



# ASX Investment Products

## mFund Update - July 2018

### 1. Guidance for removal of a fund from the mFund settlement service

ASX has published guidance for the removal of a fund from the mFund settlement service. This guidance includes:

- The right of an Issuer to request removal from the mFund settlement service
- How to make a request for removal from the mFund settlement service
- What an entity should announce to the market when it makes a request for removal

The full guidance can be viewed [here](#). If you have any queries, please contact the Investment Products team.

### 2. Proposed change to Fund Request Cut-Off time – impacting brokers, issuers and PISPs

As part of the upcoming [CHESS 10 release](#), ASX is proposing to amend the Fund Request Cut-Off time.

Currently, ASX Settlement Operating Rules provides the following:

- Fund Request Cut-off Time is 11:15am Sydney time in relation to any application for issue or redemption of AQUA Products or an application to Switch between AQUA Products, on any Business Day under the ASX Settlement Operating Rules.
- Settlement Cut-Off Time is 11:30am Sydney time on a Business Day

**ASX is proposing to change the Fund Request Cut-off Time to 11:00am Sydney time.**

**This means where the order has been received by 11:00am, a PISP will be required to accept or reject a valid order by 11:30am (Settlement Cut-Off).**

For applications:

- Where a PISP sends a valid acceptance response prior to the Settlement Cut-Off, funds in relation to the application order will be transferred from the broker to the PISP on a same day basis
- Where a valid application order is received after 11:00am (Fund Request Cut-Off), the obligation to respond is delayed until 11:30am on the following day.

Potential impacts of this change:

- For PISPs, this change will primarily extend the window to respond to an application request following the introduction of a new message suite to identify the foreign tax status of investors which would be expected to be sent alongside any initial application request.
- For brokers, the time-frame to submit a complete and valid order will be reduced by 15mins. Where an application order has been initially rejected by a PISP it will also provide a greater window of opportunity for the broker to resubmit the application order prior to that day's Settlement Cut-Off and funds transfer.
- For Issuers, a consideration of whether the fund PDS should be updated to reflect the above change.

ASX will continue to work with all stakeholders to facilitate this change. CHES10 is anticipated to go-live mid-November. Further information in relation to the progress and implementation of this initiative will be provided as necessary. If you have queries, please contact [CHES10@asx.com.au](mailto:CHES10@asx.com.au).

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