ASIC
Australian Securities & Investments Commission

ASIC Market Integrity Rules (Securities Markets) 2017

About this compilation

Compilation No. 1

This is a compilation of ASIC Market Integrity Rules (Securities Markets) 2017 as in force on 4 May 2018. 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.

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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 (Securities Markets) 2017*.

1.1.3A Revocation

The following instruments are repealed:

(a) *ASIC Market Integrity Rules (APX Market) 2013*;

(b) *ASIC Market Integrity Rules (ASX Market) 2010*;

(c) *ASIC Market Integrity Rules (Chi-X Australia Market) 2011*;

(d) *ASIC Market Integrity Rules (Competition in Exchange Markets) 2011*; and

(e) *ASIC Market Integrity Rules (SIM VSE Market) 2010*.

Note: There is no penalty for this Rule.

1.1.4 Scope of these Rules

These Rules apply to:

(a) the activities or conduct of the Markets;

(b) the activities or conduct of persons in relation to the Markets; and

(c) the activities or conduct of persons in relation to financial products traded on the Markets,

as specified in each Chapter, Part or Rule.

Note: There is no penalty for this Rule.

1.1.4A Transitional

(1) A person other than an NSXA AOP Participant does not have to comply with any provision of this instrument until 7 May 2018.

(2) An NSXA AOP Participant does not have to comply with any provision of this instrument other than, in connection with use of its system for Automated Order Processing on the NSXA Market, the provisions of Parts 5.5, 5.6 and 5.7, until 7 May 2018.

Note: There is no penalty for this Rule.

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1.1.5 Entities that must comply with these Rules

The following entities must comply with these Rules:

(a) Market operators;

(b) Market Participants;

(c) CGS Market operators;

(d) CGS Market Participants; and

(e) 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.

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Part 1.2 Waiver

1.2.1 Waiver of Rules

(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 persons 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.

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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 a 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.

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1.4.3 Definitions

Accreditation Examination means an examination approved by ASIC in accordance with subrule 2.4.7(4) or 2.4.8(4).

Accredited Adviser means:

(a) a Level One Accredited Derivatives Adviser;

(b) a Level Two Accredited Derivatives Adviser; or

(c) an Accredited Futures Adviser.

Accredited Futures Adviser means a person who has been accredited under Rule 2.4.6 and whose accreditation is current.

AFSL means an Australian financial services licence granted under section 913B of the Corporations Act.

Anomalous Order means a:

(a) Buy Order for which the price is above the maximum Anomalous Order Threshold for the relevant Equity Market Product or CGS Depository Interest; and

(b) Sell Order for which the price is below the minimum Anomalous Order Threshold for the relevant Equity Market Product or CGS Depository Interest.

Anomalous Order Threshold means a threshold for an Equity Market Product or a CGS Depository Interest, determined under subrule 8.1.1(1).

AOP Annual Notification has the meaning given by subrule 5.6.8B(1).

AOP Annual Review has the meaning given by Rule 5.6.8A.

AOP Annual Review Date means 1 November each calendar year.

AOP Client means a person who is a client of a Participant and who is permitted by a Participant to submit Trading Messages into the Participant's system.

AOP Initial Certification has the meaning given by Rule 5.6.6.

AOP Material Change Review has the meaning given by subrule 5.6.8(1).

Approved Ratings Agency means a credit rating agency holding an AFSL authorising it to give general advice by issuing a credit rating.

AQUA Product means a financial product which is:

(a) a financial product issued by or provided pursuant to a Managed Fund;

(b) an ETF Security; or

(c) a Structured Product;

which is admitted to Trading Status as an AQUA Product or to the AQUA Quote Display Board.

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AQUA Product Issuer means an entity which issues, distributes or makes available AQUA Products and which has been admitted as an AQUA Product Issuer.

AQUA Quote Display Board means the facility provided by a Market operator for AQUA Product Issuers and Trading Participants to advertise their interest in acquiring or disposing of AQUA Products.

ASIC means the Australian Securities and Investments Commission.

ASIC Act means the *Australian Securities and Investments Commission Act 2001*.

ASX means ASX Limited (ACN 008 624 691).

ASX 24 means Australian Securities Exchange Limited (ACN 000 943 377).

ASX 24 Market means the financial market operated by ASX 24 under *Australian Market Licence (Australian Securities Exchange Limited) 2002*.

ASX Market means the financial market operated by ASX under *Australian Market Licence (ASX Limited) 2002*.

ASX TradeMatch means the Order Book operated by ASX and generally known as "ASX TradeMatch", that is the Central Order Book of ASX for Equity Market Products.

Auction means an auction conducted in a Trading Platform and, in Part 8.2 of these Rules, means:

(a) in relation to an Equity Market Product, an auction in the Equity Market Product on ASX TradeMatch; and

(b) in relation to CGS Depository Interests, an auction in the CGS Depository Interest on the Central Order Book of the Responsible Market Operator for CGS Depository Interests.

Authorised Person means a person who:

(a) is either:

  (i) a client of a Trading Participant;

  (ii) an agent of a client of a Trading Participant; or

  (iii) a Representative of a Trading Participant; and

(b) is permitted by a Trading Participant to submit orders into the Trading Participant's system.

Automated Client Order Processing is the Automated Order Processing of an order submitted by an Authorised Person into a Trading Participant's system.

Automated Order Processing means the process by which orders are registered in a Trading Participant's system and, if accepted for submission into a Trading Platform by the Trading Participant, submitted as corresponding Trading Messages without being keyed or rekeyed by a DTR.

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Automated Order Processing Requirements means the requirements of Part 5.6.

Best Available Bid, in relation to a transaction in Equity Market Products or CGS Depository Interests, means the highest Pre-Trade Transparent Bid, for Equity Market Products or CGS Depository Interests in the same class as the Equity Market Products or CGS Depository Interests the subject of the transaction, available across all Order Books at the time the transaction is executed.

Best Available Offer, in relation to a transaction in Equity Market Products or CGS Depository Interests, means the lowest Pre-Trade Transparent Offer, for Equity Market Products or CGS Depository Interests in the same class as the Equity Market Products or CGS Depository Interests the subject of the transaction, available across all Order Books at the time the transaction is executed.

Best Mid-Point means:

(Best Available Bid + Best Available Offer) ÷ 2.

Bid means:

(a) in relation to a Cash Market Product, a price and quantity of the Cash Market Product to be purchased;

(b) in relation to a Derivatives Market Contract, an offer to enter into a Derivatives Market Transaction in respect of the relevant Derivatives Market Contract as Buyer;

(c) in relation to a Combination, a price and quantity of the Combination; and

(d) in relation to any other financial product, a price and quantity of the financial product to be purchased.

Bid Class means, in relation to a Takeover Bid, the class of financial products included in the bid class of financial products under the Corporations Act.

Bidder means:

(a) in relation to a Takeover Off-Market Bid or Takeover Market Bid, a bidder within the meaning of the Corporations Act and, in respect of an Issuer incorporated or established outside Australia, the equivalent entity; and

(b) in relation to a Scheme, the entity or entities in a similar position to a bidder.

Bid Period:

(a) for a Takeover Off-Market Bid, means the period that starts when the Bidder's statement is given to the Target and ends:

  (i) one month later if no offers are made under the bid; or

  (ii) at the end of the Offer Period;

(b) for a Takeover Market Bid, starts when the bid is announced by a Market Participant acting on behalf of the Bidder to the Market where Cash Market Products in the Bid Class have been granted Official Quotation and ends at the end of the Offer Period; and

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(c) for a Scheme, starts when the announcement of intention to propose a Scheme is first received by the Market where Cash Market Products in the Bid Class have been granted Official Quotation until the date on which the Scheme is effected.

Block Trade has the meaning given by Rule 6.2.1.

Business Day means a day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day or Boxing Day.

Buyer means, in relation to a Derivatives Market Transaction, the Trading Participant whose purchase, bid or buy instruction, order or other Trading Message has resulted in the Derivatives Market Transaction being entered into, whether or not in connection with any Crossing, other Derivatives Market Transaction or any transaction in any Cash Market Product or Contract traded on another market, and includes the taker of an Options Market Contract.

Buy Order means an order to buy financial products.

Cash Market Product means an Equity Market Product, a Quoted Product, a Warrant admitted to Trading Status, an AQUA Product admitted to Trading Status or to the AQUA Quote Display Board, a CGS Depository Interest admitted to Trading Status and any other product that a Market operator authorises for trading on its Trading Platform as a Cash Market Product.

Cash Market Transaction means a transaction between Trading Participants for one or more Cash Market Products.

Cash Only Combination means a transaction consisting of two or more component Cash Market Transactions, in a specific ratio, in respect of which:

(a) entry into each component Cash Market Transaction is contingent on entry into each of the other component Cash Market Transactions;

(b) the combined transaction has a net price; and

(c) each transaction is for the same client.

Category A Equity Market Product has the meaning given by paragraph 6.4.1(3)(a).

Category B Equity Market Product has the meaning given by paragraph 6.4.1(3)(b).

Category C Equity Market Product has the meaning given by paragraph 6.4.1(3)(c).

Category D Equity Market Product has the meaning given by paragraph 6.4.1(3)(d).

Central Order Book means a part of a Trading Platform which is a facility for submitting Trading Messages and entering into transactions in respect of any of the following:

(a) Derivatives Market Contracts;

(b) Cash Market Products;

(c) Tailor-Made Combinations;

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(d) Standard Combinations.

CGS Market means a financial market:

(a) on or through which offers to acquire or dispose of CGS Depository Interests are made or accepted;

(b) the operator of which is licensed under subsection 795B(1) of the Corporations Act; and

(c) the operator of which has entered into contractual arrangements with the Australian Office of Financial Management to offer trading services in CGS Depository Interests.

CHESS Depositary Interest has the meaning given to the term "CDI" by Rule 2.13.1 of the operating rules of ASX Settlement Pty Limited (ACN 008 504 532).

Chi-X Australia means Chi-X Australia Pty Ltd (ACN 129 584 667).

Chi-X Market means the financial market operated by Chi-X Australia under *Australian Market Licence (Chi-X Australia Pty Ltd) 2011*.

Class means, in relation to Derivatives Market Contracts, all Contract Series with the same Underlying Index, Underlying Commodity, Underlying Financial Product or Underlying Instrument, as applicable.

Clearing Facility means, in relation to a transaction, the clearing and settlement facility, within the meaning of section 761A of the Corporations Act, through which the transaction has been or will be cleared.

Clearing Obligation means an obligation imposed on a Clearing Participant under the Clearing Rules.

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

Clearing Rules means:

(a) in relation to a particular Clearing Facility, the operating rules, procedures, practices, directions, decisions and requirements of that Clearing Facility;

(b) in relation to a particular Clearing Participant, the rules of the Clearing Facility to which that Clearing Participant is subject.

Client Agreement means an agreement between a Trading Participant and its client, entered into under Rule 3.1.7, 3.1.8 or 3.1.9.

Client Order means an instruction, provided by a client to a Participant, to enter into a transaction or transactions.

Combination means a Cash Only Combination or a Derivatives Combination.

Company Announcements Office means the office of a Market operator that processes announcements regarding entities included in the official list of that Market for release to that Market.

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Compensation Arrangements has the meaning given by section 880B of the Corporations Act.

Compliance Manager means a person who has responsibility for all or part of the compliance function in the business of a Market Participant in connection with the relevant Market.

Conditional Sale means a sale which is subject to fulfilment of conditions and made on a market declared by a Market operator to be a conditional market.

Confirmation has the meaning given by Rule 3.4A.1.

Continuing Professional Education Requirements means the requirements of Rule 2.4.21.

Continuously and in Real-Time, in relation to Pre-Trade Information or Post-Trade Information, means that the information is:

(a) made available through an electronic data feed and in a machine-readable format; and

(b) updated immediately as:

  (i) new Orders are received and existing Orders are amended, matched, executed or cancelled; or

  (ii) transactions are executed, reported or cancelled,

as applicable.

Continuous Trading Period means a session on a Trading Platform during which the following parameters apply:

(a) Bids and Offers may be entered, amended or cancelled in the Trading Platform;

(b) Bids and Offers are matched In Price/Time Priority on a continuous basis; and

(c) allowable trades may be reported.

Contract Series means a Futures Series or an Option Series.

Controlled Trust means a trust in relation to which an Employee, Immediate Family of an Employee or a company controlled by an Employee:

(a) is a trustee;

(b) holds more than 50% of the whole beneficial interest; or

(c) controls the trust.

Controller means:

(a) a person holding 20% or more of the total votes attached to voting shares of a Market Participant or a person who, together with Related Parties, holds 20% or more of such votes; or

(b) a person who has the power to control a Market Participant, whether that power is direct or indirect or is, or can be, exercised as a result of, by means of, in breach of, or by

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revocation of, trusts, relevant agreements and practices, or any of them, and whether or not they are enforceable,

but for the purposes of Part 6.4 does not include an entity if the entity, a holding company of the entity, or a subsidiary of the entity through which the entity has an interest in the Market Participant is an entity listed on the Market or with any other Australian market licensee, or a Recognised Stock Exchange whose principal place of business is located outside Australia.

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

Course of Sales Information has the meaning given by subrule 6.3.6A(2).

Cross or ***Crossing***, means a transaction in respect of which a Trading Participant acts:

(a) on behalf of both buying and selling clients to that transaction; or

(b) on behalf of a buying or selling client on one side of that transaction and as Principal on the other side.

Crossing System means any automated service provided by a Market Participant which matches or executes client Orders with Orders of:

(a) the Market Participant;

(b) other clients of the Market Participant; or

(c) any other person whose Orders access the automated service;

otherwise than on an Order Book.

Crossing System Initial Report has the meaning given by Rule 5A.1.1.

Crossing System Monthly Report has the meaning given by Rule 5A.1.2.

Cross-Market Combination means a transaction consisting of one or more component Market transactions and one or more transactions in contracts or financial products traded on other markets, in a specific ratio, in respect of which:

(a) entry into each component Market transaction and each component transaction in a financial product traded on another market is contingent on entry into each of the other Market transactions and transactions in financial products traded on any market;

(b) the combined transaction has a net price; and

(c) each transaction is for the same client.

CSPA Session State means the session on a Trading Platform, known as the Closing Single Price Auction, during which the following parameters apply:

(a) an Auction is conducted on commencement of the session;

(b) no Bids and Offers may be entered, amended or cancelled in the Trading Platform;

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(c) Qualifying Bids and Offers that have not been matched in the Auction will be carried through to the next session In Price/Time Priority; and

(d) no trades may be reported.

Dealing Rules means these Rules and the operating rules of a Market that govern the submission of Orders and the execution and reporting of Market transactions on the Trading Platform of the relevant Market.

Derivative/Cash Combination means a transaction consisting of one or more component Cash Market Transactions and one or more component Derivatives Market Transactions, in a specific ratio, in respect of which:

(a) entry into each component Cash Market Transaction and each component Derivatives Market Transaction is contingent on entry into each other component Cash Market Transaction and Derivatives Market Transaction;

(b) the combined transaction has a net price; and

(c) each transaction is for the same client.

Derivatives Combination means a Derivatives Only Combination, a Derivative/Cash Combination or a Cross-Market Combination.

Derivatives Market Contract means a Futures Market Contract, an Options Market Contract and any other contract that a Market operator authorises for trading on its Trading Platform as a Derivatives Market Contract.

Derivatives Market Transaction means a transaction between Trading Participants for one or more Derivatives Market Contracts.

Derivatives Only Combination means a transaction which comprises at least two component Derivatives Market Transactions, in a specific ratio, in respect of which:

(a) entry into each component Derivatives Market Transaction is contingent on entry into each of the other component Derivatives Market Transactions;

(b) the combined transaction has a net price; and

(c) each transaction is for the same client.

Disclosed in relation to an Order on an Order Book, means the Pre-Trade Information referred to in both items 4 (*volume*) and 6 (*price*) in the table in Rule 6.1.4 (in the case of Equity Market Products) or Rule 6.1.4A (in the case of CGS Depository Interests) is made available for the Order.

DTR means a representative of a Trading Participant who has been authorised by the Trading Participant to submit Trading Messages to a Trading Platform on behalf of the Trading Participant.

DTR identifier means a unique code, allocated by the Trading Participant under Rule 2.5.6, that identifies a DTR.

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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.

Equity Market Product means:

(a) a share in a body;

(b) a financial product referred to in subparagraph 764A(1)(b)(i) or subparagraph 764A(1)(ba)(i) of the Corporations Act;

(c) a right (whether existing or future and whether contingent or not) to acquire, by way of issue, the following under a rights issue:

  (i) a share covered by paragraph (a); or

  (ii) a financial product covered by paragraph (b);

(d) a CHESS Depositary Interest; or

(e) a Transferable Custody Receipt,

admitted to quotation under a Market's operating rules, but does not include a CGS Depository Interest.

Equity Securities means:

(a) shares in a body corporate or an unincorporated body other than redeemable preference shares which are Loan Securities in accordance with paragraph (c) of the definition of Loan Securities; or

(b) interests in a managed investment scheme, except those referred to in paragraph (d) of the definition of Loan Securities; or

(c) renounceable and non-renounceable rights to subscribe for Securities other than Loan Securities; or

(d) options over unissued Securities other than Loan Securities; or

(e) convertible notes; or

(f) in relation to a Market, any Securities which are determined to be Equity Securities by the operator of the Market on which those Securities are able to be traded in accordance with the operating rules of the Market,

but does not include Options Market Contracts or, in relation to a Market, Securities determined to be Loan Securities by the operator of the Market where those financial products are able to be traded in accordance with the operating rules of the Market.

ETF means a Managed Fund:

(a) the Equity Securities of which are:

  (i) listed on a Market;

  (ii) able to be traded on a Market; or

  (iii) admitted to Trading Status as an AQUA Product or to the AQUA Quote Display Board;

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(b) with power and approval to continuously issue and have quoted on the relevant Market, Equity Securities in the Managed Fund;

(c) which provides for the issue of new Equity Securities in return for the subscriber transferring to the Managed Fund a portfolio of Securities, cash or a combination of Securities and cash; and

(d) for which the price of the Underlying Instrument is continuously disclosed or can be immediately ascertained.

ETF Security means a financial product issued by or provided pursuant to an ETF.

ETR Event means when:

(a) a Buy Order for an Equity Market Product or a CGS Depository Interest, for which the Bid price is both above the Reference Price and in the Extreme Trade Range for the Equity Market Product or CGS Depository Interest (as applicable); or

(b) a Sell Order for an Equity Market Product or a CGS Depository Interest, for which the Offer price is both below the Reference Price and in the Extreme Trade Range for the Equity Market Product or CGS Depository Interest (as applicable),

is received by a Market operator and is not prevented from entering the relevant Market by the controls the Market operator has in place to comply with Rule 8.1.3.

> Note: Under Rule 8.2.2B, an ETR Event occurs on a Market in the circumstances described in this definition whether or not the Buy Order or Sell Order is executed, in whole or in part, on the Market.

Extreme Trade Range:

(a) in relation to Equity Market Products, has the meaning given by subrule 8.2.1(1); and

(b) in relation to CGS Depository Interests, has the meaning given by subrule 8.2.1(2).

Family Company means a corporation:

(a) controlled by the person or the Immediate Family of the person; or

(b) in respect of which the person is beneficially entitled to more than 50% of the issued capital.

Family Trust means a trust in which:

(a) the person or the Immediate Family of the person is the sole or majority beneficiary; or

(b) the person has the ability to remove the trustee of the trust and replace that trustee with his or her own nominee.

Foreign Quoted Shares, in relation to a Transferable Custody Receipt, means shares of a foreign company that is listed on the New York Stock Exchange, NASDAQ Global Market or NASDAQ Global Select Market, where the shares are in a class of shares that is able to be traded on at least one of those financial markets.

Funds Manager means an entity whose primary business is to invest moneys and manage assets and other investments allocated to it by clients for that purpose.

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Futures Market Contract means a contract on the terms of a Futures Series.

Futures Option means an Options Market Contract in respect of which the Underlying Financial Product is a Futures Market Contract.

Futures Series means a set of contractual terms on which futures contracts are authorised for trading by a Market operator.

Hidden, in relation to an Order on an Order Book, means the Pre-Trade Information referred to in both items 4 (*volume*) and 6 (*price*) in the table in Rule 6.1.4 (in the case of Equity Market Products) or Rule 6.1.4A (in the case of CGS Depository Interests) is not made available for the Order.

Immediate Family in relation to a person, means that person's spouse and any non-adult children.

Initial Margin means, in relation to an Open Contract, an amount of money determined by a Clearing Facility as the initial margin for the Open Contract, in accordance with the Clearing Rules.

In Price/Time Priority means, in respect of Bids and Offers, in accordance with the following order:

(a) Bids entered into a Trading Platform are ranked from highest to lowest priced and Offers are ranked from lowest to highest priced;

(b) Bids entered into a Trading Platform are ranked above Bids entered later at the same price and Offers entered into a Trading Platform are ranked above Offers entered later at the same price; and

(c) an Order withdrawn from a Trading Platform loses its priority under (a) and (b) and, if re-entered, will be treated as a new Order.

Invalid, in relation to a price established by an Auction, or the price of a transaction, means:

(a) the price has resulted from an error;

(b) the price is materially different from the price of the last transaction in the same Equity Market Product or CGS Depository Interest (as applicable) on the same Order Book, and the difference in price is not, in the opinion of the relevant Market operator, readily attributable to an announcement that has been made to that Market or some other event; or

(c) the price has resulted from a transaction that is otherwise required to be cancelled or amended by the operator of the Market on which the transaction is executed.

IR Plus Market means the financial market operated by IR Plus Securities Exchange Limited (ACN 087 708 898) under *Australian Market Licence (SIM Venture Securities Exchange Ltd) 2002*.

Issuer means, in relation to a Cash Market Product, an Equity Market Product or other financial product able to be traded on a Market, the legal entity which issues the relevant product.

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Large Portfolio Trade has the meaning given by Rule 6.2.2.

Large Principal Transaction has the meaning given by Rule 6.4.1.

LEPOs, or Low Exercise Price Options, means options to:

(a) buy an agreed number of shares at a specified future date at an exercise price of one cent;

(b) notionally buy an Underlying Index at a specified future date at a strike price of one point.

Level One Accredited Derivatives Adviser means a person who has been accredited under Rule 2.4.7 and whose accreditation is current.

Level Two Accredited Derivatives Adviser means a person who has been accredited under Rule 2.4.8 and whose accreditation is current.

Loan Securities means:

(a) debentures, stocks or bonds issued or proposed to be issued by a government; or

(b) debentures of a body corporate or an unincorporated body; or

(c) redeemable preference shares which have a fixed and certain date for redemption, other than shares having a participating entitlement to rights or options referred to in paragraphs (c) and (d) of the definition of Equity Securities; or

(d) interests in a managed investment scheme, relating to a financial or business undertaking or scheme, common enterprise or investment contract, the trustee or representative or responsible entity of which only invests in or acquires one or more of Loan Securities, mortgages and cash; or

(e) in relation to a Market, any Securities which are determined to be Loan Securities by the operator of the Market on which those Securities are able to be traded in accordance with the operating rules of the Market,

but does not include Options Market Contracts or, in relation to a Market, Securities determined to be Equity Securities by the operator of the Market where those financial products are able to be traded in accordance with the operating rules of the Market.

Managed Discretionary Account means a service with the following features:

(a) a person makes client contributions;

(b) the client agrees with the Market Participant that the client's portfolio assets will:

  (i) be managed by the Market Participant at its discretion, subject to any limitation that may be agreed, for purposes that include investment;

  (ii) not be pooled with property that is not the client's portfolio assets to enable an investment to be made or made on more favourable terms; and

  (iii) be held by the client unless a beneficial interest but not a legal interest in them will be held by the client; and

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(c) the client and the Market Participant intend that the Market Participant will use client contributions of the client to generate a financial return or other benefit from the Market Participant's investment expertise.

Managed Fund means:

(a) a managed investment scheme which is a registered managed investment scheme pursuant to section 601EB of the Corporations Act or a managed investment scheme which ASIC has exempted from those registration requirements; or

(b) a foreign company which has the economic features of a managed investment scheme, namely:

(i) investors contribute money or money's worth to acquire rights to benefits produced by the collective investment;

(ii) contributions of investors are to be pooled, or used in a common enterprise, to produce financial benefits, or benefits consisting of rights or interests in property, for investors holding financial products in the collective investment; and

(iii) investors holding financial products issued in the collective investment do not have day to day control over the operation of the collective investment.

Market means any of the following:

(a) the ASX Market;

(b) the Chi-X Market;

(c) the IR Plus Market;

(d) the NSXA Market;

(e) the SSX Market.

Market Maker means a Trading Participant registered by a Market operator as a market maker, which has an obligation to make a market in assigned Classes of Derivatives Market Contracts.

NGF has the meaning given by section 880B of the Corporations Act.

Non-Public Crossing System Information has the meaning given by subrule 5A.2.2(5).

Normal Trading Hours, in relation to a Participant and a transaction, means Trading Hours for all Markets:

(a) on which the financial products the subject of the transaction are quoted; and

(b) to which the Participant has access, either directly or indirectly through another Participant.

NSXA means National Stock Exchange of Australia Limited (ACN 000 902 063).

NSXA AOP Participant means a Participant of the NSXA Market that has either:

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(a) given to ASIC an AOP Initial Certification in respect of the NSXA Market under Rule 5.6.6; or

(b) used its systems for Automated Order Processing in relation to the NSXA Market.

NSXA Market means the financial market operated by NSXA under *Australian Market Licence (National Stock Exchange of Australia Limited) 2002*.

Offer means:

(a) in relation to a Cash Market Product, a price and quantity of the Cash Market Products to be sold;

(b) in relation to a Derivatives Market Contract, an offer to enter into a Derivatives Market Contract in respect of the relevant Contract Series as Seller; and

(c) in relation to any other financial product, a price and quantity of the financial product to be sold.

Offer Period means:

(a) in relation to a Takeover Bid, the period for which offers under the bid remain open; or

(b) in relation to a Scheme, the period from the date an announcement of intention to propose a Scheme is first received by the Market where the relevant financial products have been granted Official Quotation until the date on which the Scheme is effected.

Official Quotation, in relation to financial products, means admission to quotation by a Market operator under the listing rules of that Market.

On-Market, in relation to a transaction for the purpose of Chapter 6 of the Corporations Act, means a transaction by a Trading Participant for the acquisition of Cash Market Products which is:

(a) effected during Trading Hours of a Market by matching of Trading Messages on a Trading Platform of that Market (other than a Crossing) in accordance with the operating rules of that Market; or

(b) a Crossing effected during Trading Hours of a Market (excluding a time during which an Auction is conducted on that Market) in accordance with the operating rules of that Market if:

(i) the Crossing is arranged solely by the Trading Participant and is not prearranged between the principals to the transaction; and

(ii) each principal is indifferent as to the identity of the other,

where:

(iii) the expression "principal" includes the principal's associates, advisers and advisers' associates; and

(iv) the expression "adviser" does not include a person only providing services to the principal as a broker,

but does not include:

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(c) Special Crossings; and

(d) Crossings (other than Special Crossings) that are effected outside of Trading Hours of the Market to which they are reported.

Open Contract means a contract, on the terms of a Contract Series, which is registered with a Clearing Facility under the Clearing Rules and any contract which replaces that contract through the transfer, adjustment or settlement to market of that contract under the Clearing Rules.

Open Interface means the electronic protocol and message structure used to provide a mechanism for Trading Participants to access a Trading Platform which enables a Trading Participant to submit Trading Messages to that Trading Platform.

Open Interface Device means a logical connection or session with the gateway using the Open Interface, and includes a session maintained by a Trader Workstation.

Open Session State means the session on a Trading Platform during which the following parameters apply:

(a) an Auction is conducted on commencement of the session;

(b) Qualifying Bids and Offers that have not been matched in the Auction on transition to the session retain their ranking In Price/Time Priority;

(c) Bids and Offers may be entered, amended or cancelled in the Trading Platform;

(d) Bids and Offers are matched In Price/Time Priority on a continuous basis; and

(e) allowable trades may be reported.

Option Series means a set of contractual terms on which options are authorised by a Market operator for trading on its Market.

Options Market Contract means a contract on the terms of an Option Series.

Options Market Transaction means a Market transaction for one or more Options Market Contracts.

Order means, unless the contrary intention appears:

(a) in relation to Cash Market Products, an instruction to purchase or sell Cash Market Products, or an instruction to amend or cancel a prior instruction to purchase or sell Cash Market Products;

(b) in relation to Derivatives Market Contracts, an instruction to enter into a Derivatives Market Transaction, or an instruction to amend or cancel a prior instruction to enter into a Derivatives Market Transaction; and

(c) in relation to other financial products, an instruction to purchase or sell financial products, or an instruction to amend or cancel a prior instruction to purchase or sell financial products.

Note: This definition does not apply to Rules 5.4A.1, 5.4B.1 and 5.9A.1.

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Order Book means an electronic list of Orders maintained by or on behalf of a Market operator, on which those Orders are matched with other Orders in the same list.

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.

Out of Hours Trade has the meaning given by Rule 6.2.6.

Overseas Broker means a broker whose principal place of business is located outside Australia.

Own Account has the meaning given by Rule 5.1.1.

Participant, in relation to a Market, means a person who is allowed to directly participate in the Market under the operating rules of the Market other than as a recognised affiliate.

Partly Disclosed, in relation to an Order on an Order Book, has the meaning given by Rule 6.1.5.

Partly Paid Security means a Quoted Product for which the holder may be liable to pay a call or instalment in accordance with the terms of issue and for which an amount remains unpaid, but does not include a Quoted Product issued by a no liability company.

Permitted Trade during the Post-Trading Hours Period has the meaning given by Rule 6.2.4.

Permitted Trade during the Pre-Trading Hours Period has the meaning given by Rule 6.2.5.

Post-Trade Information:

(a) in relation to transactions in Equity Market Products, has the meaning given by Rule 6.3.7; and

(b) in relation to transactions in CGS Depository Interests, has the meaning given by Rule 6.3.7A.

Post-Trading Administration Period means the session on a Trading Platform during which the following parameters apply:

(a) no Bids and Offers may be entered or amended;

(b) Bids and Offers remaining from the previous session may be cancelled;

(c) no Bids or Offers will be automatically matched;

(d) manual procedures for matching In Price/Time Priority apply; and

(e) allowable trades may be reported.

Post-Trading Hours Period means, in relation to an Equity Market Product or a CGS Depository Interest:

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(a) where all Markets on which that Equity Market Product or CGS Depository Interest is quoted have the same Trading Hours, the 30-minute period following the end of Trading Hours; or

(b) where any Market on which that Equity Market Product or CGS Depository Interest is quoted has different Trading Hours to any other Market on which that Equity Market Product or CGS Depository Interest is quoted, the period from the earliest time on a Trading Day that Trading Hours end on any Market on which that Equity Market Product or CGS Depository Interest is quoted, until 30 minutes after the latest time on a Trading Day that Trading Hours end on any Market on which that Equity Market Product or CGS Depository Interest is quoted.

Pre-Commencement Market Integrity Rules means:

(a) the *ASIC Market Integrity Rules (APX Market) 2013*;

(b) the *ASIC Market Integrity Rules (ASX Market) 2010;*

(c) the *ASIC Market Integrity Rules (Chi-X Australia Market) 2011*;

(d) the *ASIC Market Integrity Rules (Competition in Exchange Markets) 2011*.

Prescribed Person means, in relation to a Market Participant:

(a) an Employee, a director, or a partner, of the Market Participant;

(b) a Controller of the Market Participant or a related body corporate of that Controller;

(c) the Immediate Family of a person referred to in paragraphs (a) or (b);

(d) a Family Company and a Family Trust of a person referred to in paragraphs (a) to (c); and

(e) where a Market Participant or a person referred to in paragraphs (a) to (d) is a body corporate, anybody corporate or other entity controlled by that body corporate.

Pre-Trade Information:

(a) in relation to Orders in Equity Market Products, has the meaning given by Rule 6.1.4; and

(b) in relation to Orders in CGS Depository Interests, has the meaning given by Rule 6.1.4A.

Pre-Trade Transparent:

(a) in relation to an Order, means Pre-Trade Information is made available for the Order by a Market operator;

(b) in relation to a Bid or Offer, means the Bid or Offer is part of an Order for which the Pre-Trade Information referred to in item 6 (*price*) of the table in Rule 6.1.4 (in the case of Equity Market Products) or Rule 6.1.4A (in the case of CGS Depository Interests) is made available by a Market operator.

Pre-Trading Hours Period means:

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(a) in the case of an Equity Market Product, the period on a Trading Day from three hours before the start of Trading Hours for ASX TradeMatch to 15 minutes before the start of Trading Hours for ASX TradeMatch; and

(b) in the case of a CGS Depository Interest, the period on a Trading Day from three hours before the start of Trading Hours for the Market of the Responsible Market Operator for CGS Depository Interests to 15 minutes before the start of Trading Hours for that Market.

Price Step means a difference in price of one Tick Size.

Principal, in the context of a Market Participant trading on its own behalf "as Principal", includes a reference to the Market Participant trading on its own behalf or on behalf of any of the following persons:

(a) a partner of the Market Participant;

(b) a director or company secretary of the Market Participant;

(c) a Substantial Holder of the Market Participant, other than a Substantial Holder that beneficially owns Cash Market Products and those products appear as assets on the balance sheet or consolidated balance sheet of a life insurance company registered under the *Life Insurance Act 1995* or the equivalent Act of a State, and are held for or on behalf of that life insurance company's statutory funds;

(d) the Immediate Family, Family Company or Family Trust of a partner, director, company secretary or Substantial Holder of the Market Participant;

(e) a body corporate in which the interests of one or more of the partners singly or together constitute a controlling interest of the Market Participant;

(f) any related body corporate of the Market Participant,

and does not include where the Market Participant or a related body corporate of the Market Participant is trading as a trustee of a trust in which that trustee has a beneficial interest in the trust of less than 5%, and all of that interest was acquired in lieu of receipt of fees for administering the trust.

Principal Trader means a Market Participant with Trading Permission for one or more Products which limits it to trading on its own behalf.

Product means a Cash Market Product or a Derivatives Market Contract, as applicable.

Publicly Available Crossing System Information has the meaning given by subrule 5A.2.1(2).

Quoted Product means a financial product that has been granted Official Quotation.

Recognised Overseas Exchange has the meaning given by the operating rules of any Market.

Recognised Stock Exchange has the meaning given by the operating rules of any Market.

Reference Price means a price determined in accordance with Rule 8.2.2.

Regulatory Data has the meaning given by Rule 7.4.4.

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Related Party:

(a) in relation to a body corporate:

(i) has the meaning given by section 228 of the Corporations Act; or

(ii) means a Substantial Holder of the body corporate;

(b) in relation to a trust, which is not a registered management investment scheme, means the management company, trustee and their related parties within the meaning of section 228 of the Corporations Act;

(c) in relation to a trust which is a registered managed investment scheme, means the responsible entity and a related party of the responsible entity under section 228 of the Corporations Act, as modified by section 601LA of the Corporations Act;

(d) in relation to a person, means:

(i) his or her spouse, de facto spouse, parent, son, or daughter, or a spouse or de facto spouse of that person;

(ii) an entity over which one or more of the persons referred to in subparagraph (i) has control;

(iii) an entity that he or she controls, or its holding company or which is controlled by the holding company;

(iv) a person who acts, or proposes to act, in concert with anyone referred to above;

(v) a person who was a related party in the previous six months, or who would be a related party in the future, under the tests in section 228 of the Corporations Act (applied with any necessary adaptation).

Relative, in relation to a person, means the spouse, parent or remoter lineal ancestor, son or daughter or remoter issue, or brother or sister of that person.

Relevant Clearing Participant means, in relation to a Trading Participant:

(a) where the Trading Participant is not itself a Clearing Participant and has a third-party clearing arrangement with only one Clearing Participant to clear all of its Market transactions in a class of Product, that Clearing Participant; and

(b) where the Trading Participant is itself a Clearing Participant and clears all of its Market transactions in a class of Products, itself; and

(c) where the Trading Participant has third-party clearing arrangements with more than one Clearing Participant, or is itself a Clearing Participant and has third-party clearing arrangements with other Clearing Participants to clear its Market transactions in a class of Product, the Clearing Participant which it has identified through the Open Interface Device in respect of the Market transaction.

Relevant Product:

(a) in Part 6.1 has the meaning given by subrule 6.1.1AA(2);

(b) in Part 6.2 has the meaning given by subrule 6.2.1AA(2);

(c) in Part 6.3 has the meaning given by subrule 6.3.1AA(2);

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(d) in Part 6.4 has the meaning given by subrule 6.4.1AA(2);

(e) in Chapter 8 has the meaning given by subrule 8.1AA.1(2);

(f) in Part 9.1 has the meaning given by subrule 9.1.1AA(2); and

(g) in Part 9.2 has the meaning given by subrule 9.2.1AA(2).

Relevant Settlement Participant means, in relation to a Market Participant:

(a) where the Market Participant is not itself a Settlement Participant and has a third-party settlement arrangement with only one Settlement Agent to settle all of its Market transactions, that Settlement Agent; and

(b) where the Market Participant is itself a Settlement Participant and settles all of its Market transactions, itself; and

(c) where the Market Participant has third-party settlement arrangements with more than one Settlement Agent, or is itself a Settlement Participant and has third-party settlement arrangements with Settlement Agents to settle its Market transactions, the Settlement Participant which has been identified as the entity that is going to settle the Market transaction.

Renewal Date means the date notified by ASIC to the Market Participant under paragraph 2.4.9(2)(b), subrule 2.4.14(2) or paragraph 2.4.20(5)(b), as the date on which a person will cease to be an Accredited Adviser, unless their accreditation is renewed before that date under subrule 2.4.14(2) or 2.4.15(3).

Renewal Period means the period that commences 60 days prior to the Renewal Date and ends seven days prior to the Renewal Date.

Reporting Participant has the meaning given by Rule 6.3.2.

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

Responsible Market Operator means:

(a) in relation to a CGS Depository Interest, the Market operator determined in accordance with Rule 1.4.4; and

(b) in relation to an Equity Market Product, the Market operator determined in accordance with Rule 1.4.5.

Rules means these market integrity rules.

Scheme means:

(a) a compromise or arrangement within the meaning of section 411 of the Corporations Act; and

(b) in respect of an Issuer incorporated or established outside Australia, any similar form of compromise or arrangement under the law of the jurisdiction of incorporation or establishment,

which has a similar result to a Takeover Off-Market Bid or Takeover Market Bid.

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Security or ***security*** means:

(a) a security within the meaning of section 761A of the Corporations Act; or

(b) a managed investment product.

Seller means, in relation to a Derivatives Market Transaction, the Trading Participant whose sell or offer instruction, order or other Trading Message has resulted in the Derivatives Market Transaction being entered into, whether or not in connection with any other Crossing, Derivatives Market Transaction or any transaction in any financial product and includes the writer of an Options Market Contract.

Sell Order means an Order to sell financial products.

Settlement Agent means, in relation to a Market Participant an entity approved in accordance with the operating rules of a Market to act as the Settlement Agent of the Market Participant to perform the settlement obligations of that Market Participant under the operating rules of the relevant Market.

Settlement Facility means, in relation to a Market transaction, the clearing and settlement facility, within the meaning of section 761A of the Corporations Act, through which the Market Transaction has been or will be settled.

Settlement Participant means a person admitted as a participant under the Settlement Rules.

Settlement Rules means the operating rules, procedures, practices, directions, decisions and requirements of a Settlement Facility.

Special Crossing:

(a) in relation to an Equity Market Product able to be traded on more than one Market, means a Block Trade or a Large Portfolio Trade, entered into other than by matching of Orders on an Order Book of a Market; and

(b) in relation to a Product other than an Equity Market Product able to be traded on more than one Market, has the meaning given by the operating rules of the Market where the transaction occurs; and

(c) includes a transaction referred to as a negotiated transaction in the operating rules of a Market where:

  (i) a Market Participant acts on behalf of a selling client to that transaction or as Principal to that transaction;

  (ii) another Market Participant acts on behalf of a buying client to that transaction or as Principal to that transaction; and

  (iii) the transaction is effected other than by the matching of Orders entered into the Trading Platform of the relevant Market.

SSX means Sydney Stock Exchange Limited (ACN 080 399 220).

SSX Market means the financial market operated by SSX under *Australian Market Licence (Sydney Stock Exchange Limited) 2004*.

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Standard Combination has the meaning given by the operating rules of a Market.

Structured Product means a Security or derivative:

(a) which gives the holder financial exposure to the performance of one or more Underlying Instruments;

(b) the value of which is linked to the performance of those Underlying Instruments; and

(c) whereby investors do not have day to day control over the operation of the entity which issues or provides the Security or derivative.

Substantial Holder:

(a) when used in the definition of "Principal" in this rule to refer to a Substantial Holder in a corporation, means a person who has or would have a substantial holding if Part 6C of the Corporations Act applied to that corporation; and

(b) for the purposes of any other Rule includes a reference to:

(i) a person who has a relevant interest in not less than 5% of a class of non-voting shares of the relevant company or its holding company; and

(ii) each person who has a relevant interest in voting shares and non-voting shares of the relevant company or its holding company and whose aggregate holdings exceed 5% in number of the voting shares on issue of the relevant company or its holding company.

Tailor-Made Combination has the meaning given by the operating rules of a Market.

Takeover Bid means a Takeover Off-Market Bid or Takeover Market Bid.

Takeover Market Bid means a market bid within the meaning of the Corporations Act and, in respect of an Issuer incorporated or established outside Australia, any similar form of bid.

Takeover Offer means:

(a) an offer under a Takeover Bid and, in respect of an Issuer incorporated or established outside Australia, any similar form of offer; and

(b) a Scheme.

Takeover Off-Market Bid means an off-market bid within the meaning of the Corporations Act and in respect of an Issuer incorporated or established outside Australia, any similar form of bid.

Target means:

(a) in relation to a Takeover Off-Market Bid or Takeover Market Bid, a target within the meaning of the Corporations Act and, in respect of an Issuer incorporated or established outside Australia, the equivalent entity; and

(b) in relation to a Scheme, the entity or entities in a similar position to a target.

Terms of Issue means, in relation to Warrants, rights, conditions and obligations of the Warrant-Issuer and the holder of the Warrant.

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Tick Size means in relation to an Equity Market Product or CGS Depository Interest, the minimum increment by which the price for an Equity Market Product or CGS Depository Interest may increase or decrease, in accordance with Rule 9.4.1 or Rule 5A.5.1, as applicable.

Tier 1 Equity Market Product has the meaning given by paragraph 6.2.1(3)(a).

Tier 2 Equity Market Product has the meaning given by paragraph 6.2.1(3)(b).

Tier 3 Equity Market Product has the meaning given by paragraph 6.2.1(3)(c).

Time Priority, in relation to an Order Book, means that Orders to buy or sell financial products in the same class for the same price are queued in the Order Book for matching and execution, with priority in the queue being given to the Order that was entered into the Order Book at the earlier time.

Total Consideration means:

(a) for a Buy Order, the purchase price paid by a client in respect of performance of a Client Order, plus Transaction Costs; or

(b) for a Sell Order, the sale price received by a client in respect of performance of a Client Order less Transaction Costs.

Trade Report, in Part 7.4, means:

(a) in relation to an Equity Market Product or CGS Depository Interest, a report of Post-Trade Information required to be made to a Market operator under Rule 6.3.1; and

(b) in relation to a financial product other than an Equity Market Product, a CGS Depository Interest or an Options Market Contract, a report of information in relation to a transaction entered into otherwise than by matching of Orders on an Order Book, required to be made to a Market operator under the operating rules of the relevant Market.

Trader Workstation means a personal computer with Trader Workstation Software installed.

Trader Workstation Software means the software product provided by a Market operator or a subsidiary for use by Trading Participants of the relevant Market which provides a Trader Workstation with the functionality necessary to use the Open Interface for trading on a Trading Platform of the relevant Market.

Trade with Price Improvement has the meaning given by subrule 6.2.3(1).

Trading Day, in relation to a Market, means a day on which Market transactions may be entered into by Trading Participants on the Trading Platform of that Market.

Trading Hours, in relation to a Market, means the times during which:

(a) Orders may be entered, amended or cancelled on the Order Books of that Market; and

(b) Orders are matched and transactions are executed on a continuous basis on that Market,

and includes a time during which an Auction is conducted on the Market.

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Trading Information:

(a) in relation to Equity Market Products, has the meaning given by subrule 6.3.6(2); and

(b) in relation to CGS Depository Interests, has the meaning given by subrule 6.3.6(3).

Trading Messages means those messages submitted into a Trading Platform relating to trading functions, such as orders, amendment or cancellation of orders and the reporting or cancellation of Market transactions on the Trading Platform.

Trading Participant means a Market Participant which has Trading Permission in respect of one or more financial products.

Trading Pause, means a period during which a Market operator must prevent Orders from being matched or executed on its Market, but during which Bids and Offers may be displayed, entered, amended and cancelled.

Trading Permission means the right to submit Trading Messages in a Trading Platform.

Trading Platform means a facility made available by a Market operator to Trading Participants of the relevant Market for the entry of Trading Messages, the matching of Orders, the advertisement of invitations to trade and the reporting of transactions.

Trading Reset, in relation to an Equity Market Product or a CGS Depository Interest, means each of a Trading Pause, Trading Suspension, and the end of Trading Hours for the Equity Market Product or CGS Depository Interest.

Trading Status means authorisation by a Market operator or a CGS Market operator for a financial product to be traded on the relevant Market or CGS Market.

Trading Suspension means a halt or suspension in trading on a Market pursuant to the exercise of a power by a Market operator under its operating rules during which Orders may not be matched or executed on the relevant Market, but does not include a halt or suspension caused by a technical problem (including a power outage) affecting the technical infrastructure used by the Market operator for the purposes of receiving Trading Messages, matching and executing Orders and reporting transactions.

Training Register means the list, published on ASIC's website, of training courses and assessment services that meet ASIC's training requirements under Regulatory Guide 146 *Licensing: Training of financial product advisers* (RG 146).

Transaction Costs means all costs paid by a client that are directly related to a particular transaction including, without limitation, any trade execution costs imposed by a Market, Crossing System or Participant, clearing and settlement costs and commissions paid to the Participant by a client.

Transferable Custody Receipts means units of beneficial ownership in Foreign Quoted Shares where the units:

(a) arise from a custodial and sub-custodial arrangement under which:

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(i) a custodian holds, directly or indirectly, the Foreign Quoted Shares on behalf of, or in trust for, an AFSL holder that holds an AFSL that covers the provision of a custodial or depository service; and

(ii) the AFSL holder holds their equitable rights or interests in the Foreign Quoted Shares arising from the custodial arrangement mentioned in subparagraph (i) on behalf of, or in trust for, a person; and

(b) are issued without the involvement of the issuer of the Foreign Quoted Shares; and

(c) are able to be traded on the Chi-X Market.

Underlying Financial Product means, in relation to a Derivatives Market Contract, the financial product underlying that contract.

Underlying Index means, in relation to a Derivatives Market Contract, the index which underlies that contract.

Underlying Instrument means:

(a) in relation to Option Series and Futures Series, the instrument which underlies that Option Series or Futures Series;

(b) in relation to Warrants, the financial product, index, foreign or Australian currency or commodity which underlies that Warrant; and

(c) in relation to AQUA Products and other financial products, the financial product, index, foreign or Australian currency, commodity or other point of reference for determining the value of the relevant product.

Underlying Market means, in relation to a Derivatives Market Contract, a market in the instruments, commodities, securities or other things which underlie the Derivatives Market Contract.

Under the Rules of, in relation to a Market, means executed on an Order Book or reported to a Market operator in accordance with these Rules and the operating rules (including written procedures made under the operating rules) of the relevant Market.

Unprofessional Conduct includes:

(a) conduct which amounts to impropriety affecting professional character and which is indicative of a failure either to understand or to practise the precepts of honesty or fair dealing in relation to other Market Participants, clients or the public;

(b) unsatisfactory professional conduct, where the conduct involves a substantial or consistent failure to reach reasonable standards of competence and diligence; and

(c) conduct which is, or could reasonably be considered as likely to be, prejudicial to the interests of a Market operator or Market Participants,

by a Market Participant, or an Employee, whether in the conduct of the Market Participant's business as a Market Participant or in the conduct of any other business, and need not involve a contravention of these Rules or any law.

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UTC(AUS) means the output of the caesium atomic clock designated as UTC(AUS) by the National Measurement Institute division of the Commonwealth Department of Innovation, Industry, Science and Research.

Warrant has the meaning given by regulation 1.0.02 of the *Corporations Regulations 2001*.

Warrant-Issuer means an entity approved by a Market operator to issue Warrants.

Wholesale Client Agreement means the agreement between a Trading Participant and a client lodged with a Clearing Facility in accordance with paragraph 3.1.12(d) and Rule 3.1.13

Wholesale Client's Instructions has the meaning given by subrule 3.8.1(4).

Note: There is no penalty for this Rule.

1.4.4 Responsible Market Operator for CGS Depository Interests

(1) In these Rules, ***Responsible Market Operator*** in relation to a CGS Depository Interest means:

(a) if the CGS Depository Interest is able to be traded only on one Market, the operator of that Market; or

(b) if the CGS Depository Interest is able to be traded on more than one Market, the Market operator determined by ASIC in writing.

(2) An instrument referred to in paragraph (1)(b) takes effect on the later of the date specified in the instrument or 60 business days after the instrument is registered.

Note: Instruments made under paragraph (1)(b) are available on the Federal Register of Legislation. The register may be accessed at www.legislation.gov.au.

1.4.5 Responsible Market Operator for Equity Market Products

(1) In these Rules, ***Responsible Market Operator*** in relation to an Equity Market Product means:

(a) if the Equity Market Product is able to be traded only on one Market, the operator of that Market; or

(b) if the Equity Market Product is able to be traded on more than one Market:

(i) the Market operator determined by ASIC in writing; or

(ii) if there is no determination under subparagraph (i) that applies in relation to the Equity Market Product, the Market operator determined under subrules (3) and (4).

(2) An instrument referred to in paragraph (1)(b) takes effect on the later of the date specified in the instrument or 60 business days after the instrument is registered.

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(3) Subject to paragraph (1)(b), the Responsible Market Operator in relation to an Equity Market Product that is able to be traded on more than one Market and is a quoted ED security is the operator of the listing market in relation to:

(a) if the Equity Market Product is a quoted ED security because of subsection 111AE(1) of the Corporations Act—the Issuer of the Equity Market Product; and

(b) if the Equity Market Product is a quoted ED security because of subsection 111AE(1A) of the Corporations Act—the undertaking to which the Equity Market Product relates.

(4) Subject to paragraph (1)(b), the Responsible Market Operator in relation to an Equity Market Product that is able to be traded on more than one Market and is not a quoted ED security is:

(a) the Market operator (and if more than one, the first such Market operator) with whom:

(i) if the Equity Market Product is an interest in a managed investment scheme—the operator of the scheme;

(ii) otherwise—the Issuer of the Equity Market Product;

has an agreement in force under which the Issuer or operator of the scheme agrees to be bound by operating rules of the Market that deal with admission of that class of financial product to quotation; or

(b) otherwise, the operator of the first of those Markets on which the Equity Market Product is admitted to quotation.

Note: Instruments made under paragraph (1)(b) are available on the Federal Register of Legislation. The register may be accessed at www.legislation.gov.au.

Part 1.5 Participants of multiple Markets

1.5.1 Participants may rely on notifications

Where these Rules require a Market Participant or a CGS Market Participant to give to ASIC any document (however described), the Participant may give to ASIC the same document in relation to more than one Market and, or CGS Market if:

(a) the Participant has notified ASIC in writing that it intends to comply with these Rules by relying on that document, or on documents of that kind, in relation to each Market to which the document applies; and

(b) the document contains all of the information that would be required to be in the document if it were given separately in relation to each Market and, or CGS Market.

Note: There is no penalty for this Rule.

Part 1.6 Transitional

1.6.1 Status of notifications and certifications given by a Market Participant under the Pre-Commencement Market Integrity Rules

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(1) This Rule applies if:

(a) a Market Participant or CGS Market Participant gave ASIC a written notification or certification under the Pre-Commencement Market Integrity Rules; and

(b) the notification or certification has not been withdrawn or otherwise ceased to have effect; and

(c) the power or obligation in the Pre-Commencement Market Integrity Rules to give the notification or certification is incorporated under a corresponding provision in these Rules.

(1A) For the purposes of this Rule, a provision (***old provision***) of the Pre-Commencement Market Integrity Rules corresponds to a provision (***new provision***) of these Rules (and vice versa) if the old provision and the new provision are substantially the same.

(1B) For the purposes of subrule (1A), differences of all or any of the following kinds are not sufficient to mean that two provisions are not substantially the same:

(a) differences in the numbering of the provisions;

(b) differences of a minor technical nature (for example, differences in punctuation, or differences that are attributable to the correction of incorrect cross-references);

(c) the fact that one of the provisions refers to a corresponding previous law and the other does not;

(d) other differences that are attributable to the fact that these Rules apply to more than one Market.

(2) The notification or certification:

(a) is taken to have been given to ASIC by the Market Participant under the corresponding provision in these Rules; and

(b) will continue in its existing form, and continue to have the same effect under these Rules, as when given under the Pre-Commencement Market Integrity Rules.

Note: There is no penalty for this Rule.

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Chapter 2: Market Participants and Representatives

Part 2.1 Management requirements

2.1.1 Management structure

(1) A Market Participant must, in relation to its conduct, and that part of its business that it conducts, on or in relation to a Market, wherever the conduct occurs or the business is located and regardless of the number of offices operated or intended to be operated by the Market Participant, have appropriate management structures in place to ensure that:

(a) it has operations and processes in place that are reasonably designed and implemented, and that function so as to achieve compliance by the Market Participant with these Rules and the operating rules of the relevant Market;

(b) the design, implementation, functioning and review of those operations and processes are subject to the supervision of one or more person with appropriate supervisory skills knowledge and experience; and

(c) its supervisory staff has sufficient seniority and authority within the Market Participant to exert control, leadership, influence and supervision over those operations and processes.

(2) A Market Participant must keep accurate records of its management structure and its allocation of responsibilities among its supervisory staff.

Maximum penalty: $1,000,000

2.1.2 Notification of management structure

An entity that becomes a Market Participant on or after the date these Rules commence under Rule 1.1.3 must give ASIC a document that sets out its management structure and its allocation of its responsibilities among its supervisory staff in relation to each relevant Market, within 10 Business Days of becoming a Market Participant of the relevant Market.

Maximum penalty: $20,000

2.1.3 Supervisory procedures

A Market Participant must have appropriate supervisory policies and procedures to ensure compliance by the Market Participant and each person involved in its business as a Market Participant with these Rules, the operating rules of each relevant Market and the Corporations Act.

Maximum penalty: $1,000,000

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2.1.4 Persons involved in the business—Good fame and character requirement

(1) A Market Participant must ensure that any Employee or other person who is or will be involved in the business of the Market Participant in connection with that Market and, in the case of a body corporate, each director or Controller, is of good fame and character and high business integrity having regard to subrule (2).

(2) In assessing whether a person is of good fame and character and high business integrity for the purpose of subrule (1):

(a) a person will not be of good fame and character if he or she is disqualified from managing a corporation under the Corporations Act or under the law of another country, or is an insolvent under administration or its equivalent in another country; and

(b) a person may not be of good fame and character or high business integrity if the person has been:

(ii) convicted of any offence;

(iii) disciplined by or adversely mentioned in a report made by or at the request of, any government or governmental authority or agency;

(iv) adversely mentioned in a report made by, or at the request of, a Market operator, a Clearing Facility, a Settlement Facility or any other exchange, market operator or clearing and settlement facility; or

(v) disciplined by a Market operator, a Clearing Facility, a Settlement Facility or any other exchange, market operator or clearing and settlement facility.

Maximum penalty: $1,000,000

2.1.5 Unprofessional Conduct

(1) A Market Participant must not engage in Unprofessional Conduct.

(2) A Market Participant must ensure that its supervisory staff does not engage in Unprofessional Conduct.

Maximum penalty: $1,000,000

2.1.6 Responsibility for individuals involved in business

A Market Participant is responsible for all actions and omissions of its Employees.

Note: There is no penalty for this Rule.

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Part 2.2 Insurance and information requirements

2.2.1 Insurance requirements—Obligation to have insurance

(1) Subject to Rule 2.2.2, every Market Participant must, where the Market Participant acts for any person other than itself or a related body corporate, take out and maintain, at all times, a professional indemnity (or equivalent) insurance policy that the Market Participant determines (acting reasonably) to be adequate having regard to the nature and extent of the business carried on by the Market Participant in connection with its business as a Market Participant and the responsibilities and risks assumed or which may be assumed by the Market Participant in connection with that business.

(2) The professional indemnity (or equivalent) insurance referred to in subrule (1) must include insurance against a breach of duty the Market Participant owes in a professional capacity, whether owed in contract or otherwise at law, arising from any act or omission of the Market Participant and its Employees.

Maximum penalty: $100,000

2.2.2 Insurance requirements—Insurance with related body corporate

If the insurance referred to in Rule 2.2.1 is provided by a related body corporate, the Market Participant must provide ASIC with the following information by no later than 10 Business Days after the issue or renewal of the insurance:

(a) the name of the related body corporate and a copy of evidence sufficient to establish that it is a related body corporate; and

(b) confirmation from the related body corporate that it is the insurer or the self-insurer covering and indemnifying the Market Participant against the liabilities referred to in Rule 2.2.1 and a copy of the certificate evidencing the insurance.

Maximum penalty: $20,000

2.2.4 Insurance requirements—Notification of claims

In relation to any liability or potential liability of the type referred to in Rule 2.2.1, a Market Participant must immediately notify ASIC of any notification to its insurer of any claim, potential claim or circumstance that might give rise to a claim and must include the following details:

(a) any circumstance which is likely to give rise to a claim or potential claim against the Market Participant;

(b) the receipt of a notice from any person of any intention to make a claim or potential claim against the Market Participant; and

(c) the details of any claim, potential claim or circumstance against the Market Participant, including the gross contingent liability, the net contingent liability, the full name of the

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Market Participant's insurer and the date the Market Participant notified its insurer of the claim, potential claim or circumstance.

Maximum penalty: $20,000

2.2.5 Information requirements—Obligation to notify of legal proceedings

If:

(a) a Market Participant commences legal proceedings against, or has legal proceedings commenced against it by, another Market Participant of the same Market, a Clearing Participant, a regulatory authority or a client in connection with its role as a Market Participant; and

(b) those legal proceedings may affect the operations of the operator of that Market, or the interpretation of these Rules or the operating rules of that Market,

the Market Participant must, upon commencing or upon becoming aware of the proceedings, immediately notify ASIC and the Market operator in writing of the particulars of the proceedings.

Maximum penalty: $100,000

Part 2.3 Supervisory staff

2.3.2 Ongoing responsibilities of Market Participants in relation to supervisory staff

A Market Participant must ensure that its supervisory staff:

(a) supervises the design and implementation activities and the functioning and review of the operations and processes referred to in Rule 2.1.1;

(b) is accountable to the Market Participant for the effective design, implementation, functioning and review of the operations and processes referred to in paragraph (a).

Maximum penalty: $20,000

Part 2.4 Retail client Adviser Accreditation

2.4.1 Accreditation required

(1) A Market Participant must ensure that each of its Representatives who provides financial product advice to a retail client in relation to:

(a) Options Market Contracts;

(b) Futures Market Contract; or

(c) Warrants,

holds the relevant accreditation required by these Rules.

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(2) A Market Participant must not, and must ensure that a Representative does not, hold himself or herself out as holding a type of accreditation under these Rules if they do not hold that type of accreditation.

Maximum penalty: $100,000

2.4.2 Extent of advice to clients—Level One Accredited Derivatives Adviser

(1) A Market Participant must ensure that each of its Representatives who provides financial product advice to a retail client in relation to one or more of the following:

(a) taking Options Market Contracts (other than Futures Options);

(b) writing Options Market Contracts (other than Futures Options), but only for the purpose of closing out a position or writing Covered Call Options under paragraph (e);

(c) subscribing for and buying and selling Warrants;

(d) exercising Warrants and Options Market Contracts (other than Futures Options);

(e) the Covered Call Option writing strategies as set out in Rule 2.4.3,

is accredited as a Level One Accredited Derivatives Adviser or a Level Two Accredited Derivatives Adviser.

(2) A Market Participant must ensure that each of its Representatives who is only accredited as a Level One Accredited Derivatives Adviser does not advise or make recommendations in relation to LEPOs.

Maximum penalty: $100,000

2.4.3 Covered Call Option Strategy

(1) For the purposes of Rule 2.4.2, a ***Covered Call Option writing strategy*** entails either:

(a) a client who already owns Underlying Financial Products in a particular Class writing Call Options over those Underlying Financial Products up to the number of Underlying Financial Products which the client owns and either prior to, or simultaneously with writing the Call Options, providing to the Clearing Facility those Underlying Financial Products as cover for the written Call Option obligations; or

(b) a client buying a particular Class of Underlying Financial Products and simultaneously writing Call Options over those Underlying Financial Products on the understanding that the client will provide, to the Clearing Facility, within three Trading Days of entering into the strategy, the simultaneously purchased Underlying Financial Products as cover for the written Call Option obligations.

(2) For the purposes of subrule (1), ***Call Option*** means an Options Market Contract that gives the taker a right, but not an obligation, to buy the Underlying Financial Products.

Note: There is no penalty for this Rule.

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2.4.4 Extent of advice to clients—Level Two Accredited Derivatives Adviser

(1) A Market Participant must ensure that each of its Representatives who provides financial product advice to a retail client in relation to one or more of the following:

(a) taking, writing and exercising all Derivatives Market Contracts (other than Futures Market Contracts and Futures Options);

(b) subscribing for, buying, selling and exercising Warrants;

(c) all trading strategies relating to Derivatives Market Contracts (other than Futures Market Contracts and Futures Options); and

(d) all trading strategies relating to Warrants,

is accredited as a Level Two Accredited Derivatives Adviser.

(2) For the avoidance of doubt, a person accredited as a Level Two Accredited Derivatives Adviser may advise and make recommendations in relation to the Products and strategies set out in Rules 2.4.2 and 2.4.3.

Maximum penalty: $100,000

2.4.5 Extent of advice to clients—Accredited Futures Adviser

A Market Participant must ensure that each of its Representatives who provides financial product advice to retail clients in relation to:

(a) taking, writing and exercising Futures Market Contracts;

(b) taking, writing and exercising Futures Options;

(c) all trading strategies relating to Futures Market Contracts; and

(d) all trading strategies relating to Futures Options,

is accredited as an Accredited Futures Adviser.

Maximum penalty: $100,000

2.4.6 Accreditation—Accredited Futures Adviser

(1) ASIC may, subject to any conditions ASIC considers appropriate, accredit a person as an Accredited Futures Adviser for a period of time if:

(a) the person is a Representative of a Market Participant and the Market Participant nominates the person to be an Accredited Futures Adviser under subrule (2);

(b) the person:

(i) is a Level Two Accredited Derivatives Adviser; or

(ii) has successfully completed an educational module or subject, or series of educational modules or subjects, approved by ASIC in accordance with subrule (4);

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(c) the person has read and understood:

(i) these Rules;

(ii) the operating rules of each Market where Futures Market Contracts, or Futures Options may be traded; and

(iii) other reading materials approved by ASIC in accordance with subrule (4); and

(d) ASIC has no reason to believe that the person does not have the requisite skill, knowledge and integrity to give financial product advice of the kind covered by Rule 2.4.5.

(2) A Market Participant may nominate a person to be an Accredited Futures Adviser by submitting a written application to ASIC that includes:

(a) the full name and date of birth of the applicant, a statement that the applicant is a Representative of the Market Participant and a description of the nature of the relationship of the applicant to the Market Participant (for example, employee);

(b) the name, business address and AFSL number of the Market Participant nominating the applicant to be an Accredited Futures Adviser;

(c) the name, position and contact telephone number of the person referred to in subrule (3);

(d) a declaration, signed by the applicant, that the applicant has met the requirements of paragraphs (1)(b) and (c); and

(e) if subparagraph (1)(b)(ii) applies, evidence that the applicant has met the requirements of that subparagraph.

(3) A director, partner, senior manager or Compliance Manager of the Market Participant must sign and date the application referred to in subrule (2).

(4) For the purposes of paragraphs (1)(b) and (c), ASIC may determine in writing a list of approved educational modules, subjects and reading materials that are relevant to financial product advice of the kind covered by Rule 2.4.5.

Note 1: There is no penalty for this Rule.

Note 2: Instruments made under subrule (4) are available on the Federal Register of Legislation. The register may be accessed at www.legislation.gov.au.

2.4.7 Accreditation—Level One Accredited Derivatives Adviser

(1) ASIC may, subject to any conditions ASIC considers appropriate, accredit a person as a Level One Accredited Derivatives Adviser for a period of time if:

(a) the person is a Representative of a Market Participant and the Market Participant nominates the person to be a Level One Accredited Derivatives Adviser under subrule (2);

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(b) the person:

(i) unless the person is applying for, or has been granted, an exemption under subrule 2.4.11(1), has obtained a score of 80% or more for an Accreditation Examination for Level One Accredited Derivatives Advisers approved by ASIC in accordance with subrule (4); or

(ii) has successfully completed an educational module or subject, or a series of educational modules or subjects, approved by ASIC in accordance with subrule (4); and

(c) ASIC has no reason to believe that the person does not have the requisite skill, knowledge and integrity to provide financial product advice of the kind covered by Rules 2.4.2 and 2.4.3.

(2) A Market Participant may nominate a person to be a Level One Accredited Derivatives Adviser by submitting a written application to ASIC that includes:

(a) the full name, date of birth, business address and email address of the applicant, a statement that the applicant is a Representative of the Market Participant and a description of the nature of the relationship of the applicant to the Market Participant (for example, employee);

(b) the name, business address and AFSL number of the Market Participant nominating the person to be a Level One Accredited Derivatives Adviser;

(c) the name, position and contact telephone number of the director, partner, or Compliance Manager of the Market Participant referred to in subrule (3);

(d) unless the person has been granted, or is applying for, an exemption under subrule 2.4.11(1), a declaration by the Market Participant that the applicant meets the requirements of paragraph (1)(b);

(e) if subparagraph (1)(b)(ii) applies, evidence that the applicant has successfully completed the educational subject or module, or series of educational subjects or modules, referred to in that subparagraph; and

(f) an acknowledgement by the Market Participant that accreditation as a Level One Accredited Derivatives Adviser will only authorise the applicant to provide financial product advice of the kind covered by Rules 2.4.2 and 2.4.3.

(3) A director, partner, senior manager or Compliance Manager of the Market Participant must sign and date the application referred to in subrule (2).

(4) For the purposes of subrule (1), ASIC may determine in writing a list of approved examinations, educational modules or subjects, or a series of educational modules or subjects, that are relevant to financial product advice of the kind covered by Rules 2.4.2 and 2.4.3.

Note 1: There is no penalty for this Rule.

Note 2: Instruments made under subrule (4) are available on the Federal Register of Legislation. The register may be accessed at www.legislation.gov.au.

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2.4.8 Accreditation—Level Two Accredited Derivatives Adviser

(1) ASIC may, subject to any conditions ASIC considers appropriate, accredit a person as a Level Two Accredited Derivatives Adviser for a period of time if:

(a) the person is a Representative of a Market Participant and the Market Participant nominates the person as a Level Two Accredited Derivatives Adviser in accordance with subrule (2);

(b) unless the person is applying for, or has been granted, an exemption under subrule 2.4.11(1), the person has obtained a score of 80% or more for each of the Accreditation Examinations for Level One Accredited Derivatives Advisers and Level Two Accredited Derivatives Advisers approved by ASIC in accordance with subrule (4); and

(c) ASIC has no reason to believe that the person does not have the requisite skill, knowledge and integrity to provide financial product advice of the kind covered by Rules 2.4.2, 2.4.3 and 2.4.4.

(2) A Market Participant may nominate a person to be a Level Two Accredited Derivatives Adviser by submitting a written application to ASIC that includes:

(a) the full name, date of birth, business address, email address and contact telephone number of the applicant, a statement that the applicant is a Representative of the Market Participant and description of the nature of the relationship of the applicant to the Market Participant (for example, employee);

(b) the name, business address and AFSL number of the Market Participant nominating the person to be a Level Two Accredited Derivatives Adviser;

(c) the name, position and contact telephone number of the director, partner, or Compliance Manager of the Market Participant referred to in subrule (3);

(d) unless the person has been granted, or is applying for, an exemption under subrule 2.4.11(1), a declaration by the Market Participant that the applicant meets the requirements of paragraph (1)(b); and

(e) an acknowledgement by the Market Participant that accreditation as a Level Two Accredited Derivatives Adviser will only authorise the applicant to provide financial product advice of the kind covered by Rules 2.4.2, 2.4.3 and 2.4.4.

(3) A director, partner, senior manager or Compliance Manager of the Market Participant must sign and date the application referred to in subrule (2).

(4) For the purposes of subrule (1), ASIC may determine in writing a list of one or more approved examinations that are relevant to financial product advice of the kind covered by Rules 2.4.2, 2.4.3 and 2.4.4.

Note 1: There is no penalty for this Rule.

Note: Instruments made under subrule (4) are available on the Federal Register of Legislation. The register may be accessed at www.legislation.gov.au.

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2.4.9 Acceptance of application

(1) If ASIC is satisfied that:

(a) an application for accreditation made by a Market Participant; and

(b) the person in respect of which the application for accreditation is made,

under Rule 2.4.6, 2.4.7 or 2.4.8, meet the applicable requirements of the Rule, ASIC will accredit the person in the relevant category of accreditation.

(2) ASIC will give the Market Participant a written notice that a person has been accredited under subrule (1), specifying:

(a) any conditions to which the accreditation is subject; and

(b) the Renewal Date.

(3) Nothing in subrule (1) prevents ASIC from seeking further information from the Market Participant for the purposes of satisfying itself that the person or the application meets the requirements of the relevant Rule.

Note: There is no penalty for this Rule.

2.4.10 Rejection of application

(1) Subject to subrule (2), if ASIC is not satisfied that:

(a) an application for accreditation made by a Market Participant; or

(b) the person in respect of which the application for accreditation is made,

under Rule 2.4.6, 2.4.7 or 2.4.8, meets the applicable requirements of the Rule, ASIC will reject the application.

(2) ASIC will give the Market Participant a written notice that an application for accreditation has been rejected under subrule (1), specifying the reason or reasons why the application is rejected.

(3) Nothing in subrule (1) prevents ASIC from seeking further information from the Market Participant for the purposes of satisfying itself that the person or the application meets the requirements of the relevant Rule.

Note: There is no penalty for this Rule.

2.4.11 Exemption for other accreditation and experience

(1) ASIC may exempt a person, in writing, from the requirement to sit an Accreditation Examination if the person has:

(a) completed a course listed on ASIC's Training Register as a specialist course and which, in the opinion of ASIC, provides appropriate coverage of these Rules, the operating rules of the relevant Market and Trading Platforms where the relevant Products may be traded, and the relevant Products;

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(b) completed relevant training, other than a course listed on ASIC's Training Register, and can demonstrate, to the satisfaction of ASIC, their knowledge of these Rules, the operating rules of the relevant Market and the Trading Platforms where the relevant Products may be traded, and the relevant Products; or

(c) extensive relevant industry experience and can demonstrate, to the satisfaction of ASIC, their knowledge of these Rules, the operating rules of the relevant Market and the Trading Platforms where the relevant Products may be traded, and the relevant Products.

(2) ASIC may require a Market Participant to provide further information which ASIC considers necessary to establish the experience, expertise and professional history of a person nominated under this Rule for exemption from the Accreditation Examination requirement.

(3) ASIC may require a person nominated for exemption under this Rule to complete and pass a modified version of an Accreditation Examination to demonstrate the person's expertise and knowledge of these Rules, the operating rules of the relevant Market and the Trading Platforms where the relevant Products may be traded, and relevant Products.

Note: There is no penalty for this Rule.

2.4.12 Examinations

(1) Unless ASIC gives permission under this Rule, a person may sit an Accreditation Examination for a category of accreditation no more than three times.

(2) If a person has not obtained the required pass level after sitting the Accreditation Examination three times, the Market Participant may apply to ASIC under subrule (3) for permission for the person to sit the Accreditation Examination again.

(3) A Market Participant may apply for permission for a person to sit an Accreditation Examination again by submitting a written application to ASIC that includes:

(a) the full name, business and email address of the applicant;

(b) the name and business address of the Market Participant seeking permission for the applicant to sit the Accreditation Examination again;

(c) the type of Accreditation Examination that the Market Participant is applying for the applicant to re-sit;

(d) the date on which the person last sat the Accreditation Examination;

(e) reasons in support of the applicant being permitted to sit the Accreditation Examination again; and

(f) the name and position of the person signing the application in accordance with subrule (4).

(4) A senior manager or Compliance Manager of the Market Participant (other than the applicant) must sign and date the application referred to in subrule (3).

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(5) After considering the application, ASIC may permit the person to sit the examination again.

(6) ASIC will not consider an application under this Rule unless three months have passed since the person last sat the Accreditation Examination.

Note: There is no penalty for this Rule.

2.4.13 Renewal of accreditation

(1) ASIC may renew the accreditation of an Accredited Adviser for a period of time with effect from the Renewal Date if:

(a) the person is a Representative of a Market Participant and the Market Participant applies to ASIC during the Renewal Period to renew the person's accreditation under subrule (2);

(b) the person has complied with the Continuing Professional Education Requirements pro-rata to the number of full months in the period from the date the Accredited Adviser was first accredited or last renewed their accreditation to the date of the application; and

(c) ASIC has no reason to believe that the person does not have the requisite skill, knowledge and integrity to provide financial product advice of the kind covered by the relevant category of accreditation.

(2) A Market Participant may apply to ASIC to renew the accreditation of a person by submitting a written application to ASIC during the Renewal Period that includes:

(a) the name and business address of the Market Participant seeking renewal of the accreditation of the persons named in the application;

(b) in respect of each Accredited Adviser seeking renewal of accreditation:

(ii) the name of the Accredited Adviser;

(iii) the category of accreditation held by the Accredited Adviser;

(iv) a declaration that the Accredited Adviser is a Representative of the Market Participant;

(v) a declaration that the Accredited Adviser meets the requirements of paragraph (1)(b); and

(c) the name, position, contact telephone number, facsimile number and email address of the director, partner, senior manager or Compliance Manager of the Market Participant referred to in subrule (3).

(3) A director, partner, senior manager or Compliance Manager of the Market Participant must sign and date the application referred to in subrule (2).

Note: There is no penalty for this Rule.

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2.4.14 Acceptance of application

(1) If ASIC is satisfied that:

(a) an application for renewal of accreditation made by a Market Participant; and

(b) a person in respect of which the application has been made,

meet the requirements of Rule 2.4.13, ASIC will renew the accreditation of the person with effect from the Renewal Date by one Business Day after the Renewal Date.

(2) ASIC will give the Market Participant a written notice that a person's accreditation has been renewed under subrule (1), specifying the next Renewal Date.

(3) Nothing in subrule (1) prevents ASIC from seeking further information from the Market Participant for the purposes of satisfying itself that the person or the application meets the requirements of the relevant Rule.

Note: There is no penalty for this Rule.

2.4.15 Rejection of application or renewal subject to conditions

(1) Subject to subrule (2), if ASIC is not satisfied that:

(a) an application for renewal of accreditation; or

(b) a person in respect of which the application has been made,

meets the requirements of Rule 2.4.13, ASIC may:

(c) reject the application for renewal in respect of one or more persons; or

(d) renew the person's accreditation with effect from the Renewal Date by one Business Day after the Renewal Date, but subject to such conditions as ASIC considers appropriate.

(2) If ASIC rejects the application under paragraph (1)(c), ASIC will give the Market Participant a written notice that a person's application for renewal has been rejected, specifying the reason or reasons that the application has been rejected.

(3) If ASIC renews the person's accreditation subject to conditions under paragraph (1)(d), ASIC will give the Market Participant a written notice that a person's accreditation has been renewed, specifying:

(a) the conditions to which the renewed accreditation is subject; and

(b) the next Renewal Date.

(4) Nothing in subrule (1) prevents ASIC from seeking further information from the Market Participant for the purposes of satisfying itself that the person or the application meets the requirements of the relevant Rule.

Note: There is no penalty for this Rule.

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2.4.16 Effect of non-renewal

If, by one Business Day after the Renewal Date, ASIC has not renewed the accreditation of an Accredited Adviser under subrule 2.4.14(1) or paragraph 2.4.15(1)(d), the person will cease to hold the relevant accreditation with effect from the Renewal Date.

Note: There is no penalty for this Rule.

2.4.17 Automatic withdrawal of accreditation

(1) An Accredited Adviser's accreditation is automatically withdrawn when the Accredited Adviser ceases to be a Representative of the Market Participant that made the application for the person to be accredited.

(2) If an Accredited Adviser ceases to be a Representative of a Market Participant, the Market Participant must notify ASIC in writing within five Business Days of:

(a) the name and date of birth of the Accredited Adviser; and

(b) the date the Accredited Adviser ceased to be a Representative of the Market Participant.

Note: There is no penalty for this Rule.

2.4.18 Voluntary withdrawal of accreditation

(1) ASIC may withdraw the accreditation of an Accredited Adviser in one or more categories of accreditation if the Market Participant of which the person is a Representative requests that ASIC withdraw the accreditation under subrule (2).

(2) A Market Participant may request that ASIC withdraw the accreditation of an Accredited Adviser by submitting a written application to ASIC that includes:

(a) the name and date of birth of the Accredited Adviser;

(b) the name and business address of the Market Participant requesting that the accreditation be withdrawn;

(c) the category of the accreditation which is to be withdrawn;

(d) the Trading Day on which the Market Participant wishes the withdrawal to take effect;

(e) the reasons for withdrawal of the accreditation; and

(f) the name, position and contact telephone number of the director, partner, or Compliance Manager of the Market Participant referred to in paragraph (3)(a).

(3) The application must be signed and dated by:

(a) a director, partner, senior manager or Compliance Manager of the Market Participant; and

(b) the relevant Accredited Adviser.

Note: There is no penalty for this Rule.

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2.4.19 Suspension or withdrawal by ASIC

(1) ASIC may suspend or withdraw the accreditation of an Accredited Adviser in a category of accreditation if ASIC has reason to believe that the person does not have the requisite skill, knowledge or integrity to provide financial product advice of the kind covered by the relevant category of accreditation.

(2) ASIC will notify the relevant Market Participant and the Accredited Adviser in writing of a suspension or withdrawal of accreditation under subrule (1) and the reasons for the suspension or withdrawal.

Note: There is no penalty for this Rule.

2.4.20 Re-accreditation after withdrawal or expiry

(1) ASIC may re-accredit a person whose accreditation has been withdrawn or has expired, without the person sitting another Accreditation Examination if:

(a) the person is a Representative of a Market Participant and the Market Participant applies to ASIC to re-accredit the person under subrule (2);

(b) the person became an Employee of, or was otherwise engaged by, a Market Participant within two years from the date their accreditation was withdrawn or expired, and within two months of being re-accredited will re-commence providing financial product advice to clients of a Market Participant of a kind covered by Rules 2.4.2, 2.4.3, 2.4.4 or 2.4.5;

(c) the person has complied with the Continuing Professional Education Requirements pro-rata to the number of full months since the date their accreditation was granted or last renewed; and

(d) ASIC has no reason to believe that the person does not have the requisite skill, knowledge and integrity to provide financial product advice of the kind covered by the relevant category of accreditation.

(2) A Market Participant may apply to ASIC to re-accredit a person whose accreditation has been withdrawn or has expired by submitting a written application to ASIC that includes:

(a) the name, date of birth, business address and email address of the applicant, a statement that the applicant is a Representative of the Market Participant and a description of the nature of the relationship of the applicant to the Market Participant (for example, employee);

(b) the name, business address and AFSL number of the Market Participant seeking renewal of the accreditation of the applicant;

(c) the category of accreditation sought;

(d) a statement that the Market Participant requests the requirement for the person to sit the Accreditation Examination be waived;

(e) a declaration by the Market Participant that the applicant meets the requirements of paragraph (1)(c); and

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(f) the name, position, contact telephone number, facsimile number and email address of the director, partner or Compliance Manager of the Market Participant referred to in subrule (3).

(3) A director, partner, senior manager or Compliance Manager of the Market Participant must sign and date the application.

(4) If ASIC is satisfied that:

(a) an application for re-accreditation made by a Market Participant; and

(b) the person in respect of which the application for re-accreditation is made,

meets the applicable requirements of this Rule, ASIC will re-accredit the person in the relevant category of accreditation.

(5) ASIC will give the Market Participant a written notice that the person has been re-accredited under subrule (4), specifying:

(a) any conditions to which the accreditation is subject;

(b) the Renewal Date.

(6) Nothing in subrule (4) prevents ASIC from seeking further information from the Market Participant for the purposes of satisfying itself that the person or the application meets the requirements of the relevant Rule.

Note: There is no penalty for this Rule.

2.4.21 Continuing Professional Education Requirements for Accredited Advisers

(1) A Market Participant must ensure that all of its Accredited Advisers comply with any continuing professional education requirements approved by ASIC in accordance with subrule (2).

(2) For the purposes of subrule (1), ASIC may determine in writing continuing professional education requirements for Accredited Advisers that are relevant to the skills and knowledge required to provide financial product advice of the kind covered by the relevant category of accreditation.

Note: Instruments made under subrule (2) are available on the Federal Register of Legislation. The register may be accessed at www.legislation.gov.au.

Maximum penalty: $20,000

2.4.22 Managed Discretionary Accounts—Derivatives Market Transactions and Warrants

A Market Participant must ensure that a Managed Discretionary Account for a retail client which involves dealing in Derivatives Market Transactions or Warrants is operated by an Accredited Adviser with the appropriate accreditation under these Rules.

Maximum penalty: $1,000,000

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2.4.23 Application for review by Administrative Appeals Tribunal of certain decisions made under this Part

(1) Subject to this Rule, applications may be made to the Tribunal for review of a decision made by ASIC under:

(a) subrule 2.4.9(1) to accredit a person subject to conditions; or

(b) subrule 2.4.10(1) to reject an application for accreditation of a person; or

(c) in respect of a person nominated for an exemption under subrule 2.4.11(1) from the requirement to sit an Accreditation Examination:

(i) subrule 2.4.11(1) to refuse the exemption; or

(ii) subrule 2.4.11(3) to require the person to complete and pass a modified version of an Accreditation Examination; or

(d) subrule 2.4.12(5) to refuse an application for permission to sit an Accreditation Examination again; or

(e) paragraph 2.4.15(1)(c) to reject an application to renew the accreditation of a person; or

(f) paragraph 2.4.15(1)(d) to renew the accreditation of a person subject to conditions; or

(g) subrule 2.4.19(1) to suspend or withdraw the accreditation of a person; or

(h) subrule 2.4.20(4) to re-accredit a person subject to conditions.

(2) Subject to this Rule, applications may be made to the Tribunal for review of a decision deemed to have been made by ASIC under subrule 2.4.14(1) or paragraph 2.4.15(1)(d) because of the operation of subsection 25(5) of the *Administrative Appeals Tribunal Act 1975*.

(3) An application made under subrule (1) or (2) may only be made by:

(a) in relation to paragraphs (1)(a) and (b):

(i) the Market Participant that made the application for accreditation under Rule 2.4.6, 2.4.7 or 2.4.8; or

(ii) the person in respect of which the application was made;

(b) in relation to subparagraphs (1)(c)(i) and (ii):

(i) the Market Participant that nominated the person for the exemption under Rule 2.4.11; or

(ii) the person that was nominated by a Market Participant, or that applied, for the exemption;

(c) in relation to paragraph (1)(d):

(i) the Market Participant that made the application for permission for the person to sit the Accreditation Examination again under Rule 2.4.12;

(ii) the person in respect of which the application was made;

(d) in relation to paragraphs (1)(e) and (f) and subrule (2):

(i) the Market Participant that made the application for renewal of accreditation under Rule 2.4.13; or

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(ii) the person in respect of which the application was made;

(e) in relation to paragraph (1)(g):

(i) the person whose accreditation has been suspended or withdrawn; or

(ii) the Market Participant for which the person is a Representative;

(f) in relation to paragraph (1)(h):

(i) the Market Participant that made the application for re-accreditation under Rule 2.4.20; or

(ii) the person in respect of which the application was made.

(4) In this Rule:

decision has the same meaning as in the *Administrative Appeals Tribunal Act 1975*.

Note: There is no penalty for this Rule.

2.4.24 Notice of reviewable decision and review rights

(1) This Rule applies if ASIC makes a decision to which Rule 2.4.23 applies.

(2) ASIC must take such steps as are reasonable in the circumstances to give to each person who may make an application for review of the decision under Rule 2.4.23 notice, in writing or otherwise:

(a) of the making of the decision; and

(b) of the person's right to have the decision reviewed by the Tribunal.

(3) A failure to comply with this Rule does not affect the validity of the decision.

(4) This Rule does not apply to a decision to which Rule 2.4.23 applies that is deemed to have been made because of the operation of subsection 25(5) of the *Administrative Appeals Tribunal Act 1975*.

Note: There is no penalty for this Rule.

Part 2.5 Designated Trading Representatives (DTRs)

2.5.1 Trading in a Trading Platform

A Trading Participant must ensure that all trading in a Trading Platform by the Trading Participant is carried out either:

(a) by DTRs; or

(b) in accordance with the Automated Order Processing Requirements.

Maximum penalty: $1,000,000

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2.5.2 Trading Participant must have a DTR

A Trading Participant must have at least one DTR.

Maximum penalty: $1,000,000

2.5.3 DTRs may submit Trading Messages

A Trading Participant must ensure that only its DTRs submit Trading Messages into a Trading Platform through the Trading Participant's system, unless the trading on that Market is conducted in accordance with the Automated Order Processing Requirements.

Maximum penalty: $1,000,000

2.5.4 Responsibility of Trading Participant

A Trading Participant is responsible for the accuracy of details, the integrity and bona fides of all Trading Messages containing their unique identifier that are submitted into a Trading Platform, regardless of whether a DTR of the Trading Participant was involved in their submission.

Note: There is no penalty for this Rule.

2.5.5 DTR criteria

A Trading Participant must ensure that:

(a) each of its DTRs is at all times a Representative of the Trading Participant authorised to deal in the financial products in respect of which the DTR submits orders on behalf of the Trading Participant to a Market either:

(i) under the Trading Participant's AFSL; or

(ii) under the person's own AFSL (unless the person is a Principal Trader not required to hold an AFSL);

(b) each of its DTRs is suitably qualified and experienced to deal in the financial products referred to in paragraph (a), by submitting orders on behalf of the Trading Participant;

(c) prior to submitting Trading Messages to a Market on behalf of the Trading Participant, each DTR has demonstrated to the Trading Participant knowledge of the Dealing Rules governing the process of dealing and reporting Market transactions on the Trading Platform of that Market, and the relevant practices of the operator of that Market;

(d) each of its DTRs does not:

(i) execute any order in a Trading Platform for or on behalf of, or which will benefit, directly or indirectly, the DTR or any associate or Relative of the DTR, without the prior written approval of the Trading Participant;

(ii) intentionally take advantage of a situation arising as a result of:

(A) a breakdown or malfunction in a Market operator's procedures or systems;

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(B) an error made over a communications service supplied to subscribers by a Market operator to provide voice announcements originating from that Market operator; or

(C) an error in entries made by a Market operator within a Trading Platform.

Maximum penalty: $1,000,000

2.5.6 Trading Participant must allocate unique identifier

A Trading Participant must allocate a unique identifier to each DTR of the Trading Participant.

Maximum penalty: $100,000

2.5.7 Records—DTRs

A Trading Participant must maintain a record of:

(a) the name, contact details and DTR identifier of each of its DTRs, while the person remains a DTR of the Trading Participant; and

(b) the information in paragraph (a) for a period of seven years from the date the person ceases to be a DTR of the Trading Participant.

Maximum penalty: $100,000

Part 2.6 Foreign Participants

2.6.1 Minimum presence requirements

(1) This Rule applies to a Market Participant (***Foreign Market Participant***) that:

(a) is a foreign entity; and

(b) does not hold an AFSL.

(2) Before entering into a Market transaction, a Foreign Market Participant must provide ASIC with a deed of the Foreign Market Participant for the benefit of and enforceable by ASIC and the other persons referred to in subsection 659B(1) of the Corporations Act, which deed provides:

(a) that the deed is irrevocable except with the prior written consent of ASIC;

(b) that the Foreign Market Participant submits to the non-exclusive jurisdiction of the Australian courts in legal proceedings conducted by ASIC (including under section 50 of the ASIC Act) and, in relation to proceedings relating to a financial services law, by any person referred to in subsection 659B(1) of the Corporations Act and whether brought in the name of ASIC or the Crown or otherwise;

(c) that the Foreign Market Participant covenants to comply with any order of an Australian court in respect of any matter relating to the activities or conduct of the Foreign Market

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Participant in relation to a relevant Market or in relation to financial products traded on the relevant Market, including but not limited to any matter relating to the Foreign Market Participant's obligations under:

(i) the ASIC Act;

(ii) the Corporations Act;

(iii) the *Corporations (Fees) Act 2001*;

(iv) *ASIC Supervisory Cost Recovery Levy Act 2017*; and

(v) *ASIC Supervisory Cost Recovery Levy (Collection) Act 2017*;

(d) that if the Foreign Market Participant is not registered under Division 2 of Part 5B.2 of the Corporations Act:

(i) the Foreign Market Participant must have at all times an agent who is:

(A) a natural person or a company;

(B) resident in this jurisdiction; and

(C) authorised to accept, on behalf of the Foreign Market Participant, service of process and notices; and

(ii) the Foreign Market Participant must notify ASIC of any change to:

(A) the agent; or

(B) the name and address of the agent (if the agent is a company, address means the address of the registered office of the company); and

(iii) service of process on the Foreign Market Participant in relation to legal proceedings conducted by ASIC (including under section 50 of the ASIC Act), and in relation to proceedings relating to a financial services law, by any person referred to in subsection 659B(1) of the Corporations Act and whether brought in the name of ASIC or the Crown or otherwise, can be effected by service on the agent;

(e) that the deed applies notwithstanding that the Foreign Market Participant may have ceased to be a Market Participant of the relevant Market; and

(f) for such additional terms notified by ASIC in writing to the Foreign Market Participant.

Maximum penalty: $1,000,000

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Chapter 3: Client relationships

Part 3.1 Clients trading in products for first time

3.1.1 Documents to be given to a client

Before accepting an order from a person to enter into a Market transaction, a Market Participant must give the person, in addition to all of the documents which the Market Participant is required to give the person in respect of the Market transaction under the Corporations Act, all of the documents the Market Participant is required to give the person in respect of the Market transaction under this Part.

Note: There is no penalty for this Rule.

3.1.2 Documents to be given to a client: Options, LEPOs and Warrants

(1) Subject to subrule (4), before a Market Participant accepts an Order from a person to enter into an Options Market Transaction on a Market, the Market Participant must give the person a copy of any current explanatory booklet in respect of Options Market Contracts published by the operator of that Market, together with any updates to that explanatory booklet published by that Market operator, if it is the first time an Order to enter into an Options Market Transaction on that Market is accepted from the person.

(2) Subject to subrule (4), before a Market Participant accepts an Order from a person to enter into an Options Market Transaction in respect of LEPOs, the Market Participant must give the person a copy of any current explanatory booklet in respect of LEPOs published by the operator of the relevant Market, together with any updates to that explanatory booklet published by that Market operator, if it is the first time an Order to enter into an Options Market Transaction in respect of LEPOs on that Market is accepted from the person.

(3) Subject to subrule (4), before a Market Participant accepts an Order from a person to purchase a Warrant on a Market, the Market Participant must give the person a copy of any current explanatory booklet in respect of Warrants published by the operator of the relevant Market, together with any updates to that explanatory booklet published by that Market operator, if it is the first time an Order in respect of Warrants is accepted from the person.

(4) A Market Participant is not required to comply with subrule (1), (2) or (3) if the person from whom the Order is accepted is a wholesale client, unless the person expressly requests it.

(5) For the avoidance of doubt, a Market Participant is not required to comply with subrule (3) if the person from whom the Order is accepted is entering into a Market transaction to sell Warrants.

Maximum penalty: $100,000

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3.1.3 Information to be given to a client: Execution arrangements

(1) Before accepting an Order from a person (the ***Client***) to enter into a Market transaction, if a Market Participant does not have Trading Permission to execute that Market transaction on the relevant Market, the Market Participant must give the Client a document which clearly discloses the execution arrangements in place for the Market transaction including, without limitation:

(a) the name, principal telephone number and principal business address of the Trading Participant which executes the Market transactions of the Market Participant; and

(b) the extent of any NGF coverage, or coverage under other Compensation Arrangements, of the Market transaction.

(2) A Market Participant is not required to comply with subrule (1) in relation to a Client where, at the time the obligation to comply with subrule (1) would arise, all of the following are satisfied:

(a) the Market Participant has already given the Client a document that complies with subrule (1) with respect to execution arrangements the Market Participant has in place for executing the Client's transactions on a Market;

(b) the Market Participant proposes to rely on the execution arrangements referred to in paragraph (a) for the purposes of executing the Client's transactions on the Market referred to in subrule (1); and

(c) the Market Participant notifies the Client in writing of any material change to the execution arrangements referred to in paragraph (a), including, without limitation, any changes to the matters referred to in paragraph (1)(a) and (b).

Maximum penalty: $100,000

3.1.4 Information to be given to a client: Clearing arrangements for Equity Securities, Loan Securities or Warrants

(1) Before accepting an Order from a person (the ***Client***) to enter into a Market transaction for an Equity Security, Loan Security or Warrant, if a Market Participant:

(a) is not a Clearing Participant, who is permitted under the Clearing Rules to clear the Cash Market Transaction; or

(b) is a Clearing Participant who is permitted under the Clearing Rules to clear that Cash Market Transaction, but has an arrangement with another Clearing Participant to clear that Cash Market Transaction, and such transaction is cleared under the arrangement,

the Market Participant must give the Client a document which clearly discloses the clearing arrangements in place for that transaction, including, without limitation, any information required by subrule (2).

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(2) The written disclosure document referred to in subrule (1) must include:

(a) the name, principal telephone number and principal business address of the Clearing Participant which clears the Market transactions of the Market Participant;

(b) if, under the clearing arrangements each or any of the following apply:

(i) notwithstanding that the Market transaction may have been entered into on the Client's behalf, the Clearing Participant carries the Clearing Obligations and any settlement obligations for all Market transactions of the Trading Participant, including those of the Client, and must settle as principal with the Clearing Facility or the relevant counter-party;

(ii) the Client owes obligations to the Clearing Participant in relation to the clearing and settlement of Cash Market Transactions;

(iii) the Clearing Participant has rights against the Client in the event that:

(A) the Client fails to pay the amounts due in respect of Cash Market Transactions;

(B) the Client fails to fulfil its settlement obligations in respect of Cash Market Transactions,

statements to that effect.

(3) A Market Participant is not required to comply with subrule (1) in relation to a Client where, at the time the obligation to comply with subrule (1) would arise, all of the following are satisfied:

(a) the Market Participant has already given the Client a document that complies with subrules (1) and (2) with respect to the clearing arrangements in place for the Client's transactions on a Market;

(b) the Market Participant proposes to rely on the clearing arrangements disclosed in the document referred to in paragraph (a) for the purposes of clearing the Client's transactions on the Market referred to in subrule (1); and

(c) the Market Participant notifies the Client in writing of any material change to the clearing arrangements referred to in paragraph (a), including, without limitation, any changes to the matters referred to in paragraphs (2)(a) and (b).

Maximum penalty: $100,000

3.1.4A Information to be given to a client: Settlement arrangements

(1) Before accepting an order from a person (the ***Client***) to enter into a Market transaction, if a Market Participant:

(a) is not a Settlement Participant who is permitted under Settlement Rules to settle the Market transaction; or

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(b) is a Settlement Participant who is permitted under the Settlement Rules of the relevant Settlement Facility to settle that Market transaction, but has an arrangement with a Settlement Agent to settle that Market transaction, and such transaction is settled under the arrangement,

the Market Participant must give the Client a document which clearly discloses the settlement arrangements in place for that Market transaction, including, without limitation, any information required by subrule (2).

(2) The written disclosure document referred to in subrule (1) must include:

(a) the name, principal telephone number and principal business address of the Settlement Agent which settles the Market transactions of the Market Participant; and

(b) if, under the settlement arrangements each or any of the following apply:

(i) notwithstanding that the Market transaction may have been entered into on the Client's behalf, the Market Participant carries the settlement obligations for all Market transactions of the Market Participant, including those of the Client, and must settle as principal with the relevant counter-party;

(ii) the Client owes obligations to the Market Participant in relation to the settlement of Market transactions;

(iii) the Market Participant has rights against the Client in the event that:

(A) the Client fails to pay the amounts due in respect of Market transactions; or

(B) the Client fails to fulfil its settlement obligations in respect of Market transactions,

statements to that effect.

(3) A Market Participant is not required to comply with subrule (1) in relation to a Client where, at the time the obligation to comply with subrule (1) would arise, all of the following are satisfied:

(a) the Market Participant has already given the Client a document that complies with subrules (1) and (2) with respect to the settlement arrangements in place for the Client's transactions on a Market;

(b) the Market Participant proposes to rely on the settlement arrangements disclosed in the document referred to in paragraph (a) for the purposes of settling the Client's transactions on the Market referred to in subrule (1); and

(c) the Market Participant notifies the Client in writing of any material change to the settlement arrangements referred to in paragraph (a), including, without limitation, any changes to the matters referred to in paragraphs (2)(a) and (b).

Maximum penalty: $100,000

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3.1.7 Minimum terms of Client Agreement for Options Market Contracts

(1) Before entering into a Market transaction in respect of an Options Market Contract on a Market on behalf of a retail client (the ***Client***), a Market Participant must enter into a written agreement with the Client under which:

(a) the Client and the Market Participant agree on the instruments (the ***Relevant Derivatives Market Contracts***) in which the Market Participant may deal on behalf of the Client;

(b) the Client acknowledges that the Client has received and read a copy of any current explanatory booklets published by the relevant Market operator in respect of the Relevant Derivatives Market Contracts;

(c) the Client acknowledges that the Client is acting:

(i) as principal; or

(ii) as an intermediary on another's behalf and are specifically authorised to transact the Relevant Derivatives Market Contracts by the terms of:

(A) a licence held by the Client;

(B) a trust deed (if the Client is a trustee); or

(C) an agency contract;

(d) the Market Participant discloses, and the Client acknowledges:

(i) that notwithstanding that the Market Participant may act in accordance with the instructions of, or for the benefit of, the Client, any contract arising from any order submitted to the Market, is entered into by the Market Participant as principal;

(ii) that the Market Participant may, in certain circumstances permitted under the operating rules for the relevant Market or the Corporations Act, take the opposite position in a transaction in the Relevant Derivatives Market Contracts, either acting for another person or on its Own Account;

(iii) if the Client will or may be required to pay to the Market Participant commissions, fees, taxes or charges in connection with dealings in the Relevant Derivatives Market Contracts for the Client:

(A) the fact that the Client is required to pay such commissions, fees, taxes and charges; and

(B) the manner in which the Client will be notified of the rates of such commissions, fees, taxes and charges;

(iv) that the Market Participant may record telephone conversations between the Client and the Market Participant and if there is a dispute between the Client and the Market Participant, the Client has the right to listen to any recording of those conversations;

(v) if the Market Participant may refuse to enter into Market transactions for the Client, or limit the Market transactions it enters into for the Client, that the Market Participant will notify the Client of any refusal or limitation as soon as practicable;

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(vi) that the Trading Participant is not required to act in accordance with the Client's instructions, where to do so would constitute a breach of the operating rules of the relevant Market, the Clearing Rules or the Corporations Act; and

(vii) that each Options Market Contract registered with a Clearing Facility is subject to operating rules and any practices, directions, decisions and requirements of that Clearing Facility.

(2) A Market Participant must set out in a Client Agreement entered into under subrule (1) any minimum period of notice to terminate the agreement and any other limitations on the right to terminate the agreement.

Maximum penalty: $100,000

3.1.8 Client Agreement for Warrants

(1) Before entering into a Market transaction to buy Warrants on behalf of a retail client (the ***Client***), a Market Participant must enter into a written agreement with the Client under which the Market Participant discloses, and the Client acknowledges that they are aware that:

(a) a Warrant has a limited life and cannot be traded after its expiry date;

(b) Warrants do not have standardised Terms of Issue and it is the responsibility of the Client to become aware of the Terms of Issue of any Warrant in which the Client chooses to invest; and

(c) Warrants may be subject to adjustments after their initial issue and it is the Client's responsibility to become aware of any adjustments which may have been made to any Warrant in which the Client chooses to invest.

(2) The written agreement referred to in subrule (1) must include an acknowledgement from the Client that the Client has received and read a copy of any current explanatory booklet in respect of Warrants issued by the operator of the Market where the transaction will be entered into.

Maximum penalty: $100,000

3.1.9 Client Agreement for Partly Paid Securities

Before entering into a Market transaction to buy Partly Paid Securities on behalf of a retail client (the ***Client***), a Market Participant must enter into a written agreement with the Client under which the Market Participant discloses, and the Client acknowledges that they are aware, that:

(a) a Partly Paid Security is a security which may require the Client to make a further payment or payments at some time in the future;

(b) it is the responsibility of the Client to obtain and read a copy of the prospectus, product disclosure statement or information memorandum issued by an Issuer which sets out the particular features of, and rights and obligations attaching to, a Partly Paid Security before the Client places an order to buy a Partly Paid Security;

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(c) the Client may be required to make further payments on a Partly Paid Security and that a failure to make a further payment by the specified date(s) may result in an Issuer of a Partly Paid Security or their associates or agents taking action, including legal action, against the Client to recover the outstanding payments and/or may result in the forfeiture of the Client's entitlement to the Partly Paid Security;

(d) in certain circumstances the Client may be required to make a further payment on a Partly Paid Security despite the fact that the Client may have disposed of a Partly Paid Security prior to the date that a further payment falls due;

(e) the Client should monitor announcements made by the Issuer of a Partly Paid Security and that it is the responsibility of the Client to inform themselves of the dates or circumstances that a further payment falls due and the last day that the Client can dispose of the Partly Paid Security before the Client becomes required to make a further payment; and

(f) the amount of a further payment may be unrelated to the financial performance of a Partly Paid Security and that the amount of the further payment may exceed the intrinsic value of a Partly Paid Security at the time a further payment falls due.

Maximum penalty: $100,000

3.1.10 Other terms of Client Agreements

For the avoidance of doubt, a Client Agreement may include other disclosures, acknowledgements, terms and conditions agreed between a Market Participant and a Client, or required to be included under the operating rules of the Market to which the Client Agreement relates, provided they are not inconsistent with the requirements of Rules 3.1.7, 3.1.8 and 3.1.9.

Note: There is no penalty for this Rule.

3.1.11 Market Participant to keep copy of Client Agreement and disclosures

A Market Participant must retain a copy of each Client Agreement and any disclosures made under this Part for at least seven years following the date on which the Client Agreement, or the arrangement the subject of the disclosure, is terminated.

Maximum penalty: $100,000

3.1.12 Client agreement where Market Participant is not the Clearing Participant (Options Market Transactions only)

Before entering into an Options Market Transaction on a Market for a person (the ***Client***), where a Market Participant:

(a) is not a Clearing Participant, who is permitted under the Clearing Rules to clear that Options Market Transaction; or

(b) is a Clearing Participant, who is permitted under the Clearing Rules to clear that Market transaction, but has an arrangement with another Clearing Participant to clear that Options Market Transaction, and such transaction is cleared under the arrangement,

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the Market Participant must:

(c) have previously confirmed with the Clearing Participant that the Client has entered into an agreement with the Clearing Participant as required under the Clearing Rules; or

(d) where the Client is a wholesale client, have satisfied itself that the Client has executed and lodged with the Clearing Facility a Wholesale Client Agreement as required under the operating rules of the relevant Market.

Maximum penalty: $100,000

3.1.13 Client agreement where Market Participant is the Clearing Participant (Options Market Transactions only)

Before entering into an Options Market Transaction for a person (the ***Client***) on a Market, where a Market Participant is the Clearing Participant in relation to the Options Market Transaction, the Market Participant must:

(a) have entered into an agreement with the Client as required under the Clearing Rules; or

(b) where the client is a wholesale client, have satisfied itself that the Client has executed and lodged with the Clearing Facility a Wholesale Client Agreement as required under the operating rules of the relevant Market.

Maximum penalty: $100,000

Part 3.2 Trading as Principal

3.2.1 Application

This Part 3.2 applies where a Market Participant enters into a Market transaction with a Client as Principal, except where the Client is a Market Participant of that Market or a participant or member of a stock exchange that:

(a) is a Recognised Stock Exchange within the meaning of the operating rules of that Market;

(b) is a Recognised Overseas Exchange within the meaning of the operating rules of that Market; or

(c) is a Recognised Stock Exchange within the meaning of the operating rules of another Market.

Note: There is no penalty for this Rule.

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3.2.2 Disclosure and consent

Before entering into a Market transaction as Principal with a person (the ***Client***), a Market Participant must disclose, or have previously disclosed, in accordance with paragraph 991E(1)(c) of the Corporations Act, that it is acting, or may act, as Principal and have obtained the consent of the Client, in accordance with paragraph 991E(1)(d) of the Corporations Act.

Maximum penalty: $100,000

3.2.3 Confirmation must include disclosure

When a Market Participant enters into a Market transaction with a person (the ***Client***) as Principal, the confirmation issued by the Market Participant to the Client under Rule 3.4.1 in respect of that Market transaction must state that the Market Participant entered into the transaction as Principal and not as agent.

Maximum penalty: $100,000

3.2.4 Brokerage and commission

(1) When a Market Participant enters into a Market transaction as Principal with a person (the ***Client***), the Market Participant must not charge the Client brokerage, commission or any other fee in respect of the Market transaction, except in the following circumstances:

(a) where the Client is a Prescribed Person of the Market Participant;

(b) where the Client is a wholesale client who has consented to the Market Participant charging brokerage, commission or the other fee (and that consent has not been withdrawn); or

(c) where otherwise permitted by the Corporations Act.

(2) A Market Participant must keep a written record of any consent given by a wholesale client under paragraph (1)(b), and send a copy of the record to that wholesale client as soon as practicable.

Maximum penalty: $100,000

3.2.6 Register of persons who are regarded as Principal

A Market Participant must keep a register of the persons referred to in paragraphs (a) to (f) of the definition of "Principal" in Rule 1.4.3.

Maximum penalty: $100,000

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Part 3.3 Client instructions

3.3.1 Market Participant restrictions

A Market Participant must not:

(a) accept or execute instructions from a person (a ***Client***) to enter into a Market transaction except in accordance with these Rules and the operating rules of the relevant Market;

(b) enter into a Market transaction for a Client, except in accordance with the instructions of the Client, or of a person authorised in writing by a Client to give such instructions, or pursuant to an exercise of discretion in respect of that particular Client's Managed Discretionary Account or as otherwise permitted by these Rules or the operating rules of the relevant Market;

(c) allocate a Market transaction to a Client's account unless the Market transaction was entered into on the instructions of the Client, or of a person authorised in writing by a Client to give such instructions, or pursuant to an exercise of discretion in respect of that particular Client's Managed Discretionary Account or as otherwise permitted by these Rules or the operating rules of the relevant Market; or

(d) except as permitted under these Rules or the operating rules of the relevant Market, or in writing by ASIC, enter into or arrange a Market transaction on the instructions of a Client unless the instructions are executed in such a manner that the Market transaction is entered into on a Trading Platform.

Maximum penalty: $1,000,000

3.3.2 Excessive trading

A Market Participant must not enter into Market transactions on a Managed Discretionary Account for a retail client where the size or frequency of the Market transactions may be considered excessive having regard to the investment objectives, financial situation and needs of the client and the relevant markets.

Maximum penalty: $1,000,000

Part 3.4 Reporting to Clients

3.4.1 Confirmations—Form and timing

(1) Subject to Rule 3.4.3, a Market Participant must give a confirmation to a person (the ***Client***) in respect of each Market transaction entered into on the Client's instructions or on the Client's Managed Discretionary Account.

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(2) A Market Participant must send to, or cause to be sent to, the Client a confirmation:

(a) in writing;

(b) electronically; or

(c) in another form permitted by ASIC,

as soon as practicable after the Market Participant enters into a Market transaction referred to in subrule (1).

(3) A confirmation given under subrule (1) must meet the following requirements:

(a) the confirmation must include all of the information required to be included in a confirmation under Division 3 of Part 7.9 of the Corporations Act;

(b) the confirmation must include a statement that the confirmation is issued subject to:

(i) the directions, decisions and requirements of the operator of the relevant Market, these Rules, the operating rules of the relevant Market, and, where relevant, the Clearing Rules of the relevant Clearing Facility and the Settlement Rules of the relevant Settlement Facility;

(ii) the customs and usages of the relevant Market; and

(iii) the correction of errors and omissions,

unless the Market Participant has obtained and retained an acknowledgment from the Client that the conditions set out in subparagraphs (i), (ii) and (iii) apply to the issue of confirmations to that Client;

(c) if the Market transaction is to be cleared or settled by another party which is a Clearing Participant or Settlement Agent, the confirmation must include the name of the Market Participant which executed the trade, where relevant, the Clearing Participant which clears it and where relevant, the Settlement Agent which settles it;

(d) the confirmation must state the time by which all documents and information which the Market Participant or Clearing Participant or where relevant, the Settlement Agent will require to settle the Market transaction must be provided by the Client:

(i) in the case of a sale of Cash Market Products, the date by which the Client must provide all documents and security holder information (including, if applicable, the relevant holder identification number or personal identification number and/or shareholder reference number) required by the Relevant Clearing Participant to meet its Clearing Obligations and where relevant the Relevant Settlement Participant to meet its Settlement Obligations; and

(ii) if applicable, the date by which the Client must provide the consideration specified in the confirmation; and

(iii) if applicable, the date by which the net consideration to the Client falls due;

(e) the confirmation must state the amount of money which the Client must pay, or which the Client will receive, on settlement of the Market transaction and, if the Client is required to pay an amount of money, the time by which that money must be paid;

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(f) where the Market transaction involved a Crossing, the confirmation must include a statement to that effect;

(g) the confirmation must include any disclosure required under Rule 3.2.3; and

(h) if the confirmation is a confirmation in respect of:

(i) a Conditional Sale of a Cash Market Product and the corresponding confirmation in respect of the conditional purchase of the relevant Cash Market Product; or

(ii) the entry into of an Options Market Contract over a Cash Market Product which is, at the time, traded on a conditional basis,

the confirmation must be endorsed as conditional and state the condition and the effect of non-fulfilment of the condition.

Maximum penalty: $100,000

3.4.2 Confirmations—Accumulation and price averaging

If a Market Participant is required by Rule 3.4.1 to give a confirmation to a person (the ***Client***) and the Market Participant enters into multiple Market transactions for the purpose of completing the Client's order, the Market Participant may accumulate those Market transactions on a single confirmation and specify the volume weighted average price for those Market transactions provided that:

(a) the Client authorised in writing the accumulation and price averaging of two or more Market transactions in a confirmation at or before the time the order was placed; and

(b) if requested by the Client, the Market Participant gives to the Client a statement of all the individual prices of the Cash Market Products or Derivatives Market Contracts, as applicable, which are accumulated and averaged under this Rule.

Maximum penalty: $20,000

3.4.3 Confirmations—Clients other than retail clients

(1) A Market Participant is not required to comply with Rule 3.4.1 in respect of a client that is not a retail client, provided the Market Participant:

(a) has notified the client before entering a Trading Message on the client's behalf that Market transactions effected for the client are subject to:

(i) the directions, decisions and requirements of the relevant Market operator, these Rules, the operating rules of the relevant Market, the Clearing Rules and where relevant, the Settlement Rules;

(ii) the customs and usages of the relevant Market; and

(iii) the correction of errors and omissions; and

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(b) subject to subrule (2), notifies the client as soon as practicable:

(i) if the Market Participant entered into the client's Market transaction as Principal; that the Market Participant entered into the Market transaction as Principal; and

(ii) if the client's Market transaction was executed as a Crossing, the execution code of the execution venue for the Crossing.

(2) A Market Participant does not have to give the notifications in paragraph (1)(b) to a client who has agreed not to receive such notifications.

(3) A Market Participant must keep a record of the notification referred to in paragraph (1)(a).

(4) ASIC may determine in writing the execution venue codes referred to in subparagraph (1)(b)(ii).

Note: Instruments made under subrule (4) are available on the Federal Register of Legislation. The register may be accessed at www.legislation.gov.au.

Maximum penalty: $100,000

Part 3.4A Multiple Markets—Single trade confirmations

3.4A.1 Multiple Markets—Participant may produce single trade confirmation

If a Market Participant is required to give a confirmation to a client in accordance with section 1017F of the Corporations Act and Rule 3.4.1 (the ***Confirmation***) and enters into a transaction on more than one Market for the purpose of completing a Client Order, the Participant may accumulate the transactions entered into on all Markets which complete the Client Order, on a single Confirmation and specify the volume weighted average price, rather than the price per unit, for all those transactions provided that:

(a) the client authorised in writing the accumulation and price averaging of two or more transactions in a Confirmation at or before the time the Order was placed; and

(b) if requested by the client, the Participant gives to the client a statement of all the individual prices of the relevant products, which are accumulated and averaged in the Confirmation.

Maximum penalty: $20,000

Part 3.5 Client Money and Property

3.5.1 Trust accounts—Cash Market Transactions and Options Market Transactions

A Market Participant must establish one or more clients' trust accounts for money received by the Market Participant in connection with dealings in Cash Market Transactions or Options Market Transactions.

Maximum penalty: $1,000,000

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3.5.2 Segregated accounts or trust accounts—Futures Market Transactions

A Market Participant must establish either one or more clients' trust accounts or clients' segregated accounts for money received by the Market Participant in connection with dealings in:

(a) Futures Market Transactions; and

(b) Options Market Transactions over an Underlying Financial Product which is a Futures Market Contract.

Maximum penalty: $1,000,000

3.5.3 Bank accounts to be with Australian ADI

All money received by a Market Participant which the Corporations Act requires the Market Participant to deposit in a clients' segregated account or in a clients' trust account must be deposited in an account with an Australian ADI in Australia (which has been rated by an Approved Ratings Agency as being at least short term investment grade) unless:

(a) the money is received by the Market Participant in another country and the Market Participant deposits the money in a clients' segregated account or clients' trust account with a branch of an Australian ADI with such a rating in that country; or

(b) Rule 3.5.4 applies.

Maximum penalty: $1,000,000

3.5.4 Approved foreign banks

(1) ASIC may approve, in writing, a foreign bank at which a Market Participant may:

(a) open clients' segregated accounts or clients' trust accounts for the handling of money received for a person in another country or for a person who is resident in another country; and

(b) invest money held in clients' segregated accounts or clients' trust accounts in another country.

(2) ASIC may impose conditions on the use of a foreign bank approved under subrule (1) for clients' segregated accounts and clients' trust accounts.

Note: There is no penalty for this Rule.

3.5.5 Change of rating or approval of ADI

If a Market Participant has a clients' segregated account or a clients' trust account with an Australian ADI which ceases to have the rating referred to in Rule 3.5.3 or with a foreign bank which ceases to be a bank approved under Rule 3.5.4, the Market Participant must transfer the balance of the relevant account to an entity which meets the requirements of Rule 3.5.3 or Rule 3.5.4, as applicable.

Maximum penalty: $1,000,000

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3.5.6 Liquidity requirement—Clients' segregated accounts

If a Market Participant invests money from a clients' segregated account maintained under Rule 3.5.2 pursuant to paragraph 981C(a) of the Corporations Act, that investment must be readily realisable and at least 50% of money invested under that paragraph must be invested on 24 hour call terms.

Maximum penalty: $1,000,000

3.5.7 Top up requirement—Clients' segregated accounts

(1) Subject to subrule (2), if a person (the ***Client***) does not satisfy, either through payment or the provision of security, a request by the Market Participant to meet a call in relation to the close out, settlement or daily settlement of Open Contracts within 48 hours following the call for payment, the Market Participant must pay into the clients' segregated account the lesser of:

(a) the amount of the request; or

(b) the amount which the Market Participant would be obliged under the operating rules of the relevant Market to request from the Client on the following day.

(2) Where the request by a Market Participant for payment or the provision of security relates to derivatives traded on a market operated by a person other than the operator of the relevant Market, the Market Participant must by the time required under the rules of that market, pay into the clients' segregated account the lesser of:

(a) the amount of the request; or

(b) the amount which the Market Participant would be obliged under the operating rules of the other market to request from the Client on the following day.

Maximum penalty: $1,000,000

3.5.8 Reconciliation of clients' segregated accounts

(1) A Market Participant must perform an accurate reconciliation, by 7.00 pm on the Trading Day after the Trading Day to which the reconciliation relates, of the aggregate balance held by it at the close of business on each Business Day in clients' segregated accounts maintained pursuant to Rule 3.5.2 and the corresponding balance as recorded in the Market Participant's accounting records.

(2) The reconciliation referred to in subrule (1) must set out:

(a) the date to which the reconciliation relates;

(b) the dollar amounts of:

  (i) Total Futures Client Monies;

  (ii) Associated/Related Company Monies;

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(iii) Director/Employee Monies;

(iv) Total Third Party Client Monies,

for both the day of the reconciliation and the prior day;

(c) the dollar amounts of:

(i) Clients' Segregated Account at Bank;

(ii) Deposits with ASX Clear Client Account;

(iii) Deposits with ASX Clear (Futures) Client Account;

(iv) Deposits with ASX Clear Futures Clearing Participant;

(v) Deposits with ASX Clear (Futures) Participant;

(vi) Deposits with an ASX Market Participant;

(vii) Deposits with an ASX 24 Market Participant;

(viii) Deposits with an Overseas Broker;

(ix) funds invested in accordance with paragraph 981C(a) of the Corporations Act;

(x) Total Deposits,

for both the day of the reconciliation and the prior day;

(d) the dollar amount of the Variation for both the day of the reconciliation and the prior day;

(e) an explanation of the reason for a Variation, if the dollar amount of the Variation is more than, or less than, zero;

(f) where the movement in Total Futures Client Monies is greater than 20% from the prior day, an explanation of the reason.

(3) For the purposes of this Part:

Associated/Related Company Monies means the total amount of money received from:

(a) any body corporate that is related to the Market Participant;

(b) any person who is associated with the Market Participant; and

(c) any body corporate in which the Market Participant has a controlling interest,

in respect of transactions in futures contracts dealt on any exchange.

ASX Clear means ASX Clear Pty Limited (ACN 001 314 503).

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

Client means a person (including any director, officer, employee or associated or related company of the Market Participant) on behalf of whom the Market Participant deals, or from whom the Market Participant accepts instructions to deal, in futures contracts.

Clients' Segregated Account at Bank means the Total Third Party Client Monies held in the clients' segregated account relating to futures contracts traded on any exchange.

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Deposits with ASX Clear Client Account means the total amount of third-party client funds, including margin amounts, lodged with ASX Clear in relation to transactions in futures contracts.

Deposits with ASX Clear Futures Clearing Participant means the total amount of third-party client funds paid to a Clearing Participant of ASX Clear in relation to transactions in futures contracts.

Deposits with ASX Clear (Futures) Client Account means the total amount of third-party client funds, including margin amounts, lodged with ASX Clear (Futures) in relation to transactions in futures contracts.

Deposits with ASX Clear (Futures) Participant means the total amount of third-party client funds paid to a Clearing Participant of ASX Clear (Futures) in relation to transactions in futures contracts.

Deposits with an ASX Market Participant means the total amount of third-party client funds paid to a Participant of the ASX Market.

Deposits with an ASX 24 Market Participant means the total amount of third-party client funds paid to a Participant of the ASX 24 Market in relation to transactions in futures contracts.

Deposits with an Overseas Broker means the total amount of third-party client funds lodged with an Overseas Broker in relation to transactions in futures contracts.

Director/Employee Monies means the total amount of money received from:

(a) any director, or officer, of the Market Participant; and

(b) any employee of the Market Participant;

in respect of transactions in futures contracts dealt on any exchange.

Total Deposits means the sum of subparagraphs (2)(c)(i) to (c)(ix).

Total Futures Client Monies means the total amount of money received from Clients in respect of transactions in futures contracts, including amounts relating to futures contracts traded on any exchange.

Total Third Party Client Monies means:

Total Futures Client Monies less (Associated/Related Company Monies plus Director/Employee Monies)

Variation means:

Total Third Party Client Monies less Total Deposits

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(4) A reconciliation referred to in subrule (1) must contain a statement signed by a person with supervisory responsibility for the Market Participant or a person authorised in writing by that person, stating that the signatory believes, and has no reason not to believe, that the reconciliation is accurate in all respects.

Maximum penalty: $1,000,000

3.5.9 Reconciliation of trust accounts

(1) A Market Participant must perform a reconciliation of:

(a) the aggregate balance held by it at the close of business on each Business Day in clients' trust accounts maintained pursuant to Rule 3.5.1 or 3.5.2 and the corresponding balance as recorded in the Market Participant's accounting records; and

(b) the balance held by it at the close of business on the last Business Day of each week on trust for each person on whose behalf money is held in a trust account maintained pursuant to Rule 3.5.1 or 3.5.2 and the corresponding balance as recorded in the Market Participant's accounting records,

that:

(c) is accurate in all respects; and

(d) contains a statement signed by a person with supervisory responsibility for the Market Participant or a person authorised in writing by that person, stating that the signatory believes, and has no reason not to believe, that the reconciliation is accurate in all respects.

(2) A Market Participant must perform the reconciliation referred to in subrule (1) by 7.00 pm on the Trading Day after the Trading Day to which the reconciliation relates.

Maximum penalty: $1,000,000

3.5.10 Obligation to notify ASIC in respect of reconciliation

A Market Participant must notify ASIC, in writing, within two Business Days if:

(a) a reconciliation has not been performed in accordance with Rule 3.5.8;

(b) a reconciliation has not been performed in accordance with Rule 3.5.9;

(c) according to a reconciliation performed pursuant to Rule 3.5.8, Total Deposits is less than Total Third Party Client Monies; or

(d) according to a reconciliation performed pursuant to Rule 3.5.9, there is a deficiency of funds in its trust accounts (or, in respect of a reconciliation performed pursuant to paragraph 3.5.9(1)(b), a deficiency in respect of any particular person on whose behalf money is held in the trust account) or if it is unable to reconcile its trust accounts pursuant to Rule 3.5.9.

Maximum penalty: $100,000

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3.5.11 Schedule of trust amounts

A Market Participant must by no later than five Business Days after 31 March, 30 June, 30 September and 31 December in each year cause to be prepared a schedule as at the above dates showing the respective amounts held in each trust account maintained by the Market Participant on behalf of clients, together with the names of the particular client in respect of each amount.

Maximum penalty: $100,000

Part 3.6 Prohibition of advice to Client

3.6.1 Definition used in this Part 3.6

For the purposes of this Part 3.6, ***Client*** includes a shareholder in a company which constitutes the Market Participant.

Note: There is no penalty for this Rule.

3.6.2 Market Participant possesses information that is not generally available

Where as a result of its relationship to a Client, a Market Participant is in possession of information that is not generally available in relation to a financial product and which would be likely to materially affect the price of that financial product if the information was generally available, that Market Participant must not give any advice to any other Client of a nature that would damage the interest of either of those Clients.

Maximum penalty: $1,000,000

3.6.3 Information barriers in place

For the purposes of Rule 3.6.2, a Market Participant is not regarded as having possession of information that is not generally available in relation to a financial product where:

(a) that Market Participant has in place arrangements whereby information known to persons included in one part of the business of the Market Participant is not available, directly or indirectly, to those involved in another part of the business of the Market Participant;

(b) it is accepted that in each of the parts of the business of the Market Participant so divided, decisions will be taken without reference to any interest which any other such part or any person in any other such part of the business of the Market Participant may have in the matter; and

(c) the person advising the Client is not in possession of that information.

Note: There is no penalty for this Rule.

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3.6.4 Certain actions do not constitute giving advice

For the purposes of Rule 3.6.2, a Market Participant or an Employee or partner of a Market Participant advising a Client that the Market Participant is precluded from giving the Client advice will not be regarded as giving advice.

Note: There is no penalty for this Rule.

Part 3.7 Dealing in Cash Market Products

3.7.1 Disclosure of shortfall—Must disclose to Client

A Market Participant, an Employee or a director of a Market Participant or a company which is a partner of a Market Participant who or which will be required to acquire Cash Market Products as underwriter or sub-underwriter must not offer such Cash Market Products to clients unless:

(a) they first inform the clients concerned of the closing date of the issue or offering of the Cash Market Products and the reasons for the acquisition; or

(b) the offer to the client is made more than 90 days from the closing date.

Maximum penalty: $100,000

3.7.2 Expenses—Reimbursement for out-of-pocket expenses

Where a Trading Participant seeks out-of-pocket expenses involved in the purchase or sale of Cash Market Products, the Trading Participant must not cover that charge by an increase or reduction in the price of the Cash Market Products.

Maximum penalty: $100,000

3.7.3 Nominee holdings—Restrictions on when an Equity Security can be recorded in the name of a nominee company

(1) A Market Participant must not cause the ownership of an Equity Security of which it is not the beneficial owner to be registered in its own name or in the name of its partners, directors or Employees.

(2) A Market Participant may only cause the ownership of an Equity Security referred to in subrule (1) to be registered in the name of a nominee company which:

(a) unless otherwise agreed by ASIC, is incorporated in Australia with a name which contains the word “nominee”;

(b) has a constitution which precludes the nominee company from owning any Equity Security or other property except cash beneficially; and

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(c) is a directly legally and beneficially wholly owned subsidiary of the Market Participant which is operated by the Market Participant unless the Market Participant is a Clearing Participant who appoints a Settlement Participant as its agent in accordance with the Clearing Rules.

Maximum penalty: $100,000

Part 3.8 Best execution obligation

3.8.1AA Application of Part

This Part applies to:

(a) Participants of a Market on or through which offers to acquire or dispose of Equity Market Products are made or accepted;

(b) Participants of a CGS Market;

(c) Orders (including Client Orders) in relation to Equity Market Products and CGS Depository Interests.

Note: There is no penalty for this Rule.

3.8.1 Best execution obligation—Best outcome

(1) Subject to subrules (3) and (4), when handling and executing an Order for a client a Market Participant must take reasonable steps to obtain the best outcome for that client.

(2) For the purposes of subrule (1), when handling and executing an Order for:

(a) a retail client who has not given an instruction under subrule (3), the best outcome means the best Total Consideration; and

(b) a wholesale client who has not given an instruction under subrule (4), the best outcome may be price, costs, Total Consideration, speed, likelihood of execution or any other relevant outcome, or any combination of those outcomes.

(3) If a retail client provides a Market Participant with instructions (***retail client's Instructions***) in relation to handling and executing that retail client's Order that are inconsistent with the Participant obtaining the best Total Consideration under subrule (1) for the retail client and that are:

(a) clear and unambiguous;

(b) in writing, or if provided to the Market Participant verbally, recorded by the Market Participant and retained by the Market Participant for a period of seven years; and

(c) specific to the Order, and not contained within the terms and conditions of a client agreement or any other standard form agreement provided by the Market Participant to the client,

the Market Participant must take reasonable steps to handle and execute the Order in a way which satisfies the retail client's Instructions.

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(4) If a wholesale client provides a Market Participant with instructions (***Wholesale Client's Instructions***) that are inconsistent with the Market Participant obtaining the best outcome under subrule (1) for the wholesale client and that are:

(a) clear and unambiguous;

(b) in writing, or if provided to the Market Participant verbally, recorded by the Market Participant and retained by the Market Participant for a period of seven years; and

(c) not contained within the standard terms and conditions of a client agreement provided by the Market Participant to the client, but which may be standing instructions or specific Order by Order instructions,

the Market Participant must take reasonable steps to handle and execute the Order or Orders in a way which satisfies the Wholesale Client's Instructions.

(5) If a standing instruction is given to a Market Participant under paragraph (4)(c), that instruction must be:

(a) periodically reviewed to ensure it remains possible for the Market Participant to satisfactorily perform the instruction; and

(b) if the instruction provides that the Market Participant is not required to comply with subrule (1), only acted on by the Market Participant for a period of 12 months.

Maximum penalty: $1,000,000

3.8.2 No inducement

(1) Subject to subrule (3), a Market Participant must not take steps to encourage or induce a client to provide the instructions referred to in subrules 3.8.1(3) or (4).

(2) A Market Participant must not take steps to encourage or induce a client to agree that the Participant is not required to disclose the matters referred to in subrules 3.10.1(1) and (2).

(3) A Market Participant who takes steps to inform a wholesale client that its standing instructions provided under paragraph 3.8.1(4)(c) are due to expire, does not contravene this Rule.

Maximum penalty: $1,000,000

3.8.3 Prohibition on discriminatory commission structure

A Market Participant must not charge a client, or propose to charge a client, brokerage, commission or other fees for executing an Order on a Market that differs from the brokerage, commission or other fees the Participant would charge if the Order was executed on another Market, unless the difference is related to the actual cost of executing Orders on a Market.

Maximum penalty: $1,000,000

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Part 3.9 Policies and procedures

3.9.1AA Application of Part

This Part applies to:

(a) Participants of a Market on or through which offers to acquire or dispose of Equity Market Products are made or accepted;

(b) Participants of a CGS Market;

(c) Orders (including Client Orders) in relation to Equity Market Products and CGS Depository Interests.

Note: There is no penalty for this Rule.

3.9.1 Market Participant must have adequate policies and procedures in place

(1) A Market Participant must establish, document and implement adequate policies and procedures to ensure that it complies with Rule 3.8.1.

(2) A Market Participant's policies and procedures under subrule (1) must, without limitation, set out a description of:

(a) the Order Books, and (in reliance on an exception to subrule 6.1.1(1)) any place other than an Order Book, to which the Market Participant may transmit Client Orders;

(b) how Client Orders will be handled and executed, including the circumstances in which Client Orders will be transmitted for matching or execution to an Order Book or elsewhere (in reliance on an exception to subrule 6.1.1(1)) and the circumstances in which that transmission will be automatic and the circumstances in which that transmission will be manual; and

(c) arrangements to monitor the policies, procedures and implementation required by subrule (1) to ensure they continue to be adequate to ensure compliance with subrule 3.8.1(1).

Maximum penalty: $1,000,000

3.9.2 Participant must comply with its policies and procedures

A Market Participant must comply with the policies and procedures required under Rule 3.9.1.

Maximum penalty: $1,000,000

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3.9.3 Best execution arrangements—Review

A Market Participant must review the policies and procedures and implementation of them required by Rule 3.9.1 each time:

(a) there is a material change in circumstances that affects where the Market Participant may transmit Client Orders; and

(b) the results of monitoring undertaken under paragraph 3.9.1(2)(c) suggest the policies and procedures under subrule 3.9.1(1) are not adequate to ensure compliance with Rule 3.8.1,

for the purposes of ensuring the policies and procedures and implementation of them continue to be adequate to ensure compliance with subrule 3.8.1(1).

Maximum penalty: $1,000,000

Part 3.10 Disclosure to clients of best execution obligation

3.10.1AA Application of Part

This Part applies to:

(a) Participants of a Market on or through which offers to acquire or dispose of Equity Market Products are made or accepted;

(b) Participants of a CGS Market;

(c) Orders (including Client Orders) in relation to Equity Market Products and CGS Depository Interests.

Note: There is no penalty for this Rule.

3.10.1 Disclosure of best execution obligation

(1) Before accepting a Client Order from a client for the first time, a Market Participant must disclose to the client:

(a) that the Market Participant is required to handle and execute Client Orders in accordance with Part 3.8;

(b) how, in general terms, the requirements of Part 3.8 may affect the handling and execution of the Client Orders;

(c) the Order Books, and (in reliance on an exception to subrule 6.1.1(1)) any place other than an Order Book, to which the Market Participant may transmit Client Orders;

(d) the circumstances in which Client Orders may be transmitted to each Order Book and (in reliance on an exception to subrule 6.1.1(1)) to places other than Order Books; and

(e) that where a client provides a Market Participant with instructions that are inconsistent with the Market Participant obtaining the best outcome for the client, the Market Participant must take reasonable steps to handle and execute the Order or Orders in a way which satisfies those instructions and, as a result, may not achieve the best outcome for the client.

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(2) Each time there is a material change that affects any of the matters referred to in paragraph (1)(c) or (d), a Market Participant must disclose a summary of those changes to clients as soon as practicable after the change occurs.

(3) A Market Participant must disclose the matters referred to in paragraphs (1)(a) to (e) upon receipt of a request from a client, within a reasonable time of receiving the request.

(4) The disclosure required by subrules (1) and (2) must be in writing, and be retained by a Market Participant for a period of seven years.

(5) The disclosure required by subrule (1) must include the level of detail of information about a Market Participant's handling and execution arrangements that a client would reasonably require to enable the client to make an informed decision about whether to instruct the Market Participant to handle and execute Orders on its behalf.

(6) A Market Participant is not required to disclose the matters referred to in subrule (1) and (2) to a wholesale client if the wholesale client and the Market Participant agree that disclosure is not required, and the terms of that agreement are:

(a) clear and unambiguous;

(b) in writing and retained by the Market Participant for a period of seven years; and

(c) not part of a standard client agreement or any other standard form agreement provided by the Market Participant to all its wholesale clients or to a class of its wholesale clients.

Maximum penalty: $100,000

Part 3.11 Evidencing execution performance

3.11.1AA Application of Part

This Part applies to:

(a) Participants of a Market on or through which offers to acquire or dispose of Equity Market Products are made or accepted;

(b) Participants of a CGS Market;

(c) Orders (including Client Orders) in relation to Equity Market Products and CGS Depository Interests.

Note: There is no penalty for this Rule.

3.11.1 Demonstrating execution performance and Order transmission by Participants—On request by a client

(1) Subject to Rule 3.11.2, a Market Participant must, if it receives a reasonable request from a client to do so, demonstrate to the client that the Client's Orders have been executed in accordance with the Market Participant's policies and procedures required under Part 3.9.

(2) A Market Participant must comply with subrule (1) within a reasonable time after receiving the request.

Maximum penalty: $100,000

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3.11.2 Demonstrating execution performance and Order transmission by Participants—Evidencing adequacy of arrangements

A Market Participant must keep, for a period of seven years, records which enable the Market Participant to demonstrate compliance with the policies and procedures required under Part 3.9 and client instructions.

Maximum penalty: $100,000

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Chapter 4: Records

Part 4.1 Trading records

4.1.1 Records of dealings for clients

(1) This Rule applies to a Market Participant who receives instructions to enter into a Market transaction on behalf of a person (the ***Client***), whether or not a Trading Message corresponding to those instructions is entered into or matched on a Trading Platform of a Market.

(2) Subject to Rule 4.1.7, in addition to complying with the requirements of the Corporations Act to the extent that those requirements apply to dealing in the relevant Market, the Market Participant must maintain sufficiently detailed records showing:

(a) particulars of the instructions, including, without limitation:

(i) the financial product to be bought or sold;

(ii) the number thereof;

(iii) any price or time related instructions;

(iv) any time limit on the instructions;

(v) the date and time the Market Participant received the instructions;

(vi) instructions or decisions to purchase or sell financial products pursuant to a Managed Discretionary Account (including, without limitation, the financial products to be bought or sold and the number thereof, any price or time related instructions or decisions and the name of the person who generated the instruction or made the decision), whether the instruction or decision was executed or not; and

(vii) the authority of the Client, if any, for accumulation and price averaging under Rule 3.4.2;

(b) the name of the Client;

(c) the name of the person who gave the instructions (or, if the Trading Message was received by Automated Order Processing, the information set out in Rule 5.5.3);

(d) any amendment of any kind to the instructions or Trading Message (including, without limitation, cancellation of an instruction or Trading Message, variation of the number of financial products to be bought or sold or variation of any price or time related instructions) including the date and time of any amendment to the instructions or Trading Message;

(e) the name of the person who received the instruction (or, if the Trading Message was received by Automated Order Processing, the information set out in Rule 5.5.3);

(f) the name of any other person who passed the instruction on between the person who initially received the instruction, and the Trading Platform and the date and time they passed it;

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(g) the name of the DTR who entered a Trading Message into a Trading Platform (or, if the Trading Message was submitted by Automated Order Processing, the information set out in Rule 5.5.3);

(h) the time the DTR entered a Trading Message into a Trading Platform (or if the Trading Message was submitted by Automated Order Processing, the time at which the Trading Message was initiated by the Open Interface Device);

(i) if the Trading Message gives rise to a Market transaction, the date, time and Market on which that occurs; and

(j) if applicable, the Derivatives Market Contracts arising from instructions that are nominated for accumulation and price averaging under the Clearing Rules.

Maximum penalty: $100,000

4.1.2 Records of dealings on Own Account

(1) This Rule applies to a Market Participant that makes a decision, or gives instructions to, enter into a Market transaction on its Own Account, whether or not the Market transaction is executed.

(2) Subject to Rule 4.1.8, the Market Participant must, in addition to complying with the requirements of the Corporations Act to the extent that those requirements apply to dealing in the relevant Market, maintain sufficiently detailed records showing:

(a) particulars of the decision or instructions, including, without limitation:

(i) the name of the person who generated the instruction or made the decision;

(ii) the financial products to be bought or sold;

(iii) the number thereof;

(iv) any price or time related instructions or decisions; and

(v) any time limit on the instruction;

(b) any amendment of any kind to the instructions or Trading Message (including, without limitation, cancellation of an instruction or Trading Message, variation of the number of financial products to be bought or sold or variation of any price or time related instructions), including the date and time of any amendment to the instruction or Trading Message;

(c) the name of any other person who passed the instruction on between the person who initially gave the instruction or made the decision, and a Trading Platform and the date and time they passed it;

(d) the name of the DTR who entered a Trading Message into a Trading Platform (or if the Trading Message was submitted by Automated Order Processing, the information set out in Rule 5.5.3);

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(e) the time the DTR entered a Trading Message into a Trading Platform (or if the Trading Message was submitted by Automated Order Processing, the time at which the Trading Message was initiated by the Open Interface Device); and

(f) if the Trading Message gives rise to a Market transaction, the date, time and Market on which that occurs.

Maximum penalty: $100,000

4.1.3 Records to be made immediately

A Market Participant must make the records referred to in Rules 4.1.1, 4.1.2, 4.1.7 and 4.1.8 immediately after the event to which they relate and record the time of the relevant event.

Maximum penalty: $100,000

4.1.4 Records to be retained for prescribed period

A Market Participant must retain the records referred to in Rules 4.1.1, 4.1.2, 4.1.7 and 4.1.8 for seven years from the date the record is made.

Maximum penalty: $100,000

4.1.5 Certain records maintained by the Market operator

Where a Market Participant is a Trading Participant, certain of its obligations under Rules 4.1.1 and 4.1.2 may be met by relying on records maintained electronically as set out in Rule 4.1.6.

Note: There is no penalty for this Rule.

4.1.6 Conditions for reliance on the Market operator records

(1) Where the records of the Trading Participant:

(a) are able to connect a DTR identifier with a particular DTR; and

(b) identify the person, or any other persons, receiving the instructions, generating an order or making a decision (if not the DTR) and a DTR is capable of being connected to a particular Trading Record or sequence of events,

a Trading Participant may:

(c) when dealing for clients satisfy certain of its obligations in relation to paragraphs 4.1.1(2)(g), 4.1.1(2)(h) and 4.1.1(2)(i); or

(d) when dealing on its Own Account, satisfy certain of its obligations in relation to subparagraphs 4.1.2(2)(a)(i) to (iv), paragraphs 4.1.2(2)(b), 4.1.2(2)(d), 4.1.2(2)(e) and 4.1.2(2)(f),

by relying on records maintained by a Market operator, but only to the extent permitted by subrule (2).

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(2) For the purposes of subrule (1), the Market Participant may satisfy the obligation specified in column 1 of the following table by relying on records maintained by a Market operator in the circumstances specified in column 2 of the following table:

Column 1: **A Market Participant may satisfy the obligation:**	**Column 2:** **by relying on records maintained by a Market operator in the following circumstances:**
under paragraph 4.1.1(2)(g) to maintain records of the name of the DTR who entered a Trading Message into a Trading Platform of a Market	where the DTR identifier is contained in the Trading Message and recorded by the Trading Platform of the relevant Market (the DTR who entered the Trading Message being taken to be the DTR whose identifier is so recorded)
under paragraph 4.1.1(2)(h) to maintain records of the time of the Trading Message	where the Trading Platform of the relevant Market records the time the Trading Message was entered into the Trading Platform
under paragraph 4.1.1(2)(i) to maintain records of the date and time that a Trading Message gives rise to a Market transaction	where the Trading Platform of the relevant Market records the date and time of effecting of the Market transaction
under subparagraph 4.1.2(2)(a)(i) to maintain records of the name of a person who made the decision, where that person is the DTR who entered the Trading Message	where the DTR identifier is contained in the Trading Message and recorded by the Trading Platform of the relevant Market (the person who made the decision being taken to be the DTR whose identifier is so recorded)
under subparagraph 4.1.2(2)(a)(ii) to maintain records of the financial products to be bought or sold	where the financial products are entered into the Trading Platform of the relevant Market for the particular Trading Message (which are taken to be the financial products decided or instructed to be bought or sold)
under subparagraph 4.1.2(2)(a)(iii) to maintain records of the number of financial products to be bought or sold	where the number of financial products is entered into the Trading Platform of the relevant Market for the particular Trading Message (which is taken to be the number of financial products decided or instructed to be bought or sold)
under subparagraph 4.1.2(2)(a)(iv) to maintain records of price-related decisions to enter into a Market transaction	where the price is entered into the Trading Platform of the relevant Market for the particular Trading Message (which is taken to be the price at which the financial products are decided or instructed to be bought or sold)
under paragraph 4.1.2(2)(b) to maintain records of an amendment to a Trading Message	where the particulars of the Trading Message are entered into the Trading Platform of the relevant Market
under paragraph 4.1.2(2)(d) to maintain records of the name of the DTR who entered the Trading Message	where the DTR identifier is contained in the Trading Message and recorded by the Trading Platform of the relevant Market (the DTR who entered the Trading Message being taken to be the DTR whose identifier is so recorded)

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Column 1: A Market Participant may satisfy the obligation:	Column 2: by relying on records maintained by a Market operator in the following circumstances:
under paragraph 4.1.2(2)(e) to maintain records of the time of a Trading Message	where the Trading Platform of the relevant Market records the time the Trading Message was entered into the Trading Platform
under paragraph 4.1.2(2)(f) to maintain records of the time that a Trading Message gives rise to a Market transaction	where the Trading Platform of the relevant Market records the time of effecting of the Market transaction

Note: There is no penalty for this Rule.

4.1.7 Records of dealings for clients by a Market Participant who instructs another Trading Participant to execute the dealings

A Market Participant that instructs another Trading Participant to enter into a Market transaction on behalf of a person:

(a) need not comply with paragraphs 4.1.1(2)(e), (f), (g), (h), (i) and (j) in respect of that instruction;

(b) must maintain sufficiently detailed records in respect of such instruction showing:

(i) the name of the person who received the instructions;

(ii) the name of any person who passed the instruction on between the person who initially received the instruction and the person instructing the Trading Participant to enter into the Market transaction;

(iii) the name of the person who instructed such Trading Participant to enter into the Market transaction; and

(iv) the time the person instructed such Trading Participant to enter into the Market transaction.

Maximum penalty: $100,000

4.1.8 Records of dealings on its Own Account by a Market Participant who instructs another Trading Participant to execute the dealings

A Market Participant (whether or not it is a Trading Participant) that instructs a Trading Participant to enter into a Market transaction on its behalf:

(a) need not comply with paragraphs 4.1.2(2)(c), (d), (e) and (f) in respect of that instruction; and

(b) must maintain sufficiently detailed records in respect of such instruction showing:

(i) the name of any person who passed the instruction on between the person who initially gave the instruction or made the decision and the Trading Participant instructed to enter into the Market transaction;

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(ii) the name of the person who instructed such Trading Participant to enter into the Market transaction; and

(iii) the time the person instructed such Trading Participant to enter into the Market transaction.

Maximum penalty: $100,000

4.1.9 Records regarding Authorised Persons

A Trading Participant must maintain records of:

(a) the name and contact details of each Authorised Person in relation to each Market, and if an Authorised Person is an agent of another person, the details of that other person; and

(b) the security arrangements regarding access by the Authorised Person to a computer or other device connected to the Trading Participant's Open Interface Device and its location or if not fixed, the method of identifying the computer or other device,

for a period of seven years from the date the person ceases to be an Authorised Person.

Maximum penalty: $100,000

Part 4.2 Records—General

4.2.1 General recordkeeping requirements

(1) A Market Participant must maintain accurate records in sufficient detail to show particulars of:

(a) all money received or paid by the Market Participant, including trust account receipts and payments in a manner usual for a business of the kind being carried on by a Market Participant;

(b) all transactions by the Market Participant with or for the account of:

(i) a person of a type described in Rule 5.4.1 or a Related Party;

(ii) other Market Participants; and

(iii) members of any overseas stock exchange;

(c) all income from commissions, interest and other sources and all expenses, commissions and interest paid;

(d) all assets and liabilities, including contingent liabilities of the Market Participant;

(e) all Cash Market Products and Derivatives Market Contracts which are the property of the Market Participant, showing by whom they, or the documents of title to them, are held and if held otherwise than by the Market Participant, whether they are held as security for loans or advances;

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(f) all Cash Market Products and Derivatives Market Contracts which are not the property of the Market Participant but for which the Market Participant or any nominee controlled by it is accountable, showing by whom and for whom such financial products and Derivatives Market Contracts are held and:

(i) in respect of those which are held for safe custody details sufficient to identify such Cash Market Products and Derivatives Market Contracts;

(ii) in respect of those which are held for any person or firm or corporation as security for loans or advances made by the Market Participant details sufficient to identify such Cash Market Products and Derivatives Market Contracts;

(g) all dealings in Derivatives Market Contracts by the Market Participant and all fees (option moneys) arising therefrom and any related covering transactions;

(h) all confirmations issued by the Market Participant and details of any statements and specifications which are required by these Rules, the operating rules of the relevant Market and the Corporations Act to appear on confirmations; and

(i) all underwriting transactions entered into by the Market Participant.

(2) All Cash Market Products and Derivatives Market Contracts held for safe custody or whose certificates are held for safe custody must either be registered in the name of the client or the Market Participant's nominee.

(3) The holding of Cash Market Products and Derivatives Market Contracts for security must be authorised in writing by the owner thereof or some other person lawfully authorised to do so.

(4) An authority referred to in subrule (3) must specify the period for which such Cash Market Products and Derivatives Market Contracts or documents of title may be held.

Maximum penalty: $100,000

4.2.2 Client complaints—Records of complaints and correspondence

(1) A Market Participant must keep the following records of complaints received from clients:

(a) a copy of all written complaints;

(b) a copy of all written correspondence between the Market Participant and the clients and a written summary of any oral communication in connection with a written complaint; and

(c) any correspondence or documents relating to the resolution of a complaint through any complaints resolution scheme.

(2) A Market Participant must keep the records referred to in subrule (1) in respect of a complaint for at least five years from the date of the last correspondence in respect of that complaint.

Maximum penalty: $1,000,000

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Part 4.3 Access to records

4.3.1 Records to be in writing and in English

(1) A Market Participant must keep all of the records it is required to maintain under this Chapter 4, in writing and in the English language or in a manner which will enable them to be readily accessible by ASIC and readily converted into writing in the English language.

(2) A Market Participant must, if directed by ASIC in writing to do so, convert records maintained under this Chapter 4 into writing and into English.

(3) A Market Participant must comply with a direction given under subrule (2) by the time specified by ASIC when giving the direction.

Maximum penalty: $100,000

4.3.2 Records kept outside Australia

(1) If the records which a Market Participant is required to maintain under this Chapter 4 are kept outside Australia:

(a) the Market Participant must send, or cause to be sent, to Australia records which will enable true and fair financial statements to be prepared; and

(b) the Market Participant must, if directed by ASIC in writing to do so, produce any of its records in Australia.

(2) A Market Participant must comply with any direction given by ASIC under paragraph (1)(b) by the time specified by ASIC when giving the direction.

Maximum penalty: $100,000

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Chapter 5: Trading

Part 5.1AA Transactions to be under the operating rules of a Market operator

5.1AA.1 Transactions to be under the operating rules of a Market operator

A Market Participant must not enter into a transaction in:

(a) an Equity Market Product other than Under the Rules of a Market;

(b) a CGS Depository Interest other than Under the Rules of a CGS Market,

unless the transaction is entered into pursuant to:

(c) the terms of the relevant product, including a redemption; or

(d) a primary market action, including a Takeover Off-Market Bid for relevant products or an issue, allotment or subscription of new relevant products.

Maximum penalty: $1,000,000

Part 5.1 Client order priority

5.1.1 Application and meaning of dealing on "Own Account"

Subject to Rule 5.1.2, a reference to a Market Participant having an order for its own account means:

(a) in relation to Cash Market Transactions, that the Cash Market Products to be bought or sold are (in the case of a sale) or will be on the completion of the transaction (in the case of a purchase) beneficially owned by the Market Participant or a Prescribed Person, where the Cash Market Products beneficially owned by a Market Participant or Prescribed Person include Cash Market Products which would appear as assets on the balance sheet or consolidated balance sheet of that Market Participant or Prescribed Person; and

(b) in relation to Derivatives Market Transactions, having an order to enter into a Derivatives Market Transaction on its own behalf or for the benefit of a Prescribed Person.

Note: There is no penalty for this Rule.

5.1.2 Exceptions

The following are not regarded as orders on a Market Participant's own account:

(a) an order placed by a life insurance company registered under the *Life Insurance Act 1995* (or equivalent State legislation) on behalf of a statutory fund;

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(b) an order placed by a Controller or a related body corporate of the Market Participant or of a Controller on behalf of clients of, or funds managed by them or their related bodies corporate.

Note: There is no penalty for this Rule.

5.1.3 Fairness and priority in dealing

A Market Participant must deal fairly and in due turn with:

(a) clients' Orders; and

(b) a client Order and an Order on its Own Account.

Maximum penalty: $1,000,000

5.1.4 Relevant factors

(1) In considering whether Rule 5.1.3 has been complied with, the following factors are relevant:

(a) the Market Participant acts in accordance with its instructions;

(b) orders that do not involve the exercise of discretion by the Market Participant in relation to the time or price or quantity of the order are entered in a Trading Platform in the sequence in which they are received, and otherwise as expeditiously as practicable;

(c) orders of a client (which is not a Prescribed Person) that involve the exercise of discretion by the Market Participant in relation to the time or price or quantity of the order are given preference, within the meaning of subrule (2), over Orders on the Market Participant's Own Account, unless the client otherwise consents;

(d) if the sequence of entry of Orders into a Trading Platform is not clearly established by the time the Orders were received, and one of the Orders is for the Market Participant's Own Account, the Market Participant gives preference to the Order of a client over any order for the Market Participant's Own Account;

(e) if the Market Participant has acted in accordance with its procedures to ensure that a person initiating, transmitting or executing an Order who is aware of instructions of a client (which is not a Prescribed Person) to deal in the relevant products that has not been entered in a Trading Platform does not use that information to the disadvantage of that client;

(f) the Market Participant buys or sells for a wholesale client;

(g) allocation of Market transactions occurs in accordance with Rule 5.1.5; and

(h) a Market Participant's Orders on its Own Account are not knowingly interposed between Orders of its clients that would otherwise have Crossed.

(2) In paragraph (1)(c), a reference to a Market Participant giving preference to an Order of a client over an Order on the Market Participant's Own Account, means that from the time of receipt of the Order until it is fully executed, the Market Participant does not enter into, on

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its Own Account, a Market transaction for the same financial products on the same terms, having regard to subrule (3), unless:

(a) the financial products are allocated to the client in accordance with paragraph 5.1.6(c); or

(b) the financial products are allocated to the client pursuant to an allocation policy previously disclosed to the client, to which the client consents, under which the Market Participant may buy or sell (and be allocated) the same financial products on its Own Account.

(3) For the purposes of subrule (2), a limit order which cannot be executed owing to price differences is not on the same terms.

(4) A Market Participant must keep a record of any consent given by a client for the purposes of paragraph (1)(c).

Note: There is no penalty for this Rule.

5.1.5 Fairness and priority in allocation

A Market Participant must allocate Market transactions fairly.

Maximum penalty: $1,000,000

5.1.6 Relevant factors

In considering whether Rule 5.1.5 has been complied with, the following factors are relevant:

(a) allocation of Market transactions is immediate and automatic, unless circumstances or instructions justify later or manual allocation;

(b) Market transactions executed pursuant to instructions (whether an Order of a client or an Order on its Own Account) are allocated in the sequence in which the Market Participant received those instructions, entered those instructions or the Market transactions were effected;

(c) the client's instructions;

(d) allocation of a Market transaction occurs in accordance with the disclosed allocation policy of the Market Participant; and

(e) except as provided in these Rules or the operating rules of the Market where the transaction was executed, a Market Participant does not allocate Market transactions to fulfil all or part of an Order for its Own Account when it has an unfulfilled Order on the same terms for those Market transactions from a client.

Note: There is no penalty for this Rule.

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5.1.7 Unexecuted order in Underlying Financial Products—Trading Participant not to make Bids or Offers

If a Trading Participant has or receives an Order to buy or sell an Underlying Financial Product in the Underlying Market which may materially affect:

(a) the market price of the Underlying Financial Product in the Underlying Market; or

(b) the level of an Underlying Index, the level of which is calculated by reference to the value of that Underlying Financial Product and other financial products,

the Trading Participant must not make Bids or Offers to enter into an Options Market Transaction over that Underlying Financial Product as Principal until the Order in the Underlying Financial Product has been executed in the Underlying Market.

Maximum penalty: $1,000,000

5.1.8 Allocation policy and Automated Client Order Processing Crossings—Disclosure to Client

(1) A Market Participant must when requested to do so by a person (the ***Client***), disclose to the Client each of the following:

(a) the policy it adopts in the allocation of Market transactions to fill orders placed with it, for each Market requested by the Client; and

(b) in relation to Crossings under the operating rules of each Market requested by the Client:

(i) that the Client's orders may match opposite orders in a Trading Platform by the same Market Participant, effectively resulting in a Crossing and entitling the Market Participant to commission from both sides of the transaction; and

(ii) if the Market Participant deals as Principal, that the Client's orders may match opposite orders in a Trading Platform on behalf of the same Market Participant as Principal.

(2) The Market Participant must keep a record of disclosures made under subrule (1).

Maximum penalty: $20,000

Part 5.4 Transactions by connected persons (including persons connected with other Market Participants)

5.4.1 Application

In this Part 5.4, a reference to a connected person is a reference to the following persons:

(a) an Employee;

(b) a company controlled by an Employee; and

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(c) a Controlled Trust (other than a trust controlled by an Immediate Family of an employee or a trust in relation to which an Immediate Family of an Employee is a trustee or holds more than 50% of the whole beneficial interest).

Note: There is no penalty for this Rule.

5.4.2 Internal consent required for trading by connected persons

(1) A Market Participant must not enter into a Market transaction by or for the account of its connected persons, whether the Market transaction is conducted through that Market Participant or through another Market Participant, unless the Market transaction has been approved in writing in accordance with subrule (4) by a director or partner of the Market Participant or a person with written delegation for that responsibility from a director or partner (other than the Employee concerned).

(2) A Market Participant must obtain a separate approval under subrule (1) for each relevant Market transaction.

(3) A Market Participant must take reasonable steps to ensure that a person who approves a Market transaction under subrule (1) takes into account the circumstances of the proposed transaction and anything which might materially affect the price of the relevant Cash Market Product (or, in the case of a Derivatives Market Transaction, the price or value of the relevant Contract Series) the subject of the Market transaction.

(4) For the purposes of subrule (1), the approval in writing must include:

(a) all the information required by Part 4.1 for orders, whether or not the Market Participant will be executing the order to which the approval relates; and

(b) the date and time of approval.

(5) If a Market transaction referred to in subrule (1) is conducted through another Market Participant, that Market Participant must, as soon as practicable after entering into the Market transaction, give to the employing Market Participant a confirmation in respect of the Market transaction.

Maximum penalty: $100,000

Part 5.4A Managing confidential Order information

5.4A.1 Protection of Order information

(1A) In this Rule, ***Order*** means an instruction to purchase or sell, or an instruction to amend or cancel a prior instruction to purchase or sell:

(a) an Equity Market Product; or

(b) a CGS Depository Interest.

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(1) A Market Participant must take reasonable steps to ensure its officers and employees do not use or disclose information about Orders received by the Participant or transactions resulting from those Orders unless permitted or required under these Rules or the law.

(2) Subrule (1) does not apply to:

(a) information about Orders or transactions if that information is generally available;

(b) Pre-Trade Information about Orders received by a Market Participant if the Pre-Trade Information has been made available by a Market operator under Rule 6.1.2;

(c) Pre-Trade Information about Orders received by a Market Participant if it is necessary to use or disclose that Pre-Trade Information to execute an Order (including disclosure of the Pre-Trade information in a routing instruction);

(d) Post-Trade Information about transactions resulting from Orders received by a Market Participant if the Post-Trade Information has been made available by a Market operator under Rule 6.3.4;

(e) Post-Trade Information about transactions resulting from Orders received by a Market Participant if it is necessary to disclose that Post-Trade Information for confirmation or billing purposes;

(f) information about Orders or transactions disclosed to a person that:

(i) maintains or services the Market Participant's internal Order management system(s) or Crossing System(s) and who has agreed, in writing, to limit its use of the Order and transaction information disclosed to it to the purposes of that maintenance or service; or

(ii) provides Administrative Services or analytical services to or for the Market Participant in relation to Orders and transactions and who has agreed, in writing, to limit its use of the Order and transaction information disclosed to it to the purposes of those Administrative Services or analytical services, as applicable.

(3) For the purposes this Rule, ***Administrative Services*** includes Order routing or execution services.

Maximum penalty: $1,000,000

Part 5.4B Order incentives

5.4B.1 Prohibition on Order incentives

(1A) In this Rule ***Order*** means an instruction to purchase or sell, or an instruction to amend or cancel a prior instruction to purchase or sell:

(a) an Equity Market Product; or

(b) a CGS Depository Interest.

(1) Where a Market Participant handles or executes an Order as a result of an arrangement with another person (the ***other person***) to direct Orders to the Market Participant, the Market

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Participant must not, indirectly or directly, make a cash payment to the other person for the opportunity to handle or execute those Orders if the cash payment leads to the net cost, calculated as set out in subrule (2), being less than the value of the Reported Price for the transactions the subject of the Orders.

(2) The calculation of the net cost for the purposes of subrule (1) must be done as follows:

Net cost = (***Commission*** less the dollar value of any cash payment to the other person) + ***Reported Price***

where:

Commission means the dollar value of any payment received by the Market Participant (including commission received from a client of the other person) for the opportunity to handle or execute the other person's Orders; and

Reported Price means the total dollar value of the transaction or transactions the subject of the other person's Order or Orders as executed on a Market or, if applicable, reported to a Market operator under Rule 6.3.1, or if applicable, set out in a confirmation provided to the other person under Rule 3.4.2.

Maximum penalty: $100,000

Part 5.5 Participant's trading infrastructure

5.5.1 Knowledge of Trading Participant

If a Trading Message embedded with a Trading Participant's unique identifier is submitted in a Trading Platform the Trading Message is taken for all purposes under these Rules to have been submitted in the Trading Platform by or with the knowledge of the Trading Participant.

Note: There is no penalty for this Rule.

5.5.2 Organisational and technical resources

A Trading Participant must have and maintain the necessary organisational and technical resources to ensure that:

(a) Trading Messages submitted by the Trading Participant do not interfere with:

(i) the efficiency and integrity of a Market; or

(ii) the proper functioning of a Trading Platform; and

(b) the Trading Participant complies at all times with these Rules and the operating rules of all Markets of which it is a Trading Participant.

Maximum penalty: $1,000,000

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5.5.3 Trading management arrangements

A Trading Participant must have arrangements in place so that at all times the Trading Participant can determine the origin of all orders and Trading Messages, including:

(a) the different stages of processing each order (regardless of whether a Trading Message is generated) and the time at which each stage of processing occurred;

(b) the Order that corresponds to a Trading Message;

(c) the identity and capacity of the person placing the Order that corresponds to the Trading Message;

(d) whether the Trading Message was the result of Automated Order Processing;

(e) the Open Interface Device and the computer or other device of the Trading Participant connected to an Open Interface Device of the Trading Participant through which the Trading Message was submitted;

(f) the DTR with responsibility for that Open Interface Device or computer or other device connected to the Open Interface Device (unless the Trading Message was the result of Automated Order Processing); and

(g) whether the Trading Message was submitted on the Trading Participant's Own Account or for a client.

Maximum penalty: $1,000,000

5.5.4 Trading management arrangements—Records

A Trading Participant must maintain records of the matters referred to in Rule 5.5.3, for a period of seven years from the date of the Trading Message to which the matters relate.

Maximum penalty: $100,000

Part 5.6 Automated Order Processing—Filters, conduct, and infrastructure

5.6.1 Responsible use of system for Automated Order Processing

A Trading Participant which uses its system for Automated Order Processing must at all times:

(a) have appropriate automated filters, in relation to Automated Order Processing; and

(b) ensure that such use does not interfere with:

(i) the efficiency and integrity of a Market;

(ii) the proper functioning of any Trading Platform; or

(iii) the efficiency and integrity of any Crossing System operated by the Trading Participant.

Maximum penalty: $1,000,000

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5.6.2 Authorised Persons for Automated Client Order Processing

A Trading Participant which uses its system for Automated Client Order Processing must also have procedures in place to ensure that each Authorised Person has demonstrated to the Trading Participant knowledge of the order entry system of the Trading Participant and of the Dealing Rules, directions, decisions and requirements of the relevant Market operator relevant to the type of Order submission facilities given to the Authorised Person by the Trading Participant.

Maximum penalty: $1,000,000

5.6.3 Automated Order Processing system requirements

(1) A Trading Participant which uses its system for Automated Order Processing must ensure that the system has in place:

(a) organisational and technical resources, including having appropriate automated filters, filter parameters and processes to record any changes to the filters or filter parameters, to enable Trading Messages to be submitted into a Trading Platform without interfering with the efficiency and integrity of the relevant Market or the proper functioning of that Trading Platform;

(b) trading management arrangements, including having appropriate automated filters, filter parameters and processes to record any changes to the filters or filter parameters to enable the ready determination of the origin of all orders and trading messages;

(c) security arrangements to monitor for and prevent unauthorised persons having access to a gateway or an Open Interface Device or to a computer or other device connected to an Open Interface Device, and to ensure that the Automated Order Processing system does not interfere with the efficiency and integrity of the relevant Market or the proper functioning of a Trading Platform in relation to that Market;

(d) controls, including automated controls, that enable immediate suspension, limitation or prohibition of the conduct of all Automated Order Processing or Automated Order Processing in respect of:

(i) one or more Authorised Persons or clients;

(ii) Automated Client Order Processing;

(iii) one or more financial products; or

(iv) one or more Markets.

(e) controls that enable immediate:

(i) suspension of, limitation of, or prohibition on, the entry into a Market of Trading Messages in a series of related Trading Messages where the Trading Participant has identified that Trading Messages in the series have entered a Market and have interfered with or are likely to interfere with the efficiency or integrity of the relevant Market;

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(ii) cancellation of Trading Messages in a series that have already entered a Market where the entry of further messages in the series has been suspended, limited or prohibited under subparagraph (i);

(iii) suspension of, limitation of, or prohibition on, the entry into any Crossing System operated by the Trading Participant of Orders in a series of related Orders where the Trading Participant has identified that Orders in the series have entered the Crossing System operated by the Trading Participant and have interfered with or are likely to interfere with the efficiency or integrity of the Crossing System; and

(iv) cancellation of Orders in a series that have already entered a Crossing System operated by the Trading Participant where the entry of further Orders in the series has been suspended, limited or prohibited under subparagraph (iii).

(2) A Trading Participant that uses its system for Automated Order Processing must have direct control over all automated filters and the filter parameters for those filters.

Maximum penalty: $1,000,000

5.6.4 Review of documentation and systems prior to use of Automated Order Processing system

Before using their system for Automated Order Processing in relation to a Market, a Trading Participant must, for the purposes of providing the certification referred to in Rule 5.6.6, perform a review of the Trading Participant's policies, procedures, system design documentation, including the Trading Participant's procedures for implementation of subsequent changes to the Automated Order Processing software, filters and filter parameters, and other relevant documentation concerning the Trading Participant's compliance with Part 5.6 of these Rules, for the relevant Market.

Maximum penalty: $1,000,000

5.6.5 Representations as to organisational and technical resources, trading management arrangements and security arrangements, prior to use of Automated Order Processing system

(1) Before using their system for Automated Order Processing in relation to a Market, a Trading Participant must, for the purposes of providing the certification referred to in Rule 5.6.6, obtain written representations that the Trading Participant has in place organisational and technical resources, arrangements and controls in relation to the system for Automated Order Processing that meet the requirements of Rule 5.6.3, for the relevant Market.

(2) The representations referred to in subrule (1) must:

(a) be provided by persons who are suitably qualified and experienced in relation to the organisational and technical resources, arrangements and controls for which they are making the representation;

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(b) include the name of the person making the representation;

(c) be signed and dated by the person making the representation; and

(d) set out the methodology used by the person to enable them to make the representation.

Maximum penalty: $1,000,000

5.6.6 Certification of Automated Order Processing system

(1) Before using their system for Automated Order Processing in relation to a Market, a Trading Participant must, for the relevant Market:

(a) give a written certification (***AOP Initial Certification***) to ASIC that includes the matters set out in subrule (2); and

(b) receive a written confirmation from ASIC that the AOP Initial Certification complies with subrule (2).

(2) The AOP Initial Certification given by the Trading Participant to ASIC must include:

(a) the name of the Trading Participant;

(b) the version number and name of the Trading Participant's Automated Order Processing system;

(c) copies of the representations required by Rule 5.6.5 in relation to the system referred to in paragraph (b);

(d) a confirmation by the Trading Participant that:

(i) the Trading Participant has performed the review required by Rule 5.6.4 and that nothing came to the attention of the Trading Participant during the course of that review which would indicate that the Trading Participant is unable to comply with Part 5.6 of these Rules;

(ii) based on the review required by Rule 5.6.4 and the representations required by Rule 5.6.5, the Trading Participant's Automated Order Processing system:

(A) does, or does not, permit Automated Client Order Processing, as the case may be; and

(B) meets the requirements of Rule 5.6.3; and

(iii) the representations required by Rule 5.6.5 have been made by persons whom the Trading Participant considers to be suitably qualified and experienced in relation to the organisational and technical resources, arrangements and controls for which they are making those representations;

(e) the name of the directors of the Trading Participant referred to in subrule (3).

(3) At least two directors of the Trading Participant must sign and date the written certification referred to in subrule (2).

Maximum penalty: $1,000,000

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5.6.8 AOP Material Change Review

(1) Before making a material change to any of the organisational or technical resources, arrangements or controls employed to comply with Rule 5.6.3 for a Market, a Trading Participant must ensure that an appropriately qualified person performs a review (***AOP Material Change Review***) of the material changes to the Automated Order Processing system, the Trading Participant's policies, procedures, system design documentation, including the Trading Participant's procedures for implementation of subsequent changes to the Automated Order Processing software, filters and filter parameters and other relevant documentation concerning the Trading Participant's compliance with Part 5.6 of these Rules for the relevant Market.

(2) Before implementing a material change the subject of an AOP Material Change Review a Trading Participant must, for the purposes of providing the AOP Annual Notification, obtain written representations from the person who performed the AOP Material Change Review that nothing came to the attention of the person during the course of the AOP Material Change Review that would indicate that the Trading Participant is unable to comply with Part 5.6 of these Rules.

(3) The representations referred to in subrule (2) must:

(a) include the name of the person making the representation; and

(b) be signed and dated by the person making the representation.

Maximum penalty: $100,000

5.6.8A AOP Annual Review

(1) Where a Trading Participant has not performed an AOP Material Change Review in relation to an Automated Order Processing system for a Market in the 12 months before the AOP Annual Review Date, the Trading Participant must, for the purposes of providing the AOP Annual Notification in relation to the Automated Order Processing system, ensure that an appropriately qualified person performs a review (***AOP Annual Review***) of the Automated Order Processing system, the Trading Participant's policies, procedures, system design documentation, including the Trading Participant's procedures for implementation of changes to the Automated Order Processing software, filters and filter parameters and other relevant documentation concerning the Trading Participant's compliance with Part 5.6 of these Rules.

(2) A Trading Participant must, for the purposes of providing the AOP Annual Notification in relation to an Automated Order Processing system for a Market, obtain written representations from the person who performed the AOP Annual Review in relation to that Automated Order Processing system, that nothing came to the attention of the person during the course of the AOP Annual Review that would indicate that the Trading Participant is unable to comply with Part 5.6 of these Rules, for the relevant Market.

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(3) The representations referred to in subrule (2) must:

(a) include the name of the person making the representation; and

(b) be signed and dated by the person making the representation.

Maximum penalty: $100,000

5.6.8B AOP Annual Notification

(1) A Trading Participant must, within 10 Business Days of each AOP Annual Review Date for a Market, give a written notice (***AOP Annual Notification***) to ASIC that includes, for the relevant Market:

(a) the name of the Trading Participant; and

(b) the version number and name of the Trading Participant's Automated Order Processing system; and

(c) a confirmation by the Trading Participant that nothing came to the attention of the Trading Participant during the 12 months before the AOP Annual Review Date that would indicate that the Trading Participant is unable to comply with Part 5.6 of these Rules; and

(d) the name of the directors of the Trading Participant referred to in subrule (2).

(2) At least two directors of the Trading Participant must sign and date the AOP Annual Notification.

Maximum penalty: $100,000

5.6.11 Further certification

(1) A Trading Participant must, if directed by ASIC in writing to do so, provide a further certification for a Market in a form acceptable to ASIC from an appropriately qualified person acceptable to ASIC as to compliance by the Trading Participant with the Automated Order Processing Requirements for the relevant Market.

(2) A Trading Participant must comply with a direction under subrule (1) within the time specified in the direction.

Maximum penalty: $100,000

5.6.12 Limitations on Automated Order Processing

(1) This Rule applies where ASIC reasonably considers that:

(a) a Trading Participant is not complying with the Automated Order Processing Requirements in relation to one or more Markets; or

(b) it is otherwise appropriate to direct a Trading Participant to take the actions referred to in subrule (2).

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(2) A Trading Participant must, if directed to do so by ASIC:

(a) cease conducting Automated Order Processing in relation to one or more Markets until ASIC is satisfied that the Trading Participant complies with the Automated Order Processing Requirements for the relevant Market; or

(b) immediately suspend, limit or prohibit the conduct of Automated Order Processing in respect of:

(i) one or more Authorised Persons or clients;

(ii) Automated Client Order Processing;

(iii) Automated Order Processing;

(iv) one or more financial products; or

(v) one or more Markets,

as required by the direction.

Maximum penalty: $1,000,000

Part 5.7 Manipulative trading

5.7.1 False or misleading appearance

A Market Participant must not make a Bid or Offer for, or deal in, any financial product:

(a) as Principal:

(i) with the intention; or

(ii) if that Bid, Offer or dealing has the effect, or is likely to have the effect,

of creating a false or misleading appearance of active trading in any financial product or with respect to the market for, or the price of, any financial product; or

(b) on account of any other person where:

(i) the Market Participant intends to create;

(ii) the Market Participant is aware that the person intends to create; or

(iii) taking into account the circumstances of the Order, a Market Participant ought reasonably suspect that the person has placed the Order with the intention of creating,

a false or misleading appearance of active trading in any financial product or with respect to the market for, or the price of, any financial product.

Maximum penalty: $1,000,000

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5.7.2 Circumstances of Order

In considering the circumstances of the Order, a Market Participant must have regard to the following matters:

(a) whether the Order or execution of the Order would be inconsistent with the history of or recent trading in that financial product;

(b) whether the Order or execution of the Order would materially alter the market for, or the price of, the financial product;

(c) the time the Order is entered or any instructions concerning the time of entry of the Order;

(d) whether the person on whose behalf the Order is placed, or another person who the Market Participant knows to be a Related Party of that person, may have an interest in creating a false or misleading appearance of active trading in any financial product or with respect to the market for, or the price of, any financial product;

(e) whether the Order is accompanied by settlement, delivery or security arrangements which are unusual;

(f) where the Order appears to be part of a series of Orders, whether when put together with other Orders which appear to make up the series, the Order or the series is unusual having regard to the matters referred to in this Rule 5.7.2;

(g) whether there appears to be a legitimate commercial reason for that person placing the Order, unrelated to an intention to create a false or misleading appearance of active trading in or with respect to the market for, or price of, any financial product;

(h) whether the transaction, bid or offer the execution of which is proposed will involve no change of beneficial ownership;

(i) the frequency with which Orders are placed by a person;

(j) the volume of financial products the subject of each Order placed by a person; and

(k) the extent to which a person amends or cancels an instruction to purchase or sell a financial product relative to the number of transactions executed for that person.

Maximum penalty: $1,000,000

5.7.3 Obligations apply to Automated Order Processing

A Market Participant must also comply with this Part 5.7 in respect of Orders the subject of Automated Order Processing.

Note: There is no penalty for this Rule.

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Part 5.9 Fair and orderly markets

5.9.1 Market must remain fair and orderly

A Market Participant must not do anything which results in a market for a financial product not being both fair and orderly, or fail to do anything where that failure has that effect.

Maximum penalty: $1,000,000

5.9.2 Representative must be available

A Trading Participant must ensure that a Representative of the Trading Participant is available to receive communications from other Trading Participants of the relevant Market or from the operator of the relevant Market during the following times on a Trading Day:

(a) for a Market that operates an Open Session State and a CSPA Session State:

  (i) in relation to Cash Market Products—from the beginning of Open Session State until the end of CSPA Session State;

  (ii) in relation to Options Market Contracts—during Open Session State;

(b) for a Market that does not operate an Open Session State and a CSPA Session State but operates a Continuous Trading Period and a Post-Trading Administration Period—from the beginning of the Continuous Trading Period until the end of the Post-Trading Administration Period;

(c) for a Market that does not operate the session states or periods referred to in paragraphs (a) or (b)—during Trading Hours;

unless otherwise determined in writing by ASIC and notified to the Trading Participant.

Maximum penalty: $100,000

5.9.3 Must not take advantage of breakdown or malfunction

A Market Participant must not take advantage of a situation arising as a result of a breakdown or malfunction in any Market operator's procedures or systems or an error in any Trading Message submitted by the relevant Market operator.

Maximum penalty: $1,000,000

Part 5.9A Trading Suspensions

5.9A.1 Prohibition on trading during Trading Suspensions

(1) A Market Participant must not match an Order or execute a transaction in connection with an Order in circumstances where the financial product the subject of the transaction is in a Trading Suspension on all Markets on which that financial product is quoted.

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(2) In this Rule, ***Order*** means an instruction to purchase or sell, or an instruction to amend or cancel a prior instruction to purchase or sell:

(a) an Equity Market Product; or

(b) a CGS Depository Interest.

Maximum penalty: $100,000

Part 5.10 Dealing in Cash Market Products

5.10.1 Trading Participants may not deal in Cash Market Products for which Official Quotation will be sought

Except as permitted in Rule 5.10.2, a Trading Participant is prohibited, either in its own office or elsewhere, from making quotations or dealing in a new issue or placement of Cash Market Products (except Loan Securities):

(a) made for the purpose of qualifying a company for admission to the Official List of a Market; or

(b) for which Official Quotation or permission to be traded on any Market will be sought,

until those Cash Market Products have been granted Official Quotation or permission to be traded (as applicable) on a Market.

Maximum penalty: $100,000

5.10.2 When Trading Participants may deal in Cash Market Products for which Official Quotation will be sought

Notwithstanding Rule 5.10.1, a Trading Participant may deal in Cash Market Products to which Rule 5.10.1 applies, subject to any other provisions of these Rules and the operating rules of the Market on which Official Quotation of, or permission to be traded, the Cash Market Products will be sought, in the following circumstances:

(a) the Trading Participant may underwrite or sub-underwrite a new issue or placement of Cash Market Products;

(b) the Trading Participant may dispose of Cash Market Products if those Cash Market Products comprise an underwriting or sub-underwriting shortfall;

(c) where the Cash Market Products have been issued on a pro-rata basis to holders;

(d) where a listed entity acquires assets and as part or full consideration, issues new Cash Market Products (except Loan Securities) to the vendor and the Trading Participant:

(i) has made a prior firm arrangement with the vendor to place these Cash Market Products as soon as they are issued; and

(ii) ensures that the details of the issue to the vendor are advised to the relevant listing Market by the listed entity immediately the Cash Market Products are issued;

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(e) where a Trading Participant:

(i) makes a placement of new Cash Market Products (except Loan Securities) for which Official Quotation or permission to be traded on a Market will be sought, and the Trading Participant ensures that all investors accepting the Cash Market Products are informed in writing that Trading Participants cannot deal in the Cash Market Products either as Principal or agent until Official Quotation or permission to be traded on that Market is granted in respect of those Cash Market Products;

(ii) accepts selling orders in Cash Market Products (except Loan Securities) for which Official Quotation or permission to be traded on a Market will be sought, and the Trading Participant takes all reasonable steps to ensure that the Cash Market Products are not sold before the Cash Market Products have been granted Official Quotation or permission to be traded on that Market; or

(iii) accepts selling orders in Cash Market Products (except Loan Securities) where the Cash Market Products are of the same class as Cash Market Products which have already been granted Official Quotation or permission to be traded on the Market and:

(A) the Cash Market Products have already been issued by the Issuer; and

(B) the fact that the Cash Market Products have been issued has been notified to, and released to the relevant Market by, the Company Announcements Office of the relevant Market operator;

(f) a Trading Participant may dispose of or acquire ETF Securities which are the subject of a subscription application if:

(i) the ETF Securities are in a class of ETF Securities which are quoted on a Market;

(ii) the subscription application is irrevocable and subject only to transfer of the subscription consideration from the subscriber to the Issuer;

(iii) the disposal or acquisition is made on the relevant Market in accordance with these Rules and the operating rules of that Market;

(iv) there is an arrangement between the Issuer and the relevant Market operator under which the ETF Securities will be granted Official Quotation or permission to be traded on the relevant Market before settlement of the disposal or acquisition; and

(v) the number of ETF Securities on issue is regularly reported to the operator of the relevant Market on the basis required by the operator of that Market.

Note: There is no penalty for this Rule.

5.10.3 Dealings in Securities for which Official Quotation will not be sought

A Trading Participant may deal in new Securities issued by a listed entity of a Market for which Official Quotation or permission to be traded on that Market will not be sought, 24 hours after that entity has advised that Market of the details of the issue.

Note: There is no penalty for this Rule.

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5.10.4 Dealings in Cash Market Products suspended from Official Quotation

A Trading Participant of a Market must not deal in Cash Market Products which have been suspended from quotation or trading on a Market unless the Cash Market Product is an Equity Market Product that is quoted on one or more other Markets and is not in a Trading Suspension on one or more of those other Markets.

Maximum penalty: $100,000

Part 5.11 Suspicious activity reporting

5.11.1 Notification requirement

(1) Subject to subrule (2), if a Market Participant has reasonable grounds to suspect that:

(a) a person (the ***Insider***) has placed an order into or entered into a transaction on a Market in relation to a financial product while in possession of inside information (within the meaning of section 1042A of the Corporations Act), whether or not the Market Participant is aware of:

(i) the identity of the Insider; or

(ii) all of the details of the order or transaction; or

(b) a transaction or an order transmitted to a Trading Platform of a Market has or is likely to have the effect of:

(i) creating an artificial price for trading in financial products on a Market;

(ii) maintaining at a level that is artificial (whether or not it was previously artificial) a price for trading in financial products on a Market;

(iii) creating, or causing the creation of, a false or misleading appearance of active trading in financial products on a Market; or

(iv) creating, or causing the creation of, a false or misleading appearance with respect to the market for, or the price for trading in, financial products on a Market,

whether or not the Market Participant is aware of:

(v) the intention of any party to the transaction or order; or

(vi) all of the details of the transaction or order,

the Market Participant must, as soon as practicable, notify ASIC in writing of the details of the transaction or order (to the extent known to the Market Participant) and the reasons it suspects the matter set out in paragraphs (a) and, or, (b).

(2) A Market Participant is not required to notify ASIC under subrule (1) if the Market Participant has reported the information that would otherwise be required to be contained in the notification to ASIC under subrule (1) to the Australian Transaction Reports and Analysis Centre under section 41 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* or under section 16 of the *Financial Transaction Reports Act 1988*.

Maximum penalty: $20,000

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5.11.2 Confidentiality

A Participant who notifies ASIC under subrule 5.11.1(1) must not disclose that the notification was made, or the information contained in the notification, to any person other than:

(a) for the purposes of seeking legal advice; or

(b) as required by law.

Maximum penalty: $20,000

Part 5.12 Market Bid—Announcements by Market Participant

5.12.1 Announcement of a Takeover Market Bid

(1) A Market Participant acting on behalf of a Bidder in relation to a Takeover Market Bid must announce the bid to the Market where Cash Market Products in the Bid Class have been granted Official Quotation, in accordance with subrule (2).

(2) For the purposes of subrule (1), the announcement must include the following information:

(a) a description of the Bid Class of Cash Market Products in the Target and the total number of Cash Market Products in that Bid Class;

(b) the price offered for Cash Market Products in the Bid Class;

(c) the date of the commencement and conclusion of the Offer Period;

(d) the number of Cash Market Products in the Bid Class that the Bidder had a relevant interest in immediately prior to the announcement (expressed as a percentage of the total number of Cash Market Products in the Bid Class); and

(e) a statement:

(i) as to whether the Bidder will buy Cash Market Products in the Bid Class On-Market before the Offer Period commences and, if so, the maximum number of those Cash Market Products to be bought and the price that will be paid;

(ii) that the Market Bid is an offer to buy all the Cash Market Products in the Bid Class that exist or will exist at any time during the Offer Period for the price offered; and

(iii) that the Offer Period may be extended and the offer price may be increased in accordance with the Corporations Act.

Maximum penalty: $100,000

5.12.2 Announcement of variations to a Takeover Market Bid

A Market Participant acting on behalf of a Bidder in relation to a Takeover Market Bid must announce to the Market where Cash Market Products in the Bid Class have been granted Official Quotation, in writing:

(a) an increase to the price offered for Cash Market Products in the Bid Class;

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(b) an extension to the Offer Period;

(c) a withdrawal of the Takeover Market Bid;

(d) any other variation to the Takeover Market Bid in accordance with the Corporations Act; or

(e) if the Market Participant ceases to act on behalf of the Bidder.

Maximum penalty: $100,000

Part 5.13 Acquisition of Cash Market Products during the Bid Period

5.13.1 Acquisition of Cash Market Products by Bidder

(1) This rule applies to both Takeover Market Bids and Takeover Off-Market Bids.

(2) A Market Participant acting on behalf of a Bidder must not offer to buy on behalf of the Bidder Cash Market Products in the Bid Class On-Market during the Bid Period for a price that varies from the consideration offered under the Takeover Bid unless and until an announcement has been made to the Market where Cash Market Products in the Bid Class have been granted Official Quotation.

(3) For the purposes of subrule (2), the announcement must be made in writing, by facsimile or electronic delivery to the operator of the Market where Cash Market Products in the Bid Class have been granted Official Quotation.

Maximum penalty: $100,000

5.13.2 Acquisition of Cash Market Products by another Bidder

(1) Where Cash Market Products are subject to a Takeover Market Bid, a Market Participant acting on behalf of another Bidder, must not buy the Cash Market Products in the Bid Class of the Target on behalf of that Bidder unless and until the Market Participant has announced in accordance with subrule (2):

(a) a Takeover Market Bid on behalf of the person pursuant to Rule 5.12.1; or

(b) an increase in the price offered under a Takeover Market Bid for the Cash Market Products pursuant to Rule 5.12.2.

(2) For the purposes of subrule (1), the announcement must be made in writing, by facsimile or electronic delivery to the operator of the Market where Cash Market Products in the Bid Class have been granted Official Quotation.

Maximum penalty: $100,000

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Part 5.14 Market Participant acting for Bidder or Issuer

5.14.1 Market Participant to advise seller if acting for Bidder or Issuer

Where a Market Participant:

(a) has an order from the Bidder in relation to a Takeover Off-Market Bid;

(b) has made an announcement to the Market where Cash Market Products in the Bid Class have been granted Official Quotation, on behalf of a Bidder to acquire Cash Market Products under a Takeover Market Bid; or

(c) acts for a company involved in a buy-back under Chapter 2J of the Corporations Act conducted On-Market on the Market where Cash Market Products in the Bid Class have been granted Official Quotation,

the Market Participant must not accept, or transact, an order to sell Cash Market Products in the Bid Class referred to in paragraph (a) or subject to the announcement referred to in paragraph (b) or subject to the buy-back referred to in paragraph (c) unless the Market Participant:

(d) advises the seller that it is acting for the Bidder or that it is acting for the company involved in the buy-back and is thus unable to give the seller advice in respect of the proposed sale; and

(e) does not give the seller any advice in respect of the proposed sale.

Maximum penalty: $100,000

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Chapter 5A: Crossing Systems

Part 5A.1 Reporting requirements for Crossing Systems

5A.1.1 Reporting requirements for Crossing Systems—Crossing System Initial Report

(1) A Market Participant that operates, or proposes to operate, a Crossing System must lodge with ASIC a report (the ***Crossing System Initial Report***) which describes:

(a) the date on which the Crossing System began operating, or will begin to operate, in this jurisdiction;

(b) access to the Crossing System, including the criteria for determining persons who are eligible to use the Crossing System;

(ba) if applicable, the information required by item 5, column 3, of the table in subrule 5A.2.1(2);

(c) how Orders are prioritised and matched, and transactions are executed, on the Crossing System;

(d) how the price for transactions on the Crossing System is determined;

(e) the fees, commissions, rebates or other charges paid by or to the Market Participant and users of the Crossing System;

(f) whether the Market Participant that operates the Crossing System deals as Principal with clients on the Crossing System and if so, the arrangements the Market Participant has in place for the management of conflicts of interest that may arise between the Market Participant and those clients;

(g) the name of the Market or Markets to which:

(i) transactions executed on the Crossing System are reported; and

(ii) Orders matched on the Crossing System are transmitted for execution;

(h) where more than one Market is named under paragraph (g), the circumstances in which each Market is used for the purposes set out in paragraph (g); and

(i) whether Orders on the Crossing System are purged at the end of the day or remain on the Crossing System until matching or execution on the Crossing System next resumes, and if the Orders are not purged, the period of time they remain on the Crossing System.

(2) The Market Participant must lodge a Crossing System Initial Report with ASIC no later than 20 business days before the day the Market Participant begins to operate the Crossing System.

Maximum penalty: $100,000

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5A.1.2 Reporting requirements for Crossing Systems—Crossing System Monthly Report

A Market Participant that operates a Crossing System during a calendar month must, if there have been any changes during that calendar month to the information last provided to ASIC in the Market Participant's Crossing System Initial Report or Crossing System Monthly Report:

(a) prepare, within 20 business days of the end of the calendar month, a report (the ***Crossing System Monthly Report***) setting out the changes to the information provided in the Market Participant's Crossing System Initial Report or Crossing System Monthly Report last provided to ASIC; and

(b) provide the Crossing System Monthly Report prepared under paragraph (a) to ASIC as soon as practicable after it has been prepared.

Maximum penalty: $100,000

Part 5A.2 Disclosure requirements for Crossing Systems

5A.2.1 Disclosure requirements for Crossing Systems—Information on a website

(1) A Market Participant that operates a Crossing System must keep for a period of seven years and make available Publicly Available Crossing System Information in relation to that Crossing System:

(a) on a website that is publicly accessible; and

(b) free of charge.

(2) For the purposes of these Rules, ***Publicly Available Crossing System Information*** means the information set out in column 3 of the following table.

Item	Type of information	Publicly Available Crossing System Information
1	Operator	The code identifying the Crossing System.
2	Start Date	The date the Crossing System began to operate in this jurisdiction.
3	Products	The types of financial products traded on the Crossing System.
4	Access Criteria	The criteria used to determine eligibility to use the Crossing System.

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Item	Type of information	Publicly Available Crossing System Information
5	Aggregation and other Crossing Systems	If Orders may be executed or matched in another Crossing System because they are transmitted by the Market Participant or by the Market Participant's Crossing System: (a) to one or more other Crossing Systems or to a Market Participant that operates a Crossing System; or (b) to another person (an ***Aggregator***) who further transmits the Orders to one or more other Crossing Systems or to a Market Participant that operates a Crossing System; or if Orders may be executed or matched in the Market Participant's Crossing System with Orders received (whether directly, or via an Aggregator) from a Crossing System operated by another Market Participant, or from a Market Participant that operates a Crossing System: (c) the code identifying the other Crossing System; (d) the legal name of the Market Participant that operates the other Crossing System; and (e) for each Crossing System and Market Participant identified under paragraphs (c) and (d), whether Orders are transmitted to, or received from the other Crossing System or Market Participant (whether directly, or via an Aggregator), or both.

Note: An Aggregator may be, for example, another Market Participant that receives orders and operates an aggregation algorithm that transmits received orders to one or more other execution venues (licensed markets, or other Crossing Systems).

(3) A Market Participant must, within one business day of implementing changes to the operation of the Crossing System described in the Publicly Available Crossing System Information, update the website where the Publicly Available Crossing System Information is made available, to reflect those changes.

(4) A Market Participant must give ASIC a copy of:

(a) the Publicly Available Crossing System Information made available under subrule (1); and

(b) each update to the Publicly Available Crossing System Information made available under subrule (3),

within one business day of making that information available on the website under this Rule.

(5) ASIC may determine in writing a list of the Crossing System codes referred to in subrule (2).

Note: Instruments made under subrule (5) are available on the Federal Register of Legislation. The register may be accessed at www.legislation.gov.au.

Maximum penalty: $100,000

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5A.2.2 Disclosure requirements for Crossing Systems—Information for users

(1) A Market Participant that operates a Crossing System must:

(a) prior to accepting an Order from a client for the first time after the time at which a Market Participant must comply with this Rule, provide the client with a copy of the Publicly Available Crossing System Information or inform the client of the website address where that information is available; and

(b) for all clients who have been provided with a copy of the Publicly Available Crossing System Information or informed of the website address where that information is available under paragraph (a), inform those clients each time an update to the Publicly Available Crossing System Information is made available under subrule 5A.2.1(3), prior to accepting an Order from that client after the information has been updated.

(2) A Market Participant that operates a Crossing System must:

(a) prior to accepting an Order from a client for the first time; and

(b) prior to accepting an Order from a client after the Non-Public Crossing System Information has been updated under subrule (3),

provide that client with a document containing the Non-Public Crossing System Information in relation to that Crossing System.

(3) A Market Participant must, within one business day of implementing changes to the operation of the Crossing System described in the Non-Public Crossing System Information, update the Non-Public Crossing System Information to reflect those changes.

(4) A Market Participant must give ASIC a copy of:

(a) the Non-Public Crossing System Information provided under subrule (2), within one business day of first providing that information; and

(b) each update to the Non-Public Crossing System Information under subrule (3), within one business day of that update.

(5) For the purposes of these Rules, ***Non-Public Crossing System Information*** means the information set out in column 3 of the following table.

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Item	Type of information	Non-Public Crossing System Information
1	User obligations	A description of the obligations imposed on users of the Crossing System by the operator of the Crossing System.
2	Order Types	A description of the order types available to those who have access to the Crossing System, including a description of the characteristics of each order type.
3	Operations	A description of the operation of the Crossing System, including but not limited to: (a) how Orders are managed, including how prices are determined and cancellations are managed; (b) details of any different treatment or arrangements for certain users or order types; (c) the level of anonymity given to Orders, including whether indications of interest are allowed; (d) the circumstances in which Orders of the Market Participant trading as Principal may interact with other Orders in the Crossing System, and the nature of those Principal Orders (for example, proprietary desk, facilitation, or market-maker); (e) whether Orders of related bodies corporate of the operator enter the system, and if so, how conflicts arising because Orders of related bodies corporate enter the Crossing System, are managed; (f) how any other conflicts of interest that may arise are managed; and (g) if there are liquidity providers or market makers whose Orders access the Crossing System, the commitments (if any) they may have and any benefits they receive.
4	Fees	The fees imposed for Orders to gain access to the Crossing System, or to be matched or executed in the Crossing System, and an indication whether those fees differ from (e.g. by being in addition to) the Market Participant's standard fees.

Maximum penalty: $100,000

5A.2.3 Notification of Crossing System outages

(1) If technical or other system issues materially affect the efficiency of or proper functioning of a Crossing System operated by a Market Participant, that Participant must provide the following information, in writing, to ASIC and all users with Orders in the Crossing System other than users who are retail clients:

(a) a description of the effect of the technical or other system issues;

(b) how the technical or other system issues are being managed by the Market Participant;

(c) any alternative arrangements for users' Orders that have been put in place by the Market Participant while the technical or other systems issues persist; and

(d) when the technical or other system issues have been resolved,

as soon as practicable after the technical or other system issue arises, or the issue is resolved, as applicable.

Maximum penalty: $100,000

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Part 5A.3 Fair treatment, fairness and priority in dealing and opting out by users of Crossing Systems

5A.3.1 Fair treatment of all users of a Crossing System

(1) A Market Participant that operates a Crossing System must ensure that the Crossing System is operated by a common set of procedures that balance the interests of all users of the Crossing System and do not unfairly discriminate between users of the Crossing System.

(2) Subrule (1) does not prevent a Market Participant that operates a Crossing System from providing less favourable treatment for its own use of the Crossing System, or less favourable treatment for use of the Crossing System by its related bodies corporate.

Maximum penalty: $100,000

5A.3.2 Fairness and priority in dealing

A Market Participant that operates a Crossing System must ensure that the Crossing System deals fairly and in due turn with:

(a) Clients' Orders; and

(b) a Client Order and an Order of the Participant trading as Principal.

Maximum penalty: $1,000,000

5A.3.3 Relevant factors

(1) In considering whether Rule 5A.3.2 has been complied with, the following factors are relevant:

(a) the Market Participant acts in accordance with its instructions;

(b) Orders that do not involve the exercise of discretion by the Market Participant in relation to the time or price or quantity of the Order are entered in the Crossing System in the sequence in which they are received, and otherwise as expeditiously as practicable;

(c) Orders of a client (which is not a Prescribed Person) that involve the exercise of discretion by the Market Participant in relation to the time or price or quantity of the Order are given preference, within the meaning of subrule (2), over the Market Participant's Orders as Principal, unless the client otherwise consents;

(d) if the sequence of entry of Orders into the Crossing System is not clearly established by the time the Orders were received, and one of the Orders is for the Market Participant trading as Principal, the Market Participant gives preference to the Order of a client over the Market Participant's Orders as Principal;

(e) if the Market Participant has acted in accordance with its procedures to ensure that a person initiating, transmitting or executing an Order who is aware of instructions of a

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client (which is not a Prescribed Person) to deal in the relevant financial products that have not been entered in the Crossing System does not use that information to the disadvantage of that client;

(f) the Market Participant buys or sells for a wholesale client;

(g) allocation of transactions executed on the Crossing System occurs fairly; and

(h) a Participant's Orders as Principal are not knowingly interposed between Orders of its clients that would otherwise have Crossed.

(2) In paragraph (1)(c), a reference to a Market Participant giving preference to an Order of a client over the Participant's Orders as Principal means that from the time of receipt of the Order until it is fully executed, the Market Participant does not enter into, as Principal, a transaction executed on the Crossing System for the same financial products on the same terms, having regard to subrule (3), unless:

(a) the financial products are allocated to the client in accordance with the client's instructions; or

(b) the financial products are allocated to the client pursuant to an allocation policy previously disclosed to the client, to which the client consents, under which the Market Participant may buy or sell (and be allocated) the same financial products as Principal.

(3) For the purposes of subrule (2), a limit Order which cannot be executed owing to price differences is not on the same terms.

Note: There is no penalty for this Rule.

5A.3.4 Opting out of Crossing Systems

A Market Participant that operates a Crossing System must permit a client or other user of the Crossing System to opt out of having its Orders sent to the Participant's Crossing System (including any other Crossing System that may be accessible through the Market Participant's Crossing System), and the Market Participant must not impose on a user that opts out any additional operational or administrative requirements as a consequence of opting out of the Crossing System.

Maximum penalty: $100,000

Part 5A.4 Crossing Systems—Monitoring and suspicious activity reporting

5A.4.1 Monitoring activities in a Crossing System

(1) A Market Participant that operates a Crossing System must:

(a) monitor use of its Crossing System for compliance with the obligations of users described in subrule 5A.2.2(5);

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(b) monitor use of its Crossing System for compliance with the operating procedures of the Crossing System; and

(c) take action to ensure breaches identified by the Market Participant during the course of the monitoring undertaken under paragraphs (a) and (b) do not recur.

(2) A Market Participant must notify ASIC, in writing, of all significant breaches identified by the Participant during the course of monitoring undertaken under subrule (1) as soon as practicable after identification of the relevant breach.

(3) A Market Participant must keep records:

(a) that demonstrate the monitoring activities it undertakes under subrule (1); and

(b) of all breaches identified under subrule (1),

for a period of seven years.

Maximum penalty: $100,000

5A.4.2 Crossing System suspicious activity reporting

(1) Subject to subrule (2), if a Market Participant that operates a Crossing System has reasonable grounds to suspect that:

(a) a person (***the Insider***) has placed an Order into or entered into a transaction on the Crossing System operated by the Participant in relation to a financial product while in possession of inside information (within the meaning of section 1042A of the Act), whether or not the Market Participant is aware of:

(i) the identity of the Insider; or

(ii) all of the details of the Order or transaction; or

(b) a transaction or an Order transmitted to or executed on the Crossing System operated by the Market Participant has or is likely to have the effect of:

(i) creating an artificial price for trading in financial products on a financial market operated in this jurisdiction;

(ii) maintaining at a level that is artificial (whether or not it was previously artificial) a price for trading in financial products on a financial market operated in this jurisdiction;

(iii) creating, or causing the creation of, a false or misleading appearance of active trading in financial products on a financial market operated in this jurisdiction; or

(iv) creating, or causing the creation of, a false or misleading appearance with respect to the market for, or the price for trading in, financial products on a financial market operated in this jurisdiction,

whether or not the Market Participant is aware of:

(v) the intention of any party to the transaction or Order; or

(vi) all of the details of the transaction or Order,

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the Market Participant must, as soon as practicable, notify ASIC in writing of the details of the transaction or Order (to the extent known to the Participant) and the reasons it suspects the matter set out in paragraphs (a) and/or (b).

(2) A Market Participant is not required to notify ASIC under subrule (1) if the Market Participant has reported the information that would otherwise be required to be contained in the notification to ASIC under subrule (1) to the Australian Transaction Reports and Analysis Centre under section 41 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* or under section 16 of the *Financial Transaction Reports Act 1988*.

Maximum penalty: $20,000

5A.4.3 Confidentiality

A Market Participant who notifies ASIC under subrule 5A.4.2(1) must not disclose that the notification was made, or the information contained in the notification, to any person other than:

(a) for the purposes of seeking legal advice; or

(b) as required by law.

Maximum penalty: $20,000

Part 5A.5 Crossing System Tick Sizes and system controls

5A.5.1 Crossing System operators to use standard Tick Sizes

(1) A Market Participant that operates a Crossing System must not accept, display or queue Orders in its Crossing System in Tick Sizes less than:

(a) $0.01 for an Equity Market Product able to be traded on more than one Market priced at equal to or greater than $2.00;

(b) $0.005 for an Equity Market Product able to be traded on more than one Market priced at equal to or greater than $0.10 and less than $2.00; and

(c) $0.001 for an Equity Market Product admitted to quotation on the ASX Market or admitted to quotation on the Chi-X Market under the operating rules of the Chi-X Market priced at less than $0.10.

(2) Subrule (1) does not apply to an Order that, if executed, would result in a Block Trade, Large Portfolio Trade or, in the context of Rule 6.2.3, a transaction at the Best Mid-Point.

Maximum penalty: $1,000,000

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5A.5.2 Crossing System—Efficiency and integrity controls

(1) Subject to subrule (3), a Market Participant that operates a Crossing System must at all times have appropriate automated filters designed to ensure the efficiency and integrity of the Crossing System.

(2) Subject to subrule (3), a Market Participant that operates a Crossing System must ensure it has controls that enable immediate:

(a) suspension of, limitation of, or prohibition on, the entry into any Crossing System operated by the Market Participant of Orders in a series of related Orders where the Market Participant has identified that Orders in the series have entered the Crossing System operated by the Market Participant and have interfered with or are likely to interfere with the efficiency or integrity of the Crossing System; and

(b) cancellation of Orders in a series that have already entered a Crossing System operated by the Market Participant where the entry of further Orders in the series has been suspended, limited or prohibited under paragraph (a).

(3) A Market Participant that is subject to Rule 5.6.1 and 5.6.3 of these Rules does not have to comply with this Rule.

Note: Rule 5.6.1 and 5.6.3 require Market Participants to have automated filters and controls.

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Chapter 6: Pre- and Post-Trade Transparency

Part 6.1 Orders must be Pre-Trade Transparent

6.1.1AA Application of Part

(1) This Part applies to:

(a) the operator of a Market on or through which offers to acquire or dispose of Equity Market Products are made or accepted;

(b) Participants of the Markets referred to in paragraph (a);

(c) the operator of a CGS Market;

(d) CGS Market Participants; and

(e) Orders and transactions in Equity Market Products and CGS Depository Interests.

(2) In this Part:

(a) ***Operator*** means any of the operators referred to in subparagraph 1(a) and (c);

(b) ***Relevant Participant*** means a participant referred to in subparagraph 1(b) or (d); and

(c) ***Relevant Products*** means Equity Market Products and CGS Depository Interests.

Note: There is no penalty for this Rule.

6.1.1 Relevant Participants to enter into transactions on Pre-Trade Transparent Order Book, subject to exceptions

(1) Subject to subrule (2), a Relevant Participant must not enter into a transaction unless the transaction is entered into by matching of a Pre-Trade Transparent Order on an Order Book.

(2) A Relevant Participant is not required to comply with subrule (1) in relation to:

(a) Block Trades;

(b) Large Portfolio Trades;

(c) a Trade with Price Improvement;

(d) a Permitted Trade during the Post-Trading Hours Period;

(e) a Permitted Trade during the Pre-Trading Hours Period; and

(f) Out of Hours Trades.

(3) A Relevant Participant that enters into a transaction in reliance on an exception in subrule (2) must keep, for a period of seven years from the date of the transaction, records that enable the Relevant Participant to demonstrate that the relevant transaction met the criteria for the relevant exception, including, in relation to a transaction executed in reliance on the exception in paragraph (2)(c), a record of the Best Available Bid and Best Available Offer, if applicable, at the time the Transaction was executed.

Maximum penalty: $1,000,000

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6.1.2 Operator to immediately make available Pre-Trade Information, subject to exceptions

(1) An Operator must make available Pre-Trade Information for each Market it operates:

(a) for all Orders received during Trading Hours for the Market, Continuously and in Real-Time; and

(b) for all Orders received outside of Trading Hours for the Market, by no later than the time Trading Hours next resume,

to all persons in this jurisdiction who have entered into an arrangement with the Operator to access the Pre-Trade Information on that basis.

(1A) An Operator must keep records of the Pre-Trade Information referred to in subrule (1) for a period of seven years.

(2) An Operator is not required to make available Pre-Trade Information in relation to:

(a) an Order on an Order Book that, if executed, would result in a Block Trade;

(b) an Order or series of Orders on an Order Book that, if executed, would result in a Large Portfolio Trade; and

(c) an Order on an Order Book that, if executed, would result in a Trade with Price Improvement.

(3) An Operator must take reasonable steps to ensure that all Pre-Trade Information it makes available under subrule (1) is and remains complete, accurate and up to date.

Maximum penalty: $1,000,000

6.1.3 Operator to make available Pre-Trade Information on reasonable commercial terms and on a non-discriminatory basis

Subject to Rule 9.2.1, where a person in this jurisdiction seeks access to Pre-Trade Information for a Market on or through which offers to acquire or dispose of Relevant Products are made or accepted, the Operator of that Market must make available the Pre-Trade Information:

(a) on reasonable commercial terms; and

(b) on a non-discriminatory basis.

Maximum penalty: $1,000,000

6.1.4 Pre-Trade Information—Equity Market Products

For the purposes of these Rules, ***Pre-Trade Information***, in relation to an Order for an Equity Market Product, means the information set out in the following table in relation to that Order.

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Item	Label	Pre-Trade Information
1	Order date	The date on which the Order was received by the Operator of the Market
2	Order time	The time at which the Order was received by the Operator of the Market
3	Product identification	The symbol, assigned in accordance with Rule 9.2.3, that identifies the Equity Market Product the subject of the Order
4	Volume	The number of Equity Market Products the subject of the Order, unless the Order is a Partly Disclosed Order and the information in item 6 of this table has been made available for all or part of the Order
5	Order side	Whether the Order is a Buy Order or Sell Order
6	Price	The price per Equity Market Product of the Order, unless the Order is a Partly Disclosed Order and the information in item 4 of this table has been made available for all or part of the Order
7	Currency	The currency of the price per Equity Market Product of the Order, unless the Order is in Australian dollars

Note: There is no penalty for this Rule.

6.1.4A Pre-Trade Information—CGS Depository Interests

For the purposes of these Rules, ***Pre-Trade Information***, in relation to an Order for a CGS Depository Interest, means the information set out in the following table in relation to that Order.

Item	Label	Pre-Trade Information
1	Order date	The date on which the Order was received by the CGS Market operator
2	Order time	The time at which the Order was received by the CGS Market operator
3	Product identification	The symbol, assigned in accordance with Rule 9.2.3, that identifies the CGS Depository Interest the subject of the Order
4	Volume	The number of CGS Depository Interests the subject of the Order
5	Order side	Whether the Order is a Buy Order or Sell Order
6	Price	The price per CGS Depository Interest of the Order. The price entered should be price per $100 nominal, inclusive of interest.

Note: There is no penalty for this Rule.

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6.1.5 Partly Disclosed Orders

(1) In these Rules, ***Partly Disclosed Order*** means an Order on an Order Book in relation to which:

(a) the operating rules of the relevant Market or CGS Market (as applicable) require the Pre-Trade Information referred to in the table in Rule 6.1.4 (in the case of Equity Market Products) or Rule 6.1.4A (in the case of CGS Depository Interests) to be made available, with the exception of:

(i) item 4 (*volume*) but not item 6 (*price*); or

(ii) item 6 (*price*) but not item 4 (*volume*); and

(b) the consideration for the Order is greater than $0.

(2) For the purposes of subrule (1), a Partly Disclosed Order includes an Order on an Order Book which the operating rules of the relevant Market or CGS Market (as applicable):

(a) require to be of a minimum volume or value; and

(b) permit to be divided into separate parts so that part of the Order is Disclosed and part of the Order is Hidden, until such time as the part of the Order that is Disclosed is executed, following which the Hidden parts of the Order (or the residual amount of the Order if less than the minimum volume or value) are in turn Disclosed until the total Order has been executed.

Note: There is no penalty for this Rule.

6.1.6 Application to partly filled Orders

Where an exception referred to in subrule 6.1.1(2) or 6.1.2(2) applies to an Order and that Order is executed in part, the exception ceases to apply unless the remainder of the Order would have been entitled to the exception if it were a separate Order.

Note: There is no penalty for this Rule.

6.1.7 Priority for Disclosed Orders and Partly Disclosed Orders

An Operator must not permit a Hidden Order in a Relevant Product on an Order Book of its market to have Time Priority over a Disclosed Order or Partly Disclosed Order on the same Order Book, where the Disclosed Order or Partly Disclosed Order is an Order to buy or sell the same class of Relevant Products, at the same price, as the Hidden Order.

Maximum penalty: $1,000,000

6.1.8 Dealings to which this Part does not apply

For the avoidance of doubt, this Part does not apply to transactions arising from:

(a) the terms of a Relevant Product, including a redemption;

(b) primary market actions, including an issue or allotment of, or an application or subscription for, a Relevant Product;

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(c) acceptance of an offer under a Takeover Off-Market Bid; and

(d) the delivery of a Relevant Product under a securities lending arrangement.

Note: There is no penalty for this Rule

Part 6.2 Pre-Trade Information—Exceptions

6.2.1AA Application of Part

(1) This Part applies to:

(a) the operator of a Market on or through which offers to acquire or dispose of Equity Market Products are made or accepted;

(b) Participants of the Markets referred to in paragraph (a);

(c) the operator of a CGS Market;

(d) CGS Market Participants; and

(e) Orders and transactions in Equity Market Products and CGS Depository Interests.

(2) In this Part:

(a) ***Operator*** means any of the operators referred to in subparagraph 1(a) and (c);

(b) ***Relevant Participant*** means a participant referred to in subparagraph 1(b) or (d); and

(c) ***Relevant Products*** means Equity Market Products and CGS Depository Interests.

Note: There is no penalty for this Rule.

6.2.1 Exception—Block Trades

(1) In these Rules, ***Block Trade*** means a transaction where:

(a) if the transaction is entered into other than by matching of Orders on an Order Book, the Relevant Participant acts:

(i) on behalf of a buying or selling client on one side of that transaction and on behalf of one or more clients on the other side;

(ii) on behalf of one or more buying or selling clients on one side of that transaction and as Principal on the other side; or

(iii) on behalf of a buying or selling client (***first client***) on one side of that transaction and on the other side on behalf of one or more clients and as Principal in the circumstances set out in paragraph (d);

(b) the Relevant Product is issued by the same issuer, in the same class, with the same paid-up value;

(c) the consideration for the transaction is not less than:

(i) $1,000,000 or more for Tier 1 Equity Market Products;

(ii) $500,000 or more for Tier 2 Equity Market Products;

(iii) $200,000 or more for Tier 3 Equity Market Products; and

(iv) $200,000 or more for CGS Depository Interests; and

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(d) if subparagraph (1)(a)(iii) applies—the consideration for the transaction that is payable by or to:

(i) the first client; and

(ii) all of the clients on the other side of the transaction in aggregate,

is not less than the relevant consideration threshold in paragraph (c).

(2) For the purposes of paragraph (1)(b), Relevant Products that differ only in relation to the amount of dividend or distribution payable are in the same class.

(3) For the purposes of paragraph (1)(c):

(a) ***Tier 1 Equity Market Products*** means those Equity Market Products determined by ASIC under these Rules and in accordance with subrule (4);

(b) ***Tier 2 Equity Market Products*** means those Equity Market Products determined by ASIC under these Rules and in accordance with subrule (4); and

(c) ***Tier 3 Equity Market Products*** means all Equity Market Products that are not Tier 1 or 2 Equity Market Products.

(4) For the purposes of subrule (3), ASIC may determine Tier 1 Equity Market Products and Tier 2 Equity Market Products in writing.

(5) An instrument referred to in subrule (4) takes effect from 20 business days following the date the instrument is registered.

Note 1: There is no penalty for this Rule.

Note 2: Instruments made under subrule (4) are available on the Federal Register of Legislation. The register may be accessed at www.legislation.gov.au.

6.2.2 Exception—Large Portfolio Trades

(1) In these Rules, ***Large Portfolio Trade*** means a transaction where:

(a) if the transaction is entered into other than by matching of Orders on an Order Book, the Relevant Participant acts:

(i) on behalf of a buying or selling client on one side of that transaction and a client on the other side; 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 entered into pursuant to a single agreement between the buyer and seller for consideration in total of not less than $5,000,000; and

(c) the transaction comprises purchases or sales of Relevant Products in not less than 10 different classes for which the minimum consideration in each class is $200,000.

(2) Nothing in paragraph (1)(c) prevents the transaction from comprising additional purchases or sales in other classes where the consideration for those classes is less than $200,000.

Note: There is no penalty for this Rule.

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6.2.3 Exception—Trades with Price Improvement

(1) In these Rules, a transaction is a ***Trade with Price Improvement*** where:

(a) 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 for the Relevant Product by one or more Price Steps; or

(ii) at the Best Mid-Point;

(b) if the transaction is entered into other than by matching of Orders on an Order Book, the Relevant 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; and

(c) the consideration for the transaction is greater than $0.

(2) For the purposes of this Rule, the Best Mid-Point is not limited to standard Price Steps for the Relevant Product.

Note: There is no penalty for this Rule.

6.2.4 Exception—Permitted Trades during the Post-Trading Hours Period

In these Rules, ***Permitted Trade during the Post-Trading Hours Period*** means a transaction in a Relevant Product during the Post-Trading Hours Period in relation to that Relevant Product:

(a) that completes an Order received prior to the end of Trading Hours for the Market (and, if there is an Auction at the end of Trading Hours, prior to that Auction);

(b) that comprises a bona fide hedge;

(c) if there is an Auction at the end of Trading Hours for a Market, that completes an Order that narrowly missed execution during that Auction;

(d) that rectifies an error; or

(e) that results in the Relevant Products the subject of the transaction being sold by a nominee that holds those Relevant Products on behalf of a Funds Manager to another nominee that holds those Relevant Products on behalf of the same Funds Manager, and where the Relevant Participant acts for both clients.

Note: There is no penalty for this Rule.

6.2.5 Exception—Permitted Trades during the Pre-Trading Hours Period

In these Rules, ***Permitted Trade during the Pre-Trading Hours Period*** means a transaction in a Relevant Product during the Pre-Trading Hours Period in relation to that Relevant Product where:

(a) the Relevant Participant acts:

(i) on behalf of both buying and selling clients to that transaction; or

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(ii) on behalf of a buying or selling client on one side of that transaction and as Principal on the other side; and

(b) either:

(i) overseas resident clients are involved in both sides of the transaction; or

(ii) an overseas resident client is involved in one side and the Relevant Participant is acting as Principal on the other side of the transaction; and

(c) a stock market maintained by a Recognised Stock Exchange either:

(i) in the overseas client's country of residence; or

(ii) if both sides of the transaction involve overseas resident clients, in the country of residence of one of those clients,

is open for trading at that time.

Note: There is no penalty for this Rule.

6.2.6 Exception—Out of Hours Trade

In these Rules, ***Out of Hours Trade*** means a transaction in a Relevant Product entered into by a Relevant Participant:

(a) during the period after the Post-Trading Hours Period in relation to that Relevant Product on a Trading Day and before the Pre-Trading Hours Period in relation to that Relevant Product on the next Trading Day; and

(b) if the transaction is entered into on behalf of a client, where the relevant Order was received from the client during the period set out in paragraph (a) and the Relevant Participant entered into the other side of the transaction as Principal or on behalf of another client whose instructions were received at any time.

Note: There is no penalty for this Rule

Part 6.3 Transactions must be post-trade transparent

6.3.1AA Application of Part

(1) This Part applies to:

(a) the operator of a Market on or through which offers to acquire or dispose of Equity Market Products are made or accepted;

(b) Participants of the Markets referred to in paragraph (a);

(c) the operator of a CGS Market;

(d) CGS Market Participants; and

(e) Orders and transactions in Equity Market Products and CGS Depository Interests, except Rule 6.3.6A which applies to transactions in financial products executed on a Market or reported to a Market operator.

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(2) In this Part:

(a) ***Operator*** means any of the operators referred to in subparagraph 1(a) and (c);

(b) ***Relevant Participant*** means a participant referred to in subparagraph 1(b) or (d); and

(c) ***Relevant Products*** means Equity Market Products and CGS Depository Interests.

Note: There is no penalty for this Rule.

6.3.1AB Dealings to which this Part does not apply

For the avoidance of doubt, this Part does not apply to:

(a) a Relevant Participant transmitting an Order to another Participant for the purposes of the second Participant transmitting the Order to an Order Book or Crossing System;

(b) primary market actions, including an issue or allotment of, application or subscription for a Relevant Product, or acceptance of an offer under an Off-Market Bid;

(c) the delivery of a Relevant Product under a securities lending arrangement; and

(d) Exchange-Traded Fund Special Trades within the meaning of the term "ETF Special Trade" given by the operating rules of a Market.

Note: There is no penalty for this Rule.

6.3.1 Relevant Participants to report transactions done other than on an Order Book of a Market

(1) The Reporting Participant must report Post-Trade Information for a transaction entered into otherwise than by matching of Orders on an Order Book, to an Operator.

(2) The Reporting Participant must report Post-Trade Information for a transaction referred to in subrule (1):

(a) subject to paragraph (b):

(i) if the transaction is matched or executed during Normal Trading Hours, immediately after the transaction is executed;

(ii) if the transaction is matched or executed during a period in which there is an Auction on the Market to which the transaction will be reported, immediately after that Auction;

(iii) if the transaction is executed outside of the times referred to in subparagraphs (i) and (ii), by no later than 15 minutes before the time Normal Trading Hours next resume, or at such earlier time as is required by the operating rules of the Market under which the Reporting Participant determines the transaction has taken place;

(b) if the transaction is:

(i) a Large Principal Transaction; or

(ii) a Large Portfolio Trade in which the Reporting Participant acts as Principal as either buyer or seller,

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as soon as practicable after the Reporting Participant is no longer exposed to risk as Principal in connection with the transaction, and by no later than the time set out in subrule (3).

(3) The Reporting Participant must report Post-Trade Information for a transaction referred to in paragraph (2)(b):

(a) if the transaction is executed before 1.00 pm on a Trading Day, by no later than 15 minutes prior to the next Trading Day of the Market on which the Reporting Participant determines the transaction has taken place; or

(b) if the transaction is executed after 1.00 pm on a Trading Day, by no later than 1.00 pm on the next Trading Day of the Market on which the Reporting Participant determines the transaction has taken place.

(4) The Reporting Participant must take reasonable steps to ensure that all Post-Trade Information it reports under subrule (2) is and remains complete, accurate and up to date.

(4A) Without limiting subrule (4), a Reporting Participant must have in place systems and controls to ensure that each transaction it reports under subrule (2) and (3) meets all of the criteria for:

(a) the exception in subrule 6.1.1(2) relied upon by the Reporting Participant to enter into the transaction other than in accordance with subrule 6.1.1(1); and

(b) the exception in paragraph (2)(b), if the Reporting Participant has relied upon that exception to report the transaction other than in accordance with the times set out in paragraph (2)(a).

(4B) A Reporting Participant that is notified by an Operator under paragraph 6.3.4A(3)(b) in relation to a transaction it has reported must immediately amend or cancel the transaction or take other appropriate measures in relation to the transaction, having regard to the Reporting Participant's obligations under this Rule and Rule 6.1.1.

(5) A Relevant Participant that enters into more than one transaction as Principal and in the same class of Relevant Products, at the same time and for the same price, for the purposes of executing a Buy Order of one client against a Sell Order of another client, must take reasonable steps to ensure that those transactions are reported as a single transaction.

Maximum penalty: $1,000,000

6.3.2 Reporting Participant

(1) In these Rules, ***Reporting Participant*** means, in relation to a transaction:

(a) where a Relevant Participant is the only party to the transaction that is required to comply with these Rules, the Relevant Participant; or

(b) where more than one party to the transaction is required to comply with these Rules, the ***Executing Participant***.

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(2) In subrule (1), ***Executing Participant*** means:

(a) the Relevant Participant that receives the Order and executes the transaction without transmitting the Order to another Relevant Participant (for example, a Relevant Participant that executes an Order on its own Crossing System); or

(b) if both Relevant Participants satisfy paragraph (a) (for example, Relevant Participants that manually negotiate a transaction):

(i) the Relevant Participant that is the seller, or is acting on behalf of the seller; or

(ii) as otherwise agreed between the Relevant Participants.

(3) If a Relevant Participant is determined to be the Executing Participant in accordance with subparagraph (2)(b)(ii), the Relevant Participant that is the seller, or is acting on behalf of the seller, must document the agreement reached.

(4) Each Relevant Participant that is a party to a transaction to which subrule 6.3.1(1) applies must take reasonable steps to determine, prior to the transaction being executed, which party is the Reporting Participant.

Maximum penalty: $100,000

6.3.3 Application to constituent parts of portfolio trade

Where a Relevant Participant enters into a single agreement to buy or sell more than one class of Relevant Products, the Relevant Participant may consider each class of Relevant Products to be bought or sold under the agreement as a separate transaction for the purposes of determining whether that transaction is a Large Principal Transaction.

Note: There is no penalty for this Rule.

6.3.4 Operator to immediately make available Post-Trade Information

(1) An Operator must make available Post-Trade Information for each Market it operates:

(a) for transactions executed or reported during Trading Hours, Continuously and in Real-Time; and

(b) for transactions executed or reported outside of Trading Hours, before Trading Hours next resume,

to all persons in this jurisdiction who have entered into an arrangement with the Operator to access the Post-Trade Information on that basis.

(1A) An Operator must keep records of the Post-Trade Information referred to in subrule (1) for a period of seven years.

(2) The Operator must take reasonable steps to ensure that Post-Trade Information it makes available under subrule (1) is and remains complete, accurate and up to date.

Maximum penalty: $1,000,000

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6.3.4A Operator to validate Post-Trade Information

(1) Without limiting subrule 6.3.4(2), an Operator that receives a report of Post-Trade Information for a transaction from a Reporting Participant under Rule 6.3.1 must have in place arrangements to determine whether the transaction as reported meets the criteria for:

(a) the exception in subrule 6.1.1(2) relied upon by the Reporting Participant to enter into the transaction other than in accordance with subrule 6.1.1(1); and

(b) where applicable, the exception in paragraph 6.3.1(2)(b) relied upon by the Reporting Participant to report the transaction other than in accordance with the times set out in paragraph 6.3.1(2)(a).

(2) Without limiting subrule (1), the Operator must have in place arrangements that enable the Operator to determine that the applicable criteria set out in column 3 of the following table are met in relation to each transaction of the kind set out in column 1, as follows:

(a) for all applicable criteria in relation to a transaction, other than the criteria in items 3, 5 or 12, before accepting a report of Post-Trade Information for the transaction;

(b) for the applicable criteria in items 3, 5 or 12, as soon as practicable after the report of Post-Trade Information for the transaction is received, and by no later than the end of the same Trading Day.

Exception relied upon by Relevant Participant	Item	Operator must determine that the following applicable criteria are met
Block Trades (see paragraph 6.1.1(2)(a))	1	For a transaction reported as a Block Trade, the consideration for the transaction meets the criteria in Rule 6.2.1
	2	For a transaction reported as a Block Trade, the Relevant Product was not in a Trading Suspension at the time the transaction was reported
Large Portfolio Trades (see paragraph 6.1.1(2)(b) and subparagraph 6.3.1(2)(b)(ii))	3	For a transaction reported as a Large Portfolio Trade, the consideration for each transaction and the total consideration for the series of transactions meets the criteria in Rule 6.2.2
	4	For a transaction reported as a Large Portfolio Trade, the transaction has been reported to the Operator by no later than the time set out in subrule 6.3.1(3)
	5	For a transaction reported as a Large Portfolio Trade, the Relevant Product was not in a Trading Suspension at the time the transaction was reported as being executed
Trade With Price Improvement (see paragraph 6.1.1(2)(c))	6	For a transaction reported as a Trade with Price Improvement, the price per Relevant Product for the transaction meets the criteria in subrule 6.2.3(1) based on the Operator's calculation of the Best Available Bid and Best Available Offer at the time the transaction is reported
Permitted Trades During Post-Trading Hours Period (see paragraph 6.1.1(2)(d))	7	For a transaction reported as a Permitted Trade During the Post-Trading Hours Period, the Post-Trade Information indicates that the transaction was entered into during the Post-Trading Hours Period as set out in Rule 6.2.4

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Exception relied upon by Relevant Participant	Item	Operator must determine that the following applicable criteria are met
Permitted Trades During Pre-Trading Hours Period (see paragraph 6.1.1(2)(e))	8	For a transaction reported as a Permitted Trade During the Pre-Trading Hours Period, the Post-Trade Information indicates that the transaction was entered into during the Pre-Trading Hours Period as set out in Rule 6.2.5
Out of Hours Trades (see paragraph 6.1.1(2)(f))	9	For a transaction reported as an Out of Hours Trade, the Post-Trade Information indicates that the transaction was entered into outside of Normal Trading Hours as set out in Rule 6.2.6
Large Principal Transactions (see subparagraph 6.3.1(2)(b)(i))	10	For a transaction reported as a Large Principal Transaction, the consideration for the transaction meets the criteria in Rule 6.4.1
	11	For a transaction reported as a Large Principal Transaction, the transaction has been reported to the Operator by no later than the time set out in subrule 6.3.1(3)
	12	For a transaction reported as a Large Principal Transaction, the Relevant Product was not in a Trading Suspension at the time the transaction was reported as being executed

(3) Where an Operator determines under this Rule that a transaction reported to it under Rule 5.1.1 does not meet one or more of the applicable criteria set out in the table in subrule (2), other than the criteria in items 3, 5 or 12, the Operator:

(a) must not accept the report of Post-Trade Information for the transaction;

(b) must notify the Reporting Participant that the Operator will not accept the report of Post-Trade Information for the transaction; and

(c) must not make available Post-Trade Information for the transaction under Rule 6.3.4.

(4) Where an Operator determines under this Rule that a transaction reported to it under Rule 6.3.1 does not meet one or more of the applicable criteria set out in items 3, 5 or 12 of the table in subrule (2), the Operator must take steps to cancel the transaction or take other appropriate measures in relation to the transaction, having regard to the Operator's obligations under this Rule and Rule 6.3.4.

Maximum penalty: $1,000,000

6.3.5 Operator to make available Post-Trade Information on reasonable commercial terms and on a non-discriminatory basis

Subject to Rule 9.2.1, where a person in this jurisdiction seeks access to Post-Trade Information, the Operator must make available the Post-Trade Information:

(a) on reasonable commercial terms; and

(b) on a non-discriminatory basis.

Maximum penalty: $1,000,000

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6.3.6 Operator to make available Trading Information on a website within 20 minutes

(1) An Operator must make available Trading Information for each Market it operates:

(a) on a website that is publicly accessible;

(b) free of charge; and

(c) on a delayed basis of no more than 20 minutes.

(2) For the purposes of subrule (1), ***Trading Information*** means, for each Equity Market Product that is quoted on an Operator's Market, the information set out in column 3 of the following table.

Item	Label	Post-Trade Information
1	Product identification	The symbol, assigned in accordance with Rule 9.2.3, that identifies the Equity Market Product to which the information referred to in items 2 to 8 of this table relates
2	Last traded price	The price per Equity Market Product of the last transaction in the Equity Market Product whether on an Order Book of the relevant Market or reported to the relevant Market as a Trade with Price Improvement
3	Bid	The highest Bid for the Equity Market Product on an Order Book of the relevant Market
4	Offer	The lowest Offer for the Equity Market Product on an Order Book of the relevant Market
5	High	The highest price at which a transaction in the Equity Market Product has been executed whether on an Order Book of the relevant Market or reported to the relevant Market as a Trade with Price Improvement on the Trading Day to which the information relates
6	Low	The lowest price at which a transaction in the Equity Market Product has been executed whether on an Order Book of the relevant Market or reported to the relevant Market as a Trade with Price Improvement on the Trading Day to which the information relates
7	Volume	The total number of Equity Market Products in all transactions in the Equity Market Product executed on an Order Book of, or reported to, the relevant Market, for the Trading Day to which the information relates
8	Trading status	The trading status for the Equity Market Product
9	Delay	If the information in items 1 to 8 of this table is made available on a delayed basis, the delay, in minutes

Note 1: Items 3 and 4 of this table refer to information in relation to bids and offers on an Order Book. Accordingly, the Trading Information made available by an Operator under items 3 and 4 of this table must not include transactions in Equity Market Products reported to the Operator under Rule 6.3.1 (Relevant Participants to report transactions done other than on an Order Book of a Market).

Note 2: Items 2, 5 and 6 of this Table refer to information in relation to prices on an Order Book and also to information in relation to Trades with Price Improvement. The Trading Information made available by an Operator under items 2, 5 and 6 of this Table must not include transactions in Equity Market Products reported to the Operator under Rule 6.3.1 (Relevant Participants to report transactions done other than on an Order Book of a Market), other than transactions reported as a Trade with Price Improvement.

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(3) For the purposes of subrule (1), ***Trading Information*** means, for each CGS Depository Interest that is quoted on an Operator's Market, the information set out in column 3 of the following table.

Item	Label	Post-Trade Information
1	Product identification	The symbol, assigned in accordance with Rule 9.2.3, that identifies the CGS Depository Interest to which the information referred to in items 2 to 8 of this table relates
2	Last traded price	The price per CGS Depository Interest of the last transaction in the CGS Depository Interest whether on an Order Book of the relevant Market or reported to the relevant Market as a Trade with Price Improvement
3	Bid	The highest Bid for the CGS Depository Interest on an Order Book of the relevant Market
4	Offer	The lowest Offer for the CGS Depository Interest on an Order Book of the relevant Market
5	High	The highest price at which a transaction in the CGS Depository Interest has been executed whether on an Order Book of the relevant Market or reported to the relevant Market as a Trade with Price Improvement on the Trading Day to which the information relates
6	Low	The lowest price at which a transaction in the CGS Depository Interest has been executed whether on an Order Book of the relevant Market or reported to the relevant Market as a Trade with Price Improvement on the Trading Day to which the information relates
7	Number of Trades	The number of transactions in the CGS Depository Interest executed on an Order Book of, and reported to, the relevant Market on the Trading Day to which the information relates
8	Value	The total value of all transactions in the CGS Depository Interest executed on an Order Book of, or reported to, the relevant Market, for the Trading Day to which the information relates
9	Trading Status	The trading status for the CGS Depository Interest
10	Coupon	For the CGS Depository Interest, the fixed interest amount paid at regular intervals
11	Maturity Date	For the CGS Depository Interest, the date on which the principal will be repaid
12	Face Value	For the CGS Depository Interest, the principal or redemption value
13	Delay	If the information in items 1 to 12 of this table is made available on a delayed basis, the delay, in minutes

Note 1: Items 3 and 4 of this table refer to information in relation to bids and offers on an Order Book. Accordingly, the Trading Information made available by an Operator under items 3 and 4 of this table must not include transactions in CGS Depository Interests reported to the Operator under Rule 6.3.1 (Relevant Participants to report transactions done other than on an Order Book of a Market), other than a transaction reported as a Trade with Price Improvement.

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Note 2: Items 2, 5 and 6 of this table refer to information in relation to prices on an Order Book and also to information in relation to Trades with Price Improvement. The Trading Information made available by an Operator under items 2, 5 and 6 of this table must not include transactions in CGS Depository Interests reported to the Operator under Rule 6.3.1 (Relevant Participants to report transactions done other than on an Order Book of a Market), other than transactions reported as a Trade with Price Improvement.

Maximum penalty: $100,000

6.3.6A Operator to make available Course of Sales information within three days

(1) An Operator must make available in accordance with subrule (3) Course of Sales Information for each transaction in a financial product executed on or reported to its Market.

(1A) An Operator must keep records of the Course of Sales Information referred to in subrule (1) for a period of seven years.

(2) For the purposes of these Rules, ***Course of Sales Information*** means, for each financial product that is quoted on the Operator's Market, the information set out in column 3 of the following table.

Item	Type of information	Course of Sales Information
1	Product identification	The symbol, assigned in accordance with Rule 9.2.3 that identifies each financial product to which the information referred to in items 2 to 9 of this table relates
2	Transaction time	The time at which each transaction was executed by, or a report was received by, the Operator
3	Price	The price of each financial product that is the subject of each transaction
4	Volume	The number of financial products that are the subject of each transaction
5	Value	The total dollar value of each transaction (Volume multiplied by Price)
6	Buy PID	The Relevant Participant identifier for the buyer in each Transaction
7	Sell PID	The Relevant Participant identifier for the seller in each transaction
8	Condition Code	If the transaction was a Crossing, the code applicable to the type of Crossing
9	Execution Venue	The code identifying the market, Crossing System or other facility on which the transaction was executed

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(3) An Operator must make available the information required under subrule (1):

(a) for each transaction in a financial product executed on, or reported to its Market, on the third business day after the transaction was executed;

(b) on reasonable commercial terms; and

(c) on a non-discriminatory basis.

(4) ASIC may determine in writing the execution venue codes referred to in item 9 of the table in subrule (2).

Note: Instruments made under subrule (4) are available on the Federal Register of Legislation. The register may be accessed at www.legislation.gov.au.

Maximum penalty: $1,000,000

6.3.7 Post-Trade Information—Equity Market Products

In these Rules, ***Post-Trade Information*** means:

(a) in relation to a transaction in Equity Market Products entered into otherwise than matching of Orders on an Order Book and reported by the Reporting Participant to the Operator, the information set out in items 1 to 9 of the following table;

(b) in relation to a transaction in Equity Market Products entered into by matching of an Order on an Order Book:

(i) the information set out in items 2 and 4 of the following table in relation to that Order; and

(ii) the information set out in items 1, 3 and 5 to 9 of the following table, to the extent that the information is unable to be readily determined by reference to both Pre-Trade Information that was made available in relation to that Order and the information referred to in subparagraph (i); and

(c) in relation to a transaction in Equity Market Products referred to in paragraph (a) or (b) that is cancelled, the information set out in items 7 and 8 of the following table.

Item	Label	Post-Trade Information
1	Trade execution date (as at date)	The date on which the transaction is executed, unless the transaction is reported on the same day it is executed
2	Trading time	The time at which the transaction was executed
3	Product identification	The symbol, assigned in accordance with Rule 9.2.3, that identifies the Equity Market Product the subject of the transaction
4	Volume	The number of Equity Market Products the subject of the transaction
5	Price	The price per Equity Market Product of the transaction

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Item	Label	Post-Trade Information
6	Currency	The currency of the price per Equity Market Product of the transaction, unless the transaction was in Australian dollars
7	Trade cancellation indicator	If the transaction is cancelled, a notation or code to identify that the transaction is cancelled
8	Original trade date	If the transaction is cancelled, the information in item 1 of this table
9	Exception code	If the transaction was executed: (a) otherwise than by matching of Orders on an Order Book; or (b) without Pre-Trade Information in relation to the Order being made available, a unique code that identifies the exception in subrule 6.1.1(2) or 6.1.2(2) relied upon

Note: There is no penalty for this Rule.

6.3.7A Post-Trade Information—CGS Depository Interests

In these Rules, ***Post-Trade Information*** means:

(a) in relation to a transaction in CGS Depository Interests, the information set out in items 1 to 5 and 8 of the following table; and

(b) in relation to a transaction referred to in paragraph (a) that is cancelled, the information set out in items 6 and 7 of the following table.

Item	Label	Post-Trade Information
1	Trade execution date (as at date)	The date on which the transaction is executed, unless the transaction is reported on the same day it is executed
2	Trading time	The time at which the transaction was executed
3	Product identification	The symbol, assigned in accordance with Rule 9.2.3, that identifies the CGS Depository Interest the subject of the transaction
4	Volume	The number of CGS Depository Interests the subject of the transaction
5	Price	The price per CGS Depository Interest of the transaction
6	Trade cancellation indicator	If the transaction is cancelled, a notation or code to identify that the transaction is cancelled
7	Original trade date	If the transaction is cancelled, the information in item 1 of this table

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Item	Label	Post-Trade Information
8	Exception code	If the transaction was executed: (a) otherwise than by matching of Orders on an Order Book; or (b) without Pre-Trade Information in relation to the Order being made available, a unique code that identifies the exception in subrule 6.1.1(2) or 6.1.2(2) relied upon

Note: There is no penalty for this Rule.

Part 6.4 Delayed reporting

6.4.1AA Application of Part

(1) This Part applies to:

(a) the operator of a Market on or through which offers to acquire or dispose of Equity Market Products are made or accepted;

(b) Participants of the Markets referred to in paragraph (a);

(c) the operator of a CGS Market;

(d) CGS Market Participants; and

(e) Orders and transactions in Equity Market Products and CGS Depository Interests.

(2) In this Part:

(a) ***Operator*** means any of the operators referred to in subparagraph 1(a) and (c);

(b) ***Relevant Participant*** means a participant referred to in subparagraph 1(b) or (d); and

(c) ***Relevant Products*** means Equity Market Products and CGS Depository Interests.

Note: There is no penalty for this Rule.

6.4.1 Delayed reporting—Large Principal Transaction

(1) In these Rules, ***Large Principal Transaction*** means:

(a) a transaction in which one party to the transaction is the Relevant Participant acting as Principal and the other party to the transaction is the Relevant Participant acting as agent for a client;

(b) the consideration for the transaction is:

(i) $15,000,000 or more for Category A Equity Market Products;

(ii) $10,000,000 or more for Category B Equity Market Products;

(iii) $5,000,000 or more for Category C Equity Market Products; or

(iv) $2,000,000 or more for Category D Equity Market Products or CGS Depository Interests; and

(c) the transaction is not effected to unwind, close out or liquidate (in whole or in part) a position established by a transaction which meets the requirements in paragraphs (a) and (b).

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(2) For the purposes of paragraph (1)(a), the client may be a Funds Manager acting on behalf of more than one fund.

(3) For the purposes of paragraph (1)(b):

(a) ***Category A Equity Market Products*** means those Equity Market Products admitted to Official Quotation or Trading Status on a Market and notified by the operator of that Market under the operating rules of that Market in accordance with subrule (4);

(b) ***Category B Equity Market Products*** means those Equity Market Products admitted to Official Quotation or Trading Status on a Market and notified by the operator of that Market under the operating rules of that Market in accordance with subrule (4);

(c) ***Category C Equity Market Products*** means those Equity Market Products admitted to Official Quotation or Trading Status on a Market and notified by the operator of that Market under the operating rules of that Market in accordance with subrule (4); and

(d) ***Category D Equity Market Products*** means all Equity Market Products that are not Category A, B or C Equity Market Products.

(4) For the purposes of subrule (3), the notification given by a Market operator:

(a) must be published on its website and notified in writing to the operator of any other Market where the Equity Market Product is able to be traded; and

(b) takes effect from the day following the notification.

Note: There is no penalty for this Rule.

6.4.2 Dealings to which this Part does not apply

For the avoidance of doubt, this Part does not apply to:

(a) a Relevant Participant transmitting an Order to another Participant for the purposes of the second Participant transmitting the Order to an Order Book or Crossing System;

(b) primary market actions, including an issue or allotment of, application or subscription for a Relevant Product, or acceptance of an offer under an Off-Market Bid;

(c) the delivery of a Relevant Product under a securities lending arrangement; and

(d) Exchange-Traded Fund Special Trades within the meaning of the term "ETF Special Trade" given by the operating rules of a Market.

Note: There is no penalty for this Rule.

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Chapter 7: Regulatory Data and data feeds

Part 7.1 Data feeds

7.1.1 Provision of live electronic data from the Trading Platform

(1) A Market operator must deliver, or procure delivery of, a live feed of the electronic data items set out in subrule (2) as generated on or by its Trading Platform to ASIC or to a service provider nominated by ASIC and notified to the Market operator in accordance with Rule 7.1.2.

(1A) A Market operator must keep the electronic data referred to in subrule (1) for a period of seven years.

Order information from Trading Platform

(2) Electronic data provided pursuant to subrule (1) must contain such data items and fields which are generated on or by the Market operator's Trading Platform containing all Orders entered on the Market operator's Trading Platform, being:

(a) order price and volume entries;

(b) order amendments;

(c) trade price and volume entries;

(d) any special trade condition codes;

(e) broker number and identifier code;

(f) participant operator cross-reference data, where that data is available;

(g) information comprising details of the financial products traded through the Trading Platform, being:

  (i) name of Issuer or publicly available issuer code;

  (ii) tick size;

  (iii) lot size;

  (iv) basis of quotation;

  (v) time stamps on all order entries, trades, amendments, cancellations and deletions; and

  (vi) unique order identifier or, if this is not available, unique order series identifier;

(ga) information for the order or trade recorded by the Market operator in accordance with subrule 7.4.3(1); and

(h) such additional data items or fields notified by ASIC to the Market operator under Rule 7.1.2 which are generated on or by the Market operator's Trading Platform, provided that a Market operator is not required to provide fields that are not generated on or by the Market operator's Trading Platform.

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Format requirements

(3) The electronic data required by subrule (1) must be in such format as ASIC notifies the Market operator in accordance with Rule 7.1.2.

Data security and redelivery

(4) The electronic data required by subrule (1) must:

(a) comply with any data security requirements as notified by ASIC to the Market operator under Rule 7.1.2; and

(b) be redelivered by the Market operator if there is disruption to the telecommunications link through which the data is provided or for any other reason ASIC does not receive the data, and ASIC notifies the Market operator in accordance with Rule 7.1.2 that ASIC requires the data to be redelivered.

Delivery requirements

(5) The electronic data required by subrule (1) must be delivered by the Market operator to ASIC or its nominated service provider in a manner and to a location notified by ASIC to the Market operator in accordance with Rule 7.1.2.

Maximum penalty: $1,000,000

7.1.2 Notification

A notification by ASIC to a Market operator of:

(a) a service provider under subrule 7.1.1(1);

(b) additional data items under paragraph 7.1.1(2)(h);

(c) data format requirements under subrule 7.1.1(3);

(d) data security requirements or to redeliver data under subrule 7.1.1(4); or

(e) a manner and, or, location of delivery under subrule 7.1.1(5),

must be in writing and allow the Market operator a reasonable period to comply.

Note: There is no penalty for this rule.

Part 7.2 Information

7.2.1 Provision of information about Market Participants

A Market operator must maintain the information specified below about each Participant of its Market and advise ASIC in writing of any changes which are made to the information (including any changes resulting from the admission of new Participants to its Market) within two Business Days of the change being made:

(a) Market Participant name;

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(b) the unique identifier that is used by the Market operator to identify the trading activities of the Market Participant on the Market operator's Trading Platform;

(c) Market Participant type (including Trading Participant, Market Maker, or Principal Trader, as applicable); and

(d) the type of permissions provided to each Market Participant, being permissions to trade:

(i) Cash Market Products; or

(ii) Derivatives Market Contracts.

Maximum penalty: $100,000

Part 7.3 Material changes to operating rule procedures

7.3.1 Market operator to notify material changes to operating rule procedures

(1) Subject to subrule (2), a Market operator must notify ASIC of a material change to the written procedures made under its operating rules, within a reasonable time before adopting the change.

(2) Where a Market operator is required to make an urgent material change to the written procedures made under its operating rules, the Market operator must notify ASIC of the change as soon as practicable after making the change.

Maximum penalty: $100,000

Part 7.4 Requirement to record and provide Regulatory Data

7.4.1 Application of Part

(1) This Part applies to:

(a) the operator of a Market on or through which offers to acquire or dispose of Equity Market Products are made or accepted;

(b) Participants of the Markets referred to in paragraph (a);

(c) the operator of a CGS Market; and

(d) CGS Market Participants.

(2) This Part applies to orders and transactions in:

(a) financial products able to be traded on a Market referred to in subrule (1)(a), other than Options Market Contracts; and

(b) CGS Depository Interests.

Note: There is no penalty for this Rule.

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7.4.2 Participant to provide Regulatory Data with Orders and Trade Reports

(1) A Participant must provide Regulatory Data to a Market operator in an Order transmitted to an Order Book of that Market operator.

(2) A Participant must provide Regulatory Data to a Market operator in a Trade Report made to that Market operator, for each side of the transaction for which the Participant acted as agent on behalf of a client, or as Principal.

(3) A Participant must not disclose the Regulatory Data it provides to a Market operator under subrules (1) and (2) in connection with the Order or Trade Report other than:

(a) to any of the following:

(i) a person acting as agent on behalf of the Participant, to the extent there is a legitimate business reason for the person to have access to the Regulatory Data;

(ii) the Market operator to which the Regulatory Data is provided; or

(iii) ASIC;

(b) for the purposes of seeking legal advice; or

(c) as otherwise required or permitted by law,

and must take reasonable steps to ensure that a person referred to in subparagraph (a)(i) does not disclose the Regulatory Data to any person other than a person referred to in paragraph (a), or in accordance with paragraphs (b) or (c).

Maximum penalty: $1,000,000

7.4.3 Market operator to record Regulatory Data

(1) A Market operator must keep a record of Regulatory Data provided to it by a Participant in a record of:

(a) a new Order that is received, or an existing Order that is amended, matched or cancelled, on an Order Book of the Market operator's Market;

(b) a transaction on an Order Book of the Market operator's Market; and

(c) a Trade Report accepted by the Market operator.

(1A) A Market operator must keep records of Regulatory Data referred to in subrule (1) for a period of seven years.

(2) A Market operator must not use or disclose Regulatory Data referred to in subrule (1) other than by:

(a) providing the Regulatory Data to ASIC;

(b) disclosing the Regulatory Data to a person acting as agent for the Market operator;

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(c) making available to a Participant, or a person acting as agent on behalf of the Participant, the Regulatory Data provided by that Participant; or

(d) using or disclosing the Regulatory Data for a purpose that is otherwise required or permitted by law,

and must take reasonable steps to ensure that a person referred to in paragraph (b) does not use or disclose the Regulatory Data other than in accordance with paragraphs (a), (c) or (d).

Note: A Market operator is required to provide Regulatory Data to ASIC under Rule 7.1.1.

Maximum penalty: $1,000,000

7.4.4 Regulatory Data

(1) In these Rules, ***Regulatory Data*** means:

(a) in relation to a Trade Report, the information set out in items 1 to 5 of the following table; and

(b) in relation to an order transmitted to an Order Book and any transaction resulting from that order, the information set out in items 2 to 5 of the following table.

(2) The information in items 3, 4 and 5 of the following table does not need to be provided by a Participant if the Participant has taken all reasonable steps to determine the information and is unable to do so.

(3) ASIC may determine in writing format or content requirements for a code, notation or number referred to in the following table.

(4) Participants and Market operators must provide or record Regulatory Data in orders, transactions and Trade Reports in accordance with requirements notified by ASIC under subrule (3) within the timeframe specified in the notification, if the timeframe specified in the notification is reasonable.

(5) Where a Participant provides a notation, code or number to identify information set out in items 1 to 5 of the following table in an Order or Trade Report, it must take all reasonable steps to consistently provide the same code, notation or number to identify the same information in subsequent orders or Trade Reports.

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Item	Label	Regulatory Data
1	Execution venue	A code identifying the Market, Crossing System or other facility on which the orders were matched or the transaction was executed
2	Capacity of Participant	For each side (buy and/or sell) of the order or transaction on which the Participant is required to comply with subrule 7.4.2(1) or (2), a notation to identify whether the Participant is acting: (a) as Principal; (b) as agent for a client; or (c) as both Principal and agent for a client, in relation to the order or transaction
3	Origin of Order or transaction	For each side (buy and/or sell) of the order or transaction on which the Participant acts as agent for a client, a unique notation, code or number used by the Participant to identify the person on whose instructions the Order is submitted or transaction was executed
4	Intermediary ID	For each side (buy and/or sell) of the order or transaction on which: (a) the Participant acts as agent for an AOP Client that is an AFSL holder; and (b) the Participant has an arrangement with the AFSL holder under which the AFSL holder submits Trading Messages into the Participant's system as intermediary for its own clients, the AFSL number of the AFSL holder
5	Directed wholesale indicator	For each side (buy and/or sell) of the order or transaction on which: (a) the Participant acts as agent for an AOP Client that is a wholesale client; and (b) the Participant has an arrangement with the wholesale client under which the wholesale client submits Trading Messages into the Participant's system with non-discretionary execution and routing instructions, a unique notation or code to indicate this

Note: Instruments made under subrule (3) are available on the Federal Register of Legislation. The register may be accessed at www.legislation.gov.au.

Maximum penalty: $1,000,000

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Chapter 8: Extreme price movements

Part 8.1AA Application

8.1AA.1 Application of Chapter

(1) This Chapter applies to:

(a) the operator of a Market on or through which offers to acquire or dispose of Equity Market Products are made or accepted; and

(b) CGS Market operators.

(2) In this Chapter:

Operator means any of the operators referred to in subrule (1).

Relevant Products means Equity Market Products and CGS Depository Interests.

Note: There is no penalty for this Rule.

Part 8.1 Order entry controls for Anomalous Orders

8.1.1 Requirement to have Anomalous Order Thresholds

(1) An Operator must determine an Anomalous Order Threshold for each Relevant Product that is quoted on its Market.

(2) An Operator must notify ASIC in writing of the Anomalous Order Threshold for each Relevant Product that is quoted on its Market, not less than 21 days before first adopting the Anomalous Order Threshold for the purposes of Rule 8.1.3.

(3) ASIC may notify an Operator that an Anomalous Order Threshold the Operator has notified to ASIC or adopted for the purposes of Rule 8.1.3 is not appropriate to promote market integrity or a fair, orderly or transparent market.

(4) If ASIC notifies an Operator under subrule (3) in relation to a Relevant Product, the Operator must, as soon as practicable, determine a new Anomalous Order Threshold for the Relevant Product and notify ASIC in writing of the new Anomalous Order Threshold before adopting the Anomalous Order Threshold for the purposes of Rule 8.1.3.

(5) In determining an Anomalous Order Threshold for a Relevant Product an Operator must take into account, at a minimum:

(a) the price at which a single Order deviates substantially from:

(i) prevailing market conditions for the Relevant Product;

(ii) historical trading patterns; and

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(b) the Tick Size for the Relevant Product.

Maximum penalty: $1,000,000

8.1.2 Requirement to make Anomalous Order Thresholds publicly available

An Operator must make an Anomalous Order Threshold determined under Rule 8.1.1 publicly available before adopting the Anomalous Order Threshold for the purposes of Rule 8.1.3.

Maximum penalty: $100,000

8.1.3 Requirement to prevent Anomalous Orders from entering Markets

An Operator must have in place adequate controls to prevent Anomalous Orders from entering an Order Book (***Relevant Order Book***) of its Market at all times on a Trading Day other than a time during which:

(a) Orders for Relevant Products are not matched and transactions are not executed on a continuous basis on the Relevant Order Book; or

(b) an Auction is being conducted on the Relevant Order Book.

Maximum penalty: $1,000,000

8.1.4 Requirement to have adequate arrangements in relation to Anomalous Order Thresholds

(1) An Operator must have in place adequate arrangements for:

(a) determining Anomalous Order Thresholds in accordance with Rule 8.1.1;

(b) regularly reviewing, and if necessary, amending, the Anomalous Order Threshold for each Relevant Product quoted on its Market, to take into account changes to the matters set out in subrule 8.1.1(5); and

(c) monitoring, and if necessary, adjusting, the controls referred to in Rule 8.1.3 to ensure that the controls are adequate to prevent Anomalous Orders from entering its Market.

(2) An Operator must notify ASIC in writing:

(a) of the arrangements that the Operator has in place under paragraph (1)(a), not less than 21 days before first adopting an Anomalous Order Threshold for the purposes of Rule 8.1.3 in accordance with those arrangements; and

(b) each time the Operator revises the arrangements it has in place under paragraph (1)(a), not less than two business days before adopting the revised arrangements for the purposes of paragraph (1)(a).

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(3) ASIC may notify an Operator that its arrangements for determining Anomalous Order Thresholds under paragraph (1)(a) are not appropriate to promote market integrity or a fair, orderly or transparent market.

(4) If ASIC notifies an Operator under subrule (3), the Operator must, as soon as practicable, revise its arrangements and notify ASIC in writing of the revised arrangements not less than two business days before adopting them for the purposes of paragraph (1)(a).

(5) An Operator must record in writing the arrangements required by subrule (1).

Maximum penalty: $1,000,000

Part 8.2 Extreme Trade Range

8.2.1 Extreme Trade Range

(1) The ***Extreme Trade Range*** for an Equity Market Product means all prices which are greater than:

(a) the number of cents set out in the following table; or

(b) the percentage amount set out in the following table,

as the case may be, away from the Reference Price for the Equity Market Product.

Where Reference Price for Equity Market Product is in the following price range:	Extreme Trade Range (cents or percentage away from Reference Price)
0.1–9.9 cents	> 10 cents
10–99.5 cents	> 30 cents
100–199.5 cents	> 50 cents
200–499 cents	> 50.0%
500–699 cents	> 40.0%
700–999 cents	> 35.0%
1000–1999 cents	> 30.0%
2000–4999 cents	> 25.0%
5000 cents	> 20.0%

(2) The ***Extreme Trade Range*** for a CGS Depository Interest means all prices which are greater than 20% away from the Reference Price for the CGS Depository Interest on the CGS Market.

Note: There is no penalty for this Rule.

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8.2.2 Obligation on Responsible Market Operator to determine and notify Reference Price

(1) The Responsible Market Operator must determine a Reference Price for each Relevant Product after each Trading Reset, as follows:

(a) if there is an Auction in the Relevant Product after the Trading Reset and before the first transaction after a Trading Reset, the price established by the Auction;

(b) if:

(i) the Responsible Market Operator determines, acting reasonably, that the price established by the Auction referred to in paragraph (a) is Invalid;

(ii) the Auction referred to in paragraph (a) does not establish a price; or

(iii) there is no Auction in the Relevant Product after the Trading Reset and before the first transaction after a Trading Reset,

the price of the first transaction after a Trading Reset; or

(c) if paragraph (b) applies and the price of the first transaction after a Trading Reset is Invalid, a price determined by the Responsible Market Operator, acting reasonably, to be not Invalid.

(2) The Responsible Market Operator must, each time it determines a Reference Price for a Relevant Product in accordance with subrule (1), immediately:

(a) use the Reference Price to determine the Extreme Trade Range for the Relevant Product in accordance with Rule 8.2.1, until the next Trading Reset for the Relevant Product; and

(b) notify ASIC and, subject to subrules 9.2.1(1) and (6), the Operator of each other Market on which the Relevant Product is quoted, of the Reference Price for the Relevant Product.

(3) Subject to subrule (4), each Operator that receives a notification under paragraph (2)(b) must immediately use the Reference Price in the notification to determine the Extreme Trade Range for the Relevant Product in accordance with Rule 8.2.1, until it next receives a notification under paragraph (2)(b) in relation to the Relevant Product.

(4) An Operator that operates an Order Book for Relevant Products other than:

(a) ASX TradeMatch (in the case of Equity Market Products admitted to quotation on the ASX Market);

(b) the central Order Book of the Responsible Market Operator for CGS Depository Interests (in the case of CGS Depository Interests);

(cb) the central order book of Chi-X (in the case of Equity Market Products admitted to quotation under the operating rules of the Chi-X Market),

must determine the Reference Price for each Relevant Product for that Order Book after each Trading Reset on that Order Book, as:

(d) the price of the first transaction after a Trading Reset; or

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(e) if paragraph (d) applies and the price of the first transaction after a Trading Reset is Invalid, a price determined by the Operator, acting reasonably, to be not Invalid,

until the Operator receives a notification of the Reference Price for the Relevant Product under paragraph (2)(b).

Note: Under subrules 9.2.1(1) and (6), the relevant Responsible Market Operator for Equity Market Products must provide notifications under paragraph 8.2.2(2)(b) to other Operators through an electronic data feed, and need only make a notification in relation to a particular Equity Market Product to an Operator that has notified it will quote the Equity Market Product on its Market

Maximum penalty: $100,000

8.2.2A Requirement to prevent extreme price movements

An Operator must have in place adequate controls to prevent a transaction in a Relevant Product executing on an Order Book (***Relevant Order Book***) of its Market in the Extreme Trade Range for the Relevant Product, at all times during a Trading Day other than at a time during which:

(a) Orders are not matched and transactions are not executed on a continuous basis on the Relevant Order Book; or

(b) an Auction is being conducted on the Relevant Order Book.

Maximum penalty: $1,000,000

8.2.2B Requirement to identify and notify of ETR Event

(1) An Operator must identify when an ETR Event occurs on an Order Book (***Relevant Order Book***) of its Market, at all times on a Trading Day other than at a time during which:

(a) orders for financial products are not matched and transactions are not executed on a continuous basis on the Relevant Order Book; or

(b) an Auction is being conducted on the Relevant Order Book.

(2) Where an Operator (other than the Responsible Market Operator) identifies that an ETR Event has occurred on an Order Book of its Market, the Operator must immediately notify the Responsible Market Operator of the ETR Event, subject to subrule 9.2.1(1).

(3) Where a technical problem (including a power outage) prevents an Operator from making a notification referred to in subrule (2) immediately, the notification must be made to the Responsible Market Operator without delay by another appropriate means.

Note: Under subrule 9.2.1(1), an Operator must provide notifications under subrule 8.2.2B(2) to the Responsible Market Operator for the Relevant Product through an electronic data feed.

Maximum penalty: $1,000,000

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8.2.2C Requirement to impose Trading Pause

(1) Where the Responsible Market Operator:

(a) identifies an ETR Event on an Order Book of its own Market; or

(b) receives a notification of an ETR Event from another Operator,

in relation to a Relevant Product, the Responsible Market Operator must immediately:

(c) impose a Trading Pause on the Relevant Product for a period of two minutes; and

(d) notify ASIC and, subject to subrules 9.2.1(1) and (6), the Operator of each other Market on which the Relevant Product is quoted, that the Trading Pause has been imposed.

(2) An Operator that receives a notification under paragraph (1)(d) must immediately place each Relevant Product the subject of the notification into a Trading Pause on its Market.

(3) An Operator that places a Relevant Product into a Trading Pause in accordance with subrule (2) may only lift or remove that Trading Pause after the Operator receives a notification under subrule (4) in relation to the same Relevant Product.

(4) The Responsible Market Operator must immediately notify ASIC and, subject to subrules 9.2.1(1) and (6), the Operator of each other Market on which the Relevant Product is quoted when it lifts or removes the Trading Pause imposed on the Relevant Product under subrule (1).

(5) Where a technical problem (including a power outage) prevents the Responsible Market Operator from making a notification referred to in paragraph (1)(d) or subrule (4) immediately, the notification must be made to ASIC and the Operator of each other Market on which the Relevant Product is quoted, without delay by another appropriate means.

(6) The Responsible Market Operator must make publicly available information concerning:

(a) the fact that a Trading Pause will result from an ETR Event;

(b) the length of a Trading Pause resulting from an ETR Event; and

(c) how the Responsible Market Operator will resume trading in the Relevant Product on its Market after a Trading Pause resulting from an ETR Event.

> Note: Under subrules 9.2.1(1) and (6), ASX (as the Responsible Market Operator for Equity Market Products) must provide notifications to other Operators under paragraph 8.2.2C(1)(d) and subrule 8.2.2C(4) through an electronic data feed, and need only make a notification in relation to a particular Equity Market Product to an Operator that has notified ASX it will quote the Equity Market Product on its Market.

Maximum penalty: $1,000,000

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8.2.3 Notification of transactions in Extreme Trade Range

If a transaction is executed on a Market within the Extreme Trade Range for a Relevant Product, the relevant Operator must, as soon as practicable after becoming aware that the transaction was executed:

(a) notify ASIC and the Operators of all other Markets on which that Relevant Product is quoted, of the price and time at which the relevant transaction was executed;

(b) notify the Market Participants that executed the relevant transaction, that the transaction was executed in the Extreme Trade Range; and

(c) make publicly available the price and time of the relevant transaction, or, where more than one transaction in the same Relevant Product was executed in the Extreme Trade Range on the Market of the relevant Operator at or around the same time, the range of prices and times at which such transactions were executed, and the total number of such transactions.

Maximum penalty: $100,000

8.2.4 Operator arrangements in relation to Extreme Trade Range

(1) The Responsible Market Operator must have in place adequate arrangements for notifying ASIC and other Operators of Reference Prices in accordance with subrule 8.2.2(2), and the imposition and lifting or removal of a Trading Pause under paragraph 8.2.2C(1)(d) and subrule 8.2.2C(4).

(2) An Operator must have in place adequate arrangements for:

(a) identifying when an ETR Event occurs on its Market, in accordance with subrule 8.2.2B(1);

(ab) notifying the Responsible Market Operator that an ETR Event has occurred on its Market, in accordance with subrule 8.2.2B(2), unless the Operator is the Responsible Market Operator;

(b) notifying ASIC, other Operators and the relevant Market Participants once the Operator has become aware that a transaction was executed on its Market in the Extreme Trade Range, in accordance with paragraphs 8.2.3(a) and (b); and

(c) making publicly available the price and time of a transaction executed in the Extreme Trade Range, and, where applicable, the range of prices and times, and total number, of transactions executed in the Extreme Trade Range at or around the same time, in accordance with paragraph 8.2.3(c).

Maximum penalty: $1,000,000

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Part 8.3 Transparent cancellation policies

8.3.1 Operator to have transparent cancellation policies

(1) An Operator must have adequate policies and procedures for the cancellation of transactions in Relevant Products entered into on its Market.

(2) An Operator's policies and procedures under subrule (1) must:

(a) include a policy that all transactions executed on its Market within the Extreme Trade Range and identified by or to the Operator will be cancelled;

> Note: Under subrule 8.2.2B(1) and paragraph 8.2.4(2)(a), an Operator must identify when an ETR Event, including the execution of a transaction in the Extreme Trade Range, occurs on its Market and must have in place adequate arrangements for identifying when an ETR Event occurs on its Market.

(b) set out the circumstances, if any, in which transactions in Relevant Products other than transactions referred to in paragraph (a):

(i) will be cancelled;

(ii) may be cancelled subject to a discretion; or

(iii) will not be cancelled;

(c) provide for the timely cancellation of transactions in Relevant Products; and

(d) describe how the Operator will communicate with relevant Market Participants about the cancellation of transactions in Relevant Products.

(3) An Operator must comply with its policies and procedures required under subrule (1).

(4) An Operator must ensure that the policies and procedures it has in place to comply with subrule (1), and any changes to those policies and procedures, are made available to Market Participants of its Market before those policies and procedures, or those changes, take effect.

Maximum penalty: $1,000,000

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Chapter 9: Market operators—Other obligations

Part 9.1 Trading Suspensions

9.1.1AA Application

(1) This Part applies to:

(a) the operator of a Market on or through which offers to acquire or dispose of Equity Market Products are made or accepted, if those Equity Market Products are able to be traded on another Market;

(b) the operator of the other Market referred to in paragraph (a) (in this Part, the ***Other Market Operator***);

(c) the operator of a CGS Market on or through which offers to acquire or dispose of CGS Depository Interests are made or accepted, if those CGS Depository Interests are able to be traded on another CGS Market; and

(d) the operator of the other CGS Market referred to in paragraph (c) (in this Part, the ***Other CGS Market Operator***).

(2) In this Part, ***Relevant Products*** means Equity Market Products and CGS Depository Interests.

Note: There is no penalty for this Rule.

9.1.1 Market operator to notify of Trading Suspensions

(1) Subject to subrules (2) and (3) and Rule 9.2.1, a Market operator or CGS Market operator (as applicable) (***First Market Operator***) must immediately notify each Other Market Operator or Other CGS Market Operator (as applicable) each time the First Market Operator:

(a) places a Relevant Product into a Trading Suspension; and

(b) lifts or removes a Trading Suspension on a Relevant Product.

(2) Where a technical problem (including a power outage) prevents the First Market Operator from making a notification referred to in paragraph (1)(a) or (b) immediately, the notification must be made to the Other Market Operator or Other CGS Market Operator without delay by another appropriate means.

(3) The First Market Operator is not required to comply with subrule (1) if the First Market Operator has placed the Relevant Product into a Trading Suspension, or lifted or removed the Trading Suspension, as a result of a notification from a Market operator under paragraphs (1)(a) or (b).

Maximum penalty: $1,000,000

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9.1.2 Market operator to place Relevant Products into a Trading Suspension

(1) A Market operator or CGS Market operator that receives a notification under paragraph 9.1.1(1)(a) must immediately place each Relevant Product the subject of the notification into a Trading Suspension on its Market.

(2) A Market operator or CGS Market operator that places a Relevant Product into a Trading Suspension in accordance with subrule (1) may only lift or remove that Trading Suspension after that Market operator receives a notification under paragraph 9.1.1(1)(b) in relation to the same Relevant Product.

Maximum penalty: $1,000,000

9.1.3 Market operator to notify of system outages

A Market operator or CGS Market operator must notify ASIC, Other Market Operators or Other CGS Market Operators (as applicable) and Participants of its Market immediately upon becoming aware of a technical problem (including a power outage) affecting a Market operator's trading, compliance monitoring and reporting systems that may interfere with the fair, orderly or transparent operation of any Market.

Maximum penalty: $1,000,000

Part 9.2 Information Sharing

9.2.1AA Application

(1) This Part applies to:

(a) the operator of a Market on or through which offers to acquire or dispose of Equity Market Products are made or accepted, if those Equity Market Products are able to be traded on another Market;

(b) the operator of the other Market referred to in paragraph (a) (in this Part, the ***Other Market Operator***);

(c) the operator of a CGS Market on or through which offers to acquire or dispose of CGS Depository Interests are made or accepted, if those CGS Depository Interests are able to be traded on another CGS Market; and

(d) the operator of the other CGS Market referred to in paragraph (c) (in this Part, the ***Other CGS Market Operator***).

(2) In this Part, ***Relevant Products*** means Equity Market Products and CGS Depository Interests.

Note: There is no penalty for this Rule.

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9.2.1 Provision of information by electronic data feed to other Market operators

(1) Subject to subrules (2) to (5) and Rule 9.1.3, a Market operator and a CGS Market operator (***First Market Operator***) must make available to each Other Market Operator or Other CGS Market Operator as applicable, through an electronic data feed and in a machine-readable format:

(a) notifications referred to in subrule 8.2.2(2) and Rules 8.2.2B and 8.2.2C;

(b) Pre-Trade Information referred to in subrule 6.1.2(1);

(c) Post-Trade Information referred to in subrule 6.3.4(1);

(d) notifications referred to in Rule 9.1.1; and

(e) to the extent not covered by paragraph (d), information about the status of trading in each Relevant Product.

(2) Notwithstanding Rules 6.1.3 and 6.3.5, the First Market Operator must make available a data feed referred to in subrule (1) to each Other Market Operator or Other CGS Market Operator either at no cost or for an amount which is no greater than the direct, efficient, incremental costs of making the data feed available.

(3) Notwithstanding Rules 6.1.3 and 6.3.5, where the First Market Operator makes available a data feed referred to in subrule (1) in accordance with subrule (2), the First Market Operator may make that data feed available on terms that limit the purposes for which the Other Market Operator or Other CGS Market Operator as applicable, may make use of the data feed to purposes directly related to:

(a) in the case of a notification referred to in paragraph (1)(a):

  (i) determining the Extreme Trade Range for a Relevant Product;

  (ii) identifying an ETR Event in relation to a Relevant Product; and

  (iii) placing a Relevant Product into a Trading Pause, or lifting or removing that Trading Pause;

(b) in the case of information referred to in paragraph (1)(b), (c) or (e), compliance with the Other Market Operator's or Other CGS Market Operator's (as applicable) obligations under Part 7.2 and Part 7.2A of the Corporations Act, including, the obligation to monitor and enforce compliance with its listing rules; and

(c) in the case of the notification referred to in paragraph (1)(d), placing a Relevant Product into a Trading Suspension, or lifting or removing that Trading Suspension, on the Market of the Other Market Operator or Other CGS Market Operator (as applicable).

(4) A Market operator need only make available a data feed referred to in subrule (1) in accordance with subrule (2) in relation to a Relevant Product to Other Market Operators or Other CGS Market Operators (as applicable), within a reasonable time of receiving a notification from that Market operator under subrule (5) in relation to that Relevant Product.

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(5) For the purposes of subrule (4), the Other Market Operator or Other CGS Market Operator may give notice to the First Market Operator that the Other Market Operator or Other CGS Market Operator as applicable, requires a data feed referred to in subrule (1) for a purpose referred to in subrule (3) in relation to a Relevant Product.

(6) A Market operator need only make the notifications referred to in paragraph (1)(a) or (d) in relation to an Equity Market Product to another Market operator, within a reasonable time of receiving a notification from that Other Market Operator under subrule (7) in relation to that Equity Market Product.

(7) For the purposes of subrule (6), if a Market operator:

(a) intends to allow an Equity Market Product to be available for trading on its Market; and

(b) that Equity Market Product was not first admitted to quotation by that Market operator,

the Market operator must notify the Market operator that first admitted the Equity Market Product to quotation of the intention in paragraph (a).

Maximum penalty: $1,000,000

9.2.2 Market operator must assign unique identifiers to each Participant

(1) A Market operator must assign each of its Participants a unique identifier for the purposes of identifying the Participant in records of Orders, transactions and other Trading Messages relating to Relevant Products.

(2) Where a Participant is a Participant of more than one Market, each relevant Market operator must assign the same identifier to the Participant under subrule (1).

Maximum penalty: $100,000

9.2.3 Market operator must use unique symbols for Relevant Products

(1) If a Market operator is the first Market operator to admit an Equity Market Product to quotation on its Market, that Market operator must assign each such Equity Market Product a unique symbol for the purposes of identifying that Equity Market Product in records of orders, transactions and other Trading Messages on its Market.

(2) If a unique symbol has been assigned to an Equity Market Product under subrule (1) each other Market operator must assign the same unique symbol to that Equity Market Product for the purposes of identifying that Equity Market Product in records of Orders, transactions and other Trading Messages on their Market.

(3) The Responsible Market Operator for CGS Depository Interests must assign each CGS Depository Interest a unique symbol for the purposes of identifying that CGS Depository Interest in records of Orders, transactions and other Trading Messages on its Market.

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(4) A CGS Market operator other than the Responsible Market Operator for CGS Depository Interests must assign the same unique symbol assigned by the Responsible Market Operator under subrule (3) to that CGS Depository Interest for the purposes of identifying that CGS Depository Interest in records of Orders, transactions and other Trading Messages on its Market.

Maximum penalty: $100,000

Part 9.3 Synchronised clocks

9.3.1AA Application

This Part applies to:

(a) the operator of a Market on or through which offers to acquire or dispose of Equity Market Products are made or accepted, if those Equity Market Products are able to be traded on another Market;

(b) the operator of the other Market referred to in paragraph (a) (in this Part, the ***Other Market Operator***);

(c) the operator of a CGS Market on or through which offers to acquire or dispose of CGS Depository Interests are made or accepted, if those CGS Depository Interests are able to be traded on another CGS Market; and

(d) the operator of the other CGS Market referred to in paragraph (c) (in this Part, the ***Other CGS Market Operator***).

Note: There is no penalty for this Rule.

9.3.1 Market operators to synchronise clocks

(1) A Market operator must set the clock the Market operator uses for recording the time and date in its trading, compliance monitoring and reporting systems so that it is synchronised to within 20 milliseconds of the UTC(AUS).

(2) Where a Market operator relies on another person to provide any aspect of their trading, compliance monitoring or reporting systems that records the time and date, the Market operator must take reasonable steps to ensure that person synchronises the clock used for that purpose to within 20 milliseconds of the UTC(AUS).

Maximum penalty: $1,000,000

9.3.2 Market operator to have arrangements for compliance

(1) A Market operator must have in place adequate arrangements to ensure it complies with Rule 9.3.1, including arrangements for:

(a) regularly monitoring the clock it uses for recording the time and date in its trading, compliance monitoring and reporting systems to ensure it remains synchronised; and

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(b) when required, re-setting the clock it uses for recording the time and date in its trading, compliance monitoring and reporting systems.

(2) Where a Market operator relies on another person to provide any aspect of their trading, compliance monitoring and reporting systems, the Market operator must take reasonable steps to ensure that person has in place arrangements referred to in subrule (1).

Maximum penalty: $100,000

Part 9.4 Tick Sizes

9.4.1AA Application

This Part applies to:

(a) the operator of a Market on or through which offers to acquire or dispose of Equity Market Products are made or accepted, if those Equity Market Products are able to be traded on another Market;

(b) the operator of the other Market referred to in paragraph (a) (in this Part, the ***Other Market Operator***);

(c) the operator of a CGS Market on or through which offers to acquire or dispose of CGS Depository Interests are made or accepted, if those CGS Depository Interests are able to be traded on another CGS Market; and

(d) the operator of the other CGS Market referred to in paragraph (c) (in this Part, the ***Other CGS Market Operator***).

Note: There is no penalty for this Rule.

9.4.1 Market operators to use standard Tick Sizes

(1) Subject to subrule (2), a Market operator must not accept, display or queue orders in an Order Book in Tick Sizes less than:

(a) $0.01 for an Equity Market Product priced at equal to or greater than $2.00;

(b) $0.005 for an Equity Market Product priced at equal to or greater than $0.10 and less than $2.00;

(c) $0.001 for an Equity Market Product priced at less than $0.10; and

(d) $0.001 for a CGS Depository Interest.

(2) Subrule (1) does not apply to an order that, if executed, would result in a Block Trade, Large Portfolio Trade or, in the context of Rule 6.2.3, a transaction at the Best Mid-Point.

Maximum penalty: $1,000,000

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Part 9.5 Record keeping

9.5.1 Market operators to keep records which demonstrate compliance

A Market operator must keep records that enable it to demonstrate that it has complied with its obligations under the Rules and Part 7.2 of the Corporations Act, including without limitation records which:

(a) demonstrate the Market operator has adequate arrangements for operating the market, such as records relating to:

(i) handling conflicts between the commercial interests of the Market operator and the need for the Market operator to ensure that the Market operates in a way which is fair, orderly and transparent;

(ii) the Market operator's monitoring and enforcement of its operating rules, such as records relating to:

(A) decisions made by the Market operator in relation to each application for a financial product to be traded on its Market;

(B) decisions made by the Market operator in relation to each application for admission as a Participant of its Market;

(C) compliance by an Issuer with its continuous disclosure obligations and periodic disclosure obligations;

(D) each market-related dispute made to the Market operator, its assessment, investigation and resolution;

(iii) decisions made by the Market operator about:

(A) imposing a Trading Pause in the event of an identified ETR Event;

(B) placing a financial product in Trading Suspension or lifting or removing a Trading Suspension;

(C) cancelling a transaction; or

(iv) any outsourcing arrangement that the Market operator has in place with another person (including a related body corporate) in connection with operating the Market;

(b) are used by the Market operator's board of directors or senior managers to consider whether the Market operator has sufficient financial, technological and human resources to operate the market properly; or

(c) demonstrate the Market operator's compliance with its licence conditions.

Maximum penalty: $100,000

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9.5.2 Records to be retained for prescribed period

A Market operator must retain the records referred to in this Part for seven years from the date the record is made.

Maximum penalty: $100,000

9.5.3 Records kept outside Australia

If a record required to be kept by a Market operator under this Chapter 9 is kept outside Australia, the Market operator must, if directed in writing by ASIC to produce that record at a place in Australia by a specified time, comply with that direction:

(a) within the time specified in the direction if that is a reasonable time; or

(b) in any other case, within a reasonable time.

Maximum penalty: $100,000

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Endnotes

Endnote 1 – Instrument history

Instrument number	Date of FRL registration	Date of commencement	Application, saving or transitional provisions
ASIC Market Integrity Rules (Securities Markets) 2017 (F2017L01474)	16/11/2017	Each provision other than Rule 1.1.3A: 04/12/2017 Rule 1.1.3A: 07/05/2018	
ASIC Market Integrity Rules (Securities Markets and Futures Markets) 2018 (No.1) (F2018L00585)	03/05/2018	04/05/2018	-

Endnote 2 - Amendment history

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

Provision affected	How affected
Paragraph 1.1.3	rep. s48D LA
Paragraph 1.4.5(1)(b)	am. F2018L00585, Schedule 1, item [1]
Subrule 1.4.5(3)	ad. F2018L00585, Schedule 1, item [1]
Subrule 1.4.5(4)	ad. F2018L00585, Schedule 1, item [1]
Subrule 2.4.14(1)	am. F2018L00585, Schedule 1, item [3]
Paragraph 2.4.15(1)(d)	am. F2018L00585, Schedule 1, item [4]
Rule 2.4.23	ad. F2018L00585, Schedule 1, item [2]
Rule 2.4.24	ad. F2018L00585, Schedule 1, item [2]
Rule 5A.3.3 (Penalty)	rs. F2018L00585, Schedule 1, item [5]

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