



MARKET ANNOUNCEMENT

5 September 2013

ASX Compliance Monthly Activity Report – August 2013

Listings

Listed Entities	August 2013
Listed entities at month start	2,184
New listings	5
De-listings	27
Listed entities at month end	2,162

New listings for the month were Apollo Series 2013-1 Trust (AOR), Birch and Prestige Investment Group Limited (BOP), Fertoz Limited (FTZ), Steadfast Group Limited (SDF) and Z Energy Limited (ZNZ).

De-listings for the month were Arafura Pearls Holdings Limited (APB), Arturus Capital Limited (AKW), Autodom Limited (AIE), Becton Property Group Limited (BEC), Becton Property Trust (BEC), Carpathian Resources Limited (CPN), Coonawarra Australia Property Trust (CNR), Diversified Utility and Energy Trust No.1 (DUE), Diversified Utility and Energy Trust No.3 (DUE), DUET Management Company 1 Limited (DUE), Genesis Research and Development Corporation Limited (GEN), Giaconda Limited (GIA), Gunns Limited (GNS), Hastie Group Limited (HST), Henry Walker Eltin Group Limited (HWE), ION Limited (ION), ISS Group Limited (ISS), Kalgoorlie Mining Company Limited (KMC), Metal Storm Limited (MST), Mothercare Australia Limited (MLC), NEO Resources Limited (NER), Norfolk Group Limited (NFK), Polymetals Mining Limited (PLY), Shandong Tianye Australia Limited (SDT), Strathfield Group Limited (SRA), UCL Resources Limited (UCL) and Vesture Limited (VES).

Key Listings Statistics	August 2013
Total company announcements	9,997
Price queries by ASX ¹	53
Other continuous disclosure queries by ASX ²	28
Aware letters sent by ASX ³	9
Announcements made following a price query	38

¹ Price queries are enquiries made by ASX (either by letter or phone) to a listed entity if it detects unusual movements in a listed entity's security price or trading volumes to ask if the listed entity is aware of any information that has not been announced which, if known, might explain the movements.

² Other continuous disclosure queries are queries (other than price queries) raised by ASX with listed entities when ASX has concerns the entity may not be in compliance with its continuous disclosure obligations under Listing Rules 3.1, 3.1A and 3.1B. Examples include a query made following a media report or an announcement lodged with ASX.

³ Aware letters are sent by ASX following an announcement by a listed entity and ask for details of when the listed entity became aware of the material information contained in the announcement.

Key Listings Statistics	August 2013
Trading halts at the listed entity's request	108
Trading halts following a query by ASX	2
Suspensions at the listed entity's request	23
Suspensions imposed by ASX for breach of the Listing Rules	9

Participants

ASX Participants ⁴	August 2013
Market/Clearing/Settlement Participants at month start	123
New admissions	0
Resignations and removals	2
Market/Clearing/ Settlement Participants at month end	121

ASX 24 Participants	August 2013
Trading/Clearing Participants at month start	49
New admissions	0
Resignations and removals	0
Trading/Clearing Participants at month end	49

During the month of August, National Australia Securities Limited resigned as an ASX Market Participant and ANZ Nominees resigned as an ASX Settlement Participant.

Enforcement

Referrals to ASIC ⁵	August 2013
Continuous disclosure referrals	1
Other referrals	0
Total referrals to ASIC	1

Enforcement Matters	August 2013
Open ASX enforcement matters at month start	1
New enforcement matters commenced during the month	0
Enforcement matters concluded during the month	0
Open ASX enforcement matters at month end	1
Fines imposed during the month (excl GST)	Nil

⁴ Figures exclude Special Settlement Participants set up to effect a specific corporate action as their participation is only temporary.

⁵ ASX is required, under sections 792B(2)(c) and 821B(2)(c) of the Corporations Act 2001, to refer a matter to ASIC if it has reason to suspect that a person has committed, is committing, or is about to commit a significant contravention of the ASX Group's Operating Rules or the Corporations Act. It should be noted that a single referral may relate to more than one potential contravention. It should also be noted that the fact a matter has been referred to ASIC does not necessarily mean that a contravention has been committed or that ASIC will take enforcement proceedings in relation to it.

No Disciplinary Circulars were released by the ASX Disciplinary Tribunal during the month. Copies of previous Circulars are available online at: <http://www.asx.com.au/asx/group/disciplinaryAnnouncements.do>.

ASX Rule Changes, Waivers and Exemptions

Effective 2 August 2013, the ASX Clear and ASX Settlement Operating Rules were amended to remove the impediments to Australian-owned banks becoming direct participants in ASX Clear and ASX Settlement. This included removing the need for such banks to comply with the capital regime under the ASX Clear Operating Rules on the basis that they are subject to APRA prudential regulation.

On the same date, the definitions of Direct Participant and General Participant were also updated to clarify that a Participant that clears only for itself and its wholly-owned group entities (as defined) only needs to satisfy the capital requirement of a Direct Participant.

In addition, ASX Clear Operating Rule 5.1.2 was amended to remove the need for duplicated reporting by ASX Clear NTA Participants that are also an ASX Clear (Futures) Participant. From 2 August, an ASX Clear NTA Participant is deemed to satisfy the ASX Clear NTA requirement if it satisfies the ASX Clear (Futures) NTA requirement, which is of equal or higher standard. This amendment does not apply to ASX Clear Participants that are subject to the Risk Based Capital Requirements.

The batch of changes on 2 August also included other clarifying changes to the ASX Clear Operating Rules. These changes do not impose new requirements on Clearing Participants but were made to provide greater clarity and to remove linkages to definitions that were transferred to the ASIC Market Integrity Rules.

Effective 8 August 2013, the ASX Clear Operating Rules and Procedures and ASX Settlement Operating Rules and Procedures were amended to facilitate ASX Clear Participants being able to use multiple participant identifier (PID) structures. The changes also clarify the settlement outcomes and requirements for ASX Settlement Participants who use a multiple PID structure (which already applies). These changes were in response to several applications/enquiries from clearing participants over the past two years seeking to establish a multiple PID structure under a single participation. The key drivers for such an arrangement have been the segregation of post-trade business workflows (eg wholesale and retail) or to facilitate an additional back office system.

ASX Clear (Futures) Operating Rules Procedures were amended with effect from 16 August 2013 to enable ASX Clear (Futures) (ASXCLF) to continue to comply with the Reserve Bank of Australia's Financial Stability Standards (FSS). To date, the FSS have required ASXCLF to hold "Cover 1" financial resources (ie to have sufficient financial resources, after use of a defaulter's margin and commitments, to withstand the default of the clearing participant and its affiliates, if applicable, to which it has the largest credit exposure). Under Cover 1, the maximum stress test exposure limit (STEL) assigned to any one clearing participant is the full amount of available financial resources (currently \$370 million).

To comply with the Reserve Bank's interpretation of the FSS as it applies to ASXCLF, ASXCLF must now hold "Cover 2" financial resources. This requires ASXCLF to have sufficient financial resources, after use of a defaulter's margin and commitments, to withstand the default of the two clearing participants and their affiliates, if applicable, to which it has the largest credit exposures. In order to comply with these regulatory requirements and in anticipation of business growth, including ASXCLF's new OTC derivative clearing service, the ASX Group has provided additional funds to increase ASXCLF's available financial resources to \$550 million as at 16 August 2013. As participants join the OTC derivative clearing service their contributions to the fund will raise available financial resources to up to \$650 million.

Under Cover 2, the maximum STEL that can be assigned to any clearing participant is 50% of available financial resources. Consequently, the maximum STEL will start at \$275 million and rise up to \$325 million. This change will affect "A" rated and "B" rated clearing participants that currently have STELs of \$370 million and \$295 million respectively. There is no impact on the STELs of clearing participants rated "C" to "E". ASXCLF will transition "A" and "B" clearing participants to the new STEL regime between 16 August and 2 September 2013. The new STELs will become effective on 2 September 2013.

ASX amended its Operating Rules Procedures to require participants to provide to ASX a copy of their Automated Order Processing (AOP) certifications and confirmations from ASIC on a participant's admission and thereafter on an ongoing basis. The rationale for the amendment is to ensure ASX receives a copy of the AOP certifications and confirmation that ASIC has no objections with a participant's AOP certification on an on-going basis. This change came into effect on 19 August 2013.

Refresh of guidance notes

ASX is undertaking a project to replace all of its existing guidance notes and adopt a new system of numbering that is consistent across the various ASX rulebooks. As part of that project, ASX will be reviewing and replacing the remaining Market Rule guidance notes that it oversees to reference the ASX Operating Rules.

The first of such replacement guidance notes is Guidance Note 4 *Waivers and In-Principle Advice*, issued on 5 August 2013. An updated or new Guidance Note 4 was issued with respect to:

- the ASX Operating Rules (replacing former ASX Market Rule Guidance Notes 15 (market participants) and 16 (warrants and AQUA products));
- the ASX Clear Operating Rules (replacing former ACH Clearing Rules Guidance Note No. 9);
- the ASX Settlement Operating Rules (replacing former ASTC Settlement Rules Guidance Note 7); and
- the ASX 24 Operating Rules (a new guidance note).

Details of these rule and guidance note changes can be accessed online at: <http://www.asxgroup.com.au/recent-rule-amendments.htm>.

There were 62 waivers granted in relation to the ASX Listing Rules and one waiver in relation to ASX Clear Operating Rules. Details of waivers and exemptions granted by ASX can be accessed online by clicking on the relevant rule book on the Rules, Guidance Notes and Waivers page on the ASX website (<http://www.asxgroup.com.au/rules-guidance-notes-and-waivers.htm>) and then clicking on the waivers tab.