



CHES Replacement

**Tranche 1 Rule Amendments
Response to Consultation Feedback**

May 2020

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1. Response to Tranche 1 Consultation Paper

1.1. Tranche 1 consultation and response

On 15 November 2019, ASX released a Consultation Paper relating to tranche 1 rule amendments for the CHES replacement system.¹ These rule amendments addressed accounts, participants, securities and pre-settlement aspects for 'Day 1' of the new system. This paper:

- contains a summary of the feedback received in stakeholder submissions (see **Attachment A**);
- contains ASX's response to such feedback, including addressing respondents' requests for clarification and further information (see **Attachment A**); and
- includes the draft rule changes made to the ASX Settlement Operating Rules and Procedures and ASX Clear Operating Rules and Procedures, which take into account feedback received (see a summary of these rule changes in **Attachment B**, as well as the full set of tranche 1 rule amendments updated to incorporate these changes in **Attachment D** and **Attachment E**).

1.2. Submissions received

ASX received a total of 12 submissions from a range of stakeholders including participants, registries, industry bodies and vendors. Five of these submissions were confidential. ASX has published non-confidential submissions at <https://www.asx.com.au/regulation/public-consultations.htm>.

ASX thanks all stakeholders who shared their views and provided submissions in response to the tranche 1 consultation paper.

2. Summary of the feedback received

2.1. Feedback received

Stakeholders provided both general and specific drafting feedback on the proposed tranche 1 rule amendments. This feedback is summarised on an anonymised basis in the table in **Attachment A**. Attachment A also contains ASX's response to feedback received, and indicates whether amendments to the rules have been made in response to this feedback.

2.2. Common themes raised

Some common themes were raised by stakeholders in relation to tranche 1, including:

- General support for the tranche 1 rule amendments, subject to specific feedback received on some amendments.
- Requests for further information about the solution design, including in relation to account and holder creation, locking and unlocking securities, securities state and settlement instructions, and transfers and conversions.
- Requests for clarification as to alignment of the proposed rule amendments with the account and holder solution design presented in the user technical documentation.
- Requests for further detail regarding privacy and governance arrangements in relation to the collection, storage and handling of information in the new system.
- Queries as to how the rulebooks will address migration from CHES to the new system, including how mandatory data fields for holder records will be updated and what the approach will be for mandatory versus optional functionality.
- Requests for clarification on the documentation that will replace the existing Australian Settlement Procedure Guidelines (APGs) and CHES External Interface Specification (EIS).

¹ The tranche 1 consultation paper is available here: <https://www.asx.com.au/documents/public-consultations/ches-replacement-tranche1-rule-amendment.PDF>.

- Comments regarding the overall rule amendment consultation process, including how rule amendments are released to the market and scope of the consultation.

2.3. Specific feedback raised

More specific feedback was also received on particular rule amendments. A high level summary of the feedback received is set out below. Please refer to Attachment A for a more detailed summary of all feedback received.

- Four stakeholders provided comments in relation to the definition of “Holder Record” under the ASX Settlement Operating Rules, including in relation to how information is to be maintained and that each piece of information that may be maintained in a holder record should be identified.
- Five stakeholders queried how the proposed solution design for joint holders (which will impose a system limitation on recording more than four joint holders in the new system) will practically be enforced by issuers and participants where only three joint holders are presently allowed under the issuer’s constitution.
- One stakeholder opposed the removal of the definition of “Email Purpose” from the ASX Settlement Operating Rules and ASX Settlement Operating Rule Procedures and considered that a controlling participant should continue to be able to specify whether a holder wished to receive electronic communications from ASX only, from issuers only, or from both ASX and issuers.
- Feedback was received from two stakeholders in relation to the type of information that forms part of the CHES subregister. One stakeholder commented that the ASX Settlement Operating Rules should specifically define what the register is. Another stakeholder suggested that bank account details and tax file numbers should be included on the register to facilitate payments in the case of a takeover.
- Three stakeholders sought further information about the operation of holding locks, including use cases and any changes to existing processing.
- Feedback was received from two stakeholders in relation to the automated closure of a security subregister, including that the timing for such closure should be reduced and the impacts on issuers of additional notifications as to such closure.
- Two stakeholders queried how ASX Clear might exercise a proposed new power which enables it to remove cash CCP transactions from set-off if it considers it reasonably necessary in order to maintain the orderly operation and integrity of ASX Clear.
- Feedback was received from one stakeholder requesting ASX to consider removing the requirement for Participants to contact ASX Operations ‘in all cases’ to request the replacement of Cover.
- Feedback was received from five stakeholders in relation to transfers and conversions, including queries on the impact of the BAU rule changes for transfers to the CHES Subregister implemented 18 December 2019 and the potential increase in fail rates due to differences in registration details held by issuers and participants. One stakeholder considered that ASX should not proceed with these changes and continue to process transfers and conversions as they occur today (including under the BAU changes) without pre-transfer validation being undertaken by issuers for transfers involving settlement participants that are market participants or custodial settlement participants.
- Feedback was received from one stakeholder suggesting changes to more clearly address the function of the secondary matching flag in the new bilateral transaction matching functionality (allowing for mandatory matching identifiers to be specified) for demand and settlement instructions.
- Two stakeholders queried how corporate action adjustments to holdings would be processed when demand locks and settlement locks had been applied in connection with the performance of demand and settlement instructions. One stakeholder considered that issuers have recourse against the settlement participants that are party to such instructions in such instance.

- Seven stakeholders provided feedback in relation to whether ASX should mandate use of settlement locks for CHESS holdings. In relation to this feedback, six stakeholders were not supportive of not mandating this functionality, while one stakeholder was supportive of mandating it.

3. ASX response to feedback received

3.1. ASX response to feedback

ASX is grateful for the feedback provided by stakeholders. **Attachment A** sets out ASX's response to each of the aspects raised in submissions, including:

- Providing further information (or links to further information) in relation to the proposed rule amendments, functionality design or consultation process where such information was requested.
- Responding to specific drafting comments on the rule amendments, adopting the drafting comments where appropriate or explaining why such drafting comments have not been adopted.
- Seeking to provide further clarification on the proposed rule amendments.

3.2. Changes to draft rules in response to feedback

In response to stakeholder feedback received, ASX is making the following changes to the draft rules:

- Amend the definition of "Holder Record" and "Registration Details" in the ASX Settlement Operating Rules to provide further clarification as to the way the rulebooks align with the account and holder functionality as expressed in the user technical documentation. See also **Attachment C** for a diagram that explains the relationship between the user technical documentation and rulebook terminology in relation to account and holder creation.
- Reinstate the concept of "Email Purpose" into the ASX Settlement Operating Rules and ASX Settlement Operating Rule Procedures, enabling controlling participants to identify whether a holder wishes to receive electronic communications from ASX only, issuers only, or both ASX and issuers.
- Amend the tranche 1 rule amendments dealing with the new bilateral transaction matching functionality for demand and settlement instructions to more clearly reflect the use of the secondary matching flag in the operation of such functionality.
- Remove the requirement to notify ASX Operations when replacing Cover (Collateral or Cash Cover) for another form of Cover, so that the relevant notification requirement in the ASX Clear Operating Rules is limited to the intraday exchange of Collateral.
- Make certain other drafting changes to the tranche 1 rule amendments.

Each of the further changes to the tranche 1 rule amendments are identified in the last column in Attachment A within the relevant row which explains that change.

3.3. Other aspects

ASX will also not be mandating settlement locks for CHESS holdings, given the broad support from six out of seven stakeholders for this approach.

In relation to data governance arrangements, data is provided in accordance with the operating rules and used to provide clearing and settlement services, as in existing CHESS. The operating rules specify what data needs to be provided and the purpose for which it is to be used.

Unless required under the rules or by law, the ASX Settlement Operating Rules expressly restrict the disclosure by ASX Settlement of information about financial products in a holding other than to the holder, their controlling participant, the issuer or the bid offeror (in the event of a takeover) (rule 8.11.3). The rules do permit ASX Settlement to disclose information regarding financial products in a holding or regarding participants and their activities to ASIC, the RBA, APRA, and an approved market operator or clearing facility and any governmental agency or regulatory authority (rule 8.11.4 and 3.8.1).

Further, it is noted that new information in the system will be provided on an optional basis (e.g. when investors choose to provide electronic notifications via CHES under new DRP/BSP election functionality) or otherwise represent limited changes to the way existing data is collected i.e. as a result of new ISO messaging fields that are related to information inherent in CHES or modifications of FATCA/CRS information for mFund.

As part of its consultation on the solution design for the new DRP/BSP election functionality, ASX received customer focus group feedback that to operate efficiently this would require issuers (via their share registries) to also notify CHES of DRP/BSP elections that they have received directly (ie, not via CHES). This allows broker participants to query CHES to see if an election has already been made for an investor and supports election updates made through CHES being based on the current election status as recorded by the issuer². This functionality and the supporting rule amendments are part of the current [tranche 2 rule consultation](#) closing on 29 May 2020 (refer section 1.2 of the consultation paper). If this new functionality is supported by the industry and incorporated in the new system it will involve new data being captured that will be used for the purpose of assisting with the processing of DRP/BSP elections.

ASX is preparing an information paper on its approach to data governance, which it will provide to the market in early August. The information paper will include an explanation of the legitimate interests for which data is collected, the privacy arrangements for personal information, deletion or de-identification of personal information which is no longer required for a permitted purpose and the masking of tax file numbers.

Aspects dealing with timing for enlivening rules providing for new functionality are to be addressed as part of transitional rules for the changeover to the new system, which are proposed to be released as part of a further consultation.

4. Further rule amendments

4.1. Other changes to draft rules

ASX has also made two further rule changes relevant to the topics covered by the tranche 1 rule amendments that are not directly related to feedback received from stakeholders, but have been identified following further consideration of the proposed rule amendments.

- An amendment to ASX Settlement Operating Rule 8.5.1 has been made to specify that a settlement lock will be removed if ASX Settlement suspends approval of a class of financial product. This change was not identified during the first tranche of rule amendments.
- The tranche 1 rule amendments proposed amendments to ASX Settlement Operating Rule 8.16.3 and the introduction of ASX Settlement Operating Rule 8.16.3A, to provide that a holder record lock will be removed on the expiry of any specified time period nominated by the controlling participant in the original message requesting the imposition of a lock. Some further rule amendments are required to clarify that controlling participants cannot specify a time period for a holder record lock to apply in the *originating message* under which the lock is requested, but will be able to specify this subsequently by way of *written notice* to ASX Settlement. This change to the way a controlling participant can request a time period for a holder record lock to apply has resulted in rule amendments to ASX Settlement Operating Rule 8.16.3, 8.16.3A and the introduction of a new ASX Settlement Operating Rule 8.15.11A. We note that issuers similarly will be able to specify a time period for a holding lock to apply by way of a notice to ASX Settlement. This is already addressed under the tranche 1 rule amendments to ASX Settlement Operating Rule 8.16.1, which are unchanged.

These changes will be consulted on as part of the consolidated rules package as referred to in section 5.2 below.

² Further information on the feedback obtained from stakeholders which was an input into the solution design for the development of this new functionality is contained in the [summary of stakeholder feedback](#) published by ASX.

5. Consultation process for rule amendments and next steps

5.1. Rule amendments required to support new system

ASX needs to make amendments to various operating rules to support the operation of the new system replacing CHESS. These are required to reflect the solution design for new or changed functionality in the new system.

The solution design for the functionality in the new system has been developed in an iterative manner. This has included a process for obtaining industry input through focus groups and the ISO 20022 Technical Committee, which concluded with the final ISO 20022 Technical Committee meeting held in April 2020.

5.2. Three tranches of rule amendments for public consultation

ASX has sought to make the rules for new system functionality available to the market at an early stage, rather than waiting until all rules were available for the new system following completion of the solution design process.

Accordingly, ASX published a timetable in September 2019 which involved consulting on the required rule changes for the new system in three tranches. Each tranche would group related sets of rules reflecting the logical development of clearing and settlement aspects³.

- The tranche 1 draft rule amendments covered accounts, participants, securities and pre-settlement aspects for the new system and were released for public consultation on 15 November 2019⁴.
- The tranche 2 draft rule amendments covered corporate actions, mFund and RTGS payment aspects of the new system and were released on 21 February 2020.⁵
- The tranche 3 draft rule amendments cover batch settlement, reporting and miscellaneous aspects of the new system and were due to be released on 6 April 2020.

As indicated in the consultation paper for the tranche 2 rule amendments, ASX was also considering options for further consultation on the consolidation of the draft rules package across the three tranches of rule amendments.

As set out in ASX's [media release](#) on 25 March 2020, the consultation period for the tranche 2 rule amendments, which was due to conclude on 3 April 2020, was extended to 29 May 2020.

As also indicated in the [media release](#), consultation on the tranche 3 rule amendments was suspended until after the June consultation on the new CHESS replacement implementation timetable. The process and timing for the consultation on the tranche 3 draft rule changes and the consolidated rules package will be set out in the June consultation paper, and is subject to feedback received through that process.

The changes to the consultation process for the tranche 2 and tranche 3 rule amendments were in recognition of the unfolding COVID-19 pandemic and the impact on stakeholders.

5.3. Response to consultation

This paper provides ASX's response to consultation feedback received on the tranche 1 draft rule amendments.

ASX is planning to release a response to consultation feedback received on the tranche 2 draft rule amendments in early-August 2020. This will allow stakeholders to understand any changes made to the tranche 2 rules resulting from consultation, which will be reflected in the consolidated rules package when it is released for consultation.

The response to consultation on the tranche 2 draft rule amendments will similarly contain a summary of the feedback received in stakeholder submissions, ASX's response to such feedback including addressing respondents' requests for

³ For example, tranche 1 covers off: accounts, participants and securities aspects - which are building blocks for other activities in the system; and pre-settlement activities - which are a pre-requisite to payments and settlements covered off in the second and third tranches

⁴ The Tranche 1 Consultation Paper is available here: <https://www.asx.com.au/documents/public-consultations/chess-replacement-tranche1-rule-amendment.PDF>

⁵ The Tranche 2 Consultation Paper is available here: <https://www.asx.com.au/images/resources/Tranche2ConsultationPaperandAttachments.PDF>.

clarification and further information, and include the draft rule changes with the revisions made to take into account feedback received.

5.4. Regulatory clearance process

The rule amendments, including any changes made through the public consultation process, will be subject to the usual regulatory clearance processes.

ASX is planning to release the final rule changes at least six months prior to go-live of the new system. As set out in the 25 March media release, the timing for the new system to go-live is subject to consultation in June 2020.

The final form of the amendments will become effective at the time of go-live of the new system.

Attachment A: Summary of Submissions received on draft ASX Settlement Operating Rules, ASX Clear Operating Rules and ASX Operating Rules

This table summarises the feedback received from stakeholders in response to the tranche 1 consultation paper, and ASX's response to that feedback.

Issue	Feedback	ASX response	Rule changes
Account and holder creation (see rows 1 to 12 of the table in Attachment A of our Tranche 1 Consultation Paper)			
1. UUID	<p>A more user friendly format should be used (UUID is long)</p> <hr/> <p>Recommend remove UUID from draft ASXSOR 8.11.1 and 8.11.2. This internal system identifier should not be a disclosable field or subject to disclosure rules.</p>	<p>The draft ASXSORs provide that each holder will be allocated a UUID (see row 3 of the Summary of Changes table). Where there are joint holders, each individual holder will be allocated a UUID.</p> <p>UUIDs will be disclosed (where relevant) to issuers and participants whenever relevant information regarding a particular HIN or Holder is disclosed. For example, the UUID is part of the information provided on the acct_002 Account Notification message.</p> <p>We consider that the UUID should be treated in an equivalent manner to a HIN, given it is a unique number issued to identify each holder. For this reason, it has been included in rules relating to confidentiality (which currently restrict disclosure of HINs, PIDs and SRNs) under ASXSOR 8.11.1 and 8.11.2.</p> <p>The format of the UUID was chosen as it is designed to be machine readable and is not intended to be consumed by holders in the way a HIN is. As communicated in the Focus Groups relating to account and holder creation, ASX will not print or expose the UUID to holders on CHES holding statements.</p>	N/A
2. CIN	<p>Request confirmation that the UUID is not intended to be a precursor to a Common Investor Number or equivalent</p> <p>Requested more information on how the Customer Identification Number works</p>	<p>The purpose of the UUID is to support the new system's account and holder structure, which requires holders to be identified with a unique identifier (the UUID).</p> <p>As set out in ASX's September 2018 response to consultation feedback on the April 2018 consultation paper, <i>CHES Replacement: New Scope and Implementation Plan</i>, ASX has decided to defer implementation of the Account Information – Common Investor Number business requirement to post-Day 1. As implementation of this business requirement has been delayed, how the Common Investor Number would be implemented has not yet been subject to detailed consideration by ASX.</p>	N/A

Issue	Feedback	ASX response	Rule changes
3. Data capture and storage	<p>Who will have responsibility for keeping client data current?</p> <p>What does ASX intend to do with data captured and stored? Who will be the recipients? How will data be protected and be prevented from being used for marketing or non-business purposes?</p> <hr/> <p>Additional privacy and data protection framework needed for parties other than Controlling Participant, including prohibition on use of additional investor data, and consider mandating data handling requirements for users receiving information, additional enforcement regime beyond existing framework and imposing data breach reporting obligations.</p> <hr/> <p>Additional privacy and data protection framework needed</p> <p>Require any new holder information requirements to be clearly defined and subject to specific disclosure of purpose of collection, uses to which the information will be put, costs of access and how the information will be controlled.</p>	<p>As in existing CHES, data is provided in accordance with the operating rules and used to provide clearing and settlement services. The operating rules specify what data needs to be provided and the purpose for which it is to be used.</p> <p>Unless required under the rules or by law, the ASX Settlement Operating Rules expressly restrict the disclosure by ASX Settlement of information about financial products in a holding other than to the holder, their controlling participant, the issuer or the bid offeror (in the event of a takeover) (rule 8.11.3). The rules do permit ASX Settlement to disclose information regarding financial products in a holding or regarding participants and their activities to ASIC, the RBA, APRA, and an approved market operator or clearing facility and any governmental agency or regulatory authority (rule 8.11.4 and 3.8.1).</p> <p>The operating rules dealing with access to existing data remain unchanged unless specified in the proposed operating rule amendments being consulted on as part of the CHES replacement project (e.g. rule amendments associated with the DRP/BSP election functionality referred to below).</p> <p>Further, it is noted that new information in the system will be provided on an optional basis (e.g. when investors choose to provide electronic notifications via CHES under new DRP/BSP election and entitlement acceptance and payment functionality which implement new business requirements for the system generated through industry consultation in 2017 and 2018) or otherwise represent limited changes to the way that existing data is collected - new ISO messaging fields (“Entity Type” and “Ownership Type”)¹ relating to information inherent in CHES or modifications of FATCA/CRS information for mFund.</p> <p>The DRP/BSP election functionality referred to above and the supporting rule amendments are part of the current tranche 2 rule consultation closing on 29 May 2020 (refer section 1.2 of the consultation paper). The functionality would allow</p>	N/A

¹ Under ISO 20022 messaging standards adopted for the new system there is a separation between “account” and “holder” object with such information provided in a structured format - replacing the current unstructured 180 (6 lines of 30) characters for providing registration details for a holding. The adoption of ISO 20022 global messaging standards (replacing existing CHES EIS proprietary messaging standards) will provide greater interoperability to users as other market infrastructures, financial institutions, central banks and payments systems migrate to ISO 20022.

Issue	Feedback	ASX response	Rule changes
	<p>How does ASX plan to comply with the Australian Privacy Principles:</p> <ul style="list-style-type: none"> • How/when privacy collection statements be provided? • How ASX reconciles continuously overwriting data with accuracy/quality requirements (APP 10)? <p>To whom will data be disclosed?</p> <p>What jurisdictions privacy laws apply in any given situation?</p> <p>Is ASX of the view that if it or other industry stakeholders don't store the data, privacy compliance obligations are somehow reduced?</p> <p>Approach to record retention – how long will data be kept for?</p> <p>Why is ASX leaving the burden to assess whether data is relevant/useable to the Issuer, e.g. by rules referring to “relevant” data being disclosed to an issuer?</p>	<p>controlling participants to provide DRP/BSP elections directly to CHESS. These elections would then be passed directly to issuers (and their share registries) via CHESS. This facilitates a new channel for making DRP/BSP elections which we understand will be particularly useful for custodians.</p> <p>As part of its consultation on the solution design for that new functionality, ASX received customer focus group feedback that to operate efficiently this would require issuers (via their share registries) to also notify CHESS of DRP/BSP elections that they have received directly (i.e, not via CHESS). This allows broker participants to query CHESS to see if an election has already been made for an investor and supports election updates made through CHESS being based on the current election status as recorded by the issuer².</p> <p>If this new functionality is supported by the industry and incorporated in CHESS it will involve CHESS capturing new data that will be used for the purpose of assisting issuers and share registries with the processing of DRP/BSP elections that come via participants.</p> <p>The proposed operating rule amendments being consulted on through the three tranches deal with the persons such information is to be provided to, namely for:</p> <ul style="list-style-type: none"> - ISO messaging fields (as part of Tranche 1 rule amendments). - New DRP/BSP elections and entitlement acceptances (as part of Tranche 2 rule amendments). <p>The changes in the new system to capture FATCA/CRS information for mFund products merely modify existing system requirements which already provide for the capture of all required investor and tax residency details, and have not resulted in any Rule amendments.</p>	
	<p>Some rules being consulted on represent ambit claim for ASX to have</p>	<p>ASX is preparing an information paper on its approach to data governance, which it will provide to the market in early August. The information paper will include an</p>	

² Further information on the feedback obtained from stakeholders which was an input into the solution design for the development of this new functionality is contained in the [summary of stakeholder feedback](#) published by ASX.

Issue	Feedback	ASX response	Rule changes
	<p>power to collect and distribute a new data pool.</p> <p>Not clear which ASX entity will be receiving or distributing data received for transaction or business purpose the data relates to.</p>	<p>explanation of the legitimate interests for which data is collected, the privacy arrangements for personal information, deletion or de-identification of personal information which is no longer required for a permitted purpose and the masking of tax file numbers.</p>	
<p>4. Standardised registration details</p>	<p>How will recording of holder registration details work in practice?</p> <p>Requested more information about account and holder functionality including account and holder creation regarding use by custodians.</p> <p>Requested more details on standardised format for recording of holder registration details.</p> <p>Will APGs apply or be updated for registration details.</p>	<p>Further detail on functionality</p> <p>For more detail about account and holder functionality, please refer to the relevant Technical Documentation available on the CHES replacement wiki.³ This User Technical Documentation will be supplemented with additional information on the standardised format for recording holder registration details when creating an account (HIN). ASX is anticipating releasing this information in May.</p> <p>The APGs will not apply to the new system and will be replaced by User Technical Documentation, which is being progressively released on the CHES replacement wiki site (see row [50] for further detail).⁴</p> <p>Custodians</p> <p>Custodians will be required to comply with the account and holder creation requirements which will continue to relate to holders (being the legal owners of financial products). In line with the prohibition under section 1072E(10) of the Corporations Act which prohibits notice of a trust being entered into a register of members (e.g. in relation to the CHES subregister), beneficial holders of financial products should not be recorded in CHES.</p> <p>ASX has been working with the Australian Custodial Services Association (ACSA) and its members on how the new system can be leveraged (where they choose to do so) to better facilitate processing for CHES holdings which has regard to</p>	<p>N/A</p>

³ See here: <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/23233289/Accounts>.

⁴ See here: <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/overview>.

Issue	Feedback	ASX response	Rule changes
		underlying books and record structures and facilitation of instructions from such records.	
5. Additional information and Holder Record definition	<p>'Holder Record' definition is too broad and unrestricted and may include information that is not mandatory.</p> <p>Consideration to be given to impact on usage of information that does not form part of company register and on participant warranties and indemnities e.g. 8.18.14 and 8.18.5.</p> <p>Requested further guidance be provided to participants on what additional info ASX will record/maintain, how it will be used, role of participant in relation to ASXSOR 8.6.3A.</p> <hr/> <p>Requests clarity around the term "account" and "holder". Account is not defined despite being used in the consultation paper.</p> <p>The rules refer to "the Holder", "a Holder", "relevant Holder" "each named Holder". It is not clear who the rules refer to in Accounts where there is more than one Holder.</p> <hr/> <p>Can an account have more than one 'Participant Sponsored Holder'?</p> <hr/> <p>The open-ended scope of the amended definition of Holder Record</p>	<p>General comments</p> <p>Feedback received on the tranche 1 rule amendments highlights that stakeholders seek further clarification in relation to how the account and holder structure presented in the User Technical Documentation has been reflected in the rulebooks. To assist industry, we have prepared a diagram in Attachment C to help explain how the User Technical Documentation aligns to the rulebooks in more detail.</p> <p>The rationale for the functional changes to account and holder functionality is due to a transition from recording holder details in an unstructured 180 character free text field currently in CHES, to recording this data in a structured format against certain data elements that aligns with ISO 20022 standards. Although the way in which this information is recorded in CHES is changing, existing concepts in the rulebooks can continue to apply, subject to any changes identified in the draft rules.</p> <ul style="list-style-type: none"> • The term "account" used in the User Technical Documentation is equivalent to the term "HIN" defined in the ASXSORs. • The term "Holder Record" used in the ASXSORs still refers to information that is recorded in connection with a HIN. We have made a rule amendment to the term "Holder Record" to make this clearer. • The term "Registration Details" refers to the one name (including for joint holdings, when a concatenation of the names of each joint holder), address and Residency Indicator recorded in relation to a HIN. We have made a rule amendment to the definition of "Registration Details" to make it clearer that these details relate to the "account level" (ie a HIN) rather than for joint accounts, in relation to one particular joint holder. 	<p>ASXSOR 2.13 definitions of "Entity Type", "Holder Record", "Named Holder Indicator", "Registration Details" and "UUID".</p> <p>ASXSORs 8.7.2, 8.11.1, 8.11.2 and 8.15.11.</p> <p>ASXSOR Procedure 8.7.2, 8.18.12 and 8.30.1.</p>

Issue	Feedback	ASX response	Rule changes
	<p>and the new Rule 8.6.3A should be revised.</p> <p>Amend rules to address the introduction of new Holder Record information, including specifying responsibility to update the information to ensure accuracy and reliability of the information.</p> <hr/> <p>The Holder Record definition is confusing. The definition does not refer to holders which form part of the CHES HIN registration. It is suggested a new term to replace Holder Record as per the current definition may be appropriate with Holder Record being redefined to represent details for each individual holder.</p>	<ul style="list-style-type: none"> The term “holder” used in the User Technical Documentation is equivalent to the term “Holder” defined in the ASXSORs (noting that there may be more than one Holder for each Holder Record). <p>ASX has sought to keep the terms currently used in ASX rulebooks in place despite the terms used in the User Technical Documentation. Some of these terms, for example the term “Holder Record” is used in the Sponsorship Agreement which would have further ramifications for settlement participants if each sponsorship agreement needed to be updated to reflect a change in terminology.</p> <p>Joint holders</p> <p>CHES today currently records joint holders in relation to a HIN where multiple holder names are provided in the unstructured 180 character free text field currently in CHES, separated by a comma. In the new system, joint holders will continue to be recorded in relation to a HIN, however with the benefit of a structured format that allows for the separate recording of each joint holder.</p> <p>Joint holders are currently and will continue to be taken to be a single member of the relevant company or scheme⁵.</p> <p>The rulebooks also refer in certain circumstances to joint holdings (for example, in the context of the death or bankruptcy of one joint holder). There is a general principle of interpretation under the ASXSORs that the singular includes the plural and vice-versa (see ASXSOR 2.1(c)). Where the term “a Holder” or “the Holder” is used, ASX interprets this as applying to all Holders.</p> <p>In response to feedback received, ASX has decided to delete any tranche 1 rule amendments that introduced the terms “relevant Holder” and “relevant named Holder” to the ASXSORs to avoid confusion. Instead, ASX will rely on the general principle of interpretation outlined above so that references to “Holder” may be</p>	

⁵ Refer to section 169(8) of the *Corporations Act 2001* (Cth).

Issue	Feedback	ASX response	Rule changes
		<p>interpreted to include references to each joint Holder where a HIN has more than one Holder.</p> <p>Inclusive definition of “Holder Record”</p> <p>The definition of “Holder Record” has been designed to specifically refer to all mandatory data elements that must be completed in order for a sponsoring participant to create a HIN, while contemplating that additional non-mandatory information may also be provided at the election of sponsoring participants. The only exception to this in the inclusion, through the definition of “Registration Details”, of “Email Details” which are not mandatory and may be provided optionally by a sponsoring participant in relation to a HIN.</p> <p>ASX considers it is appropriate to include Emails Details in the definition of Holder Record, as if holders choose to receive notifications electronically, an email address should be treated in the same way and subject to the same protections as a postal address under the ASX rulebooks. Additionally, where e-mail details are provided, the relevant “Email Purpose” (i.e. whether those details are provided for communications by ASX only, Issuer only or both ASX and Issuer) which forms part of the Email Details definition, also needs to be identified on a mandatory basis.</p> <p>New draft ASXORs 8.18.12 to 8.18.14 establish the framework for obligations on controlling participants to update Holder Record details where there is a change to those details, consistent with the existing framework for the update of certain Holder Details currently prescribed in ASXSOR 8.18.1 to 8.18.11.</p> <p>Additional information and use</p> <p>Please refer to row [3] above regarding additional information to be maintained in the system and the use of that information. The additional DRP/BSP election and entitlement acceptance and payment information referred to in that row [3] will not form part of the Holder Record maintained in CHES in relation to a HIN, with the record maintained in CHES of the current DRP/BSP election status for CHES holdings to be specific to supporting the new DRP/BSP election service. Where there is a change to the controlling participant for a holding, it is contemplated</p>	

Issue	Feedback	ASX response	Rule changes
		<p>that such information would also be made available to the new controlling participant, through association of the relevant information with the HIN for that holding.</p> <p>Updates to Holder Record information</p> <p>Information will continue to be updated in the new system as at present for CHES. Transactions within the system (including provision of holder details) will continue to be limited to authorised participants and other permissioned facility users. Refer to row [54] below for further information on the updating of such information.</p> <p>Indemnities</p> <p>ASX considers the indemnities provided in ASXSOR 8.18.5 (in relation to unauthorised or incorrect requests to changes to Registration Details) and 8.18.14 (in relation to unauthorised or incorrect requests to changes to Holder Record details) remain appropriate, to ensure the validity and accuracy of information about holders in the new system.</p> <p>ASX will consider whether any new indemnities to deal with transition of information from CHES to the new system are necessary as part of transitional rule amendments which are proposed to be consulted on as part of a further consultation.</p>	
6.	<p>Specific feedback on data points</p> <p>Clarify purpose(s) of the new Entity Type and Ownership Type information fields.</p>	<p>The purpose of these two fields is to reflect ISO 20022 messaging structures, which requires identifying information about an object to determine what subsequent information about that object may be required. For example:</p> <ul style="list-style-type: none"> • “Entity Type” identifies whether each holder is an individual or a company. The purpose of recording this information is to enable the new system to determine what additional information about a holder may be recorded, e.g. date of birth or company incorporation date. • “Ownership Type” identifies whether a HIN is held by one holder or jointly by more than one holder. The purpose of recording this information is to enable 	N/A

Issue	Feedback	ASX response	Rule changes
		the new system to determine whether details about more than one holder need to be recorded in the new system.	
	How will a client's mobile number be used?	<p>A holder's mobile phone number can be stored in CHES today and will continue to be stored in the new system.</p> <ul style="list-style-type: none"> What's changing: The new system design enables a mobile phone number to be recorded in connection with a HIN, and a separate mobile phone number to be recorded in connection with each holder. For example, for a joint account, there may be one mobile phone number recorded in connection with the HIN, and a separate mobile phone number for each joint holder. The provision of a mobile phone number for both fields is always optional. As there is currently no purpose for the collection of a mobile phone number in connection with a HIN or holder, ASX will be requesting sponsoring participants through the User Technical Documentation that this information is not provided to CHES in connection with Day 1 implementation. Any future use or disclosure of a mobile phone number as part of new system functionality would be addressed through operating rule amendments providing for that functionality and would be consulted on as part of that process. What isn't changing: A mobile phone number may additionally be collected through the new system in relation to an application for mFund products, to provide the unit registry with a contact number for the investor in the event the registry needs to contact the investor, e.g. to clarify information as part of the application process or post investment. Mobile phone numbers are currently collected for this purpose in CHES today. The mobile phone number collected through the mFund application will not be used by ASX for any other purpose. 	N/A
	Why does the new framework for additional non-mandatory data fields to be populated in a Holder Record, namely tax and residency details for	As a result of feedback received through Focus Groups, ASX has decided not to proceed with storing tax and residency details in a holder record for mFund purposes. Instead, the new system will facilitate this information being shared with mFund issuers in the same way as this information is provided today. That is,	N/A

Issue	Feedback	ASX response	Rule changes
	<p>mFund, only apply to mFund issuers? Noted that this gave preferential treatment to ASX Limited issuers.</p>	<p>settlement participants may continue to provide holder tax and residency details to an issuer through the system (eg by providing those details to an issuer in a message).</p> <p>Reflecting the design of CHES today, tax and residency details that have been passed through the replacement system will not be stored by ASX in a holder record and will not be made available to any system user for reuse.</p> <p>ASX has not sought to extend the issuers to which the additional FATCA/CRS information referred to is provided (e.g. ETFs, LITs or REITs) – based on a lack of customer demand.</p>	
<p>7. Joint holders</p>	<p>How will a Holder Record with more than 3 holders be accommodated if permitted under the Issuer’s constitution?</p> <hr/> <p>Will cause disruption to STP of settlement if brokers forced to support multiple HINs for an account to support both 3 and 4 holders</p> <hr/> <p>How will restrictions on allowing up to 4 joint holders be monitored and enforced (ie which securities allow for 4 holders and which only allow for 3 holders)?</p>	<p>In CHES today, registration details are currently recorded in an unstructured format. This means there is no practical system restriction in CHES on the number of holders that may be identified as holders of each HIN.</p> <p>What the new system seeks to do, is impose a system limitation allowing for the recording of up to four holders in the new system. This reflects specifications for self-managed superannuation funds which allow up to four individual trustees to hold fund assets.⁶ The solution also provides the flexibility to accommodate up to 6 individual trustees for SMSFs, if the Government progresses legislative change to support up to six individual holders – and therefore six individual trustees.⁷</p> <p>Although the new system will allow a participant to record more than three persons as joint holders, the number of joint holders that, under the operating rules, participants will be able to record will continue to be determined with reference to each issuer’s constitution.</p>	

⁶ Self-managed superannuation funds (SMSFs) requirements provide that unless the trustee of the fund is a corporate entity, each member of the fund be a trustee (see Section 17A Superannuation Industry (Supervision) Act 1993. These are also reflected in ATO specifications as out set out in <https://www.ato.gov.au/super/self-managed-super-funds/setting-up/choose-individual-trustees-or-a-corporate-trustee/#Ownershipoffundassets1>). Up to four individual holders are allowed for a SMSF - and therefore up to four individual trustees could hold fund assets.

⁷ We note that the Government introduced a bill to support up to six individual SMSF holders in Treasury Laws Amendment (2019 Measures No. 1) Bill 2019. Although the provisions relating to SMSF membership limits were deleted from this bill before it was passed, the Government noted in Parliament that it continues to support this change to SMSF membership limits and will seek to progress these changes at a later time (see speech of Mr Buchholz, Hansard 2 April 2019, p. 90).

Issue	Feedback	ASX response	Rule changes
	<p>Number of joint holders allowable should be standardised across issuers by way of Listing Rule limiting all issuers to same maximum number of holders (whether three or four). Alternatively, issuers should be mandated to provide to ASX electronically, details of number of holders allowed under constitution so can be passed through to participants to facilitate automation of processes. Asked for ASX views on any industry progression of reform to align issuer rules to reflect new functionality.</p> <hr/> <p>Will Issuers have to amend their constitution to permit more than 3 joint holders?</p> <p>Will issuers be expected to proactively ensure their constitutions are not contravened? If so, what actions does ASX expect Issuers to take?</p> <p>There are no rules that set out what corrective action must be taken for any holdings that are established contrary to ASXCOR 8.10.1 or 15.7.1</p>	<p>ASX Settlement Operating Rule 8.10.1 currently prohibits a participant from establishing a holding held by more than three persons jointly, unless the issuer's constitution provides otherwise. That is, it is currently possible for issuer constitutions to permit the registration of more than three joint holders (see for example the constitution of BHP Billiton Limited which permits the registration of up to four joint holders).⁸ We have not proposed any rule amendments to this rule as part of the Tranche 1 rule amendments.</p> <p>Where a participant wishes to record more than three joint holders in respect of a holding in an issuer whose constitution allows this, but this is not facilitated in respect of a holding under another issuer's constitution, the participant is required to create separate HINs in respect of those holdings (see part 5.2.3.4 of the existing ASX Settlement Procedure Guidelines). This is anticipated to continue to be the case for the purpose of HINs to be recorded in the replacement system.</p> <p>As ASX has not proposed any change to existing ASXSOR 8.10.1, which leaves it to each issuer to determine whether it will allow holdings held jointly by more than 3 persons. ASX will not at this time be considering amendments to the Listing Rules to mandate that issuers each permit up to either a maximum amount of three or four joint holders.</p> <p>It is up to each issuer to determine whether their constitution should be amended in response to any new regulatory requirements that relate to joint holders (e.g. any requirements regarding self-managed super funds referred to above), and how they wish to monitor compliance with their constitution.</p>	
8. Migration	Webinars have stated that 'entity type' will not be determined and 'other' will be used.	Migration aspects have been discussed in industry forums, including the Implementation and Transition Working Group. Presentation material and the webinar recording for each of these working group meetings is available on the	N/A

⁸ See clause 16(a) of the BHP Billiton Limited Constitution, available at: https://www.bhp.com/-/media/documents/ourapproach/governance/151202_limitedconstitution.pdf?la=en. Accessed 4 March 2020.

Issue	Feedback	ASX response	Rule changes
	<p>Requested feedback on ASX's expectation to update records for 'entity type' to 'Individual' or 'Organisation' following cut-over weekend (ie compliance with rules)).</p> <hr/> <p>How will the new fields be updated for existing Holder Records? Expressed concern about new fields defaulting to "other" upon migration.</p> <p>Obligation should be imposed on participants to update details that have been set to "other" during migration. Concern raised that Issuers may be exposed to risk of loss or damage if Participants do not appropriately update new Holder Record details from their default setting on migration.</p> <p>Include indemnity from Participant to Issuer to address risk of loss or damage arising from new holder information fields that have not been accurately updated following introduction.</p>	<p>CHES replacement website.⁹ ASX is working on providing further details on customer conversion tools to be provided for the purposes of migration and additional forums facilitating more interactive engagement to supplement the current webinar format of Implementation and Transition Working Group presentations.</p> <p>ASX will also give further consideration as to whether any aspects of the migration of existing Holder Records to the new system should be supported by transitional rule amendments which are proposed to be consulted on as part of a further consultation.</p>	
9. Information recorded by the	Suggest that ASXSOR 8.6.2 should define what CHES subregister is	Issuers are required by the Corporations Act to maintain a register of members. This register must contain among other things, the member's name and address.	N/A

⁹ See here: <https://www.asx.com.au/services/implementation-and-transition.htm>.

Issue	Feedback	ASX response	Rule changes
CHES subregister	<p>rather than what ASXS records (and what is not included).</p> <p>Wants ASX to consider amending the ‘for the purpose of’ wording in 8.6.3 to make it broader.</p> <hr/> <p>Recommends including bank account details and TFN of registered shareholder on register, including for purpose of provision to bidder in takeover event to facilitate payments (instead of by cheque).</p>	<p>The type of information that forms part of the register of members is also informed by case law.</p> <p>The changes introduced into ASXSOR 8.6.3 have sought to explicitly recognise that information that does not form part of the register of members (beyond HIN - currently specified in that Rule) should also not be disclosed in the circumstances prescribed in that rule. This could include for example the Holder Type. ASX considers the circumstances specified in ASXSOR 8.6.3 are appropriate for the purpose of these restrictions.</p> <p>ASX has determined not to maintain a record of bank account and TFN details for provision to takeover bidders in the circumstances of a takeover event affecting that holding. Such details will however continue to be made available to Issuers on a pass through basis as at present.</p>	
10. Electronic communications	<p>Strongly disagrees with ‘Email Purpose’ removal. Considers there may be unintended consequences on use of information and warranties/indemnities.</p> <p>Also raised complications from email use by issuers, including for takeover offers required to be sent by post under s648C.</p>	<p>ASX has decided to reinstate the Email Purpose concept back into the rules, reversing the original proposal in the tranche 1 rule amendments that contemplated that where a Controlling Participant provides email details in relation to a Holding, this is to be used for communications by both ASX and issuers.</p> <p>This means that Controlling Participants will continue to be able to identify whether email details provided in relation to a Holding are to be used for communications by ASX only, issuer only, or both ASX and issuer.</p> <p>Any existing requirements under the Corporations Act for hard copy documentation will continue to need to be complied with (as applicable).</p>	<p>ASXSOR 2.13 definitions of “Email Details” and “Email Purpose”.</p> <p>ASXSOR Procedure 2.13 definition of “Email Purpose”</p>
11. Specific drafting points	<p>Definition of ‘Registration Details’ should remove reference to Emails Details and Residency Indicator</p>	<p>ASX has made an amendment to the definition of “Registration Details” to more clearly specify that these details relate to information recorded in relation to a HIN, rather than in relation to each individual holder (see row [5] above).</p> <p>However, ASX does not consider that the definition of “Registration Details” should remove the reference to Email Details or Residency Indicator.</p>	N/A

Issue	Feedback	ASX response	Rule changes
		<ul style="list-style-type: none"> ASX considers it is appropriate to include Email Details in the definition of Registration Details. This is on the basis that if holders choose to receive notifications electronically, the provided email address should be treated in the same way as a postal address under ASX rulebooks, given the importance of protecting this information and ensuring only authorised updates to this information are made. Additionally, where an email is provided, the relevant “Email Purpose” (i.e. whether those details are provided for communications by ASX only, Issuer only or both ASX and Issuer), which forms part of the Email Details definition, also needs to be identified on a mandatory basis. We also consider it appropriate to continue to include Residency Indicator in the definition of Registration Details, given that existing practice and frameworks today around the creation of Holder Records are built around Residency Indicator being included within the definition of Registration Details. <p>If there are other reasons why the definition of Residency Indicator should not be included within the definition of Registration Details, ASX is open to considering any further information provided by stakeholders.</p>	
	<p>Supports ASX timing for processing a change to Registration Details</p>	<p>ASXSOR 8.18.3 currently provides ASX Settlement two business days to both:</p> <ul style="list-style-type: none"> change the Registration Details; and provide notice of the change to the persons specified in the procedures. 	N/A
	<p>Why has the Scheduled Time for Processing changes to Registration Details not been reduced (given requests will be processed electronically)?</p>	<p>As part of the Tranche 1 rule amendments, ASX has amended the ASXSORs so that the Scheduled Time under ASXSOR 8.18.3 only applies to ASX providing <u>notice</u> of the change to the persons specified in the procedures (i.e. not for recording changes to Registration Details).</p>	
	<p>We expect processing times for processing changes to ASXSOR 8.18.13 would also be significantly reduced from 2 business days.</p>	<p>In the new system, ASX will process changes to Registration Details electronically (which will no longer take two business days and will be processed as quickly as the new system allows).</p> <p>ASX has not amended the Scheduled Time as it relates to ASX providing <u>notice</u> of a change of Registration Details under ASXSOR 8.18.3, including to the Participant</p>	

Issue	Feedback	ASX response	Rule changes
		<p>Sponsored Holder (which could be by post or electronically (if an electronic communication preference has been notified)). Additionally, if the change results in a change to the address of a Participant Sponsored Holder, ASX Settlement is required under ASXSOR Procedure 8.18.3 to send a notice to that holder's old address. We consider that two business days continues to be a reasonable time for ASX Settlement to comply with this requirement.</p> <p>Similarly, the Scheduled Time that relates to ASXSOR 8.18.13 is two business days to provide <u>notice</u> of a change to a Holder Record. Such changes will however be processed as quickly as the new system allows.</p>	
12. Correcting errors	Account and holder functionality changes will only apply to new holdings rather than existing holdings	<p>Account and holder functionality changes will apply to all Holder Records (both new and existing).</p> <p>ASX will give further consideration as to whether any aspects of the migration of existing Holder Records to the new system should be supported by transitional rule amendments which are proposed to be consulted on as part of a further consultation.</p>	N/A
Locking and unlocking (see rows 13 to 20 of the table in Attachment A of our Tranche 1 Consultation Paper)			
13. Further information requested	Requested further details and use cases	<p>Rows 13 to 17 of the Summary in Attachment A to the Tranche 1 consultation paper set out the changes relating to the application of holding locks.</p> <p>These changes broaden the ability of ASX Settlement to apply a lock if required by court order or legislation , including if:</p> <ul style="list-style-type: none"> • a court order restricting transfers applies across all holdings under a HIN (by allowing for a Holder Record Lock to be applied) instead of only applying a lock on a holding by holding basis under that HIN - which would be the current mechanism to achieve this; or • any legislation (e.g. autonomous sanctions laws) requires some or all holdings in a HIN to be locked (the rules today provide that ASX Settlement can only apply a lock across all holdings in a HIN in relation to the specific pieces of legislation identified in the procedures). 	N/A

Issue	Feedback	ASX response	Rule changes
		<p>The manner in which the imposition and lifting of locks to CHESSE Holdings will be administered will continue to be prescribed in the ASX Settlement Operating Rules. This is consistent with the processing of locks today.</p> <p>For more detail on locking functionality, please refer to the relevant technical documentation available on the CHESSE replacement wiki.¹⁰</p>	
	<p>Requested further details on specific codes to be used where Holder Lock is applied for purpose of freezing assets under legislation (procedures and functional specs do not set out applicable Holder Lock reason code)</p>	<p>It is ASX's expectation that participants would use the code "Non-specific" for these types of requests.</p>	N/A
	<p>Request confirmation that unless specifically stated, the overall structure for application and administration of locks remains the same i.e. that ASX will apply and administer the locks to CHESSE Holdings.</p> <p>Whether ASX anticipates that locks will impact handling of various corporate actions (except with respect to the provisions of Rules 8.15.19 and 8.15.20) such as payment of dividends or the handling of refund monies after completion of renounceable rights offerings. For example, would an Issuer be under any obligation to withhold proceeds against a locked</p>	<p>As set out above, ASX will continue to apply and administer locks to CHESSE Holdings in the manner set out in the ASX Settlement Operating Rules.</p> <p>An Issuer will continue to be able to request ASX Settlement to impose a Holding Lock in the circumstances set out in the ASXSORs.</p> <p>The interaction between locks and Holding Adjustments and Financial Product Transformations was set out in the Tranche 2 Consultation Paper. Further information on this is also set out in row 43 below dealing with holding adjustments and financial product transformations.</p> <p>We note that neither CHESSE today nor the new system processes the payment of dividends. CHESSE does not currently handle the refunding of monies after completion of renounceable rights offerings. However, under the new entitlement acceptance functionality addressed in the tranche 2 rule amendments, issuers will be able to (on an optional basis) initiate refunds of payments for acceptances received pursuant to the new functionality. The amount of the refund will continue to be determined by the issuer in accordance with its offer documentation. As such, there is no change to the interaction between these</p>	N/A

¹⁰ <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/67830657/Account+and+Holding+Locking+and+Unlocking+Overview>.

Issue	Feedback	ASX response	Rule changes
	holding, or even to split payment for a partial lock?	payments and any holding locks or holder record locks that may apply to securities from CHESS today.	
14. Specific drafting points	There is no rule to allow for reinstatement of lock which expires before complete resolution	<p>As set out in the consultation paper, there have been some rule amendments in relation to a controlling participant nominating a time period during which a holder record lock can apply.</p> <p>The tranche 1 rule amendments proposed amendments to ASX Settlement Operating Rule 8.16.3 and the introduction of ASX Settlement Operating Rule 8.16.3A, to provide that a holder record lock will be removed on the expiry of any specified time period a controlling participant nominated for the lock to apply in the original message requesting the imposition of a lock.</p> <p>Some further rule amendments are required to clarify that controlling participants cannot specify a time period for a holder record lock to apply in the <i>originating message</i> under which the lock is requested, but will be able to specify this subsequently by way of <i>written notice</i> to ASX Settlement. It is expected that this notice can be provided by controlling participants in a standard form in connection with the imposition of locks in the new system to be published by ASX. Changes to provide for this have been included in the updated Tranche 1 draft rule amendments provided in Attachments B and D.</p> <p>If a controlling participant wished to extend the time period during which a holder record lock applied (beyond the original time period specified in a notice), they could request an extension to this time period by way of subsequent notice to ASX Settlement.</p>	ASXSOR 8.15.11A, 8.16.3A, 8.16.3
	Heading in Procedure 8.15.7 refers to Holder Record Lock but body of rule still refer to Holding Lock	Noted. This has been corrected back to Holding Lock.	ASXSOR Procedure 8.15.7 (heading)

Issue	Feedback	ASX response	Rule changes
Change of controlling participant (see row 21 of the table in Attachment A of our Tranche 1 Consultation Paper)			
15. Notice migrations	<p>Proposed change with regards to Transmitting a Valid Message for a change of Controlling Participant implies doesn't allow for Appendix H (Change of Controlling Participant Form) or off-line bulk transfer of HINs after cutover (impacting system migration upon merger of participants).</p> <p>Requesting system will need to know values of all HINs of relinquishing system in advance. Untenable for large volumes</p>	<p>A paper-based process for a Change of Controlling Participant (e.g. Appendix H) can still be used under the new system. Bulk transfers will use Appendix H (including where only some HINs are being migrated).</p>	N/A
Securities state and settlement instructions (see rows 22 to 29 of the table in Attachment A of our Tranche 1 Consultation Paper)			
16. User Technical Documentation	<p>Requested further details on technical documentation covering ISO20022 messaging</p>	<p>The technical documentation covering the relevant ISO20022 messaging is publicly available online via the following links:</p> <ul style="list-style-type: none"> • Security Sub-register Status Notification Overview • Security Sub-register Status Notification Process • Settlement Instruction Suspension Overview 	N/A
17. Giving notice	<p>Request for further guidance on timing and communication method of notifications of subregister state changes and cessation of quotation of financial products subject to a subposition.</p> <p>Request for further clarification regarding the words 'to the extent ASX</p>	<p>The relevant notifications will be generated as part of the usual notification process outside of CHES operating hours. For each notification, this will depend on the relevant subregister change type and the underlying event that causes the subregister change.</p> <p>Notifications will be in the form of an ISO20022 Message. Please refer to the User Technical Documentation in the row [16] for further detail.</p>	N/A

Issue	Feedback	ASX response	Rule changes
	Settlement considers reasonably necessary' in proposed ASXSOR 8.5.1(aa).	New ASXSOR 8.5.1(aa) includes a discretion for ASX Settlement to determine whether it is reasonably necessary for Facility Users other than the specific Issuer or Approved Market Operator to receive a notice of a change of subregister state. While ASX would make an assessment of each circumstance on a case by case basis, this for example, could allow ASX Settlement to notify affected participants (e.g. those that have submitted instructions) that the relevant suspension has occurred.	
18. Automated Security closure	Noting that there is currently a 20 Business Day window before security position removed in event of lapse, expiry, maturity event. Suggestion that ASX consider reducing this timeframe.	<p>ASXSORs 8.14.1 and 8.14.2 (to which this feedback relate) address the closure and archiving of a subregister. The period of 20 business days is currently provided to give share registries sufficient time to complete any required processing prior to the closure and archiving of the relevant sub-register. ASX has also received feedback indicating that reducing the 20 business day window would put additional strain on issuer registries in performing the necessary administrative functions prior to archiving.</p> <p>Accordingly, ASX does not propose to require changes to existing share registry processes and timeframes in relation to this specific functionality as a result of the replacement of CHES.</p>	N/A
	Noting concerns surrounding potential for changes to Rule 8.14.2 to impose additional costs and burdens for Issuers regarding requirement to issue CHES holding statements to holders	<p>As noted in the Tranche 1 Consultation Paper, Rule 8.13.1(a) currently prohibits ASX from closing a subregister except in accordance with the Rules. The purpose of the proposed amendment to ASXSOR 8.14.2 aims to more closely align the archiving process described under Rule 8.14.2 with the requirements of ASXSOR 8.13.1 by expressly providing within Rule 8.14.2 for the relevant closure of the sub-register as part of that archiving process.</p> <p>This proposed change, including the express provision of notification to Issuers, is considered an enhancement of existing rules and functionality in the scenarios covered by ASXSOR 8.14.2 and better supports existing processes.</p> <p>Under ASXSOR 8.20.1, where there is an addition to or deduction from a holding, ASX must send a CHES holding statement to the holder. Where as part of the closure and archiving of a CHES subregister a holding balance is reduced to zero, this will trigger a holding statement (as occurs today). As indicated in the proposed</p>	N/A

Issue	Feedback	ASX response	Rule changes
		<p>notes to ASXSORs 8.14.1 and 8.14.2, ASX Settlement will not ordinarily archive a CHESSE subregister if a CHESSE holding is recorded on the CHESSE subregister. It is not a present requirement for archiving a CHESSE subregister under ASXSOR 8.14.2 (e.g. for a lapse, expiry or maturity of financial products) that such a reduction of a holding balance to zero occurs. Accordingly, this means that a reduction of holdings to zero that occurs as part of the archive process, which may not otherwise occur today, would lead to the issue of further CHESSE holding statements. As part of its further work on CHESSE holding statements, ASX will consider whether to suppress the production of holding statements where the only transaction in the relevant month was the reduction of a holding to zero in the circumstances referred to in ASXSOR 8.14.2 (i.e. the archive of a CHESSE subregister as a result of a financial product that had lapsed, expired, matured etc).</p> <p>Additionally, ASX has been working with industry to implement electronic delivery of CHESSE holding statements reducing costs for issuers and delivering a more contemporary service to investors. This includes working with settlement participants to collect email contact details from investors who have consented to delivery of CHESSE holding statements electronically.</p>	
19. Drafting point	Request ASX to circulate rule 8.14A which was not included in the Tranche 1 Amendments	The reference to 8.14A in Rules 8.14.1 and 8.14.2 was a typographical error. This should refer to 8.14.4. This is corrected in the updated Tranche 1 rule amendments.	ASXSOR 8.14.1 and 8.14.2
Trade capture (see row 30 of the table in Attachment A of our Tranche 1 Consultation Paper)			
20. Number of Basis of Quotation	Query why only 3 BOQ will be allowed.	ASX reviewed the number of BOQ provided on trade reports in CHESSE today, and the maximum number of BOQ identified in this data set was 2. Based on this analysis, ASX determined that there was no need to cater for more than 3 BOQ in the new system.	N/A
Netting (see rows 32 to 36 of the table in Attachment A of our Tranche 1 Consultation Paper)			
21. Blocking indicator	Requested further details on block indicator	As set out in the Tranche 1 Consultation Paper, block indicator functionality refers to the existing ability for a clearing participant to request that certain Cash CCP Transactions be excluded from set off. This functionality is being decommissioned.	N/A

Issue	Feedback	ASX response	Rule changes
22. Participation structures	Requested further details on separation of CS functionality post Day 1	As indicated in the April 2018 Consultation Paper, changes to clearing and settlement participation structures including separation of entities performing clearing and settlement functions has been deferred to post Day 1 as it raises various impacts requiring further consideration. Accordingly, no additional details on such separation are available at this stage.	N/A
23. ASX Clear determining to remove Cash CCP Transactions from set off	<p>What is a reasonable use of ASX's powers in removing cash CCP transactions from set off (suggests examples included in a GN or procedure)?</p> <hr/> <p>Requested guidance on examples of scenarios where ASX Clear would remove transactions from settlement.</p>	<p>The introduction of ASXCOR 12.7.3 should be considered alongside the removal of block indicator functionality (see row [21]), which currently permits a clearing participant to request that certain Cash CCP Transactions are excluded from set off.</p> <p>The new ASXCOR 12.7.3 provides a fall back option, giving ASX Clear the ability to remove Cash CCP Transactions from set-off if the conditions of this rule are met (i.e. that it is necessary to maintain the orderly operation and integrity of ASX Clear).</p> <p>One example where ASX Clear may seek to use this power is if netting for a corporate action should have been turned off, but was not done so correctly. This power would enable ASX Clear to remove Cash CCP Transactions from set-off that should not have been included in set-off.</p> <p>As indicated in row [24] below, this does not involve removal of transactions from settlement, only from the netting process at the clearing house.</p>	N/A
24. Specific drafting queries	Requested clarification on types of transactions that can be excluded from settlement in relation to proposed amendments to ASXCOR 12.7.3A and 12.7.4 (set out in row 34 of the Summary of Changes table).	The Technical Documentation sets out the types of transactions that are ineligible for netting. ¹¹ We note that the amendments described in row 34 of the Summary of Changes table do not provide that transactions are excluded from <u>settlement</u> , only that these transactions are excluded from netting. An example of a transaction excluded from netting is a transaction with a settlement cycle of less than 2 business days.	N/A

¹¹ See here: <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/66062773/Netting+Overview>.

Issue	Feedback	ASX response	Rule changes
	<p>Query amended drafting to ASXCOR 12.6.2.</p>	<p>ASX will not be proceeding with the proposed amendments to ASXCOR 12.6.1 or 12.6.2. ASX previously sought to make this amendment to clarify that in the new system, Cash CCP Transactions will be netted per basis of movement (in addition to per HIN and security per existing functionality).</p> <p>Instead of making the proposed change to ASXCOR 12.6.1 and 12.6.2, ASX has clarified by way of a note to ASXCOR 12.6.1 that for the purpose of determining net delivery or payment obligations and entitlements in respect of class of financial products, regard will be had as to whether a financial product is to be transferred with or without the relevant entitlement. This reflects that financial products can be transferred with or without an entitlement during an ex period (see definition of “Parent Financial Product” in the ASXSORs).</p> <p>ASX modelling indicates it will be unlikely that financial products will need to be netted per basis of movement. However, one possible scenario is in relation to transactions in a special market with an extended ex-period which although occurring after the ex-date, continue to carry an entitlement and are therefore netted separately to transactions on that day which do not carry the relevant entitlement.</p> <p>The system has also been flexibly designed to accommodate future changes which may require financial products to be netted per basis of movement, for example future changes to settlement intervals or standard ex-periods.</p>	<p>ASXCOR 12.6.1 and 12.6.2.</p> <p>ASXCOR Procedure 12.6.2</p>
Collateral management (see rows 37 to 39 of the table in Attachment A of our Tranche 1 Consultation Paper)			
25. General	Proposed rule changes have beneficial ramifications where they enhance ability to release or reserve cover.	Noted.	N/A
26. General	No issue with the proposed amendments but asked ASX to consider removing requirement to call ASX Operations ‘in all cases’ to request replacement of Cover, given	Participants are required to contact ASX Operations to request an intraday exchange of Collateral. This reflects the need for manual processing steps once messages have been received by ASX Clear’s Derivatives Clearing System (DCS), to ensure the relevant margin exposure remains covered at all times in connection with an intraday exchange of Collateral.	Paragraph 3.4 of Annexure 1 of ASXCOR Procedures

Issue	Feedback	ASX response	Rule changes
	<p>automated processing for most messaging and therefore redundant unless otherwise required on case by case basis.</p>	<p>However, Participants will not be required to contact ASX Operations in relation to the replacement of one form of Cover (Collateral or Cash Cover) with another form of Cover (which does not involve intraday replacement). Participants will still be required to send the relevant message to request this replacement.</p> <p>Amendments to paragraph 3.4 of Annexure 1 of ASXCOR Procedures have been made to reflect this. The name of the ASX team responsible for receiving these requests has also been amended, and a formatting error fixed.</p>	
SRN enquiry (see rows 40 to 42 of the table in Attachment A of our Tranche 1 Consultation Paper)			
<p>27. General</p>	<p>Requested use cases</p> <p>Will participants need to send an SRN enquiry before a conversion to ensure that details are the same?</p>	<p>Please refer to the following links for further information on the operation of SRN enquiry functionality:</p> <ul style="list-style-type: none"> • SRN Enquiry Overview – https://asxchesreplacement.atlassian.net/wiki/spaces/CSP/pages/79757880/SRN+Enquiry+Overview • SRN Enquiry Changes – https://asxchesreplacement.atlassian.net/wiki/spaces/CSP/pages/80806085/SRN+Enquiry+Changes • SRN Enquiry Process – https://asxchesreplacement.atlassian.net/wiki/spaces/CSP/pages/80708481/SRN+Enquiry+Process • SRN Enquiry Process - Issuer Acceptance – https://asxchesreplacement.atlassian.net/wiki/spaces/CSP/pages/80741129/SRN+Enquiry+Process+-+Issuer+Acceptance • SRN Enquiry Process - Issuer Rejection – https://asxchesreplacement.atlassian.net/wiki/spaces/CSP/pages/80839017/SRN+Enquiry+Process+-+Issuer+Rejection 	<p>N/A</p>

Issue	Feedback	ASX response	Rule changes
<ul style="list-style-type: none"> SRN Enquiry Housekeeping Process – https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/80642420/SRN+Enquiry+Housekeeping+Process <p>This functionality is expected to support, as occurs today, identification of SRN details to facilitate transfers and conversions to the CHESSE Subregister.</p> <p>Participants will not be required to send a SRN enquiry before requesting a Conversion.</p>			
Transfers and conversions (see rows 43 to 50 of the table in Attachment A of our Tranche 1 Consultation Paper)			
28. General	Requested use cases	<p>Conversions refer to movements between subregisters without change in legal ownership. Transfers involve movement to or from a CHESSE Holding with a change in legal ownership.</p> <p>The process for Conversions remains unchanged.</p> <p>The new transfer process set out in the rule amendments will apply to all movements from the Issuer subregister to the CHESSE subregister (whether from a settlement participant that is a market participant or a settlement-only participant).</p>	N/A
29. Registration identifier	Question (addressed to ASIC) about providing financial service for non-onboarded client in relation to creation of UUID and registration identifier as part of Conversion process (for non-clients).	<p>A UUID (which stands for a universally unique identifier) is an algorithmic protocol that delivers a set of numbers and letters. An RGID is a numeric identifier that uses a UUID format.</p> <p>An RGID has limited functionality. Its primary purpose is to link the relevant identifier with messages to effect transfers and SRN enquiries.</p> <p>If an entity forms the view that it is providing a financial service for a non-onboarded client in relation to the creation of a UUID/RGID, it should speak to ASIC in the first instance.</p>	N/A
30. Fail rates	Considers the new process / rule changes will result in increase in fail rates due to minor discrepancies on	ASX acknowledges that given the additional validation step by Issuers in processing transfers to the CHESSE Subregister, this may increase fail rates under the new system initially. However ASX expects these numbers to decrease once	

Issue	Feedback	ASX response	Rule changes
	<p>issuer sponsored registration to those held by broker.</p>	<p>participants and issuers become familiar with the new format for providing and recording registration details. ASX is also taking steps to enhance alignment of registration details recorded by participants and issuers and also to enable identification of differences in registration details recorded prior to a transfer request.</p> <p>As indicated in row [4] above, User Technical Documentation will be supplemented in the future with additional information on the standardised format for recording holder registration details.</p> <p>The SRN enquiry functionality being formalised in the rule amendments (including issuer obligations to process such requests) will also support clarification of registration details prior to transfer.</p> <p>The requirement for inclusion of holder registration details in a request to transfer holdings helps support investor protections by preventing transfers of securities where the details for those holdings (other than the HIN currently included in such messages) do not align with the Issuer’s records. This is considered preferable to relying on post transfer checks by the relevant participant. Refer to row [31] below for further information on this and other standardisation and efficiency reasons for this change.</p>	
<p>31. BAU rule amendments</p>	<p>CHES BAU changes have not been included in Tranche 1 consultation. Requested confirmation that the BAU changes (including pre-transfer validation under Rule 9.12.5A) will be removed under CHES replacement.</p> <hr/> <p>CHES BAU changes have not been included in Tranche 1 consultation. What is impact on these BAU changes of CHES replacement?</p>	<p>The process for transfers to the CHES subregister under the BAU rule amendments introduced 18 December 2019 will be replaced with the Tranche 1 rule changes. The final version of the rules will be marked up against those BAU rule amendments.</p> <p>The BAU rule amendments introduced separate pre and post transfer processes for a sub-class of settlement-only participants (custodial settlement participants) so that they would no longer be required to provide paper transfer documents in order to effect an issuer sponsored to CHES holding transfer. They did not otherwise change processes for other settlement-only participants (for which such paper transfer document processing requirements continued) or settlement participants that were also market participants.</p>	<p>N/A</p>

Issue	Feedback	ASX response	Rule changes
	<p>BAU rule changes should be retained and ASX should not proceed with changes regarding transfers to the CHESSE Subregister under Tranche 1 rule amendments, including having regard to exposure of issuers from settlement participants.</p>	<p>The proposed Tranche 1 rule amendments replace the:</p> <ul style="list-style-type: none"> - specific pre and post transfer processes introduced above for custodial settlement participants as part of the BAU rule amendments; - existing paper transfer document validation processes for other settlement-only participants and for issuers and their share registries in respect of the processing of transfers by such participants; and - existing post validation steps by settlement participants that are market participants. <p>These changes create greater efficiencies across participants, issuers and their share registries by aligning the processing of transfers across all settlement participants and by removing manual paper based processes.</p> <p>As indicated in row [30], the proposed Tranche 1 rule amendments also involve additional pre-transfer validation processes across all participants, with issuers to check that the holder registration details included in a request to transfer holdings match the registration details maintained by the issuer for that holding prior to processing the transfer. This pre-transfer validation helps support investor protections by preventing transfers of securities where the details for those holdings do not align with the Issuer's records. This also aligns the processing of transfers with existing processing of conversions.</p> <p>Participants will also remain liable under existing warranties provided to certain persons (including issuers and holders) under the Corporations Act that they are authorised by the transferor to effect the transfer, and indemnities if they are not so authorised¹².</p>	
32. Pre-transfer check	<p>Will there be an industry-wide set of acceptance criteria/rules for determining a match? Participant pre-</p>	<p>ASX does not intend to prescribe an industry wide-set of acceptance criteria/rules for determining a match. The need to validate (i.e. match) participant provided registration details against registration details maintained by an issuer already</p>	N/A

¹² Corporations Regulation 7.11.29 and 7.11.32

Issue	Feedback	ASX response	Rule changes
	<p>transfer check may be different to issuers.</p>	<p>exists today given current validation requirements for issuers when processing conversions to the CHESSE subregister. Issuers are expected to be able to leverage existing internal matching tools/criteria for validating conversions in connection with the extension of such validation requirements to transfers.</p> <p>ASX is however taking steps to enhance alignment of registration details recorded by participants and issuers and also to enable identification of differences in registration details recorded prior to a transfer request. As indicated in row [4] above, the User Technical Documentation will be supplemented (anticipated by end May 2020) with additional information on the standardised format for providing and recording holder registration details, including to outline the standards to be used for creating accounts and holders in CHESSE.</p> <p>This will also help issuers and their registries to align their recording of registration details on the Issuer Sponsored Subregister with such format, thereby avoiding such mismatch at the validation stage.</p> <p>SRN enquiry functionality being formalised in rule amendments (including issuer obligations to process such requests) will also support clarification of registration details prior to transfer.</p>	
<p>33. Fraud prevention steps</p>	<p>Asked ASX to consider mandating certain information be passed from issuer to participant to assist with verifying transactions/identifying fraud.</p>	<p>ASX has not sought to mandate additional information to be passed from issuer to participant through the new system for such transaction verification/fraud identification purposes as this was not identified by industry as a new business requirement for the CHESSE replacement system (as outlined in the CHESSE Replacement: New Scope and Implementation Plan released by ASX in April 2018).</p> <p>In June 2019, ASIC published Information Sheet 237 which gives guidance to Australian financial services licensees in relation to mitigating risks to their clients and business of share sale fraud. This includes additional controls when handling one-off share sales and in relation to onboarding processes and ongoing customer due diligence.</p>	<p>N/A</p>

Issue	Feedback	ASX response	Rule changes
Demand and settlement instructions (see rows 51 to 60 of the table in Attachment A of our Tranche 1 Consultation Paper)			
34. Use of functionality	Request for confirmation whether SPs be required to use the RTGS functionality to settle bilateral transactions outside of batch? Request for use cases to be provided.	<p>It will be optional for Settlement Participants to use the new bilateral demand settlement transfer functionality, and so the use RTGS functionality is optional. Existing alternatives to the bilateral demand settlement transfers will remain available after Day 1, including bilateral batch settlement and bilateral demand transfers which involve transfers of securities occurring within CHESSE but settlement of payments outside CHESSE.</p> <p>If a Settlement Participant however elects to use the new bilateral demand settlement transfer functionality, then settlement using RTGS will apply.</p> <p>ASX expects that the use case for this new functionality will be relatively broad depending on participant needs, but one example includes a situation where an instruction has not been received from a client by the time of batch processing to support settlement with that client on a DvP basis within batch, in relation to a client market transaction being settled on that day. In that example, a Participant may elect to use the new bilateral demand transfer settlement functionality to still achieve DvP settlement with the client on that day in respect of that market transaction.</p>	N/A
35. Drafting comments	<p>Request for confirmation regarding the proposed usage of the Secondary Matching Flag in Dual Entry Settlement Instructions. Offered drafting comments on ASXSOR Rule 9.5.2(b)(iii) and 10.9.3(b).</p> <hr/> <p>Supportive of change broadly, but suggested that revised ASXSOR 9.5.2(b)(iii) and 10.9.3(b) does not reflect usage</p>	<p>ASX will amend ASXSORs 9.5.2(b)(iii) and 10.9.3(b)(iii) to more clearly reflect the use case for the secondary matching flag.</p> <p>The matching reference in ASXSORs 9.5.2(b)(iii) and 10.9.3(b)(iii) refers to the supplementary matching reference field in the relevant message. This field is normally not a matching field in CHESSE and is provided to enable the relevant participant to populate a value that may be known to the counterparty to assist in matching management by participants.</p> <hr/> <p>From a practical perspective, the supplementary matching reference field becomes a matching field in CHESSE only when the secondary matching flag is set to 'Yes'. This alerts CHESSE to consider the value in the field for matching purposes and only match if the counterparty also stipulates the same value with the</p>	<p>ASXSOR 2.13 definition of "Secondary Matching Flag"</p> <p>ASXSORs 9.5.2(b)(iii) and 10.9.3(b)(iii)</p>

Issue	Feedback	ASX response	Rule changes
		secondary matching flag set to Yes on their message. This will be made clearer in the rules.	
36. Settlement tolerance override amount	<p>Disagrees with proposal to restrict participants from setting a limit within a settlement instruction that is less than ASX default tolerance level. Requested further information on rationale.</p> <p>ASX does not currently reject tolerance on a trade sent by a participant which is below the ASX default amount. Requested further clarification</p>	<p>The purpose of new settlement tolerance override amount functionality is to reduce the risk of non-matching where the relevant needs and tolerances of Participants require greater flexibility.</p> <p>The proposed ASXSORs reflect the current position in CHES, i.e. the lower tolerance levels determined by ASX Settlement in accordance with the ASXSORs based on the size of the transaction, while also allowing for participants to override this ASX default tolerance amount (i.e. Settlement Amount Tolerance) with a higher value.</p> <p>ASX also notes that under the new system, the Settlement Amount Tolerance will be updated to a tiered tolerance, which will scale with the size of the relevant transaction.</p> <p>As indicated above, the intention of the new functionality is not to enable Participants to specify narrower settlement tolerances, thereby increasing the risk of increasing non-matches. As discussed in the Focus Group¹³ for this functionality, the focus of the settlement tolerance override amount is to allow Participants more flexibility and greater match certainty by permitting wider tolerances than those specified by ASX. ASX notes that permitting narrower settlement tolerances than those specified may increase the risk of instructions not matching and cause a degradation in the settlement process.</p> <p>While the current CDE Testing environment does not reject a tolerance entered below the Settlement Amount Tolerance, these are effectively processed as no tolerance, as anything lower than that tolerance is currently processed using the default settlement tolerance amount.</p>	N/A

¹³ Focus Group meeting held on 7 November 2018.

Issue	Feedback	ASX response	Rule changes
37. Cut off times	Query whether procedures will specify cut off times for processing immediate bilateral instructions	ASX notes this feedback. This issue is currently under consideration, including as to the form of further information to be released regarding processing cut-off times. As part of this consideration, ASX will be seeking to engage further with stakeholders on this functionality.	N/A
38. Message and instruction naming	Discrepancy between Procedure 9.4.1 and 10.9.11 (which says FOR flag is required) and functional specs (which say FOR is not required). Should FOR line be removed from Procedure 9.4.1 and 10.9.11?	<p>ASX will amend ASXSOR Procedures 9.4.1 and 10.9.11 to remove the references to FOR.</p> <p>By way of additional background, the FOR message field is being removed for unilateral transfers only as the relevant Participant controls both HINs in relation to the relevant message, and so unlike a bilateral transaction, the participant is aware of the foreign status of both sides to the relevant message. Consequently the FOR field is redundant in the unilateral context.</p> <p>Existing procedures to ensure that foreign holders can continue to be identified are not being changed as a result of this data field modification. For example, ASXSOR 6.3.4(b) retains the obligation on participants to establish a dedicated settlement account with a Residency Indicator “F” to facilitate foreign to foreign allocations and ASXSOR 8.7.3 retains the obligation on participants to establish a holder record with the appropriate Residency Indicator “F” for any holding of FOR financial products, with ASX providing issuers with net domestic and foreign movement information on a daily basis.</p>	ASXSOR Procedures 9.4.1 and 10.9.11.
39. Trust amount – consolidated Unilateral Batch Instruction	Discrepancy between Procedure 6.3B.4 (which say Client Trust Deductible Amount must be zero or negative) and user technical documents/functional specs (which say all values as unsigned amounts, with debit or credit flag indicating direction).	<p>Procedure 6.3B.4 seeks to impose a rules based obligation regarding how to account for a Client Trust Deductible Amount. Consequently, the concept is defined as a negative amount, given the reuse of the same message as for Client Trust Receivable Amount which would be accounted for as a positive amount (as per Procedure 6.3B.2 and 6.3B.3).</p> <p>In the new system, the relevant Client Trust Deductible Amount must be a negative amount. In practice, this may be distinguished by the application of a DBIT or CRDT value to differentiate negative from positive. The Message formatting details are not specified in the ASXSOR Procedures, rather the minimum requirements for validity. More detailed formatting information will be</p>	N/A

Issue	Feedback	ASX response	Rule changes
		<p>made available via the User Technical Documentation replacing the APG, being released iteratively between April 2020 and end of 2020.</p>	
<p>40. Demand Locks</p>	<p>How will units in a target holding receive an adjustment upon completion of Demand or Settlement transfer?</p>	<p>The demand lock functionality will only be used when a Bilateral Demand Transfer or Bilateral Demand Settlement Transfer is initiated. That lock will only remain in place until the performance of the transfer (on the day imposed), subject to earlier removal of the lock in accordance with proposed Rule 9.5.9 or 9.5A.9 (as applicable).</p> <p>In practice, a key example where holdings may be adjusted in a manner relevant to the question is in the case of a Reconstruction. As noted below in row [43], once an Issuer has initiated a Reconstruction, ASX Settlement will remove all Settlement Locks and Demand Locks (as applicable) from all Holdings in the relevant financial product – refer to draft Rule 8.26.1 as part of the Tranche 2 rule amendments¹⁴. This occurs prior to the issuer initiating a Holding Adjustment or Financial Products Transformation to give effect to the Reconstruction. Settlement Locks and Demand Locks are not reapplied by ASX Settlement post the Reconstruction.</p> <p>Once the demand or settlement transfer has occurred, Holding Adjustments and Financial Product Transformations will continue to be able to be processed.</p>	
	<p>Issuers should also be similarly indemnified as under ASXSOR 8.15.24 in respect of Demand Locks due to the risks presented by the restriction on Issuer corporate action processing.</p>	<p>Demand lock functionality is an automatic feature of the Bilateral Demand Transfer and Bilateral Demand Settlement Transfer functionality in the new system.</p> <p>These locks apply to prevent movement of securities to increase operational certainty for transactions in the new system and have limited duration (i.e. for demand locks, the performance of that transaction on a demand basis on that day).</p>	<p>N/A</p>

¹⁴ The changes made to rule 8.26.1 under the tranche 2 rule amendments replace the changes to 8.15.20 proposed under the tranche 1 rule amendments, providing greater clarity to the process and timing for removal of such lock in the case of a Reconstruction.

Issue	Feedback	ASX response	Rule changes
<p>Given this, an equivalent indemnity to ASXSOR 8.15.24 (which applies to settlement locks) is not considered appropriate for demand locks.</p> <p>Refer also to row [44] in relation to why the indemnity under ASXSOR 8.15.24 for settlement locks does not extend to Issuers.</p>			
<p>Settlement locks for CHESS holdings (see rows 61 to 67 of the table in Attachment A of our Tranche 1 Consultation Paper)</p>			
<p>41. Mandating use of Settlement Locks</p>	<p>Supports decision to mandate use of settlement lock</p> <hr/> <p>Does not support decision to mandate use of settlement lock for client CHESS holdings and removing accumulation account staging of holdings</p> <hr/> <p>Preference for this to be non-mandatory</p> <hr/> <p>Does not support removal of accumulation staging. Removal should only be considered when settlement lock functionality is available for both CHESS and Issuer holdings. Having 2 settlement flows would be complex</p> <hr/> <p>Ability to use accumulation account will provide operational efficiencies. Where accumulation account could only be used to stage issuer sponsored holdings and client CHESS holdings must be scheduled to delivery directly from account HIN, would result in split in operational process</p>	<p>ASX has determined to proceed with its proposal to <u>not</u> mandate use of Settlement Lock for CHESS Holdings based on the feedback received.</p>	<p>N/A</p>

Issue	Feedback	ASX response	Rule changes
	<p>Functionality should be optional (accumulation staging process and optional lock will continue to give participants flexibility)</p> <hr/> <p>Does not support mandating use. Would introduce two disparate process flows and additional complexity and operational risk to fundamental settlement and client protection processes. Significant resources/costs will be required to support. 31 December 2021 deadline is not enough time.</p> <p>Suggested functionality is offered (but not mandated) or consider mandating settlement lock across all holding types (although this is a major change to processes).</p>		
42. CMM	Will NAB receive CMM offset for all scheduled and locked settlements?	<p>Margining arrangements will not be impacted by the introduction of settlement locks because it is not currently intended that settlement locks persist in a default. As a result, cash market margin offsets will not be available (as indicated in the April 2018 Consultation Paper).</p>	N/A
43. Holding Adjustments and Financial Products Transformations	<p>N/A – Further background information provided to aid stakeholder understanding of proposed changes to processing of holding adjustments and financial product transformations addressed in tranche 1 and tranche 2 rule amendments.</p>	<p>The ASX Settlement Operating Rules currently contemplate that holding adjustments or financial product transformations in relation to locked holdings will be given effect to, <u>unless</u> the terms of a court order would restrict this (see ASX Settlement Operating Rule 8.15.19). The tranche 2 rule amendments proposed that messages initiating holding adjustments or financial product transformations in relation to locked financial products will not be given effect to, <u>unless</u> the request relates to a “reconstruction”. Examples of “reconstructions” include a share split or a share consolidation, which issuers can give effect to through a</p>	N/A

Issue	Feedback	ASX response	Rule changes
		<p>holding adjustment to decrease/increase the number of financial products in a holding.¹⁵ Although the scope of the exceptions to the processing of holding adjustments and financial product transformations is being amended in the new system, the concept of there being exceptions to the processing of these requests is not new.</p> <p>If an issuer wishes to initiate a holding adjustment or financial product transformation that is <u>not</u> a reconstruction in connection with locked securities, an issuer can discuss this with the relevant controlling participant, holder or ASX Settlement to establish an appropriate way forward. This discussion enables the purpose for which a lock was originally applied (e.g. the terms of any applicable court order) to be taken into consideration, rather than the system providing for the automatic processing of these requests which would not recognise the original purpose for which a lock was applied.</p> <p>Practically, the rules provide mechanisms by which holder record locks, holding locks, demand locks and settlement locks can be removed, which may allow the removal of a lock if the outcome of discussions between an issuer and the relevant party determines that this is appropriate.¹⁶ We also note we have proposed a further rule amendment in row 46, which provides that settlement locks will be automatically removed if securities are suspended (eg if securities are suspended in connection with a merger event). This automatic removal of settlement locks</p>	

¹⁵ A reconstruction is defined in the ASX Settlement Operating Rules as being an alteration to the issued capital of an issuer which affects the number or nature of financial products held by a holder. We note that ASX proposes making a further rule amendment as part of Tranche 3 to the definition of “reconstruction” to remove reference to a “merger”, to ensure that the definition of reconstruction applies to an adjustment in share capital that relates to one entity (rather than a merger, which necessarily relates to more than one entity). This change will be described in a future consultation paper for stakeholder feedback.

¹⁶ **Holder record locks:** Settlement participants have the power to request that holder record locks are removed at their request (see ASX Settlement Operating Rule 8.16.3A (Tranche 1 rule amendments)).

Holding Locks: An issuer may request that ASX Settlement remove a holding lock (see ASX Settlement Operating Rule 8.16.1 (Tranche 1 rule amendments)). Please note that settlement participants cannot impose holding locks.

Settlement locks: Settlement participants have the power to request that settlement locks are removed at their request (see ASX Settlement Operating Rule 8.16.6 (Tranche 1 rule amendments)). ASX Settlement also has the power to remove a settlement lock at any time to maintain the orderly operation and integrity of the Settlement Facility. If an issuer or a participant requested ASX Settlement to remove a settlement lock in order to facilitate the processing of a holding adjustment or financial product transformation, ASX Settlement could consider relying on this power to give effect to that removal (see ASX Settlement Operating Rule 8.16.8 (Tranche 1 rule amendments))

Demand Locks: ASX Settlement has the power to remove a demand lock at any time to maintain the orderly operation and integrity of the Settlement Facility. If an issuer or a participant requested ASX Settlement to remove a demand lock in order to facilitate the processing of a holding adjustment or financial product transformation, ASX Settlement could consider relying on this power to give effect to that removal (see ASX Settlement Operating Rule 8.16.8 (Tranche 1 rule amendments)).

Issue	Feedback	ASX response	Rule changes
		<p>means that a settlement lock will not restrict an issuer from initiating a holding adjustment or financial product transformation in order to give effect to certain corporate events while the relevant security is suspended.</p> <p>An issuer seeking to give effect to a reconstruction will be able to do so despite any locks that may apply to the affected securities. ASX determined it was appropriate for reconstructions to be given effect to as a reconstruction is not expected to affect the value of securities, only the number of securities on issue (e.g. due to a share consolidation). The treatment of locks in a reconstruction scenario depends on the type of lock.¹⁷</p>	
	<p>Request clarification that ASX notify Issuers for non-applied adjustments or Transformations for locked holdings</p>	<p>An issuer will have access to both a “Total Balance” and “Available Balance” for each HIN. The difference between these two balances will be securities that are subject to any type of lock (e.g. demand lock) or subposition (e.g. in favour of ASX Clear for securities provided as Cover for margin obligations or in favour of a Participant Bidder for securities accepted into a takeover bid).</p> <p>Using this information, an issuer will have visibility as to the number of available securities for performance of transactions or other processes in the system (e.g. a holding adjustment or financial products transformation).</p> <p>In the event an issuer sends a message requesting a holding adjustment that will decrease the number of securities in a HIN by more than the available balance, that holding adjustment message will be rejected.</p>	N/A
	<p>If some holdings are adjusted (those not subject to a lock) and others are not adjusted (those locked), are participants required to do adjustments that were prevented</p>	<p>An issuer is responsible for giving effect to holding adjustments or financial product transformations. These cannot be initiated by a settlement participant.</p> <p>Row 43 above describes the steps an issuer can take to give effect to a holding adjustment or financial product transformation in the event securities are subject</p>	N/A

¹⁷ **Demand locks** and **settlement locks** are automatically removed by ASX Settlement when it receives notification of the reconstruction (see ASX Settlement Operating Rule 8.26.1 (Tranche 2 rule amendments)). These locks are not reapplied post the reconstruction.

Holding locks and **holder record locks** will not prevent a holding adjustment or financial product transformation that relates to a reconstruction from taking place. Holding locks and holder record locks will remain in place post the reconstruction to the newly reconstructed security balance (or in relation to a holding lock, in the same ratio as the holding lock applied prior to the reconstruction).

Issue	Feedback	ASX response	Rule changes
	because of settlement lock, upon completion of Demand or Settlement transfer?	<p>to a lock. As indicated above in this row 43, reconstructions will be given effect to despite any locks that may apply to the affected securities.</p> <p>If an issuer transmits a message to initiate a holding adjustment or financial product transformation and there is an insufficient available balance for the HIN to give effect to the request, the message will be rejected.</p>	
44. Indemnity	<p>Include the Issuer as a party indemnified by the Participant under ASXCOR 8.15.24.</p> <p>Provide indemnity in respect of Settlement Locks and Demand Locks</p>	<p>These locks apply to prevent movement of securities to increase operational certainty for transactions in the new system and have limited duration (i.e. for settlement locks, during the T+2 settlement cycle and for demand locks, the performance of that transaction on a demand basis on that day).</p> <p>New ASXSOR 8.15.24 reflects the indemnity provided by a participant under ASXSOR 8.15.16 in relation to a Holder Record Lock, which is for the benefit of ASX Settlement and a Holder. In introducing this new indemnity, we have sought to reflect the scope of existing indemnities as they relate to locking functionality. For this reason, proposed new ASXSOR 8.15.24 does not extend to issuers.</p>	N/A
45. Settlement Locks for accumulation to settlement entrepot	Will settlement locks be mandatory for accumulation to settlement entrepot movements? Functional specs say locking as optional on Unilateral Settlement Instruction	<p>Yes, the settlement lock will be automatically applied to movements from an accumulation account to a settlement entrepot account.</p> <p>In a footnote to the User Technical Documentation (see *)), it is noted that for unilateral settlement instructions where the delivering account is an accumulation account and receiving account is a settlement entrepot, a settlement lock will be applied automatically.¹⁸</p>	N/A
46. Further rule amendment by ASX	NA	<p>ASX has made a further rule amendment to ASXSOR 8.5.1 to clarify that where a class of an issuer's financial products are suspended by ASX Settlement, ASX Settlement will remove all Settlement Locks in place in relation to the suspended financial products.</p> <p>ASX Settlement will not automatically reinstate these locks following suspension, however a participant may request that a settlement lock is re-applied post</p>	ASXSOR 8.5.1

¹⁸ See here: <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/23233075/Settlement+Lock+Overview>.

Issue	Feedback	ASX response	Rule changes
<p>suspension in connection with unilateral and bilateral batch instructions (see ASXSOR 8.15.21). Settlement locks will not be automatically reapplied by ASX, as ASX considers that settlement participants are best placed to determine the settlement obligations or requirements after a suspension has been lifted.</p> <p>In the case of such suspension of a class of financial products, all Instructions that have already been received in respect of such financial products are also suspended and any new Instructions or Messages received are rejected. It is not considered appropriate that Settlement Locks persist in that scenario.</p>			
<p>Ad hoc changes (see row 68 of the table in Attachment A of our Tranche 1 Consultation Paper)</p>			
<p>47. Emergency assistance</p>	<p>Requested use cases about how this assistance would be provided</p>	<p>The new Emergency Assistance rules provide a framework for a participant to request assistance from ASX Settlement, reflecting an existing framework under the ASX Clear Operating Rules. The intention is for ASX Settlement to provide assistance to a settlement participant in the event they are experiencing a connection issue (e.g. in the event a participant is unable to connect to CHES).</p> <p>The rules framework provides that a participant may request assistance from ASX Settlement to send and receive messages and to make available other emergency facilities. As it is difficult to predict what type of emergency assistance a participant may require in the future, the draft rules are not prescriptive on the type of other emergency facilities that may be provided by ASX Settlement in response to a request for assistance.</p> <p>This functionality has been used previously, for example by a Payments Provider during the Martin Place siege when they were unable to connect to CHES.</p>	<p>N/A</p>
<p>Miscellaneous/other</p>			
<p>48. Old terminology</p>	<p>Old terms have not been replaced with terms across all of the rulebooks (e.g. dual to bilateral)</p>	<p>The replacement of such terms across the rule books is to be addressed through further consultation on the rule amendments covering the Tranche 3 rule amendments. For purpose of Tranche 1, it was sought to limit such general changes to rules that were changing in that tranche.</p>	<p>N/A</p>

Issue	Feedback	ASX response	Rule changes
49. Optional vs mandatory functionality	What is approach for mandatory v optional and how will ASXSOR reflect optional period (including in relation to breach of rules)?	Aspects relating to timing for enlivening rules providing for new functionality will be addressed as part of transitional rule amendments for the new system which are proposed to be consulted on as part of a further consultation.	N/A
50. APGs	Status of APGs	<p>The APG will be fully replaced by the User Technical Documentation available through the CHES replacement wiki.¹⁹ The User Technical Documentation will consist of:</p> <ul style="list-style-type: none"> • Functional Specifications which detail the business overview, the business processes, business rules and validations plus the ISO 20022 messages. The Functional Specifications for the tranche 1 rule amendments are available on the CHES replacement wiki. • Operational procedures and guidelines, the release of which commenced in April 2020. The purpose of this document is to provide guidelines for participants, issuers and registries to assist them to develop internal procedures that suit their business and internal systems and is modelled on the previous ASX Settlement Operational Procedure Guidelines. ASX expects this will be released in tranches, similar to the approach taken to date in publishing the Functional Specifications, with ASX endeavouring to release the final tranche so as to be available by end 2020. <p>The equivalent of the EIS will be the messaging section of the User Technical documentation.</p>	N/A
51. User Technical Documentation	Requested confirmation that that 'Functional Specification' posted on wiki is the User Technical Documentation.	Yes, the "Functional Specifications" available on the CHES replacement wiki will form part of the "User Technical Documentation". See also response for row [50] above. The "Functional Specifications" across almost all of the Day 1 functionality for the new system on Day 1 have now been published (with only two outstanding ISO messages related to default management ²⁰). The publication of the last Functional Specifications occurred on 2 April 2020. ASX will refine and review the	N/A

¹⁹ See here: <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/overview?mode=global> .

²⁰ The Functional Specifications for these two outstanding messages are anticipated to be released mid-year

Issue	Feedback	ASX response	Rule changes
	<p>Release of functional specifications is occurring in tranches and does not appear to be aligned with rules tranches</p>	<p>Functional Specifications content based on market feedback and questions. Where revisions are updated, these are clearly highlighted in the release notes and top of each page.</p> <p>The consultation paper for each of the tranches identifies the relevant Technical Documentation covered by each of the rule amendments in that tranche.</p> <p>Refer also to row [56] regarding the approach to groupings of rule amendments into three tranches.</p>	
<p>52. Fees/processes</p>	<p>Wanted further detail on fees / processes, which may influence nature of capital raising and record keeping (e.g. CHESS holding statements and their reissue when required).</p>	<p>As indicated in row [18], ASX has been working with industry to implement electronic delivery of CHESS holding statements, reducing costs for issuers and delivering a more contemporary service to investors.</p> <p>Fees are not currently addressed under the ASX rulebooks, and so have not been consulted on part of this Tranche 1 rules consultation.</p>	<p>N/A</p>
<p>53. CHESS holding statements</p>	<p>Supports process involving opting to move to online communications preference and noted 'there is a place for hard copy documents' where users access to technology is limited.</p>	<p>CHESS holding statements are not addressed in the tranche 1 amendments. As per the April 2018 Consultation Paper, movement to electronic CHESS holding statements and notifications is proposed to be on an opt-in basis. As a practical matter, the provision of such statements and notifications will be dependent on receiving a holder's email address, in addition to the registration details currently provided by settlement participants when establishing a CHESS holding. If an investor wishes to receive communications from ASX electronically, their settlement participant can communicate this election to ASX via CHESS at the time of providing such email details.</p> <p>As indicated in row [18], ASX has been working with industry to implement electronic delivery of CHESS holding statements, including working with settlement participants to collect email contact details from investors who have consented to delivery of CHESS holding statements electronically. This includes for the purpose of facilitating electronic CHESS holding statements prior to the introduction of the new system.</p>	<p>N/A</p>

Issue	Feedback	ASX response	Rule changes
54. Rectification of errors	<p>Process should exist for rectifying or preventing errors by shareholders operating without facilitation by full service stockbroker.</p>	<p>Information will continue to be updated in the new system as at present for CHES. Transactions within the system (including provision of holder details) will continue to be limited to authorised participants and other permissioned facility users.</p> <p>It is not proposed that holders will be able to directly transact with the new system to change their own details. Where such changes to holder details are required, e.g. for change of address, this will be required to be performed by the sponsoring participant for that holder from whom such details are sourced and who are required by law to carry out KYC on investors before transacting on their behalf, which is generally carried out at the on-boarding stage before a HIN issued.</p>	N/A
55. Messages	<p>New system will involve several linked messages rather than one complete message per transaction.</p> <p>Structure of communication is no longer apparent on face of Rules, with Rules seeking to fit new node access structure.</p>	<p>The new system will adopt ISO 20022 messaging, which is not a 'like for like' with CHES messages, meaning that for some transactions, multiple messages are required which will be 'linked' (e.g. for transfers). This reflects the separation under ISO 20022 of messages containing holder details (static data) and transfer/conversion/enquiry requests (transaction data).</p> <p>These changes are not related to the introduction with the new system of a Ledger API or "node" connectivity channel. Facility users will continue to transact in the new system and receive reporting via "Messages" that are "Transmitted", regardless of the connectivity channel a user chooses to access and interact with the new system.</p>	N/A
56. Tranches of rule amendments	<p>Lack of regulatory certainty without comprehensive rule package. Rule making process is not structured in a manner that provides full transparency to enable users and other stakeholders to understand their obligations and the operation of the new system.</p> <p>BAU changes for transfers to CHES Subregister not shown in rules.</p>	<p>Rules consultation process</p> <p>The consultation process for the rule amendments for the new system has been designed to be responsive to stakeholder requirements.</p> <p>ASX has sought to deliver draft rules to the market at the earliest possible time, rather than waiting until all draft rules are available. This is being done in a logical way, with draft rules to be issued in three tranches grouping related sets of rules which also reflect the logical development of clearing and settlement aspects.</p>	N/A

Issue	Feedback	ASX response	Rule changes
		<p>Key drivers for this approach and the timetable for the release of the rule amendments for consultation were the:</p> <ul style="list-style-type: none"> the ongoing iterative solution design process which involves feedback from focus groups and the ISO 20022 technical committee, with the final form of the solution being a key input to the detailed rules analysis and implementation process that follows; the objective to complete the rule amendment regulatory clearance process at least 6 month prior to go-live to provide industry certainty well in advance of go-live, including so that any necessary operational processes can be put in place to ensure compliance with the rules. <p>The consultation packages also seek to make it as easy as possible for stakeholders to find what they are looking for, and to understand the intended purpose of each rule change. The consultation packages are also provided under a published timetable which is in accordance with best practice. ASX considers that this process will make it easier for customers and other stakeholders to navigate and consider the draft rule amendments.</p> <p>The tranche 1 draft rule amendments (covering accounts, participants, securities and pre-settlement aspects for the new system), which are the subject of this response to consultation feedback, were released for public consultation on 15 November 2019.</p> <p>The tranche 2 draft rule amendments (covering corporate actions, mFund and RTGS payment aspects for the new system) were released for public consultation on 21 February 2020²¹.</p> <p>As indicated in ASX's media release on 25 March 2020, consultation on the tranche 3 rule amendments (covering settlement, reporting and other miscellaneous aspects for the new system), which was due to have been released on 6 April 2020, has been suspended until after the June consultation on the new</p>	

²¹ As indicated in ASX's [media release](#) on 25 March 2020, the consultation period for the tranche 2 rule amendments, which was due to conclude on 3 April 2020, has been extended to 29 May 2020.

Issue	Feedback	ASX response	Rule changes
		<p>CHES replacement implementation timetable. This was in recognition of the unfolding COVID-19 pandemic and the impact on stakeholders.</p> <p>As indicated in the consultation paper for the tranche 2 rule amendments, ASX was also considering options for further consultation on the consolidation of the draft rules package across the three tranches of rule amendments.</p> <p>The process for further consultation on the rule amendments will form part of that June consultation on the new CHES replacement implementation timetable.</p> <p>BAU rule amendments</p> <p>The transfers to the CHES subregister BAU rule changes came into effect on 18 December 2019, which was after the release of the consultation paper for the Tranche 1 rule amendments on 15 November 2019. Accordingly these were not shown in the Tranche 1 rule amendments - which reflected amendments to the ASXSORs as applied at the time of the release of that paper.</p>	
57. Consultation process	<p>Consultation inappropriately undertaken by ASX Limited (should be ASXC or ASXS).</p> <p>Rules are too generally worded.</p> <p>Lack of precise links between consultative text and proposed rules</p>	<p>The consultation paper included the standard address details for the Office of the General Counsel, which supports all licenced entities in the ASX group. This includes coordinating and supporting rule change and consultation processes for the CS facilities operated by ASX Clear and ASX Settlement (as is currently the case).</p> <p>The rule amendments are focussed on clearing and settlement aspects under the ASXCORs and ASXSORs and also include one amendment under the ASXORs. Accordingly, the consultation is being undertaken by each relevant CS facility (ASX Clear and ASX Settlement), and in the case of the one ASXOR change, by ASX as market operator.</p> <p>Provision of the change to the ASXORs as part of the consultation on the Tranche 1 rule amendments supports early transparency to the market and other market operators of contemplated changes to the operating rules of the ASX market in connection with the replacement of CHES.</p>	N/A

Issue	Feedback	ASX response	Rule changes
		<p>The consultation paper includes links to the specific Technical Documentation and Summaries for Focus Groups and Technical Committee meeting feedback for each functional element addressed through the rule amendments (as applicable).</p>	
<p>58. Competition</p>	<p>CP doesn't:</p> <ul style="list-style-type: none"> • identify areas that that may impact on competition • identify areas where rules are being made pursuant to CS licence <p>Proposed services for issuers may impact division of investor and issuer sub-register functions.</p>	<p>The consultation on the rule amendments identifies rules being amended in connection with the new system and also provides an explanation of those changes, including the purpose. This allows for feedback from users and other stakeholders on the relevant impacts (including unintended consequences on competition).</p> <p>The rule amendments deal with changes to the ASXSORs, ASXCORs and ASXORs. This is expressly dealt with throughout the consultation paper, the Summary and each of the Attachments setting out the changes to those rules. Where the rules being amended are ASXCORs and ASXSORs, the provisions under Part 7.3 of the Corporations Act dealing with the licensing of CS facilities apply. The consultation for the rule changes is being undertaken by each relevant CS facility (ASX Clear and ASX Settlement) in relation to their respective operating rules.</p> <p>It is not clear which new issuer services the feedback on impact to sub-register functions refers to. If this is referring to new functionality for the electronic notification through CHES of DRP/BSP elections and electronic notification and payment through CHES of entitlement acceptances, these are addressed as part of the Tranche 2 rule amendments released for consultation on 21 February 2020. These represent new business requirements generated through industry consultation processes in 2017 and 2018.</p>	<p>N/A</p>
<p>59. Preferential treatment</p>	<p>Preferential treatment to ASX Limited clients over competitors of ASX Limited, including Chi-X, in connection with framework for additional tax and residency details to be populated in a Holder Record for mFund.</p>	<p>mFund is a settlement service and is not a market. It does not involve the quotation of mFund issuer products on the ASX market.</p> <p>When mFund was established issuers requested functionality in relation to reporting under the US Foreign Account Tax Compliance Act. This was subsequently extended to the include functionality in relation to the Common Reporting Standard. As part of CHES replacement, ASX is modifying existing system requirements, which already provide for the capture of all required investor and tax residency details for mFund products. As noted above, these</p>	<p>N/A</p>

Issue	Feedback	ASX response	Rule changes
	<p>Chi-X does not have access to an issuer portal.</p>	<p>changes merely modify existing system requirements, and have not resulted in any Rule amendments.</p> <p>Chi-X holds a licence to operate a market and is not licensed to operate a CS facility (e.g. for the purposes of operating a settlement service such as mFund).</p> <p>ASX has not sought to extend the issuers to which the FATCA/CRS information is provided (e.g. ETFs, LITs or REITs). This is based on a lack of customer demand.</p> <p>Chi-X is not an Issuer for which the Issuer portal is applicable.</p>	
<p>60. Deferral</p>	<p>ASX should consider a 9-12 month deferral in project implementation.</p>	<p>As indicated in ASX's media release on 25 March 2020, ASX will consult on the implementation timetable for the CHES replacement system. This is due to the unfolding COVID-19 pandemic. It is also in response to user feedback on timing, requested functionality changes, and the need for ASX to complete aspects of its own readiness.</p> <p>In June, ASX will seek user input on the new schedule that will move the go-live date from April 2021 to a later date. In the meantime, the target of opening an Industry Test Environment (ITE) in July is retained.</p>	<p>N/A</p>

Attachment B: Overview of further tranche 1 rule amendments following consultation feedback

Tables 1 to 4 below set out the changes ASX is making to the tranche 1 rule amendments following consultation feedback. Changes are proposed to the ASX Settlement Operating Rules (see Table 1), ASX Settlement Operating Rule Procedures (see table 2), ASX Clear Operating Rules (see Table 3) and ASX Clear Operating Rule Procedures (see Table 4). No further changes are proposed to the ASX Operating Rule Procedures as a result of consultation feedback.

- The column “Change proposed in Tranche 1 Consultation Paper” shows the original rule amendments (marked up against the existing rule).
- The column “Revised change following Tranche 1 feedback” shows the revised mark-up proposed to the rule (also marked up against the existing rule). Where there has been changes to a rule or text that was introduced as part of the tranche 1 consultation paper, ASX has made the further change clear in this column by highlighting any further revisions in **yellow** highlight.

Table 1: ASX Settlement Operating Rules

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
2.13.1	“ Email Details ” means, in respect of a Holding, the email address and Email Purpose of the Holder.	“ Email Details ” means, in respect of a Holding, the email address and Email Purpose of the Holder.	Row 10
2.13.1	“Email Purpose” means, in respect of an email address specified in relation to a Holding, the categories of communications, as specified in the Procedures, that the Holder has indicated a preference to receive by delivery to that email address.	“ Email Purpose ” means, in respect of an email address specified in relation to a Holding, the categories of communications, as specified in the Procedures, that the Holder has indicated a preference to receive by delivery to that email address.	Row 10
2.13.1	“ Entity Type ” means a code used to indicate the entity type of each named Holder (for example a natural person or company).	“ Entity Type ” means a code used to indicate the entity type of each named Holder (for example a natural person or company).	Row 5
2.13.1	“ Holder Record ” means <u>the information recorded by ASX Settlement in CHES</u> in relation to a Holder for the purpose of operating one or more CHES Holdings, including the Registration Details, the HIN, and the Holder Type, <u>Ownership Type, Communication Preference, the UUID for each named Holder and Entity Type for each named Holder</u> as recorded by ASX Settlement in CHES for the purpose of operating one or more CHES Holdings.	“ Holder Record ” means <u>the information recorded by ASX Settlement in CHES</u> in relation to a Holder HIN for the purpose of operating one or more CHES Holdings, including the Registration Details, the HIN, and the Holder Type, <u>Ownership Type, Communication Preference, the UUID for each named Holder and Entity Type for each named Holder</u> as recorded by ASX Settlement in CHES for the purpose of operating one or more CHES Holdings.	Row 5



Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
2.13.1	“Named Holder Indicator” means an indicator that identifies the named Holder in relation to a death or bankruptcy.	“Named Holder Indicator” means an indicator that identifies the named a Holder that is relevant to in relation to a death or bankruptcy.	Row 5
2.13.1	N/A – no changes proposed as part of Tranche 1 Consultation paper.	“Registration Details” means the name, address, Email Details (if any) and Residency Indicator recorded in relation to a HIN or SRN (as applicable) of a Holder.	Row 5
2.13.1	N/A – new definition not originally proposed as part of the Tranche 1 Consultation Paper.	“Secondary Matching Flag” means, a specification in a Message that, if indicated as applying, requires each counterpart Message from each Participant to specify the same the Matching Reference in order for those Messages to Match.	Row 35
2.13.1	“UUID” stands for a universally unique identifier and means a series of numbers and letters used to identify each named Holder.	“UUID” stands for a universally unique identifier and means a series of numbers and letters used to identify each named Holder.	Row 5
8.5.1	<p>Action taken by ASX Settlement upon suspension</p> <p>Subject to Rule 8.5.2, if ASX Settlement suspends approval of a class of an Issuer's Financial Products, ASX Settlement must:</p> <p>(a) if an Instruction or Message would affect a CHES Holding of Financial Products in that class:</p> <p>(i) suspend all such Instructions it has already received; and</p> <p>(ii) reject all such Instructions or Messages that are subsequently received;</p> <p>(aa) give notice of the suspension or rejection of such Instructions or Messages to:</p>	<p>Action taken by ASX Settlement upon suspension</p> <p>Subject to Rule 8.5.2, if ASX Settlement suspends approval of a class of an Issuer's Financial Products, ASX Settlement must:</p> <p>(a) if an Instruction or Message would affect a CHES Holding of Financial Products in that class:</p> <p>(i) suspend all such Instructions it has already received; and</p> <p>(ii) reject all such Instructions or Messages that are subsequently received;</p> <p>(aa) give notice of the suspension or rejection of such Instructions or Messages to:</p>	Row 46

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
	<p>(i) <u>the Issuer;</u></p> <p>(ii) <u>the relevant Approved Market Operator; and</u></p> <p>(iii) <u>to the extent ASX Settlement considers reasonably necessary, other Facility Users;</u></p> <p>(b) on each Business Day that the class of Financial Products remains suspended, reschedule any suspended Instructions for settlement on the next Business Day; and</p> <p>(c) <u>subject to Rule 8.5.2, cancel any Instruction that remains suspended on the 15th 10th Business Day after suspension of approval. For the purposes of this Rule 8.5.1(c), ASX Settlement may, in its absolute discretion, cancel any Instruction that remains suspended on or after the 10th Business Day after the relevant suspension of approval.</u></p>	<p>(i) <u>the Issuer;</u></p> <p>(ii) <u>the relevant Approved Market Operator; and</u></p> <p>(iii) <u>to the extent ASX Settlement considers reasonably necessary, other Facility Users;</u></p> <p>(ab) remove any Demand Lock or Settlement Lock applied in relation to the suspended Financial Products;</p> <p>(b) on each Business Day that the class of Financial Products remains suspended, reschedule any suspended Instructions for settlement on the next Business Day; and</p> <p>(c) <u>subject to Rule 8.5.2, cancel any Instruction that remains suspended on the 15th 10th Business Day after suspension of approval. For the purposes of this Rule 8.5.1(c), ASX Settlement may, in its absolute discretion, cancel any Instruction that remains suspended on or after the 10th Business Day after the relevant suspension of approval.</u></p>	
8.7.2	Establishing a Holder Record	Establishing a Holder Record	Row 5
	<p>If a Participant Transmits a Valid Message to ASX Settlement requesting ASX Settlement to establish a Holder Record that includes the matters specified in the Procedures, ASX Settlement must:</p>	<p>If a Participant Transmits a Valid Message to ASX Settlement requesting ASX Settlement to establish a Holder Record that includes the matters specified in the Procedures, ASX Settlement must:</p>	
	(a) establish a Holder Record on CHES for that person;	(a) establish a Holder Record on CHES for that person;	

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
	<p>(b) allocate a HIN to that Holder; and</p> <p>(c) allocate a UUID to each named Holder; and</p> <p>(de) if the Holder Record has been established for a Participant Sponsored Holder, promptly send a Notice in relation to that Holder Record to that Participant Sponsored Holder.</p> <p>If the Holder Record is in relation to a person that is a Participant Sponsored Holder, the Participant must, in the absence of any specific alternative written authority from that other person specify as the current Registration Details in the Message, the name, address and, if applicable, Email details of the person as recorded in the Sponsorship Agreement.</p>	<p>(b) allocate a HIN to that Holder; and</p> <p>(c) allocate a UUID to each named Holder; and</p> <p>(de) if the Holder Record has been established for a Participant Sponsored Holder, promptly send a Notice in relation to that Holder Record to that Participant Sponsored Holder.</p> <p>If the Holder Record is in relation to a person that is a Participant Sponsored Holder, the Participant must, in the absence of any specific alternative written authority from that other person specify as the current Registration Details in the Message, the name, address and, if applicable, Email details of the person as recorded in the Sponsorship Agreement.</p>	
<p>8.11.1</p>	<p>No disclosure except in certain circumstances</p> <p>Unless required by these Rules or the law, or with the express consent of the Holder, or of the duly appointed attorney, agent or legal personal representative of that Holder, neither an Issuer nor a Participant may mail (either in writing or electronically), release, publish, disseminate or disclose:</p> <p>(a) the HIN of a CHESS Holding;</p> <p>(b) the PID of the Controlling Participant of a CHESS Holding; or</p> <p>(c) the SRN for the Holder of an Issuer Sponsored Holding; <u>or</u></p>	<p>No disclosure except in certain circumstances</p> <p>Unless required by these Rules or the law, or with the express consent of the Holder, or of the duly appointed attorney, agent or legal personal representative of that Holder, neither an Issuer nor a Participant may mail (either in writing or electronically), release, publish, disseminate or disclose:</p> <p>(a) the HIN of a CHESS Holding;</p> <p>(b) the PID of the Controlling Participant of a CHESS Holding; or</p> <p>(c) the SRN for the Holder of an Issuer Sponsored Holding; <u>or</u></p>	<p>Row 5</p>

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
	<p>(d) the UUID of a named Holder;</p> <p>other than to:</p> <p>(de) the Holder of that Holding, or in relation to (d) the relevant named Holder to which the UUID relates;</p> <p>(e) the Holder's duly appointed attorney, agent or legal personal representative, or in relation to (d) the duly appointed attorney, agent or legal personal representative of the relevant named Holder to which the UUID relates;</p> <p>(fg) if the Holding is a CHESSE Holding, the Controlling Participant for that Holding; or</p> <p>(hg) ASX Settlement.</p>	<p>(d) the UUID of the a named Holder;</p> <p>other than to:</p> <p>(de) the Holder of that Holding, or in relation to (d) the relevant named Holder to which the UUID relates;</p> <p>(e) the Holder's duly appointed attorney, agent or legal personal representative, or in relation to (d) the duly appointed attorney, agent or legal personal representative of the relevant named Holder to which the UUID relates;</p> <p>(fg) if the Holding is a CHESSE Holding, the Controlling Participant for that Holding; or</p> <p>(hg) ASX Settlement.</p>	
<p>8.11.2</p>	<p>Request for information by a Participant</p> <p>For the purpose of Rule 8.11.1(ef), if a Participant provides a request to an Issuer in acceptable form or a written request to another Participant for:</p> <p>(a) details of the SRN of a Holding on the Issuer Sponsored Subregister;</p> <p>(b) the Holding Balance of a Holding on the Issuer Sponsored Subregister;</p> <p>(c) the HIN of a CHESSE Holder; ef</p>	<p>Request for information by a Participant</p> <p>For the purpose of Rule 8.11.1(ef), if a Participant provides a request to an Issuer in acceptable form or a written request to another Participant for:</p> <p>(a) details of the SRN of a Holding on the Issuer Sponsored Subregister;</p> <p>(b) the Holding Balance of a Holding on the Issuer Sponsored Subregister;</p> <p>(c) the HIN of a CHESSE Holder; ef</p>	<p>Row 5</p>

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
	(d) the PID of the Controlling Participant of the CHESS Holding; <u>or</u>	(d) the PID of the Controlling Participant of the CHESS Holding; <u>or</u>	
	(e) the UUID <u>of a named Holder</u> ,	(e) the UUID <u>of a named Holder</u> ,	
	the requesting Participant:	the requesting Participant:	
	(e) is taken to have warranted to the Issuer or the other Participant that it is the duly appointed agent of the Holder for the purposes of obtaining the details requested;	(e) is taken to have warranted to the Issuer or the other Participant that it is the duly appointed agent of the Holder for the purposes of obtaining the details requested;	
	(f) indemnifies the Issuer or the other Participant in respect of any loss which the Issuer or the other Participant may suffer as a result of the requesting Participant not being authorised to request the information provided; and	(f) indemnifies the Issuer or the other Participant in respect of any loss which the Issuer or the other Participant may suffer as a result of the requesting Participant not being authorised to request the information provided; and	
	(g) is, in the case of a request to the Issuer, taken to have acknowledged that:	(g) is, in the case of a request to the Issuer, taken to have acknowledged that:	
	(i) the details provided by the Issuer represent information currently available to the Issuer at the time of response and excludes unregistered transactions; and	(i) the details provided by the Issuer represent information currently available to the Issuer at the time of response and excludes unregistered transactions; and	
	(ii) the Issuer will not be liable for any loss incurred by the Holder or the Participant as a result of reliance on the details provided, in the absence of information not available to	(ii) the Issuer will not be liable for any loss incurred by the Holder or the Participant as a result of reliance on the details provided, in the absence of information not available to	

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
	<p>the Issuer at the time of providing those details.</p>	<p>the Issuer at the time of providing those details.</p>	
	<p><i>Note: A Participant may request SRN and Issuer Sponsored Holding Balance details from an Issuer via CHES message where the Participant is permitted to establish and maintain Sponsored Holdings under Rule 6.3 and has provided ASX Settlement with a Sponsorship Bond of \$500,000 <u>or is not required to provide a Sponsorship Bond pursuant to Rule 4.9.3.</u> Refer Rule 6.7.</i></p>	<p><i>Note: A Participant may request SRN and Issuer Sponsored Holding Balance details from an Issuer via CHES message where the Participant is permitted to establish and maintain Sponsored Holdings under Rule 6.3 and has provided ASX Settlement with a Sponsorship Bond of \$500,000 <u>or is not required to provide a Sponsorship Bond pursuant to Rule 4.9.3.</u> Refer Rule 6.7.</i></p>	
8.14.1	<p>Closure of a CHES Subregister - other than where Financial Products lapse, expire, mature etc.</p> <p>Unless Rule 8.14.2 applies, if:</p> <p>(a) ASX Settlement revokes Approval of a class of an Issuer's Financial Products under Rule 8.4.1(b); or</p> <p>(b) Approval of a class of an Issuer's Financial Products ceases under Rule 8.4.8,</p> <p><u>subject to Rule 8.14A</u>, ASX Settlement and the Issuer must take such steps as may be necessary to effect the orderly closure of any affected CHES Subregister, including without limitation:</p> <p>(c) ASX Settlement giving such notice Notice as is reasonably practicable to the Issuer and each Participant of:</p> <p>(i) the date of closure of the CHES Subregister; and</p>	<p>Closure of a CHES Subregister - other than where Financial Products lapse, expire, mature etc.</p> <p>Unless Rule 8.14.2 applies, if:</p> <p>(a) ASX Settlement revokes Approval of a class of an Issuer's Financial Products under Rule 8.4.1(b); or</p> <p>(b) Approval of a class of an Issuer's Financial Products ceases under Rule 8.4.8,</p> <p><u>subject to Rule 8.14.4-8.14A</u>, ASX Settlement and the Issuer must take such steps as may be necessary to effect the orderly closure of any affected CHES Subregister, including without limitation:</p> <p>(c) ASX Settlement giving such notice Notice as is reasonably practicable to the Issuer and each Participant of:</p> <p>(i) the date of closure of the CHES Subregister; and</p>	Row [19]

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
	(ii) the last day on which ASX Settlement will process Messages or classes of Messages Transmitted by the Issuer or Participants;	(ii) the last day on which ASX Settlement will process Messages or classes of Messages Transmitted by the Issuer or Participants;	
	(d) the Issuer using its best endeavours to ensure that all outstanding processing that affects CHESSE Holdings in that class is completed prior to the date of closure of the CHESSE Subregister;	(d) the Issuer using its best endeavours to ensure that all outstanding processing that affects CHESSE Holdings in that class is completed prior to the date of closure of the CHESSE Subregister;	
	(e) ASX Settlement, on the date of closure of the CHESSE Subregister:	(e) ASX Settlement, on the date of closure of the CHESSE Subregister:	
	(i) removing all Holdings on that Subregister to an Issuer Sponsored Subregister; and	(i) removing all Holdings on that Subregister to an Issuer Sponsored Subregister; and	
	(ii) giving <u>notice</u> Notice to the Issuer that the CHESSE Subregister has been closed;	(ii) giving <u>notice</u> Notice to the Issuer that the CHESSE Subregister has been closed;	
	(f) ASX Settlement sending a Holding statement in accordance with Rule 8.20.18-18.6 to each Participant Sponsored Holder of Financial Products on the CHESSE Subregister advising that the Holding has been Converted to an Issuer Operated Subregister; and	(f) ASX Settlement sending a Holding statement in accordance with Rule 8.20.18-18.6 to each Participant Sponsored Holder of Financial Products on the CHESSE Subregister advising that the Holding has been Converted to an Issuer Operated Subregister; and	
	(g) on the day of such closure or on any subsequent Business Day ASX Settlement may archive that CHESSE Subregister provided that on the archiving day it must notify the Issuer and Participants confirming the archival of that Subregister.	(g) on the day of such closure or on any subsequent Business Day ASX Settlement may archive that CHESSE Subregister provided that on the archiving day it must notify the Issuer and Participants confirming the archival of that Subregister.	
		<i>Note: ASX Settlement will not ordinarily archive a CHESSE</i>	

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
	<p>Note: ASX Settlement will not ordinarily archive a CHESSE Subregister if a Holding is recorded on the CHESSE Subregister.</p>	<p>Subregister if a Holding is recorded on the CHESSE Subregister.</p>	
<p>8.14.2</p>	<p>Closure of a CHESSE Subregister – where Financial Products lapse, expire, mature etc.</p> <p>If a class of Approved Financial Products ceases to be quoted because the Financial Products have lapsed, expired, matured or have been redeemed, paid up or Reconstructed, subject to Rules 8.14.3, 8.14A and 14.21.4, ASX Settlement and the Issuer must <u>take such steps as may be necessary to effect the orderly closure of any affected CHESSE Subregister, including without limitation:</u></p> <p>(a) <u>the Issuer using its best endeavours to ensure that all outstanding processing that affects CHESSE Holdings in that class is completed prior to the date of closure of the CHESSE Subregister;</u></p> <p>(b) <u>ASX Settlement, on the date of closure of the CHESSE Subregister giving notice to the Issuer that the CHESSE Subregister has been closed; and</u></p> <p>(c) <u>ASX Settlement may</u> archive the CHESSE Subregister for that class of Financial Products:</p> <p>(i) in the case of the class of Approved Financial Products being warrants eligible to be traded under the operating rules of an Approved Market Operator not less than 10 Business Days after the</p>	<p>Closure of a CHESSE Subregister – where Financial Products lapse, expire, mature etc.</p> <p>If a class of Approved Financial Products ceases to be quoted because the Financial Products have lapsed, expired, matured or have been redeemed, paid up or Reconstructed, subject to Rules 8.14.3, 8.14.4 8.14A and 14.21.4, ASX Settlement and the Issuer must <u>take such steps as may be necessary to effect the orderly closure of any affected CHESSE Subregister, including without limitation:</u></p> <p>(a) <u>the Issuer using its best endeavours to ensure that all outstanding processing that affects CHESSE Holdings in that class is completed prior to the date of closure of the CHESSE Subregister;</u></p> <p>(b) <u>ASX Settlement, on the date of closure of the CHESSE Subregister giving notice to the Issuer that the CHESSE Subregister has been closed; and</u></p> <p>(c) <u>ASX Settlement may</u> archive the CHESSE Subregister for that class of Financial Products:</p> <p>(i) in the case of the class of Approved Financial Products being warrants eligible to be traded under the operating rules of an Approved Market</p>	<p>Row [19]</p>

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
	<p>date on which the cessation occurred;</p> <p>(iib) in the case of any other class of Approved Financial Products not less than 20 Business Days after the date on which the cessation occurred; and</p> <p>if ASX Settlement archives a CHESSE Subregister under this Rule 8.14.2, ASX Settlement must:</p> <p>(iiie) subject to Rule 8.14.3, reject all Messages Transmitted by the Issuer or Participants that affect a CHESSE Holding on that Subregister; and</p> <p>(ivd) notify the Issuer, and each Participant confirming the archival of that Subregister.</p> <p><i>Note: ASX Settlement will not ordinarily archive a CHESSE Subregister if a Holding is recorded on the CHESSE Subregister.</i></p>	<p>Operator not less than 10 Business Days after the date on which the cessation occurred;</p> <p>(iib) in the case of any other class of Approved Financial Products not less than 20 Business Days after the date on which the cessation occurred; and</p> <p>if ASX Settlement archives a CHESSE Subregister under this Rule 8.14.2, ASX Settlement must:</p> <p>(iiie) subject to Rule 8.14.3, reject all Messages Transmitted by the Issuer or Participants that affect a CHESSE Holding on that Subregister; and</p> <p>(ivd) notify the Issuer, and each Participant confirming the archival of that Subregister.</p> <p><i>Note: ASX Settlement will not ordinarily archive a CHESSE Subregister if a Holding is recorded on the CHESSE Subregister.</i></p>	
<p>8.15.11</p>	<p>Controlling Participant must give supporting documents to ASX Settlement <u>if requested</u></p> <p>Prior to a Controlling Participant Transmitting a Message under Rule 8.15.8(b), or 8.15.10(c) in respect of the Bankruptcy of a Participant Sponsored Holder, the Controlling Participant must have documentation to verify that the requested action is correct and that the Controlling Participant is authorised to request that action. The Controlling Participant must maintain that documentation.</p>	<p>Controlling Participant must give supporting documents to ASX Settlement <u>if requested</u></p> <p>Prior to a Controlling Participant Transmitting a Message under Rule 8.15.8(b), or 8.15.10(c) in respect of the Bankruptcy of a Participant Sponsored Holder, the Controlling Participant must have documentation to verify that the requested action is correct and that the Controlling Participant is authorised to request that action. The Controlling Participant must maintain that documentation.</p>	<p>Row 5</p>

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
	<p>ASX Settlement may request that such documentation be provided to it within a specified time and if so, the Controlling Participant must, within that time:</p> <ul style="list-style-type: none"> (a) give ASX Settlement such documentation as ASX Settlement requires to support the requested action; and (b) reference the supporting documentation to: <ul style="list-style-type: none"> (i) in respect of Rule 8.15.8(b), the HIN for the relevant Holder Record and UUID for the relevant named Holder; (ii) in respect of Rule 8.15.10(c), the HINs for the relevant Holder Records and UUID for the relevant named Holder; and (iii) the Transaction Identifier of the Originating Message. 	<p>ASX Settlement may request that such documentation be provided to it within a specified time and if so, the Controlling Participant must, within that time:</p> <ul style="list-style-type: none"> (a) give ASX Settlement such documentation as ASX Settlement requires to support the requested action; and (b) reference the supporting documentation to: <ul style="list-style-type: none"> (i) in respect of Rule 8.15.8(b), the HIN for the relevant Holder Record and UUID for the relevant named Holder; (ii) in respect of Rule 8.15.10(c), the HINs for the relevant Holder Records and UUID for the relevant named Holder; and (iii) the Transaction Identifier of the Originating Message. 	
8.15.11A	N/A – New rule not originally proposed as part of the Tranche 1 Consultation Paper.	<p>Controlling Participant may by Notice request that a Holder Record Lock apply for a specific period</p> <p>A Controlling Participant that has Transmitted a Valid Originating Message requesting ASX Settlement to apply a Holder Record Lock under Rule 8.15.1, 8.15.8 or 8.15.10, may by way of Notice to ASX Settlement, specify a period during which the restriction on the Transfer of Financial Products in a Holder Record is to apply.</p>	Row 14
8.16.3A	Removal of Holder Record Lock by Controlling Participant	Removal of Holder Record Lock by Controlling Participant	Row 14

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
	<p><u>If a Holder Record Lock has been applied at the request of a Controlling Participant, ASX Settlement must remove the Holder Record Lock and any related Named Holder Indicator:</u></p> <p>(a) <u>if that Controlling Participant Transmits an Originating Message requesting ASX Settlement to remove the Holder Record Lock; or</u></p> <p>(b) <u>if the Controlling Participant specified a period during which the restriction on the Transfer of Financial Products in a Holder Record was to apply in the Originating Message requesting ASX Settlement to apply a Holder Record Lock under Rule 8.15.1, 8.15.8, 8.15.10, on the first Business Day following expiry of that period.</u></p>	<p><u>If a Holder Record Lock has been applied at the request of a Controlling Participant, ASX Settlement must remove the Holder Record Lock and any related Named Holder Indicator:</u></p> <p>(a) <u>if that Controlling Participant Transmits an Originating Message requesting ASX Settlement to remove the Holder Record Lock; or</u></p> <p>(b) <u>if the Controlling Participant specified a period during which the restriction on the Transfer of Financial Products in a Holder Record was to apply by way of Notice to in the Originating Message requesting ASX Settlement to apply a Holder Record Lock under Rule 8.15.11A, 8.15.1, 8.15.8, 8.15.10, on the first Business Day following expiry of that period.</u></p>	
<p>8.16.3</p>	<p>Removal of Holder Record Lock by Controlling Participant must maintain and give supporting documents to ASX Settlement if requested</p> <p>If a Holder Record Lock has been applied at the request of a Controlling Participant:</p> <p>A Controlling Participant must, prior to Transmitting a Message to ASX Settlement:</p> <p>(a) requesting that ASX Settlement remove a Holder Record Lock under Rule 8.16.3A(a); or</p> <p>(b) specifying a period during which a Holder Record Lock should apply in an Originating Message under</p>	<p>Removal of Holder Record Lock by Controlling Participant must maintain and give supporting documents to ASX Settlement if requested</p> <p>If a Holder Record Lock has been applied at the request of a Controlling Participant:</p> <p>A Controlling Participant must, prior to:</p> <p>(a) Transmitting a Message to ASX Settlement requesting that ASX Settlement remove a Holder Record Lock under Rule 8.16.3A(a); or</p> <p>(b) specifying by way of Notice under Rule 8.15.11A, a period during which a Holder Record Lock should</p>	<p>Row 14</p>

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
	<p><u>Rules 8.15.1, 8.15.8 or 8.15.10(c),</u></p> <p><u>have and maintain documentation to verify that the requested action is correct and that the Controlling Participant is authorised to request that action.</u></p> <p><u>ASX Settlement may request that such documentation be provided to it within a specified time and if so, the Controlling Participant must, within that time:</u></p> <p>(c) <u>give ASX Settlement such documentation as ASX Settlement requires to support the requested action; and</u></p> <p>(d) <u>reference the supporting documentation to the HIN for the relevant Holder Record, UUID for the relevant Holder (if relevant) and the Transaction Identifier of the Originating Message.</u></p> <p>that Controlling Participant may Transmit an Originating Message requesting ASX Settlement to remove the Holder Record Lock;</p> <p>(b) after receipt of a Message from ASX Settlement confirming acceptance of the Valid Originating Message, the Controlling Participant must, within the Scheduled Time:</p> <p>(i) give ASX Settlement such documentation as ASX Settlement requires to support the requested action; and</p>	<p><u>apply in an Originating Message under Rules 8.15.1, 8.15.8 or 8.15.10(c).</u></p> <p><u>have and maintain documentation to verify that the requested action is correct and that the Controlling Participant is authorised to request that action.</u></p> <p><u>ASX Settlement may request that such documentation be provided to it within a specified time and if so, the Controlling Participant must, within that time:</u></p> <p>(c) <u>give ASX Settlement such documentation as ASX Settlement requires to support the requested action; and</u></p> <p>(d) <u>reference the supporting documentation to the HIN for the relevant Holder Record, UUID for the relevant Holder (if relevant) and the Transaction Identifier of the Originating Message.</u></p> <p>that Controlling Participant may Transmit an Originating Message requesting ASX Settlement to remove the Holder Record Lock;</p> <p>(b) after receipt of a Message from ASX Settlement confirming acceptance of the Valid Originating Message, the Controlling Participant must, within the Scheduled Time:</p> <p>(i) give ASX Settlement such documentation as ASX Settlement requires to support the</p>	

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
	<p>(ii) reference the supporting documentation to the HIN for the relevant Holder Record and the Transaction Identifier of the Originating Message;</p> <p>(c) if ASX Settlement is satisfied that the request for the removal of the Holder Record Lock is supported by the documentation given to ASX Settlement by a Controlling Participant under paragraph (b), ASX Settlement must within the Scheduled Time, remove the Holder Record Lock;</p> <p>(d) if ASX Settlement is not satisfied that the request for the removal of the Holder Record Lock is supported by the documentation given to ASX Settlement under paragraph (b), ASX Settlement must reject the request and notify the Controlling Participant accordingly; and</p> <p>(e) the Controlling Participant must maintain documentation to verify that the request to remove the Holder Record Lock is correct and that the Controlling Participant was authorised to make the request.</p>	<p>requested action; and</p> <p>(ii) reference the supporting documentation to the HIN for the relevant Holder Record and the Transaction Identifier of the Originating Message;</p> <p>(c) if ASX Settlement is satisfied that the request for the removal of the Holder Record Lock is supported by the documentation given to ASX Settlement by a Controlling Participant under paragraph (b), ASX Settlement must within the Scheduled Time, remove the Holder Record Lock;</p> <p>(d) if ASX Settlement is not satisfied that the request for the removal of the Holder Record Lock is supported by the documentation given to ASX Settlement under paragraph (b), ASX Settlement must reject the request and notify the Controlling Participant accordingly; and</p> <p>(e) the Controlling Participant must maintain documentation to verify that the request to remove the Holder Record Lock is correct and that the Controlling Participant was authorised to make the request.</p>	
9.5.2	<p>Matching Dual Entry<u>Bilateral</u> Demand Transfer Messages</p> <p>If:</p> <p>(a) a Participant Transmits a Valid Dual Entry<u>Bilateral</u> Demand Message in accordance with the Procedures; and</p>	<p>Matching Dual Entry<u>Bilateral</u> Demand Transfer Messages</p> <p>If:</p> <p>(a) a Participant Transmits a Valid Dual Entry<u>Bilateral</u> Demand Message in accordance with the Procedures; and</p>	Row 35

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
	<p>(b) the Valid Message Transmitted by the counterparty Participant:</p> <p>(i) specifies the same details; and</p> <p><u>(ii) specifies or implies the same designation as Cum or Ex Entitlement; and</u></p> <p><u>(iii) if specified in the Message, the Participants have specified the same Matching Reference,</u></p> <p>ASX Settlement must Match the Messages.</p>	<p>(b) the Valid Message Transmitted by the counterparty Participant:</p> <p>(i) specifies the same details; and</p> <p><u>(ii) specifies or implies the same designation as Cum or Ex Entitlement; and</u></p> <p><u>(iii) if the Secondary Matching Flag is indicated as applying, specified in the Message, the Participants have specified the same Matching Reference,</u></p> <p>ASX Settlement must Match the Messages.</p>	
<p>10.9.3</p>	<p>Dual Entry<u>Bilateral</u> Batch Instructions – Matching</p> <p>If:</p> <p>(a) a Settlement Participant Transmits a Dual Entry<u>Bilateral</u> Batch Message or a Dual Entry Payment Batch Message that specifies or implies the details contained in the Procedures; and</p> <p>(b) the Message Transmitted by the other Participant:</p> <p>(i) <u>subject to sub-paragraph (iv),</u> specifies the same details,</p> <p><u>(ii) specifies or implies the same designation as Cum Entitlement or Ex Entitlement;</u></p>	<p>Entry<u>Bilateral</u> Batch Instructions – Matching</p> <p>If:</p> <p>(a) a Settlement Participant Transmits a Dual Entry<u>Bilateral</u> Batch Message or a Dual Entry Payment Batch Message that specifies or implies the details contained in the Procedures; and</p> <p>(b) the Message Transmitted by the other Participant:</p> <p>(i) <u>subject to sub-paragraph (iv),</u> specifies the same details,</p> <p><u>(ii) specifies or implies the same designation as Cum Entitlement or Ex Entitlement;</u></p>	<p>Row 35</p>

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
	<p>(iii) <u>if specified in the Message, the Participants have specified the same Matching Reference;</u> and</p> <p>(iv) <u>either:</u></p> <p>(A) <u>_____ specifies the same Settlement Amount or a Settlement Amount that differs by no more than the Settlement Amount Tolerance; or</u></p> <p>(B) <u>if only one Participant has specified an Override Tolerance Amount, the other Participant has specified the same Settlement Amount or a Settlement Amount that differs by no more than the Override Tolerance Amount; or</u></p> <p>(A)(C) <u>if both Participants have specified an Override Tolerance Amount, the Settlement Amount specified by both Participants is the same or differs by no more than the higher of the Override Tolerance Amounts specified by the Participants,</u></p> <p>ASX Settlement will, <u>subject to paragraph (ba), Match the Messages;</u> and</p> <p><u>(ba) _____ where there are multiple available Matches for a</u></p>	<p>(iii) <u>if the Secondary Matching Flag is indicated as applying, _____ specified in the Message, the Participants have specified the same Matching Reference; and</u></p> <p>(iv) <u>either:</u></p> <p>(A) <u>_____ specifies the same Settlement Amount or a Settlement Amount that differs by no more than the Settlement Amount Tolerance; or</u></p> <p>(B) <u>if only one Participant has specified an Override Tolerance Amount, the other Participant has specified the same Settlement Amount or a Settlement Amount that differs by no more than the Override Tolerance Amount; or</u></p> <p>(A)(C) <u>if both Participants have specified an Override Tolerance Amount, the Settlement Amount specified by both Participants is the same or differs by no more than the higher of the Override Tolerance Amounts specified by the Participants,</u></p> <p>ASX Settlement will, <u>subject to paragraph (ba), Match the</u></p>	

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
	<u>Bilateral Batch Message, ASX will Match:</u>	Messages; and	
	<u>(i) for multiple available Matches with the same Settlement Amount as the Bilateral Batch Message, the Bilateral Batch Message which was received earliest by CHES;</u>	<u>(ba) where there are multiple available Matches for a Bilateral Batch Message, ASX will Match:</u>	
	<u>(ii) for multiple available Matches which differ in Settlement Amount from the Bilateral Batch Message;</u>	<u>(i) for multiple available Matches with the same Settlement Amount as the Bilateral Batch Message, the Bilateral Batch Message which was received earliest by CHES;</u>	
	<u>(A) the Bilateral Batch Message which has the closest Settlement Amount to the Bilateral Batch Message; or</u>	<u>(ii) for multiple available Matches which differ in Settlement Amount from the Bilateral Batch Message;</u>	
	<u>(B) if there are multiple available Matches at the closest Settlement Amount to the Bilateral Batch Message, the Bilateral Batch Message which was received earliest by CHES.</u>	<u>(A) the Bilateral Batch Message which has the closest Settlement Amount to the Bilateral Batch Message; or</u>	
	...	<u>(B) if there are multiple available Matches at the closest Settlement Amount to the Bilateral Batch Message, the Bilateral Batch Message which was received earliest by CHES.</u>	
		...	

Table 2: ASX Settlement Operating Rule Procedures

Procedure	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
2.13	<p>“Email Purpose” – The categories of communications that a Holder may indicate a preference to receive by delivery to an email address are:</p> <p>(a) ASX Settlement communications only;</p> <p>(b) Issuer communications only; or</p> <p>(c) ASX Settlement and Issuer communications.</p>	<p>“Email Purpose” – The categories of communications that a Holder may indicate a preference to receive by delivery to an email address are:</p> <p>(a) ASX Settlement communications only;</p> <p>(b) Issuer communications only; or</p> <p>(c) ASX Settlement and Issuer communications.</p>	Row 10
8.7.2	<p>ESTABLISHING A HOLDER RECORD</p> <p>The matters to be specified in the Message from the Participant to ASX Settlement requesting the establishment of a Holder Record are:</p> <p>(a) the Participant's PID;</p> <p>(b) a Holder Type;</p> <p>(c) Registration Details; a Residency Indicator; and</p> <p>(d) in the case of a Clearing Account, a designation to identify that Clearing Account as either:</p> <p>(i) a Settlement Account; or</p> <p>(ii) for a Clearing Participant, an Accumulation Account, and</p>	<p>ESTABLISHING A HOLDER RECORD</p> <p>The matters to be specified in the Message from the Participant to ASX Settlement requesting the establishment of a Holder Record are:</p> <p>(a) the Participant's PID;</p> <p>(b) a Holder Type;</p> <p>(c) Registration Details; a Residency Indicator; and</p> <p>(d) in the case of a Clearing Account, a designation to identify that Clearing Account as either:</p> <p>(i) a Settlement Account; or</p> <p>(ii) for a Clearing Participant, an Accumulation Account, and</p>	Row 5

- (e) where the Clearing Account is to be used for the purposes of Foreign to Foreign Allocations, a Residency Indicator of “F”;
- (f) Entity Type for each named Holder;
- (g) for a Participant Sponsored Holding, the Communication Preference and if the Communication Preference indicated is receipt of communications electronically, the Email Details; and
- (h) Ownership Type.

- (e) where the Clearing Account is to be used for the purposes of Foreign to Foreign Allocations, a Residency Indicator of “F”;
- (f) Entity Type for each **named** Holder;
- (g) for a Participant Sponsored Holding, the Communication Preference and if the Communication Preference indicated is receipt of communications electronically, the Email Details; and
- (h) Ownership Type.

8.15.7 ACTION FOLLOWING THE APPLICATION OF A HOLDER RECORD LOCK~~HOLDING LOCK~~

The Notice to be given by ASX Settlement is a Notice:

- (a) notifying the Controlling Participant that the Holding Lock has been applied; and
- (b) to:
 - (i) if an Issuer requested the Holding Lock to be applied, that Issuer;
 - (ii) if the Locked Holding is a Participant Sponsored Holding, the Holder;
 - (iii) if some or all of the Financial Products in the Locked Holding are reserved in a Subposition, the Participant in whose favour the Financial Products are reserved; and

ACTION FOLLOWING THE APPLICATION OF A HOLDING LOCK

Row 14

The Notice to be given by ASX Settlement is a Notice:

- (a) notifying the Controlling Participant that the Holding Lock has been applied; and
- (b) to:
 - (i) if an Issuer requested the Holding Lock to be applied, that Issuer;
 - (ii) if the Locked Holding is a Participant Sponsored Holding, the Holder;
 - (iii) if some or all of the Financial Products in the Locked Holding are reserved in a Subposition, the Participant in whose favour the Financial Products are reserved; and

(iv) the Approved Market Operator ~~Exchange~~.

(iv) the Approved Market Operator ~~Exchange~~.

8.18.12 CHANGE OF OTHER HOLDER RECORD DETAILS

CHANGE OF OTHER HOLDER RECORD DETAILS

Row 5

The action to be taken by a Participant where there is a change to Holder Record details under Rule 8.18.12 is as follows:

The action to be taken by a Participant where there is a change to Holder Record details under Rule 8.18.12 is as follows:

- (a) the Participant must Transmit a Valid Originating Message that specifies the existing HIN for the Holder Record and UUID for the relevant named Holder (if applicable) and the new Holder Record Details;
- (b) on receipt of notification from ASX Settlement that the change to the Holder Record details has been made in accordance with the Valid Originating Message, the Participant must check to make sure that the change to the Holder Record details of the Holder have been made to the correct Holding; and
- (c) if the change to the Holder Record details were not made to the correct Holding, then the Controlling Participant must liaise with ASX Settlement as soon as possible, and in any event no later than two Business Days, to rectify the error.

- (a) the Participant must Transmit a Valid Originating Message that specifies the existing HIN for the Holder Record and UUID for the **relevant named** Holder (if applicable) and the new Holder Record Details;
- (b) on receipt of notification from ASX Settlement that the change to the Holder Record details has been made in accordance with the Valid Originating Message, the Participant must check to make sure that the change to the Holder Record details of the Holder have been made to the correct Holding; and
- (c) if the change to the Holder Record details were not made to the correct Holding, then the Controlling Participant must liaise with ASX Settlement as soon as possible, and in any event no later than two Business Days, to rectify the error.

8.30.1 ESTABLISHING A REGISTRATION IDENTIFIER

ESTABLISHING A REGISTRATION IDENTIFIER

Row 5

The matters to be specified in a Valid Originating Message from a Participant to ASX Settlement requesting the establishment of a Registration Identifier are:

The matters to be specified in a Valid Originating Message from a Participant to ASX Settlement requesting the establishment of a Registration Identifier are:

- (a) the Participant's PID;

- (a) the Participant's PID;

(b) name, address and Residency Indicator of the Holder;

(c) Ownership Type; and

(d) Entity Type for each named Holder.

(b) name, address and Residency Indicator of the Holder;

(c) Ownership Type; and

(d) Entity Type for each **named** Holder.

9.4.1

VALID ORIGINATING MESSAGE FOR ~~SINGLE ENTRY~~ UNILATERAL DEMAND TRANSFER

A Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

- (a) includes a Participant's PID as that of the Participant Transmitting the Message;
- (b) specifies as the Source Holding, a CHES Holding Controlled by the Participant;
- (c) specifies as the Target Holding, a different CHES Holding;
- (d) specifies the number and class of Financial Products to be Transferred; and
- (e) in the case of a Foreign to Foreign Allocation:
 - (i) includes a Confirmed FOR Indicator; and
 - (ii) specifies a Source Holding which has a Residency Indicator of "F".

Row 38

VALID ORIGINATING MESSAGE FOR ~~SINGLE ENTRY~~ UNILATERAL DEMAND TRANSFER

A Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

- (a) includes a Participant's PID as that of the Participant Transmitting the Message;
- (b) specifies as the Source Holding, a CHES Holding Controlled by the Participant;
- (c) specifies as the Target Holding, a different CHES Holding;
- (d) specifies the number and class of Financial Products to be Transferred; and
- (e) in the case of a Foreign to Foreign Allocation:
 - ~~(i) includes a Confirmed FOR Indicator; and~~
 - ~~(ii) specifies a Source Holding which has a Residency Indicator of "F".~~

10.9.11

~~ENTRY~~ UNILATERAL BATCH INSTRUCTIONS

~~ENTRY~~ UNILATERAL BATCH INSTRUCTIONS

Row [38]

(1) The details to be specified in a ~~Single Entry~~ Unilateral Batch Message are:

- (a) the Source Holding and another Holding as the Target Holding, each of which must be controlled by the Participant that Transmits the Message;
- (b) the number and class of Financial Products to be Transferred;
- (c) the Settlement Date;
- (d) includes the PID of the Participant Transmitting the Message;
- (e) designates the transaction as On Market or Off Market, as the case requires; and
- (f) in the case of a Foreign to Foreign Allocation:
 - (i) a Confirmed FOR Indicator; and
 - (ii) a Source Holding which has a Residency Indicator of "F"

(2) Without limiting paragraph (1) of this Procedure 10.9.11, a Valid Bilateral Batch Message may, but is not required to, include a Settlement Link ID

(1) The details to be specified in a ~~Single Entry~~ Unilateral Batch Message are:

- (a) the Source Holding and another Holding as the Target Holding, each of which must be controlled by the Participant that Transmits the Message;
- (b) the number and class of Financial Products to be Transferred;
- (c) the Settlement Date;
- (d) includes the PID of the Participant Transmitting the Message;
- (e) designates the transaction as On Market or Off Market, as the case requires; and
- (f) in the case of a Foreign to Foreign Allocation:
 - ~~(i) a Confirmed FOR Indicator; and~~
 - ~~(ii) a Source Holding which has a Residency Indicator of "F"~~

(2) Without limiting paragraph (1) of this Procedure 10.9.11, a Valid Bilateral Batch Message may, but is not required to, include a Settlement Link ID

Table 3: ASX Clear Operating Rules

Rule	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
12.6.1	<p>Calculation, set-off and notification of net payment obligation</p> <p>Subject to Rule 12.6.2A and Rule 12.7 upon novation of a Cash Market Transaction due for settlement on a particular Business Day, the payment and delivery obligations under the Cash CCP Transaction are immediately set off against all other payment and delivery obligations due for settlement on that Business Day in accordance with the rules of law as follows:</p> <p>(a) the total of all the amounts that a Participant is obliged to pay ASX Clear on that Business Day for a PID will be set off against the total of all the amounts that the Participant is entitled to receive from ASX Clear on that Business Day for the same PID; and</p> <p>(b) the total number of Financial Products of a particular class with the same Entitlement to be delivered to a Participant by ASX Clear on that Business Day for a PID will be set off against the total number of Financial Products of that class with the same Entitlement to be delivered to ASX Clear on that Business Day for the same PID.</p>	<p>Calculation, set-off and notification of net payment obligation</p> <p>Subject to Rule 12.6.2A and Rule 12.7 upon novation of a Cash Market Transaction due for settlement on a particular Business Day, the payment and delivery obligations under the Cash CCP Transaction are immediately set off against all other payment and delivery obligations due for settlement on that Business Day in accordance with the rules of law as follows:</p> <p>(a) the total of all the amounts that a Participant is obliged to pay ASX Clear on that Business Day for a PID will be set off against the total of all the amounts that the Participant is entitled to receive from ASX Clear on that Business Day for the same PID; and</p> <p>(b) the total number of Financial Products of a particular class to be delivered to a Participant by ASX Clear on that Business Day for a PID will be set off against the total number of Financial Products of that class to be delivered to ASX Clear on that Business Day for the same PID.</p> <p><i>Note: For the purpose of determining net delivery or payment obligations and entitlements in respect of a class of Financial Products due to be delivered or received on a Business Day during an Ex-Period (as defined in the ASX Settlement Operating Rules), regard is to be had to whether the Financial Product is to be transferred with or without the relevant Entitlement.</i></p>	Row 24
12.6.2	Notification of Cash CCP Transactions to Approved	Notification of Cash CCP Transactions to Approved	Row 24

Settlement Facility

Subject to Rule 12.6.2A, within the time prescribed in the Procedures, ASX Clear will for each Business Day send to the Approved Settlement Facility a CCP Net Batch Instruction containing the details specified in the Procedures in respect of:

- (a) the net delivery obligation or entitlement of a Participant for each PID for all CCP Cash Transactions in a class of Financial Products [with the same Entitlement](#) due for settlement on that Business Day; and
- (b) the associated net payment obligation or entitlement of the Participant for each PID for all Cash CCP Transactions in the class of Financial Products [with the same Entitlement](#) due for settlement on that Business Day which will be calculated by setting off the total of the amounts that the Participant is obliged to pay ASX Clear on that Business Day in respect of transactions in that class of Financial Products [with the same Entitlement](#) for a PID against the total of the amount that the Participant is entitled to receive from ASX Clear in respect of transactions in that class of Financial Products [with the same Entitlement](#) for the same PID,

and will notify the Participant of the CCP Net Batch Instruction.

Settlement Facility

Subject to Rule 12.6.2A, within the time prescribed in the Procedures, ASX Clear will for each Business Day send to the Approved Settlement Facility a CCP Net Batch Instruction containing the details specified in the Procedures in respect of:

- (a) the net delivery obligation or entitlement of a Participant for each PID for all CCP Cash Transactions in a class of Financial Products due for settlement on that Business Day; and
- (b) the associated net payment obligation or entitlement of the Participant for each PID for all Cash CCP Transactions in the class of Financial Products due for settlement on that Business Day which will be calculated by setting off the total of the amounts that the Participant is obliged to pay ASX Clear on that Business Day in respect of transactions in that class of Financial Products for a PID against the total of the amount that the Participant is entitled to receive from ASX Clear in respect of transactions in that class of Financial Products for the same PID,

and will notify the Participant of the CCP Net Batch Instruction.

Table 4: ASX Clear Operating Rule Procedures

Procedure	Change proposed in Tranche 1 Consultation Paper	Revised change following Tranche 1 feedback	Reference to Attachment A
12.6.2	<p data-bbox="289 537 905 586">NOTIFICATION OF CASH CCP TRANSACTIONS TO APPROVED SETTLEMENT FACILITY</p> <p data-bbox="289 626 989 708">The time by which ASX Clear will generate and forward CCP Net Batch Instructions to the Approved Settlement Facility is by Start of Day on the Business Day before the Settlement Date.</p> <p data-bbox="289 740 680 764">The CCP Net Batch Instruction will:</p> <p data-bbox="289 805 478 829">(a) specify:</p> <ul style="list-style-type: none"> <li data-bbox="394 862 989 951">(i) the class of Financial Products, including any Entitlement attached to the Financial Product; <li data-bbox="394 984 989 1105">(ii) the net number of Financial Products of that class and Entitlement to be delivered to ASX Clear by the Participant or received from ASX Clear by the Participant for each PID; <li data-bbox="394 1138 989 1260">(iii) the net Settlement Amount to be paid to ASX Clear by the Participant or received from ASX Clear by the Participant for each PID; <li data-bbox="394 1292 989 1378">(iv) if the Participant is obliged to deliver Financial Products, the source PID from which the Financial Products are to be 	<p data-bbox="1020 537 1635 586">NOTIFICATION OF CASH CCP TRANSACTIONS TO APPROVED SETTLEMENT FACILITY</p> <p data-bbox="1020 626 1719 708">The time by which ASX Clear will generate and forward CCP Net Batch Instructions to the Approved Settlement Facility is by Start of Day on the Business Day before the Settlement Date.</p> <p data-bbox="1020 740 1411 764">The CCP Net Batch Instruction will:</p> <p data-bbox="1020 805 1209 829">(a) specify:</p> <ul style="list-style-type: none"> <li data-bbox="1125 862 1566 886">(i) the class of Financial Products; <li data-bbox="1125 919 1719 1040">(ii) the net number of Financial Products of that class to be delivered to ASX Clear by the Participant or received from ASX Clear by the Participant for each PID; <li data-bbox="1125 1073 1719 1195">(iii) the net Settlement Amount to be paid to ASX Clear by the Participant or received from ASX Clear by the Participant for each PID; <li data-bbox="1125 1227 1719 1349">(iv) if the Participant is obliged to deliver Financial Products, the source PID from which the Financial Products are to be delivered; 	Row 24

-
- delivered;
 - (v) if the Participant is entitled to receive Financial Products, the target PID to which the Financial Products are to be delivered; and
 - (vi) the scheduled Settlement Date;
 - (b) include the PID of the delivering Participant or receiving Participant, as the case requires; and
 - (c) be designated as an on market transaction.
- (v) if the Participant is entitled to receive Financial Products, the target PID to which the Financial Products are to be delivered; and
 - (vi) the scheduled Settlement Date;
 - (b) include the PID of the delivering Participant or receiving Participant, as the case requires; and
 - (c) be designated as an on market transaction.
-

Paragraph 3.4 of Annexure 1 of ASXCOR Procedures

Withdrawal of Approved Financial Products or Cash Lodged as Cover Against Margin Obligations

In the event that a Participant wishes to exchange Collateral or replace one form of Cover (Collateral or Cash Cover) with another form of Cover in respect of margin obligations, the replacement Cover must be received by ASX Clear before ASX Clear will release the Cover to be exchanged or replaced (as the case may be). Three alternative approaches are outlined below.

a. 'Exchanging' collateral

Collateral may be replaced by other Collateral at any time between 8.00 am and 5.00 pm on any Business Day. Where a Participant wishes to replace Collateral with other Collateral, ASX Clear will release the Collateral that is to be replaced upon receipt of the replacement Collateral.

b. Replacement of Collateral with Cash Cover

Where a Participant wishes to replace Collateral with Cash Cover, ASX Clear will release the Collateral that is

Withdrawal of Approved Financial Products or Cash Lodged as Cover Against Margin Obligations

In the event that a Participant wishes to exchange Collateral or replace one form of Cover (Collateral or Cash Cover) with another form of Cover in respect of margin obligations, the replacement Cover must be received by ASX Clear before ASX Clear will release the Cover to be exchanged or replaced (as the case may be). Three alternative approaches are outlined below.

a. 'Exchanging' Collateral

Collateral may be replaced by other Collateral at any time between 8.00 am and 5.00 pm on any Business Day. Where a Participant wishes to replace Collateral with other Collateral, ASX Clear will release the Collateral that is to be replaced upon receipt of the replacement Collateral.

b. Replacement of Collateral with Cash Cover

Where a Participant wishes to replace Collateral with Cash Cover, ASX Clear will release the Collateral that is

Row 26

to be replaced upon receipt of the replacement Cash Cover. There is no mechanism available to effect the replacement of Collateral with Cash Cover intra-business day. Participants are required to transmit withdrawal requests by 5.00 pm on the business day before release of the Collateral is required. ASX Clear will remove the Collateral from the account(s) and release it back to the Participant after the scheduled (CHES or Austraclear) settlement *has completed* on the required day of release.

c. Replacement of Cash Cover with Collateral

Where a Participant wishes to replace Cash Cover with Collateral, ASX Clear will release the Cash Cover that is to be replaced following receipt of the replacement Collateral. [There is no mechanism available to effect the replacement of Cash Cover with Collateral Cover intra-business day.](#) Participants will be required to lodge the replacement Collateral with ASX Clear by 5.00 pm on the business day before the Cash Cover is required to be released. ASX Clear will undertake the resulting payment to the Clearing Participant on the following day in the normal daily scheduled CHES/Austraclear settlement.

It is important that Participants ensure these timings are taken into account in planning all movements of Cover and that the monitoring tools available in collateral management are utilised.

In all cases, Participants are required to contact Clearing [Product Operations and Settlements](#) (phone 1800 ~~814 240 051 033~~, email clearing@asx.com.au ~~deriv.clearing@asx.com.au~~) to request the replacement of Cover.

to be replaced upon receipt of the replacement Cash Cover. There is no mechanism available to effect the replacement of Collateral with Cash Cover intra-business day. Participants are required to transmit withdrawal requests by 5.00 pm on the business day before release of the Collateral is required. ASX Clear will remove the Collateral from the account(s) and release it back to the Participant after the scheduled (CHES or Austraclear) settlement *has completed* on the required day of release.

c. Replacement of Cash Cover with Collateral

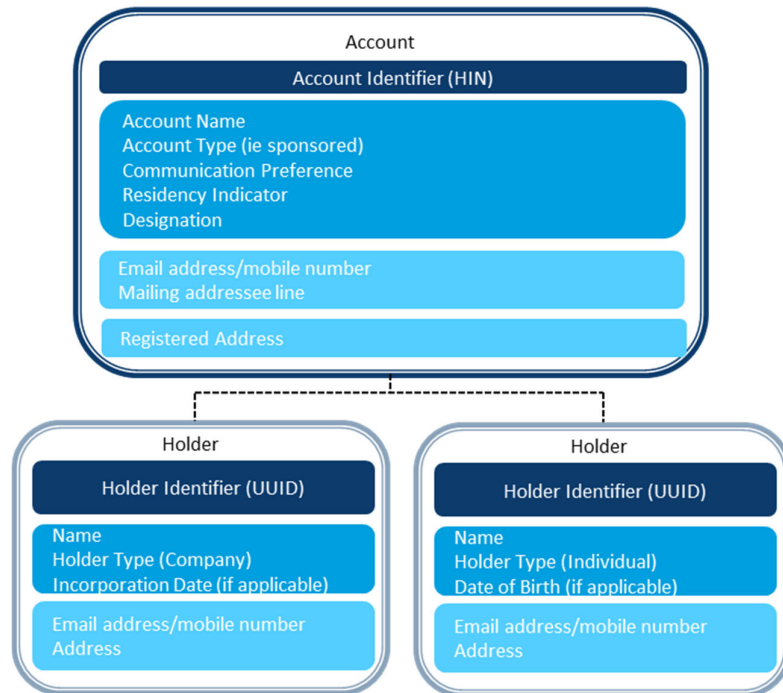
Where a Participant wishes to replace Cash Cover with Collateral, ASX Clear will release the Cash Cover that is to be replaced following receipt of the replacement Collateral. [There is no mechanism available to effect the replacement of Cash Cover with Collateral Cover intra-business day.](#) Participants will be required to lodge the replacement Collateral with ASX Clear by 5.00 pm on the business day before the Cash Cover is required to be released. ASX Clear will undertake the resulting payment to the Clearing Participant on the following day in the normal daily scheduled CHES/Austraclear settlement.

It is important that Participants ensure these timings are taken into account in planning all movements of Cover and that the monitoring tools available in collateral management are utilised.

~~In all cases,~~ Participants are required to contact Clearing [Product Operations and Settlements](#) (phone 1800 ~~814 240 051 033~~, email clearing@asx.com.au ~~deriv.clearing@asx.com.au~~) to request the [exchange of Collateral referred to in paragraph 3.4a above](#) ~~replacement of Cover~~.

Attachment C: Diagram explaining account and holder structure in the User Technical Documentation and in the ASXSORS

Image 1: Account and holder structure presented in the Technical Documentation



Notes

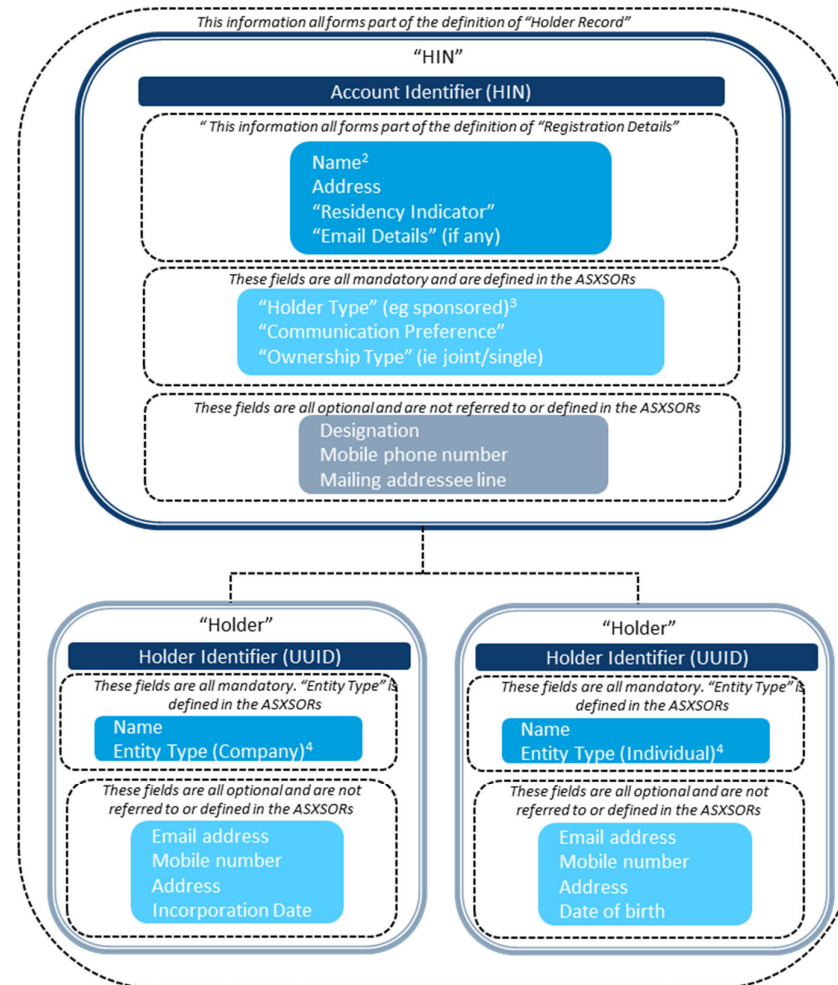
¹ Terms defined in the ASXSORS are identified by “ ”

² System derived using each Holder’s name

³ The equivalent term to “Holder Type” under the Technical Documentation is “Account Type”

⁴ The equivalent term to “Entity Type” under the Technical Documentation is “Holder Type”

Image 2: Account and holder structure as reflected in the ASXSORS¹



ASX SETTLEMENT OPERATING RULES

....

SECTION 2 DEFINITIONS AND INTERPRETATION

....

2.13 DEFINITIONS

2.13.1 Definitions used in the Rules

In these Rules, unless the context otherwise requires:

....

“**Available Financial Products**” means Financial Products that are:

- (a) not in a Locked Holding;
- (b) in the case of Financial Products in an Issuer Sponsored Holding, not reserved under the Listing Rules for the benefit of an Offeror in relation to a takeover scheme;
- (c) in the case of Financial Products in a CHESS Holding, not reserved in a Subposition;
- (d) not the subject of a Client Trust Account Amount Message which [ASX Settlement](#) treats as a [Unilateral Batch Instruction](#) that has been scheduled for settlement.

Amended 25/05/15

....

“**Batch Instruction**” means an instruction to ASX Settlement to effect:

- (a) a Settlement Transfer in Batch Settlement and, if the instruction is for value, payment in DvP Batch Settlement; or
- (b) in respect of a Payment Batch Instruction, payment in Batch Settlement,

and includes:

- (a) a CCP Net Batch Instruction;
- (b) a CCP Gross Batch Instruction;
- (c) a CCP Derivatives Payment Batch Instruction;
- (d) a ~~Dual Entry~~Bilateral Batch Instruction;
- ~~(e) a Dual Entry Payment Batch Instruction;~~
- ~~(f)~~ (e) a ~~Single Entry~~Unilateral Batch Instruction;
- ~~(g)~~ (f) a Direct Batch Instruction; and
- ~~(g)~~ (h) an AQUA Payment Batch Instruction.

Amended 21/03/14

....

“~~Bilateral~~Bilateral~~Dual Entry~~ Batch Instruction” means a Batch Instruction that results from Matched ~~Bilateral~~Bilateral~~Dual Entry~~ Settlement Messages.

“~~Bilateral~~Bilateral~~Dual Entry~~ Batch Message” means a Message that complies with Rule 10.9.2.

“~~Bilateral~~Bilateral~~Dual Entry~~ Demand Message” means a Message that complies with Rule 9.5.1.

“~~Bilateral~~Bilateral~~Dual Entry~~ Demand Transfer” means a Demand Transfer of Financial Products that gives effect to a ~~Bilateral~~Bilateral~~Dual Entry~~ Demand Message.

“~~Bilateral~~Bilateral Demand Settlement Instruction” means a RTGS Instruction that results from Matched Bilateral Demand Settlement Messages.

“~~Bilateral~~Bilateral Demand Settlement Message” means a Message that complies with Rule 9.5A.1.

“~~Bilateral~~Bilateral Demand Settlement Transfer” means a Settlement Transfer of Financial Products that results from Matched Bilateral Demand Settlement Messages and gives effect to a RTGS Instruction.

“~~Bilateral~~Bilateral Settlement Message” means a Message that complies with Rule 10.9.2.

....

“CCP Gross Batch Instruction” means a Batch Instruction (~~excluding a Dual Entry Payment Batch Instruction~~) to give effect to a transaction that has been novated to CCP but that has not been netted in accordance with the operating rules of the Approved Clearing Facility or a Batch Instruction to give effect to an Offsetting Transaction Arrangement entered into in respect of a Failed CCP Gross Batch Instruction.

Amended 28/04/14

....

“**CCP Net Batch Instruction**” means a Batch Instruction (~~excluding a Dual Entry Payment Batch Instruction~~) to give effect to a transaction that has been novated to CCP and netted in accordance with the operating rules of the Approved Clearing Facility or a Batch Instruction to give effect to an Offsetting Transaction Arrangement entered into in respect of a Failed CCP Net Batch Instruction.

Amended 28/04/14

....

“**Client Trust Account Amount Message**” means a Valid ~~Single Entry~~ Unilateral Batch Message to Transfer Financial Products to or from a Settlement Participant’s Settlement Account in connection with the sale or purchase of the Financial Products under a Cash Market Transaction as referred to in Rules 6.3B.2, 6.3B.3 and 6.3B.4.

Introduced 25/05/15

....

“**Communication Preference**” means a code used to indicate whether a Holder of a CHESS Holding wishes to receive communications electronically or by post from ASX Settlement and the Issuer regarding Financial Products in the CHESS Holding.

....

“**Demand Lock**” means in relation to a CHESS Holding, a facility which prevents the relevant number of Financial Products (including any Entitlements) from being deducted from a Holding unless pursuant to a:

- (a) Bilateral Demand Transfer under Rule 9.5.4; or
- (b) Bilateral Demand Settlement Transfer in connection with a Bilateral Demand Settlement Instruction under Rule 9.5A.6.

...

~~“**Dual Entry Payment Batch Instruction**” means a Batch Instruction that results from Matched Dual Entry Payment Batch Messages.~~

~~“**Dual Entry Payment Batch Message**” means a Message that complies with Rule 10.9.2.~~

....

“**Email Details**” means, in respect of a Holding, the email address and Email Purpose of the Holder.

Introduced 02/11/09

“**Email Purpose**” means, in respect of an email address specified in relation to a Holding, the categories of communications, as specified in the Procedures, that the Holder has indicated a preference to receive by delivery to that email address.

Introduced 02/11/09

....

“Entity Type” means a code used to indicate the entity type of each ~~named~~ Holder (for example a natural person or company).

....

“Holder Record” means the information recorded by ASX Settlement in CHESS in relation to a ~~HIN Holder~~ for the purpose of operating one or more CHESS Holdings, including the Registration Details, the HIN, ~~and~~ the Holder Type, Ownership Type, Communication Preference, the UUID for each ~~named~~ Holder and Entity Type for each ~~named~~ Holder as recorded by ASX Settlement in CHESS for the purpose of operating one or more CHESS Holdings.

“Holder Record Lock” means a facility that prevents Financial Products from being ~~deduced~~ deducted from any current Holding to which the relevant Holder Record applies, pursuant to a Transfer or Conversion.

....

“Linked Instructions” means Bilateral Batch Instructions or Unilateral Batch Instructions that are linked for the purpose of Batch Settlement under Rule 10.9.18.

....

“Locked” in relation to a Holding, means subject to a Holding Lock, Settlement Lock, Demand Lock or a Holder Record Lock.

....

“Matched Messages” means:

- (a) in relation to Dual Entry RTGS Messages, Messages that are Matched under Rule 11.13.3;
- (b) in relation to ~~Dual Entry~~ Bilateral Batch Messages, Messages that are Matched under Rule ~~9.5.2 or~~ 10.9.3;
- (c) in relation to Dual Entry Switch to Batch Settlement Messages, Messages that are Matched under Rule 11.12.3;
- (d) in relation to Dual Entry Switch to RTGS Messages, Messages that are Matched under Rule 10.6.1 or 10.11.8; ~~and~~
- (e) in relation to Bilateral Demand Messages, Messages that are Matched under Rule 9.5.2; ~~in relation to Dual Entry Payment Batch Messages, Messages that are Matched under Rule 10.8.3, and~~
- (f) in relation to Bilateral Demand Settlement Messages, Messages that are Matched under Rule 9.5A.4.

and in any other case means Valid Messages that are Matched.

“Matching Reference” in relation to a Bilateral Demand Message, Bilateral Demand Settlement Message or a Bilateral Batch Message, means an optional unique identification reference specified in the Message by the Participant as an additional message field that requires mandatory matching.

....

“Named Holder Indicator” means an indicator that identifies the named a Holder that is relevant to in relation to a death or bankruptcy.

....

“Override Tolerance Amount” means a settlement tolerance amount specified by a Participant in a Bilateral Batch Message or a Bilateral Demand Settlement Message which is greater than the Settlement Amount Tolerance.

“Ownership Type” means a code used to indicate whether a Holding is held by one person or jointly by more than one person.

....

“Payment Batch Instruction” means:

(a) a CCP Derivatives Payment Batch Instruction; or

~~(b) a Dual Entry Payment Batch Instruction; or~~

(e**b**) an AQUA Payment Batch Instruction.

Amended 21/03/14

....

“Registration Details” means the name, address, Email Details (if any) and Residency Indicator recorded in relation to a HIN or SRN (as applicable) of a Holder.

...

“Registration Identifier” means a temporary object containing information of the type recorded in a Holder Record for the purpose of facilitating Transfers between the CHESS Subregister and Issuer Operated Subregister.

....

“RGID” means a number used to identify a Registration Identifier or information derived from a Registration Identifier.

....

“Secondary Matching Flag” means, a specification in a Message that, if indicated as applying, requires each counterpart Message from each Participant to specify the same the Matching Reference in order for those Messages to Match.

“Settlement Link ID” means a unique identifier code included in Bilateral Batch Messages or Unilateral Batch Messages by a Participant in order for Instructions resulting from those Messages to be Linked Instructions.

“Settlement Lock” means in relation to a CHESS Holding, a facility which prevents the relevant number of Financial Products (including any Entitlements) from being deducted from a Holding unless pursuant to a Settlement Transfer in connection with:

(a) a Bilateral Batch Instruction under Rule 10.9.3; or

(b) a Unilateral Batch Instruction under Rule 10.9.11.

....

“Surveillance Report” means a report generated by CHESS that identifies changes to:

(a) Batch Instructions notified to ASX Settlement by an Approved Market Operator under Rule 10.9.1; and

(b) Batch Instructions that result from Matched ~~Dual Entry~~ Bilateral Batch Messages,

(c) to assist ASX Settlement in monitoring compliance with these Rules.

....

“Unilateral~~Single Entry~~ Batch Message” means a Message that complies with Rule 10.9.11.

“Unilateral~~Single Entry~~ Batch Instruction” means a Batch Instruction that gives effect to a Unilateral~~Single Entry~~ Batch Message.

“Unilateral~~Single Entry~~ Demand Message” means a Message that complies with Rule 9.4.1 or Rule 9.13.1.

“Unilateral~~Single Entry~~ Transfer Request” means a Demand Transfer of Financial Products that gives effect to a Unilateral~~Single Entry~~ Demand Message.

~~“EIS” stands for External Interface Specification, and~~ **“User Technical Documentation”** means the technical documentation in relation to CHESS issued by ASX Settlement on [insert website details], a document, made by ASX Settlement, that provides detailed information about protocols, message formats and security features for communications between Facility Users and ASX Settlement.

“UUID” stands for a universally unique identifier and means a series of numbers and letters used to identify each ~~named~~ Holder.

....

SECTION 3 FUNCTIONS, POWERS, RIGHTS AND OBLIGATIONS OF ASX SETTLEMENT

....

3.6.7 ASX Settlement indemnity

Subject to Rules 3.6.8 to 3.6.10, ASX Settlement indemnifies the Issuer against all losses, damages, costs and expenses that the Issuer may suffer or incur if:

- (a) ASX Settlement Transmits a Report to the Issuer relating to Approved Financial Products of the Issuer that contains incorrect information; or
- (b) ASX Settlement Transmits a Message to the Issuer relating to Approved Financial Products of the Issuer which contains:
 - (i) inaccurate Change of Registration Details; or
 - (ii) a TFN or ABN of a **H**older which is not the TFN or ABN supplied by a Participant with respect to that **H**older.

Introduced 11/03/04 Origin SCH 1.11.1, 1.11.2

....

3.6.11 Exclusion of ASX Settlement liability provisions

Rules 1.2.3, 1.2.4, 1.2.5, 1.3.2 and 3.6.7 are subject to this Rule 3.6.11 which applies whether or not ASX Settlement is negligent or in wilful default.

ASX Settlement is not liable to compensate any person for loss suffered in consequence of any of the following events (whether or not ASX Settlement is negligent or in wilful default):

- (a) a failure to admit a person as a Participant under Section 4, and its liability in these circumstances is limited to such liability as may be incurred in complying with the procedure for Appeal under Section 4;
- (b) a failure to provide a Settlement Facilitation Service to a person under Rule 4.1A;
- (c) suspension or revocation of ASX Settlement approval of any class of Financial Products;
- (d) any enforcement action, Proceeding or Appeal against a Facility User whether in accordance with these Rules or not;
- (e) any enforcement action taken by ASX Settlement in accordance with a determination of the Old Tribunal (as defined in Rule 12.23) or the Appeal Tribunal;
- (f) any action to:
 - (i) impose Restrictions on;

- (ii) suspend; or
 - (iii) terminate,
- the participation of a Participant under Section 12;
- (g) the application or removal of a Holding Lock, [Holder Record Lock](#), [Demand Lock](#) or [Settlement Lock](#) in accordance with Section 8, [Section 9](#) or [Section 10](#); or
 - (h) the effecting of a Holding Adjustment or Financial Products Transformation in accordance with Section 9.

Introduced 11/03/04 Origin SCH 1.12.1, 1.12.2, 1.12.3, 1.1

....

SECTION 5 FUNCTIONS, POWERS, RIGHTS AND OBLIGATIONS OF ASX SETTLEMENT

....

5.3.2 Establishing of CHESS Holding

If:

- (a) ASX Settlement receives a Valid Message from an Issuer under Rule 5.3.1; and
- (b) a Holder Record for the HIN specified in that Message has been established under Rule 8.7.2,

ASX Settlement will, within the Scheduled Time:

- (c) enter the number of Financial Products into the CHESS Holding specified in that Message;
- (d) notify the Issuer:
 - (i) that the CHESS Holding has been established; and
 - (ii) of the [relevant](#) Holder Record details for the CHESS Holding; and
- (e) notify the Controlling Participant that the CHESS Holding has been established.

Introduced 11/03/04 Origin SCH 5.4A.2

5.3.3 Rejection of Messages initiating a Holding Adjustment

If:

- (a) ASX Settlement receives a Valid Message from an Issuer under Rule 5.3.1; and
- (b) a Holder Record for the HIN specified in that Message has not been established under Rule 8.7.2,

ASX Settlement must, within the Scheduled Time:

- (c) reject the Message; and
- (d) notify the Issuer that the Message has been rejected.

Introduced 11/03/04 Origin SCH 5.4A.3

5.3.4 Transmission of further Messages

If:

- (a) an Issuer receives notification that a CHESS Holding has been established under Rule 5.3.2(d)(i); and
- (b) the Registration Details ~~and, where applicable, the Residency Indicator~~ specified in that notification do not match the Registration Details ~~and Residency Indicator~~ specified in the application form lodged with the Issuer by the person to whom the Financial Products have been allocated,

the Issuer must, within the Scheduled Time, Transmit to ASX Settlement a further Message that initiates a Holding Adjustment to deduct the Financial Products from that CHESS Holding.

Introduced 11/03/04 Origin SCH 5.4A.4

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SECTION 6 RIGHTS AND OBLIGATIONS OF PARTICIPANTS

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6.3B TRANSFERS TO FACILITATE SETTLEMENT

6.3B.1 Transfers or Conversions of Financial Products from a Holding to Settlement Account

Subject to Rule 6.3B.7, a Settlement Participant must not Transfer or Convert Financial Products from a Holding to its Settlement Account in connection with the sale of Financial Products under a Cash Market Transaction, other than where:

- (a) for Financial Products in any Holding (including a CHESS Holding), the Settlement Participant:

- i. Transfers or Converts (as applicable) the Financial Products from the Holding to its Accumulation Account prior to being Transferred to the Settlement Account; and
 - ii. complies with Rule 6.3B.2 when Transferring the Financial Products from its Accumulation Account to the Settlement Account; or
- (b) for Financial Products in a CHESS Holding (other than its Accumulation Account), the Settlement Participant complies with Rule 6.3B.3 when Transferring the Financial Products from the CHESS Holding to the Settlement Account.

The Settlement Participant can satisfy the requirements under this Rule 6.3B.1 by complying with either paragraph (a) or (b) above, as applicable.

Introduced 25/05/15

6.3B.2 Transfer of Financial Products from Accumulation Account to Settlement Account

Subject to Rule 6.3B.7, in order to Transfer Financial Products from its Accumulation Account to its Settlement Account in connection with the sale of Financial Products under a Cash Market Transaction, a Settlement Participant must Transmit a Valid ~~Single Entry~~ Unilateral Batch Message that contains the Client Trust Receivable Amount in respect of those Financial Products, in the manner set out in the Procedures.

If there are sufficient Available Financial Products in the Accumulation Account and ASX Settlement treats the Message as a ~~Single Entry~~ Unilateral Batch Instruction which it schedules for settlement in accordance with Rule 10.9.11.

(a) ASX Settlement must promptly apply a Settlement Lock to the Financial Products identified in the Valid Unilateral Batch Message; and,

(b) such Client Trust Receivable Amount will be scheduled to be paid by the Settlement Participant to the Client Trust Account on the relevant Settlement Date in accordance with Rule 10.10A.

Introduced 25/05/15

6.3B.3 Transfer of Financial Products from a CHESS Holding (other than Accumulation Account) to Settlement Account

Subject to Rule 6.3B.7, in order to Transfer Financial Products from a CHESS Holding (other than its Accumulation Account) to its Settlement Account in connection with the sale of Financial Products under a Cash Market Transaction, a Settlement Participant must Transmit a Valid ~~Single Entry~~ Unilateral Batch Message that contains the Client Trust Receivable Amount in respect of those Financial Products, in the manner set out in the Procedures.

If there are sufficient Available Financial Products in the CHESS Holding (having regard to other Batch Instructions affecting the CHESS Holding scheduled for settlement on or prior to the relevant Settlement Date) and ASX Settlement treats the Message as a ~~Single~~

~~Entry~~Unilateral Batch Instruction which it schedules for settlement in accordance with Rule 10.9.11, such Client Trust Receivable Amount will be scheduled to be paid by the Settlement Participant to the Client Trust Account on the relevant Settlement Date in accordance with Rule 10.10A.

Introduced 25/05/15

6.3B.4 Transfer of Financial Products from Settlement Account to a Holding other than Accumulation Account

Subject to Rule 6.3B.7, a Settlement Participant may use a Valid ~~Single-Entry~~Unilateral Batch Message to Transfer Financial Products from its Settlement Account to a CHES Holding (other than its Accumulation Account) in connection with the purchase of Financial Products under a Cash Market Transaction which includes the Client Trust Deductible Amount (or part thereof) in respect of those Financial Products, in the manner set out in the Procedures.

If there are sufficient Available Financial Products in the Settlement Account (having regard to other Batch Instructions affecting the Settlement Account scheduled for settlement on or prior to the relevant Settlement Date) and ASX Settlement treats the Message as a ~~Single-Entry~~Unilateral Batch Instruction which it schedules for settlement in accordance with Rule 10.9.11, the Client Trust Deductible Amount specified in the Valid ~~Single-Entry~~Unilateral Batch Message will be scheduled to be receivable by the Settlement Participant from the Client Trust Account on the relevant Settlement Date in accordance with Rule 10.10A.

Subject to Rule 6.3B.4A, a Settlement Participant must not specify a Client Trust Deductible Amount in a Message under this Rule 6.3B.4 which exceeds the Client Trust Deductible Amount which applies in respect of the Transfer of those Financial Products at the time of transmitting that Message.

Note: Pursuant to the definition of Client Trust Deductible Amount in Rule 6.3B.8, in order for a Client Trust Deductible Amount to be included in a Message under this Rule 6.3B.4 this money must have been received and be held in the Client Trust Account at the time of Transmitting the Message. Rule 6.3B.4A provides an exception for cash contra transactions where the Client Trust Deductible Amount specified in a Message Transmitted under Rule 6.3B.4 relies on the future payment of monies into the Client Trust Account pursuant to a Message under Rule 6.3B.2 to move Financial Products from the Participant's Accumulation Account to its Settlement Account which is settling on the same day.

Introduced 25/05/15 Amended 18/04/16

6.3B.4A Client Trust Deductible Amount under Rule 6.3B.4 in respect of cash contra transactions

Where a Settlement Participant (or, if the Settlement Participant is acting as a Settlement Agent for a Clearing Participant for settling Cash Market Transactions, the Clearing Participant) is relying on the consideration from the sell side of a cash contra transaction in order to be able to withdraw money from the Client Trust Account in connection with the buy side of the cash contra transaction, and each of the following requirements are satisfied:

- (a) the sell side and the buy side of the cash contra transaction are:
 - (i) undertaken for the same client;
 - (ii) in respect of different Financial Products; and
 - (iii) to be settled on the same day;
- (b) the Settlement Participant has Transmitted a Valid ~~Single Entry~~Unilateral Batch Message under Rule 6.3B.2 in connection with the sell side of the cash contra transaction and the Message is treated by ASX Settlement as a ~~Single Entry~~Unilateral Batch Instruction which has been scheduled for settlement in accordance with Rule 10.9.11; and
- (c) the Settlement Participant seeks to Transmit a Valid ~~Single Entry~~Unilateral Batch Message under Rule 6.3B.4 in connection with the buy side of the cash contra transaction which specifies the date on which the ~~Single Entry~~Unilateral Batch Instruction referred to in paragraph (b) is scheduled for settlement as the scheduled Settlement Date in respect of the Transfer of Financial Products under the Batch Instruction arising from that Message,

then for the purposes of the Client Trust Deductible Amount which may be specified in the Message referred to in paragraph (c), the consideration from the sell side of the cash contra transaction included in the Client Trust Receivable Amount contained in the Message referred to in paragraph (b) is deemed to have been received by the Settlement Participant (or, if the Settlement Participant is acting as a Settlement Agent for a Clearing Participant for settling Cash Market Transactions, the Clearing Participant) and be held in the Client Trust Account at the time of Transmitting the Message referred to in paragraph (c), notwithstanding that Batch Settlement in respect of the Message referred to in paragraph (b) above has yet to occur.

Where the Message referred to in paragraph (b) is cancelled by the Settlement Participant pursuant to Rule 10.9.12 and the Settlement Participant had included in the Message referred to in paragraph (c) a Client Trust Deductible Amount which pursuant to this Rule 6.3B.4A relied on consideration from the sell side of the cash contra transaction, the Settlement Participant must cancel the Message referred to in paragraph (c) pursuant to Rule 10.9.12 prior to Batch Settlement on the scheduled Settlement Date for that Message.

Note: The ability to include in a Valid ~~Single Entry~~Unilateral Batch Message under Rule 6.3B.4 the Client Trust Deductible Amount (or part thereof) in connection with the buy side of the cash contra transaction pursuant to this Rule 6.3B.4A remains subject to the Settlement Participant (or if the Settlement Participant is acting as a Settlement Agent for a Clearing Participant for settling Cash Market Transactions, the Clearing Participant) also being entitled to withdraw that amount from the Client Trust Account under ASX Clear Operating Rule 4.24 in accordance with the ordinary operation of the definition of Client Trust Deductible Amount.

6.3B.5 Payment to Client Trust Account for Transfers from Accumulation Account to any Holding

Subject to Rule 6.3B.7, a Settlement Participant must ensure for any Financial Products held in its Accumulation Account, that where those Financial Products are Transferred to:

- (a) its Settlement Account in connection with the sale of those Financial Products under a Cash Market Transaction, that the Client Trust Receivable Amount in respect of those Financial Products under Rule 6.3B.2 is paid to the Client Trust Account concurrent with Batch Settlement on the day of the Transfer (and by no later than the completion of Batch Settlement on that day) in accordance with Rule 10.10A; or
- (b) a Holding (other than the Settlement Account) in connection with the sale of those Financial Products under a Cash Market Transaction, that the Client Trust Receivable Amount in respect of those Financial Products is paid to the Client Trust Account on the day of the Transfer.

For the purposes of Rule 6.3B.5(a), a Client Trust Receivable Amount included in a Message under Rule 6.3B.2 can be set-off against a Client Trust Deductible Amount included in a Message under Rule 6.3B.4 which is scheduled for settlement on the same day, in accordance with Rule 10.10A.

Introduced 25/05/15

6.3B.6 Payment to Client Trust Account for Transfers from CHESS Holding (other than Accumulation Account) to Settlement Account

Subject to Rule 6.3B.7, a Settlement Participant must ensure for any Financial Products held in a CHESS Holding (other than its Accumulation Account), that where those Financial Products are Transferred to its Settlement Account in connection with the sale of those Financial Products under a Cash Market Transaction, that the Client Trust Receivable Amount in respect of those Financial Products under Rule 6.3B.3 is paid to the Client Trust Account concurrent with Batch Settlement on the day of the Transfer (and by no later than the completion of Batch Settlement on that day) in accordance with Rule 10.10A.

For the purposes of this Rule 6.3B.6, a Client Trust Receivable Amount included in a Message under Rule 6.3B.3 can be set-off against a Client Trust Deductible Amount included in a Message under Rule 6.3B.4 which is scheduled for settlement on the same day, in accordance with Rule 10.10A.

Introduced 25/05/15

6.3B.7 Certain Transfers not subject to above requirements

Rules 6.3B.1 to 6.3B.6 do not apply to a Transfer of Financial Products effected:

- (a) by a Settlement Participant from one of its Accumulation Accounts to another of its Accumulation Accounts;

- (b) by a Settlement Participant from one of its Settlement Accounts to another of its Settlement Accounts; or
- (c) between two Participants as result of giving effect to a [Dual Entry Bilateral Demand Transfer](#) ~~or, a [Dual Entry Bilateral Batch Instruction](#) or a [Dual Entry Payment Batch Instruction](#).~~

Introduced 25/05/15

6.3B.8 Client Trust Receivable Amount and Client Trust Deductible Amount

For the purposes of these Rules, the 'Client Trust Receivable Amount' in respect of Financial Products is the consideration for the sale of those Financial Products under the relevant Cash Market Transaction other than to the extent that:

- (a) the relevant Financial Products were not Financial Products of a client (or from a person acting on behalf of a client) or for the benefit of a client;
- (b) the Client Trust Receivable Amount has already been paid to the Client Trust Account; or
- (c) the Settlement Participant, or, if the Settlement Participant is acting as a Settlement Agent for a Clearing Participant for settling Cash Market Transactions, the Clearing Participant, is entitled to deduct from the consideration remuneration payable to it in connection with the sale of the Financial Products under that Cash Market Transaction and the Settlement Participant or the Clearing Participant (as applicable) deducts such amount.

For the purposes of these Rules, subject to Rule 6.3B.4A the 'Client Trust Deductible Amount' in respect of Financial Products is the money received by the Settlement Participant, or, if the Settlement Participant is acting as a Settlement Agent for a Clearing Participant for settling Cash Market Transactions, the Clearing Participant, in connection with the purchase of the Financial Products under the relevant Cash Market Transaction held in the Client Trust Account which the Settlement Participant or the Clearing Participant (as applicable) is entitled to withdraw from the Client Trust Account under ASX Clear Operating Rule 4.24.

Introduced 25/05/15 Amended 18/04/16

6.3B.9 Notification of non-compliance

Without limitation to Rule 12.18, a Settlement Participant must notify ASX Settlement immediately upon it becoming aware that it has breached any of Rules 6.3B.1 to 6.3B.6.

Introduced 25/05/15

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6.7 ELECTRONIC ACCESS TO HOLDING BALANCE AND SRN DETAILS BY PARTICIPANTS

6.7.1 Participant ~~must have valid Sponsorship Bond~~ [access](#)

Only a Sponsoring Participant that has lodged with ASX Settlement a valid Sponsorship Bond, [or a Sponsoring Participant that is not required to provide a Sponsorship Bond pursuant to Rule 4.9.3.](#) may request Issuer Sponsored Holding Balance and SRN Details by CHES Message [pursuant to Rule 9.14.](#)

Introduced 11/03/04 Origin SCH 10.7A.1

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6.18 DEMAND TRANSFER FOLLOWING A FAIL IN ASX SETTLEMENT BATCH SETTLEMENT

6.18.1 Delivery of part settlement

If a receiving Participant designates an Instruction as not available for settlement in part and in relation to that Instruction:

- (a) the delivering Participant designates the Instruction as available for settlement in part;
- (b) during Batch Settlement the Instruction Fails; and
- (c) the delivering Participant gives Notice to the receiving Participant by the Scheduled Time that it can deliver the number and class of Financial Products specified in the Instruction on that Business Day,

the receiving Participant must, subject to Rule 6.18.2, accept the delivery of Financial Products.

Introduced 11/03/04 Origin SCH 9.23.1, 10.23.1

6.18.2 Transmitting Messages to effect part settlement

If a delivering Participant:

- (a) gives Notice to the receiving Participant under Rule 6.18.1(c);
- (b) Transmits a Message to ASX Settlement within the Scheduled Time to cancel the Instruction that has been rescheduled for settlement on the next Business Day; and
- (c) Transmits a Message to ASX Settlement within the Scheduled Time to initiate a ~~Dual Entry~~ [Bilateral](#) Demand Transfer to Transfer the Financial Products to the receiving Participant under Rule 9.5.4.

the receiving Participant must:

- (d) Transmit a Message to ASX Settlement within the Scheduled Time to enable ASX Settlement to Match the request to cancel the Instruction that has been rescheduled for settlement on the next Business Day;
- (e) Transmit a Message to ASX Settlement within the Scheduled Time to enable ASX Settlement to Match the ~~Dual-Entry~~[Bilateral](#) Demand Message to Transfer the Financial Products to the receiving Participant; and
- (f) pay to the delivering Participant an amount equal to the Settlement Amount specified in the rescheduled Instruction.

Introduced 11/03/04 Origin SCH 9.23.2, 10.23.2

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SECTION 7 PARTICIPANT CLIENT ARRANGEMENTS

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7.4 AQUA PRODUCTS

7.4.1 AQUA Products

ASX Settlement will not ~~process~~[accept](#) a [Message as to the](#) ~~Notice of~~ change of Controlling Participant under Rule 8.17 where Holdings to which the [Message](#)~~Notice~~ relates comprise AQUA Products and the new Controlling Participant is not accredited in accordance with Section 18 of the Rules to facilitate the settlement of AQUA Products. In this instance, the existing Controlling Participant must convert the AQUA Product Holdings to Holdings on the Issuer Sponsored Subregister. If the existing Controlling Participant fails to convert the AQUA Product Holdings to Holdings on the Issuer Sponsored Subregister, ASX Settlement may convert the AQUA Product Holdings to Holdings on the Issuer Sponsored Subregister.

SECTION 8 HOLDING FINANCIAL PRODUCTS IN THE SETTLEMENT FACILITY

....

8.5 EFFECTS OF SUSPENSION AND REVOCATION OF APPROVAL

8.5.1 Action taken by ASX Settlement upon suspension

Subject to Rule 8.5.2, if ASX Settlement suspends approval of a class of an Issuer's Financial Products, ASX Settlement must:

- (a) if an Instruction or Message would affect a CHESS Holding of Financial Products in that class:
 - (i) suspend all such Instructions it has already received; and
 - (ii) reject all such Instructions or Messages that are subsequently received;
- (aa) give notice of the suspension or rejection of such Instructions or Messages to:
 - (i) the Issuer;
 - (ii) the relevant Approved Market Operator; and
 - (iii) to the extent ASX Settlement considers reasonably necessary, other Facility Users;
- (ab) remove any Settlement Lock or Demand Lock applied in relation to the suspended Financial Products;
- (b) on each Business Day that the class of Financial Products remains suspended, reschedule any suspended Instructions for settlement on the next Business Day; and
- (c) subject to Rule 8.5.2, cancel any Instruction that remains suspended on the 15th ~~10th~~ Business Day after suspension of approval. For the purposes of this Rule 8.5.1(c), ASX Settlement may, in its absolute discretion, cancel any Instruction that remains suspended on or after the 10th Business Day after the relevant suspension of approval.

Introduced 11/03/04 Origin SCH 3.5.1 Amended 10/06/04

8.5.2 Discretion to allow Instruction

If ASX Settlement suspends approval of a class of an Issuer's Financial Products, ASX Settlement may in its discretion determine to give effect to an Instruction or a class of Instructions or a Message or a class of Messages that would affect a CHESS Holding of Financial Products in that class and if ASX Settlement so determines it must give notice to:

- (a) the Issuer;
- (b) the Approved Listing Market Operator; and
- (c) to the extent that ASX Settlement considers reasonably necessary, other Facility Users.

Introduced 11/03/04 Origin SCH 3.5.2, 3.5.3 Amended 10/06/04, 18/12/06, 27/06/11

8.5.3 Removal of suspension

If ASX Settlement is satisfied that the circumstances that gave rise to a suspension no longer exist, ASX Settlement must:

- (a) remove the suspension; and

- (b) give ~~Notice~~-notice to:
 - (i) the Issuer;
 - (ii) the relevant Approv~~ed~~ Market Operator; and
 - (iii) to the extent ASX Settlement considers reasonably necessary, other Facility Users.

Introduced 11/03/04 Origin SCH 3.5.4

8.5.4 Revocation if suspension continues – [Deleted]

Introduced 11/03/04 Origin SCH 3.5.6 Amended 10/06/04 Deleted 25/05/15

8.5.5 Effect of revocation

If ASX Settlement revokes approval of a class of an Issuer's Financial Products, ASX Settlement must, from the effective date of the revocation:

- (a) reject all Instructions or Messages that would affect a CHESS Holding of Financial Products in that class; and
- (b) close the CHESS Subregister for that class of Financial Products in accordance with Rule 8.14.1.

Introduced 11/03/04 Origin SCH 3.6.1 Amended 10/06/04

8.6 CHESS SUBREGISTERS

8.6.1 Status of CHESS Subregister

ASX Settlement must administer, as agent of an Issuer in accordance with these Rules, a CHESS Subregister for each class of the Issuer's Approved Financial Products to which the following provisions apply:

- (a) subject to paragraph (b), the CHESS Subregister for a class of an Issuer's Approved Financial Products forms part of the Issuer's principal register for that class of Financial Products; and
- (b) if an Issuer's principal register for a class of Approved Financial Products is located outside Australia, the CHESS Subregister forms part of the Issuer's principal Australian register, notwithstanding the fact that the Australian register is a branch register and forms a part of the Issuer's principal register outside Australia.

Introduced 11/03/04 Origin SCH 5.1

8.6.2 Information recorded and maintained on a CHESS Subregister

ASX Settlement must record and maintain on a CHESS Subregister for a class of Approved Financial Products:

- (a) the name and address recorded as part of the Registration Details ~~and HIN~~ of ~~each person a~~ Holder with a CHES Holding of Financial Products in that class; and
- (b) in relation to each such person, the number of Financial Products held.

Introduced 11/03/04 Origin SCH 5.2.1

8.6.3A Additional information recorded and maintained by ASX Settlement

ASX Settlement may also record and maintain information about a Holder in a Holder Record in addition to the information described in Rule 8.6.2.

8.6.3 HIN and other details not to be taken to be included in a register

Except to the extent required by these Rules or the law, an Issuer must not include a HIN or any other details that do not form part of a register of members required to be maintained under the Corporations Act in a register for the purpose of:

- (a) the register being open for inspection; or
- (b) furnishing a copy of the register or any part of the register.

Introduced 11/03/04 Origin SCH 5.2.2

8.7 ESTABLISHING A HOLDER RECORD

8.7.1 Restrictions on establishing a Holder Record

A Participant must not Transmit a Message to establish a Holder Record in relation to a person under Rule 8.7.2 unless:

- (a) the person is a Related Body Corporate of the Participant; or
- (b) the Participant holds a current Sponsorship Agreement executed by the Participant and the person.

Introduced 11/03/04 Origin SCH 5.4.1A

8.7.2 Establishing a Holder Record

If a Participant Transmits a Valid Message to ASX Settlement requesting ASX Settlement to establish a Holder Record that includes the matters specified in the Procedures, ASX Settlement must:

- (a) establish a Holder Record on CHES for that person;
- (b) allocate a HIN to that Holder; ~~and~~
- (c) allocate a UUID to each ~~named~~ Holder; and
- (de) if the Holder Record has been established for a Participant Sponsored Holder, promptly send a Notice in relation to that Holder Record to that Participant Sponsored Holder.

If the Holder Record is in relation to a person that is a Participant Sponsored Holder, the Participant must, in the absence of any specific alternative written authority from that other person specify as the current Registration Details in the Message, the name, address and, if applicable, Email details of the person as recorded in the Sponsorship Agreement.

Introduced 11/03/04 Origin SCH 5.4.1, 5.4.1B Amended 02/11/09

8.7.3 Holder Record for Holding of FOR Financial Products

A Participant must determine whether the Residency Indicator of a Holder Record is applicable to any new Holding of FOR Financial Products, and if it is not applicable to the new Holding of FOR Financial Products and there is no existing Holder Record with the appropriate Residency Indicator, the Participant must:

- (a) establish a separate Holder Record for that new Holding with the appropriate Residency Indicator; and
- (b) transfer that Holding to that Holder Record.

Note: Because of differing definitions of “Foreign Person” under the governing legislation or constitution of different Issuers with aggregate foreign ownership restrictions, a Holder’s status (for the purposes of settling transactions in FOR Financial Products) may differ between Issuers.

Where these circumstances apply, Holders must have two distinct Holder Records in CHES; one with a Residency Indicator of “F” and another with a Residency Indicator of “D”. Holdings of particular Financial Products must then be linked to the appropriate Holder Record.

Introduced 11/03/04 Origin SCH 5.4.3

8.7.4 Indemnity by Participant where Holder Record established incorrectly

If, under Rule 8.7.2, a Participant has Transmitted a Valid Message requesting ASX Settlement to establish a Holder Record and that Message specifies the Holder Type as Participant Sponsored Holder or specifies a Residency Indicator and any of the following apply:

- (a) the Participant is not authorised to establish the Holder Record;
- (b) the Participant has provided incorrect details in the Message; or
- (c) the Participant has provided an incorrect Residency Indicator in the Message,

subject to Rule 8.7.5 the Participant indemnifies:

- (d) ASX Settlement from and against all losses, damages, costs and expenses which ASX Settlement may suffer or incur by reason of that unauthorised request or that Transmission of incorrect Holder Record details or an incorrect Residency Indicator; and
- (e) if a Holding is established using incorrect Holder Record details or an incorrect Residency Indicator, the Issuer from and against all losses, damages, costs and

expenses which the Issuer may suffer or incur by reason of that Holding being established.

Introduced 11/03/04 Origin SCH 5.4.4, 5.4.5

8.7.5 Limitation on Participant indemnity

A Participant is not liable to indemnify ASX Settlement or an Issuer under Rule 8.7.4 if the Participant has provided details which are consistent with the directions of the relevant Holder for the purposes of holding FOR Financial Products and the Participant had no reason to believe that those directions were incorrect.

Introduced 11/03/04 Origin SCH 5.4.6

8.8 ESTABLISHING A CHESS HOLDING

8.8.1 A CHESS Holding may be established

If a Holder Record for a person has been established and a HIN allocated and a Message specifying that HIN to identify the Target Holding is Transmitted in any of the following circumstances:

- (a) a Participant Transmits a Valid Originating Message that initiates a Demand Transfer or Conversion;
- (b) ASX Settlement Transmits a Valid Originating Message that initiates a Settlement Transfer; or
- (c) an Issuer Transmits a Valid Message to initiate a Holding Adjustment or a Financial Products Transformation,

a CHESS Holding may be established by entering the Financial Products specified in the Message into the Target Holding and, if a new CHESS Holding is established ASX Settlement must notify the Issuer:

- (d) that a new Holding has been established; and
- (e) of the [relevant](#) Holder Record details.

Introduced 11/03/04 Origin SCH 5.5

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8.11 CONFIDENTIALITY

8.11.1 No disclosure except in certain circumstances

Unless required by these Rules or the law, or with the express consent of the Holder, or of the duly appointed attorney, agent or legal personal representative of that Holder, neither an Issuer nor a Participant may mail (either in writing or electronically), release, publish, disseminate or disclose:

- (a) the HIN of a CHESS Holding;

- (b) the PID of the Controlling Participant of a CHES Holding; ~~or~~
- (c) the SRN for the Holder of an Issuer Sponsored Holding, or
- (d) the UUID of the a named Holder;

other than to:

- (~~e~~) the Holder of that Holding, or in relation to (d) the relevant named Holder to which the UUID relates;
- (~~e~~) the Holder's duly appointed attorney, agent or legal personal representative, or in relation to (d) the duly appointed attorney, agent or legal personal representative of the relevant named Holder to which the UUID relates;
- (~~f~~) if the Holding is a CHES Holding, the Controlling Participant for that Holding;
or
- (~~h~~) ASX Settlement.

Introduced 11/03/04 Origin SCH 5.9.1 Amended 23/10/09

8.11.2 Request for information by a Participant

For the purpose of Rule 8.11.1(~~e~~), if a Participant provides a request to an Issuer in acceptable form or a written request to another Participant for:

- (a) details of the SRN of a Holding on the Issuer Sponsored Subregister;
- (b) the Holding Balance of a Holding on the Issuer Sponsored Subregister;
- (c) the HIN of a CHES Holder; ~~or~~
- (d) the PID of the Controlling Participant of the CHES Holding; or
- (~~e~~) the UUID of a named Holder,

the requesting Participant:

- (~~e~~) is taken to have warranted to the Issuer or the other Participant that it is the duly appointed agent of the Holder for the purposes of obtaining the details requested;
- (~~f~~) indemnifies the Issuer or the other Participant in respect of any loss which the Issuer or the other Participant may suffer as a result of the requesting Participant not being authorised to request the information provided; and
- (~~g~~) is, in the case of a request to the Issuer, taken to have acknowledged that:
 - (i) the details provided by the Issuer represent information currently available to the Issuer at the time of response and excludes unregistered transactions; and

- (ii) the Issuer will not be liable for any loss incurred by the Holder or the Participant as a result of reliance on the details provided, in the absence of information not available to the Issuer at the time of providing those details.

Note: A Participant may request SRN and Issuer Sponsored Holding Balance details from an Issuer via CHES message where the Participant is permitted to establish and maintain Sponsored Holdings under Rule 6.3 and has provided ASX Settlement with a Sponsorship Bond of \$500,000 [or is not required to provide a Sponsorship Bond pursuant to Rule 4.9.3](#). Refer Rule 6.7.

Introduced 11/03/04 Origin SCH 5.9.2, 5.9.3 Amended 04/04/05

8.11.3 Disclosure of information regarding Financial Products

Subject to Rule 8.11.4, or unless otherwise required by these Rules or the law, ASX Settlement must not disclose any information regarding Financial Products in a CHES Holding other than to:

- (a) the Holder of that Holding;
- (b) the Controlling Participant for that Holding;
- (c) the Issuer of the Financial Products; or
- (d) if Rule 14.13 applies in relation to a takeover bid any of the following:
 - (i) the bidder;
 - (ii) the CHES Bidder; or
 - (iii) any agent that the bidder or the CHES Bidder engages to prepare and distribute offer documentation or process takeover acceptances.

Introduced 11/03/04 Origin SCH 5.9.4

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8.14 CLOSURE OF A CHES SUBREGISTER

8.14.1 Closure of a CHES Subregister - other than where Financial Products lapse, expire, mature etc.

Unless Rule 8.14.2 applies, if:

- (a) ASX Settlement revokes Approval of a class of an Issuer's Financial Products under Rule 8.4.1(b); or
- (b) Approval of a class of an Issuer's Financial Products ceases under Rule 8.4.8,

[subject to Rule 8.14.4 8.14A](#), ASX Settlement and the Issuer must take such steps as may be necessary to effect the orderly closure of any affected CHES Subregister, including without limitation:

- (c) ASX Settlement giving such ~~notice~~ **Notice** as is reasonably practicable to the Issuer and each Participant of:
 - (i) the date of closure of the CHESSE Subregister; and
 - (ii) the last day on which ASX Settlement will process Messages or classes of Messages Transmitted by the Issuer or Participants;
- (d) the Issuer using its best endeavours to ensure that all outstanding processing that affects CHESSE Holdings in that class is completed prior to the date of closure of the CHESSE Subregister;
- (e) ASX Settlement, on the date of closure of the CHESSE Subregister:
 - (i) removing all Holdings on that Subregister to an Issuer Sponsored Subregister; and
 - (ii) giving ~~notice~~ **Notice** to the Issuer that the CHESSE Subregister has been closed;
- (f) ASX Settlement sending a Holding statement in accordance with Rule ~~8.20.18-18.6~~ to each Participant Sponsored Holder of Financial Products on the CHESSE Subregister advising that the Holding has been Converted to an Issuer Operated Subregister; and
- (g) on the day of such closure or on any subsequent Business Day ASX Settlement may archive that CHESSE Subregister provided that on the archiving day it must notify the Issuer and Participants confirming the archival of that Subregister.

Note: ASX Settlement will not ordinarily archive a CHESSE Subregister if a Holding is recorded on the CHESSE Subregister.

Introduced 11/03/04 Origin SCH 5.12.1, 5.12.2 Amended 25/05/15

8.14.2 Closure of a CHESSE Subregister – where Financial Products lapse, expire, mature etc.

If a class of Approved Financial Products ceases to be quoted because the Financial Products have lapsed, expired, matured or have been redeemed, paid up or Reconstructed, subject to Rules 8.14.3, ~~8.14.4 8.14A~~, and 14.21.4, ASX Settlement and the Issuer must ~~ay~~ take such steps as may be necessary to effect the orderly closure of any affected CHESSE Subregister, including without limitation:

- (a) the Issuer using its best endeavours to ensure that all outstanding processing that affects CHESSE Holdings in that class is completed prior to the date of closure of the CHESSE Subregister;
- (b) ASX Settlement, on the date of closure of the CHESSE Subregister giving notice to the Issuer that the CHESSE Subregister has been closed; and;
- (c) ASX Settlement may archive the CHESSE Subregister for that class of Financial Products:

- (ia) in the case of the class of Approved Financial Products being warrants eligible to be traded under the operating rules of an Approved Market Operator not less than 10 Business Days after the date on which the cessation occurred;
- (ib) in the case of any other class of Approved Financial Products not less than 20 Business Days after the date on which the cessation occurred; and

if ASX Settlement archives a CHESS Subregister under this Rule 8.14.2, ASX Settlement must:

- (iie) subject to Rule 8.14.3, reject all Messages Transmitted by the Issuer or Participants that affect a CHESS Holding on that Subregister; and
- (ivd) notify the Issuer, and each Participant confirming the archival of that Subregister.

Note: ASX Settlement will not ordinarily archive a CHESS Subregister if a Holding is recorded on the CHESS Subregister.

Introduced 11/03/04 Origin SCH 5.13.1, 5.13.2 Amended 10/06/04

8.14.3 Report facilities to be provided by ASX Settlement

ASX Settlement must provide Report facilities to the Issuer and Participants for a period of not less than 10 Business Days for warrants eligible to be traded under the operating rules of an Approved Market Operator and not less than 20 Business Days in the case of any other class of Approved Financial Products following the cessation of a CHESS Subregister under Rule 8.14.2.

Introduced 11/03/04 Origin SCH 5.13.3 Amended 10/06/04

8.14.4 Discretion to allow Instruction

If Approval of a class of an Issuer's Financial Products is revoked or ceases in the circumstances referred to in Rule 8.14.1 or a class of Approved Financial Products ceases to be quoted in the circumstances referred to in Rule 8.14.2, ASX Settlement may in its discretion determine to give effect to an Instruction or a class of Instructions or a Message or a class of Messages that would affect a CHESS Holding of Financial Products in that class and if ASX Settlement so determines it must give notice to:

- (a) the Issuer;
- (b) the Approved Listing Market Operator; and
- (c) to the extent that ASX Settlement considers reasonably necessary, other Facility Users.

8.15 **HOLDING LOCKS, ~~AND~~ HOLDER RECORD LOCKS, DEMAND LOCKS AND SETTLEMENT LOCKS**

8.15.1 Court order restricting transfer of Financial Products

If a court order that restricts a Holder's capacity to Transfer Financial Products:

(a) _____ in a CHESS Holding:

_____ (ia) is served on an Issuer, the Issuer must immediately give Notice in the form specified by ASX Settlement requesting ASX Settlement to apply a Holding Lock to that Holding and ASX Settlement must promptly apply a Holding Lock to the CHESS Holding specified in that Notice; or

_____ (bii) is served on ASX Settlement, ASX Settlement must promptly apply a Holding Lock to that Holding; or

(b) _____ in all current CHESS Holdings under a Holder Record:

_____ (i) is served on a Controlling Participant, that Participant must immediately Transmit a Valid Message to ASX Settlement requesting ASX Settlement to apply a Holder Record Lock to all CHESS Holdings under the Holder Record and ASX Settlement must promptly apply the requested Holder Record Lock; or

_____ (ii) is served on ASX Settlement, ASX Settlement must promptly apply a Holder Record Lock to that Holder Record.

Introduced 11/03/04 Origin SCH 11.1.1, 11.3.1, 11.3.2

8.15.2 Lien on Financial Products

If, in accordance with its constitution and the Listing Rules, an Issuer has a lien on Financial Products in a CHESS Holding, the Issuer may give Notice in the form specified by ASX Settlement requesting ASX Settlement to apply a Holding Lock to that Holding.

Introduced 11/03/04 Origin SCH 11.1.2

8.15.3 Employee Incentive Scheme Financial Products

If, in accordance with Rule 8.3.2, ASX Settlement gives approval to a class of an Issuer's Financial Products that are the subject of an employee incentive scheme, the Issuer must:

- (a) in respect of those Financial Products held on an Issuer Operated Subregister, apply a Holding Lock to all Holdings of Financial Products that have not been quoted by the Approved Listing Market Operator; and
- (b) in respect of those Financial Products held on the CHESS Subregister, give Notice in the form specified by ASX Settlement requesting ASX Settlement to apply a Holding Lock to all Holdings of Financial Products that have not been quoted by the Approved Listing Market Operator.

Note: Action taken in reliance on ASX Listing Rule 8.10.1(i) will not breach the Holding Lock provisions in this section where the Holding concerned is recorded on an Issuer Operated Subregister.

Introduced 11/03/04 Origin SCH 11.1.3 Amended 10/06/04, 27/06/11

8.15.4 Transfer in contravention of law or Foreign Ownership Percentage

If ASX Settlement believes on reasonable grounds that a transfer of Financial Products from a CHESS Holding would, if effected:

- (a) contravene a minimum shareholding provision of a law of the Commonwealth, a State or a Territory; or
- (b) contravene, or will be likely to contravene the Foreign Ownership Percentage Level of an Issuer whose Financial Products are included in Schedule 1, and the Issuer is unable, due to circumstances that fall within paragraph (a) of the definition of State of Emergency, to comply with the requirements of Rule 5.18.1(d) or Rule 5.18.3,

the Issuer of the Financial Products may by Notice in the form specified by ASX Settlement, request ASX Settlement to apply a Holding Lock to that Holding.

Note: Application of a Holding Lock in these circumstances will prevent the creation of a proper ASTC transfer.

Introduced 11/03/04 Origin SCH 11.1.4

8.15.5 Application of Holding Lock or Holder Record Lock by ASX Settlement ~~to a CHESS Holding~~

If ASX Settlement receives a Notice requesting ASX Settlement to apply a Holding Lock or Holder Record Lock under this Rule 8.15, ASX Settlement must promptly apply a Holding Lock to the requested CHESS Holdings or Holder Record Lock to all CHESS Holdings under the Holder Record specified in that Notice.

A Holding Lock can apply to all or part of a CHESS Holding as specified in the Notice provided to ASX Settlement under this Rule 8.15.

Introduced 11/03/04 Origin SCH 11.3.3

8.15.6 Holding Lock applying to only some Financial Products in a Holding ~~[Deleted]~~

~~If a court order or lien requires that ASX Settlement apply a Holding Lock to some, but not all, of the Financial Products in an existing Holding, ASX Settlement must promptly apply a Holding Lock to the Holding specified in the Notice and give Notice to the Controlling Participant for that Holding requesting that the Controlling Participant:~~

- ~~(a) — establish a new Holder Record with the same Registration Details as the existing Holding; and~~
- ~~(b) — give Notice to ASX Settlement, in the form specified by ASX Settlement, requesting that ASX Settlement:~~
 - ~~(i) — remove the Holding Lock from the existing Holding;~~
 - ~~(ii) — deduct from the Holding the number of Financial Products which are affected by the court order or lien; and~~

~~(iii) enter that number of Financial Products into the new CHESSE Holding using the Holder Record established under Rule 8.15.6(a), and~~

~~ASX Settlement must apply a Holding Lock to the new CHESSE Holding in accordance with Rule 8.15.1.~~

~~Introduced 11/03/04 Origin SCH 11.3.5~~

8.15.7 Action following the application of a Holding Lock

On application of a Holding Lock to a CHESSE Holding, ASX Settlement must give Notice in accordance with and to the persons identified in the Procedures.

Introduced 11/03/04

8.15.8 Notification of Death or Bankruptcy of a Participant Sponsored Holder

If the Controlling Participant for Holdings under a Holder Record receives:

- (a) Notice of Death of the relevant Holder; or
- (b) a request from the trustee in Bankruptcy of the relevant Holder to initiate a Holder Record Lock,

the Controlling Participant must within 1 Business Day Transmit a Valid Originating Message requesting ASX Settlement to apply:

- (c) a Holder Record Lock to all CHESSE Holdings under that Holder Record; and
- (d) a Named Holder Indicator to identify the deceased or bankrupt Participant Sponsored Holder.

Introduced 11/03/04 Origin SCH 11.2.1, 11.2.2

8.15.9 Notification of death of a joint Participant Sponsored Holder

If the Controlling Participant for joint Holdings under a Holder Record receives Notice of Death of one of the relevant Holders, the Controlling Participant must within 1 Business Day establish a new Holder Record in respect of the surviving Participant Sponsored Holder and Transfer the Holdings into new Holdings under the new Holder Record.

Introduced 11/03/04 Origin SCH 11.2.3

8.15.10 Notification of bankruptcy of a joint Participant Sponsored Holder

If the Controlling Participant for joint Holdings under a Holder Record receives a request from the trustee in Bankruptcy in respect of one of the relevant Holders to initiate a Holder Record Lock, the Controlling Participant must:

- (a) establish new Holder Records in respect of:
 - (i) the bankrupt Participant Sponsored Holder, and
 - (ii) the remaining Participant Sponsored Holder;

- (b) Transmit Messages to Transfer the interests of the bankrupt Participant Sponsored Holder and the remaining Participant Sponsored Holder into new [CHES](#) Holdings under the respective Holder Records; and
- (c) Transmit a Valid Originating Message requesting that ASX Settlement apply a:
 - (i) [Holder Record Lock](#) to all [CHES](#) Holdings under the Holder Record of the bankrupt Participant Sponsored Holder; [and](#)
 - (ii) [Named Holder Indicator to identify the bankrupt Participant Sponsored Holder.](#)

Introduced 11/03/04 Origin SCH 11.2.4

8.15.11A Controlling Participant may by Notice request that a Holder Record Lock apply for a specific period

A Controlling Participant that has Transmitted a Valid Originating Message requesting ASX Settlement to apply a Holder Record Lock under Rule 8.15.1, 8.15.8 or 8.15.10, may by way of Notice to ASX Settlement, specify a period during which the restriction on the Transfer of Financial Products in a Holder Record is to apply.

8.15.11 Controlling Participant must give supporting documents to ASX Settlement [if requested](#)

Prior to a Controlling Participant Transmitting a Message under Rule 8.15.8(b), or 8.15.10(c) in respect of the Bankruptcy of a Participant Sponsored Holder, the Controlling Participant must have documentation to verify that the requested action is correct and that the Controlling Participant is authorised to request that action. The Controlling Participant must maintain that documentation.

ASX Settlement may request that such documentation be provided to it within a specified time and if so, the Controlling Participant must, within that time:

- (a) give ASX Settlement such documentation as ASX Settlement requires to support the requested action; and
- (b) reference the supporting documentation to:
 - (i) in respect of Rule 8.15.8(b), the HIN for the relevant Holder Record [and UUID for the relevant named Holder](#);
 - (ii) in respect of Rule 8.15.10(c), the HINs for the relevant Holder Records [and UUID for the relevant named Holder](#); and
 - (iii) the Transaction Identifier of the Originating Message.

Introduced 11/03/04 Origin SCH 11.2.5 Amended 09/05/05

8.15.12 Applications of a Holder Record Lock by ASX Settlement to a Holder Record If ASX Settlement:

~~(a)~~ receives a Valid Originating Message from a Participant in accordance with Rule 8.15.8(~~ca~~), 8.15.8(d) or 8.15.10(c), ~~or~~

~~(b) is satisfied that a requested action pursuant to Rule 8.15.8(b) or 8.15.10(c) is supported by the documentation given to ASX Settlement by a Participant under Rule 8.15.11,~~

ASX Settlement must:

~~(c) — within the Scheduled Time:~~

~~(a)~~ apply the requested Holder Record Lock;

~~(b)~~ apply a Named Holder Indicator to identify the Holder relevant to the Valid Originating Message sent in Rule 8.15.8(d) or 8.15.10(c)(ii);

~~(c)~~ notify the Controlling Participant; ~~and~~

~~(d)~~ in respect of each class of Financial Products in the CHES Holding of that person, notify the Issuer of those Financial Products that the Holder Record Lock has been applied; and

~~(e)~~ give Notice that the Holder Record Lock has been applied to:

(i) if the Locked Holding is a Participant Sponsored Holding, the Holder;

(ii) if some or all of the Financial Products in the Locked Holding are reserved in a Subposition, the Participant in whose favour the Financial Products are reserved; and

(iii) the Approved Listing Market Operator.

Introduced 11/03/04 Origin SCH 11.4.1, 11.4.2, 11.4.3 Amended 27/06/11

8.15.13 **Rejection-Removal of ~~request for~~ Holder Record Lock**

If ASX Settlement is not satisfied that the requested action under Rule 8.15.8(b) or 8.15.10(c) is supported by the documentation given provided to ASX Settlement on request under Rule 8.15.11, ASX Settlement must reject-remove the Holder Record Lock the request and notify the Controlling Participant accordingly.

Introduced 11/03/04 Origin SCH 11.4.4

8.15.14 **Application of ~~Holder Lock~~ Holder Record Lock for the purpose of freezing assets**

If a Controlling Participant for Holdings under a Holder Record has an obligation to freeze assets under any legislation or regulations, including as specified in the Procedures the Controlling Participant may Transmit a Valid Originating Message requesting ASX Settlement to apply a Holder Record Lock to all Holdings under that Holder Record.

Introduced 11/03/04

8.15.15 Application of Holding Lock [or Holder Record Lock](#) by ASX Settlement for the purpose of freezing assets

If ASX Settlement has an obligation to freeze assets under any legislation or regulations, [including as](#) specified in the Procedures, ASX Settlement may apply a Holder Record Lock [or Holding Lock \(as required\)](#) to all relevant Holdings the subject of the obligation.

Introduced 11/03/04

8.15.16 Indemnity by Controlling Participant requesting a Holder Record Lock

If a Controlling Participant Transmits a Message to ASX Settlement requesting the application of a Holder Record Lock [and Named Holder Indicator \(where relevant\)](#) pursuant to Rule [8.15.1](#), 8.15.8, 8.15.10(c) or 8.15.14, and ASX Settlement applies a Holder Record Lock [and Named Holder Indicator \(where relevant\)](#), that Controlling Participant indemnifies ASX Settlement and the Holder from and against all losses, damages, costs and expenses which ASX Settlement and the Holder may suffer or incur as a result of ASX Settlement acting upon that request.

Introduced 11/03/04 Origin SCH 11.4.5 Amended 09/05/05

8.15.17 Restriction on Access to Locked Holdings

If:

- (a) ASX Settlement receives an Originating Message from a Participant that initiates a Transfer or Conversion of Financial Products in a CHES Holding; and
- (b) either the Source Holding or the Target Holding specified in the Message is a Locked CHES Holding,

ASX Settlement must:

- (c) reject the Message; and
- (d) notify the Participant that Transmitted the Originating Message of the rejection and the reason for the rejection.

Introduced 11/03/04 Origin SCH 11.5.1

8.15.18 Notification of rejected Message

If an Issuer receives a Message requesting authorisation of a Transfer or Conversion of Financial Products in a Locked Holding that is an Issuer Sponsored Holding:

- (a) the Issuer must reject the Message and notify ASX Settlement of the rejection and the reason for the rejection; and
- (b) on receipt of a notification under Rule 8.15.18(a), ASX Settlement must notify the Participant that initiated that Transfer or Conversion of the rejection.

Introduced 11/03/04 Origin SCH 11.5.2

8.15.19 Giving Effect to Message

Subject to the terms of any court order under which a Holding Lock or Holder Record Lock has been applied and Rule 8.15.20, if ASX Settlement receives a Valid Message from an Issuer that initiates a Holding Adjustment or a Financial Products Transformation in relation to Financial Products held or to be held in a Locked Holding (other than a Holding subject to a Settlement Lock or Demand Lock), ASX Settlement must give effect to that Message.

Introduced 11/03/04 Origin SCH 11.5.3

8.15.20 Giving Effect to Message (Settlement Locks and Demand Locks)

If ASX Settlement receives a Valid Message from an Issuer that initiates a Holding Adjustment or a Financial Products Transformation in relation to Financial Products subject to a Settlement Lock or a Demand Lock where the Holding Adjustment or Financial Products Transformation is a Reconstruction, ASX Settlement must give effect to that Message and promptly remove the Settlement Lock or Demand Lock (as applicable).

ASX Settlement will not give effect to a Valid Message from an Issuer that initiates a Holding Adjustment or Financial Products Transformation that is not a Reconstruction in relation to Financial Products subject to a Settlement Lock or a Demand Lock.

8.15.21 Request to apply a Settlement Lock

A Participant who controls a Source Holding (other than an Accumulation Account or Settlement Account) may within the Scheduled Time, Transmit to ASX Settlement a Valid Message in accordance with the Procedures requesting ASX Settlement to apply a Settlement Lock to all of the Financial Products which are (or may be) scheduled for settlement by ASX Settlement in connection with a Unilateral Batch Instruction or Bilateral Batch Instruction.

Note: A Participant who controls a Source Holding (that is not an Accumulation Account or Settlement Account) may also request a Settlement Lock be applied in a Unilateral Batch Message or a Bilateral Batch Message Transmitted under Rule 10.9.11 or 10.9.2.

8.15.22 Application of Settlement Lock by ASX Settlement

If ASX Settlement receives a Valid Message under Rule 8.15.21 requesting ASX Settlement to apply a Settlement Lock and there are sufficient Available Financial Products in the Source Holding, ASX Settlement must promptly apply a Settlement Lock to the Financial Products identified in that Message.

8.15.23 Rejection of request for Settlement Lock

If ASX Settlement receives a Valid Message under Rule 8.15.21 and the requirements set out in Rule 8.15.21 or 8.15.22 are not met, ASX Settlement will reject the Message and notify the Participant accordingly.

8.15.24 Indemnity by Participant requesting a Settlement Lock

If a Participant Transmits a Message to ASX Settlement requesting the application of a Settlement Lock under Rule 8.15.21, 10.9.2 or 10.9.11 and ASX Settlement applies a Settlement Lock under Rule 8.15.22, 10.9.3A, 10.9.3 or 10.9.11, that Participant indemnifies

ASX Settlement and the Holder from and against all losses, damages, costs and expenses which ASX Settlement and the Holder may suffer or incur as a result of ASX Settlement acting upon that request.

8.16 REMOVING HOLDING LOCK FROM A CHESS HOLDING, ~~OR A HOLDER RECORD LOCK FROM A HOLDER RECORD~~ OR A SETTLEMENT LOCK FROM A CHESS HOLDING

8.16.1 Removal of Holding Lock by Issuer

If a Holding Lock has been applied at the request of an Issuer, ASX Settlement must remove the Holding Lock:

- (a) if that Issuer ~~may~~ gives Notice in the form specified by ASX Settlement requesting ASX Settlement to remove the Holding Lock; ~~and~~ or
- (b) if the Issuer specified a period during which the restriction on the Transfer of Financial Products in the Holding was to apply in the Notice requesting ASX Settlement apply a Holding Lock under Rule 8.15.1, on the first Business Day following expiry of that period. ~~if an Issuer gives Notice under paragraph (a), ASX Settlement must remove the Holding Lock.~~

Introduced 11/03/04 Origin SCH 11.6.1, 11.6.2

8.16.2 Removal of Holding Lock or Holder Record Lock by court order

If:

- (a) ASX Settlement is served with a court order requiring ASX Settlement to remove a Holding Lock or Holder Record Lock from a CHESS Holding; or
- (b) the court order initiating the Holding Lock or Holder Record Lock under Rule 8.15.1 specified a period during which the restriction on the Transfer of Financial Products in the Holding was to apply and that period has expired,

ASX Settlement must remove the Holding Lock or Holder Record Lock (as applicable) from that Holding.

Introduced 11/03/04 Origin SCH 11.6.3

8.16.3A Removal of Holder Record Lock by Controlling Participant

If a Holder Record Lock has been applied at the request of a Controlling Participant, ASX Settlement must remove the Holder Record Lock and any related Named Holder Indicator:

- (a) if that Controlling Participant Transmits an Originating Message requesting ASX Settlement to remove the Holder Record Lock; or
- (b) if the Controlling Participant specified a period during which the restriction on the Transfer of Financial Products in a Holder Record was to apply by way of Notice to in the Originating Message requesting ASX Settlement to apply a

Holder Record Lock under Rule 8.15.11A ~~8.15.1, 8.15.8, 8.15.10~~, on the first Business Day following expiry of that period.

8.16.3 ~~Removal of Holder Record Lock by Controlling Participant~~ must maintain and give supporting documents to ASX Settlement if requested

~~If a Holder Record Lock has been applied at the request of a Controlling Participant:~~

~~(a) A Controlling Participant must, prior to Transmitting a Message to ASX Settlement:~~

~~(a) _____ requesting that ASX Settlement remove a Holder Record Lock under Rule 8.16.3A(a); or~~

~~(b) _____ specifying by way of Notice under Rule 8.15.11A, a period during which a Holder Record Lock should apply, in an Originating Message under Rules 8.15.1, 8.15.8 or 8.15.10(c).~~

have and maintain documentation to verify that the requested action is correct and that the Controlling Participant is authorised to request that action.

ASX Settlement may request that such documentation be provided to it within a specified time and if so, the Controlling Participant must, within that time:

~~(c) _____ give ASX Settlement such documentation as ASX Settlement requires to support the requested action; and~~

~~(d) _____ reference the supporting documentation to the HIN for the relevant Holder Record, UUID for the relevant Holder (if relevant) and the Transaction Identifier of the Originating Message.~~

~~that Controlling Participant may Transmit an Originating Message requesting ASX Settlement to remove the Holder Record Lock;~~

~~(b) _____ after receipt of a Message from ASX Settlement confirming acceptance of the Valid Originating Message, the Controlling Participant must, within the Scheduled Time:~~

~~(i) _____ give ASX Settlement such documentation as ASX Settlement requires to support the requested action; and~~

~~(ii) _____ reference the supporting documentation to the HIN for the relevant Holder Record and the Transaction Identifier of the Originating Message;~~

~~(c) _____ if ASX Settlement is satisfied that the request for the removal of the Holder Record Lock is supported by the documentation given to ASX Settlement by a Controlling Participant under paragraph (b), ASX Settlement must within the Scheduled Time, remove the Holder Record Lock;~~

~~(d) _____ if ASX Settlement is not satisfied that the request for the removal of the Holder Record Lock is supported by the documentation given to ASX Settlement under paragraph (b), ASX Settlement must reject the request and notify the Controlling Participant accordingly; and~~

~~(e) — the Controlling Participant must maintain documentation to verify that the request to remove the Holder Record Lock is correct and that the Controlling Participant was authorised to make the request.~~

~~Introduced 11/03/04 Origin SCH 11.6.4, 11.6.5, 11.6.6, 11.6.8~~

8.16.4 Action following removal of a Holding Lock, ~~or a~~ Holder Record Lock or a related Named Holder Indicator

On removal of a Holding Lock from a CHESS Holding, ~~or a~~ Holder Record Lock from a Holder Record, or related Named Holder Indicator (where relevant), ASX Settlement must give Notice in accordance with and to the persons identified in the Procedures.

~~Introduced 11/03/04~~

8.16.5 Indemnity by Controlling Participant requesting removal of Holder Record Lock

If a Controlling Participant:

(a) ~~—~~ Transmits a Message to ASX Settlement requesting the removal of a Holder Record Lock and related Named Holder Indicator (where relevant), under Rule 8.16.3A and ASX Settlement removes the Holder Record Lock and related Named Holder Indicator; or

(b) ~~—~~ specifies an expiry date in an Originating Message requesting the application of a Holder Record Lock under Rule 8.15.1, 8.15.8 or 8.15.10(c),

that Controlling Participant indemnifies ASX Settlement ~~or~~ and the Issuer from and against all losses, damages, costs and expenses which ASX Settlement or the Issuer may suffer or incur because the Controlling Participant was not authorised at the time that the Message was Transmitted to request the removal or to so limit the period during which the Holder Record Lock should apply.

~~Introduced 11/03/04~~

8.16.6 Removal of Settlement Lock on request

If ASX Settlement has applied a Settlement Lock to Financial Products at the request of a Participant who controls a Source Holding under these Rules, that Participant may Transmit to ASX Settlement a Valid Message within the Scheduled Time and in the manner set out in the Procedures requesting ASX Settlement to remove the Settlement Lock.

On receipt of a Valid Message containing the information set out in the Procedures, ASX Settlement must promptly remove the Settlement Lock.

8.16.7 Removal of Settlement Lock on cancellation of Instructions

ASX Settlement must promptly remove a Settlement Lock if the Unilateral Batch Message, Bilateral Batch Message, Unilateral Batch Instruction or Bilateral Batch Instruction which the Settlement Lock was applied in connection with, is cancelled in accordance with these Rules.

8.16.8 Removal of Settlement Lock or Demand Lock by ASX Settlement

ASX Settlement may at any time, remove a Settlement Lock or a Demand Lock if ASX Settlement reasonably considers it necessary in order to maintain the orderly operation and integrity of the Settlement Facility.

8.16.9 Action following removal of a Settlement Lock on request

On removal of a Settlement Lock in accordance with Rule 8.16.6 or 8.16.8, ASX Settlement must give Notice to the persons identified in the Procedures.

8.17 CHANGE OF CONTROLLING PARTICIPANT

8.17.1 Notice to be given to ASX Settlement

(a) If a Participant Sponsored Holder changes the Controlling Participant for its Holding, then both the Participant relinquishing control of the Holding, and the Participant assuming control of the Holding must ~~give Notice of Transmit~~ a Valid Message as to the change of Controlling Participant to ASX Settlement within the Scheduled Time and, after receipt of both ~~Messages~~Notices, ASX Settlement ~~must~~will, subject to Rule ~~7.4.1, 8.17(1)(b) and 8.17.1(c)~~ execute the necessary CHES~~S~~ Subregister administration processes to give effect to the change of Controlling Participant.

~~(a) process all Transfers and Conversions initiated by the Participant relinquishing control prior to the change; and~~

~~(b) execute the necessary CHES~~~~S~~ Subregister administration processes to give effect to the change of Controlling Participant.

(b) If the Participant relinquishing control of a Holding has initiated Transfers and Conversions affecting any Holding operated under the relevant Holder Record which are yet to be effected, ASX Settlement will not give effect to the Change of Controlling Participant and will reject the Messages under Rule 8.17.1(a).

(c) If the Participant relinquishing control of the Holding, or the Participant assuming control of the Holding, Transmit a Valid Message to cancel the change of Controlling Participant before the change of Controlling Participant has been given effect to by ASX Settlement under Rule 8.17.1(a), ASX Settlement will not give effect to the change of Controlling Participant.

(d) If a Message to cancel the change of Controlling Participant is sent by a Participant under Rule 8.17.1(c), the Participant will be deemed not to have Transmitted a Valid Message to ASX Settlement for the purpose of its obligations under Rule 8.17.1(a).

Introduced 11/03/04 Origin SCH 11.7 Amended 21/03/14

8.18 CHANGE OF HOLDER RECORD DETAILS

8.18.1 No change of Registration Details without authority

A Participant must not effect a change of Registration Details in relation to a Holder Record without the prior written authority of the relevant Holder. The Participant must retain that written authority.

Introduced 11/03/04 Origin SCH 11.8.1 Amended 09/05/05

8.18.2 Action following change of Registration Details

If there is any change to the Registration Details recorded in a Holder Record for a person on behalf of whom a Participant is authorised to operate one or more CHESSE Holdings, the Participant must within 2 Business Days of receiving written authority from the Holder to effect that change, notify ASX Settlement of the change to the Registration Details in accordance with the Procedures.

Introduced 11/03/04 Origin SCH 11.8.2, 11.8.3, 11.8.4, 11.8.8, 11.8.9 Amended 18/12/06

8.18.3 Action to be taken by ASX Settlement

Subject to Rule 8.18.4, ASX Settlement, after receipt of a Valid Originating Message in accordance with the Procedures under Rule 8.18.2 for change of Registration Details of the Holder must, ~~within the Scheduled Time~~

(a) ~~_____~~ change the Registration Details recorded in the Holder Record in accordance with the details in the Valid Originating Message; and

(b) ~~_____ must within the Scheduled Time,~~ give Notice to the persons identified in the Procedures of the matters specified in the Procedures.

Introduced 11/03/04

8.18.4 ASX Settlement may request documentation

Prior to Transmitting a Message under Rule 8.18.2, a Participant must have and maintain documentation to verify that the requested ~~Before accepting or rejecting any~~ change of Registration Details is correct and that the Participant is authorised to request the change.

(a) ~~_____~~ ASX Settlement may request that such documentation be provided to it within a specified time and if so, the Participant must within that time:

(a) ~~_____~~ give ASX Settlement such documentation as ASX Settlement requires to support the requested change; and ~~supporting the change; and~~

(b) reference the supporting documentation to the HIN for the relevant Holder Record and the UUID for the relevant Holder (if applicable). ~~if the Participant cannot provide this, ASX Settlement will reject the request and notify the Controlling Participant accordingly.~~

Introduced 11/03/04 Origin SCH 11.8.6

8.18.5 Participant indemnity for unauthorised or incorrect request

If a Participant has Transmitted a Message to ASX Settlement requesting a change to the Registration Details of a Participant Sponsored Holder but the Participant:

- (a) was not authorised, at the time that the Message was Transmitted by that Participant Sponsored Holder to request the change; or
- (b) has provided incorrect details in:
 - (i) the Message requesting the change to Holder Record details; or
 - (ii) the documents to be maintained under Rule 8.18.4 where the change in ~~Registration~~ ~~Details~~ includes a change of name,

the Participant indemnifies ASX Settlement ~~or~~ ~~and~~ the Issuer from and against all losses, damages, costs and expenses which ASX Settlement or the Issuer may suffer or incur by reason of the matters described in this paragraph (a) or (b).

Introduced 11/03/04 Origin SCH 11.8.7

8.18.6 Change of Holder Type or removal of Holder Record

A Participant may [Transmit an Originating Message to ASX Settlement that includes the matters specified in the Procedures to](#) request:

- (a) [if modifiable in accordance with the User Technical Documentation](#), a change to the Holder Type recorded as part of a Holder Record that the Participant controls; or
- (b) the removal from CHES of a Holder Record that the Participant controls [where there are no Holdings under that Holder Record](#).

~~By:~~

- ~~(c) giving Notice of the request to ASX Settlement;~~
- ~~(d) referencing that Notice to the HIN for the Holder; and~~
- ~~(e) providing with that Notice such documentation as ASX Settlement requires to support the requested change or the removal, as the case requires.~~

Introduced 11/03/04 Origin SCH 11.9.1

8.18.7 Action by ASX Settlement to change Holder Type or remove Holder Record

If ASX Settlement [receives a Valid Originating Message under Rule 8.18.6](#), ~~is satisfied that a request for a change to a Holder Type or for removal of a Holder Record under Rule 8.18.6 is supported by the documentation given to ASX Settlement by the Participant that made the request~~, ASX Settlement must, ~~within the Scheduled Time~~:

- (a) process the change of Holder Type or the removal of the Holder Record as requested; and
- (b) notify the Participant that the change or removal, as the case requires, has been effected.

Introduced 11/03/04 Origin SCH 11.9.2

8.18.8 ASX Settlement may request information~~Rejection by ASX Settlement of request to change Holder Type or remove Holder Record~~

Prior to Transmitting a Message under Rule 8.18.6, a Participant must have and maintain documentation to verify that the requested change of Holder Type or removal of a Holder Record is correct and that the Participant is authorised to request the action.

ASX Settlement may request that such documentation be provided to it within a specified time and if so, the Participant must within that time:

- (a) give ASX Settlement such documentation as ASX Settlement requires to support the requested change; and
- (b) reference the supporting documentation to the HIN for the relevant Holder Record.

~~If ASX Settlement is not satisfied that documentation provided with:~~

- ~~(a) a request to change a Holder Type; or~~
- ~~(b) a request to remove a Holder Record,~~

~~under Rule 8.18.6 supports the change, ASX Settlement must, within the Scheduled Time, reject the request and notify the Participant that made the request accordingly.~~

~~Introduced 11/03/04 Origin SCH 11.9.3~~

8.18.9 **Change of Residency Indicator – FOR Financial Products**

If:

- (a) a Participant is directed by a Holder to change a Residency Indicator recorded in a Holder Record in respect of an Issuer whose Financial Products are included in Schedule 1; or
- (b) a Participant becomes aware that a Residency Indicator recorded in a Holder Record in respect of an Issuer whose Financial Products are included in Schedule 1 is incorrect,

the Participant must immediately notify ASX Settlement of a change to the Residency Indicator recorded in that Holder Record in accordance with the Procedures.

Introduced 11/03/04 Origin SCH 11.9A.1 Amended 18/12/06

8.18.10 **Action by ASX Settlement and Participant notice of change of Residency Indicator**

If a Controlling Participant Transmits a Valid Originating Message under Rule 8.18.9 which relates to a change of Residency Indicator, ASX Settlement will, within the Scheduled Time, take the action specified in the Procedures.

Introduced 11/03/04 Origin SCH 11.9A.2, 11.9A.3

8.18.11 **Indemnity if Participant is not authorised to change Residency Indicator**

If a Participant has Transmitted a Message to ASX Settlement requesting a change to a Residency Indicator of a Participant Sponsored Holder but the Participant:

- (a) is not authorised at the time that the Message is Transmitted by that Participant Sponsored Holder to request the change; or
- (b) has provided incorrect details in the Message requesting the change of Residency Indicator,

the Participant indemnifies ASX Settlement and the Issuer from and against all losses, damages, costs and expenses which ASX Settlement or the Issuer may suffer or incur by reason of the matters described in this Rule 8.18.11(a) or (b).

Introduced 11/03/04 Origin SCH 11.9A.4

8.18.12 Change of other Holder Record details

Subject to Rules 8.18.1 to 8.18.11, if there is any other change to the Holder Record details recorded in a Holder Record for a person on behalf of whom a Participant is authorised to operate one or more CHESS Holdings that are modifiable in accordance with the User Technical Documentation, the Participant must notify ASX Settlement of the change to the Holder Record details in accordance with the Procedures.

8.18.13 Action to be taken by ASX Settlement

ASX Settlement, after receipt of a Valid Originating Message in accordance with the Procedures under Rule 8.18.12 for change of Holder Record details of the Holder must:

- (a) change the Holder Record details recorded in the Holder Record in accordance with the details in the Valid Originating Message; and
- (b) within the Scheduled Time, give Notice to the persons identified in the Procedures of the matters specified in the Procedures.

8.18.14 Participant indemnity for unauthorised or incorrect request

If a Participant has Transmitted a Message to ASX Settlement requesting a change to the Holder Record details of a Participant Sponsored Holder under Rule 8.18.12, but the Participant:

- (a) was not authorised, at the time that the Message was Transmitted by that Participant Sponsored Holder to request the change; or
- (b) has provided incorrect details in the Message requesting the change to Holder Record details,

the Participant indemnifies ASX Settlement and the Issuer from and against all losses, damages, costs and expenses which ASX Settlement or the Issuer may suffer or incur by reason of the matters described in this paragraph (a) or (b).

8.19 TAX FILE NUMBER (TFN), AUSTRALIAN BUSINESS NUMBER (ABN), EXEMPTION CODE AND AUSTRALIAN ADI ACCOUNT NOTIFICATION

8.19.1 Notice by Participant of TFN, ABN or Exemption Code details

A Participant may notify an Issuer of TFN, ABN or Exemption Code details:

- (a) for a CHESS Holding, by Transmitting a Valid Message to ASX Settlement that specifies the details; or
- (b) for an Issuer Sponsored Holding, by including the details in a Valid Message that initiates a CHESS to Issuer Sponsored.

Introduced 11/03/04 Origin SCH 11.10.1

8.19.2 Order of details by Participant

If a Participant Transmits a Message specifying TFN, ABN or Exemption Code details under Rule 8.19.1 in respect of a joint Holding, the Participant must ensure that the TFN, ABN or Exemption Code details [that](#) appear in the Message [relate to the relevant joint Holder](#)~~in the order in which the names of the joint Holders appear:~~

- (a) where Rule 8.19.1(a) applies, in the Holder Record for that CHESS Holding; or
- (b) where Rule 8.19.1(b) applies, in the Registration Details for the Target Holding specified in the Message.

Introduced 11/03/04 Origin SCH 11.10.2

8.19.3 Action by ASX Settlement following Message

If ASX Settlement receives a TFN, ABN or Exemption Code details under Rule 8.19.1, ASX Settlement must within the Scheduled Time give Notice in accordance with and to the persons identified in the Procedures.

Introduced 11/03/04

8.19.4 Action by Issuer following notification by ASX Settlement

An Issuer must record any TFN, ABN or Exemption Code details notified by ASX Settlement under the Procedures to Rule 8.19.3:

- (a) in relation to a CHESS Holding, before End of Day on the day the Issuer receives the Message from ASX Settlement; and
- (b) in relation to an Issuer Sponsored Holding, at the time the Issuer enters the Financial Products into the Target Holding.

Introduced 11/03/04 Origin SCH 11.10.5

8.19.5 Confidentiality

ASX Settlement must not disclose a TFN, ABN or Exemption Code details to any person other than the Issuer nominated by the Participant and must not use the TFN, ABN or Exemption Code details for any other purpose.

Introduced 11/03/04 Origin SCH 11.10.6

8.19.6 ASX Settlement not liable for loss, damage etc

If ASX Settlement notifies the TFN, ABN or Exemption Code details to an Issuer within the time specified in Rule 8.19.3, ASX Settlement will not be liable to any person for any losses, damages, costs and expenses arising from the TFN, ABN or Exemption Code details not being recorded by an Issuer on or before a Record Date.

Introduced 11/03/04 Origin SCH 11.10.7

8.19.7 Notice by Participant of Australian ADI Account details

A Participant may notify an Issuer of the addition or cancellation of Australian ADI Account details for a CHESS Holding by Transmitting a Valid Message to ASX Settlement that specifies the details.

Introduced 09/05/05 Amended 02/11/09

8.19.8 Action by ASX Settlement following Message

If ASX Settlement receives a Message in relation to the addition or cancellation of Australian ADI Account details under Rule 8.19.7, ASX Settlement must within the Scheduled Time give Notice notifying:

- (a) the Issuer of the Financial Products of the addition or cancellation of Australian ADI Account details; and
- (b) the Controlling Participant that the addition or cancellation of Australian ADI Account details has been notified to the Issuer.

Introduced 09/05/05 Amended 02/11/09

8.19.9 Action by Issuer following notification by ASX Settlement of details to be added

If an Issuer is notified by ASX Settlement under Rule 8.19.8 of any Australian ADI Account details to be added the Issuer must, within the Scheduled Time:

- (a) notify ASX Settlement that it accepts the details; or
- (b) notify ASX Settlement that it rejects the details and provide the reason for the rejection.

Introduced 09/05/05 Amended 02/11/09

8.19.10 Issuer to record the Australian ADI Account details

If the Issuer notifies ASX Settlement under Rule 8.19.9(a) that it accepts Australian ADI Account details the Issuer must, within the Scheduled Time, record the details.

Introduced 09/05/05 Amended 02/11/09

8.19.11 Action by Issuer following notification by ASX Settlement of details to be cancelled

If an Issuer is notified by ASX Settlement under Rule 8.19.8 of any Australian ADI Account details to be cancelled the Issuer must, within the Scheduled Time, remove the details.

Introduced 09/05/05 Amended 02/11/09

8.19.12 ASX Settlement not liable for loss, damage, etc

If ASX Settlement notifies the addition or cancellation of Australian ADI Account details to an Issuer under Rule 8.19.8, ASX Settlement will not be liable to any person for any losses, damages, costs or expenses arising from:

- (a) the Participant providing Australian ADI Account details:
 - (i) without the authority of the Participant Sponsored Holder; or
 - (ii) which are incorrect; or
- (b) Australian ADI Account details not being recorded or removed by an Issuer in accordance with Rule 8.19.10 or 8.19.11.

Introduced 09/05/05 Amended 02/11/09, 04/06/10

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8.21 CORRECTION OF ERRORS

8.21.1 Correction of Errors on CHESS Subregister Caused by Participants or Issuers

If ASX Settlement is satisfied on reasonable grounds that an error has occurred in relation to a CHESS Holding [or Holder Record](#) and the error was caused by a Participant or an Issuer:

- (a) ASX Settlement may give advice or directions to the Participant or Issuer, as the case requires, to correct the error; and
- (b) if ASX Settlement gives advice or directions to a Participant or an Issuer under paragraph (a), the Participant or the Issuer, as the case requires, must observe and within 2 Business Days give effect to that advice or directions.

Introduced 11/03/04 Origin SCH 11.13

8.21.2 Correction of Processing Errors on the CHESS Subregister

If ASX Settlement is satisfied on reasonable grounds that an error has occurred in relation to a CHESS Holding [or Holder Record](#) and the error was caused by:

- (a) incorrect processing by ASX Settlement of a Valid Message Transmitted to it by a Participant or an Issuer; or
- (b) ASX Settlement otherwise incorrectly applying information provided to it,

ASX Settlement must take such steps as may be necessary for ASX Settlement to correct the error.

Introduced 11/03/04 Origin SCH 11.14

8.21.3 Correction of Errors by Issuers across Subregisters

If the correction of an error on a CHESS Holding by ASX Settlement in accordance with Rule 8.21.2 affects an Issuer Sponsored Holding, then:

- (a) ASX Settlement must promptly give Notice to the Issuer of the corrective action to be taken by the Issuer; and
- (b) if ASX Settlement gives Notice to an Issuer under paragraph (a), the Issuer must within 2 Business Days take such action as is necessary to correct the affected Issuer Sponsored Holding.

Introduced 11/03/04 Origin SCH 11.15.1, 11.15.2

8.21.4 Correction of errors by ASX Settlement across Subregisters

If the correction of an error on an Issuer Sponsored Holding by an Issuer affects a CHES Holding, then:

- (a) the Issuer must within 2 Business Days give Notice to ASX Settlement of the corrective action to be taken by ASX Settlement; and
- (b) if an Issuer gives Notice to ASX Settlement under paragraph (a), ASX Settlement must promptly take such action as is necessary to correct the affected CHES Holding.

Introduced 11/03/04 Origin SCH 11.15.3, 11.15.4

8.21.5 Notice by ASX Settlement

Where ASX Settlement takes steps in accordance with Rule 8.21.2 or 8.21.4 to correct an error, ASX Settlement must promptly give Notice of the correction to:

- (a) the Issuer;
- (b) the Participant that controls the affected CHES Holding; or
- (c) if the affected CHES Holding is a Participant Sponsored Holding, the Holder.

Introduced 11/03/04 Origin SCH 11.15.5

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8.25 PROCESSING ON CHES SUBREGISTER IN RELATION TO ELECTIVE CORPORATE ACTIONS

8.25.1 Ceasing quotation of Financial Products

If quotation of Financial Products by the Approved Listing Market Operator ceases (other than because quotation is merely suspended) for:

- (a) partly paid Financial Products on which final calls are payable;
- (b) convertible Financial Products that are due to mature;
- (c) company options that are due to expire;
- (d) redeemable Financial Products; or

- (e) warrants that are due to expire;

subject to Rule 8.25A, ASX Settlement must:

- (f) suspend an Instruction or Message that would Transfer or Convert those Financial Products after End of Day on the Business Day on which the CHESSE Subregister closes and remove the Instruction or Message on the ~~10th~~ 15th Business Day after the Subregister closes. For the purposes of this Rule 8.25.1(f), ASX Settlement may, in its absolute discretion, remove any Instruction or Message on or after the 10th Business Day after the relevant Subregister closes;
or
- (g) cancel a Message which has not been Matched at End of Day on the Business Day on which the CHESSE Subregister closes,

as the case requires.

Introduced 11/03/04 Origin SCH 12.6.1 Amended 27/06/11

8.25A Discretion to allow Instruction

If quotation of Financial Products by the Approved Listing Market Operator ceases under Rule 8.25.1, ASX Settlement may in its discretion determine to give effect to an Instruction or a class of Instructions or a Message or a class of Messages that would affect a CHESSE Holding of those Financial Products and if ASX Settlement so determines must give notice to:

- (a) the Issuer;
- (b) the Approved Listing Market Operator; and
- (c) to the extent that ASX Settlement considers reasonably necessary, other Facility Users.

8.26 SUSPENSION OF PROCESSING ON A CHESSE SUBREGISTER FOR A RECONSTRUCTION

8.26.1 Where ASX Settlement receives notification of a Reconstruction

If:

- (a) ASX Settlement receives notification from an Approved Listing Market Operator of:
 - (i) a Reconstruction that affects a class of Approved Financial Products;
 - (ii) the effective date and the Issue Date for that Reconstruction; and
- (b) the Financial Product Code for that class will continue following the Reconstruction;

ASX Settlement must:

- (c) reschedule an Instruction that is received before End of Day on the second Business Day after the effective date that would Transfer Financial Products in that class between End of Day on the effective date and End of Day on the Issue Date; or
- (d) reject an Instruction or Message that is received after End of Day on the effective date that would Transfer or Convert Financial Products in that class between End of Day on the second Business Day after the effective date and End of Day on the Issue Date,

as the case requires, and

(e) give notice regarding the suspension of processing under this Rule 8.26.1 to:

(i) the Issuer;

(ii) the relevant Approved Market Operator; and

(iii) to the extent ASX Settlement considers reasonably necessary, other Facility Users.

8.26.2 Removal of processing suspension

If the Reconstruction under Rule 8.26.1 is completed, if ASX Settlement is otherwise satisfied that the circumstances that gave rise to the suspension of processing under Rule 8.26.1 no longer exist, ASX Settlement must:

(a) remove the suspension; and

(b) give notice to:

(i) the Issuer;

(ii) the relevant Approved Market Operator; and

(iii) to the extent ASX Settlement considers reasonably necessary, other Facility Users.

Introduced 11/03/04 Origin SCH 12.7 Amended 18/12/06, 27/06/11, 04/03/13, 14/04/14, 07/03/16

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8.30 REGISTRATION IDENTIFIER

8.30.1 Establishing a Registration Identifier

If a Participant Transmits a Valid Originating Message to ASX Settlement requesting ASX Settlement to establish a Registration Identifier for a person that includes the matters specified in the Procedures, ASX Settlement must establish a Registration Identifier on CHESS for that person and allocate a RGID.

8.30.2 Automatic removal of dormant Registration Identifiers

[ASX Settlement will automatically remove Registration Identifiers with no pending transactions at End of Day on each Business Day and notify the Controlling Participant that the Registration Identifier has been removed.](#)

SECTION 9 TRANSFERS AND CONVERSIONS OF FINANCIAL PRODUCTS

The purpose of this Section 9 is to set out the basis on which Transfers and Conversions of Financial Products may occur in the Settlement Facility, [including on a DvP basis in Real Time Gross Settlement](#).

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9.4 ~~SINGLE ENTRY~~UNILATERAL DEMAND TRANSFERS

9.4.1 Message to initiate ~~Single Entry~~Unilateral Demand Transfer

Subject to Rule 9.4.4, a Participant may initiate a ~~Single Entry~~Unilateral Demand Transfer of Financial Products by Transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.

Introduced 11/03/04 Origin SCH 6.2.1

9.4.2 Action by ASX Settlement following ~~Single Entry~~Unilateral Demand Transfer Message

If an Originating Message Transmitted to ASX Settlement complies with Rule 9.4.1 and there are sufficient Available Financial Products in the Source Holding:

- (a) ASX Settlement must deduct the number of Financial Products specified in the Message from the Source Holding;
- (b) ASX Settlement must enter that number of Financial Products into the Target Holding; and
- (c) if the Target Holding has a Residency Indicator of “F”, those Financial Products will have the status of Confirmed FOR Financial Products.

Introduced 11/03/04 Origin SCH 6.2.2, 6.2.2A

9.4.3 Effect of ~~Single Entry~~Unilateral Demand Transfer

A ~~Single Entry~~Unilateral Demand Transfer initiated under Rule 9.4.1:

- (a) takes effect when, under Rule 9.4.2, ASX Settlement deducts Financial Products from the Source Holding; and

- (b) is taken to be effected by the Participant whose PID is included in the Valid Originating Message as that of the Participant Transmitting the Message.

Introduced 11/03/04 Origin SCH 6.2.3

9.4.4 Restriction on Participant initiating ~~Single Entry~~Unilateral Demand Transfer

A ~~Single Entry~~Unilateral Demand Transfer may only be initiated by a Participant if the Participant controls both the Source Holding and the Target Holding unless:

- (a) the ~~Single Entry~~Unilateral Demand Transfer Message specifies a Target Holding that is controlled by another Participant;
- (b) both the Participant that Transmits the Originating Message and the Participant that controls the Target Holding are members of the same Participant Group; and
- (c) either Participant is the Parent Participant for that Participant Group.

Introduced 11/03/04 Origin SCH 6.2.4, 6.2.5 Amended 18/12/06

9.5 ~~DUAL ENTRY~~BILATERAL DEMAND TRANSFERS

9.5.1 Message to initiate a ~~Dual Entry~~Bilateral Demand Transfer

- ~~(a)~~ A Participant may initiate a ~~Dual Entry~~Bilateral Demand Transfer of Financial Products by Transmitting to ASX Settlement a ~~Dual Entry~~Bilateral Demand Message in accordance with the Procedures.

Note: A Valid ~~Dual Entry~~Bilateral Demand Message that is Matched by ASX Settlement will be a proper ASTC transfer.

Introduced 11/03/04 Origin SCH 6.2.6

9.5.1A Restrictions on Transfers and Conversions

If a Participant who controls a Source Holding:

- (a) Transmits a Valid Bilateral Demand Message in accordance with Rule 9.5.1; and
- (b) there are sufficient Available Financial Products or Entitlements in the Source Holding.

ASX Settlement will apply a Demand Lock and the relevant Financial Products (including any Entitlements) will be prevented from being deducted from the relevant Holding, except where:

- (c) the relevant Financial Product are Transferred under Rule 9.5.4(a);
- (d) the relevant Bilateral Demand Message has been rejected in accordance with Rule 9.5.1B;
- (e) the relevant Bilateral Demand Transfer has been rejected in accordance with Rule 9.5.4(b); or

(f) the relevant Bilateral Demand Message has been cancelled in accordance with Rule 9.5.7 or 9.5.8.

9.5.1B Bilateral Demand Messages - Rejection

If a Valid Bilateral Demand Message is received by ASX Settlement from the Participant that controls the Source Holding and either:

(a) the Source Holding; or

(b) during an Ex Period, a Cum Entitlement Balance for the Source Holding,

specified in the Bilateral Demand Message does not hold sufficient Available Financial Products or Entitlements to meet the delivering Participant's obligation for the Source Holding, ASX Settlement must:

(c) reject the Bilateral Demand Message; and

(d) notify the delivering Participant.

9.5.2 Matching ~~Dual Entry~~Bilateral Demand Transfer Messages

If:

(a) a Participant Transmits a Valid ~~Dual Entry~~Bilateral Demand Message in accordance with the Procedures; and

(b) the Valid Message Transmitted by the counterparty Participant:

(i) specifies the same details; ~~and~~

(ii) specifies or implies the same designation as Cum or Ex Entitlement; and

(iii) if the Secondary Matching Flag is indicated as applying ~~specified in the Message, the Participants have specified the same Matching Reference,~~

ASX Settlement must Match the Messages.

Introduced 11/03/04 Origin SCH 6.2.7

9.5.3 ~~Dual Entry~~Bilateral Demand Transfers in respect of Confirmed FOR Financial Products

If ASX Settlement matches a Valid ~~Dual Entry~~Bilateral Demand Message under Rule 9.5.2 which initiates a Foreign to Foreign Allocation; and

(a) ASX Settlement enters Financial Products into a Target Holding pursuant to Rule 9.5.4(a)(ii); and

(b) the Target Holding has a Residency Indicator of "F",

those Financial Products will have the status of Confirmed FOR Financial Products.

9.5.4 Action by ASX Settlement following Matching of ~~Dual Entry~~ Bilateral Demand Messages Transfer

If a Valid ~~Dual Entry~~ Bilateral Demand Message is Matched by ASX Settlement with another Valid ~~Dual Entry~~ Bilateral Demand Message Transmitted by the counterparty Participant then:

- (a) if there are sufficient Available Financial Products in the Source Holding, ASX Settlement must Transfer Financial Products by:
 - (i) deducting the number of Financial Products specified in the Message from the Source Holding; and
 - (ii) entering that number of Financial Products into the Target Holding; or
- (b) if either:
 - (i) the Source Holding; or
 - (ii) during an Ex Period, a Cum Entitlement Balance for the Source Holding,

specified in the ~~Dual Entry~~ Bilateral Demand Message does not hold sufficient Available Financial Products or Entitlements to meet the delivering Participant's obligation for the Source Holding, ASX Settlement must:
 - (iii) reject the ~~Dual Entry~~ Bilateral Demand Transfer; and
 - (iv) notify both the delivering and the receiving Participants.

9.5.5 Effect of ~~Dual Entry~~ Bilateral Demand Transfer

A ~~Dual Entry~~ Bilateral Demand Transfer initiated under Rule 9.5.1:

- (a) takes effect when, under Rule 9.5.4 ASX Settlement deducts Financial Products from the Source Holding; and
- (b) is taken to be effected by:
 - (i) in the case of a Transfer in respect of an On Market Transaction that involves only one Participant that is a Clearing Participant, that Participant;
 - (ii) in any other case, the delivering Participant.

9.5.6 Application of Standing HIN

If a Participant's Valid ~~Dual Entry~~[Bilateral](#) Demand Message does not specify a HIN, ASX Settlement is entitled to apply the Standing HIN of the Participant that Transmitted the Message.

Introduced 11/03/04 Origin SCH 6.2.10

9.5.7 Participant may cancel ~~Dual Entry~~[Bilateral](#) Demand Message

A Participant may cancel a Valid ~~Dual Entry~~[Bilateral](#) Demand Message that has not been Matched by ASX Settlement, by Transmitting to ASX Settlement a Valid Message requesting cancellation before ASX Settlement Matches the original Message under Rule 9.5.2.

Introduced 11/03/04 Origin SCH 6.2.12

9.5.8 Action by ASX Settlement if Messages are not Matched

If a ~~Dual Entry~~[Bilateral](#) Demand Message has not been Matched within the Scheduled Time, ASX Settlement must:

- (a) cancel the ~~Dual Entry~~[Bilateral](#) Demand Message; and
- (b) within the Scheduled Time, notify:
 - (i) the Participant that Transmitted the Message; and
 - (ii) the counterparty Participantthat the ~~Dual Entry~~[Bilateral](#) Demand Message has been cancelled.

Introduced 11/03/04 Origin SCH 6.2.13

9.5.9 Removal of Demand Lock

If:

- (a) the relevant [Bilateral Demand Transfer](#) has been rejected in accordance with [Rule 9.5.4\(b\)](#); or
- (b) the relevant [Bilateral Demand Message](#) has been cancelled in accordance with [Rule 9.5.7](#) or [9.5.8](#).

then ASX Settlement will remove the Demand Lock that was applied in connection with the relevant [Bilateral Demand Transfer](#) or [Bilateral Demand Message](#).

9.5A BILATERAL DEMAND SETTLEMENT TRANSFERS

DRAFTING NOTE – Additional rules to support the operation of the RTGS payment facility in respect of Bilateral Demand Settlement Instructions will be required. This may also require changes to this Rule 9.5A to tailor its operation to the relevant RTGS

payment facility once the solution for that facility has been finalised. These additional amendments are anticipated to form part of Tranche 3 of the Rule amendments.

9.5A.1 Message to initiate a Bilateral Demand Settlement Transfer

A Participant may initiate a Bilateral Demand Settlement Transfer of Financial Products by Transmitting to ASX Settlement a Valid Bilateral Demand Settlement Message in accordance with the Procedures.

Note: A Valid Bilateral Demand Settlement Message that is Matched by ASX Settlement will be a proper ASTC transfer.

9.5A.2 Financial Products must not be Transferred or Converted

If a Participant who controls a Source Holding

(a) Transmits a Valid Bilateral Demand Settlement Message in accordance with Rule 9.5A.1; and

(b) there are sufficient Available Financial Products or Entitlements.

ASX Settlement will apply a Demand Lock and the relevant Financial Products (including any Entitlements) will be prevented from being deducted from the relevant Holding, except where:

(c) the relevant Financial Products are Transferred pursuant to settlement of the resulting Bilateral Demand Settlement Instruction;

(d) the relevant Bilateral Demand Settlement Message has been rejected in accordance with Rule 9.5A.3; or

(e) the relevant Bilateral Demand Settlement Message has been cancelled in accordance with Rule 9.5A.7 or 9.5A.8.

9.5A.3 Bilateral Demand Settlement Messages - Rejection

If a Valid Bilateral Demand Settlement Message is received by ASX Settlement from the Participant that controls the Source Holding and either:

(a) the Source Holding; or

(b) during an Ex Period, a Cum Entitlement Balance for the Source Holding,

specified in the Bilateral Demand Settlement Message does not hold sufficient Available Financial Products or Entitlements to meet the delivering Participant's obligation for the Source Holding, ASX Settlement must:

(c) reject the Bilateral Demand Settlement Message; and

(d) notify the delivering Participant.

9.5A.4 Matching Bilateral Demand Settlement Messages

If:

- (a) a Participant Transmits a Valid Bilateral Demand Settlement Message in accordance with the Procedures; and
- (b) the Valid Message Transmitted by the other Participant:
 - (i) subject to paragraph (iv), specifies the same details;
 - (ii) specifies or implies the same designation as Cum Entitlement or Ex Entitlement;
 - (iii) if specified in the Message, the Participants have specified the same Matching Reference; and
 - (iv) either:
 - (A) specifies the same Settlement Amount or a Settlement Amount that differs by no more than the Settlement Amount Tolerance;
 - (B) if only one Participant has specified an Override Tolerance Amount, the other Participant has specified the same Settlement Amount or a Settlement Amount that differs by no more than the Override Tolerance Amount; or
 - (C) if both Participants have specified an Override Tolerance Amount, the Settlement Amount specified by both Participants is the same or differs by no more than the higher of the Override Tolerance Amounts specified by the Participants.

then, subject to paragraph (c), ASX Settlement must Match the Messages.

- (c) Where there are multiple available Matches for a Bilateral Demand Settlement Message, ASX will Match:
 - (i) for multiple available Matches with the same Settlement Amount as the Bilateral Demand Settlement Message, the Bilateral Demand Settlement Message which was received earliest by CHES; and
 - (ii) for multiple available Matches which differ in Settlement Amount from the Bilateral Demand Settlement Message:
 - (A) the Bilateral Demand Settlement Message which has the closest Settlement Amount to the Bilateral Demand Settlement Message; or
 - (B) if there are multiple available Matches at the closest Settlement Amount to the Bilateral Demand Settlement

Message, the Bilateral Demand Settlement Message which was received earliest by CHES.

9.5A.5 Bilateral Demand Settlement Transfers in respect of Confirmed FOR Financial Products

If ASX Settlement matches a Valid Bilateral Demand Settlement Message under Rule 9.5A.4 which initiates a Foreign to Foreign Allocation; and

- (a) ASX Settlement enters Financial Products into a Target Holding pursuant to demand settlement of the Bilateral Demand Settlement Instruction; and
- (b) the Target Holding has a Residency Indicator of “F”.

those Financial Products will have the status of Confirmed FOR Financial Products.

9.5A.6 Action by ASX Settlement following Matching of Bilateral Demand Settlement Messages

If a Valid Bilateral Demand Settlement Message is Matched by ASX Settlement with another Valid Bilateral Demand Settlement Message Transmitted by the counterparty Participant then:

- (a) ASX Settlement will treat the Matched Messages as a Bilateral Demand Settlement Instruction;
- (b) for the purposes of determining the Settlement Amount in a Bilateral Demand Settlement Instruction, ASX Settlement will:
 - (i) if the amount to be included as the Settlement Amount specified by each Participant differs by no more than the Settlement Amount Tolerance, apply the lower of the two amounts as the Settlement Amount for the Bilateral Demand Settlement Instruction scheduled for settlement;
 - (ii) if only one Participant has specified an Override Tolerance Amount and the amount to be included as the Settlement Amount specified by each Participant differs by no more than the Override Tolerance Amount, apply the Settlement Amount specified by the Participant which did not submit an Override Tolerance Amount as the Settlement Amount for the Bilateral Demand Settlement Instruction scheduled for settlement;
 - (iii) if both Participants specify different Override Tolerance Amounts and the amount to be included as the Settlement Amount specified by each differs by no more than the higher of the Override Tolerance Amounts specified by the Participants, apply the Settlement Amount submitted by the Participant with the lowest Override Tolerance Amount as the Settlement Amount for the Bilateral Demand Settlement Instruction scheduled for settlement; or
 - (iv) if both Participants specify the same Override Tolerance Amount and the amount to be included as the Settlement Amount by each

Participant differs by no more than the Override Tolerance Amount specified by the Participants, apply the lower of the two Settlement Amounts submitted by the Participants as the Settlement Amount for the Bilateral Demand Settlement Instruction scheduled for settlement; and

- (c) ASX Settlement will notify each Participant that the Bilateral Demand Settlement Instruction has been scheduled for demand settlement.

9.5A.7 Participant may cancel Bilateral Demand Settlement Message

A Participant may cancel a Valid Bilateral Demand Settlement Message that has not been Matched by ASX Settlement, by Transmitting to ASX Settlement a Valid Message requesting cancellation before ASX Settlement Matches the original Message under Rule 9.5A.4.

9.5A.8 Action by ASX Settlement if Messages are not Matched

If a Bilateral Demand Settlement Message has not been Matched within the Scheduled Time, ASX Settlement must:

- (a) cancel the Bilateral Demand Settlement Message; and
(b) within the Scheduled Time, notify:
(i) the Participant that Transmitted the Message; and
(ii) the counterparty Participant,
that the Bilateral Demand Settlement Message has been cancelled.

9.5A.9 Removal of Demand Lock

If:

- (a) the relevant Bilateral Demand Settlement Message has been rejected in accordance with Rule 9.5A.3; or
(b) the relevant Bilateral Demand Settlement Message has been cancelled in accordance with Rule 9.5A.7 or 9.5A.8,

then ASX Settlement will remove the Demand Lock that was applied in connection with the relevant Bilateral Demand Settlement Message.

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9.7 TRANSFERS AND CONVERSIONS FROM CHESS HOLDINGS

9.7.1A Messages linked by a RGID or a HIN

For the purpose of this Rule 9.7, a reference to ‘Valid Originating Message’, ‘Originating Message’, ‘Valid Message’ or ‘Message’ includes multiple Messages linked by a RGID or a HIN.

9.7.1 CHESS to Issuer Sponsored Demand Transfers or Conversions

A Participant may initiate a CHESS to Issuer Sponsored Demand Transfer or Conversion by Transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures, except in the circumstances specified in the Procedures.

Introduced 11/03/04 Origin SCH 6.3.1 Amended 21/05/13

9.7.2 Action by ASX Settlement

If an Originating Message Transmitted to ASX Settlement complies with Rule 9.7.1 and there are sufficient Available Financial Products in the Source Holding, ASX Settlement must:

- (a) deduct the number of Financial Products specified in the Message from the Source Holding; and
- (b) Transmit a Message to the Issuer to Transfer or Convert Financial Products in accordance with the Originating Message.

Introduced 11/03/04 Origin SCH 6.3.2

9.7.3 Action by Issuer

If an Issuer receives a Valid Message under Rule 9.7.2(b), the Issuer must, within the Scheduled Time, enter Financial Products into the Target Holding in accordance with that Message.

Introduced 11/03/04 Origin SCH 6.3.3

9.7.4 Action by Issuer where Foreign to Foreign Allocation

If an Issuer receives a Valid Message under Rule 9.7.2(b) which initiates a Foreign to Foreign Allocation; and

- (a) the Issuer enters Financial Products into a Target Holding pursuant to Rule 9.7.3; and
- (b) the Target Holding has a Residency Indicator of "F",

those Financial Products will have the status of Confirmed FOR Securities.

Introduced 11/03/04 Origin SCH 6.3.3A

9.7.5 Time when Demand Transfer takes effect

A Demand Transfer initiated under Rule 9.7.1:

- (a) takes effect when, under Rule 9.7.2(a), ASX Settlement deducts Financial Products from the Source Holding; and
- (b) is taken to be effected by the Participant whose PID is that of the Participant Transmitting the Message.

Introduced 11/03/04 Origin SCH 6.3.4

9.7.6 Participant restriction on Demand Transfers and Conversions

Where an Issuer operates an Issuer Sponsored Subregister-, the Participant must ensure that any Transfer or Conversion ~~or Transfer~~ of Financial Products from the CHES Subregister is to the Issuer Sponsored Subregister.

Introduced 11/03/04 Origin SCH 6.9.1

9.8 TRANSFERS AND CONVERSIONS INTO CHES HOLDINGS

9.8.1A Messages linked by a RGID or a HIN

For the purpose of this Rule 9.8, a reference to 'Valid Originating Message', 'Originating Message', 'Valid Message' or 'Message' includes multiple Messages linked by a RGID or a HIN.

9.8.1 Issuer Sponsored to CHES Demand Transfers or Conversions

A Participant may initiate an Issuer Sponsored to CHES Demand Transfer or Conversion by Transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.

Introduced 11/03/04 Origin SCH 6.5.1

9.8.2 Action by ASX Settlement following Demand Transfer or Conversion

If an Originating Message Transmitted to ASX Settlement complies with Rule 9.8.1, ASX Settlement will Transmit to the Issuer a Message requesting the Issuer to authorise the Transfer or Conversion of Financial Products in accordance with the Originating Message.

9.8.3 Action by Issuer following receipt of Message from a Settlement Participant

If in the case of a Valid Message received by an Issuer under Rule 9.8.2:

- (a) the SRN for the Holder of the Source Holding specified in the Message matches the Issuer's records~~there are sufficient Available Financial Products in the Source Holding;~~
- (b) ~~the SRN for the Holder of the Source Holding specified in the Message matches the Issuer's records~~there are sufficient Available Financial Products in the Source Holding;~~and~~
- (c) in the case of a Message requesting the Issuer to authorise a Conversion, the Registration Details for the Target Holding specified in the Message match the Registration Details for the Source Holding maintained by the Issuer;~~and~~
- (d) in the case of a Message requesting the Issuer to authorise a Transfer, the Registration Details for the Source Holding specified in the Message match the Registration Details for the Source Holding maintained by the Issuer.

the Issuer must subject to Rule 9.8.5 authorise the Transfer or Conversion, as the case requires.

Introduced 11/03/04 Origin SCH 6.5.3, 6.5.3A

9.8.4 Other action by Issuer ~~[Deleted]~~

~~If a Valid Message is received by an Issuer under Rule 9.8.2 pursuant to an Originating Message Transmitted by a Participant other than a Settlement Participant that is a Trading Participant of ASX, or a Recognised Market Operator, the Issuer must not authorise the Transfer unless:~~

- ~~(a) — there are sufficient Available Financial Products in the Source Holding; and~~
- ~~(b) — it has received within 5 Business Days of ASX Settlement Transmitting the message a Registrable Transfer Document purporting to be signed by, or executed by or on behalf of, the Holder of the Source Holding, the details of which match the Issuer's records in relation to that Holder~~

~~Introduced 11/03/04 Origin SCH 6.5.4 Amended 23/10/09~~

9.8.5 Rejection of Transfer or Conversion by Issuer

If the conditions for authorisation by the Issuer of a Transfer or Conversion as stipulated in Rules 9.8.3 ~~or 9.8.4~~ are not met, the Issuer must:

- (a) reject the Transfer or Conversion; and
- (b) within the Scheduled Time, notify ASX Settlement of that rejection and the reason for the rejection.

Introduced 11/03/04 Origin SCH 6.5.5, 6.5.6

9.8.6 Action by Issuer if Transfer or Conversion authorised

If an Issuer authorises a Transfer or Conversion under Rule ~~9.8.3~~ ~~9.8.4~~ ~~or 9.8.5~~, the Issuer must, within the Scheduled Time:

- (a) deduct the number of Financial Products specified in that Message from the Source Holding; and then
- (b) Transmit a Message to ASX Settlement to Transfer or Convert those Financial Products in accordance with the Originating Message.

Introduced 11/03/04 Origin SCH 6.5.7

9.8.7 Action following Transfer or Conversion

If ASX Settlement receives a Valid Message under Rule 9.8.6(b);

- (a) ASX Settlement must enter Financial Products into the Target Holding in accordance with the Originating Message; and
- (b) if the Message under Rule 9.8.6(b) initiates a Foreign to Foreign Allocation and the Target Holding has a Residency Indicator of "F" those Financial Products will have the status of Confirmed FOR Financial Products.

Introduced 11/03/04 Origin SCH 6.5.8, 6.5.8A

9.8.8 Effect of a Demand Transfer initiated under Rule 9.8.1

A Demand Transfer initiated under Rule 9.8.1:

- (a) takes effect when, under Rule 9.8.6(a), the Issuer deducts Financial Products from the Source Holding; and
- (b) is taken to be effected by the Participant whose PID is included in the Valid Originating Message as that of the Participant Transmitting the Message.

Introduced 11/03/04 Origin SCH 6.5.9 Amended 18/12/06

9.8.9 ASX Settlement may purge unactioned Messages

If an Issuer receives a Message from ASX Settlement under Rule 9.8.2 and does not respond to ASX Settlement under either Rule 9.8.5 or Rule 9.8.6 within the relevant Scheduled Time for response, ASX Settlement may purge the unactioned Message from the Settlement Facility.

Introduced 09/05/05

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9.12 ELECTRONIC ACCESS TO HOLDINGS

9.12.1 Warranty of Holder's authority

If, in a Message that initiates an Issuer Sponsored to CHES [Transfer or Conversion](#) of Financial Products, a Participant ~~other than a Settlement Participant that is a Market Participant of ASX or a Recognised Market Operator~~ includes a Holder's SRN, the Participant warrants to the Issuer that it has the Holder's authority to access the Source Holding specified in the Message.

Introduced 11/03/04 Origin SCH 10.7.2

9.12.2 Other Participants must have Registrable Transfer Document [\[Deleted\]](#)

~~A Participant other than a Settlement Participant that is a Market Participant of ASX, or a Recognised Market Operator must not Transmit a Message that initiates an Issuer Sponsored to CHES Transfer of Financial Products unless that Participant has possession of a Registrable Transfer Document signed by, or executed by or on behalf of, the registered Holder of the Financial Products to be Transferred.~~

Introduced 11/03/04 Origin SCH 10.7.1

9.12.3 Specifying the Transaction Identifier on the Registrable Transfer Document [\[Deleted\]](#)

~~If a Participant other than a Settlement Participant that is a Market Participant of ASX or a Participant that is a Recognised Market Operator Transmits a Message to ASX Settlement that complies with Rule 9.8.1, then as soon as ASX Settlement acknowledges acceptance of that Message, that Participant must in the case of a Message that initiates a Transfer of Financial Products:~~

- ~~(a) specify the Transaction Identifier on the Registrable Transfer Document held by it under Rule 9.12.2;~~
- ~~(b) immediately send that document to the office of the Issuer's principal register; and~~
- ~~(c) store a copy of the documentation sent to the Issuer in a secure location.~~

~~Introduced 11/03/04 Origin SCH 10.7.3~~

9.12.4 Application of Rules 9.12.5 to 9.12.8 [\[Deleted\]](#)

~~Rules 9.12.5 to 9.12.8 apply only to Settlement Participants that are Market Participants of ASX or Recognised Market Operators.~~

~~Introduced 11/03/04~~

9.12.5 ~~Electronic Access to Issuer Sponsored Holdings by Settlement Participants~~ [Warranty by Participant if Rule 9.12.6 applies](#)

If, in a Message that initiates an Issuer Sponsored to CHES Transfer ~~or Conversion~~ of Financial Products, a ~~Settlement~~ Participant includes a Holder's SRN, that Participant warrants to the Issuer that it has, [if Rule 9.12.6 applies](#):

- ~~(a) the Holder's authority to access the Source Holding specified in the Message; and~~
- ~~(b) if Rule 9.12.6 applies:~~
 - [\(a\)](#) the authority of the person specified as the transferor on the Registrable Transfer Document to effect an Issuer Sponsored to CHES Transfer; and
 - [\(b\)](#) possession of the Registrable Transfer Document.

~~Introduced 11/03/04 Origin SCH 9.6.1 Amended 10/06/04~~

9.12.6 Registrable Transfer Document

If:

- (a) a ~~Settlement~~ Participant takes possession of a Registrable Transfer Document from a person other than the person specified as the transferor in that document; and
- (b) the person who supplies the Registrable Transfer Document to that Participant instructs the Participant to move the Financial Products the subject of the Transfer to a CHES Holding (whether or not that Holding is in the name of that person),

then the Participant must not Transmit a Message that initiates an Issuer Sponsored to CHES Transfer unless that Participant has also been authorised to effect that Transfer by the person specified as the transferor in the Registrable Transfer Document.

9.12.7 **Participant to check registration details ~~[Deleted]~~**

~~On receipt of notification from ASX Settlement that an Issuer Sponsored to CHESSTransfer has been effected, a Settlement Participant must check to make sure that the Financial Products which were specified in the Transfer were deducted from the correct Issuer Sponsored Holding.~~

~~Introduced 11/03/04 Origin SCH 9.6.3~~

9.12.8 **Rectifying Errors ~~[Deleted]~~**

~~If, under Rule 9.12.7, it is determined that the Financial Products specified in the Transfer were not deducted from the correct Issuer Sponsored Holding, the Participant that initiated the Transfer must liaise with the Issuer and take such steps as are necessary to rectify the error.~~

~~Introduced 11/03/04 Origin SCH 9.6.4~~

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9.13 **~~SINGLE ENTRY~~ UNILATERAL TRANSFER REQUESTS**

9.13.1 **Message to initiate ~~Single Entry~~ Unilateral Transfer Request**

Subject to Rule 9.13.4, a Participant may initiate a ~~Single Entry~~ Unilateral Transfer Request of Financial Products by Transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.

9.13.2 **Action by ASX Settlement following ~~Single Entry~~ Unilateral Transfer Request Message**

If an Originating Message Transmitted to ASX Settlement complies with Rule 9.13.1 and there are sufficient Available Financial Products in the Source Holding:

- (a) ASX Settlement must deduct the number of Financial Products specified in the Message from the Source Holding; and
- (b) ASX Settlement must enter that number of Financial Products into the Target Holding.

9.13.3 **Effect of ~~Single Entry~~ Unilateral Transfer Request**

A ~~Single Entry~~ Unilateral Transfer Request initiated under Rule 9.13.1:

- (a) takes effect when, under Rule 9.13.2, ASX Settlement deducts Financial Products from the Source Holding; and
- (b) is taken to be effected by the Participant whose PID is included in the Valid Originating Message as that of the Participant Transmitting the Message.

9.13.4 **Restriction on Participant initiating ~~Single Entry~~ Unilateral Transfer Request**

A ~~Single Entry~~ Unilateral Transfer Request may only be initiated by a Participant if the Participant is authorised by an Issuer of Financial Products to provide the service as set out in the Procedures.

Introduced 10/05/04

9.14 REQUEST FOR DETAILS OF SRN OR HOLDING BALANCE OF ISSUER SPONSORED HOLDING

9.14.1 Messages linked by a RGID

For the purpose of this Rule 9.14, a reference to 'Valid Originating Message', 'Originating Message', 'Valid Message' or 'Message' includes multiple Messages linked by a RGID.

9.14.2 Message to initiate request for SRN or Holding Balance of Issuer Sponsored Holding-

Subject to Rule 6.7.1, a Sponsoring Participant may initiate a request for the details of the SRN of a Holding on the Issuer Sponsored Subregister or the Holding Balance of a Holding on the Issuer Sponsored Subregister by transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.

9.14.3 Action by ASX Settlement following receipt of Message from Sponsoring Participant

If an Originating Message Transmitted to ASX Settlement complies with Rule 9.14.2, ASX Settlement will Transmit to the Issuer a Message requesting the Issuer to provide the details of the SRN or Holding Balance of the Issuer Sponsored Holding requested in the Originating Message.

9.14.4 Action by Issuer following receipt of Message from ASX Settlement

If in the case of a Valid Message received by an Issuer under Rule 9.14.3:

- (a) in relation to a request for the SRN of a Holding, the Registration Details specified in the Message match the Registration Details for the Source Holding maintained by the Issuer; or
- (b) in relation to a request for a Holding Balance of a Holding, the SRN and Registration Details for the Holding specified in the Message match the SRN and Registration Details for the Source Holding maintained by the Issuer,

the Issuer must, within the Scheduled Time, Transmit a Valid Message to ASX Settlement with the requested details of the SRN of a Holding on the Issuer Sponsored Subregister or the Holding Balance of a Holding on the Issuer Sponsored Subregister (as applicable).

9.14.5 Further action by ASX Settlement

If ASX Settlement receives a Valid Message under Rule 9.14.4, it must send a Message to the Sponsoring Participant which initiated the request under Rule 9.14.2, providing the

[SRN or Holding Balance details included in the Message from the Issuer under Rule 9.14.4.](#)

9.14.6 ASX Settlement may purge unactioned Messages

[If an Issuer receives a Message from ASX Settlement under Rule 9.14.2 and does not respond to ASX Settlement under Rule 9.14.4 within the relevant Scheduled Time for response, ASX Settlement may purge the unactioned Message from the Settlement Facility.](#)

SECTION 10 BATCH SETTLEMENT

A Settlement Participant may settle Instructions in the Settlement Facility in Batch Settlement or Real Time Gross Settlement. Batch Settlement is governed by Section 10 of these Rules. Real Time Gross Settlement is governed by Section 11.

Batch Settlement involves the settlement of Batch Instructions. Batch Instructions may be:

- (a) for value. This is known as DvP Batch Settlement. Batch Instructions that can be settled in DvP Batch Settlement are:
 - (i) CCP Batch Instructions. These consist of CCP Net Batch Instructions and CCP Gross Batch Instructions;
 - (ii) Direct Batch Instructions; and
 - (iii) ~~Dual Entry~~[Bilateral](#) Batch Instructions;
- (b) free of value. Batch Instructions that can be settled in Batch Settlement free of value are either:
 - (i) ~~Dual Entry~~[Bilateral](#) Batch Instructions; or
 - (ii) ~~Single Entry~~[Unilateral](#) Batch Instructions; and
- (c) for payment free of delivery. Batch Instructions that can be settled in Batch Settlement for payment free of delivery are known as Payment Batch Instructions which consist of CCP Derivatives Payment Batch Instructions, ~~Dual Entry Payment Batch Instructions~~ and AQUA Payment Batch Instructions.

In addition to determining the eligibility of Batch Instructions to be included in DvP Batch Settlement and Batch Settlement, the purpose of this Section is to set out Rules relating to the operation of Batch Settlement in the Settlement Facility including:

- (a) the basis on which Settlement Participants can act in respect of Batch Settlement;
- (b) payment arrangements for Batch Settlement;
- (c) removal, cancellation and change of Batch Instructions;

(c) [linking Batch Instructions for the purpose of Batch Settlement;](#)

- (d) discharge of settlement obligations;
- (e) failing Batch Instructions;
- (ea) notification to the Approved Clearing Facility of failed CCP Batch Instructions which become subject to settlement through Offsetting Transaction Arrangements;
- (f) suspension or cancellation of settlement; and
- (g) settlement subject to entitlements and adjustments.

This section also deals with Client Trust Account settlement obligations that need to be discharged.

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10.4 BATCH INSTRUCTIONS INCLUDED IN BATCH SETTLEMENT

10.4.1 Classes of Batch Instructions included in Batch Settlement

Unless ASX Settlement determines otherwise, a Batch Instruction is eligible for Batch Settlement under this Section 10 if the Batch Instruction is:

- (a) a CCP Batch Instruction;
- (b) a Direct Batch Instruction;
- (c) a ~~Dual Entry~~[Bilateral](#) Batch Instruction;
- (d) a ~~Single Entry~~[Unilateral](#) Batch Instruction;
- (e) a Payments Batch Instruction; or
- (f) any other class of Batch Instruction ASX Settlement may determine from time to time. In determining whether a class of Batch Instruction is eligible for DvP Batch Settlement, ASX Settlement must have regard to the following factors:
 - (i) where it is necessary that any person communicates reliably with CHES; that person meets any technical and/or performance requirements;
 - (ii) the inclusion of the additional class of Batch Instruction in DvP Batch Settlement will:
 - A. permit Batch Instructions the subject of National Guarantee Fund protection regime to be distinguished, and if necessary,

segregated from, Batch Instructions in DvP Batch Settlement which are not the subject of NGF coverage; and

- B. not adversely affect the NGF coverage;
- (iii) Participants who will be parties to the additional Batch Instructions admitted to DvP Batch Settlement, and investors upon whose behalf they act, will be informed that the additional class of Batch Instruction is not covered by the National Guarantee Fund;
- (iv) DvP Batch Settlement of the class of Batch Instruction is likely to be commercially viable for ASX Settlement and will not adversely affect the integrity, reliability or efficiency of the Settlement Facility; and
- (v) where the Commission requires that the class of transactions to be admitted to Batch Settlement be covered by an investor protection regime, and NGF coverage is not applicable to the class of Batch Instruction, there is an applicable investor protection regime which is acceptable to the Commission.

A person may apply to ASX Settlement in the form prescribed by ASX Settlement to have a class of Batch Instruction included in DvP Batch Settlement.

A Batch Instruction in which the obligation is to deliver or receive Financial Products for value will be settled in DvP Batch Settlement.

Introduced 11/03/04 Origin SCH 7.1.3 Amended 23/10/09

10.4.2 CCP Batch Instructions notified by Approved Clearing Facility

ASX Settlement will schedule for settlement in DvP Batch Settlement all CCP Batch Instructions received by ASX Settlement from an Approved Clearing Facility on the Settlement Date notified by the Approved Clearing Facility. In the circumstances of Failed CCP Batch Instructions notified to the Approved Clearing Facility under Rule 10.11.7A or 10.16A, the CCP Batch Instructions to be scheduled for settlement in DvP Batch Settlement on a Business Day will also include CCP Batch Instructions relating to obligations and entitlements under the second leg of Offsetting Transaction Arrangements entered into in respect of the CCP Batch Instructions Failed on the previous Business Day in the manner set out in the operating rules of the Approved Clearing Facility.

Introduced 11/03/04 Amended 28/04/14

10.4.3 Direct Batch Instructions notified by Approved Market Operator or Approved Clearing Facility

ASX Settlement will schedule for settlement in DvP Batch Settlement all Direct Batch Instructions received by ASX Settlement from an Approved Market Operator or Approved Clearing Facility on the Settlement Date notified respectively by the Approved Market Operator or Approved Clearing Facility.

Unless ASX Settlement has agreed in writing, an Approved Market Operator that is provided with a Settlement Facilitation Service under Rule 4.1A is not eligible to submit Direct Batch Instructions.

Introduced 11/03/04 Origin SCH 7.4.3 Amended 27/06/11, 28/12/11

10.4.4 Notice by ASX Settlement in respect of Direct Batch Instructions

Within the Scheduled Time, ASX Settlement will notify each Settlement Participant that is a party to a Direct Batch Instruction that it is scheduled for settlement.

Introduced 11/03/04 Origin SCH 7.4.4 Amended 28/12/11

10.4.5 Notification of Batch Instructions

A Settlement Participant must notify ASX Settlement in the manner specified in the Procedures if the Settlement Participant wishes to schedule for settlement in DvP Batch Settlement a Batch Instruction of a type specified in the Procedures.

Introduced 11/03/04 Origin SCH 7.1.3A.3 Amended 28/12/11

10.4.5A Power to impose conditions on scheduling of Batch Instructions

ASX Settlement may at any time impose any conditions on the scheduling for settlement in DvP Batch Settlement of a Batch Instruction of a type specified in the Procedures that it considers are reasonably necessary to preserve the integrity, reliability and efficiency of the Settlement Facility. ASX Settlement must notify the affected Settlement Participants in writing of any condition imposed under this rule.

Introduced 28/12/11

10.4.5B Designation of Batch Instructions

A Settlement Participant must designate in a form required by ASX Settlement the classes of Batch Instruction set out in the Procedures.

Introduced 28/12/11

10.4.6 Priority where Batch Instructions are Failed

ASX Settlement may in its absolute discretion determine the priority in which Batch Instructions in DvP Batch Settlement will be Failed if one or more instructions scheduled for settlement on a Business Day would give rise to a Financial Products Shortfall or a Payment Shortfall (or to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)).

Introduced 11/03/04 Amended 28/04/14

10.4.7 Removing Batch Instructions from Batch Settlement

ASX Settlement may immediately remove a class of Batch Instruction from either Batch Settlement or DvP Batch Settlement if ASX Settlement forms the reasonable opinion that:

- (a) the integrity, reliability or efficiency of the Settlement Facility will be significantly impaired by allowing the class of Batch Instruction to continue to be included in Batch Settlement or DvP Batch Settlement; or
- (b) it is necessary for the protection of Participants from risk of loss.

Where ASX Settlement removes a class of Batch Instruction from DvP Batch Settlement, ASX Settlement may where it considers it appropriate, allow that class of Batch Instruction to be settled in Batch Settlement.

Introduced 11/03/04 Origin SCH 7.1.3C

10.4.8 Notice of removal of Batch Instructions from Batch Settlement

If ASX Settlement removes a class of Batch Instruction from Batch Settlement or DvP Batch Settlement, ASX Settlement will give Notice of the removal to all Settlement Participants.

Introduced 11/03/04 Origin SCH 7.1.3D

10.4.9 Appeal against decisions about Batch Settlement – [Deleted]

Introduced 11/03/04 Origin SCH 7.1.3E Amended 31/03/08, 01/08/10 Deleted 28/12/11

10.4.10 Convening the Appeal Tribunal – [Deleted]

Introduced 11/03/04 Origin SCH 7.1.3F, 7.1.3G Deleted 31/03/08

10.4.11 Decisions of the Appeal Tribunal – [Deleted]

Introduced 11/03/04 Origin SCH 7.1.3D, 7.1.3I Deleted 31/03/08

10.5 REMOVAL OF BATCH INSTRUCTIONS FROM BATCH SETTLEMENT

10.5.1 Removal of Batch Instructions from Batch Settlement by ASX Settlement

ASX Settlement may remove a Batch Instruction from either Batch Settlement or DvP Batch Settlement if:

- (a) ASX Settlement reasonably considers it necessary in order to maintain the orderly operation and integrity of the Settlement Facility;
- (b) it is requested to do so by an Approved Market Operator in accordance with the Terms of Trade Acceptance Service, or by an Approved Clearing Facility, in order to ensure the efficiency, orderly operation, integrity or proper functioning of the market or facility; or
- (c) it is notified by an Approved Market Operator in accordance with the Terms of Trade Acceptance Service, or by an Approved Clearing Facility, that a Batch Instruction scheduled for settlement has been cancelled,

and if it removes the Batch Instruction ASX Settlement will immediately notify:

- (d) the affected Settlement Participants that the Batch Instruction has been removed from Batch Settlement or DvP Batch Settlement; and
- (e) where relevant, the Approved Market Operator or the Approved Clearing Facility that the Batch Instruction has been removed from Batch Settlement or DvP Batch Settlement.

Introduced 11/03/04 Origin SCH 7.5A.1, 7.5A.2 Amended 27/06/11

10.5.2 Removal of Batch Instructions from Batch Settlement by a Settlement Participant

If a Settlement Participant that is obliged to deliver or receive Financial Products:

- (a) wishes to use an Alternative Settlement Facility other than ASX Settlement to settle a Batch Instruction;
- (b) wishes to remove a Batch Instruction from DvP Batch Settlement or from Batch Settlement; or
- (c) wishes to settle a Batch Instruction on a Real Time Gross Settlement basis under Section 11;

and the Settlement Participant:

- (d) obtains the consent of the other Settlement Participant to the Batch Instruction; and
- (e) complies with the Rules relating to the removal of Batch Instructions from DvP Batch Settlement or, if relevant, Batch Settlement,

the Settlement Participant may remove the Batch Instruction from DvP Batch Settlement or Batch Settlement or may settle the Batch Instruction under Section 11, as the case may be.

Introduced 11/03/04 Origin SCH 7.1.4A

10.5.3 Cancellation of Batch Instruction by Settlement Participant

If within the Scheduled Time the parties to a Batch Instruction that is a Direct Batch Instruction or a ~~Dual-Entry~~ [Bilateral](#) Batch Instruction Transmit a Valid Message that requests cancellation of the Batch Instruction and the Messages are Matched by ASX Settlement, ASX Settlement will:

- (a) remove the Batch Instruction from Batch Settlement; and
- (b) notify the Settlement Participants that the Batch Instruction has been removed from Batch Settlement.

Introduced 11/03/04 Origin SCH 7.12.1

10.5.4 If Message not Matched

If a Message Transmitted under Rule 10.5.3 has not been Matched, the party that Transmitted the Message may cancel the request by Transmitting a further Valid Message to ASX Settlement revoking the initial request.

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10.9 BATCH INSTRUCTIONS

10.9.1A Notification of CCP Net Batch Instruction and CCP Gross Batch Instruction to Settlement Agent

Within the Scheduled Time, ASX Settlement will for each Business Day, send to a Settlement Participant acting as a Settlement Agent for a Clearing Participant for settling Cash Market Transactions, CCP Net Batch Instructions containing the details specified in Rule 12.6.2 of the ASX Clear Operating Rules and, if applicable, CCP Gross Batch Instructions containing the details specified in Rule 12.7.4 of the ASX Clear Operating Rules.

10.9.1 Change to CCP Gross Batch Instructions

If the delivering Settlement Participant and the receiving Settlement Participant to a CCP Gross Batch Instruction Transmit a Valid Message to ASX Settlement within the Scheduled Time that requests a change to the settlement obligations under the instruction, then ASX Settlement will take the following action:

- (a) if the Messages are Matched ASX Settlement will:
 - (i) change the settlement obligations in accordance with the Matched Messages;
 - (ii) within the Scheduled Time, notify the Settlement Participants that the change has been effected; and
 - (iii) include the CCP Gross Batch Instruction in a Surveillance Report of changed Batch Instructions; or
- (b) if the Messages are not Matched and the Settlement Participant that Transmitted the Message cancels the request by Transmitting a further Valid Message to ASX Settlement revoking the initial request ASX Settlement will:
 - (i) cancel the initial request; and
 - (ii) notify the Settlement Participant that the request has been cancelled.

ASX Settlement may provide the Surveillance Report referred to in paragraph (a)(iii) to the relevant Approved Market Operator or as required by these Rules or the law.

Introduced 11/03/04 Origin SCH 7.14.1, 7.14.2, 7.14.3, 7.14.4 Amended 27/06/11

10.9.2 ~~Dual Entry~~ **Bilateral** Batch Instructions

Within the Scheduled Time, a Settlement Participant may Transmit to ASX Settlement a Valid Bilateral Batch Message containing the details specified in the Procedures.

- ~~(a) a Valid Dual Entry Batch Message containing the details specified in the Procedures; or~~

- (b) ~~a Valid Dual Entry Payment Batch Message containing the details specified in the Procedures.~~

~~Introduced 11/03/04 Origin SCH 7.151~~

10.9.3A Bilateral Batch Instructions – Application of Settlement Lock prior to Matching

If:

- (a) a delivering Settlement Participant Transmits a Bilateral Batch Message in accordance with Rule 10.9.2 requesting ASX Settlement to promptly apply a Settlement Lock to all the Financial Products specified in the Bilateral Batch Message;
- (b) the Source Holding is a CHESS Holding (other than a Settlement Account or Accumulation Account); and
- (c) there are sufficient Available Financial Products in the Source Holding.

ASX Settlement must promptly apply a Settlement Lock to all the Financial Products identified in the Bilateral Batch Message.

If there are insufficient Available Financial Products in the Source Holding or the Source Holding is a Settlement Account or Accumulation Account, ASX Settlement must cancel the Bilateral Batch Message and notify the Participant accordingly.

10.9.3 ~~Dual Entry~~Bilateral Batch Instructions – Matching

If:

- (a) a Settlement Participant Transmits a ~~Dual Entry~~Bilateral Batch Message ~~or a Dual Entry Payment Batch Message~~ that specifies or implies the details contained in the Procedures; and
- (b) the Message Transmitted by the other Participant:
- (i) subject to sub-paragraph (iv), specifies the same details,
- (ii) specifies or implies the same designation as Cum Entitlement or Ex Entitlement;
- (iii) if the Secondary Matching Flag is indicated as applying ~~specified~~ in the Message, the Participants have specified the same Matching Reference;
and
- (iv) either:
- (A) specifies the same Settlement Amount or a Settlement Amount that differs by no more than the Settlement Amount Tolerance; or

(B) if only one Participant has specified an Override Tolerance Amount, the other Participant has specified the same Settlement Amount or a Settlement Amount that differs by no more than the Override Tolerance Amount; or

~~(A)~~(C) if both Participants have specified an Override Tolerance Amount, the Settlement Amount specified by both Participants is the same or differs by no more than the higher of the Override Tolerance Amounts specified by the Participants,

ASX Settlement will, subject to paragraph (ba), Match the Messages; and

(ba) where there are multiple available Matches for a Bilateral Batch Message, ASX will Match:

(i) for multiple available Matches with the same Settlement Amount as the Bilateral Batch Message, the Bilateral Batch Message which was received earliest by CHES;

(ii) for multiple available Matches which differ in Settlement Amount from the Bilateral Batch Message:

(A) the Bilateral Batch Message which has the closest Settlement Amount to the Bilateral Batch Message; or

(B) if there are multiple available Matches at the closest Settlement Amount to the Bilateral Batch Message, the Bilateral Batch Message which was received earliest by CHES.

(c) if the Messages are Matched within the Scheduled Time, ASX Settlement will:

(i) treat the Matched Messages as a ~~Dual Entry~~Bilateral Batch Instruction ~~or a Dual Entry Payment Batch Instruction as the case may be;~~

(ii) schedule the ~~Dual Entry~~Bilateral Batch Instruction ~~or the Dual Entry Payment Batch Instruction, as the case may be,~~ for settlement on the Settlement Date specified in the instruction;

(iii) notify each Participant that the ~~Dual Entry~~Bilateral Batch Instruction ~~or Dual Entry Payment Batch Instruction~~ has been scheduled for settlement; and

(iv) for the purposes of determining the Settlement Amount in a Bilateral Batch Instruction, ASX Settlement will:

(A) if the amount to be included as the Settlement Amount specified by each Participant differs by no more than the Settlement Amount Tolerance, apply the lower of the two amounts as the Settlement Amount for the ~~Dual Entry~~Bilateral Batch Instruction ~~or the Dual Entry Payment Batch Instruction~~ that is scheduled for settlement; ~~or~~

- (B) if only one Participant has specified an Override Tolerance Amount and the amount to be included as the Settlement Amount specified by each Participant differs by no more than the Override Tolerance Amount, apply the Settlement Amount specified by the Participant which did not submit an Override Tolerance Amount as the Settlement Amount for the Bilateral Batch Instruction scheduled for settlement;
- (C) if both Participants specify different Override Tolerance Amounts and the amount to be included as the Settlement Amount specified by each differs by no more than the higher of the Override Tolerance Amounts specified by the Participants, apply the Settlement Amount submitted by the Participant with the lowest Override Tolerance Amount as the Settlement Amount for the Bilateral Batch Instruction scheduled for settlement; or
- (D) if both Participants specify the same Override Tolerance Amount and the amount to be included as the Settlement Amount by each Participant differs by no more than the Override Tolerance Amount specified by the Participants, apply the lower of the two Settlement Amounts submitted by the Participants as the Settlement Amount for the Bilateral Batch Instruction scheduled for settlement; and
- (v) if the delivering Settlement Participant requested ASX Settlement to apply a Settlement Lock to all the Financial Products specified in the Bilateral Batch Message from the time that the Messages are Matched, and if:
 - (A) there are sufficient Available Financial Products in the Source Holding, ASX Settlement will promptly apply a Settlement Lock to all of the Financial Products identified in the Message and will notify the Participant that the Settlement Lock has been applied; or
 - (B) there are insufficient Available Financial Products in the Source Holding, ASX Settlement will not apply a Settlement Lock and will notify the Participant that the Settlement Lock could not be applied; or
- (d) if the Messages have not been Matched within the Scheduled Time, ASX Settlement will:
 - (i) cancel the ~~Dual Entry Bilateral~~ Batch Message ~~or the Dual Entry Payment Batch Message~~; and
 - (ii) within the Scheduled Time notify both Settlement Participants of that fact.

Note: A Bilateral Batch Message will not be cancelled if ASX Settlement was unable to apply a Settlement Lock in response to a Settlement Participant's request for a Settlement

Lock to apply on Match in accordance with Rules 10.9.2 and 10.9.3 due to there being insufficient Available Financial Products in the Source Holding.

Introduced 11/03/04 Origin SCH 7.16.1, 7.16.2, 7.16.3, 7.16.4

10.9.4 Change of Batch Instructions – Matched Messages [~~Deleted~~]

~~A Settlement Participant may Transmit to ASX Settlement a Valid Message requesting a change to a Dual Entry Batch Instruction or a Dual Entry Payment Batch Instruction to which the Participant is a party.~~

~~If, within the Scheduled Time both Settlement Participants to a Dual Entry Batch Instruction or a Dual Entry Payment Batch Instruction Transmit a Valid Message that requests a change to the instruction:~~

- ~~(a) if the Messages are Matched by ASX Settlement, ASX Settlement will change the instruction; or~~
- ~~(b) if the Messages are not Matched by ASX Settlement, the Participant that Transmitted the Message may cancel the request by Transmitting within the Scheduled Time a further Valid Message that requests cancellation of the original request.~~

Introduced 11/03/04 Origin SCH 7.21.1, 7.21.2, 7.21.3

10.9.5 Change of Batch Instructions – single Messages

If, within the Scheduled Time, a Settlement Participant to a ~~Dual Entry~~Bilateral Batch Instruction Transmits a Valid Message that requests a change to:

- (a) the designation of the ~~Dual Entry~~Bilateral Batch Instruction as available or not available for settlement in part;
- (b) if the Participant is a delivering Participant, the Source Holding; ~~and~~
- (c) if the Participant is a receiving Participant, the Target Holding;
- (d) the contact details of the relevant Holder;
- (e) the inclusion or, if provided, the amendment of a Settlement Link ID; or
- (f) the underlying reference,

ASX Settlement will:

- ~~(g)~~ change the ~~Dual Entry~~Bilateral Batch Instruction in accordance with the Message; ~~and~~
- ~~(h)~~ notify the Participant that Transmitted the Message within the Scheduled Time; and
- (i) if there is a change to the Source Holding and Financial Products within that Source Holding were subject to a Settlement Lock, remove the Settlement Lock.

Note: Changes of the kind specified in this Rule are only notified to the Participant that Transmitted the Message.

Introduced 11/03/04 Origin SCH 7.21.4

10.9.6 Cancellation of ~~Dual Entry~~[Bilateral](#) Batch Message ~~or Dual Entry Payment Batch Message~~ by Settlement Participant

A Settlement Participant may, by Transmitting a Valid Message to ASX Settlement within the Scheduled Time, cancel a ~~Dual Entry~~[Bilateral](#) Batch Message ~~or a Dual Entry Payment Batch Message~~ Transmitted by the Settlement Participant under Rule 10.9.2 if the Message has not been Matched under Rule 10.9.3.

Introduced 11/03/04 Origin SCH 7.20.1(a)

10.9.7 Cancellation of ~~Dual Entry~~[Bilateral](#) Batch Message ~~or Dual Entry Payment Batch Message~~ by both Settlement Participants

If, within the Scheduled Time both Settlement Participants to a ~~Dual Entry~~[Bilateral](#) Batch Instruction ~~or a Dual Entry Payment Batch Instruction~~ Transmit a Valid Message that requests cancellation of the instruction:

- (a) if the Messages are Matched by ASX Settlement, ASX Settlement will cancel the instruction; or
- (b) if the Messages are not Matched by ASX Settlement, the Settlement Participant that Transmitted the Message may cancel the request by Transmitting within the Scheduled Time a further Valid Message that requests cancellation of the original request.

Introduced 11/03/04 Origin SCH 7.20.2, 7.20.3

10.9.8 Obligations of Participants

Subject to Rules 6.20.1, 6.20.2, 6.20.3 and 6.20.4, the obligations or entitlements, as the case requires, of the Participants to a ~~Dual Entry~~[Bilateral](#) Batch Instruction:

- (a) to deliver or receive Financial Products or Entitlements; and
- (b) if the instruction is to be settled in DvP Settlement Batch Settlement, to pay or receive an amount,

are owed to each other as principals, even if a Settlement Participant has a settlement obligation to another person, or is acting on behalf of a Market Participant, Clearing Participant or another Settlement Participant in relation to the instruction.

Introduced 11/03/04 Origin SCH 7.16.5

10.9.9 Obligations of Participants to a Dual Entry Payment Batch Instruction - ~~[Deleted]~~

~~The obligation or entitlements, as the case requires, of the Participants to a Dual Entry Payment Batch Instruction to pay or receive an amount are owed to each other as principals, even if a Settlement Participant has a settlement obligation to another person,~~

or is acting on behalf of a Market Participant, Clearing Participant or another Settlement Participant in relation to the instruction.

Introduced 11/03/04

10.9.10 Part Settlement

ASX Settlement will be entitled to treat any CCP Batch Instruction as designated as available for settlement in part under this Section 10.

Introduced 11/03/04 Origin SCH 7.11.1

10.9.11 Unilateral~~Single Entry~~ Batch Instructions

Subject to Rules 6.3B.2, 6.3B.3 and 6.3B.4 in respect of Client Trust Account Amount Messages, if within the Scheduled Time, a Settlement Participant Transmits to ASX Settlement a Valid Unilateral~~Single Entry~~ Batch Message that contains the details specified in the Procedures and:

(a) if the Settlement Participant requested ASX Settlement to apply a Settlement Lock to the Financial Products specified in the Valid Unilateral Batch Message and there are sufficient Available Financial Products in the Source Holding, ASX Settlement will:

(ai) treat the Valid Unilateral~~Single Entry~~ Batch Message as a Unilateral~~Single Entry~~ Batch Instruction;

(iib) schedule the Unilateral~~Single Entry~~ Batch Instruction for settlement on the Settlement Date specified in the instruction;

(iii) promptly apply a Settlement Lock to the Financial Products identified in the Message (but only where the Source Holding is a CHESSE Holding (other than a Settlement Account or Accumulation Account)); and

(ive) notify the Settlement Participant that the Unilateral~~Single Entry~~ Batch Instruction has been scheduled for settlement; or

(b) if the Settlement Participant has not requested ASX Settlement to apply a Settlement Lock to the Financial Products specified in the Valid Unilateral Batch Message, ASX Settlement will:

(i) treat the Valid Unilateral Batch Message as a Unilateral Batch Instruction;

(ii) schedule the Unilateral Batch Instruction for settlement on the Settlement Date specified in the instruction; and

(iii) notify the Settlement Participant that the Unilateral Batch Instruction has been scheduled for settlement.

Note: A Batch Instruction cannot always be scheduled for settlement on the Settlement Date specified in the Message, if the Financial Products in question are the subject of a corporate action. For example, a Batch Instruction cannot be scheduled for

settlement on a cum entitlement basis on a Business Day after the Record Date for the relevant Corporate Action.

Introduced 11/03/04 Origin SCH 7.17.1, 7.17.2 Amended 25/05/2015

10.9.12A Rejection of Unilateral Batch Message

If a Settlement Participant requested ASX Settlement to apply a Settlement Lock in a Unilateral Batch Message under Rule 10.9.11, and ASX Settlement is unable to apply the Settlement Lock because there are insufficient Available Financial Products in the Source Holding or the Source Holding is a Settlement Account or Accumulation Account, ASX Settlement will reject the Unilateral Batch Message and notify the Participant accordingly.

10.9.12 Cancelling a ~~Single Entry~~ Unilateral Batch Message

A Settlement Participant may, by Transmitting a Valid Message to ASX Settlement within the Scheduled Time, cancel a ~~Single Entry~~ Unilateral Batch Message Transmitted by the Settlement Participant under Rule 10.9.11.

Introduced 11/03/04 Origin SCH 7.20.1(b)

10.9.13 Standing Settlement HINs

A CCP Net Batch Instruction will be taken to specify:

- (a) the Standing Settlement HIN of the Settlement Participant as the HIN for the Source Holding or the Target Holding, as the case requires; and
- (b) the Standing Settlement HIN of CCP as the HIN for the Source Holding or Target Holding, as the case requires.

If a Settlement Participant Transmits:

- (a) a ~~Dual Entry~~ Bilateral Batch Message; or
- (b) a ~~Single Entry~~ Unilateral Batch Message,

and the relevant HIN for the Target or Source Holding as the case requires is not specified, ASX Settlement will apply the Settlement Participant's Standing Settlement HIN as the case requires.

Note: ASX Settlement will reject a message that does not specify a HIN or imply a Standing Settlement HIN.

Introduced 11/03/04 Origin SCH 7.10, 7.18.1, 7.18.2, 7.18.3

10.9.14 Part Settlement designated by a Settlement Participant

Subject to Rule 10.9.17, a Settlement Participant may designate a Batch Instruction other than a CCP Derivatives Payment Batch Instruction as available or not available for settlement in part.

In the event of a Payment Shortfall by a Settlement Participant (or to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)), ASX Settlement may in its absolute discretion override any designation by the Settlement Participant under this Rule and designate a Batch Instruction as available or not available for settlement in part.

Introduced 11/03/04 Origin SCH 7.19.1 Amended 28/04/14 Amended 25/05/2015

10.9.15 Financial Products Shortfall may be settled in part

If:

- (a) (i) a Source Holding; or
- (ii) during an Ex Period, a Cum Entitlement Balance for a Source Holding, specified in one or more Batch Instructions scheduled for settlement on a Business Day would give rise to a Financial Products Shortfall; and
- (b) the instruction is available for settlement in part,

ASX Settlement may apply such lesser number of Financial Products or Entitlements as are available for settlement, in settling the Batch Instruction.

Note: A Batch Instruction removed from DvP Batch Settlement under Rule 10.6.1, 10.6.2 or 10.6.3 will not be available for settlement in part under Section 11.

Introduced 11/03/04 Origin SCH 7.19.2

10.9.16 Accrued Batch Instructions

If ASX Settlement generates an Accrued Batch Instruction in accordance with Rule 10.17.1(d), ASX Settlement will schedule the Accrued Batch Instruction for settlement on the Settlement Date specified in the instruction.

Introduced 11/03/04 Origin SCH 7.22.1

10.9.17 Client Trust Account Amount Messages not available for settlement in part

A Batch Instruction that gives effect to a Client Trust Account Amount Message is not available for settlement in part.

Introduced 25/05/2015

10.9.18 Linked Instructions

If two or more Bilateral Batch Messages under Rule 10.9.2, or Unilateral Batch Messages under Rule 10.9.1, are Transmitted to ASX Settlement by the same Settlement Participant, where:

- (a) one or more of the Messages involves the delivery of a particular Financial Product or Entitlement from a HIN;
- (b) one or more of the Messages involves the receipt of the same Financial Product or Entitlement and into the same HIN;

(c) each of the Messages under paragraphs (a) and (b) specify the same Settlement Link ID;

(d) the Messages specify the same Settlement Date; and

(e) the HIN referred to in paragraphs (a) and (b) is not for an Accumulation Account or a Settlement Account,

and each of those Bilateral Batch Messages are Matched and treated as a Bilateral Batch Instruction under Rule 10.9.3, or each of those Unilateral Batch Messages are treated as a Unilateral Batch Instruction under Rule 10.9.11, ASX Settlement will:

(f) apply to those Instructions the same Settlement Link ID as the Message from which they result; and

(g) link, for the purpose of Batch Settlement, the Instructions with the same Settlement Link ID, so that if one of the Linked Instructions is Failed or Failed in part on a Business Day, the Linked Instruction(s) with the same Settlement Link ID will also be Failed or Failed in part (as applicable) on that Business Day.

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10.11 FAILING BATCH INSTRUCTIONS

10.11.1 Failure in Part

If a Batch Instruction is designated as available for settlement in part, ASX Settlement may Fail the Batch Instruction in part under this Rule 10.11.

Introduced 11/03/04 Origin SCH 7.25.1

10.11.2 Failure of Batch Instructions

If, by the Scheduled Time, on a Business Day either:

- (a) (i) a Source Holding; or
- (ii) during an Ex Period, a Cum Entitlement Balance for a Source Holding,

specified in one or more Batch Instructions scheduled for settlement on that Business Day, would give rise to a Financial Products Shortfall; or

- (b) a Settlement Participant's net obligation to make payment from a Payment Facility identified by one or more Batch Instructions scheduled for settlement on that Business Day is not authorised by the Payments Provider that operates the Payment Facility;

ASX Settlement will subject to Rule 10.11.6:

- (c) in the case of a Financial Products Shortfall, Fail one or more Batch Instructions, that specify the Holding as a Source Holding, to remove the Financial Products Shortfall; or

- (d) in the case of a Payment Shortfall, Fail one or more Batch Instructions that identify the Payment Facility to remove the Payment Shortfall.

Note: The removal of a Financial Products Shortfall will result in a Source Holding having a balance after Batch Settlement equal to or greater than zero. The removal of a Payment Shortfall will reduce the Settlement Participant's net obligation to make payment from that Payment Facility to zero, or will create a net entitlement to receive payment into that Payment Facility.

Introduced 11/03/04 Origin SCH 7.25.2

10.11.3 Consequential failing of Batch Instructions

If a Batch Instruction that is Failed under Rule 10.11.2 causes:

- (a) a Financial Products Shortfall for a Target Holding that is also specified as a Source Holding in other Batch Instructions scheduled for settlement on that Business Day; or
- (b) an increase in a Settlement Participant's net obligation to make payment from a Payment Facility identified in one or more Batch Instructions scheduled for settlement on that Business Day;

ASX Settlement will subject to Rule 10.11.6:

- (c) in the case of a Financial Products Shortfall, Fail one or more Batch Instructions that specify the Holding as a Source Holding to remove the Financial Products Shortfall; and
- (d) in the case of a Settlement Participant's increased net obligation to make payment in respect of a Payment Facility, Fail one or more Batch Instructions that identify that Payment Facility to limit the Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a) or, within the Scheduled Time, ASX Settlement may request the Payments Provider that operates the Payment Facility to authorise the increased net obligation to make payment.

Note: The removal of a Financial Products Shortfall will result in a Source Holding having a balance after Batch Settlement equal to or greater than zero. The removal of a Payment Shortfall (or of Batch Instructions to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)) will reduce the Participant's net obligation to make payment from that Payment Facility to the amount previously authorised by the Payments Provider (or notified to the Payments Provider under Rule 10.10.4(a)) or will create a net entitlement to receive payment into that Payment Facility.

Introduced 11/03/04 Origin SCH 7.25.3 Amended 28/04/14

10.11.4 Removal of a Payment Shortfall

If ASX Settlement requests a Payments Provider under Rule 10.11.3(d) to authorise a Settlement Participant's increased net obligation to make payment and the Payments

Provider does not authorise the Settlement Participant's increased net obligation to make payment, ASX Settlement will, subject to Rule 10.11.6, Fail one or more Batch Instructions that identify that Payment Facility to remove the Payment Shortfall.

Note: The removal of a Payment Shortfall will reduce the Participant's net obligation to make payment from that Payment Facility to the amount previously authorised by the Payments Provider or will create a net entitlement to receive payment into that Payment Facility.

Introduced 11/03/04 Origin SCH 7.25.4

10.11.5 Failure of Settlement Participant Batch Instructions in respect of Confirmed FOR Financial Products

Notwithstanding any other provision of this Section, if a Settlement Participant generates a Batch Instruction in relation to Foreign to Foreign Allocation and:

- (a) the number of Confirmed FOR Financial Products in the Source Holding specified in the Message is less than the number of Confirmed FOR Financial Products to be transferred; or
- (b) the Source Holding which is specified is a Source Holding which does not have a Residency Indicator of "F",

ASX Settlement will fail the Batch Instruction.

Introduced 11/03/04 Origin SCH 7.25A1

10.11.6 Principles that apply to Failing Batch Instructions

In Failing a Batch Instruction under Rules 10.11.2, 10.11.3 or 10.11.4, ASX Settlement will use its best endeavours to:

- (a) [subject to Linked Instructions Failed in accordance with Rule 10.9.18](#), minimise:
 - (i) Financial Products Shortfalls; or
 - (ii) increases in the net obligation to make payment from one or more Payment Facilities identified in one or more Batch Instructions;
- (b) subject to Rule 10.11.6(a):
 - (i) give priority to settlement of rescheduled Batch Instructions and to CCP Batch Instructions;
 - (ii) maximise the total value of Settlement Amounts of Batch Instructions that can be settled on that Business Day;
 - (iii) maximise the total number of Financial Products that can be settled on that Business Day.

Introduced 11/03/04 Origin SCH 7.271

10.11.7 Consequences of Failing a Batch Instruction

If a Batch Instruction is Failed under Rule [10.9.18](#), 10.11.2, 10.11.3 or 10.11.4 ASX Settlement will:

- (a) if the Batch Instruction is a Batch Instruction for value, adjust the net obligation to make payment or the net entitlement to receive payment of the Payment Facility of each Settlement Participant affected by the Fail in accordance with Rule 10.11.9 or 10.11.10, as the case requires;
- (b) adjust the net obligation to deliver or the net entitlement to receive Financial Products or Entitlements for the Holding of each Participant affected by the Fail;
- (ca) adjust the net obligation to make payment to or net entitlement to receive payment from the Client Trust Account under Rule 10.10A for the relevant Settlement Participant affected by the Fail by reference to the Client Trust Receivable Amount or the Client Trust Deductible Amount specified in the ~~Single Entry~~ [Unilateral](#) Batch Instruction (as applicable);
- (c) remove the Batch Instruction or part of the Batch Instruction, as the case requires, from Batch Settlement on that Business Day;
- (d) other than where the Batch Instruction is a CCP Derivatives Payment Batch Instruction or a CCP Batch Instruction referred to in Rule 10.11.7A, if the Batch Instruction has been Failed in full, reschedule the Batch Instruction for settlement on the next Business Day;
- (e) if the Batch Instruction has been Failed in part:
 - (i) process the Batch Instruction in respect of that part of the Batch Instruction that is to be settled; and
 - (ii) other than where the Batch Instruction is a CCP Batch Instruction referred to in Rule 10.11.7A, reschedule that part of the Batch Instruction that is to be Failed, for settlement on the next Business Day; and
- (f) notify both Settlement Participants.

Introduced 11/03/04 Origin SCH 7.28.1 Amended 28/04/14 Amended 25/05/2015

10.11.7A Failed CCP Batch Instructions due to Payment Shortfall settled through Offsetting Transaction Arrangements

A CCP Batch Instruction (where the CCP is ASX Clear) that has been Failed by ASX Settlement under Rule 10.11.2, 10.11.3 or 10.11.4 due to a Payments Shortfall (or to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)), will be:

- (a) removed by ASX Settlement from Batch Settlement on that Business Day;
- (b) notified to ASX Clear; and

- (c) other than for the defaulting Clearing Participant, subject to set-off against entitlements and obligations under the first leg of an Offsetting Transaction Arrangement entered into in respect of the Failed CCP Batch Instruction under the ASX Clear Operating Rules.

Where ASX Settlement has removed a CCP Batch Instruction from Batch Settlement and notified that Failed Batch Instruction to ASX Clear under this Rule 10.11.7A, ASX Settlement has no obligation in relation to that Instruction.

Introduced 28/04/14

10.11.8 Removing a re-scheduled Batch Instruction to RTGS

If, within the Scheduled Time:

- (a) the parties to a Failed Batch Instruction (other than a CCP Net Batch Instruction) that has been rescheduled for settlement under Rule 10.11.7 and relates to a Batch Instruction that is eligible for Real Time Gross Settlement under Rule 11.1.1, Transmit a Valid Dual Entry Switch to RTGS Message to ASX Settlement; and
- (b) the Messages are Matched,

ASX Settlement will remove the Batch Instruction from DvP Batch Settlement and process it in Real Time Gross Settlement under Rule 11.11, however:

- (c) Each Settlement Participant acknowledges that ASX Settlement's ability to process a Dual Entry Switch to RTGS Message that requests removal of a Batch Instruction from DvP Batch Settlement on the Business Day on which the Message is Transmitted to ASX Settlement will depend on system processing demands in the Settlement Facility between Start of Day and Settlement Cut-off on that day.
- (d) Despite any other Rule, while ASX Settlement will use reasonable endeavours to process any Message received in terms of this Rule 10.11.8, it will not be responsible for any failure to remove any such Batch Instruction from DvP Batch Settlement on that day.

Note: It is not possible to switch a CCP Net Batch Instruction, once included in netting pursuant to the operating rules of an Approved Clearing Facility, to line-by-line settlement in RTGS.

Note: CHESS queuing processes for preparation of the daily net batch settlement will in the ordinary course have priority over messages requesting switches that are received close to Settlement Cut-off.

Introduced 11/03/04 Origin SCH 7.28.5, 7.28.6

10.11.9 Consequences of Failing a Batch Instruction for value that is not a CCP Net Batch Instruction

If a Batch Instruction for value that is not a CCP Net Batch Instruction is Failed, ASX Settlement will adjust the net obligation to make payment and the net entitlement to

receive payment of each Settlement Participant by reference to the Settlement Amount specified in the Batch Instruction.

Introduced 11/03/04 Origin SCH 7.28.3

10.11.10 Consequences of Failing a Batch Instruction for value that is a CCP Net Batch Instruction

If a Batch Instruction for value that is a CCP Net Batch Instruction is Failed, ASX Settlement will adjust the net obligation to make payment and the net entitlement to receive payment of each Settlement Participant by reference to the Settlement Amount notified to ASX Settlement by the CCP.

Introduced 11/03/04

10.11.11 Fee for Failed Batch Instruction

If a Batch Instruction is Failed under Rule 10.11.2, the delivering Settlement Participant is liable to pay a fee calculated in accordance with the Fees and Charges Schedule.

Note: The effect of Rule 10.11.11 is to cause fail administration fees to be levied only against those Participants that enter the Batch Settlement process with net short positions. It does not cause fail administration fees to be levied against those Participants whose obligations to deliver Financial Products are Failed under Rule 10.11.3 as a result of other Participants Failing to deliver Financial Products to them during the Batch Settlement process.

Introduced 11/03/04 Origin SCH 7.28.4 Amended 30/03/09

10.11.12 Automatic Close Out

Notwithstanding any other provision of these Rules, if a Failed Settlement Shortfall exists in relation to either:

- (a) a Source Holding; or
- (b) during an Ex Period, a Cum Entitlement Balance for a Source Holding,

specified in a Rescheduled Batch Instruction at the Scheduled Time on the second Business Day after the day on which the Rescheduled Batch Instruction was originally scheduled for settlement, the delivering Settlement Participant must either:

- (c) close out the Failed Settlement Shortfall on the next Business Day (or if that is not a Trading Day, the next Trading Day) by entering into one or more transactions, or causing a Market Participant to enter into one or more transactions on its behalf, on a market conducted by an Approved Market Operator, to acquire the number of Financial Products of the relevant class equal to the Failed Settlement Shortfall; or
- (d) acquire under a securities lending arrangement the number of Financial Products of the relevant class equal to the Failed Settlement Shortfall and deliver those Financial Products pursuant to the Rescheduled Batch Instruction no more than two Business Days later.

Note: The effect of Rule 10.11.12 is to impose a close out obligation only on those Participants that enter the Batch Settlement process with a net short position where the resulting settlement shortfall remains after Batch Settlement is completed two Business Days later. It does not impose a close out obligation on those Participants whose obligations to deliver Financial Products are Failed under Rule 10.11.3 as a result of other Participants Failing to deliver Financial Products to them during the Batch Settlement process.

Introduced 30/03/09

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10.16 SUSPENSION OR TERMINATION OF A PAYMENTS PROVIDER

10.16.1 ASX Settlement's powers where Payments Provider terminated

If ASX Settlement suspends or terminates a Payments Provider in accordance with the Standard Payments Provider Deed, ASX Settlement may:

- (a) (i) suspend any Batch Instruction included in DvP Batch Settlement;
- (ii) suspend any Batch Instruction for inclusion in DvP Batch Settlement subsequently received from a Participant;
- (iii) suspend any Payment Batch Instruction included in Batch Settlement;
or
- (iv) suspend any Payment Batch Instruction subsequently received from a Participant,

that would affect a Payment Facility held in the name, and operated for the benefit, of any Settlement Participant that is a customer of the suspended Payments Provider;

- (aa) suspend any ~~Single Entry~~Unilateral Batch Instruction included in Batch Settlement or any ~~Single Entry~~Unilateral Batch Instruction for inclusion in Batch Settlement subsequently received from a Participant in respect of a Client Trust Account Amount Message;
- (b) on each Business Day that those Batch Instructions remain suspended, reschedule all instructions other than CCP Derivatives Payment Batch Instructions or CCP Batch Instructions referred to in Rule 10.16A for settlement on the next Business Day; and
- (c) cancel any Batch Instruction that remains suspended on the 10th Business Day after the Payments Provider is suspended or terminated.

Introduced 11/03/04 Origin SCH 7.33A Amended 28/04/14 Amended 2

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SECTION 14 SUBPOSITIONS

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14.3 CLOSURE OF A CHESS SUBREGISTER

14.3.1 Notice given by ASX Settlement when Financial Products cease to be quoted by Approved Listing Market Operator

If:

- (a) Rules 14.2.1 and 14.2.2 do not apply;
- (b) ASX Settlement revokes approval of a class of an Issuer's Financial Products under Rule 8.4.1 or 8.5.4; and
- (c) Financial Products in that class in a CHESS Holding are reserved in a Subposition,

ASX Settlement will give ~~notice~~**Notice** of the date that the Financial Products will cease to be quoted by the Approved Listing Market Operator to:

- (d) the Participant in whose favour the Financial Products are reserved in that Subposition; and
- (e) the Controlling Participant for that Holding.

Introduced 11/03/04 Origin SCH 14.3.1 Amended 10/06/04, 19/08/09, 27/06/11

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14.8 RELEASE OF FINANCIAL PRODUCTS FROM A SUBPOSITION

14.8.1 Initiating a release

If Financial Products in a CHESS Holding have been reserved by ASX Settlement in a Subposition under Rule 14.6.2, a release of the Financial Products from that Subposition may be initiated by a Valid Originating Message that is Transmitted to ASX Settlement by the Controlling Participating for the Holding in accordance with the Procedures.

- ~~(a) is Transmitted to ASX Settlement by the Controlling Participant for the Holding; and~~
- ~~(b) specifies the number of Financial Products to be released from the Subposition.~~

Introduced 11/03/04 Origin SCH 15.3.1

14.8.2 ASX Settlement to Transmit Message to an Approved Clearing Facility

If a Message Transmitted to ASX Settlement complies with Rule 14.8.1, ASX Settlement will, [subject to Rule 14.8.5](#), Transmit a Message to an Approved Clearing Facility seeking authorisation for the release from the Subposition of the Financial Products specified in the Originating Message Transmitted to ASX Settlement.

Introduced 11/03/04 Origin SCH 15.3.2

14.8.3 Action by the Approved Clearing Facility

If an Approved Clearing Facility receives a Valid Message from ASX Settlement under Rule 14.8.2, the Approved Clearing Facility will, within the Scheduled Time, Transmit to ASX Settlement a Message authorising or rejecting the release of the Financial Products from the Subposition, as the case requires.

Introduced 11/03/04 Origin SCH 15.3.3

14.8.4 Action by ASX Settlement

[Subject to Rule 14.8.5](#), if ASX Settlement receives a Valid Message from an Approved Clearing Facility under Rule 14.8.3 authorising the release of Financial Products from a Subposition, ASX Settlement will, release Financial Products from the Subposition in accordance with the Originating Message.

Introduced 11/03/04 Origin SCH 15.3.4

[14.8.5 Where Controlling Participant is not the Clearing Participant](#)

[This Rule 14.8.5 only applies to Cover in relation to Derivatives transactions.](#)

[Where the Controlling Participant is not the Clearing Participant in respect of whose margin obligations the Financial Products were reserved in a Subposition as Cover, ASX Settlement will Transmit a Message to the Clearing Participant seeking authorisation for the release from the Subposition of the Financial Products. If the Clearing Participant rejects the request to release, ASX Settlement will not release the Financial Products from the Subposition.](#)

14.9 COVER RELEASE AND TRANSFER

14.9.1 Transfers of Financial Products reserved in Subposition in favour of an Approved Clearing Facility

A Transfer of Financial Products reserved in a Subposition in favour of an Approved Clearing Facility may be initiated by a Valid Message that is transmitted by the Approved Clearing Facility to ASX Settlement in accordance with the Procedures.

Introduced 11/03/04 Origin SCH 15.4.1

14.9.2 Actions by ASX Settlement

If a Message Transmitted to ASX Settlement complies with Rule 14.9.1 and:

- (a) there are sufficient Financial Products in the Source Holding reserved in a Subposition in favour of the Approved Clearing Facility; and
- (b) there is no Holding Lock [or Holder Record Lock](#) on the Source Holding,

ASX Settlement will:

- (c) release the number of Financial Products specified in the Message from the Subposition;
- (d) deduct that number of Financial Products from the Source Holding; and
- (e) enter that number of Financial Products into the Target Holding.

Introduced 11/03/04 Origin SCH 15.4.2

14.9.3 Time at which Transfer takes effect

A Transfer of Financial Products under Rule 14.9.1:

- (a) takes effect when, under Rule 14.9.2, ASX Settlement deducts the Financial Products from the Source Holding; and
- (b) is taken to be effected by the Approved Clearing Facility.

Introduced 11/03/04 Origin SCH 15.4.3

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14.17.2 Actions by ASX Settlement

If a Message Transmitted to ASX Settlement complies with Rule 14.17.1 and:

- (a) there are sufficient Financial Products in the Source Holding reserved in an Offer Accepted Subposition in favour of the Participant Bidder; and
- (b) there is no Holding Lock [or Holder Record Lock](#) on the Source Holding,

ASX Settlement must:

- (c) release the number of Financial Products specified in the Message from the Subposition;
- (d) deduct that number of Financial Products from the Source Holding; and
- (e) enter that number of Financial Products into the Takeover Transferee Holding.

Introduced 11/03/04 Origin SCH 16.6.2

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SECTION 15 DvP SETTLEMENT OF ALLOCATIONS IN RESPECT OF INITIAL PUBLIC OFFERINGS

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15.13 REQUIREMENT TO SPECIFY SOURCE HOLDING

15.13.1 Issuer to specify Source Holding

An Issuer that processes Allocation Interests in DvP Settlement may only enter:

- (a) a ~~Dual Entry~~[Bilateral](#) Batch Message under Rule 10.9.2 which specifies a Source Holding controlled by the delivering Settlement Participant, or a Target Holding controlled by the receiving Settlement Participant, as the case requires; or
- (b) a Dual Entry RTGS Message under Rule 11.13.3, that specifies a Source Holding.

Introduced 11/03/04 Origin SCH 5A.9.2

15.14 AUTHORITY TO ASX SETTLEMENT TO EFFECT MOVEMENTS AND PAYMENT OF ALLOCATION INTERESTS

15.14.1 Issuer and each Participant to authorise ASX Settlement

An Issuer and each Participant that processes Allocation Interests in DvP Settlement irrevocably authorises ASX Settlement to:

- (a) effect a movement of Allocation Interests in respect of each ~~Dual Entry~~[Bilateral](#) Batch Instruction or Dual Entry RTGS Instruction, as applicable, entered by the Participant; and
- (b) effect payment in respect of that Instruction.

Introduced 11/03/04 Origin SCH 5A.9.3

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15.17 ESTABLISHING A HOLDING OF ALLOCATION INTERESTS

15.17.1 Holding not to be held jointly by more than three persons

Unless permitted under an Issuer's constitution, Aa Participant must not establish a Holding of Allocation Interests that would be held jointly by more than 3 persons.

15.18 IDENTIFICATION OF ~~DUAL-ENTRY~~BILATERAL BATCH MESSAGES AND TRANSFERS OF ALLOCATION INTERESTS

15.18.1 Issuer or Participant to specify the transaction

In every:

- (a) ~~Dual-Entry~~Bilateral Batch Message or, if applicable, Dual Entry RTGS Message entered by an Issuer or Participant; and
- (b) Message to Transfer Allocation Interests Transmitted by a Participant,

the Issuer or Participant, as the case requires, must specify the transaction in accordance with the Procedures as advised by ASX Settlement from time to time.

Introduced 11/03/04 Origin SCH 5A.10.1, 5A.10.2

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15.28 ACTIONS BY ASX SETTLEMENT TO EFFECT A FINANCIAL PRODUCTS TRANSFORMATION

15.28.1 ASX Settlement to establish CHESSE Holdings

If ASX Settlement receives a Valid Message from an Issuer to effect a Financial Products Transformation in relation to Allocation Interests in a CHESSE Holding and there are sufficient Allocation Interests in the Source Holding specified in the Message, ASX Settlement must:

- (a) deduct the number of Allocation Interests specified in the Message from that Source Holding;
- (b) enter the number of Financial Products specified in the Message into the Target Holding specified in that Message;
- (c) notify the Issuer:
 - (i) that the CHESSE Holding has been established;
 - (ii) of the relevant Holder Record Details for the CHESSE Holding; and
- (d) notify the Controlling Participant that the CHESSE Holding has been established.

Introduced 11/03/04 Origin SCH 5A.17.2

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SECTION 16 COMMUNICATIONS WITH ASX SETTLEMENT

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16.18 ASX SETTLEMENT-INITIATED REPORTING IN RELATION TO MATCHING

16.18.1 ASX Settlement to notify Participants of Messages

If ASX Settlement:

- (a) receives either:
 - (i) a Valid ~~Dual Entry~~Bilateral Demand Message;
 - (ii) a Valid ~~Dual Entry~~Bilateral Batch Message;
 - (iii) a Valid Dual Entry RTGS Message;
 - (iv) a Valid Dual Entry Switch to RTGS Message; or
 - (v) a Valid Dual Entry Switch to Batch Settlement Message; or
 - (vi) a Valid Bilateral Demand Settlement Message; or
 - ~~(vi) a Valid Dual Entry Payment Batch Message; or~~
- (b) Matches a ~~Valid~~ ~~Dual Entry~~Bilateral Batch Message, Valid Bilateral Demand Settlement Message or a Valid Dual Entry RTGS Message ~~or a Valid Dual Entry Payment Batch Message~~ with another Transmitted by the counterparty Participant,

ASX Settlement must notify:

- (c) the Participant that Transmitted the Message; and
- (d) the counterparty Participant,

of the fact.

Introduced 11/03/04 Origin SCH 4.6.1, 4.6.2

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16.24 NOTIFICATION OBLIGATIONS OF ASX SETTLEMENT IN RESPECT OF MESSAGES THAT MAY EFFECT A CHANGE TO A HOLDING BALANCE

Note: Notifications will take place within the time specified for Rule 16.21

16.24.1 ASX Settlement to notify that Demand Transfer or Conversion has been effected

If ASX Settlement processes a Valid Originating Message that complies with Rule 9.4.1 or 9.7.1 from a Participant, ASX Settlement must notify:

- (a) the Participant that Transmitted the Originating Message; and
- (b) if the Originating Message complies with Rule 9.4.1 and the Participant that Transmitted that Message is not the Controlling Participant for the Target Holding specified in that Message, the Controlling Participant for that Target Holding,

that the Demand Transfer or Conversion has been effected.

Introduced 11/03/04 Origin SCH 4.7.2

16.24.2 ASX Settlement to notify that Demand Transfer or Conversion details Transmitted to the Issuer

If ASX Settlement Transmits a Valid Message to an Issuer under Rule 9.8.2, ASX Settlement must notify the Participant that Transmitted the Originating Message that the Demand Transfer or Conversion details have been Transmitted to the Issuer for authorisation.

Introduced 11/03/04 Origin SCH 4.7.3

16.24.3 Processing Valid Message Transmitted to ASX Settlement

If ASX Settlement processes a Valid Message Transmitted to ASX Settlement by an Issuer in accordance with Rule 9.8.6(b), ASX Settlement must notify:

- (a) the Participant that Transmitted the Originating Message that the Demand Transfer or Conversion has been effected; and
- (b) the Issuer to confirm that ASX Settlement has completed processing of the Demand Transfer or Conversion against the Target Holding on the CHES Subregister.

Introduced 11/03/04 Origin SCH 4.7.4

16.24.4 Rejection of Valid Originating Message

If ASX Settlement rejects a Valid Originating Message that complies with Rule 9.4.1 or 9.7.1 from a Participant because there are insufficient Available Financial Products in the Source Holding ASX Settlement must notify the Participant that Transmitted the Originating Message of the rejection and the reason for the rejection.

Introduced 11/03/04 Origin SCH 4.7.5

16.24.5 ASX Settlement to notify delivering Participant and receiving Participant

If:

- (a) a ~~Dual Entry~~ Bilateral Demand Transfer is effected;-

(aa) [a Bilateral Demand Settlement Transfer is effected;](#)

- (b) a Settlement Transfer is effected in respect of all the Financial Products specified in the Instruction; or
- (c) a Settlement Transfer is effected in respect of only some of the Financial Products specified in the Instruction,

ASX Settlement must notify the delivering Participant and the receiving Participant and, in the case of paragraph (c) must notify them of:

- (d) the number of Financial Products that have been Transferred; and
- (e) the number of Financial Products that were unable to be Transferred because there were insufficient Available Financial Products in the Source Holding.

Introduced 11/03/04 Origin SCH 4.7.6, 4.7.7, 4.7.8

16.24.6 Rejection of Settlement Transfer

If a Settlement Transfer is rejected, ASX Settlement must notify the delivering Participant and the receiving Participant of the rejection.

Introduced 11/03/04 Origin SCH 4.7.9

16.24.7 Processing of Messages to effect a Holding Adjustment or Financial Products Transformation

If ASX Settlement processes a Valid Message from an Issuer to effect a Holding Adjustment or Financial Products Transformation, ASX Settlement must notify:

- (a) the Issuer that the Holding Adjustment or the Financial Products Transformation has been effected; and
- (b) the Controlling Participant for the affected CHESS Holding of the change to the Holding Balance of that Holding and the reason for the change.

Introduced 11/03/04 Origin SCH 4.7.10

16.24.8 DvP Instructions and Payment Batch Instructions

If a Settlement Transfer is effected in respect of a DvP Instruction, or a payment is effected in respect of a Payment Batch Instruction, ASX Settlement must within the Scheduled Time notify the paying and receiving Participants that a net funds movement has occurred in relation to each active Payment Facility.

Introduced 11/03/04 Origin SCH 4.7.11

16.25 ASX SETTLEMENT EMERGENCY ASSISTANCE

16.25.1 Participant may request ASX Settlement for assistance

If a Participant advises ASX Settlement that it is no longer able to Transmit Messages, the Participant may request ASX Settlement on a reasonable endeavours basis to:

- (a) act as the Participant's agent to send and receive Messages on the Participant's behalf in communicating with ASX Settlement; or
 - (b) make available other emergency facilities,
- in accordance with the Procedures.

16.26 EMERGENCY ASSISTANCE NOT PROVIDED BY ASX SETTLEMENT

16.26.1 Where ASX Settlement does not provide assistance

A Participant cannot claim that because ASX Settlement does not assist a Participant under Rule 16.25.1, the Participant is unable to comply with the Rules and Procedures.

16.27 EXCLUSION OF LIABILITY

16.27.1 ASX Settlement not liable for emergency assistance

ASX Settlement accepts no liability for activities it undertakes on behalf of a Participant or the use of its other emergency facilities under Rule 16.25.1.

16.28 INDEMNITY FOR EMERGENCY ASSISTANCE

16.28.1 Participant to indemnify ASX Settlement where ASX Settlement provides emergency assistance

The Participant indemnifies and will keep indemnified ASX Settlement against all actions, proceedings, claims, demands, damages, costs, expenses and any other amounts against or incurred by ASX Settlement arising out of or in connection with any action taken or any inaction by any of ASX Settlement, or its officers, agents, persons acting for or on behalf of ASX Settlement or contractors under Rule 16.25.1.

APPENDIX 1 SCHEDULED TIMES

Rule Number	Requirement	Sydney Time
....		
Rule 8.15.12(c)(i)	ASX Settlement to apply the Holder Record Lock	within 2 Business Days of receiving the documentation required under Rule 8.15.11.
Rule 8.15.12(c)(ii) and (iii)	ASX Settlement to notify of application of Holder Record Lock (i) to the Controlling Participant (ii) to the Issuer	within 2 Business Days of receiving the documentation required under Rule 8.15.11. within 2 Business Days of receiving the documentation required under Rule 8.15.11.
8.15.21	A Participant who controls a Source Holding to request ASX Settlement apply a Settlement Lock to CHESS Holdings.	before Settlement Cut-off on the Settlement Date specified by the Participant
Rule 8.16.3(b)	Participant to give documentation supporting request for the removal of a Holder Record Lock under Rule 8.16.3 to ASX Settlement.	within 2 Business Days of Transmitting the Message under Rule 8.16.3.
Rule 8.16.3(c)	ASX Settlement to remove the Holder Record Lock	within 2 Business Days of receiving the documentation required under Rule 8.16.3.
8.16.6	A Participant who controls a Source Holding to request removal of a Settlement Lock	before Settlement Cut-off on the Settlement Date specified by the Participant
Rule 8.17(a)	Participant assuming control of a Participant Sponsored Holding to Transmit a Valid Message give Notice to ASX Settlement	within 2 Business Days of being notified by the Participant Sponsored Holder.
Rule 8.17(a)	Participant relinquishing control of a Participant Sponsored Holding to Transmit a Valid Message give Notice to ASX Settlement	within 2 Business Days of being notified by the Participant Sponsored Holder.
Rule 8.18.3	ASX Settlement to process give notice of an amendment to Registration Details a Holder Record	within 2 Business Days of amending the Registration Details receiving the documentation required under the Procedures relating to Rule 8.18.3.
Rule 8.18.7	ASX Settlement to process a request to: (a) process a change to a Holder Type; or (ba) remove a Holder Record; and (c) give Notice of: (i) the change of Holder Type; or (ii) the removal of the Holder Record to the Controlling Participant Deleted	within 2 Business Days of receiving the request under Rule 8.18.6.
Rule 8.18.8	ASX Settlement to reject a request to: (a) process a change to a Holder Type; or (b) remove a Holder Record; and (c) give Notice of the rejection to the Controlling Participant	within 2 Business Days of receiving the request under Rule 8.18.6.
....		
Rule 8.18.13	ASX Settlement to give notice of an amendment to a Holder Record	within 2 Business Days of amending the Holder Record
....		

Rule Number	Requirement	Sydney Time
Rule 9.5.8	Bilateral Dual Entry Demand Message to be Matched.	<ul style="list-style-type: none"> by End of Day on the Business Day after the Message is Transmitted to ASX Settlement by the Participant, unless the Message is Transmitted to ASX Settlement on a Record Date; if the Message is Transmitted to ASX Settlement by the Participant on a Record Date, by End of Day on the Business Day on which the Message is Transmitted to ASX Settlement by the Participant.
Rule 9.5.8(b)	ASX Settlement to notify that Bilateral Dual Entry Demand Message cancelled.	within 60 minutes of ASX Settlement cancelling the Bilateral Dual Entry Demand Message.
<u>Rule 9.5A.8</u>	<u>Bilateral Demand Settlement Message to be Matched.</u>	<u>by End of Day on the Business Day on which the Message is Transmitted to ASX Settlement by the Participant.</u>
<u>Rule 9.5A.8(b)</u>	<u>ASX Settlement to notify that Bilateral Demand Settlement Message cancelled.</u>	<u>within 60 minutes of ASX Settlement cancelling the Bilateral Demand Settlement Message.</u>
Rule 9.8.5(b)	Issuer to notify ASX Settlement that a Demand Transfer or Conversion authorisation request has been rejected.	<ul style="list-style-type: none"> (i) In the case of a Demand Transfer or Conversion initiated by a Participant, within 12 Business Hours of ASX Settlement queuing the Demand Transfer or Conversion authorisation request for collection by the Issuer; or (ii) in the case of a Demand Transfer or Conversion initiated by a Participant: within 12 Business Hours of: <ul style="list-style-type: none"> ASX Settlement queuing the Demand Transfer or Conversion authorisation request for collection by the Issuer; or the Issuer receiving the documentation specified in Rule 9.8.4, whichever is the later; or in the event that the Issuer fails to receive the documentation specified in Rule 9.8.4 within 5 Business Days of ASX Settlement queuing the Demand Transfer or Conversion authorisation request

Rule Number

Requirement

Sydney Time

Rule 9.8.6

Issuer to notify ASX Settlement that a Demand Transfer or Conversion authorisation request has been authorised.

~~for collection by the Issuer, by End of Day on the following Business Day.~~

~~(i) In the case of a Demand Transfer or Conversion initiated by a Participant, within 12 Business Hours of ASX Settlement queuing the Demand Transfer or Conversion authorisation request for collection by the Issuer;~~

~~(ii) in the case of a Demand Transfer or Conversion initiated by a Participant: within 12 Business Hours of:
- ASX Settlement queuing the Demand Transfer or Conversion authorisation request for collection by the Issuer; or
- the Issuer receiving the documentation specified in Rule 9.8.4;~~

~~whichever is the later, in the event that the Issuer fails to receive the documentation specified in Rule 9.8.4 within 5 Business Days of SCH queuing the Demand Transfer or Conversion authorisation request for collection by the Issuer, by End of Day on the following Business Day.~~

[Rule 9.14.4](#)

[Action by Issuer following receipt of Message from ASX Settlement regarding details of SRN or SRN Holding Balance.](#)

[Within 12 Business Hours of receiving the Message from ASX Settlement under Rule 9.14.3.](#)

[Rule 10.9.1A](#)

[Notification of CCP Net Batch Instructions and CCP Gross Batch Instructions to Settlement Agent](#)

[By Start of Day on the Business Day before the Settlement Date.](#)

Rule 10.9.4

Messages to request change to Dual Entry Batch Instruction to Match.

- ~~• if the instruction involves a Settlement Amount – before Trade Instruction Cut-Off on the Settlement Date specified by the Participants;~~
- ~~• otherwise – before Settlement Cut-Off on the Settlement Date specified by the Participants.~~

Rule 10.9.4(b)

Participant to transmit Message to cancel original request.

~~at any time before the Messages are Matched by ASX Settlement under Rule 10.9.7(a).~~

....

ASX SETTLEMENT OPERATING RULES PROCEDURES

....

SECTION 2 DEFINITIONS AND INTERPRETATION

2.13 DEFINITIONS

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“ASX Clear Account” – an Account as defined in the ASX Clear Operating Rules.

....

“Email Purpose” – The categories of communications that a Holder may indicate a preference to receive by delivery to an email address are:

- (a) ASX Settlement communications only;
- (b) Issuer communications only; or
- (c) ASX Settlement and Issuer communications.

....

SECTION 6

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PROCEDURE 6.3B.2 TRANSFER OF FINANCIAL PRODUCTS FROM ACCUMULATION ACCOUNT TO SETTLEMENT ACCOUNT

For the purposes of the Valid ~~Single Entry~~ Unilateral Batch Message under Rule 6.3B.2:

- (a) the Message type to be used is that specified in the User Technical Documentation for the purpose of Transfers from a Settlement Participant’s Accumulation Account to its Settlement Account that contains a field for the inclusion of the Client Trust Receivable Amount ~~a MT107~~ (or such other Message type as determined and notified by ASX Settlement from time to time);
- (b) a separate Message is required in respect of each class of Financial Product sold under a Cash Market Transaction which is due for settlement on the relevant Settlement Date;
- (c) The Client Trust Receivable Amount must be specified as a value of zero or greater, unless the Message is in respect of a PID for which the relevant Settlement Participant is not:
 - (i) the Clearing Participant; or
 - (ii) acting as Settlement Agent for a Clearing Participant.

[in which case the Client Trust Receivable Amount is not required to be specified in the Message;](#)

- (d) The Message must include the scheduled Settlement Date in respect of the Transfer of Financial Products under the Batch Instruction arising from that Message. Transfers may be scheduled for a future Settlement Date;
- (e) Participants may send more than one Message for a Settlement Date or a single Message that covers the net settlement obligations for that Settlement Date in respect of that class of Financial Product;
- (f) Where the Message provides for the Transfer of Financial Products relating to more than one Cash Market Transaction, the Client Trust Receivable Amount to be included is to represent the gross Client Trust Receivable Amount in respect of each of those Financial Products.

Introduced 25/05/15

PROCEDURE 6.3B.3 TRANSFER OF FINANCIAL PRODUCTS FROM CHESS HOLDING (OTHER THAN ACCUMULATION ACCOUNT) TO SETTLEMENT ACCOUNT

For the purposes of the Valid ~~Single Entry~~[Unilateral](#) Batch Message under Rule 6.3B.3:

- (a) the Message type to be used is [that specified in the User Technical Documentation for the purpose of Transfers from a CHESS Holding \(other than the Settlement Participant's Accumulation Account\) to its Settlement Account that contains a field for the inclusion of the Client Trust Receivable Amount](#)~~a MT107~~ (or such other Message type as determined and notified by ASX Settlement from time to time);
- (b) a separate Message is required in respect of each class of Financial Product sold under a Cash Market Transaction which is due for settlement on the relevant Settlement Date;
- (c) The Client Trust Receivable Amount must be specified as a value of zero or greater, [unless the Message is in respect of a PID for which the relevant Settlement Participant is not:](#)
 - (i) [the Clearing Participant; or](#)
 - (ii) [acting as Settlement Agent for a Clearing Participant.](#)

[in which case the Client Trust Receivable Amount is not required to be specified in the Message;](#)
- (d) The Message must include the scheduled Settlement Date in respect of the Transfer of Financial Products under the Batch Instruction arising from that Message. Transfers may be scheduled for a future Settlement Date;
- (e) Participants may send more than one Message for a Settlement Date or a single Message that covers the net settlement obligations for that Settlement Date in respect of that class of Financial Product;
- (f) Where the Message provides for the Transfer of Financial Products relating to more than one Cash Market Transaction, the Client Trust Receivable Amount to be included is to

represent the gross Client Trust Receivable Amount in respect of each of those Financial Products.

Introduced 25/05/15

PROCEDURE 6.3B.4 TRANSFER OF FINANCIAL PRODUCTS FROM SETTLEMENT ACCOUNT TO A HOLDING OTHER THAN ACCUMULATION ACCOUNT

For the purposes of the Valid ~~Single Entry~~ Unilateral Batch Message under Rule 6.3B.4:

- (a) the Message type to be used is that specified in the User Technical Documentation for the purpose of Transfers from the Settlement Participant's Settlement Account to a CHES Holding other than the Settlement Participant's Accumulation Account that contains a field for the inclusion of the Client Trust Deductible Amount ~~a MT107~~ (or such other Message type as determined and notified by ASX Settlement from time to time);
- (b) a separate Message is required in respect of each class of Financial Product purchased under a Cash Market Transaction which is due for settlement on the relevant Settlement Date;
- (c) The Client Trust Deductible Amount must be specified as a value of zero or as a negative amount, unless the Message is in respect of a PID for which the relevant Settlement Participant is not:
 - (i) the Clearing Participant; or
 - (ii) acting as Settlement Agent for a Clearing Participant.in which case the Client Trust Deductible Amount is not required to be specified in the Message;
- (d) The Message must include the scheduled Settlement Date in respect of the Transfer of Financial Products under the Batch Instruction arising from that Message. Transfers may be scheduled for a future Settlement Date;
- (e) Participants may send more than one Message for a Settlement Date in respect of a CHES Holding for that class of Financial Product or a single Message that covers the net settlement obligations for that Settlement Date in respect of a CHES Holding for that class of Financial Product;
- (f) Where the Message provides for the Transfer of Financial Products relating to more than one Cash Market Transaction and it is intended that a Client Trust Deductible Amount be included in respect of some or all of those Financial Products, the Client Trust Deductible Amount to be included is to represent the gross Client Trust Deductible Amount in respect of each of those Financial Products it is intended that a Client Trust Deductible Amount be included for.

Introduced 25/05/15

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SECTION 8 APPROVAL OF ISSUERS AND FINANCIAL PRODUCTS

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PROCEDURE 8.7.2 ESTABLISHING A HOLDER RECORD

The matters to be specified in the Message from the Participant to ASX Settlement requesting the establishment of a Holder Record are:

- (a) the Participant's PID;
- (b) a Holder Type;
- (c) [Registration Details](#); ~~a Residency Indicator; and~~
- (d) in the case of a Clearing Account, a designation to identify that Clearing Account as either:
 - (i) a Settlement Account; or
 - (ii) for a Clearing Participant, an Accumulation Account, ~~and~~
- (e) where the Clearing Account is to be used for the purposes of Foreign to Foreign Allocations, a Residency Indicator of "F";
- (f) [Entity Type for each ~~named~~ Holder](#);
- (g) [for a Participant Sponsored Holding, the Communication Preference and if the Communication Preference indicated is receipt of communications electronically, the Email Details; and](#)
- (h) [Ownership Type](#).

Introduced 11/03/04

PROCEDURE 8.15.7 ACTION FOLLOWING THE APPLICATION OF A **HOLDING LOCK**

The Notice to be given by ASX Settlement is a Notice:

- (a) notifying the Controlling Participant that the Holding Lock has been applied; and
- (b) to:
 - (i) if an Issuer requested the Holding Lock to be applied, that Issuer;
 - (ii) if the Locked Holding is a Participant Sponsored Holding, the Holder;
 - (iii) if some or all of the Financial Products in the Locked Holding are reserved in a Subposition, the Participant in whose favour the Financial Products are reserved; and
 - (iv) the [Approved Market Operator](#) ~~Exchange~~.

Introduced 11/03/04

PROCEDURE 8.15.14 APPLICATION OF ~~HOLDING~~ **HOLDER RECORD** LOCK FOR THE PURPOSES OF FREEZING ASSETS

The relevant legislation and regulations are:

- (a) Charter of the United Nations Act (Cth) 1945, [including any regulations made under that Act; and](#)
- (b) [Autonomous Sanctions Act \(Cth\) 2011, including any regulations made under that Act.](#)
~~Charter of the United Nations (Sanctions – Afghanistan) Regulations (Cth) 2001~~
- ~~(c) Charter of the United Nations (Terrorism and Dealings with Assets) Regulations (Cth) 2002~~

Introduced 11/03/04

PROCEDURE 8.15.15 APPLICATION OF HOLDING LOCK [OR HOLDER RECORD LOCK](#) BY ASX SETTLEMENT FOR THE PURPOSE OF FREEZING ASSETS

The relevant legislation and regulations are:

- (a) Charter of the United Nations Act (Cth) 1945, [including any regulations made under that Act; and](#)
- (b) [Autonomous Sanctions Act \(Cth\) 2011, including any regulations made under that Act.](#)
~~Charter of the United Nations (Sanctions – Afghanistan) Regulations (Cth) 2001~~
- ~~(c) Charter of the United Nations (Terrorism and Dealings with Assets) Regulations (Cth) 2002~~

Introduced 09/05/06

[PROCEDURE 8.15.21 REQUEST TO APPLY A SETTLEMENT LOCK](#)

[For the purposes of a Valid Message under Rule 8.15.21, the Message must include:](#)

- ~~(a) the delivering HIN;~~
- ~~(b) the number and class of Financial Products to be Transferred under the Unilateral Batch Instruction or Bilateral Batch Instruction (as relevant);~~
- ~~(c) the Transaction Identifier of the related Unilateral Batch Message, Unilateral Batch Instruction, Bilateral Batch Message or Bilateral Batch Instruction (as applicable); and~~
- ~~(d) any other information ASX Settlement may request from time to time.~~

PROCEDURE 8.16.4 ACTION FOLLOWING THE REMOVAL OF A HOLDING LOCK OR A HOLDER RECORD LOCK [OR RELATED NAMED HOLDER INDICATOR](#)

The Notice to be given by ASX Settlement is a Notice:

- (a) notifying the Controlling Participant that the Holding Lock or Holder Record Lock [and related Named Holder Indicator \(if relevant\)](#) has been removed; and
- (b) of the removal [of the Holding Lock or Holder Record Lock](#) to:
 - (i) the relevant Issuer(s);

- (ii) if the Holding is a Participant Sponsored Holding, the Holder;
- (iii) if some or all of the Financial Products in the Locked Holding are reserved in a Subposition, the Participant in whose favour the Financial Products are reserved; and
- (iv) the ~~Exchange~~ Approved Market Operator.

Introduced 11/03/04

PROCEDURE 8.16.6 REMOVAL OF SETTLEMENT LOCK ON REQUEST

For the purposes of a Valid Message under Rule 8.16.6, the Message must include:

- (a) the delivering HIN;
- (b) the number and class of Financial products subject to the Settlement Lock;
- (c) the Transaction Identifier of the related Unilateral Batch Message, Unilateral Batch Instruction, Bilateral Batch Message or Bilateral Batch Instruction (as applicable); and
- (d) any other information ASX Settlement may request from time to time.

PROCEDURE 8.16.9 ACTION FOLLOWING THE REMOVAL OF A SETTLEMENT LOCK

The Notice to be given by ASX Settlement is a Notice notifying the Participant controlling the Source Holding that the Settlement Lock has been removed.

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PROCEDURE 8.18.2 CHANGE OF HOLDER RECORD DETAILS

The action to be taken by a Participant where there is a change to Registration Details recorded in a Holder Record is as follows:

- (a) the Participant must Transmit a Valid Originating Message that ~~specified~~ specifies the existing HIN for the Holder Record and the ~~new~~ New Registration Details;
- (b) the Controlling Participant must maintain documentation to verify that the Registration Details relating to the change are noted in the Valid Originating Message, are correct and authorised by the client;
- (c) on receipt of notification from ASX Settlement that the change to the Registration Details has been made in accordance with the Valid Originating Message, the Participant must check to make sure that the change to the Registration Details of the Holder have been made to the correct Holding; and
- (d) if the change to the Registration Details were not made to the correct Holding, then the Controlling Participant must liaise with ASX Settlement as soon as possible, and in any event no later than two Business Days, to rectify the error.

Introduced 11/03/04

PROCEDURE 8.18.3

The Notice to be given by ASX Settlement is a Notice:

- (a) notifying:
 - (i) the Controlling Participant that the requested change has been made; and
 - (ii) in respect of each class of Financial Products in a CHESS Holding of that person, the Issuer of those Financial Products that there has been a change of Holder Record details for that person; and
- (b) if the Holder Record has been established on behalf of a Participant Sponsored Holder:
 - (i) give Notice of the change to that Participant Sponsored Holder; and
 - (ii) if the change to the Holder Record includes is a change of address, send the Notice to the old address of that Participant Sponsored Holder.

Introduced 11/03/04

PROCEDURE 8.18.6 CHANGE OF HOLDER TYPE OR REMOVAL OF HOLDER RECORD

The matters to be specified in the Message from a Participant to ASX Settlement requesting a change of Holder Type, or removal of a Holder Record are:

- (a) the Participant's PID;
- (b) HIN for the relevant Holder Record; and
- (c) for a change of Holder Type, the updated Holder Type.

PROCEDURE 8.18.9 CHANGE OF RESIDENCY INDICATOR

The action to be taken by a Participant where there is a change to a Residency Indicator is as follows:

- (a) the Participant must Transmit a Valid Originating Message that specifies the existing HIN for the Holder Record and the new Residency Indicator;
- (b) prior to sending the Valid Originating Message check that the details in the Valid Originating Message are correct;
- (c) at the time it transmits the Valid Originating Message have the authority of the Holder to make the changes noted in the Valid Originating Message; and
- (d) where relevant, maintain documentation which is sufficient to verify that is has been directed by the Holder to change the Residency Indicator.

Introduced 11/03/04

PROCEDURE 8.18.10

ASX Settlement will take the following action upon receipt of the Message:

- (a) change the Residency Indicator recorded in the Holder Record in accordance with the specified details in the Valid Originating Message;
- (b) notify the Controlling Participant and the Issuer or Issuers whose Financial Products are included in Schedule 1 to which the change in Residency Indicator relates that the requested change has been made;
- (c) if the Holder Record has been established on behalf of a Participant Sponsored Holder, give Notice of that change to the Participant Sponsored Holder.

Introduced 11/03/04

PROCEDURE 8.18.12 CHANGE OF OTHER HOLDER RECORD DETAILS

The action to be taken by a Participant where there is a change to Holder Record details under Rule 8.18.12 is as follows:

- (a) the Participant must Transmit a Valid Originating Message that specifies the existing HIN for the Holder Record and UUID for the relevant named Holder (if applicable) and the new Holder Record Details;
- (b) on receipt of notification from ASX Settlement that the change to the Holder Record details has been made in accordance with the Valid Originating Message, the Participant must check to make sure that the change to the Holder Record details of the Holder have been made to the correct Holding; and
- (c) if the change to the Holder Record details were not made to the correct Holding, then the Controlling Participant must liaise with ASX Settlement as soon as possible, and in any event no later than two Business Days, to rectify the error.

PROCEDURE 8.18.13

The Notice to be given by ASX Settlement is a Notice notifying:

- (a) the Controlling Participant that the requested change has been made; and
- (b) in respect of each class of Financial Products in a CHESS Holding under that Holder Record, the Issuer of those Financial Products if there has been a change in Holder Record details that is relevant to an Issuer.

PROCEDURE 8.19.3 ACTION BY ASX SETTLEMENT FOLLOWING RECEIPT OF TFN, ABN OR EXEMPTION CODE DETAILS

The Notice to be given by ASX Settlement is a Notice notifying:

- (a) the Issuer of the Financial Products, of the TFN, ABN or Exemption Code details; and
- (b) the Controlling Participant that the TFN, ABN or Exemption Code details have been notified to the Issuer; or

- (c) the Issuer of those details by including them in the Message Transmitted by ASX Settlement to the Issuer under Rule ~~9.7.2(b).~~

Introduced 11/03/04

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PROCEDURE 8.30.1 ESTABLISHING A REGISTRATION IDENTIFIER

The matters to be specified in a Valid Originating Message from a Participant to ASX Settlement requesting the establishment of a Registration Identifier are:

- (a) the Participant's PID;
- (b) name, address and Residency Indicator of the Holder;
- (c) Ownership Type; and
- (d) Entity Type for each ~~named~~ Holder.

SECTION 9

PROCEDURE 9.4.1 VALID ORIGINATING MESSAGE FOR ~~SINGLE ENTRY~~UNILATERAL DEMAND TRANSFER

A Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

- (a) includes a Participant's PID as that of the Participant Transmitting the Message;
- (b) specifies as the Source Holding, a CHESS Holding Controlled by the Participant;
- (c) specifies as the Target Holding, a different CHESS Holding;
- (d) specifies the number and class of Financial Products to be Transferred; and
- (e) in the case of a Foreign to Foreign Allocation:
 - ~~(i) includes a Confirmed FOR Indicator; and~~
 - ~~(ii) specifies a Source Holding which has a Residency Indicator of "F".~~

Introduced 11/03/04

PROCEDURE 9.5.1 INITIATION OF ~~DUAL ENTRY~~BILATERAL DEMAND TRANSFER

A ~~Dual Entry~~Bilateral Demand Message will be ~~T~~ransmitted to ASX Settlement in accordance with the Procedures if the Message:

- (a) includes the PID of:
 - (i) the Participant Transmitting the Message; and
 - (ii) the counterparty Participant;

- (b) specifies:
 - (i) the number and class of Financial Products to be Transferred;
 - (ii) if the Participant Transmitting the Message is the delivering Participant, specifies as the Source Holding, a Holding controlled by the Participant;
 - (iii) if the Participant Transmitting the Message is the receiving Participant, specifies as the Target Holding, a Holding controlled by the Participant;
- (d) designates the transaction as: ~~either~~
 - (i) On Market; ~~or~~
 - (ii) Off Market;
 - (iii) IPO;
 - (iv) Securities Lending; or
 - (v) Non Reportable.

-as the case requires;
- (e) designates the transaction as Cum Entitlement or Ex Entitlement.
- (f) in the case of a Foreign to Foreign Allocation:
 - (i) includes a Confirmed FOR Indicator; and
 - (ii) if the Participant Transmitting the Message is the Delivering Participant, specifies a Source Holding which has a Residency Indicator of "F".

Introduced 11/03/04

PROCEDURE 9.5.2 MATCHING ~~DUAL ENTRY~~BILATERAL DEMAND TRANSFERS

A Valid ~~Dual Entry~~Bilateral Demand Message will be Transmitted in accordance with the Procedures if it specifies or implies:

- (a) the number and class of Financial Products to be Transferred;
- (b) the designation as On Market, ~~or~~ Off Market, IPO, Securities Lending or Non Reportable;
- (c) the designation as Cum Entitlement or Ex Entitlement;
- (d) the PID of the delivering Participant;
- (e) the PID of the receiving Participant;
- (f) in the case of a Foreign to Foreign Allocation, a Confirmed FOR Indicator.

Introduced 11/03/04

PROCEDURE 9.5A.1 INITIATION OF BILATERAL DEMAND SETTLEMENT TRANSFER

A Bilateral Demand Settlement Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

(a) includes the PID of:

(i) the Participant Transmitting the Message; and

(ii) the counterparty Participant;

(b) specifies:

(i) the number and class of Financial Products to be Transferred;

(ii) if the Participant Transmitting the Message is the delivering Participant, specifies as the Source Holding, a Holding controlled by the Participant;

(iii) if the Participant Transmitting the Message is the receiving Participant, specifies as the Target Holding, a Holding controlled by the Participant;

(iv) the Settlement Amount;

(v) if required, the Settlement currency;

(vi) if required, the credit / debt indicator;

(vii) the Settlement Date;

(viii) if required, the Trade Date;

(ix) if required, the Payment Type;

(d) designates the transaction as:

(i) On Market;

(ii) Off Market;

(iii) IPO;

(iv) Securities Lending; or

(v) Non Reportable,

as the case requires;

(e) designates the transaction as Cum Entitlement or Ex Entitlement.

(f) in the case of a Foreign to Foreign Allocation:

(i) includes a Confirmed FOR Indicator; and

(ii) if the Participant Transmitting the Message is the Delivering Participant, specifies a Source Holding which has a Residency Indicator of "F".

PROCEDURE 9.5A.4 MATCHING BILATERAL DEMAND SETTLEMENT MESSAGES

A Valid Bilateral Demand Settlement Message will be Transmitted in accordance with the Procedures if it specifies or implies:

- (a) the number and class of Financial Products to be Transferred;
- (b) the designation as On Market, Off Market, IPO, Securities Lending or Non Reportable;
- (c) the designation as Cum Entitlement or Ex Entitlement;
- (d) the PID of the delivering Participant;
- (e) the PID of the receiving Participant;
- (f) the Settlement Amount;
- (g) if required, the Settlement currency;
- (h) if required, the credit / debt indicator
- (i) if required, the Settlement Date;
- (j) if required, the Trade Date;
- (k) if required, the Payment Type,
- (l) in the case of a Foreign to Foreign Allocation, a Confirmed FOR Indicator.

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PROCEDURE 9.7.1 TRANSFERS AND CONVERSIONS FROM CHESS HOLDINGS

A Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

- (a) includes a Participant's PID as that of the Participant Transmitting the Message;
- (b) specifies as the Source Holding, a CHESS Holding controlled by the Participant;
- (c) in the case of a Message initiating a Transfer, specifies the Registration Details for a Target Holding on the Issuer Sponsored Subregister;
- (d) specifies the number of Financial Products to be Transferred or Converted, as the case requires; ~~and~~
- (e) in the case of a Foreign to Foreign Allocation
 - (i) includes a Confirmed FOR Indicator; and
 - (ii) specifies a Source Holding which has a Residency Indicator of "F";
- (f) includes the relevant movement reason; and

(g) includes the relevant transaction basis.

A CHES to Issuer Sponsored Demand Transfer or Conversion is not permitted for Government Bond Depository Interests.

Introduced 11/03/04 Amended 21/05/13

PROCEDURE 9.8.1 TRANSFERS AND CONVERSIONS INTO CHES HOLDINGS

A Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

- (a) includes a Participant's PID as that of the Participant Transmitting the Message;
- (b) specifies as the Source Holding, an Issuer Sponsored Holding by quoting the SRN for the Holder of that Holding;
- (c) in the case of a Message initiating a Transfer, specifies the Registration Details for a Source Holding on the Issuer Sponsored Subregister;
- (d) specifies as the Target Holding, a CHES Holding controlled by that Participant;
- (e) specifies the number of Financial Products to be Transferred or Converted, as the case requires; ~~and~~
- (f) in the case of a Foreign to Foreign Allocation:
 - (i) includes a Confirmed FOR Indicator; and
 - (ii) specifies a Source Holding which has a Residency Indicator of "F";
- (g) includes the relevant movement reason; and
- (h) includes the relevant transaction basis.

Introduced 11/03/04 Amended 23/09/05

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PROCEDURE 9.14.2 REQUEST FOR DETAILS OF SRN OR HOLDING BALANCE OF ISSUER SPONSORED HOLDING

Request for SRN

A Valid Originating Message requesting SRN details of an Issuer Sponsored Holding will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

- (a) includes a Participant's PID as that of the Participant Transmitting the Message; and
- (b) specifies the Registration Details for the Source Holding on the Issuer Sponsored Subregister.

Request for Holding Balance

A Valid Originating Message requesting Holding Balance details of an Issuer Sponsored Holding will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

- (a) includes a Participant's PID as that of the Participant Transmitting the Message; and
- (b) specifies the SRN and Registration Details for the Source Holding on the Issuer Sponsored Subregister.

SECTION 10

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PROCEDURE 10.9.2 BILATERAL~~DUAL-ENTRY~~ BATCH INSTRUCTIONS

- (i) A Valid Bilateral~~Dual Entry~~ Batch Message will be Transmitted in accordance with the Procedures if the Message:
 - (a) specifies:
 - (i) the number and class of Financial Products to be Transferred;
 - (ii) a Source Holding controlled by the delivering Settlement Participant, or a Target Holding controlled by the receiving Settlement Participant, as the case requires;
 - (iii) in the case of a DvP Batch Instruction, the Settlement Amount;
 - (iv) in the case of a DvP Batch Instruction (excluding a Wholesale Loan or a Wholesale Return Loan), a Trade Date;
 - (v) a Settlement Date;
 - (vi) in the case of a Foreign to Foreign Allocation:
 - (A) a Confirmed FOR Indicator; and
 - (B) if the Settlement Participant Transmitting the Message is the Delivering Participant, a Source Holding controlled by the Participant which has a Residency Indicator of "F", and
 - (b) includes the PID of:
 - (i) the Settlement Participant Transmitting the Message; and
 - (ii) the counterparty Settlement Participant;
 - (c) designates the transaction as On Market, ~~or~~ Off Market, IPO, Securities Lending or Non Reportable as the case requires; and

(d) if from the Settlement Participant that is a delivering Settlement Participant and requests ASX Settlement to apply a Settlement Lock to the Financial Products identified in the Bilateral Batch Message, the Message specifies whether the Settlement Participant requests ASX Settlement to apply the Settlement Lock:

(i) promptly on receipt of the Valid Bilateral Batch Message; or

(ii) from the time that the Message is Matched in accordance with Rule 10.9.3.

(2) Without limiting paragraph (1) of this Procedure 10.9.2, a Valid Bilateral Batch Message may, but is not required to, include a Settlement Link ID

Introduced 11/03/04

PROCEDURE 10.9.3 ~~DUAL-ENTRY~~BILATERAL BATCH INSTRUCTIONS – MATCHING

The details to be specified or implied in a ~~Dual-Entry~~Bilateral Batch Message are:

- (a) the number and class of Financial Products to be Transferred;
- (b) the designation as On Market, ~~or~~ Off Market, IPO, Securities Lending or Non Reportable;
- (c) the designation as Cum Entitlement or Ex Entitlement;
- (d) the PID of the delivering Participant (or, if a DvP Transaction the relevant Clearing Participant);
- (e) the PID of the receiving Participant;
- (f) the Settlement Date;
- (g) if required, the Trade Date;
- (h) if required, a Settlement Amount; and
- (i) in the case of a Foreign to Foreign Allocation, a Confirmed FOR Indicator.

Introduced 11/03/04

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PROCEDURE 10.9.11 ~~SINGLE-ENTRY~~UNILATERAL BATCH INSTRUCTIONS

(1) The details to be specified in a ~~Single-Entry~~Unilateral Batch Message are:

- (a) the Source Holding and another Holding as the Target Holding, each of which must be controlled by the Participant that Transmits the Message;
- (b) the number and class of Financial Products to be Transferred;
- (c) the Settlement Date;

- (d) includes the PID of the Participant Transmitting the Message;
- (e) designates the transaction as On Market or Off Market, as the case requires; and
- (f) in the case of a Foreign to Foreign Allocation,

~~(i) a Confirmed FOR Indicator; and~~

~~(ii) a Source Holding which has a Residency Indicator of "F"~~

(2) Without limiting paragraph (1) of this Procedure 10.9.11, a Valid Bilateral Batch Message may, but is not required to, include a Settlement Link ID

Introduced 11/03/04

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SECTION 14

PROCEDURE 14.6.1 RESERVATION OF SECURITIES IN CHES HOLDINGS AS COVER

A Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if it:

- (a) specifies the Clearing Participant and ASX Clear Account ~~and ASX Clear Lodgement Number~~ in respect of which the Financial Products are to be reserved; ~~and~~
- (b) specifies the number and class of Financial Products to be reserved in the Subposition; ~~and~~
- (c) specifies the source HIN; ~~and~~
- (d) specifies the relevant Subposition type.

Introduced 11/03/04 Amended 07/06/13

PROCEDURE 14.8.1 COVER RELEASE

A Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if it:

- (a) specifies the Clearing Participant, ASX Clear Account and ASX Clear lodgement number (if an ASX Clear lodgement number was provided in a Valid Originating Message Transmitted in accordance with Procedure 14.6.1 pursuant to which the Financial Products were reserved as Cover) in respect of which the Financial Products are to be released;
- (b) specifies the number of Financial Products to be released from the Subposition;
- (c) specifies the Source Holding that contains Financial Products that have been reserved in a Subposition in favour of ASX Clear; and
- (d) specifies the relevant Subposition type.

PROCEDURE 14.9.1 COVER RELEASE AND TRANSFER

A Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if it:

- (a) specifies a Source Holding that contains Financial Products that have been reserved in a Subposition in favour of ASX Clear;
- (b) specifies another CHESS Holding as the Target Holding; and
- (c) specifies the ASX Clear Lodgement nNumber (if such number was provided in a Valid Originating Message Transmitted in accordance with Procedure 14.6.1 pursuant to which the Financial Products were reserved as Cover) and number of Financial Products to be released from that Subposition and Transferred to the Target Holding.

Introduced 11/03/04 Amended 07/06/13

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SECTION 16 COMMUNICATIONS WITH ASX SETTLEMENT

PROCEDURE 16.25.1 PARTICIPANT MAY REQUEST ASX SETTLEMENT FOR ASSISTANCE

If a Participant is no longer able to transmit Messages, the Participant may request ASX Settlement to provide emergency assistance on a reasonable endeavours basis by following the following procedure.

An authorised signatory of the Participant (as notified to ASX Settlement under Rule 4.6.2) should immediately contact ASX Operations.

Unless otherwise determined by ASX Settlement, the authorised signatory of the Participant must provide ASX Settlement with its request for emergency assistance in writing as soon as possible, including identifying the specific actions the Participant requests that ASX Settlement take.

A letter signed by the authorised signatory of the Participant in the form set out below must also be provided as soon as possible.

The written request for emergency assistance and letter are to be sent by email to: CHESShelp@asx.com.au.

ASX Settlement may require that such written request for emergency assistance is received by ASX Settlement before it provides the emergency assistance on a reasonable endeavours basis.

[Participant letterhead]

By email to: CHESShelp@asx.com.au.

[date]

ASX Settlement Operations
ASX Settlement Pty Ltd

Request for emergency assistance

I confirm that:

1. I am an authorised signatory of the Participant as notified to ASX Settlement under Rule 4.6.2;
2. I warrant that I have the authority to request and bind the Participant to the terms of the request for emergency assistance and to ASX Settlement's Rules, Procedures and practices (as amended from time to time);
3. I, on behalf of the Participant, acknowledge that ASX Settlement accepts no responsibility or liability for activities undertaken as a result of the Participant's request; and
4. I, on behalf of the Participant, indemnify ASX Settlement and its officers, employees, agents and contractors against all actions, proceedings, claims, demands, damages, costs, expenses and any other amounts against or incurred by ASX Settlement, or its officers, employees, agents or contractors arising out of or in connection with any action taken by or any inaction by any of ASX Settlement, or its officers, employees, agents or contractors under the ASX Settlement Operating Rules in relation to the emergency assistance.

ASX CLEAR OPERATING RULES

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SECTION 12 REGISTRATION, NOVATION, NETTING AND SETTLEMENT

12.1 REGISTRATION AND NOTIFICATION OF MARKET TRANSACTIONS

12.1.1 Market Transactions to be registered

Subject to Rule 12.2.5, ASX Clear will register a Market Transaction (other than an OTC Options Market Transaction) if, and only if:

- (a) there is a current agreement between ASX Clear, an Approved Settlement Facility and the Approved Market Operator through which the Market Transaction was effected, for the provision of a Trade Acceptance Service;
- (b) the Approved Market Operator has submitted the Market Transaction to ASX Clear in accordance with the Terms of Trade Acceptance Service; and
- (c) the Market Transaction is in a category of Market Transactions which ASX Clear will accept for registration, as specified by ASX Clear in the Procedures.

Introduced 11/03/04 Origin OCH 5.4.1, 5.4.2, SCH 7.4 Amended 27/06/11, 28/05/12, 01/10/15

[Note: Market Transactions that are not eligible for registration \(a pre-requisite for novation\) may nevertheless be eligible to be notified by ASX Clear to an Approved Settlement Facility under Rule 12.1.2.](#)

12.1.1A Registration of OTC Options Market Transactions

Subject to Rule 12.2.5, ASX Clear will register an OTC Options Market Transaction if, and only if, the relevant Participant or Participants notify ASX Clear of the OTC Options Market Transaction in the manner set out in the Procedures. In notifying an OTC Options Market Transaction a Participant warrants to ASX Clear that it has satisfied itself that its client is not a 'U.S. person' (as that term is defined in the Procedures).

Introduced 28/05/12 Amended 01/10/15, 23/11/16

12.1.2 Market Transactions notified but not registered

ASX Clear will notify an Approved Settlement Facility of a Cash Market Transaction which is not registrable under Rule 12.1.1 if:

- (a) there is a current agreement between ASX Clear, the Approved Settlement Facility and the Approved Market Operator through which the Cash Market Transaction was effected, under which ASX Clear agrees to notify that category

of Cash Market Transaction to the Approved Settlement Facility for settlement by that facility;

- (b) the Approved Market Operator notifies ASX Clear of that Cash Market Transaction in accordance with the terms of that agreement; and
- (c) the Cash Market Transaction is in a category of Cash Market Transactions which ASX Clear will notify to an Approved Settlement Facility, as specified by ASX Clear in the Procedures.

Introduced 11/03/04 Origin SCH 7.4.3 Amended 27/06/11

12.1.3 Participants liable to settle Cash Market Transactions notified but not registered

Participants must settle Cash Market Transactions notified to an Approved Settlement Facility under Rule 12.1.2 in accordance with the operating rules of that Approved Settlement Facility.

Introduced 11/03/04

12.2 NOVATION

12.2.1 ASX Clear to novate Cash Market Transactions and Derivatives Market Contracts

ASX Clear will novate a Cash Market Transaction which is registered in accordance with Rule 12.1.1 if and only if the delivering PID and the receiving PID ~~specified in the particulars of~~ [for](#) the Cash Market Transaction submitted to ASX Clear by the Approved Market Operator relate to two different legal entities.

If the delivering PID and the receiving PID relate to the same legal entity, ASX Clear will, unless instructed otherwise in accordance with the Procedures, register the Cash Market Transaction and notify the relevant Participant that the Cash Market Transaction has been registered for information only.

ASX Clear will novate a Cash Market Transaction subject to and in accordance with this Rule 12.2.1 with effect from:

- (a) if the Cash Market Transaction is the result of the matching of bids and offers on the market of the Approved Market Operator, immediately after the matching of those bids and offers; or
- (b) if the Cash Market Transaction is the result of a transaction being recorded by the Approved Market Operator, immediately after the transaction is recorded.

ASX Clear will novate a Derivatives Market Contract, if the Derivatives Market Transaction to which it relates has been registered under Rules 12.1.1 or 12.1.1A, at the time of registration.

Note: A Cash Market Transaction which is submitted by an Approved Market Operator to ASX Clear for registration must be validated by ASX Clear in accordance with the Terms of Trade Acceptance Service in order to confirm that the Cash Market Transaction is registrable under Rule 12.1.1. If the Cash Market Transaction is determined by ASX Clear to be registrable and if it meets the requirements for

novation in this Rule 12.2.1, then it is novated with effect from the point in time specified by Rule 12.2.1.

For the avoidance of doubt, Derivatives Market Contract includes an Options Market Contract executed on the over the counter market and a Derivatives Market Transaction includes an OTC Options Market Transaction.

Introduced 11/03/04 Origin OCH 5.4.4, SCH 7.7 Amended 27/06/11, 28/05/12, 07/06/13, 03/12/18

12.2.2 Effect of novation

Upon novation of a Cash Market Transaction or a Derivatives Market Contract under Rule 12.2.1:

- (a) the Cash Market Transaction is discharged and replaced with two Cash CCP Transactions; and
- (b) the Derivatives Market Contract is discharged and replaced with two Derivatives CCP Contracts,

with the following effect, subject to these Rules:

- (c) the obligations owed by a Seller to a Buyer are replaced by obligations in the same terms owed by the Seller to ASX Clear, and by obligations owed by ASX Clear to the Buyer;
- (d) the obligations owed by a Buyer to a Seller are replaced by obligations in the same terms owed by the Buyer to ASX Clear, and by obligations owed by ASX Clear to the Seller.

ASX Clear and each Participant acknowledge that:

- (e) Cash CCP Transactions (excluding Cash CCP Transactions which are removed from novation pursuant to Rule 12.7.1 or 12.7.2 and not reinstated pursuant to Rule 12.7.5); and
- (f) Derivatives CCP Contracts,

are market netting contracts (as defined in the Payment Systems and Netting Act 1998) the terms of which incorporate any and all Rules which provide for or relate to the exercise of default rights, the netting, set-off or termination of obligations, the calculation or payment of termination values or net amounts and obligations to pay deposits or margin calls, or which otherwise affect the rights and obligations of the parties to the contracts, including, without limitation the Recovery Rules and:

- (g) in respect of Cash CCP Transactions, Rules 12.4.1, 12.6.1, and 15; and
- (h) in respect of Derivatives CCP Contracts, Rules 12.16, 12.17, 13.2, 14 and 15.

Introduced 11/03/04 Origin OCH 5.4.4, SCH 7.8.1 Amended 18/12/06, 13/07/09, 19/08/09, 01/10/15

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12.6 CALCULATION OF NET CLEARING OBLIGATIONS

12.6.1 Calculation, set-off and notification of net payment obligation

Subject to Rule 12.6.2A and Rule 12.7 upon novation of a Cash Market Transaction due for settlement on a particular Business Day, the payment and delivery obligations under the Cash CCP Transaction are immediately set off against all other payment and delivery obligations due for settlement on that Business Day in accordance with the rules of law as follows:

- (a) the total of all the amounts that a Participant is obliged to pay ASX Clear on that Business Day for a PID will be set off against the total of all the amounts that the Participant is entitled to receive from ASX Clear on that Business Day for the same PID; and
- (b) the total number of Financial Products of a particular class to be delivered to a Participant by ASX Clear on that Business Day for a PID will be set off against the total number of Financial Products of that class to be delivered to ASX Clear on that Business Day for the same PID.

Note: For the purpose of determining net delivery or payment obligations and entitlements in respect of a class of Financial Products due to be delivered or received on a Business Day during an Ex-Period (as defined in the ASX Settlement Operating Rules), regard is to be had to whether the Financial Product is to be transferred with or without the relevant Entitlement.

Introduced 11/03/04 Origin SCH 7.9.1 Amended 08/08/13, 28/04/14

12.6.2 Notification of Cash CCP Transactions to Approved Settlement Facility

Subject to Rule 12.6.2A, within the time prescribed in the Procedures, ASX Clear will for each Business Day send to the Approved Settlement Facility a CCP Net Batch Instruction containing the details specified in the Procedures in respect of:

- (a) the net delivery obligation or entitlement of a Participant for each PID for all CCP Cash Transactions in a class of Financial Products due for settlement on that Business Day; and
- (b) the associated net payment obligation or entitlement of the Participant for each PID for all Cash CCP Transactions in the class of Financial Products due for settlement on that Business Day which will be calculated by setting off the total of the amounts that the Participant is obliged to pay ASX Clear on that Business Day in respect of transactions in that class of Financial Products for a PID against the total of the amount that the Participant is entitled to receive from ASX Clear in respect of transactions in that class of Financial Products for the same PID,

and will notify the Participant of the CCP Net Batch Instruction.

Introduced 11/03/04 Amended 08/08/13, 28/04/14

12.6.2A Obligations under Offsetting Transaction Arrangement relating to Failed CCP Net Batch Instruction

Where the Approved Settlement Facility notifies ASX Clear of Failed CCP Net Batch Instructions under Rule 12.8A and pursuant to that Rule ASX Clear enters into an Offsetting Transaction Arrangement with the Participant that has obligations or entitlements under the Failed CCP Net Batch Instruction, then:

- (a) obligations and entitlements under the first leg of an Offsetting Transaction Arrangement entered into in respect of each such Failed CCP Net Batch Instruction will be set-off against and discharged by equal but opposite obligations and entitlements under the Failed CCP Net Batch Instruction in the manner set out in Rule 12.8A;
- (b) obligations and entitlements under the second leg of an Offsetting Transaction Arrangement entered into in respect of each such Failed CCP Net Batch Instruction will also be included as delivery and payment obligations or entitlements (as applicable) of the Participant for the PID to which those Failed CCP Net Batch Instructions related in the class of Financial Products due for settlement on the next Business Day;
- (c) CCP Net Batch Instructions due for settlement on a Business Day in respect of that Participant will, in addition to the CCP Net Batch Instructions notified under Rule 12.6.2, also include separate CCP Net Batch Instructions containing details of delivery and payment obligations and entitlements (as applicable) of the Participant under the second leg of each Offsetting Transaction Arrangement entered into in respect of a CCP Net Batch Instruction (and representing equivalent delivery and payment obligations and entitlements of the Participant (as applicable) as under the CCP Net Batch Instruction) Failed on the previous Business Day relating to that PID and class of Financial Products; and
- (d) an instruction will be deemed to have been generated by ASX Clear and sent to the Approved Settlement Facility which contains the details referred to in (c) above.

Introduced 28/04/14

12.6.3 Failure to discharge net obligation – [Deleted]

Introduced 11/03/04 Origin SCH 7.9.3 Deleted 31/03/05

12.7 CANCELLATION AND REMOVAL OF CASH CCP TRANSACTIONS FROM NOVATION, NETTING AND SETTLEMENT

12.7.1 Removal by ASX Clear of a Cash CCP Transaction from settlement notification

ASX Clear may, before the time specified in the Procedures, remove Cash CCP Transactions from transactions to be notified for settlement under Rule 12.6.1 if:

- (a) ASX Clear reasonably considers it appropriate having regard to Rule 1.15 in order to maintain the orderly operation and integrity of ASX Clear;
- (b) it is requested to do so by an Approved Market Operator in accordance with the Terms of Trade Acceptance Service, or by an Approved Settlement Facility, in order to ensure the efficiency, orderly operation, integrity or proper functioning of the market or facility; or
- (c) it is notified by an Approved Market Operator in accordance with the Terms of Trade Acceptance Service, or by an Approved Settlement Facility, that the original Cash Market Transaction has been cancelled,

and if it removes the Cash CCP Transactions, ASX Clear will immediately notify:

- (d) the affected Participants that the Cash CCP Transactions have been removed; and
- (e) where relevant, the Approved Market Operator or the Approved Settlement Facility that the Cash CCP Transactions have been removed,

and Rule 12.7.6 will have effect.

Introduced 11/03/04 Origin SCH 7.5A1, 7.5A.2 Amended 27/06/11

12.7.2 Buyer and Seller may request Cash CCP Transactions be removed from novation and set off

If before the time specified in the Procedures, the Buyer and Seller to a Cash Market Transaction request ASX Clear to remove the transaction from novation under Rule 12.2.1 and set off under Rule 12.6.1, in order, for example, to remove the transaction to an Alternative Settlement Facility, ASX Clear will:

- (a) remove the corresponding Cash CCP Transactions from set off; and
- (b) notify the Buyer and Seller accordingly,

and Rule 12.7.6 will have effect.

If the Buyer and Seller request it, ASX Clear will send to an Approved Settlement Facility a corresponding Direct Batch Instruction.

Introduced 11/03/04 Origin SCH 7.13.1

12.7.3A Cash CCP Transactions excluded from set off

ASX Clear must exclude from set off under Rule 12.6.1, the types of Cash CCP Transactions specified in the Procedures.

12.7.3 ~~Buyer and Seller may request~~ Cash CCP Transactions may be excluded from set off

ASX Clear may exclude Cash CCP Transactions from set off under Rule 12.6.1 if ASX Clear reasonably considers it appropriate having regard to Rule 1.15 in order to maintain the orderly operation and integrity of ASX Clear.

~~If before the time specified in the Procedures a Buyer and Seller to a Cash Market Transaction:~~

- ~~(a) — request ASX Clear to remove the corresponding Cash CCP Transactions from set off under Rule 12.6.1; or~~
- ~~(b) — request ASX Clear to remove the corresponding Cash CCP Transactions from set off under Rule 12.6.1 for the purpose of settlement in Real Time Gross Settlement,~~

~~ASX Clear will remove the Cash CCP Transactions from set off.~~

~~Introduced 11/03/04 Origin SCH 7.12~~

12.7.4 Action by ASX Clear where ~~Buyer and Seller request~~ Cash CCP Transaction ~~be~~ excluded from set off

Subject to Rule 12.7.9, where ASX Clear excludes a Cash CCP Transaction from set off ~~accepts a request~~ under Rule 12.7.3 or 12.7.3A, ~~to exclude a transaction from set off~~, ASX Clear will, within the time specified in the Procedures, send to the Approved Settlement Facility corresponding:

- (a) CCP Gross Batch Instructions; or
- (b) CCP RTGS Instructions,

as the case requires and notify the Buyer and Seller accordingly.

~~Introduced 11/03/04 Origin SCH 7.12, 28/04/14~~

12.7.5 Buyer and Seller may cancel request [Deleted]

~~If before the time specified in the Procedures, the Buyer and Seller to a transaction cancel a request made to ASX Clear to:~~

- ~~(a) — remove the transaction from novation and set off under Rule 12.7.2; or~~
- ~~(b) — remove the transaction from set off under Rule 12.7.3,~~

~~and ASX Clear accepts the request for cancellation, ASX Clear will reinstate the transaction to novation and set off or set off as the case requires.~~

~~Introduced 11/03/04 Origin SCH 7.1.4A, 7.12, 7.12A, 7.13~~

12.7.6 Effect of removal of Cash CCP Transaction

If ASX Clear removes Cash CCP Transactions under Rules 12.7.1 or 12.7.2:

- (a) the Seller and the Buyer are, and are taken from the time the original Cash Market Transaction was entered into, to be in direct contractual relationship with each other on the terms of that transaction; and
- (b) ASX Clear has no obligation in relation to those transactions.

Introduced 11/03/04 Origin SCH 7.5A.2, 7.13.3

12.7.7 Request by Buyer or Seller where counterparty not known

Where a Buyer or Seller (as the case may be) is not aware of the identity of its counterparty for the purpose of making a request to ASX Clear for the removal of a transaction under ~~either Rule 12.7.2 or Rule 12.7.3~~, the Buyer or Seller may ask ASX Clear, by the time and in the manner set out in the Procedures, to facilitate such a request.

Introduced 28/11/05

12.7.8 ASX Clear action where asked to facilitate a request

Upon being asked under Rule 12.7.7 to facilitate a request, ASX Clear will use reasonable endeavours to contact the counterparty to ascertain whether the counterparty is agreeable or otherwise to a request to remove the transaction. ASX Clear will notify the Buyer or Seller as soon as reasonably practicable whether the counterparty is agreeable to the request.

Introduced 28/11/05

12.7.9 Obligations under second leg of Offsetting Transaction Arrangement relating to Failed CCP Gross Batch Instruction

Where the Approved Settlement Facility notifies ASX Clear of Failed CCP Gross Batch Instructions under Rule 12.8A and pursuant to that Rule ASX Clear enters into an Offsetting Transaction Arrangement with the Participant that has obligations or entitlements under the Failed CCP Gross Batch Instruction, then:

- (a) obligations and entitlements under the first leg of an Offsetting Transaction Arrangement entered into in respect of each such Failed CCP Gross Batch Instruction will be set-off against and discharged by equal but opposite obligations and entitlements under the Failed CCP Gross Batch Instruction in the manner set out in Rule 12.8A;
- (b) CCP Gross Batch Instructions due for settlement on a Business Day in respect of that Participant will, in addition to the CCP Gross Batch Instructions notified under Rule 12.7.4, also include separate CCP Gross Batch Instructions containing details of delivery and payment obligations and entitlements (as applicable) of the Participant under the second leg of each Offsetting Transaction Arrangement entered into in respect of a CCP Gross Batch Instruction (and representing equivalent delivery and payment obligations and entitlements of the Participant (as applicable) as under the CCP Gross Batch Instruction) Failed on the previous Business Day relating to that PID; and

- (c) an instruction will be deemed to have been generated by ASX Clear and sent to the Approved Settlement Facility which contains the details referred to in (b) above.

Introduced 28/04/14

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ASX CLEAR OPERATING RULE PROCEDURES

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SECTION 2 DEFINITIONS AND INTERPRETATION

PROCEDURE 2.10 DEFINITIONS AND INTERPRETATION

“User Technical Documentation” - has the meaning given to it in the ASX Settlement Operating Rules.

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SECTION 12 REGISTRATION, NOVATION, NETTING AND SETTLEMENT

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PROCEDURE 12.6.2 NOTIFICATION OF CASH CCP TRANSACTIONS TO APPROVED SETTLEMENT FACILITY

The time by which ASX Clear will generate and forward CCP Net Batch Instructions to the Approved Settlement Facility is by Start of Day on the Business Day before the Settlement Date.

The CCP Net Batch Instruction will:

- (a) specify:
 - (i) the class of Financial Products;
 - (ii) the net number of Financial Products of that class to be delivered to ASX Clear by the Participant or received from ASX Clear by the Participant for each PID;
 - (iii) the net Settlement Amount to be paid to ASX Clear by the Participant or received from ASX Clear by the Participant for each PID;
 - (iv) if the Participant is obliged to deliver Financial Products, the source PID from which the Financial Products are to be delivered;
 - (v) if the Participant is entitled to receive Financial Products, the target PID to which the Financial Products are to be delivered; and
 - (vi) the scheduled Settlement Date;
- (b) include the PID of the delivering Participant or receiving Participant, as the case requires; and
- (c) be designated as an on market transaction.

Introduced 11/03/04 Amended 27/06/11, 08/08/13

PROCEDURE 12.7.1 REMOVAL BY ASX CLEAR OF A CASH CCP TRANSACTION FROM SETTLEMENT NOTIFICATION

ASX Clear may remove a Cash Market Transaction from settlement notification under this Rule provided it does so prior to netting for scheduled settlement.

Introduced 11/03/04

PROCEDURE 12.7.2 BUYER AND SELLER MAY REQUEST CASH MARKET TRANSACTION BE REMOVED FROM NOVATION AND SET OFF

The Buyer and Seller must notify ASX Clear of their request to remove a Cash Market Transaction from novation and set off before netting for scheduled settlement, i.e. before End of Day on the second Business Day before the Settlement Date.

Introduced 11/03/04 Amended 27/06/11, 07/03/16

PROCEDURE 12.7.3A CASH CCP TRANSACTIONS EXCLUDED FROM SET OFF

The types of Cash CCP Transactions that are prescribed are:

- (a) those that are ineligible for set-off in accordance with the Terms of Trade Acceptance Service; and
- (b) those that arise from a Cash Market Transaction with a Settlement Date that is less than two Business Days after notification to ASX Clear.

PROCEDURE 12.7.3 BUYER AND SELLER MAY REQUEST CASH CCP TRANSACTIONS BE EXCLUDED FROM SET OFF ~~DELETED~~

~~The Buyer and Seller must notify ASX Clear of their request to exclude a Cash Market Transaction from set off before End of Day on the second Business Day before the Settlement Date.~~

~~The Buyer and Seller must notify ASX Clear of their request to settle a Cash Market Transaction in Real Time Gross Settlement before End of Day on the second Business Day before the Settlement Date.~~

~~Introduced 11/03/04 Amended 27/06/11, 07/03/16~~

PROCEDURE 12.7.4 ACTION BY ASX CLEAR WHERE ~~BUYER AND SELLER REQUEST CASH~~ CCP TRANSACTION ~~BE~~ EXCLUDED FROM SET OFF

~~Requests relating to~~ CCP Gross Batch Instructions:

The time by which ASX Clear will generate and forward CCP Gross Batch Instructions to the Approved Settlement Facility is by Start of Day on the Business Day before the Settlement Date of the Cash CCP Transaction.

~~Requests relating to~~ CCP RTGS Instructions:

The time by which ASX Clear will generate and forward CCP RTGS Instructions to the Approved Settlement Facility is by Start of Day on the Business Day before the Settlement Date.

Introduced 11/03/04 Amended 27/06/11

PROCEDURE 12.7.5 BUYER AND SELLER MAY CANCEL REQUEST ~~DELETED~~

~~The Buyer and Seller must notify ASX Clear of their cancellation of a request to:~~

~~(a) — exclude the Cash CCP Transaction from novation and set off (under Rule 12.7.2),~~

~~(b) — exclude the Cash CCP Transaction from set off (under Rule 12.7.3);~~

~~before End of Day on the second Business Day before the Settlement Date.~~

Introduced 11/03/04 Amended 27/06/11

PROCEDURE 12.7.7 REQUEST BY BUYER OR SELLER WHERE COUNTERPARTY NOT KNOWN

A Clearing Participant must notify ASX Clear if it wishes to make a request under ~~either~~ Rule 12.7.2 ~~or Rule 12.7.3~~, in the following manner:

By email or telephone to the Help Desk during the operating hours of 8.00 am (Sydney time) to 5.00 pm (Sydney time), prior to the netting process.

and must include the following information:

- (a) the ASX security code
- (b) the settlement amount
- (c) the unit quantity
- (d) the CHESST transaction id ~~from the CHESST 164 (Notified Trade)~~
- (e) the settlement date.

Introduced 28/11/05

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ANNEXURE 1 COLLATERAL PROCEDURES

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3. FINANCIAL PRODUCTS MOVEMENTS

3.1 Prerequisites to lodgement of Approved Financial Products

Client Accounts

Client Accounts may qualify to participate in the paperless lodgement scheme where:-

- (a) the Account name in DCS matches the Registered Holder name in CHES, the ASX Clear Participant is the ASX Settlement Participant that controls the Registered Holding and a completed original *Addendum to Derivatives Client Agreement Form* has been lodged with ASX Clear prior to 28 February 2005; or
- (b) a completed *Registered Holder Collateral Cover Authorisation* form has been lodged for the Client Accounts with ASX Clear prior to 1 March 2019; or
- (c) a Participant has lodged with ASX Clear a document in a form approved by ASX Clear, that identifies a Holder Identification Number (HIN) on the CHES Subregister against that Client Account ("**Linking Information**").

Client Accounts for which these requirements have not been completed must lodge other forms of Cover, i.e. cash or bank guarantees.

With effect from 1 November 2011, where a Participant lodges a copy of the *Registered Holder Collateral Cover Authorisation* form, it must retain the original of the form and be able to produce it for ASX Clear on request for a period of 7 years from the date on which the Participant ceases to be the relevant client's Controlling Participant.

House Accounts

Prior to lodging Approved Financial Products on a House Account a completed *House Account HIN* form must be lodged with ASX Clear.

The *House Account HIN* form is included at Annexure 2.

House Accounts for which these requirements have not been completed must lodge other forms of Cover, i.e. cash or bank guarantees.

Cash Market Accounts

Prior to lodging Approved Financial Products on a Cash Market Account a completed *Cash Market Account HIN* form must be lodged with ASX Clear.

The *Cash Market Account HIN* form is included at Annexure 2.

Cash Market Accounts for which these requirements have not been completed must lodge cash as Cover.

Introduced 11/03/04 Amended 10/12/04, 20/05/05, 02/02/09, 01/11/11, 07/06/13, 08/02/17, 01/03/19

3.2 Lodgement of Approved Financial Products

ASX Clear will only accept lodgements over financial products which are CHESSE sponsored and that meet the Collateral eligibility criteria.

a. Lodgement of Approved Financial Products to Cover Derivative Margin Obligations

Participants can arrange for an ASX Settlement participant to lodge Collateral electronically by sending a [message requesting the lodgement of Collateral in accordance with the User Technical Documentation](#). ~~CHESSE 027 – Options Cover Creation Request message to CHESSE.~~ CHESSE then forwards this message to ASX Clear [in accordance with the User Technical Documentation](#) ~~as a 610 – Options Cover Notification CHESSE message.~~

~~If ASX Clear rejects the lodgement, the CHESSE participant will receive from CHESSE an 030 – Reduced Options Cover CHESSE message. If ASX Clear accepts the lodgement, both the ASX Settlement participant and the Participant who has the Derivative margin obligation (where such Participant is different to the ASX Settlement participant) will receive notification from CHESSE of the acceptance by ASX Clear of the lodgement of Collateral in accordance with the User Technical Documentation.~~

[If ASX Clear rejects the lodgement, the ASX Settlement participant will receive notification from CHESSE of the rejection in accordance with the User Technical Documentation.](#)

Once it has been processed by ASX Clear, the Participant will be sent confirmation via DCS.

b. Lodgement of Approved Financial Products to Cover Cash Market Margin Obligations

Participants can arrange for an ASX Settlement participant to lodge Collateral electronically by sending a [message requesting the lodgement of Collateral in accordance with the User Technical Documentation](#) ~~an 871 – Margin Cover Creation request CHESSE message.~~ CHESSE then forwards this message to ASX Clear [in accordance with the User Technical Documentation](#).

~~Once the request has been processed, the Participant will receive an 876 – Accepted Margin Cover Creation CHESSE message. If ASX Clear accepts the lodgement, the ASX Settlement participant will receive notification from CHESSE of the acceptance by ASX Clear of the lodgement of Collateral in accordance with the User Technical Documentation.~~

[If ASX Clear rejects the lodgement, the ASX Settlement participant will receive notification from CHESSE of the rejection in accordance with the User Technical Documentation.](#) ~~If the request is rejected, the Participant will receive an 878 – Reduced Margin Cover CHESSE message.~~

Introduced 11/03/04 Amended 20/05/05, 02/02/09, 07/06/13

3.3 Lodgement of Approved Financial Products as Specific Cover

Specific Cover lodgements may be established at the Financial Product level within an Account or at the Account level as follows:

a. Financial Product Level

A Participant may classify any Financial Product level within an Account as specific Cover.

ASX Clear will only accept lodgements of Financial Products which are CHES sponsored. Participants can arrange for an ASX Settlement participant to lodge Collateral electronically by sending a [message in accordance with the User Technical Documentation which specifies the specific Cover to be lodged](#)~~CHES 027 - Options Cover Creation Request message to CHES specifying specific Cover lodgement~~. CHES then forwards this message to ASX Clear [in accordance with the User Technical Documentation](#)~~as a 610 - Options Cover Notification CHES message~~.

~~If ASX Clear rejects the lodgement, the ASX Settlement Participant will receive from CHES an 030 - Reduced Options Cover CHES message. If ASX Clear accepts the lodgement, both the ASX Settlement participant and the Participant who has the margin obligation (where such Participant is different to the ASX Settlement participant) will receive notification from CHES of the acceptance by ASX Clear of the lodgement of Collateral as specific Cover in accordance with the User Technical Documentation.~~

~~If ASX Clear rejects the lodgement, the ASX Settlement participant will receive notification from CHES of the rejection in accordance with the User Technical Documentation.~~

Once it has been processed by ASX Clear, the Participant will be sent confirmation via DCS.

b. Account Level

A Participant may classify any Account as specific Cover.

When an Account has been classified as specific Cover, any future Financial Product lodgements in the Account will be automatically classified as specific Cover and will only be applied against written Call Option positions with the same underlying [Financial Products](#) lodged in the Account (see 2.2.1(ii)).

However, if a Participant requires existing Financial Product lodgements in a specific Cover Account to be classified as specific Cover, the Participant must submit a request to ASX Clear via email to clearing@asx.com.au ~~deriv.clearing@asx.com.au~~.

Introduced 02/02/09 Amended 07/06/13

3.4 Withdrawal of Approved Financial Products or Cash Lodged as Cover Against Margin Obligations

In the event that a Participant wishes to exchange Collateral or replace one form of Cover (Collateral or Cash Cover) with another form of Cover in respect of margin obligations, the replacement Cover must be received by ASX Clear before ASX Clear will

release the Cover to be exchanged or replaced (as the case may be). Three alternative approaches are outlined below.

a. 'Exchanging' Collateral

Collateral may be replaced by other Collateral at any time between 8.00 am and 5.00 pm on any Business Day. Where a Participant wishes to replace Collateral with other Collateral, ASX Clear will release the Collateral that is to be replaced upon receipt of the replacement Collateral.

b. Replacement of Collateral with Cash Cover

Where a Participant wishes to replace Collateral with Cash Cover, ASX Clear will release the Collateral that is to be replaced upon receipt of the replacement Cash Cover. There is no mechanism available to effect the replacement of Collateral with Cash Cover intra-business day. Participants are required to transmit withdrawal requests by 5.00 pm on the business day before release of the Collateral is required. ASX Clear will remove the Collateral from the account(s) and release it back to the Participant after the scheduled (CHES or Austraclear) settlement *has completed* on the required day of release.

c. Replacement of Cash Cover with Collateral

Where a Participant wishes to replace Cash Cover with Collateral, ASX Clear will release the Cash Cover that is to be replaced following receipt of the replacement Collateral. [There is no mechanism available to effect the replacement of Cash Cover with Collateral Cover intra-business day.](#) Participants will be required to lodge the replacement Collateral with ASX Clear by 5.00 pm on the business day before the Cash Cover is required to be released. ASX Clear will undertake the resulting payment to the Clearing Participant on the following day in the normal daily scheduled CHES/ Austraclear settlement.

It is important that Participants ensure these timings are taken into account in planning all movements of Cover and that the monitoring tools available in collateral management are utilised.

~~In all cases,~~ Participants are required to contact Clearing [Product Operations](#) and [Settlements](#) (phone 1800 ~~814 240 051033~~, email clearing@asx.com.au ~~deriv.clearing@asx.com.au~~) to request the [exchange of Collateral referred to in Paragraph 3.4a above](#) ~~replacement of Cover~~.

Amended 16/07/07, 02/02/09, 07/06/13

3.5 Withdrawal of Approved Financial Products Not Covering Margin Obligations

ASX Clear will attempt to process Collateral withdrawals by the following times:

for withdrawal requests received by ASX Clear by 9.00 am (Sydney time) - by 10.00 am on that day.

for withdrawal requests received by ASX Clear by 5.00 pm (Sydney time) - on the same day.

for withdrawal requests received by ASX Clear after 5.00 pm (Sydney time) - by 10.00 am the next Business Day.

The time of receipt of a withdrawal request is the time when the CHES message is received by ASX Clear.

Amended 02/02/09

3.6 Withdrawal of CHES Holdings

Total Withdrawal

The Participant must arrange for the relevant ASX Settlement participant to transmit a [message requesting the withdrawal of Derivatives Collateral in accordance with the User Technical Documentation](#) ~~CHES 029 - Options Cover Removal Request message. ASX Clear will receive a message from CHES notifying it of the request for withdrawal of Derivatives Collateral in accordance with the User Technical Documentation. which is received by ASX Clear from CHES as a 612 - Notification of Removal of Options Cover CHES message.~~

For the withdrawal of Collateral covering a margin obligation in respect of a Cash Market Account, the [ASX Settlement Participant](#) must send [a message requesting the withdrawal of Collateral in accordance with the User Technical Documentation.](#) ~~an 877 - Margin Cover Removal Request CHES message. ASX Clear will receive a message from CHES notifying it of the request for withdrawal of Collateral in respect of a Cash Market Account in accordance with the User Technical Documentation.~~

Partial withdrawals

For partial withdrawals, the ~~029/612 CHES~~ message must identify the number of financial products to be withdrawn.

For partial withdrawals of Collateral covering a margin obligation in respect of a Cash Market Account, the [ASX Settlement Participant](#) must send ~~a an 877 CHES~~ message identifying the number of financial products to be withdrawn [in accordance with the User Technical Documentation.](#)

Rejection of Withdrawal

Incomplete or incorrect [Derivatives Collateral Options Cover Removal Requests](#) will be rejected. ASX Clear will send a [rejection message](#) ~~CHES 605 - Options Cover Removal Rejection message~~ to CHES and CHES will send [a rejection message](#) ~~an 078 - Rejected Options Cover Removal CHES message~~ to the [ASX Settlement CHES](#) participant [in accordance with the User Technical Documentation.](#)

Incomplete or incorrect Cash Market Margin Cover ~~Removal Requests~~ will be rejected. ASX Clear will send a [rejection message to CHES and CHES will send a rejection message to the ASX Settlement participant in accordance with the User Technical Documentation](#) ~~956 - Rejected Margin Cover Removal Request CHES message.~~

Third Party Withdrawals

For withdrawals where the ASX Settlement ~~Participant~~ is different to the ASX Clear Participant, the ASX Clear Participant will receive a [message in accordance with the User Technical Documentation](#) ~~CHES 168 - CP Collateral Removal Authorisation Request message following a message sent to request the withdrawal of Derivatives Collateral in response to the CHES 029 message.~~ The ASX Clear Participant must then respond with

[an authorisation or rejection message in accordance with the User Technical Documentation](#)~~—CHES 103—CP Collateral Removal Authorisation message~~, which will trigger ~~the~~ either the withdrawal message to ASX Clear or the withdrawal rejection message to the ASX Settlement participant in accordance with the [User Technical Documentation](#)~~CHES 612 message to ASX Clear, or a CHES 109—CP Collateral Removal Rejection message~~. The ASX Clear Participant must respond to these messages within 2 business days of receipt.

Third Party withdrawals are not currently permitted on Financial Products lodged to satisfy margin obligations on a Participant's Cash Market Account.

Introduced 11/03/04 Amended 10/12/04, 02/02/09, 07/06/13

3.7 Transfers of Collateral Lodgements

Participant to Participant Transfers

ASX Clear will only transfer Collateral from one Participant (transferring) to another Participant (receiving) after the receiving Participant [has sent a message requesting a change of controlling participant and the transferring Participant has sent the relevant authorisation message \(in accordance with the User Technical Documentation\)](#)~~has sent their 245 CHES message—Change Controlling Participant Request and the transferring Participant has sent their 251 CHES message—Change Controlling Participant Authorisation~~ and both messages have been matched in CHES's overnight processing.

Both the transferring and receiving Participants must send a ~~facsimile of~~ *Transfer of Collateral between Participants* form with the appropriate sections completed. Once the HINs have been transferred on CHES, ASX Clear will transfer the Collateral to the receiving Participant provided the *Transfer of Collateral between Participants* form is completed appropriately. Collateral lodgements will not be transferred to the receiving Participant until the above information has been received.

Once a transfer of Collateral has been processed by ASX Clear, the Participant will be sent confirmation of this via DCS.

Account to Account Transfers (Within a Participant)

If a Participant wishes to transfer Collateral lodged in respect of an Account to another Account of that Participant, the Participant must send a facsimile or letter on their standard letterhead containing the following information:

A list of the lodgements to be transferred and their existing Account numbers;

The names of the Account(s) from which the lodgement is to be transferred;

The numbers and names of the Account(s) to which the lodgement is to be transferred.

The new account names must be identical, otherwise standard withdrawals and lodgements must be processed.

Amended 16/07/07, 02/02/09, 01/03/19

3.8 Lodgement in Favour of Futures Only Participant

The ASX Settlement participant who has control of the HIN must send the lodgement and withdrawal CHES messages that show the Futures Participant No. and Account No. in the appropriate fields.

The Futures Participant must send the lodgement/withdrawal forms with the corresponding Participant and Account information. Lodgement forms must be fully completed showing the Account no., PID, HIN, client name and registered holder name.

Clients' securities are not acceptable as lodgement in favour of an Omnibus Account.

Amended 16/07/07, 02/02/09

3.9 Reports on Lodgements of Approved Financial Products as Collateral

For ASX Settlement Participants that are not ASX Clear Participants, printed reports are available from ASX Clear on request showing details of their Collateral lodgements. These include reports showing all Collateral lodged, or Collateral lodged in respect of the Accounts of specified clients (with each client on a separate page).

ASX Clear may charge for this service depending on the frequency and size of the reports.

Amended 16/07/07, 02/02/09