

***ASIC Market Integrity Rules
(ASX 24 Market-Capital) 2014***

I, Oliver Harvey, acting with the written consent of the Minister, make the following ASIC Market Integrity Rules (ASX 24 Market-Capital) 2014 under subsection 798G(1) of the *Corporations Act 2001*.

Dated this 20th day of May 2014

Signed by Oliver Harvey
as delegate of the Australian Securities and Investments Commission



ASIC

Australian Securities & Investments Commission

ASIC Market Integrity Rules (ASX 24 Market-Capital) 2014

Contents

Chapter 1: Introduction	4
Part 1.1 Preliminary	4
Part 1.2 Waiver	5
Part 1.3 Notice, notification and service of documents	6
Part 1.4 Interpretation	7
Part 1.5 Transitional	8
Chapter 5: Capital requirements	9
Part 5.1 Interpretation	9
Part 5.2 Capital requirements	10
Chapter 6: Accounts and audit	11
Part 6.1 Interpretation	11
Part 6.2 Financial statements	11
Schedule	15
Form 3 Part 1 Directors' Declaration	15
Form 3 Part 2 Directors' Declaration (Annual Statement)	17
Form 4 Part 1 Auditors' Report on the NTA Rules	18
Form 4 Part 2 Auditors' Report on the NTA Return	20
Form 5 NTA Return (Ad Hoc, Monthly and Annual)	22
Form 7 Summary NTA Return	61

Chapter 1: Introduction

Part 1.1 Preliminary

1.1.1 Enabling legislation

ASIC makes this instrument under subsection 798G(1) of the Corporations Act.

1.1.2 Title

This instrument is *ASIC Market Integrity Rules (ASX 24 Market-Capital) 2014*.

1.1.3 Commencement

This instrument commences on the later of:

- (a) 26 May 2014; and
- (b) the day on which the instrument is registered under the *Legislative Instruments Act 2003*.

Note: An instrument is registered when it is recorded on the Federal Register of Legislative Instruments (FRLI) in electronic form: see *Legislative Instruments Act 2003*, s 4 (definition of register). The FRLI may be accessed at <http://www.frli.gov.au/>.

1.1.4 Scope of these Rules

These Rules apply to:

- (a) the activities or conduct of the Market;
- (b) the activities or conduct of persons in relation to the Market; and
- (c) the activities or conduct of persons in relation to Financial Products traded on the Market.

Note: There is no penalty for this Rule.

1.1.5 Entities that must comply with these Rules

The following entities must comply with these Rules:

- (a) the Market Operator;
- (b) Market Participants; and
- (c) Other Regulated Entities;

as specified in each Rule.

Note: There is no penalty for this Rule.

1.1.6 Conduct by officers, employees or agents

In these Rules, conduct engaged in on behalf of a person:

- (a) by an officer, Employee, or other agent of the person, and whether or not within the scope of the actual or apparent authority of the officer, Employee, or other agent; or
- (b) by any other person at the direction or with the consent or agreement (whether express or implied) of an officer, Employee, or other agent of the person, and whether or not the giving of the direction, consent or agreement is within the scope of the actual or apparent authority of the officer, Employee, or other agent,

is deemed to have been engaged in by the person.

Note: There is no penalty for this Rule.

1.1.7 State of mind of a person

(1) If for the purposes of these Rules in respect of conduct engaged in by a person, it is necessary to establish the state of mind of the person, it is sufficient to show that an officer, Employee, or other agent of the person, being an officer, Employee, or other agent by whom the conduct was engaged in and whether or not the conduct was within the scope of the actual or apparent authority of that officer, Employee, or other agent, had that state of mind.

(2) In subrule (1), a reference to the state of mind of a person includes a reference to the knowledge, intention, opinion, belief or purpose of the person and the person's reasons for the person's intention, opinion, belief or purpose.

Note: There is no penalty for this Rule.

Part 1.2 Waiver

1.2.1 Waiver of Rules and procedures

(1) Subject to Rule 1.2.3, ASIC may relieve any person or class of persons from the obligation to comply with a provision of these Rules, either generally or in a particular case or category, and either unconditionally or subject to such conditions as ASIC thinks fit.

(2) If any conditions on a waiver given under subrule (1) are imposed, all of the conditions must be complied with for the waiver to be effective.

(3) ASIC may withdraw, in writing, a waiver given under subrule (1) at any time.

(4) Any request by a person for a waiver under subrule (1) must be in writing.

(5) Any waiver given under subrule (1), and any conditions imposed on that waiver, must be in writing.

(6) ASIC may publish notice of a waiver given under subrule (1).

Note: There is no penalty for this Rule.

1.2.2 Compliance with conditions

Failure to comply with a condition imposed under Rule 1.2.1 is a contravention of this Rule.

Maximum penalty: \$1,000,000

1.2.3 Period during which relief applies

ASIC may specify the period or specific event during which any relief from an obligation to comply with a provision of these Rules may apply.

Note: There is no penalty for this Rule.

1.2.4 Register

(1) ASIC may establish and maintain a register for recording details of relief granted under Rule 1.2.1 and may enter the following details in the register:

- (a) the date that the relief takes effect;
- (b) the person or class of person relieved from the obligation;
- (c) the provision to which the relief applies;
- (d) brief reasons for the relief; and
- (e) any conditions that apply to the relief.

(2) ASIC may publish the register referred to in subrule (1).

Note: There is no penalty for this Rule.

Part 1.3 Notice, notification and service of documents

1.3.1 Market Participant to have email system

A Market Participant must acquire and maintain an operating email system for the purposes of receiving notices under these Rules.

Note: There is no penalty for this Rule.

1.3.2 Methods of giving notice in writing

Unless otherwise specified in a Rule, ASIC may give notice under these Rules by any of the following methods:

- (a) delivering it to the recipient personally;
- (b) leaving it at or by sending it by courier or post to the address of the recipient last notified to ASIC;
- (c) sending it by facsimile to the recipient's facsimile number last notified to ASIC;

- (d) a circular or bulletin addressed to a class of persons and delivered or communicated by any means permitted under this Rule;
- (e) specific email by any method which identifies a person or person's title as addressee and no notice of non-delivery has been received;
- (f) broadcast email by any method which identifies the addressee and which, having regard to all the relevant circumstances at the time, was as reliable as appropriate for the purposes for which the information was communicated.

Note: There is no penalty for this Rule.

Part 1.4 Interpretation

1.4.1 References to time

In these Rules a reference to time is to the time in Sydney, Australia.

Note: There is no penalty for this Rule.

1.4.2 Words and expressions defined in the Corporations Act

Words and expressions defined in the Corporations Act will unless otherwise defined or specified in these Rules or the contrary intention appears, have the same meaning in these Rules.

Note: There is no penalty for this Rule.

1.4.3 Definitions

“**ASIC**” means the Australian Securities and Investments Commission.

“**ASX Clear**” means ASX Clear (Futures) Pty Limited (ACN 050 615 864).

“**Business Day**” has the meaning given by section 9 of the Corporations Act.

“**Clearing Participant**” means a person admitted as a participant under the Clearing Rules.

“**Clearing Rules**” means operating rules:

- (a) as the term is defined in section 761A of the Corporations Act; and
- (b) made by ASX Clear.

“**Corporations Act**” means the *Corporations Act 2001* (Cth).

“**Director**” has the meaning given by section 9 of the Corporations Act.

“**Employee**” in relation to a Market Participant includes a Director, employee, officer, agent, Representative, consultant or adviser of that Market Participant, or an independent contractor who acts for or by arrangement with a Market Participant.

“**Financial Products**” has the meaning given by Division 3 of Part 7.1 of the Corporations Act.

“**Market**” means the market operated by the Market Operator under the *Australian Market Licence (Australian Securities Exchange Limited) 2002*.

“**Market Operator**” means Australian Securities Exchange Limited (ACN 000 943 377).

“**Market Operating Rules**” means the Operating Rules of the Market.

“**Market Participant**” means a participant in the Market admitted under the Market Operating Rules.

“**Operating Rules**” has the meaning given by section 761A of the Corporations Act.

“**Other Regulated Entities**” means entities prescribed by regulations made for the purposes of paragraph 798H(1)(c) of the Corporations Act, that must comply with these Rules.

“**Principal Trader**” has the meaning given by the Market Operating Rules.

“**Representative**” has the meaning given by section 910A of the Corporations Act.

“**Rules**” means these Market Integrity Rules.

“**Trading Participant**” has the meaning given by the Market Operating Rules.

Part 1.5 Transitional

1.5.1 Repeal

The following provisions of the *ASIC Market Integrity Rules (ASX 24 Market) 2010* are repealed:

- (a) Chapters 5 and 6; and
- (b) the following Forms in the Schedule:
 - (i) Form 2;
 - (ii) Form 3 Parts 1 and 2;
 - (iii) Form 4 Parts 1 and 2;
 - (iv) Form 5;
 - (v) Form 6;
 - (vi) Form 7; and
 - (vii) Form 8.

Note: There is no penalty for this Rule.

Chapter 5: Capital requirements

Part 5.1 Interpretation

5.1.1 Definitions

In this Chapter:

“Approved Subordinated Debt” means an amount owing by a Trading Participant which is payable at a time or by instalments approved by ASIC and is to the satisfaction of ASIC effectively subordinated so that any right of the creditor in question to receive payment in the case of bankruptcy of or any composition or compromise with creditors by or appointment of a trustee in bankruptcy or in the case of liquidation, liquidator in respect of the Trading Participant or the partners or any of them is extinguished to such an extent as will ensure payment or provision for payment in full of all claims of all other present and future creditors of the Trading Participant in priority to the claim of the subordinated creditors and in respect of which a Subordinated Loan Deed has been executed under seal by the Trading Participant, the lender and ASIC.

“NTA” means the sum of the values of the assets (both fixed and current) owned by the Trading Participant or prospective Trading Participant as the case may be (such value being the lower of cost or market) less the sum of any liabilities (secured and unsecured) attaching to those assets or to the Trading Participant or prospective Trading Participant generally (and in the case of a partnership then attaching to the partners).

The values of assets for the purpose of this definition shall not include the value attributed to any future tax benefits, goodwill, patent, trademark, participation rights granted by the Market Operator, a commitment provided in accordance with the Clearing Rules or any asset used to secure that commitment, preliminary expense or other items of a like nature which are regarded in current accounting practice as intangible or the value attributed to any debt owed to the Trading Participant which is disputed or may otherwise be regarded as doubtful or the value of any asset which is not capable of being realised within 12 months on a going concern basis. Liabilities shall include provision for estimated liability for income tax, long service leave and any other contingency for which provision is properly made in current accounting practice. Liabilities may, if ASIC so approves, having regard to all the circumstances, exclude Approved Subordinated Debt.

“NTA Requirements” means the requirements that a Trading Participant, other than a Principal Trader, must ensure at all times that the value of the NTA is not less than one million dollars (\$1,000,000).

“Subordinated Loan Deed” means a deed which contains provisions including (without limitation):

- (a) that its terms are not to be varied without the agreement in writing of all parties;

- (b) that the lender's rights to receive interest and principal payments pursuant to the loan are subordinated at all times to other creditors;
- (c) that repayment of the loan in whole or in part is subject to the approval of ASIC, which shall not be given unless it is satisfied that the Trading Participant will, after repayment, be able to comply with the NTA Requirements; and
- (d) that the obligation to repay the loan and to pay interest will be suspended for the duration of any period in which the level of the Trading Participant's Net Tangible Assets falls below the minimum required by the Rules.

Part 5.2 Capital requirements

5.2.1 NTA Requirements

A Trading Participant must at all times comply with the NTA Requirements, unless:

- (a) the Trading Participant is only a Principal Trader; or
- (b) the Trading Participant is a Clearing Participant and complies with the capital requirements under the Clearing Rules.

Maximum penalty: \$1,000,000

Chapter 6: Accounts and audit

Part 6.1 Interpretation

6.1.1 Application of Rules

This Chapter does not apply to:

- (a) a Trading Participant that is only approved as a Principal Trader; or
- (b) a Trading Participant that is also a Clearing Participant.

Part 6.2 Financial statements

6.2.1A NTA Requirements: Forms

In this Part 6.2:

“Ad Hoc NTA Return” means a return containing the information in, and in the form set out in, Form 5 in the Schedule to these Rules.

“Audited Annual NTA Return” means a return containing the information in, and in the form set out in, Form 5 in the Schedule to these Rules, except for the following sections:

- (a) Receivables Analysis – Attachment A (coded “RAS”);
- (b) Directors - Attachment B (coded “DIR”);
- (c) Shareholders - Attachment C (coded “SHA”);
- (d) Related/Associated Company Receivables - Attachment D (coded “REL”);
- (e) Statement of Net Liquid Assets – Attachment E (coded “NLA”); and
- (f) Secured Creditors - Attachment F (coded “SEC”).

“Auditors’ Report on the NTA Return” means a report containing the information in, and in the form set out in Form 4 Part 2 in the Schedule to these Rules.

“Auditors’ Report on the NTA Rules” means a report containing the information in, and in the form set out in Form 4 Part 1 in the Schedule to these Rules.

“Directors’ Declaration” means a directors’ declaration containing the information in, and in the form set out in Form 3 Part 1 in the Schedule to these Rules.

“Directors’ Declaration (Annual Statement)” means a directors’ declaration containing the information in, and in the form set out in Form 3 Part 2 in the Schedule to these Rules.

“Monthly NTA Return” means a return containing the information in, and in the form set out in Form 5 in the Schedule to these Rules.

“**Summary NTA Return**” means a return containing the information in, and in the form set out in Form 7 in the Schedule to these Rules.

6.2.1 Reporting to ASIC

(1) A Trading Participant must prepare and give to ASIC:

- (a) financial statements, as set out in Rule 6.2.1(2), by the time set out in that Rule, which give a true and fair view of the financial position and performance of the business and which are prepared in accordance with accounting standards and principles which are generally accepted in Australia;
- (b) directors' declarations as set out in Rule 6.2.1(2) by the time set out in Rule 6.2.1(2); and
- (c) auditor's reports as set out in Rule 6.2.1(2) by the time set out in Rule 6.2.1(2).

(2) For the purposes of Rules 6.2.1(1)(a), (b) and (c), the financial statements, directors' declarations and auditor's reports to be given to ASIC, and the time by which they must be given, are:

- (a) within 3 months of the end of the financial year of a Trading Participant:
 - (i) an electronic copy of the Trading Participant's statutory accounts, including a directors' declaration and audit report as required under the laws of the Trading Participant's home jurisdiction;
 - (ii) an Audited Annual NTA Return;
 - (iii) a Directors' Declaration relating to the Audited Annual NTA Return and a Directors' Declaration (Annual Statement), authorised in the manner specified in Rule 6.2.1(7); and
 - (iv) an Auditors' Report on the NTA Rules and an Auditors' Report on the NTA Return, signed by a partner or director of the audit firm; and
- (b) within 10 Business Days of the end of each calendar month:
 - (i) a Monthly NTA Return as at the last day of the preceding calendar month; and
 - (ii) a Directors' Declaration relating to the Monthly NTA Return, authorised in the manner specified in Rule 6.2.1(7).

(3) If a Trading Participant becomes aware that its NTA has fallen below the minimum level required by Rule 5.2.1, the Trading Participant must:

- (a) notify ASIC, in writing, immediately upon becoming so aware, and specifying the level to which its NTA has fallen; and
- (b) give to ASIC:
 - (i) within 24 hours of becoming aware that its NTA has fallen below the minimum level required by Rule 5.2.1, a Summary NTA Return; and
 - (ii) within 24 hours of becoming aware that its NTA has fallen below the minimum level required by Rule 5.2.1, a Directors' Declaration relating to the Summary

NTA Return given under Rule 6.2.1(3)(b)(i), authorised in the manner specified in Rule 6.2.1(7).

(4) If the NTA of a Trading Participant falls below 150% of the minimum level required by Rule 5.2.1, the Trading Participant must give to ASIC:

- (a) within 5 Business Days of the NTA falling below 150% of the minimum level required by Rule 5.2.1, a Summary NTA Return; and
- (b) within 5 Business Days of the NTA falling below 150% of the minimum level required by Rule 5.2.1, a Directors' Declaration relating to the Summary NTA Return given under Rule 6.2.1(4)(a), authorised in the manner specified in Rule 6.2.1(7).

(5) If the NTA of a Trading Participant decreases by more than 20% since the last notification given to ASIC under this Rule, the Trading Participant must give to ASIC:

- (a) within 5 Business Days of the decrease, a Summary NTA Return; and
- (b) within 5 Business Days of the decrease, a Directors' Declaration relating to the Summary NTA Return given under Rule 6.2.1(5)(a), authorised in the manner specified in Rule 6.2.1(7).

(6) A Trading Participant must, if requested by ASIC in writing, give ASIC an Ad Hoc NTA Return for the period specified in ASIC's request, and a Directors' Declaration relating to the Ad Hoc NTA Return, authorised in the manner specified in Rule 6.2.1(7), within 24 hours of receipt of ASIC's request.

(7) For the purposes of this Rule, a Directors' Declaration and Directors' Declaration (Annual Statement) must be authorised by:

- (a) 2 directors of the Trading Participant whose names appear in the declaration; or
- (b) 1 director ('first director') of the Trading Participant and 1 representative of the Trading Participant, whose names appear in the declarations, where the representative has been authorised by the board or by a director other than the first director; or
- (c) 2 representatives of the Trading Participant whose names appear in the declaration and who have been authorised by the board or each authorised by a different director of the Trading Participant to give the declaration.

(8) A Trading Participant may comply with:

- (a) Rule 6.2.1(2)(a)(ii) (audited annual NTA return);
- (b) Rule 6.2.1(2)(a)(iii) (Directors' Declaration in relation to Audited Annual NTA Return);
- (c) Rule 6.2.1(2)(b)(i) and (ii) (Monthly NTA Return and Directors' Declaration);
- (d) Rule 6.2.1(3)(b)(i) and (ii) (Summary NTA Return and Directors' Declaration if NTA falls below minimum level);
- (e) Rule 6.2.1(4)(a) and (b) (Summary NTA Return and Directors' Declaration if NTA falls below 150% of minimum level)
- (f) Rule 6.2.1(5)(a) and (b) (Summary NTA Return and Directors' Declaration if NTA decreases by more than 20% since last notification to ASIC); and

- (g) Rule 6.2.1(6) (Ad hoc NTA Return and Directors' Declaration if ASIC makes a written request for that information)

by submitting the information required to be given to ASIC to the electronic return lodgement and monitoring system maintained by the Market Operator. For the avoidance of doubt, other information and documents required to be given to ASIC by Rule 6.2.1 may not be given to ASIC in that way.

(8A) Where a Directors' Declaration is submitted to the electronic return lodgement and monitoring system maintained by the Market Operator, each reference in that Directors' Declaration to the *ASIC Market Integrity Rules (ASX 24 Market) 2010* is taken to be a reference to these *ASIC Market Integrity Rules (ASX 24 Market-Capital) 2014*.

Note: Before 26 May 2014, the requirements in these *ASIC Market Integrity Rules (ASX 24 Market-Capital) 2014* were set out in the *ASIC Market Integrity Rules (ASX 24 Market) 2010*.

Maximum penalty: \$1,000,000

6.2.2 Scope of audits

(1) A Trading Participant must give its auditor access to its premises and Employees and all records, documents, explanations and other information required by the auditor in respect of any audit conducted under Rule 6.2.1(1)(c).

(2) A Trading Participant must:

- (a) not impose any limitation on the extent of any audit required under Rule 6.2.1(1)(c); and
- (b) permit and direct the auditor to notify ASIC immediately if any limitation is imposed on the auditor, or if the auditor is hindered or delayed in the performance of the auditor's duties.

(3) The records of each of the Trading Participant's nominee companies must be included in the audit under Rule 6.2.1(1)(c).

Maximum penalty: \$100,000

Schedule

Form 3 Part 1 Directors' Declaration

Net Tangible Asset Return (NTA Return)

Director's Declaration DRD

Return Date:

DIRECTORS' STATEMENT TO AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION (ASIC) AND/OR ASX CLEAR (FUTURES) PTY LIMITED

STATEMENT OF NET TANGIBLE ASSETS

This Return as athas been prepared pursuant to the ASIC Market Integrity Rules (ASX 24 Market) 2010* or ASX Clear (Futures) Operating Rules (as applicable) from accounting records and other records maintained by(the "Participant").

These accounting and other records have been properly and accurately maintained throughout the..... month(s) ended ("the Reporting Period") and form an appropriate basis upon which to assess and regularly review the financial stability of the Participant. The statements have been prepared on a going concern basis.

The Net Tangible Assets of the Participant have been maintained in accordance with the ASIC Market Integrity Rules (ASX 24 Market) 2010* and/or ASX Clear (Futures) Operating Rules (as applicable) throughout the Reporting Period. The calculation provided by the Participant to ASIC or ASX Clear (Futures) (as applicable) is an accurate reflection of the Participant's Net Tangible Asset position as at

In our opinion:-

- (a) as at the date of this statement and having regard to the nature of the Participant's business and the associated risk, no events have occurred, or are anticipated, which, may result in a material deterioration in the financial position of the Participant;
- (b) as at the date of this statement, the Participant confirms the attached financial information provided to ASIC or ASX Clear (Futures) (as applicable) accurately reflects the Participant's Net Tangible Asset position having regards to the ASIC Market Integrity Rules (ASX 24 Market) 2010* and/or ASX Clear (Futures) Operating Rules (as applicable);
- (c) the internal controls for processing and monitoring the transactions were adequate throughout the Reporting Period and proper segregation of duties existed;

(d) the internal procedures designed to ensure compliance with all the conditions or restrictions imposed by ASIC or ASX Clear (Futures) (as applicable) applicable to the Participant are adequate; and

(e) there are reasonable grounds to believe that the Participant will be able to meet its obligations as and when they fall due based on the following sources of liquid funds

We are aware that a false declaration may result in disciplinary action being taken against the Participant. We certify that the above information is to the best of our knowledge and belief true and correct.

* Where a Directors' Declaration is submitted to the electronic return lodgement and monitoring system maintained by the Market Operator, each reference in that Directors' Declaration to the ASIC Market Integrity Rules (ASX 24 Market) 2010 is taken to be a reference to the ASIC Market Integrity Rules (ASX 24 Market-Capital) 2014 (see Rule 6.2.1(8A)).

Financial Return Authorisation

Sole Director Company:	
Board Resolution Date	
Authorisation 1	
Authorisation Date 1	
Authorisation 2	
Authorisation Date 2	

Form 3 Part 2 Directors' Declaration (Annual Statement)

DIRECTORS' DECLARATION

ANNUAL STATEMENT OF NET TANGIBLE ASSETS

As directors of[entity name] ("the Participant"), we are responsible for maintaining an effective internal control structure, including establishing and maintaining accounting records and effective internal controls designed to ensure compliance with the net tangible asset rules in Chapter 5 of the *ASIC Market Integrity Rules (ASX 24 Market-Capital) 2014*.

In carrying out this responsibility, we have had regard to the interests of the clients and owners of the Participant, and to the general effectiveness and efficiency of the operations of the Participant.

In the opinion of the directors, the Participant maintained, in all material respects, during the[insert number] month period ended[insert date] suitably designed and effective internal controls to comply with the requirements of Chapter 5 of the *ASIC Market Integrity Rules (ASX 24 Market-Capital) 2014* in relation to the maintenance of net tangible assets.

.....

Authorised in accordance with Rule 6.2.1(7)

.....

Name

.....

Date

.....

Authorised in accordance with Rule 6.2.1(7)

.....

Name

.....

Date

Form 4 Part 1 Auditors' Report on the NTA Rules

Auditor's Report on the Net Tangible Asset Rules

Independent Auditor's Report To the Directors

We have audited the accounting records and internal control policies and procedures ("internal controls") of[Entity Name] (the "Participant") designed to ensure compliance with the Chapter 5 of the *ASIC Market Integrity Rules (ASX 24 Market-Capital) 2014* (ASX 24 Rules) in relation to the maintenance of net tangible assets (the "Net Tangible Assets Rules") in order to express an opinion about their effectiveness for the period/year ended[date] (Financial Year).

The directors of the Participant are responsible for maintaining an effective internal control structure, including establishing and maintaining accounting records and effective internal controls designed to ensure compliance with the requirements of the Net Tangible Assets Rules. We have conducted an independent audit of the internal controls designed to ensure compliance with the requirements of the Net Tangible Assets Rules in order to express an opinion on them to the directors of the Participant for the Financial Year.

Our audit has been conducted in accordance with Australian Auditing Standards and accordingly included such tests and procedures as we considered necessary in the circumstances. Our procedures included examination, on a test basis, of evidence supporting the Participant's accounting records and operation of its internal controls in relation to compliance with the requirements of the Net Tangible Assets Rules. These procedures have been undertaken to form an opinion whether in all material aspects, the Participant maintained suitably designed and effective internal controls to ensure compliance with the requirements of the Net Tangible Assets Rules for the Financial Year.

This report has been prepared for the Participant in order to meet its obligations to give this report to ASIC in accordance with the ASX 24 Rules. We disclaim any assumption of responsibility for reliance on this report to any person other than the Participant and ASIC or for any purpose other than that for which it was prepared.

Inherent Limitations

Because of the inherent limitations of any internal control structure it is possible that fraud, errors or non-compliance with laws and regulations may occur and not be detected. Further, the overall internal control structure, within which the internal controls designed to ensure compliance with the requirements of the Net Tangible Assets Rules operate, has not been audited, and no opinion is expressed as to its effectiveness.

An audit is not designed to detect all weaknesses in internal controls or all instances of noncompliance with the requirements of the Net Tangible Assets Rules as it is not performed continuously throughout the period/year and the tests performed over the internal controls are on a sample basis having regard to the nature and size of the Participant.

Any projection of the evaluation of internal controls to future periods is subject to the risk that the internal controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

The audit opinion expressed in this report has been formed on the above basis.

Auditor's Opinion

In our opinion, [except for the matters referred to in the qualification below] the Participant maintained, in all material respects, during the Financial Year suitably designed and effective internal controls to comply with the requirements of Chapter 5 of the ASX 24 Rules in relation to the maintenance of net tangible assets.

Qualification (if applicable)

Name of Audit Firm

Director's/ Partner's Signature

Name of /Director/Partner

Address of Audit Firm

Date

Form 4 Part 2 Auditors' Report on the NTA Return

Auditor's Report on NTA Return

Independent Auditors Report to the Directors

We have audited the financial information set out in the Audited NTA Return ('Return') of(the 'Participant') excluding the Directors Statement Relating to Accounts of the Participant and "Prior Period" balances as shown in the Audited NTA Return (the "Return") of the Participant for the Financial Year ended[date] (Financial Year).

The Responsibility of the Directors for the Return

The directors of the Participant are responsible for the preparation and fair presentation of the financial information set out in the Return in accordance with the requirements of the *ASIC Market Integrity Rules (ASX 24 Market-Capital) 2014* (ASX 24 Rules). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial information set out in the Return to ensure that the Return is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial information set out in the Return based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance, whether the financial information set out in the attached Return, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures of the financial information set out in the Return. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial information set out in the Return whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Participant's preparation and fair presentation of the financial information set out in the Return in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Participant's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Participant, as well as evaluating the overall presentation of the financial information set out in the Return.

The Return has been prepared in accordance with Rule 6.2.1 of the ASX 24 Rules. The Return may not be suitable for another purpose. Our report is intended solely for the Participant and ASIC and should not be distributed to or used by parties other than the Participant and ASIC.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of APES 110: Code of Ethics for Professional Accountants.

AUDITOR'S OPINION

In our opinion, [except for the matters referred to in the qualification below], the Return of the Participant for the Financial Year presents fairly, in all material respects, the financial information of the Participant for the Financial Year as required by ASIC in accordance with the ASX 24 Rules that are relevant to the preparation and presentation of the Return.

QUALIFICATION (IF APPLICABLE)

Name of Audit Firm

Director's/ Partner's Signature

Name of /Director/Partner

Address of Audit Firm

Date

Form 5 NTA Return (Ad Hoc, Monthly and Annual)

Net Tangible Asset Return

Return Date:

Return Details

Participant Type:

Participant Sub-Type:

Return Status:

Version:

Lodgement Date:

Original Lodgement Date:

Net Tangible Asset Return

Return Date:

NTA Return Details

NTA

Statement of Net Tangible Assets

	Note	Current Period	Prior Period	Movement \$	Movement %
Current Assets	1				
less Current Liabilities	2				
Net Current Assets (working capital)					
Non Current Assets	3				
less Non Current Liabilities	4				
Net Assets					
Shareholders Equity funded by:					
Equity	5				
Reserves & Retained earnings	6				
Approved Subordinated Debt	7				
Total Shareholder's Equity					
less Excluded/Intangible Assets	3f				
Net Tangible Assets					
Contingent Liabilities	8				
Lease Commitments	9				
Capital Commitments	10				
Net Standby Credit Facilities	11				
Foreign Exchange Exposure	12				

Net Tangible Asset Return

Return Date:

CAS

Current Assets

Current Assets - Note 1

	Current Period	Prior Period	Movement \$	Movement %
Total Current Assets				

Net Tangible Asset Return

Return Date:

Receivables

CAS - REC

Current Assets: Receivables - Note 1(a)

	Current Period		Prior Period		Movement \$		Movement %
Futures Clients							
/less provision for doubtful debts		=		=			
Other Clients							
/less provision for doubtful debts		=		=			
Dealers							
/less provision for doubtful debts		=		=			
Other Receivables							
/less provision for doubtful debts		=		=			
Sub Total							

Net Tangible Asset Return

Return Date:

Cash

CAS - CSH

Current Assets: Cash - Note 1(b)

	Current Period	Prior Period	Movement \$	Movement %
Cash at Bank (general accounts)				
Clients' Segregated Account at Bank				
Trust Account at Bank				
Cash on Hand				
Sub Total				

Net Tangible Asset Return

Return Date:

Deposits

CAS - DEP

Current Assets: Deposits - Note 1(c)

	Current Period	Prior Period	Movement \$	Movement %
Deposits with ASX Clear - Client Account				
Deposits with ASX Clear - House Account				
Deposits with ASX Clear (Futures) - Client Account				
Deposits with ASX Clear (Futures) - House Account				
Deposits with ASX Clear Participant				
Deposits with ASX Clear (Futures) Participant(s) - Client				
Deposits with ASX Clear (Futures) Participant(s) - House				
Deposits with ASX Participant				
Deposits with ASX 24 Participant(s) - Client				
Deposits with ASX 24 Participant(s) - House				
Deposits with Overseas Brokers – Client				
Deposits with Overseas Brokers – House				
Client funds invested in accordance with legislation				
Deposits with stock exchange				
Other (provide details)				
Sub Total				

Net Tangible Asset Return

Return Date:

Company Related

CAS - REL

Current Assets: Related/Associated Company Receivables - Note 1(d)

	Current Period	Prior Period	Movement \$	Movement %
Deposits (provide names of related parties)				
Loans (maturing within 12 months) (provide names of related parties)				
Receivables (provide names of related parties)				
Other (provide details)				
Sub Total				

Net Tangible Asset Return

Return Date:

Other Current Assets

CAS - OTH

Current Assets: Other - Note 1(e)

	Current Period	Prior Period	Movement \$	Movement %
Listed Securities (at stated value)				
At market value				
At cost value				
At other value (provide details)				
Investment in subsidiaries				
Investment in associated Companies				
Bills of Exchange				
Government & semi-Government Securities				
Prepayments				
Loans to Directors				
Other (provide details)				
Sub Total				

Net Tangible Asset Return

Return Date:

Current Liabilities

CLB

Current Liabilities: Total – Note 2

	Current Period	Prior Period	Movement \$	Movement %
Total Current Liabilities				

Net Tangible Asset Return

Return Date:

Section Name

CLB - TOP

Current Liabilities: Trade & other Payables - Note 2(a)

	Current Period	Prior Period	Movement \$	Movement %
Futures Clients – External				
Futures Clients – Related/Associated				
Other Clients				
Dealers				
Lease Liability				
Sundry Payables				
Other (provide details)				
Sub Total				

Net Tangible Asset Return

Return Date:

Short Term Borrowings

CLB - STB

Current Liabilities: Short Term Borrowings - Note 2(b)

	Current Period	Prior Period	Movement \$	Movement %
Bank Overdraft (provide lender names)				
Bank Loans (provide lender names)				
At call (provide lender names)				
Other (provide details)				
Sub Total				

Net Tangible Asset Return

Return Date:

CLB - REL

Related / Associated Company Payables

Current Liabilities: Related/Associated Company Payables - Note 2(c)

	Current Period	Prior Period	Movement \$	Movement %
Loans (due within 12 months) (provide names of related parties)				
Payables (provide names of related parties)				
Other (provide details)				
Sub Total				

Net Tangible Asset Return

Return Date:

Other Current Liabilities

CLB - OTH

Current Liabilities: Other - Note 2(d)

	Current Period	Prior Period	Movement \$	Movement %
Provision for Income Tax				
Provision for Dividend				
Provision for Annual Leave				
Provision for long Service Leave				
Sundry Provisions				
Sundry Accruals				
Other (provide details)				
Sub Total				

Net Tangible Asset Return

Return Date:

Non Current Assets

NCA

Non-Current Assets: Total - Note 3

	Current Period	Prior Period	Movement \$	Movement %
Total Non-Current Assets				

Net Tangible Asset Return

Return Date:

Property, Plant & Equipment

NCA - PPE

Non-Current Assets: Property, Plant & Equipment - Note 3(a)

	Current Period		Prior Period		Movement \$	Movement %
Land and Buildings – at fair value / cost						
less accumulated depreciation		=		=		
Leasehold Improvement - at fair value / cost						
less accumulated depreciation		=		=		
Plant, vehicles, fixtures & fittings						
less accumulated depreciation		=		=		
Other (provide details)						
Sub Total						

Net Tangible Asset Return

Return Date:

Financial Assets

NCA-FAS

Non-Current Assets: Financial Assets - Note 3(b)

	Current Period	Prior Period	Movement \$	Movement %
Government & semi-Government Securities				
Listed Securities (at stated value)				
At market value				
At cost value				
At other value (provide details)				
Investment in subsidiaries				
Investment in associated Companies				
Other (provide details)				
Sub Total				

Net Tangible Asset Return

Return Date:

Loans & Deposits**NCA-LAD****Non-Current Assets: Loans & Deposits - Note 3(c)**

	Current Period	Prior Period	Movement \$	Movement %
Due between 1-2 years (provide names of parties loan/deposit held with)				
Due after 2 years (provide names of parties loan/deposit held with)				
Sub Total				

Net Tangible Asset Return

Return Date:

Related / Associated company Receivables

NCA-REL

Non-Current Assets: Related/Associated Company Receivables - Note 3(d)

	Current Period	Prior Period	Movement \$	Movement %
Deposits (provide names of related parties)				
Loans (provide names of related parties)				
Receivables (provide names of related parties)				
Other (provide details)				
Sub Total				

Net Tangible Asset Return

Return Date:

Other Non Current Assets

NCA-OTH

Non-Current Assets: Other - Note 3(e)

	Current Period	Prior Period	Movement \$	Movement %
Prepayments				
Loans to Directors				
Other (provide details)				
Sub Total				

Net Tangible Asset Return

Return Date:

Excluded / Intangible Assets

NCA-EIA

Non-Current Assets: Excluded/Intangible Assets - Note 3(f)

	Current Period	Prior Period	Movement \$	Movement %
Formation Costs				
Goodwill				
Patents, Trademarks & Preliminary Expenses				
Deferred Tax Assets				
Participant Rights / Access to Membership to:				
ASX 24				
ASX				
ASX Clear (Futures)				
ASX Clear				
Other Exchanges / Clearing Houses (provide details)				
Unlisted Securities (provide details)				
ASX Clear Participant commitment				
ASX Clear (Futures) Participant commitment (cash only)				
Other commitments (provide details)				
Sub Total				

Net Tangible Asset Return

Return Date:

Non Current Liabilities

NCL

Non-Current Liabilities - Note 4

	Current Period	Prior Period	Movement \$	Movement %
Total Non-Current Liabilities				

Net Tangible Asset Return

Return Date:

Long Term Borrowings

NCL-LTB

Non-Current Liabilities: Long Term Borrowings - Note 4(a)

	Current Period	Prior Period	Movement \$	Movement %
Bank Loans (provide names of lenders)				
Other Loans (provide names of lenders)				
Subordinated Loans (provide names of lenders)				
Sub Total				

Net Tangible Asset Return

Return Date:

Related/Associated Company Payables

NCL-REL

Non-Current Liabilities: Related/Associated Company Payables - Note 4(b)

	Current Period	Prior Period	Movement \$	Movement %
Loans (provide names of related parties)				
Payables (provide names of related parties)				
Other (provide details)				
Sub Total				

Net Tangible Asset Return

Return Date:

Other Non Current Liabilities

NCL-OTH

Non-Current Liabilities: Other – Note 4(c)

	Current Period	Prior Period	Movement \$	Movement %
Provision for Income Tax				
Provision for Long Service Leave				
Provision for Dividend				
Deferred Taxation Liability				
Lease Liability				
Other Payables				
Other Accruals & Sundry Provisions				
Other (provide details)				
Sub Total				

Net Tangible Asset Return

Return Date:

Equity

EQY

Equity – Note 5

	Current Period	Prior Period	Movement \$	Movement %
Voting Shares				
Non-Voting Shares				
Other (provide details)				
TOTAL				

Net Tangible Asset Return

Return Date:

Reserves & Retained Earnings

RRE

Reserves & Retained Earnings - Note 6

	Current Period	Prior Period	Movement \$	Movement %
Accumulated Profits / (Losses) at beginning of month				
Profit / (Loss) from Futures Operations for the month				
Profit / (Loss) from Rest of Operations for the month				
Accumulated Profits / (Losses) at end of month				
Adjustment to Retained Earnings – Increases (provide details)				
Adjustment to Retained Earnings – Decreases (provide details)				
Other Revenue Reserves				
Capital Reserves				
Dividend				
Other (provide details)				
Total				

Net Tangible Asset Return

Return Date:

Approved Subordinated Debt

ASO

Approved Subordinated Debt - Note 7

Lender	Maturity	Facility Limit	Current Period	Prior Period	Movement \$	Movement %
Total						

Net Tangible Asset Return

Return Date:

Contingent Liabilities

CGL

Contingent Liabilities - Note 8

	Current Period	Prior Period	Movement \$	Movement %
Guarantees (provide details)				
Other (provide details)				
TOTAL				

Net Tangible Asset Return

Return Date:

LCM

Lease Commitments

Lease Commitments - Note 9

	Current Period	Prior Period	Movement \$	Movement %
Operating Leases (provide details)				
TOTAL				

Net Tangible Asset Return

Return Date:

CEC - Capital Expenditure Commitments

CEC

Capital Expenditure Commitments - Note 10

	Current Period	Prior Period	Movement \$	Movement %
TOTAL				

Net Tangible Asset Return

Return Date:

Standby Credit Facilities

SCF

Standby Credit Facilities - Note 11

			Limit Amount	
Type	Provider/Participant Name	Terms & Availability	Current Period	Prior Period
Granted in favour of the Participant:				
Sub Total				
Granted by the Participant in favour of other:				
Sub Total				
Total				

Net Tangible Asset Return

Return Date:

Foreign Exchange Exposure

FEE

Foreign Exchange Exposure - Note 12

	Current Period	Prior Period	Movement \$	Movement %
Net Gain/Loss				

Net Tangible Asset Return

Return Date:

Receivables Analysis

RAS

Receivables Analysis - Attachment A

Amounts Owed by	Current	30 Days	60 Days	90 Days+	Total Outstanding
Future Clients					
Other Clients					
Dealers					
Other Receivables					
Less Provision for Doubtful Debt					
Sub Total					
Ageing Analysis %					

Net Tangible Asset Return

Return Date:

DIR

Directors

Directors - Attachment B

Current Period	Prior Period
Board Directors (Full Name)	
Company Secretary (Full Name)	
CEO (Full Name)	

Net Tangible Asset Return

Return Date:

Shareholders

SHA

Shareholders - Attachment C

Voting					
Class of Shares	Value per Share	Shareholder Name	Number of Shares	Current Period	Prior Period
Voting Total					

Non-Voting					
Class of Shares	Value per Share	Shareholder Name	Number of Shares	Current Period	Prior Period
Non-Voting Total					
Total Contributed Equity					

Net Tangible Asset Return

Return Date:

Related/Associated Company Receivables

REL

Related/Associated Company Receivables - Attachment D

Current Assets			
Name of Related/Associated Company	Evidence Provided	Current Period	Prior Period
Sub Total			
Non - Current Assets			
Sub Total			
Total			

Net Tangible Asset Return

Return Date:

Net Liquid Assets

NLA

Statement of Net Liquid Assets - Attachment E

	Note	Current Period	Prior Period	Movement \$	Movement %
Liquid Assets					
Cash at Bank and on Hand					
Deposits with ASX Clear (Futures)					
Deposits with ASX Clear					
Deposits with other Participants					
Investments with authorised Institutions (24 hour call or better)					
Other Investments (24 hour call or better)					
Deposits with a Stock Exchange					
Government & Semi-Government Securities					
Bank Accepted Bills					
Listed Securities					
Other (provide details)					
Total Liquid Assets					
Liquid Liability					
Other Clients					
Other Creditors - at call					
Client Credit Margins (if mark to market not used)					
Loans & Deposits - at call					

Net Tangible Asset Return

Return Date:

Bank Overdraft					
Other (provide details)					
Total Liquid Liabilities					
Current Net Liquid Assets					

Net Tangible Asset Return

Return Date:

Secured Creditors

SEC

Statement of Secured Creditors - Attachment F

	Note	Nature & Extent of Security	Terms	Granted in favour of	Current Period	Prior Period
Current Liabilities						
Bank Overdraft						
Bank Loans						
Loans & Deposits						
Related/Associate d Company Payables						
Other (Provide details)						
Total Current Liabilities						
Non-Current Liabilities						
Bank Overdraft						
Bank Loans						
Loans & Deposits						
Related/Associate d Company Payables						
Other (provide details)						
Total Non-Current Liabilities						
Total Secured Creditors						

Form 7 Summary NTA Return

Return Details

Participant Type:

Participant Sub-Type:

Return Status:

Version:

Lodgement Date:

Original Lodgement Date:

Return Date:

Summary NTA Return

Return Date:

NTA Return Details

NTA

Statement of Net Tangible Assets

	Note	Current Period	Prior Period	Movement \$	Movement %
Current Assets	1				
less Current Liabilities	2				
Net Current Assets (working capital)					
Non Current Assets	3				
less Non Current Liabilities	4				
Net Assets					
Shareholders Equity funded by:					
Equity	5				
Reserves & Retained earnings	6				
Approved Subordinated Debt	7				
Total Shareholder's Equity					
less Excluded/Intangible Assets	3f				
Net Tangible Assets					
Contingent Liabilities	8				
Lease Commitments	9				
Capital Commitments	10				
Net Standby Credit Facilities	11				
Foreign Exchange Exposure	12				

Summary NTA Return

Return Date:

Non Current Assets

NCA

Non-Current Assets: Total - Note 3

	Current Period	Prior Period	Movement \$	Movement %
Total Non-Current Assets				

Summary NTA Return

Return Date:

NCA-EIA

Excluded / Intangible Assets

Non-Current Assets: Excluded/Intangible Assets - Note 3(f)

	Current Period	Prior Period	Movement \$	Movement %
Formation Costs				
Goodwill				
Patents, Trademarks & Preliminary Expenses				
Deferred Tax Assets				
Participant Rights / Access to Membership to:				
ASX 24				
ASX				
ASX Clear (Futures)				
ASX Clear				
Other Exchanges / Clearing Houses (provide details)				
Unlisted Securities (provide details)				
ASX Clear Participant commitment				
ASX Clear (Futures) Participant commitment (cash only)				
Other commitments (provide details)				
Sub Total				

Summary NTA Return

Return Date:

Reserves & Retained Earnings

RRE

Reserves & Retained Earnings - Note 6

	Current Period	Prior Period	Movement \$	Movement %
Accumulated Profits / (Losses) at beginning of month				
Profit / (Loss) from Futures Operations for the month				
Profit / (Loss) from Rest of Operations for the month				
Accumulated Profits / (Losses) at end of month				
Adjustment to Retained Earnings – Increases (provide details)				
Adjustment to Retained Earnings – Decreases (provide details)				
Other Revenue Reserves				
Capital Reserves				
Dividend				
Other (Provide details)				
Total				