

ASIC Class Rule Waiver [CW 13/680]

About this compilation

Compilation No. 4

This is a compilation of ASIC Class Rule Waiver [CW 13/680] as in force on 4 May 2017. It includes any commenced amendment affecting the legislative instrument to that date.

This compilation was prepared by the Australian Securities and Investments Commission.

The notes at the end of this compilation (the *endnotes*) include information about amending instruments and the amendment history of each amended provision.

Prepared by the Australian Securities and Investments Commission.

Australian Securities and Investments Commission ASIC Market Integrity Rules (Competition in Exchange Markets) 2011 – Subrules 1.2.1(1) and (3) and Rule 1.2.3 – Class Rule Waiver

Enabling provision

1. The Australian Securities and Investments Commission (*ASIC*) makes this instrument under subrules 1.2.1(1) and (3) and Rule 1.2.3 of the *ASIC Market Integrity Rules (Competition in Exchange Markets) 2011* (the *Competition Rules*).

Title

2. This instrument is ASIC Class Rule Waiver [CW 13/680].

Withdrawal

4. ASIC Class Rule Waiver [CW 12/1710] is withdrawn.

Waiver

5. ASIC relieves a Participant from the obligation to comply with Rule 4.1.1(1) of the Competition Rules in the case where the Participant enters into a Transaction:
 - a. as an “ETF Special Trade” in accordance with Rule [3310] of the ASX Operating Rules and reported to ASX in accordance with Procedure 3310 of the ASX Operating Rules Procedures; or
 - b. as a “Crossing of a Derivative/Cash Combination” in accordance with paragraph 6 of Part B of Procedure 4060 of the ASX Operating Rules

Procedures and reported to ASX in accordance with Procedure 3500 of the ASX Operating Rules Procedures.

6. ASIC relieves a Participant from the obligation to comply with Rule 4.1.1(1) of the Competition Rules in the case where the Participant enters into a Transaction other than by matching of an Order on an Order Book and:
 - a. the Participant acts:
 - i. on behalf of both buying and selling clients to that Transaction; or
 - ii. on behalf of a buying or selling client on one side of that Transaction and as Principal on the other side;
 - b. the Transaction is executed at a price per Relevant Product which is:
 - i. higher than the Best Available Bid and lower than the Best Available Offer by one or more Price Steps; or
 - ii. at the Best Mid-Point, where the Best Mid-Point is not limited to standard Price Steps for the Relevant Product; and
 - c. the consideration for the Transaction is greater than \$0.

7. ASIC relieves a Participant from the obligation to comply with Rule 4.1.1(1) of the Competition Rules, during the period from 26 May 2013 to 26 September 2013 (inclusive), in the case where the Participant enters into a Transaction in a Relevant Product by matching of an Order on an Order Book of the Chi-X Market and:
 - a. the Transaction results from:
 - i. execution of a Market Pegged Order or Primary Pegged Order at a price per Relevant Product which is the same as the Best Available Bid or Best Available Offer; or
 - ii. execution of a Mid-Point Order at a price per Relevant Product which is higher than the Best Available Bid and lower than the Best Available Offer and which is at a price other than a standard Price Step;
 - b. in accordance with the requirements of the Chi-X Operating Rules; and
 - c. the consideration for the Transaction is greater than \$0.

- 7A. ASIC relieves a Participant from the obligation to comply with Rule 4.1.1(1) of the Competition Rules, in the case where a Participant enters into a Transaction in an Equity Market Product as a result of a Derived Order.
- 7B. ASIC relieves a Participant from the obligation to comply with Rule 4.1.1(1) of the Competition Rules, in the case where a Participant enters into a Transaction in an Equity Market Product that is part of a Contingent Equity Transaction.

- 7C. The relief in paragraph 7B applies until midnight on 4 May 2018.

Interpretation

8. In this instrument:

ASX Clear Operating Rules means the operating rules of ASX Clear Pty Limited (ACN 001 314 503) as at 4 May 2015.

ASX Operating Rules means the operating rules of ASX as at 4 May 2015.

ASX Operating Rules Procedures means the procedures to the ASX Operating Rules as at 4 May 2015.

ASX Trade means the equities trading platform operated by ASX.

Best Available Bid, in relation to a Transaction in a Relevant Product, means the highest Pre-Trade Transparent Bid, for Relevant Products in the same class as the Relevant Products the subject of the Transaction, available across all Order Books other than the Order Book maintained by or on behalf of ASX and known as “PureMatch”, at the time the Transaction is executed.

Best Available Offer, in relation to a Transaction in a Relevant Product, means the lowest Pre-Trade Transparent Offer, for Relevant Products in the same class as the Relevant Products the subject of the Transaction, available across all Order Books other than the Order Book maintained by or on behalf of ASX and known as “PureMatch”, at the time the Transaction is executed.

Best Mid-Point means:

$$(\text{Best Available Bid} + \text{Best Available Offer}) \div 2.$$

Cash Only Combination means a Cash Only Combination within the meaning of ASX Operating Rule [7100].

Chi-X means Chi-X Australia Pty Ltd.

Chi-X Market means the financial market operated by Chi-X.

Chi-X Operating Rules means the operating rules of Chi-X as at the date of this instrument.

Contingent Equity Transaction means a single Transaction consisting of a Transaction in an Equity Market Product and one or more OTC Options Market Transactions, where the requirements in Procedure 3002 of the ASX Operating Rules Procedures are met.

Derivative/Cash Combination means a Derivatives/Cash Combination within the meaning of ASX Operating Rule [7100].

Derived Order means an Order generated by ASX Trade for a component leg of a Derivative/Cash Combination or Cash Only Combination traded as a Tailor Made Combination Order, whenever the best price and quantity available on the opposite side of the remaining legs is sufficient to satisfy the Tailor Made Combination Order.

Market Pegged Order means an Order submitted to the Chi-X Market as a 'Market Pegged Order', that maintains a price relative to Best Available Bid (for a Sell Order) or Best Available Offer (for a Buy Order).

Mid-Point Order means an Order submitted to the Chi-X Market as a 'Mid-Point Order' with a limit price of half a standard Price Step, that maintains a price higher than the Best Available Bid and lower than the Best Available Offer.

OTC Options Market Transaction means an OTC Options Market Transaction within the meaning of Rule 2.10.1 of the ASX Clear Operating Rules.

Participant means a participant of:

- (a) the financial market operated by ASX; or
- (b) the financial market operated by Chi-X Australia Pty Ltd (ACN 129 584 667).

Primary Pegged Order means an Order submitted to the Chi-X Market as a 'Primary Pegged Order', that maintains a price relative to the Best Available Bid (for a Buy Order) or Best Available Offer (for a Sell Order).

Relevant Products means Equity Market Products and CGS Depository Interests.

Tailor Made Combination Order means a Tailor Made Combination within the meaning of ASX Operating Rule [7100], entered into in accordance with Procedure 4111 of the ASX Operating Rules Procedures.

9. In this instrument, unless the contrary intention appears, capitalised terms have the meaning given by the Competition Rules.

Notes to ASIC Class Rule Waiver [CW 13/680]

Note 1

ASIC Class Rule Waiver [CW 13/680] (in force under Rules 1.2.1(1) and (3) and Rule 1.2.3 of the *ASIC Market Integrity Rules (Competition in Exchange Markets) 2011*) as shown in this compilation comprises that Class Rule Waiver amended as indicated in the tables below.

Table of Instruments

Instrument number	Date of FRL registration	Date of commencement	Application, saving or transitional provisions
[CW 13/680]	24/5/2013 (see F2013L00839)	26/5/2013	
[CW 14-0322]	2/5/2014 (see F2014L00486)	2/5/2014	-
[15/0384]	4/5/2015 (see F2015L00635)	4/5/2014	-
[CW 16/0352]	29/4/2016 (see F2016L00594)	30/4/2016	-
[CW 17/0370]	3/5/2017 (see F2017L00494)	4/5/2017	-

Table of Amendments

ad. = added or inserted am. = amended LA = *Legislation Act 2003* rep. = repealed rs. = repealed and substituted

Provision affected	How affected
Para 3	rep. s48D LA
Para 7A	ad. [CW 14-0322]
Para 7B.....	ad. [15/0384]
Para 7C.....	ad. [15/0384]; am. [CW 16/0352] and [CW 17/0370]
Para 8	am. [CW 14-0322] and [15/0384]