

Ms Marissa Khan
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Michelle King
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7th November 2013

Dear Marisa,

On behalf of WealthHub Securities Limited, I would like to thank the ASX for the opportunity allowing Participants to provide feedback to the Consultation paper on Core Capital Requirement Proposals, October 2013.

I have limited our response to the questions for Direct Clearing Participants.

Minimum Capital Requirements for Direct Clearing Participants (DCP)

Q1. Do you think that the current minimum core capital requirement of \$5 million for DCPs is appropriate?

The current level of core capital requirement is appropriate for DCP's given the recent introduction of an additional risk management tool through the ASX Cash Market Margining requirements. This provides for 2 risk management tools directly imposed on DCP's complementing capital and liquidity needs.

Q2. If you do not consider the \$5 million requirement to be appropriate:

(a) Should ASXCL proceed with increasing the minimum core capital requirement for DCPs and why?

No, the introduction of Cash Market Margining adds an additional layer of risk management. Secondly, the impending release of Financial Stability Standards (FSS) recommendations on House and Client clearing model may provide additional protection for the market with client funds segregated from a DCP's House activities.

(b) What level should it be to?

No Change

(c) Should the increase be implemented in stages or all at once?

No Change

(d) What should the effective date of the increase(s) be?

No Change

Q3. Are there any other factors that ASXCL should take into consideration in determining the appropriate course of action with respect to minimum core capital requirements?

Yes, potential changes to the clearing model through the FSS recommendations need consideration prior to any further capital framework changes on DCP's.

Tiered Minimum Core Capital Requirements for General Clearing Participants (GCP)

Q1. Do you think a tiered minimum core capital requirement for GCPs is appropriate?

Not applicable.

Q2. If "Yes" to Q1, is ASX's tiering proposal appropriate? If not, what would you propose?

Not Applicable.

Q3. Do you think there should be a time limit for transitional capital arrangements?

Not applicable.

Q4. Are there any other factors that ASX Clear should take into consideration in determining the appropriate course of action with respect to tiered minimum core capital requirements for GCPs?

Not Applicable.

If you have any further queries, please do not hesitate to call to discuss further.

Yours sincerely,



Michelle King
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