Client
Protection
Model

ASX Clear (Futures)

ASX

How the Client Protection Model works

ASX Clear (Futures) offers users the choice of two different account types which deliver different levels of protection for ASX 24 exchange traded futures and cleared OTC derivatives in the event of a Clearing Participant (CP) default[1].

Client Omnibus Account

Positions of multiple clients are comingled in the omnibus account of the Clearing Participant at ASX.

Individual Client Account (ICA)

Positions of an individual client are segregated in an account in the client's name at ASX.

The two options provided are:

Initial Margin Value ○────────○ Asset Attribution

Providing increasing levels of client clearing protection, through our Individual Client Accounts.

This brochure outlines choices available to clients about the way that margin collateral is passed through to ASX by a clearing broker can be held. Account types outlined in this brochure are not applicable to client margin that is retained by the client's clearing broker. However, the clearing broker is usually required by law to keep those monies in a segregated account for the benefit of those clients.

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1. For detailed information on ASX's client clearing account options, go to asx.com.au/client-protection-model
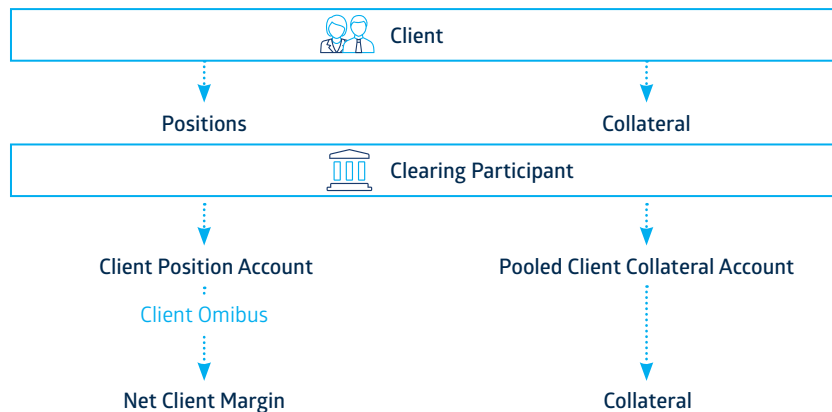
Provides greater clearing protection

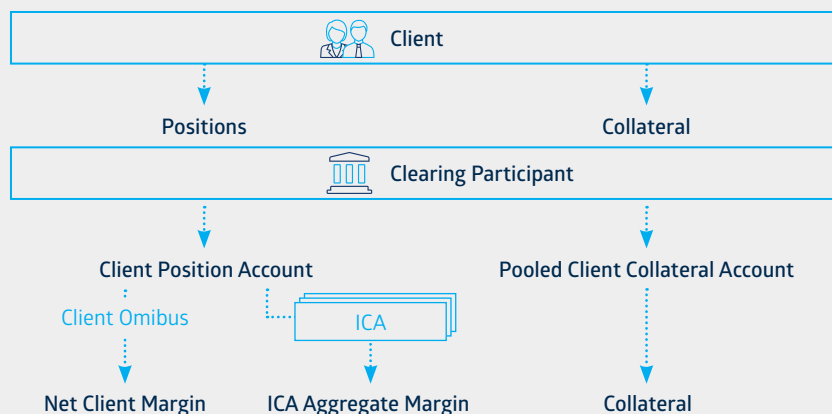|	Omnibus Account	ICA Initial Margin Value	ICA Asset Attribution
Individual positions	The CP holds the individual client positions. ASX identifies the CP's consolidated client omnibus position.	✓ ASX **can** identify positions of the individual client.	
Initial margin	The CP collects gross margin from individual clients and retains excess. ASX uses the net position of all clients in the omnibus account to calculate initial margin.	✓ The net position of the **individual client** is used by ASX to calculate initial margin.	
Holding collateral	Collateral is **co-mingled** in the pooled client collateral account.		✓ Attributed assets are held in the pooled client collateral account and are **specifically identified** for the ICA.
Collateral value protected	Clients within the omnibus account must refer to the external administrator in the event of CP default for their share of any funds returned.	✓ **ASX protected.** Collateral Value = Value of ICA Initial Margin last settled.	✓ **ASX protected.** Collateral Value = the greater of Value of ICA Initial Margin last settled or Total Collateral attributed, including excess.
Ability to port	**Only able to port** if all clients in the omnibus account agree on an alternate clearer, and are accepted within the porting window[2]. In practice, ASX is **unlikely** to be able to port the contracts in an omnibus account to an alternate clearer, within the porting window[2].	✓ **Able to port** if the nominated clearer accepts the ICA's positions and Collateral Value within the porting window.	✓ **Able to port** if the nominated clearer accepts the ICA's positions and Collateral Value (including Attributed assets) within the porting window.
Porting not achieved	ASX will close out positions in the omnibus account, and return any remaining Collateral Value less close out costs to the **external administrator.**	✓ ASX will close out positions in the ICA, and return any remaining Collateral Value less close out costs **directly to the client.**	✓ ASX will close out positions in the ICA, and return any remaining Collateral Value less close out costs, including specific assets and excess collateral, **directly to the client.**

2. Porting window = up to 24 hours for futures. Up to 48 hours for OTC and cross margined futures.
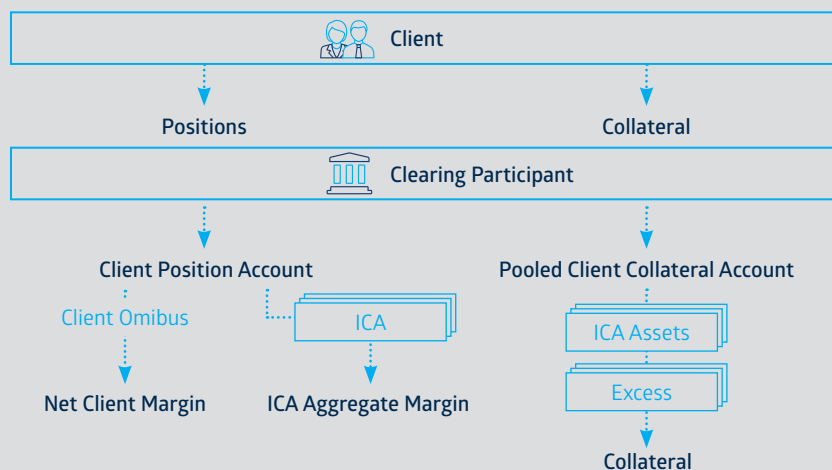
Client Omnibus Account

Client

Positions → ← Collateral

Clearing Participant

Client Position Account → Pooled Client Collateral Account

Client Omibus

Net Client Margin → Collateral

Individual Client Account

ICA Initial Margin Value

Client

Positions → ← Collateral

Clearing Participant

Client Position Account → Pooled Client Collateral Account

Client Omibus → ICA

Net Client Margin → ICA Aggregate Margin → Collateral

ICA Asset Attribution

Client

Positions → ← Collateral

Clearing Participant

Client Position Account → Pooled Client Collateral Account

Client Omibus → ICA → ICA Assets / Excess

Net Client Margin → ICA Aggregate Margin → Collateral

ASX