



MEDIA RELEASE

10 April 2013

ASX releases draft Code of Practice

ASX today released its draft Code of Practice for Clearing and Settlement of Cash Equities in Australia for industry consultation.

ASX is developing the Code following an announcement by the Deputy Prime Minister and Treasurer on 11 February 2013, to defer a decision on any licence application from a central counterparty seeking to compete in the Australian cash equity market, thereby retaining the current market structure for the clearing and settlement of cash equities for the next two years.

The draft Code sets out ASX's commitment to:

- establish an ongoing advisory forum that allows users and stakeholders to provide input to the Boards of ASX Clear and ASX Settlement;
- transparent and non-discriminatory pricing of clearing and settlement services; and
- transparent and non-discriminatory terms of access to clearing and settlement services.

The Code will be supported by a dedicated section on ASX's website that will provide detailed information on ASX's clearing and settlement services and performance. The website will also contain information on the topics discussed at the industry stakeholder forum (the Forum). The full website will be developed by the end of August 2013, and an outline of the site is provided as part of the consultation process.

The Forum will consist of representatives from ASX customers and a broad range of other stakeholder groups. The proposed members of the Forum, who have all expressed a willingness to participate, are attached to this release. It is proposed that Forum members will be appointed for an initial two-year period.

Stakeholders have until 8 May to make a submission to ASX on the draft Code. In addition to providing customers and industry stakeholders with the opportunity to provide written submissions on the draft Code, ASX is hosting two industry briefing sessions over the next month as well as bilateral consultation meetings and roundtables.

ASX Managing Director and CEO, Elmer Funke Kupper, said: "Australia's financial markets are world-class. ASX's clearing and settlement infrastructure provides a critical service to market users by reducing and managing the risks involved in financial market transactions.

"We see the establishment of the Code of Practice and the stakeholder forum as a real opportunity to obtain input from the industry in the development of Australia's infrastructure. We recognise the obligations we have as the operator of clearing and settlement services to our clients and regulators. ASX is committed to delivering a world-class and globally competitive financial market infrastructure."

The Code is expected to be operational by 9 August 2013.

For more information on the Code and ASX's clearing and settlement services for the Australian cash equity market please visit www.asx.com.au/cs/index.htm

The consultation paper and the draft Code are available here: <http://www.asxgroup.com.au/public-consultations.htm>

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Proposed membership of the Forum

Users of clearing and settlement services

Chief Executive Officer, Managing Director, Country Head representation from:

- Chi-X Australia
- Citi Australia
- CommSec representing Commonwealth Bank of Australia
- Deutsche Bank AG
- HSBC Bank Australia
- J.P. Morgan
- Macquarie Securities Group
- Morgan Stanley Australia
- Patersons Securities
- UBS Australasia

Industry stakeholders

Senior representation from:

- Australian Financial Markets Association
- Stockbrokers Association of Australia
- Financial Services Council representing the funds management industry
- Link Market Services representing share registries
- GBST representing system vendors
- custodial services providers
- payment system service providers
- a member representing listed companies

ASX

- a director representing ASX Limited
- a director representing ASX Clear and ASX Settlement (Forum Chair)