/07/14, 03/10/16, 17/10/16

5.28 Stubs

Non-standard Calculation Periods (referred to as **Stub Periods**) may only occur at the start or end of the OTC Transaction. An OTC Transaction with Stub Periods at both the start and end of the transaction is subject to rejection by ASX Clear (Futures) in its discretion. An OTC Transaction with a Stub Period at the start of the OTC Transaction greater than or equal to 1 Calculation Period on an AUD-AONIA-OIS-COMPOUND or AUD-AONIA-OIS Compound index or 2 Calculation periods on a AUD-BBR-BBSW or AUD-BBSW index cannot be cleared.

An OTC Transaction with a AUD-AONIA-OIS-COMPOUND or AUD-AONIA-OIS Compound index and a Stub Period at the end of the OTC Transaction cannot be cleared. An OTC Transaction with an AUD-BBR-BBSW or AUD-BBSW Designated Maturity of 1 or 3 months and a Stub Period at the end of the OTC Transaction exceeding 2 Calculation Periods cannot be cleared. An OTC Transaction with an AU-BBR-BBSW or AU-BBSW Designated Maturity of 6 months and a Stub Period at the end of the OTC Transaction exceeding 1 Calculation Period cannot be cleared.

Application of Linear Interpolation for Stub Periods is only permitted between acceptable Stub Interpolation Floating Rate Index Tenors (currently 1m, 2m, 3m, 4m, 5m, 6m). OTC Transactions with Stub Period lengths outside of this tenor range, may elect to use "First Fixing Rate" or a Floating Rate Index without interpolation to be eligible for OTC Clearing. An OTC Transaction with Linear Interpolation for Stub Period lengths of less than 1 month (or greater than 6m), cannot be cleared.

Amended 03/10/16

5.29 Eligible Start Dates

An OTC Transaction with a Start Date exceeding the submission date by more than the days specified in the following table cannot be cleared:

Currency	Transaction Type	Designated Maturity	Days
AUD	Spot		5 Business Days
	Forward Starting	1 day 1 month	3,677 calendar days
	Forward Starting	3 months	11,342 calendar days
	Forward Starting	6 months	11,342 calendar days

Amended 07/04/14, 07/07/14, 03/10/16,27/11/17

Appendix A: ASX Supported Holiday Centres

The following holiday centres are accepted by ASX. A MarkitWire trade that includes any other holiday centres than those listed below in the Payment, Roll, Additional Payment or Initial Fixing Holiday Centre fields cannot be cleared.

Holiday Centre	Markit Wire/FpML Code
Sydney	AUSY
Melbourne	AUME
New York	USNY
London	GBLO
Auckland	NZAU
Wellington	NZWE

Amended 27/11/17

Appendix B: Additional Trade Eligibility Criteria Applied Outside of MarkitWire – [Deleted]

Deleted 07/04/14

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Schedule 2 – OTC Terms

The terms of an OTC Open Contract includes these OTC Terms. They are separated into 3 parts, Interpretation, Economic Terms and Standard Terms. These OTC Terms are applicable to calculate the amounts payable to, or by, ASX Clear (Futures) under each OTC Open Contract.

1 Interpretation

1.1 ISDA definitions

— The ~~2006-2021~~ ISDA Interest Rate Derivatives Definitions, including each Matrix if applicable and any successor matrix thereto, each as published by ISDA on its website¹³ (referred to as the ~~2006-2021~~ **ISDA Definitions**), ~~as published by the International Swaps and Derivatives Association, Inc.,~~ are incorporated into these

¹³ Refer to www.isda.org

OTC Terms. ~~(Copies of the 2006 ISDA Definitions are available at www.isda.org/publications/pubguide.aspx.)~~

Accordingly, terms defined in the ~~2006-2021~~ ISDA Definitions have the same meaning when used in these OTC Terms and references to **Articles** means Articles in the ISDA ~~2006-2021~~ Definitions.

References in the ~~2006-2021~~ ISDA Definitions to a “Swap Transaction” are taken to be references to an “OTC Open Contract” for the purposes of these OTC Terms.

The ~~2006-2021~~ ISDA Definitions apply to an OTC Open Contract despite the selection of any other definitions in the data transmitted in the submission of an OTC Transaction for registration.

1.2 Amendments

The latest version of the 2021 ISDA Definitions is incorporated into these OTC Terms in respect of each OTC Open Contract which has a Trade Date after the time that the relevant version is published, unless ASX Clear (Futures) notifies OTC Participants to the contrary.

~~If the 2006 ISDA Definitions are amended then the amendments are incorporated into these OTC Terms in respect of each OTC Open Contract which has a Trade Date after the time that the amendment is effective, unless ASX Clear (Futures) notifies OTC Participants to the contrary. ASX Clear (Futures) agrees to notify the OTC Participants of any such amendments after it becomes aware of them.~~

~~The accidental omission to give notice under this provision to, or the non-receipt of notice under this provision by, any OTC Participant does not invalidate the amendment with which the notice is concerned.~~

1.3 Inconsistency

In the event of an inconsistency between the OTC Rules or the OTC Handbook and the ~~2006-2021~~ ISDA Definitions, the OTC Rules or the OTC Handbook, as the case may be, prevails. None of the OTC Rules, OTC Handbook, ~~2006-2021~~ ISDA Definitions, Economic Terms or Standard Terms prevail over the Recovery Rules.

In the event of any inconsistency between the Economic Terms and the Standard Terms, the Standard Terms prevail.

Amended 01/10/15

2 Economic Terms

2.1 Economic Terms

The economic terms of an OTC Open Contract (referred to as **Economic Terms**) are taken from the information submitted, or taken to be submitted, to ASX Clear (Futures) by the parties to the corresponding OTC Transaction.

Amended 30/11/15

2.2 Matched information

It is a condition to the registration that the particulars of a OTC Transaction presented to ASX Clear (Futures) must include matched information in respect of

the Economic Terms, except that information in respect of 2.3(k)(vii) or (k)(viii) (not both).

2.3 OTC Transaction Type: Interest Rate Derivatives

The Economic Terms for interest rate derivatives comprise:

- (a) Notional Amount (see Article [4.7.4.2](#) for definition);
- (b) Currency (see Article [1.72.4](#) for definition);
- (c) Trade Date (see Article [3.73.1.1](#) for definition);
- (d) Effective Date (see Article [3.23.1.2](#) for definition);
- (e) Termination Date (see Article [3.33.1.3](#) for definition);
- (f) Initial Exchange (if applicable):
 - (i) Initial Exchange Amount payer;
 - (ii) Initial Exchange Amount (see Article [4.14.1.2](#) for definition);
 - (iii) Initial Exchange Date (see Article [3.43.1.5](#) for definition);
- (g) Interim Exchange or Periodic Exchange (if applicable):
 - (i) Interim Exchange Amount payer ~~or Periodic Exchange Amount payer~~;
 - (ii) Interim Exchange Amount ~~or Periodic Exchange Amount~~ (see Article [4.24.2.2](#) for definition);
 - (iii) Interim Exchange Date ~~or Periodic Exchange Date~~ (see Article [3.53.1.6](#) for definition);
- (h) Final Exchange (if applicable):
 - (i) Final Exchange Amount payer;
 - (ii) Final Exchange Amount (see Article [4.34.3.2](#) for definition);
 - (iii) Final Exchange Date (see Article [3.63.1.7](#) for definition);
- (i) Business Days (see Article [4.42.1.1](#) for definition);
- (j) Business Day Convention (see Article [4.122.3](#) for definition);
- (k) Where Fixed Rate – Floating Rate Swap:
 - (i) Fixed ~~Rate-Amount~~ Payer (see Article [2.15.1.3](#) for definition);
 - (ii) Fixed ~~Rate-Amount~~ Payer Payment Dates;
 - (iii) Fixed Amount (see Article [4.45.1.2](#) for definition) [or Fixed Rate and Fixed Rate Day Count Fraction][~~or Fixed Rate-Amount Payer Schedule~~];
 - (iv) Floating ~~Rate-Amount~~ Payer (see Article [2.26.1.2](#) for definition);
 - (v) Floating ~~Rate-Amount~~ Payer Payment Dates;
 - (vi) Floating ~~Rate-Amount~~ Payer compounding dates (if applicable);
 - (vii) Floating Amount (see Article [4.56.1.3](#) for definition);
 - (viii) Floating Rate Option (see Article [6.2\(h\)6.5.1](#) for definition);
 - (ix) Designated Maturity (see Article [7.3\(b\)6.7.4](#) for definition);
 - (x) Spread (see Article [6.2\(e\)6.5.4](#) for definition);
 - (xi) Reset Dates (see Article [6.2\(b\)6.5.5](#) for definition);

- (xii) Floating Rate Day Count Fraction (see Article ~~6.2(f)~~6.5.3 for definition);
- (l) Where Floating Rate – Floating Rate Swap (“basis” swap):
 - (i) Floating ~~Rate-Amount~~ Payer (No. 1) (see Article ~~2-26.1.2~~ for definition):
 - (A) Floating ~~Rate-Amount~~ Payer Payment Dates;
 - (B) Floating ~~Rate-Amount~~ Payer Compounding Dates (if applicable);
 - (C) Floating Rate Option (see Articles ~~6.2(i) and 6.2(h)~~ 6.5.1 for definition);
 - (D) Designated Maturity (see Article ~~7.3(b)~~6.7.4 for definition);
 - (E) Spread (see Article ~~6.2(e)~~6.5.4 for definition);
 - (F) Reset Dates (see Article ~~6.2(b)~~6.5.5 for definition);
 - (G) Floating Rate Day Count Fraction (see Article ~~6.2(f)~~6.5.3 for definition).
 - (ii) Floating ~~Rate-Amount~~ Payer (No. -2) (see Article ~~2-26.1.2~~ for definition):
 - (A) Floating ~~Rate-Amount~~ Payer Payment Dates;
 - (B) Floating ~~Rate-Amount~~ Payer Compounding Dates (if applicable);
 - (C) Floating Rate Option (see Article ~~6.2(h)~~6.5.1 for definition);
 - (D) Designated Maturity (see Article ~~7.3(b)~~6.7.4 for definition);
 - (E) Spread (see Article ~~6.2(e)~~6.5.4 for definition);
 - (F) Reset Dates (see Article ~~6.2(b)~~6.5.5 for definition);
 - (G) Floating Rate Day Count Fraction (see Article ~~6.2(f)~~6.5.3 for definition).

(m) Delayed Payment (see Article 3.1.9 for definition);

(n) Application of FRN Convention (see Article 3.1.13 for definition).

Amended 11/02/14

2.4 Financial Centres

In addition to the Business Days for the financial centres specified in the Economic Terms, the Business Days for Sydney will apply to OTC Open Contracts.

3 Standard Terms

3.1 Standard Terms

The following terms are referred to as the Standard Terms of an OTC Open Contract.

3.2 Original documentation

Regardless of the documentation of an original OTC Transaction, these OTC Terms apply to all OTC Open Contracts.

3.3 Calculation Agent

The Calculation Agent (see Article [4.141.2.1](#) for definition) for each OTC Open Contract is ASX Clear (Futures).

3.4 Business Days

In addition to the Business Days for the Financial Centres specified in the Economic Terms, the Business Days specified in the calendar published by ASX Clear (Futures), from time to time, will apply to an OTC Open Contract.

3.5 Negative Interest Rates

The “[Fixed Negative Interest Rate Method](#)” as set out in Article [5.56.4\(b\)](#) and the [“Floating Negative Interest Rates” as set out in Article 6.8](#) applies to an OTC Open Contract.

3.6 Stamp Tax

Each OTC Participant will pay any Stamp Tax or duty levied or imposed upon it in respect of any OTC Open Contract to which it is a party and indemnifies ASX Clear (Futures) against any Stamp Tax or duty levied or imposed upon ASX Clear (Futures) in respect of any OTC Open Contract registered by ASX Clear (Futures) and to which that OTC Participant is a party.

3.7 Payments under an OTC Open Contract

Each OTC Participant agrees to make the payments due to be made by it under each of its OTC Open Contracts in accordance with the OTC Rules and the OTC Handbook. Payments under, and in respect of, an OTC Open Contract are calculated by ASX Clear (Futures) and are made by, or to, the OTC Participant in accordance with the provisions of the OTC Handbook and the OTC Rules.

3.8 OTC Rules and OTC Handbook

An OTC Open Contract is subject to the OTC Rules and the OTC Handbook, which forms part of its terms. In the event of any inconsistency between these OTC Open Contract Terms and the OTC Rules and the OTC Handbook, the OTC Rules and OTC Handbook (as applicable) prevails. None of the OTC Open Contract Terms, OTC Rules, OTC Handbook, OTC Rules or OTC Handbook prevail over the Recovery Rules.

Amended 01/10/15

3.9 Governing law

Each OTC Open Contract is governed by the law in force in New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales.