

Clearing assessment and operational support assessment guidance

The purpose of this document is to provide guidance on the fees payable by market operators for clearing and operational support assessments under the Product Services legal terms

Clearing assessment

- Assessment by ASX Clear of whether a new product is clearable under ASX Clear's Clearability Policy.
- A clearing assessment is required for all new products which are not identical to the existing product set, and may be required for existing products when the terms of the product have changed, causing the product to be issued on terms that are not identical to the remainder of the existing product set.

Operational support assessment

- Assessment by ASX Clear and ASX Settlement of whether any new processes, or development or testing, is required to support delivery of clearing, settlement, issuer or AMO services in respect of a new product. An operational support assessment is required for all new products and whenever a clearing assessment has been performed.
- The outcome of the assessment may result in an estimation of effort required to support the product in CHES. This subsequent fee would need to be agreed with the AMO and the effort prioritized and planned prior to commencement of support.

Process for each assessment

- AMO submits new product terms for assessment with required information. Please refer to Schedule 1 of the Product Services Legal Terms which sets out the required information.
- ASX assesses the submission and confirms it has all required information or requests additional information.
- ASX provides an estimate of whether the clearability assessment and operational support assessment fees will be high, medium or low, based on the ranges set out below.
- Once AMO confirms its acceptance of the estimate and ASX confirms it has all the required information, ASX can formally commence the assessments.
- Some aspects of the operational support assessment may occur concurrently to the clearability assessment, however, the outcome of the clearability assessment is part of the necessary information for the operational support assessment. This is to ensure that what is required for the risk management of the product is assessed.
- ASX will bill assessment fees at intervals to be agreed with the AMO (for example, monthly in arrears).

Assessment fees:

Given complexities of proposals and new products/requests, assessment fees will be evaluated and calculated on a case by case basis applying the hourly rates of personnel applicable based on requirements.

Based on historically actual experience over the last few years, a range of fees has been summarised in order to provide a potential range of cost – this should be used for indicative guidance only.

Low: “Basic” or “Similar to existing product set” or “change to terms of existing product”

Medium: “Complex/some assessment required” or Significantly different to existing product set but with limited requirement for review of application of post trade processes”

High: “New product” or “Significantly different to existing product and requires extensive review of application of post trade processes”

	Low	Medium	High
	\$		
Operational Support Assessment	4,000 - 8,000	10,000 - 20,000	45,000+
Clearability Assessment	5,000 - 10,000	15,000 - 25,000	50,000+

Please note actual assessment fees may be higher or lower than the estimate, and higher or lower than the indicative guidance in this document, as the effort required for any individual product can be influenced by factors beyond ASX’s control, e.g. changes to the product terms or AMO’s requirements during the course of the assessment process. These ranges are exclusive of GST.