



CHES Replacement

Tranche 2 Rule Amendments Consultation Paper

February 2020

Invitation to comment

ASX is seeking submissions in response to this paper by 3 April 2020.

Submissions should be sent to:
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ASX prefers to receive submissions in electronic form.

If you would like your submission, or any part of it, to be treated as 'confidential', please indicate this clearly. All submissions will be provided to regulators. They may also be published on the ASX website, unless they are clearly marked as confidential or ASX considers that there are reasons not to do so.

ASX is available to meet with interested parties for bilateral discussions on this Consultation Paper.

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Contents

| | |
|---|-----------|
| Executive Summary | 3 |
| 1. Functionality covered in Tranche 2 | 5 |
| 1.1. Overview of functionality..... | 5 |
| 1.2. Dividend and distribution reinvestment plan (DRP) and bonus share plan (BSP) elections | 5 |
| 1.3. Entitlement acceptances..... | 7 |
| 1.4. Real time gross settlement | 9 |
| 1.5. Takeovers and buybacks | 11 |
| 1.6. Diary adjustments..... | 13 |
| 1.7. Holding adjustments..... | 13 |
| 1.8. mFund..... | 14 |
| 1.9. Other miscellaneous amendments | 16 |
| 2. Stakeholder feedback sought | 17 |
| 2.1. Operation of Rule amendments..... | 17 |
| 2.2. Stakeholder feedback requested by ASX..... | 17 |
| 3. Next steps | 17 |
| 3.1. Further tranches of rule amendments for public consultation | 17 |
| 3.2. Response to consultation..... | 18 |
| 3.3. Potential impact of solution design and rule amendments in later tranches..... | 18 |
| 3.4. Regulatory clearance processes..... | 19 |
| Attachment A: Summary of rule amendments | 20 |
| Attachment B: ASX Settlement Operating Rule and Procedure amendments | 21 |
| Attachment C: ASX Clear Operating Rule and Procedure amendments | 22 |
| Attachment D: ASX Enforcement and Appeals Rulebook amendments | 23 |
| Attachment E: Rule Change Index | 24 |

Executive Summary

To facilitate the implementation of the new system that will replace CHES in April 2021, ASX needs to make amendments to the ASX Settlement Operating Rules (ASXSORs), ASX Clear Operating Rules (ASXCORs) and ASX Enforcement and Appeals Rulebook (ASXEARS) (together, the rulebooks) and associated Procedures.

The amendments set out in this paper are the second of three tranches of rule amendments that ASX will release for public consultation. The proposed amendments are required to support the operation of the system that will replace CHES and reflect the solution design for new or changed functionality as captured in the Technical Documentation released by ASX.

Tranche 2 changes

The rule amendments discussed in this paper relate to corporate actions, mFund and RTGS payment aspects for 'Day 1' implementation of CHES replacement system functionality. RTGS will support payments for corporate actions involving entitlement acceptances as well as payments for Bilateral Demand Settlement Instructions (dealt with in the tranche 1 rule amendments). The amendments are being made to:

- Implement new business requirements for the CHES replacement system, which were outlined in the consultation paper [CHES Replacement: New Scope and Implementation Plan](#) released by ASX in April 2018 (there are three new business requirements covered by tranche 2).
- Reflect the re-engineering of some existing functionality – this includes the implementation of a number of system enhancements and the automation of manual processes.
- Decommission some existing CHES functionality – this relates to CHES functionality not being used by system users or that is no longer required in the new system.
- Implement other miscellaneous changes - this includes tidy up changes.

The amendments relate to the following functional elements of the new system:

- Dividend and distribution reinvestment plan (DRP) and bonus share plan (BSP) elections.
- Entitlement acceptances.
- Real time gross settlement.
- Takeovers and buybacks.
- Diary adjustments.
- Holding adjustments.
- mFund.

A summary of the changes proposed to the rulebooks is contained in Section 1 of this paper and in Attachment A. The rule amendments are contained in Attachments B, C and D. An index which for each rule change identifies the row in the summary relating to that change, is contained in Attachment E.

Previous consultation on solution design for new system

The new business requirements and the existing CHES functionality being re-engineered or decommissioned have been subject to an extensive consultation process with industry, and stakeholder feedback from these processes has been taken into account in the evolution of the business requirements and solution design for the new system. The key consultation processes undertaken to date to elicit industry feedback on the business requirements and solution design for the new system include:

- The release of two public consultation papers (2016 and 2018).
- Convening six industry working groups, which held multiple meetings throughout 2017, to obtain industry input on the business requirements for the new system.
- Convening regular Technical Committee meetings focused on the adoption of ISO 20022 (covering message specifications and workflow) since December 2016.
- Convening monthly Focus Group meetings on the solution design for significant new or materially changed functionality throughout late 2018 and 2019.

Consultation process for rule amendments

ASX is consulting on the rule changes required to implement the CHES replacement system in three tranches.

The tranche 1 draft rule amendments relating to accounts, participants, securities and pre-settlement aspects were released on 15 November 2019.¹ ASX is planning to release a response to consultation feedback received on the first tranche of draft rule amendments by mid-April. The response to consultation feedback will provide a summary of the feedback received in stakeholder submissions, address respondents' requests for clarification and further information, and include the tranche 1 draft rule changes with the revisions made to take into account feedback received marked-up.

This consultation paper is seeking feedback on the tranche 2 draft rule amendments set out in Attachments B, C and D. Feedback on the second tranche of draft rule amendments is requested by 3 April 2020. Where these tranche 2 draft rule amendments impact tranche 1 draft rule amendments, those impacted tranche 1 rule amendments have been incorporated into these tranche 2 rule amendments and highlighted yellow to differentiate them from further mark-up to the rulebooks as part of this tranche 2.

ASX is planning to release a response to consultation feedback received on the second tranche of draft rule amendments by early-June 2020. The response to consultation feedback for the second tranche of draft rule changes will contain the same information with respect to tranche 2 as set out above for tranche 1.

ASX is planning to release a third and final tranche of rule amendments for public consultation in early-April 2020, with consultation feedback expected to be due by mid-May. The tranche 3 rule amendments will relate to settlement, reporting and miscellaneous amendments. Where the tranche 3 draft rule amendments impact the tranche 1 or tranche 2 draft rule amendments, those impacted tranche 1 or tranche 2 draft rule amendments will be incorporated into the tranche 3 rule amendments and highlighted yellow to differentiate them from further mark-up to the rulebooks as part of that tranche 3.

ASX plans to release a response to consultation feedback received on the third tranche of draft rule amendments by late-July 2020. The response to consultation feedback for the third tranche of draft rule changes will contain the same information with respect to tranche 3 as set out above for tranches 1 and 2, and also include a combined draft rules package covering all three tranches (which will be subject to regulatory clearance). Options for a further process to receive stakeholder feedback on the consolidation of the draft rules package are also being considered.

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

ASX plans to formally lodge the combined rules package with ASIC in early September 2020. Following the regulatory clearance process, a final set of rule changes will be released. ASX is planning to release the final rule changes at least six months prior to go-live of the new system.

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

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

Further information on the consultation process for the rule amendments can be found in section 3 of this paper.

1. Functionality covered in Tranche 2

1.1. Overview of functionality

The tranche 2 rule amendments support the operation of the CHES replacement system on Day 1 implementation and reflect the solution design for new and changed functionality in the new system as captured in Technical Documentation made available by ASX at <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/overview>.

This second tranche of rule amendments relate to corporate actions, mFund and RTGS payment aspects for Day 1 CHES replacement system functionality. The relevant functional elements covered by these amendments are identified further in sections 1.2 – 1.9 below.

The tranche 2 rule amendments are set out in Attachments B, C and D to this paper.

Where the below descriptions include terms not defined in this document, they have the meanings given to them in the rulebooks (as applicable). The description below is a summary only and needs to be read in conjunction with the rulebooks (as proposed to be amended).

1.2. Dividend and distribution reinvestment plan (DRP) and bonus share plan (BSP) elections

New business requirements

This functionality relates to the new business requirement for the electronic elections of DRPs and BSPs, which was described in section 2.2.16 of the 2018 consultation paper. It provides settlement participants the ability to electronically elect to participate in dividend reinvestment plans (DRP) and bonus share plans (BSP) (on a per issuer basis) on behalf of their clients.

This business requirement was supported by the Corporate Actions Working Group on the basis that it will allow for real time electronic acknowledgement of receipt of election, multiple elections per HIN and the option for part elections per holding.

The provision of this new service for electronic notification of elections (and cancellation of elections) for DRPs and BSPs via CHES impacts:

- Controlling participants who opt to make this service available to their clients.
- Issuers and their share registries whose support is required to facilitate this service in addition to existing processing for DRP and BSP elections currently occurring outside of CHES.

Such parties will need to consider systems and operational processes and any relevant client documentation to support the new service. Please refer below for further information on rule impacts.

Overview of new/changed functionality

The new system will permit controlling participants and issuers to transmit electronic notifications of elections (and cancellations of elections) for DRPs and BSPs in relation to CHES holdings. It will be optional for controlling participants to do so, with election notification via CHES to operate in addition to existing notification processes (e.g. paper based or issuer registry portal) directly to the issuer by holders or controlling participants (on behalf of holders).

Pursuant to the new functionality for the electronic transmission of elections for a DRP or BSP:

- Controlling participants may use CHES to provide, or cancel, an investor election. Multiple elections for CHES holdings are allowed.
- CHES will maintain and update a record of election status and notify parties of updates to that record. To support this, issuers are required to notify controlling participants through CHES of:
 - Acceptance or rejection of elections received through CHES.

- Investor elections (including cancellations of prior elections) made directly to the issuer by holders for CHES holdings (i.e. outside of CHES).
- Other cancellation of a prior election for CHES holdings e.g. due to zero balance, plan suspended or plan eligibility rules.
- CHES will check that a plan is in operation for the issuer on receipt of an election message (disclosed by the issuer to the listing market) prior to processing such messages e.g. sending them to the issuer. To support this process, issuers will be required to notify ASX of a DRP or BSP notified to the listing market.
- The issuer will continue to be responsible for accepting or rejecting elections having regard to the relevant plan rules for the DRP or BSP and determining the sequence and priority for elections or cancellations received (within or outside CHES).
- A new enquiry functionality will be provided via CHES for controlling participants to request details of existing DRP or BSP elections, with issuer's to be required to process such requests. This will allow controlling participants to identify whether an election is in place under existing DRPs or BSPs prior to Day 1 implementation of the new system. As part of that functionality, controlling participants will warrant that they are legally entitled or authorised to request such details and issuers will warrant that election details provided accurately represent those recorded by the issuer and indemnify each other, the holder and ASX Settlement if this is not the case.
- Issuers will be required to incorporate in plan documents certain core representations and warranties from holders who instruct their controlling participant to use CHES to notify DRP or BSP elections, including that they agree to be bound by the terms and conditions of the relevant plan. This is to support the extension to the new electronic election process of representations in existing election notification processes. Additionally, issuers will be required to incorporate in plan documents an authority from holders for elections or cancellation of elections made directly to the issuer to be notified to their controlling participant. This is to support the ability of issuers to provide that information to controlling participants in connection with the new electronic election process.
- Controlling participants and issuers submitting election or election cancellation notifications via CHES will warrant that they are legally entitled or authorised to do so (e.g. pursuant to an instruction by the holder) and indemnify each other, the holder and ASX Settlement if this is not the case.

These changes, and the impact on the rulebooks are described in further detail in point 1 of the Summary in Attachment A.

Consultation on solution design

The solution design for DRP and BSP elections has been the subject of consultation through the following forums:

- Focus Group sessions on 18 June 2019, 13 August 2019 and 31 October 2019.
- Further Focus Group sessions with issuer registries and brokers on 6 September 2019.
- Technical Committee meetings on 23 July 2019, 27 August 2019, 1 October 2019, 1 November 2019, 26 November 2019 and 10 December 2019.

ASX has made available on its website a summary of the feedback it has received from stakeholders from the relevant Focus Groups and ISO 20022 Technical Committee meetings on the solution design for electronic DRP and BSP election functionality.²

The electronic DRP and BSP election functionality solution design has been communicated publicly in the Technical Documentation as part of Document Release 7 (Part I) in January 2020, which is available on the ASX website.³

² This information is available here:

<https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/192808227/Stakeholder+Feedback+and+ASX+Response+DRP+BSP+Elections>

³ Available at: <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/180129071/DRP+BSP+Election+and+Distribution+Advice+Notification>

1.3. Entitlement acceptances

New business requirements

This functionality relates to the new business requirement for the electronic acceptance for entitlement offers, which was described in section 2.2.17 of the 2018 consultation paper. It facilitates standardised electronic acceptances by settlement participants (on behalf of holders) for entitlements in respect of holdings of financial products in an issuer.

This business requirement was supported by the Corporate Actions Working Group on the basis that it will assist in optimising submission of instructions to the issuer's share registry, provide real time electronic acknowledgement of receipt of elections and enable multiple elections per holding.

This functionality also relates to the new business requirement for the electronic payment for entitlement offers, which was described in section 2.2.18 of the 2018 consultation paper. It facilitates electronic payments in AUD by settlement participants (on behalf of holders) to issuers in respect of an acceptance of entitlements. This business requirement is discussed in further detail in section 1.4 below.

The provision of this new service for electronic notification of acceptances and payments under rights offers and share purchase plans (SPPs) via CHES impacts:

- Controlling participants who opt to make this service available to their clients.
- Issuers and their share registries whose support is required to facilitate this service, in addition to existing processing for entitlement acceptances currently occurring outside of CHES.

Such parties will need to consider systems and operational processes and any relevant client documentation to support the new service. This includes in connection with applicable client money obligations under Part 7.8 Division 2 of the Corporations Act relating to the processing of payments and refunds for entitlement acceptances by controlling participants. Please refer below for further information on rule impacts.

Overview of new/changed functionality

The new system will permit controlling participants and issuers to transmit electronic notifications of acceptances (and cancellations of acceptances) and make payments in respect of such acceptances under rights offers and SPPs in relation to CHES holdings. It will be optional for controlling participants to use this service, with acceptance notification via CHES to operate in addition to existing notification (and payment) processes (e.g. paper based or BPAY) that take place directly with the issuer by holders or controlling participants (on behalf of holders).

Pursuant to the new functionality for the electronic transmission of acceptances and payment for rights offers and SPPs:

- Controlling participants for a CHES holding who are an RTGS participant will have the ability to:
 - transmit electronic acceptance messages and associated payments in respect of offers under rights issues and SPPs (for all or part of a holding).
 - transmit a pre-payment electronic cancellation of an entitlement acceptance.
- Acceptances in relation to a rights offer (other than an oversubscription offer) will trigger the application of a holding lock to the relevant holding on the CHES rights subregister. This is to prevent the transfer and acceptance by the purchaser in respect of the same entitlement.
- Issuers will need to appoint an RTGS participant (or be an RTGS participant) to facilitate payments in respect of entitlement acceptances, with payments to be performed in real time gross settlement (see section 1.4).
- Issuers will have the ability to initiate refunds of payments for acceptances received pursuant to the new functionality (e.g. in relation to rejected acceptances or oversubscription offer scale-backs).

- CHES will check that a plan is in operation for the issuer on receipt of an acceptance message (disclosed by the issuer to the listing market) prior to processing such messages e.g. facilitating payment to the issuer in respect of an entitlement acceptance. To support this process, issuers will be obliged to notify ASX of a rights offer or SPP notified to the listing market.
- Issuers will continue to be responsible for accepting or rejecting acceptances having regard to the relevant rules for the rights offer or SPP and determining the sequence and priority for acceptances or cancellations received (within or outside CHES).
- CHES will maintain and update a record of acceptance and payment status, and notify parties of updates to that record. However, notifications of acceptances / acceptance rejections will not be provided to issuers / controlling participants until payment in respect of such acceptances / acceptance rejection has occurred.
- Payments can be in respect of one or more acceptance or acceptance rejection messages.
- Acceptance messages may also include the unique reference number from the entitlement and acceptance form or SPP offer document provided by an issuer to holders (unique identifier). This is optional, subject to the following qualifications:
 - Where the rights offer is subject to regulated disclosure document requirements⁴, the unique identifier will be required to be included by controlling participants in the acceptance message other than where the entitlement being accepted has been acquired as a result of being renounced and traded (refer to section below). This is to support issuer compliance with Corporations Act obligations that apply in such instances where the issue of financial products is 'in response to' / 'pursuant to' an application form⁵.
 - For SPPs, issuers will be able to prescribe in their offer documents that the unique identifier must be included by controlling participants in the acceptance message (for the purpose of condition 8(2)(a) of ASIC Instrument 2019/547 in relation to an electronic payment facility. This is on the basis that CHES will offer an electronic acceptance and payment facility).
- Issuers will be required to incorporate in offer documents certain core representations and warranties from holders who instruct their controlling participant to use CHES to notify offer acceptances, including that they agree to be bound by the terms and conditions of the relevant offer. This is to support the extension to the new electronic acceptance and payment process of representations in existing acceptance notification (and payment) processes.
- Controlling participants submitting acceptance or acceptance cancellation notifications via CHES will warrant that they are authorised to do so and indemnify the issuer, the holder and ASX Settlement if this is not the case.

These changes, and the impact on the rulebooks are described in further detail in point 2 of the Summary in Attachment A.

Potential need for disclosure relief or regulatory guidance for renounced and traded entitlements

Issuers of approved financial products may be subject to obligations under sections 723(1) and 1016A(2)(a) of the Corporations Act. In particular, an issuer may only issue or transfer the relevant financial product 'in response to' / 'pursuant to' an application form (as applicable).

ASX understands that, in general, a significant number of rights offers are made with the benefit of relief from regulated disclosure requirements. However, there are some instances where a disclosure document (e.g. a prospectus) or PDS has been provided to retail clients for offers of financial products under rights issues.

For offers subject to such regulated disclosure document requirements, holders of the relevant rights (through holding the parent financial products) on the record date will be sent offer documents (including an entitlement acceptance

⁴ Amendments are proposed to Appendix 3B to the ASX Listing Rules and associated online forms and messaging as part of the Corporate Actions STP Phase 2 Project to support the notification by issuers as to whether the rights offer is being made under such regulated disclosure documents.

⁵ 723(1) and 1016A(2)(a) of the Corporations Act.

form) by the issuer. The return of the entitlement acceptance form with the unique identifier or otherwise the making of payment through BPAY which requires the entry of a unique reference number set out in the entitlement acceptance form, helps to evidence compliance by issuers with such Corporations Act obligations (including in accordance with *ASIC Regulatory Guide 107*)⁶.

However, where the relevant entitlement has been renounced and traded, offer documents including entitlement acceptance forms are not provided to purchasers⁷. In the instance of an acceptance by the purchaser of such traded rights (who was not an existing holder of the rights on the record date), the absence of the unique identifier from the acceptance message in CHES may mean there is uncertainty as to the ability of the issuer to comply with their obligations under section 723(1) or 1016A(2)(a) (as applicable - where the offer under the rights issue must be made under a regulated disclosure document).

ASX considers that a similar position may apply for existing paper based acceptance notification (and payment) processes by the holder or their controlling participant (generally through a form referred to as Appendix E to which a cheque is attached), noting that BPAY is not available in that instance.

ASX plans to engage with ASIC regarding whether there is any need for relief from section 723(a) and 1016A(2)(a) of the Corporations Act or relevant regulatory guidance for issuers of rights under a regulated disclosure document or PDS (as applicable) that have been renounced and traded to a third party. In practice, investors that have made the decision to acquire the relevant financial product on market will have already made an investment decision on the basis of all publicly available information. Even if a regulated disclosure document was required to be provided to such persons, this would in practice be provided after the investment decision has been made, and so would not achieve the intended regulatory purpose of ensuring that a person applying for securities has received, and is making an investment decision based on, a current disclosure document (ASIC RG 107.40).

Consultation on solution design

The solution design for entitlement acceptances has been the subject of consultation through the following forums:

- Focus Group sessions on 9 July 2019, 13 August 2019 and 31 October 2019.
- Further Focus Group sessions with issuer registries and brokers on 6 September 2019.
- Technical Committee meetings on 23 July 2019, 27 August 2019, 1 October 2019, 1 November 2019, 26 November 2019, 10 December 2019 and 28 January 2020.

ASX expects to make available on the ASX CHES Replacement website a summary of the feedback it has received from stakeholders from the relevant Focus Groups and ISO 20022 Technical Committee meetings on the solution design for electronic entitlement acceptance functionality, together with Technical Documentation which communicates the details of the solution design as part of Document Release 7 (Part II), which is scheduled for release in February 2020.

1.4. Real time gross settlement

New business requirements

The changes to real time gross settlement functionality described below relate to the new business requirements set out below.

Non-batch DvP bilateral settlement

The non-batch DvP bilateral settlement business requirement was described in section 2.2.11 of the 2018 consultation paper. It provides for the new system to allow settlement participants to settle bilateral transactions outside the daily batch process on a delivery vs. payment (DvP) basis using a real time payment facility.

⁶ <https://download.asic.gov.au/media/1240115/rg107-published-3-march-2014.pdf>. Refer to paragraphs 39 to 44

⁷ For renounceable offers, the rights trading period generally ends 5 business days before the applications close date

This business requirement was supported by the Settlement Enhancements Working Group, which sought a more efficient settlement mechanism for large bilateral transactions being settled outside of batch and to reduce counterparty and settlement risk. Stakeholders have indicated that one scenario where this will be beneficial to the market is facilitating settlement on T+2 even though client settlement instructions are received late and miss batch settlement on that day.

Electronic payment for entitlement offers

The electronic payment for entitlement offer business requirement was described in section 2.2.18 of the 2018 consultation paper. It provides for electronic payments in AUD by settlement participants (on behalf of holders) to issuers in respect of an acceptance of entitlements.

This business requirement was supported by the Corporate Actions Working Group on the basis that it will improve and standardise the process for electronic payment to the issuer in connection with electronic acceptances by settlement participants (on behalf of holders) for entitlements in respect of holdings, allow for consistent electronic confirmation of payment or notification of failures, and allow for acceptance and payment instructions to be sent separately.

This functionality also relates to the business requirement for the electronic acceptance of entitlement offers, which is discussed in further detail in section 1.3 above.

The provision of real time gross settlement functionality to support these new business requirements impacts:

- Controlling participants who opt to:
 - use the new non-batch DvP bilateral settlement service; or
 - make the new service for electronic notification of acceptances and payments under rights offers and SPPs via CHES available to their clients.
- Issuers and their share registries in relation to the new service for electronic notification of acceptances and payments under rights offers and SPPs via CHES.
- Payment providers acting on behalf of such controlling participants and issuers or their share registries.

Such parties will need to consider systems and operational processes, banking arrangements and any relevant client documentation to support the new service. Please refer below for further information on rule impacts.

Overview of new/changed functionality

As noted in the [CHES Replacement: New Scope and Implementation Plan](#) released by ASX in April 2018, the existing real time gross settlement (RTGS) service was to be discontinued as it is not currently used by participants. However, as a real time payment facility is required to facilitate the new non-batch DvP bilateral settlement functionality and entitlement acceptance functionality, the RTGS service will be repurposed to support that functionality. The operational arrangements and associated rules framework supporting the existing RTGS service will be simplified under the new system given that they are only required to support payments in respect of non-batch DvP bilateral settlement and electronic payment for entitlement offers. Changes made to repurpose this service include the following:

- The introduction of a new participant type, a corporate action payments participant (CAPP), for the purpose of settling corporate action RTGS instructions. CAPPs are expected to include issuers or their registries receiving or making payments in connection with corporate actions through the RTGS service. Requiring all users of the RTGS functionality to be either a CAPP or a settlement participant establishes threshold criteria applicable to all users of the system who make and receive payments. It also supports a single unified RTGS service for the purpose of ASX Settlement seeking to refresh the existing approval CHES holds as an Approved RTGS System under the Payment Systems and Netting Act (PSNA). The continued application of the PSNA to the repurposed RTGS service will ensure settlement finality, namely that the payment of monies and the transfer of securities through the RTGS service will continue to be irrevocable and unconditional even where a participant becomes insolvent.

- Eligible instructions for Day 1 of the new system will be limited to bilateral demand settlement instructions (to facilitate bilateral DvP settlement) and corporate action RTGS instructions (to facilitate entitlement acceptances) only. This change reflects the change in scope of the service.
- An RTGS payments provider must authorise an RTGS instruction before it is sent to RITS in order to limit the number of redundant instructions sent to RITS. Other than this pre-authorisation, all credit management will need to be completed outside of CHES (i.e. by using either the AIF or proprietary systems). These changes will simplify the process for facilitating bilateral DvP settlements and payments for entitlement acceptances.
- Settlement participants will be unable to switch settlement of instructions between RTGS and batch (and vice versa). This reflects the decommissioning of the existing RTGS service not currently used.
- Settlement participants will not be able to schedule RTGS instructions for settlement on a future date, which reflects the simplified scope of the new RTGS service and limits the technical build required to provide the new service.
- Any RTGS instruction that remains on the feeder system at the RTGS end of day (which under the new system will be 5:15pm) will be failed and ASX Settlement will cancel the instruction. This change recognises that RTGS instructions will not be able to settle on a future date (refer above).
- An RTGS participant will be required to provide bank account details connected to its payment facility to ASX Settlement. The provision of these details will support the straight through processing of RTGS payments in and out of such bank account.

These changes, together with the operational arrangements and associated rules framework under the existing RTGS service remaining unchanged, will facilitate the settlement of bilateral transactions comprising financial products and/or cash payments through RITS for the purpose of the new non-batch DvP bilateral settlement and entitlement acceptance services. Such settlement will occur outside batch settlement on a gross and irrevocable basis in real time.

These changes and the impact on the rulebooks are described in further detail in points 3 to 16 of the Summary in Attachment A.

Consultation on solution design

The solution design for the payment facility aspect of RTGS functionality has been the subject of consultation through the following stakeholder forums:

- Focus Group sessions on 28 November 2018, 12 March 2019, 18 June 2019, 27 August 2019, 14 November 2019 and 17 September 2019.
- Technical Committee meetings on 1 November 2019, 10 December 2019 and 28 January 2020.

ASX has made available on its website a summary of the feedback it has received from stakeholders from the relevant Focus Groups and ISO 20022 Technical Committee meetings on the solution design of the RTGS functionality.⁸

The RTGS payment facility solution design has been communicated publicly in Technical Documentation made available as part of Document Release 6 in November 2019 on the ASX CHES Replacement website.⁹

1.5. Takeovers and buybacks

These changes impact:

- Issuers who opt to use CHES for the processing of acceptances in respect of the “non-takeover offer events” referred to below, and participants acting on their behalf.

⁸ <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/112198773/Stakeholder+Feedback+and+ASX+Response+Payment+Facilities>

⁹ <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/47087831/Payment+Facilities>

- Controlling participants for CHESS holdings affected by such “non-takeover offer events”.

Given the existing operation of similar functionality for takeovers (as well as for such non-takeover offer events), such impacts are not expected to be significant. Please refer below for further information on rule impacts.

Overview of new/changed functionality

The ASXSORs currently expressly provide for the processing of acceptances into takeover bids, which is supported by the Corporations Act and regulations¹⁰.

Certain other types of bids to acquire financial products that are not strictly “takeover bids” have been processed using the takeovers facility in CHESS, supported by ASXSOR 14.12.1¹¹, including:

- Bids under buybacks.
- Reinvestment offers.
- Consideration elections under schemes of arrangement.

The ASXSORs are to be updated to include an express framework to support such “non-takeover offer events”, including to expressly provide for the processing of acceptances under buyback offers or reinvestment offers as well as elections under schemes of arrangement which allow for elections as to alternate forms of consideration.

It will continue to be optional for offerors under such events (namely issuers) to use the facility made available by ASX Settlement for the processing of acceptances in respect of CHESS Holdings under such offers. Where they do so, the obligations set out in the rule amendments for such offerors and participants acting on their behalf, as well as for controlling participants for CHESS holdings, will apply. While accommodating differences in their operation relative to takeovers, such amendments will largely mirror existing rules for processing of takeover acceptances.

These non-takeover offer events will be specifically distinguished from takeovers (TEND) by an event type code (BIDS, OTHR respectively). Each event type code will be underpinned by the relevant processing and permissions attributable to those events (including any processing of late acceptances allowed for such non-takeover offer events).

These changes, and the impact on the rulebooks are described in further detail in points 17 and 18 of the Summary in Attachment A.

Consultation on solution design

The solution design for this functionality has been the subject of consultation through the following stakeholder forums:

- Focus Group session on 13 August 2019.
- Technical Committee meeting on 23 July 2019.

ASX has made available on its website a summary of the feedback it has received from stakeholders from the relevant Focus Group and ISO 20022 Technical Committee meeting on the solution design of the takeovers and buyback functionality.¹²

The takeovers and buyback functionality solution design has been communicated publicly in the Technical Documentation made available as part of Document Release 5 (Part I) in September 2019 on the ASX CHESS Replacement website.¹³

¹⁰ See section 653A of the Corporations Act 2001 (Cth) and regulation 6.8.01 of the Corporations Regulations 2001 (Cth).

¹¹ ASXSOR 14.12.1 permits ASX Settlement to treat certain types of bid to acquire financial products as “takeover bids” for the purposes of the ASXSORs.

¹² Available at: <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/102891857/Stakeholder+Feedback+and+ASX+Response+Takeovers+and+Buy-backs+Bid+Offers>

¹³ This information is available here: <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/101646653/Takeovers+and+Buy-backs+Bid+Offers+Overview>

1.6. Diary adjustments

These changes impact settlement participants in relation to instructions not performed on the scheduled date in batch settlement. Given the technical nature of the changes, such impacts are not expected to be significant. Please refer below for further information on rule impacts.

Overview of new/changed functionality

Under the new system, the settlement amount calculated for an accrued DvP batch instruction (generated to provide redress in connection with a failed settlement affecting financial products subject to a rights offer) will be zero. Accordingly, there will no longer be a corresponding reduction to the settlement amount of the parent DvP batch instruction. This calculation and inclusion of a settlement amount is a legacy initiative which was introduced before fail fees and is no longer considered necessary as a method of discouraging failed settlements.

The ASX Settlement Operating Rules will also be updated to:

- Better reflect the different redress mechanisms that apply where a batch instruction does not settle on the scheduled date in connection with a corporate action.
- Allow for settlement participants to change to parent batch instructions by way of messages cancelling and generating new instructions to reflect revised settlement details following a failed settlement affecting financial products subject to a call, option exercise or conversion. Manual updates will not be supported under the new system in such instance.

These changes and the impact on the rulebooks are described in further detail in points 19 to 22 of the Summary in Attachment A.

Consultation on solution design

The solution design for diary adjustments has been the subject of consultation through the following stakeholder forums:

- Focus Group session on 12 November 2019.
- Technical Committee meeting on 26 November 2019.

The diary adjustment solution design will be communicated publicly in Technical Documentation on the ASX CHES Replacement website (expected to be made available as part of Document Release 7 (Part II) scheduled for release in February 2020).

1.7. Holding adjustments

These changes impact issuers and their share registries in their performance of holding adjustments for corporate actions. Such parties will need to consider systems and operational processes to support the relevant changes. Please refer below for further information on rule impacts.

Overview of new/changed functionality

Changes are being made in respect of holding adjustment functionality, including:

- Under the new system, issuers will be able to give effect to an adjustment to more than one class of financial products by way of a holding adjustment. In the current CHES system, a holding adjustment message can only relate to one class of financial product.
- Issuers will be required to initiate a holding adjustment or financial products transformation to give effect to a reconstruction by transmitting a valid message to ASX Settlement. This will mean that the message needs to be formatted in accordance with a requirement to be included in the user technical documentation that reconstructions be given effect to via one message that accounts for an adjustment rather than multiple messages. This supports the preservation under ASXSOR 14.2 of subpositions restricting the movement of Financial Products.

- Issuer initiated holding adjustments or financial products transformations in relation to:
 - financial products held in a locked holding; or
 - financial products reserved in a subposition,will not be given effect to unless the holding adjustment or financial products transformation relates to a reconstruction. This supports the preservation of holding locks and subpositions restricting the movement of financial products.
- A message from an issuer initiating a holding adjustment for AQUA products will no longer need to contain the identification number for the originating request transaction.
- Currently, ASX Settlement will not process an issuer initiated holding adjustment or financial products transformation if the message is received between start of day and settlement cut-off until after the settlement processing phase has completed. This processing restriction is being removed so that ASX Settlement will process these messages between start of day and settlement cut-off.

These changes and the impact on the rulebooks are described in further detail in points 23 to 29 of the Summary in Attachment A.

Consultation on solution design

The solution design for holding adjustments has been the subject of consultation through the following stakeholder forums:

- Focus Group session on 9 July 2019.
- Technical Committee meeting on 28 May 2019.

ASX has made available on its website a summary of the feedback it has received from stakeholders from the relevant Focus Groups and ISO 20022 Technical Committee meetings on the solution design of the holding adjustment functionality.¹⁴

The holding adjustment solution design has been communicated publicly in Technical Documentation made available as part of Document Release 6 in November 2019 on the ASX CHESS Replacement website.¹⁵

1.8. mFund

The proposed changes to the existing mFund functionality are primarily to updates to message content and validation requirements (including for alignment with ISO 20022 requirements). The aim is to streamline and enhance specific aspects of mFund messaging in the new system (for example by removing unused message content and enhancing the structure and content of certain messages – see below for further detail).

Additionally, taking into account feedback received from stakeholders that redemption ‘on-hold’ status, switch and income advice notification functionality are no longer required, the draft rules include amendments to decommission that functionality.

These changes impact users of the mFund service:

- mFund product issuers, their registries and product issuer settlement participants.
- Controlling participants.

¹⁴ This information is available here:

<https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/112657670/Stakeholder+Feedback+and+ASX+Response+Holding+Adjustments>.

¹⁵ This information is available here: <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/112427568/Holding+Adjustments+Overview>.

As the proposed changes are generally of a technical nature, this impact is not expected to be significant. Please refer below for further information on rule impacts.

Overview of new/changed functionality

Changes are being made in respect of the message fields, validation requirements and functionality for mFund, including:

- Locked holdings cannot request redemption - the new system will require an account not to be locked for the purposes of submitting a valid originating message requesting the redemption of mFund units. If the message does not satisfy the relevant validation requirements, the new system will generate an error message. For completeness, unit allotment will still be permitted on a locked account, provided the account was active when the relevant order was submitted, accepted and settled.
- Validation of requests against fund status - the new system will validate an mFund request against the fund status of the security. The new system will require the fund status of the particular mFund product to be open in respect of the relevant type of application for issue and/or redemption (as applicable) for the resulting message to be transmitted by ASX Settlement. If the message does not satisfy the relevant validation requirements, the new system will generate an error message.
- Removal of order type - in the new system, the order type field for applications for issue and redemption, and status update messages will be removed. The order type field is not available on the ISO message to be used for mFund applications status updates. In the new system, the order type will be defined by the message type on application submission and confirmation and so will be an inherent aspect of the relevant Message.
- Message field population changes - under the current system, unit price, number of units (i.e. unit quantity), fees are optional fields in the relevant application acceptance message. In the new system, these fields will be populated at order confirmation. The relevant data fields are not available on the ISO message to be used for mFund issue or redemption acceptance. Consequently, the message content requirements for ASXSOR 18.3.6A will be updated to reflect the relevant fields that will be populated in this message going forward.
- Investor cancellation prior to acceptance - the new system will allow cancellation of an application for issue or redemption by an investor prior to its acceptance.
- New cancellation codes - the new system will include new reason codes for cancellation messages. The provision of a reason code will be mandatory in the new system. Under the new system, PISP order cancellation reason codes have been added for:
 - PDS Issue Date supplied is not the latest issued PDS.
 - Investor has requested the order for an incorrect fund.
 - Investor has submitted incorrect details on the order.
 - Participant Request.
- mFund Housekeeping - the new system will cancel orders that have not yet received an accept/reject response from the relevant PISP after 31 days.
- Validation against holding balance - the new system will validate:
 - When requesting a full redemption order, that the total holding balance is equal to the available balance and the number of units requested for redemption.
 - Otherwise, the available balance is greater than or equal to the number of units requested for redemption.
- If the message does not satisfy the relevant validation requirements the new system will generate an error message.

- Removal of 'on-hold' status - taking into account feedback received from stakeholders in consultation with the market and this functionality's low usage, ASX has decided that the new system will not provide the PISP the capability to place a redemption order on an 'on-hold' status prior to acceptance. Under the current ASXSORs, a PISP has the ability to 'defer' a redemption request (i.e. place the request 'on-hold'). This functionality will be removed from the ASXSORs.
- Redemption request reason will be mandatory - the new system will require the provision of a redemption request reason (called 'redemption type') as either relating to cooling-off rights or otherwise.
- Removal of gross redemption amount - the mFund redemption order request in the new system will not have the capability for a participant to redeem a gross amount. As a result, the ability to specify a net or gross amount will not be available in the new system.
- Validation for an active payment facility - the new system will only validate that an 'active' payment facility exists for the PISP and the settlement participant when the redemption order is requested by the participant. If the message does not satisfy the relevant validation requirements, the new system will generate an error message. For completeness, CHES currently validates that an 'active' payment facility exists for the PISP and the settlement participant when:
 - The redemption order is requested by the relevant participant.
 - The redemption order is accepted by the PISP.
 - The subsequent message by the PISP to update the acceptance is sent.
- mFund controlling participants - under ASXSOR 18.3.2, only a controlling participant may initiate a request for redemption. Under the new system, a controlling participant must also initiate a request for issue of an mFund product. For completeness, ASX notes that, in practice, a controlling participant may sometimes appoint a third party provider to perform settlement functions on behalf of the controlling participant. Additional commentary will be included in the ASXSORs to clarify liability for batch settlement obligations under ASXSOR 18.3.8.
- Removal of mFund switch functionality - taking into account feedback received from stakeholders in consultation with the market, this functionality's very low usage and that it only has a limited use case, ASX has decided that the new system will not include functionality for switches.
- Removal of request income advice functionality - taking into account feedback received from stakeholders in consultation with the market and this functionality's very low usage, ASX has decided that the new system will not include functionality for the request of mFund income advice.

These changes, and the impact on the rulebooks are described in further detail in points 30 to 44 of the Summary in Attachment A.

Consultation on solution design

The solution design for mFund has been the subject of consultation through the following stakeholder forums:

- Focus Group session on 17 September 2019.
- Technical Committee Meetings on 1 October 2019 and 28 January 2020.

ASX expects to make available on the ASX CHES Replacement website a summary of the feedback it has received from stakeholders from the relevant Focus Groups and ISO 20022 Technical Committee meetings on the solution design for mFund functionality, together with Technical Documentation which communicates the details of the solution design as part of Document Release 7 (Part II), which is scheduled for release in February 2020.

1.9. Other miscellaneous amendments

In addition to changes in respect of the functional elements referred to above in this Section 1 of this paper, several tidy up changes are also being made to the ASX Settlement Operating Rules.

These changes and the impact on the rulebooks are described in further detail in points 16, 22, 29 and 45 of the Summary in Attachment A.

2. Stakeholder feedback sought

2.1. Operation of Rule amendments

As indicated in section 1.1 above, the rule amendments discussed in this paper give effect to the solution design for 'day 1' functionality of the new system, including for new or changed functionality that has already been the subject of consultation processes through:

- ASX's consultation paper released September 2016 [ASXs Replacement of CHESSE for Equity Post-Trade Services: Business Requirements](#), which sought initial views from stakeholders on their requirements for the system to replace CHESSE and the [Supplementary Questionnaire](#) released by ASX in December 2016.
- Six CHESSE Replacement industry working groups convened in 2017 to obtain industry input on the business requirements for the new system.
- ASX's 2018 consultation paper in relation to the development of new business requirements for the new system and aspects of the existing CHESSE system to be decommissioned.
- Focus Groups and the Technical Committee for materially changed or significant new functionality or ISO messaging specifications and workflow for the new system.

Given the comprehensive nature of the consultation undertaken already on the 'day 1' functionality and solution design of the new system, this consultation process is focussed on the operation of the rule amendments in respect of such functionality / solution design.

2.2. Stakeholder feedback requested by ASX

ASX invites feedback from users and other stakeholders on the operation of the draft rule amendments set out in Attachments B, C and D, including any unintended consequences and associated impacts, to assist in finalising the draft rules for the new system. This consultation feedback is requested by 3 April 2020.

3. Next steps

3.1. Further tranches of rule amendments for public consultation

ASX released tranche 1 rule amendments relating to accounts, participants, securities and pre-settlement aspects on 15 November 2019.¹⁶

These tranche 2 rule amendments follow a similar consultation process as for tranche 1, although they involve a six week consultation period, rather than the nine weeks allowed for tranche 1 given it spanned the Christmas period.

Reflecting the iterative solution design process for the new system, ASX plans to release a third and final tranche of rule amendments for public consultation beyond those included in tranche 1 and in this paper. Tranche 3 rule amendments will relate to settlement, reporting and miscellaneous amendments, and the consultation paper for these is expected to be released in early-April 2020. This represents a deferral (from mid-March 2020) of the release date for the consultation paper for the tranche 3 draft rule amendments to remove an overlap with the timing for the consultation period for these tranche 2 draft rule amendments.

¹⁶ The Tranche 1 Consultation Paper is available here: <https://www.asx.com.au/documents/public-consultations/chess-replacement-tranche1-rule-amendment.PDF>

Further information on each of the rule tranches is contained in the updated Rule Amendment and Public Consultation Timeline published in February 2020.¹⁷

3.2. Response to consultation

For each tranche of draft rule amendments, ASX will consider consultation feedback received and release to the market its response to that consultation feedback that provides a summary of the feedback received in stakeholder submissions, addresses respondents' requests for clarification and further information, and includes the draft rule changes for that tranche with the revisions made to take into account feedback received marked-up.

ASX is planning to release to market its response to consultation for the first tranche of draft rule amendments by mid-April 2020. Subject to the feedback received, ASX plans to release its response to consultation for the second tranche of draft rule amendments by early-June 2020 and for the third tranche of draft rule amendments by late-July 2020. At the time that ASX releases its response to consultation for the tranche 3 draft rule amendments, ASX also plans to release a combined rules package covering all three tranches (which will be subject to regulatory clearance). Options for a further process to receive stakeholder feedback on the consolidation of the draft rules package are also being considered.

This represents a more comprehensive form of response to consultation than previously communicated for each rule tranche (namely notification of material changes to the rule amendments in that tranche). This also represents an extension to the timing for the provision by ASX of its response to consultation than previously communicated for each rule tranche. This extension reflects the more comprehensive form of response that will be provided as well as the deferral of the consultation period for the tranche 3 draft rule amendments to avoid overlap with the consultation period for the tranche 2 draft rule amendments as indicated above.

ASX will release the final rules package after the completion of the regulatory clearance processes referred to below. ASX is planning to release the final rule changes at least six months prior to the go-live date of the new system.

3.3. Potential impact of solution design and rule amendments in later tranches

Due to the iterative solution design process for the new system to replace CHES (including stakeholder engagement as part of that process):

- These tranche 2 rule amendments have impacted certain tranche 1 rule amendments (including in relation to bilateral demand settlement instructions¹⁸). Any such impacted rule amendments which were part of tranche 1 have been incorporated into these tranche 2 rule amendments and highlighted yellow in these tranche 2 rule amendments to differentiate them from further mark-up to the rulebooks as part of this tranche 2.
- The tranche 3 rule amendments may impact the rule amendments summarised in this paper. This includes, but is not limited to, where functionality covered in this tranche of the rule amendments is affected or supplemented by the development of the solution for additional functionality to be covered in tranche 3. An example of this is functionality relating to the new business requirement for communicating further investor details from settlement participants to mFund issuers to be covered in tranche 3 (described in section 2.2.23 of the 2018 consultation paper). Where this occurs, ASX plans to include the relevant changes to these tranche 2 rule amendments as part of the tranche 3 rule amendments released for public consultation. Any such tranche 2 rule amendments included in the tranche 3 consultation will be highlighted yellow to differentiate them from further mark-up to the rulebooks as part of tranche 3.

¹⁷ The Rule Amendment and Public Consultation Timeline is available on the CHES replacement website, here:

<https://www.asx.com.au/documents/public-consultations/ches-replacement-project-rule-change-development-and-consultation-timeline-feb-2020-final.pdf>.

¹⁸ In section 3.3 of the consultation paper for the tranche 1 draft rule amendments, <https://www.asx.com.au/documents/public-consultations/ches-replacement-tranche1-rule-amendment.PDF>, such changes to bilateral demand settlement instructions were contemplated to occur as part of the tranche 3 draft rule amendments. Given however the addressing within the tranche 2 draft rule amendments of the RTGS payment functionality supporting non-batch DvP bilateral settlement, the contemplated tailoring of the tranche 1 draft rule amendments for bilateral demand settlement instructions to the operation of the RTGS payment functionality has been incorporated as part of these tranche 2 rule amendments.

- As indicated in the consultation paper for the tranche 1 draft rule amendments, the tranche 3 rule amendments may also impact those tranche 1 draft rule amendments. Where this occurs, ASX plans to include the relevant changes to the tranche 1 rule amendments as part of the tranche 3 rule amendments released for public consultation. Any such tranche 1 rule amendments included in the tranche 3 consultation will be highlighted yellow to differentiate them from further mark-up to the rulebooks as part of tranche 3

If a stakeholder identifies an impact of these tranche 2 rule amendments on a tranche 1 rule amendment that ASX has not identified as indicated above, that feedback can be provided as part of the feedback on this tranche 2 rule amendments. Similarly, if as part of the upcoming consultation on the tranche 3 rule amendments a stakeholder identifies an impact on these tranche 2 rule amendments (or on a tranche 1 rule amendment) that ASX has not identified as indicated above, that feedback can be provided as part of the feedback on the tranche 3 rule amendments.

3.4. Regulatory clearance processes

The amendments will also be the subject of further engagement with the regulatory agencies as part of the normal regulatory clearance process for rule amendments.

As part of this process, ASX anticipates providing a combined draft rules package across all of the tranches (including any changes made through the public consultation process on the rule amendments) to the regulatory agencies in June 2020. ASX plans to have finalised the form of the combined rules package and to formally lodge that final form of rule amendments with ASIC in early September 2020. Regulatory clearance of the rule amendments will be on the basis of the combined rules package covering all three tranches (i.e. not separately for each tranche of rule amendments).

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



Attachment A: Summary of rule amendments

CHES - Summary of proposed changes to the ASX Settlement Operating Rules, ASX Clear Operating Rules and ASX Enforcement and Appeals Rulebook (Tranche 2)

21 January 2020

This document sets out a summary of the changes to the ASX Settlement Operating Rules (**ASXSORs**), ASX Clear Operating Rules (**ASXCORs**) and ASX Enforcement and Appeals Rulebook (**ASXEARS**) (together, the **rulebooks**) and associated Procedures to the rulebooks as part of go-live of the new system to replace CHES.

This document summarises the second of three tranches of rule amendments.

This second tranche relates to the following functional elements of the new system:

- dividend and distribution reinvestment plan (**DRP**) and bonus share plan (**BSP**) elections;
- entitlement acceptances;
- real time gross settlement;
- takeovers and buybacks;
- diary adjustments;
- holding adjustments; and
- mFund.

The changes summarised in this document fall within one of the categories listed below:

- Changes required to implement new business requirements;
- Changes required to reflect re-engineering of existing functionality;
- Changes made to decommission existing CHES functionality; and
- Other miscellaneous changes.

Important information

Terms not defined in this document have the meanings given to them in the rulebooks (as applicable). This document is a summary only and needs to be read in conjunction with the rulebooks.

Due to the iterative solution design process for the new system to replace CHES (including stakeholder engagement as part of that process), future tranches of rule amendments may impact the rule amendments summarised in this document. This includes but is not limited to where functionality covered in this tranche of the rule amendments is dependent on the development of the solution for additional functionality to be covered in later tranches.

The amendments to the rulebooks and therefore this summary of amendments are also subject to change through public consultation and regulatory disallowance processes.

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Summary of changes to the ASX Settlement Operating Rules (ASXSOR), ASX Clear Operating Rules (ASXCOR), and ASX Enforcement and Appeals Rulebook (ASXEAR)

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|---|---|---|---|--|---|
| Corporate Actions: DRP and BSP Elections | | | | | |
| 1. | <p>CHES does not currently support the transmission of electronic elections in connection with offers under dividend or distribution reinvestment plans (DRPs) (except in the case of managed funds settled through the mFund settlement service) or bonus share plans (BSPs).</p> <p>New ASXSORs are required to support this new functionality.</p> | <p>The new system will permit Participants and Issuers to transmit electronic notifications of elections (and cancellations of elections) for DRPs and BSPs in relation to CHES Holdings. Pursuant to the new functionality for the electronic transmission of elections for a DRP or BSP:</p> <ul style="list-style-type: none"> Participants may use CHES to provide, or cancel, an investor election. Issuers are required to notify Controlling Participants through CHES of: <ul style="list-style-type: none"> Updates to (including cancellations of) investor elections made directly to the Issuer by investors for CHES Holdings. | <p>Provide framework for the electronic transmission and processing of DRP and BSP elections through CHES, including for elections and cancellations of elections notified by Participants and Issuers.</p> | <p>New ASXSOR 5.19A</p> <p>Amended ASXSOR 2.1, 2.13 (new definition of “Corporate Action Election Status Advice Message”, “Corporate Action Record”, “Election Cancellation Message”, “Election Participant Notification Message”, “Election Issuer Notification Message”, “Election Option Type” and “Plan Election Date” and amended definition of “Acceptance Form”), Section 5 (Purpose) and 18.13.1(c); Appendix 1 as it relates to Rules 5.19A.2(a), 5.19A.2(a), 5.19A.2(c), 5.19A.3(a),</p> | <p>New BR</p> <p>Centralised data capture and storage (CP reference 2.2.3) and Electronic elections for DRPs and BSPs (CP reference 2.2.16)</p> |

¹ The following key is used to indicate the type of change:

- Changes required to implement new business requirements identified in the CHES Replacement Consultation Paper, [CHES Replacement: New Scope and Implementation Plan \(April 2018\) \(CP\)](#) (**New BR**)
- Changes required to reflect re-engineering of existing functionality (**Reengineer**)
- Changes made to decommission existing CHES functionality (**Decommission**)
- Other changes (**Other**)

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|-----|--|---|-------------------|---|-----------------------------|
| | | <ul style="list-style-type: none"> – Other cancellation of a prior investor election for CHES Holdings e.g. due to zero balance, plan suspended or plan eligibility rules. • CHES will check that a plan is in operation at the issuer level on receipt of an election message (disclosed by the Issuer to the Approved Listing Market Operator). • The Issuer will be responsible for accepting or rejecting elections having regard to the relevant plan rules for the DRP or BSP. • ASX will retain a record of the most recent investor elections with the aim of ensuring consistency of message workflows - such as supporting concurrent DRP/BSP partial election. • Issuer records for DRP and BSP will prevail. • A new enquiry functionality will be provided via CHES for controlling participants to request details of existing DRP or BSP elections, with issuer's to be required to process such | | <p>5.19A.5(a), 5.19A.5(c), 5.19A.6 and 5.19A.10(c).</p> <p>New ASXSOR Procedures 5.19A.2, 5.19A.3, 5.19A.5 and 5.19A.10</p> | |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|-----|--|--|-------------------|---------------------|-----------------------------|
| | | <p>requests. This will support for existing DRPs or BSPs in place prior to Day 1 implementation of the new system, identification by controlling participants of whether an election is in place. As part of that functionality, controlling participants will warrant that they are legally entitled or authorised to request such details and issuers will warrant that election details provided accurately represent those recorded by the Issuer and indemnify each other, the holder and ASX Settlement if this is not the case.</p> <ul style="list-style-type: none"> • Issuers will be required to incorporate in plan documents certain core representations and warranties from holders who instruct their controlling participant to use CHES to notify DRP or BSP elections, including that they agree to be bound by the terms and conditions of the relevant plan. This is to support the extension to the new electronic election process of representations in | | | |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|---|--|--|---|-----------------------------|---------------------------------|
| | | <p>existing election notification processes.</p> <ul style="list-style-type: none"> • Additionally, issuers will be required to incorporate in plan documents an authority from holders for elections or cancellation of elections made directly to the issuer to be notified to their controlling participant. This is to support the ability of issuers to provide that information to controlling participants in connection with the new electronic election process. • Controlling participants and issuers submitting election or election cancellation notifications via CHES will warrant that they are legally entitled or authorised to do so (e.g. pursuant to an instruction by the holder) and indemnify each other, the holder and ASX Settlement if this is not the case. | | | |
| Corporate Actions: Entitlement Acceptances (Rights Offers and Securities Purchase Plans) | | | | | |
| 2. | CHES does not currently support the transmission of electronic acceptances or payments in connection with offers under rights issues or share purchase | The new system will permit Participants and Issuers to transmit electronic notifications of acceptances (and cancellations of | To expressly provide an ASXSOR framework for the electronic transmission and processing of acceptances of offers under rights | New ASXSOR 5.21A and 5.21B. | New BR Centralised data capture |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|-----|--|---|---|---|--|
| | plans. New ASXSORs are required to support this new functionality. | <p>acceptances) and make payments in respect of such acceptances under rights offers or share purchase plans in relation to CHES Holdings.</p> <p>Pursuant to the new functionality for the electronic transmission of acceptances and payment for rights offers or share purchase plans:</p> <ul style="list-style-type: none"> • Provided Controlling Participants for a CHES Holding are an RTGS Participant, they will have the ability to: <ul style="list-style-type: none"> – transmit electronic acceptance messages and associated payments in respect of offers under rights issues or share purchase plans; and – transmit a pre-payment electronic cancellation of an entitlement acceptance • Issuers will need to appoint an RTGS Participant (or be an RTGS Participant) to facilitate payments in respect of entitlement acceptances. • Issuers will have the ability to initiate refunds of payments for acceptances received pursuant to the new functionality (e.g. in | offers (including renounceable and non-renounceable offers) and share purchase plans, including the establishment of the relevant corporate action event in CHES, acceptances initiated by Participants, cancellations, rejections, and scale-backs initiated by issuers. | <p>New ASXSOR Procedures 5.21A.3, 5.21A.5 and 5.21B.1.</p> <p>Amended ASXSOR 2.1, 2.13 (new definitions of “Accelerated Rights Offer”, “Acceptance Cancellation Message”, “Acceptance Participant Notification Message” “Corporate Action Record”, “Corporate Action RTGS Message”, “Corporate Action RTGS Instruction”, “Corporate Action Rejection Message”, “Non-Renounceable Rights Offer”, “Oversubscription Acceptance”, “Oversubscription Offer”, “Renounceable Rights Offer”, “Rights Offer”, “Securities Purchase Plan” and “Securities Purchase Plan Acceptance” and amended definitions of “Acceptance Form”, “CHES Renounceable Rights Subregister”, “Entitlement”,</p> | and storage (CP reference 2.2.3) and Electronic acceptance of entitlement offers (CP reference 2.2.17) |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|-----|--|---|-------------------|--|-----------------------------|
| | | <p>relation to rejected acceptances or oversubscription offer scale-backs).</p> <ul style="list-style-type: none"> • CHESSE will check that a plan is in operation at the issuer level on receipt of an electronic acceptance (disclosed by the Issuer to the Approved Listing Market Operator). • The Issuer will be responsible for accepting or rejecting acceptances having regard to the relevant rules for the rights offer or share purchase plan. • Acceptance messages may include the unique reference number from the entitlement and acceptance form or SPP offer document provided by an issuer to holders (unique identifier). This is optional, subject to the following qualifications: <ul style="list-style-type: none"> – Where the rights offer is subject to regulated disclosure document requirements², the unique | | <p><i>“Renounceable Rights Record” and “UIC”</i>), Section 5 (Purpose), 5.21.1, 5.21.2, 5.21.4, 5.21.5, 5.22.1, 6.11.2, 8.24.1 and 8.24.2; Appendix 1 Scheduled Times as it relates to ASXSORs 5.21A.3(a), 5.21A.3(c), 5.21A.3(e), 5.21A.5(a), 5.21A.5(c), 5.21A.6, 5.21B.1(a), 5.21B.1(c), 5.21B.1(e), and 5.21B.2;</p> | |

² Amendments are proposed to Appendix 3B to the ASX Listing Rules and associated online forms and messaging as part of the Corporate Actions STP Phase 2 Project to support the notification by issuers as to whether the rights offer is being made under such regulated disclosure documents.

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
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| | | <p>identifier will be required to be included by controlling participants in the acceptance message other than where the entitlement being accepted has been acquired as a result of being renounced and traded. This is to support issuer compliance with Corporations Act obligations that apply in such instances that the issue of financial products is <i>'in response to'</i> / <i>'pursuant to'</i> an application form³.</p> | | | |
| | | <ul style="list-style-type: none"> – For SPPs, issuers will be able to prescribe in their offer documents that the unique identifier must be included by controlling participants in the acceptance message (for the purpose of condition 8(2)(a) of <i>ASIC Instrument 2019/547</i> in relation to an electronic payment facility – given that CHESS will offer an electronic acceptance and payment facility). | | | |

³ 723(1) and 1016A(2)(a) of the Corporations Act

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
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| | | <ul style="list-style-type: none"> • Issuers will be required to incorporate in offer documents certain core representations and warranties from holders who instruct their controlling participant to use CHES to notify offer acceptances, including that they agree to be bound by the terms and conditions of the relevant offer. This is to support the extension to the new electronic acceptance and payment process of representations in existing acceptance notification (and payment) processes. • Controlling participants submitting acceptance or acceptance cancellation notifications via CHES will warrant that they are authorised to do so and indemnify the issuer, the holder and ASX Settlement if this is not the case. | | | |
| | | <p><i>Refer to rows 3 to 16 below for corresponding rule changes for real-time payment functionality.</i></p> | | | |
| <p>Real time gross settlement</p> | | | | | |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
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| 3. | <p><i>(Participant types)</i> There are currently four types of Participants in the ASX Settlement facility: Account Participant, Specialist Settlement Participant, General Settlement Participant and a Product Issuer Settlement Participant, with the last three Participant types also being classified as a Settlement Participant.</p> <p>In relation to the RTGS service, an RTGS Participant is a Settlement Participant who meets additional criteria, has an active Net Position Record and has been accredited.</p> | <p>ASX Settlement has introduced a new type of participant called a Corporate Action Payments Participant for the purpose of settling Corporate Action RTGS Instructions.</p> <p>A Settlement Participant and a Corporate Action Payments Participant will qualify as an RTGS Participant and can settle RTGS Instructions if they have been accredited for RTGS.</p> <p>See also row 6 below regarding removal of Net Position Record.</p> | <p>Issuers will need to appoint an RTGS Participant (e.g. a Corporate Action Payments Participant) or be an RTGS Participant to facilitate payments in RTGS in respect of entitlement acceptances.</p> <p>A Corporate Action Payments Participant will have limited functionality, including facilitating Corporate Action RTGS Instructions in RTGS.</p> <p>This type of Participant cannot establish or maintain sponsored holdings and cannot participate in batch settlement. A performance bond will not be required.</p> | <p>ASXSOR 2.13.1 (Definition of Corporate Action Payments Participant, Participant, RTGS Participant), Section 4 (purpose), 4.1.3 (new), 4.4B (new), 11.5 (heading), 11.5.1, 11.5.2</p> | <p>New BR</p> <p>Electronic payment for entitlement offers (CP reference 2.2.18)</p> <p>Reengineer</p> |
| 4. | <p><i>(Eligible Instructions)</i> The existing RTGS functionality contemplates a range of eligible classes of Instructions to be settled. Participants can appeal a decision of ASX Settlement not to admit or remove a class of Instructions into RTGS, and ASX Settlement may determine certain classes of Instructions must be settled in RTGS. Participants also have the ability to use an Alternative Settlement Facility to settle these Instructions.</p> | <p>The revised RTGS service will be limited to two classes of eligible Instructions to be settled, being Bilateral Demand Settlement Instructions (settled on a DvP basis) and Corporate Action RTGS Instructions.</p> <p>Additional rules specific to and supporting the treatment of Bilateral Demand Settlement Instructions and Corporate Action RTGS Instructions as RTGS Instructions and their processing</p> | <p>Reflect the change in scope of use of RTGS. Namely:</p> <ul style="list-style-type: none"> decommission of existing RTGS Instructions (e.g. CCP Gross RTGS Instruction and Dual Entry RTGS Instruction); and new Bilateral Demand Settlement Instructions (ie for bilateral DvP settlements) and Corporate Action RTGS | <p>ASXSOR 2.13.1 (Definition of Accrued RTGS Instruction, CCP Gross RTGS Instruction, Delivery Obligation, DvP RTGS Instruction, Matched Messages (also contains Tranche 1 changes in highlight), Parent DvP RTGS Instruction, Parent RTGS Instruction, Real Time Gross Settlement, RTGS Eligible, RTGS Instruction,</p> | <p>Decommission</p> <p>New BR</p> <p>Non-batch DvP bilateral settlement (CP reference 2.2.11)</p> <p>Electronic payment for entitlement offers (CP</p> |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
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| | | <p>for Real Time Gross Settlement on the Business Day generated have also been included.</p> <p>There will be no appeals process with respect to classes of Instructions and ASX Settlement will not mandate that Instructions must be settled in RTGS.</p> | <p>Instructions (ie for entitlement acceptances).</p> | <p>RTGS Mandatory, RTGS Message, Settlement Adjustment), 6.17.2, 9.5A.6 (also contains Tranche 1 changes in highlight), 11.1.1, 11.1.2, 11.1.3, 11.2 (heading), 11.2.1, 11.3 (heading), 11.3.1, 11.3.2, 11.3.3, 11.13.1, 11.13.2, 11.13.3, 11.13.4, 11.13.5, 11.17.4, 11.18.1, 11.25.1, 11.31.1 (heading), 11.31.2, 11.31.3, 11.31.4, 11.31.5, 11.31.6, 11.31.7, Section 15 (section heading and purpose), 15.1.1, 15.2 (heading), 15.2.1, 15.3 (heading), 15.3.1, 15.4.1, 15.5.1, 15.6.1, 15.9.1, 15.10.1, 15.11 (heading), 15.11.1, 15.12 (heading), 15.12.1, 15.13.1, 15.14.1, 15.15.1, 15.18.1, 15.21.1, 15.30.1</p> <p>ASXSOR Procedure 11.1.1 (new)</p> <p>ASXSOR Appendix 1 as it relates to ASXSOR 11.31.1</p> | <p>reference 2.2.18)</p> |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
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| 5. | <p><i>(Testing of Financial Products and debit caps)</i> In CHES today, an RTGS Instruction is tested in the Feeder System Queue to determine if:</p> <ul style="list-style-type: none"> there are sufficient Financial Products available to be delivered, and Financial Products are then reserved; and there are available credit and debit balances in relation to a Net Position Record. <p>If these tests are satisfied, the RTGS Instruction will be sent to RITS.</p> <p>ASX Settlement will cancel the reservation of the relevant Financial Products if the</p> | <p>In the new system:</p> <ul style="list-style-type: none"> ASX Settlement will apply a Demand Lock upon receipt of a Bilateral Demand Settlement Message from the delivering Participant if there are sufficient Available Financial Products at this time; and an RTGS Payments Provider must authorise an RTGS Instruction in respect of which it is required to perform a Payment Obligation (namely for RTGS Instructions sent to the | <p>Locking functionality is to be available for new bilateral DvP settlements at the time of the receipt of a Bilateral Demand Settlement Message from the delivering participant.</p> <p>Replacing existing credit management processes (currently occurring through the Net Position Record) with approval by RTGS Payment Providers prior to progressing RTGS Instructions to the settling phase in RTGS (referred to further in row 6 below) will simplify the RTGS service for its new scope of</p> | <p>ASXCOR 2.10.1 (Definition of Buyer, CCP RTGS Instruction, Fail, Instruction, Real Time Gross Settlement, RTGS, Seller), 4.21.1, Section 12, 12.7.4 (also contains Tranche 1 changes in highlight), 12.8.1, 12.8.5</p> <p>ASXCOR Procedure 12.7.4 (also contains Tranche 1 changes in highlight)</p> <p>ASXEAR 3.1.2</p> <p>ASXSOR (Definition of Accrued RTGS Instruction, Feeder System Queue, Net Position Record, Reserve, RTGS Delivery Shortfall, RTGS Pre-commencement Testing), 3.6.18, 9.5A.6 (also contains Tranche 1 changes in highlight), 11.17A (new), 11.18.5, 11.18.6, 11.18.8, 11.19 (heading), 11.19.1, 11.19.2, 11.19.3, 11.20 (heading), 11.20.1, 11.20.2, 11.20.3, 11.20.4,</p> | Reengineer |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|-----|---|---|---|--|-----------------------------|
| | RTGS Instruction is Failed, cancelled or suspended or if the Financial Products are no longer available. | <p>Feeder System Queue). CHES will not test credit and debit balances in relation to a Net Position Record.</p> <p>If these requirements are satisfied, the RTGS Instruction will be sent to RITS.</p> <p>ASX Settlement will cancel the Demand Lock applied to the Financial Products if the Bilateral Demand Settlement Instruction is Failed, suspended or if the Financial Products are no longer available or are subject to a Reconstruction (in which case the Bilateral Demand Settlement Instruction will be cancelled).</p> <p>See also row 6 below regarding removal of Net Position Record.</p> | facilitating bilateral DvP settlements and payments for entitlement acceptances. | <p>11.21 (heading), 11.21.1, 11.22.1</p> <p>ASXSOR Appendix 1 as it relates to ASXSOR 9.5A.8 (also contains Tranche 1 changes in highlight), 11.13.3, 11.13.4, 11.13.4(c)(ii), 11.19.1, 11.19.1(e) and 11.20.4</p> | |
| 6. | <p><i>(Credit Management)</i> In CHES today, a Participant can set up and maintain a Net Position Record and a Cash Subrecord for its Payment Facility for the purposes of credit management.</p> <p>Net Position Records are used to record RTGS Instructions due for settlement that relate to a specific Payment Facility. Participants can set up a Debit Cap within the Net Position Record which, if activated,</p> | <p>There will be no Net Position Record, Debit Cap or Cash Subrecord functionality offered under the new system.</p> <p>This will be replaced by the requirement for authorisation by RTGS Payments Providers of RTGS Instructions prior to progressing to the settling phase in RTGS. Existing credit management processes outside of CHES in</p> | Simplify the RTGS service for its new scope of facilitating bilateral DvP settlements and payments for entitlement acceptances. | ASXSOR 2.13.1 (Definition of Cash Sub-record, Debit Cap, Debit Cap Compliant, Debit Cap Status, Debit Limit, Excluded Cash Sub-record, Net Position Record, Net Position Record Status, Participant Managed, Payments Provider | Reengineer |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
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| | allows the Participant's Net Position Record to go into debit up to an amount. Cash Subrecords are used to track amounts to be debited or credited from the Participant's account | respect of RITS payments, for example, in AIF will continue to apply. | | Managed, RTGS Account Identifier, RTGS Participant, Standing Buy Account Identifier, Standing Sell Account Identifier), 11.5.3, 11.5.4, 11.9 (heading), 11.9.1, 11.9.2, 11.9.3, 11.9.4, 11.9.5, 11.9.6, 11.9.7, 11.9.8, 11.9.9, 11.9.10, 11.9.11, 11.9.12, 11.9.13, 11.9.14, 11.9.15, 11.9.16, 11.18.7, 11.18.8, 11.23 (heading), 11.23.1, 11.23.2, 11.23.3, 11.24 (heading), 11.24.1, 11.24.2, 11.25.1 ASXSOR Appendix 1 as it relates to ASXSOR 11.9.3(b)(ii), 11.9.6(b), 11.9.12(b) and 11.23.1(b) | |
| 7. | <i>(Switching)</i> Under CHES today, a Participant can request to switch a scheduled batch settlement with a RTGS settlement (and vice versa). | Under the new system, a Participant cannot switch between batch and RTGS. | Decommissioning of existing RTGS service which is not currently used. | ASXSOR 2.13.1 (Definition of Dual Entry RTGS Instruction, Dual Entry RTGS Message, Dual Entry Switch to Batch Settlement Message, Dual Entry Switch to RTGS Message, Matched Messages (also contains Tranche 1 | Decommission |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|-----|--|--|--|--|-----------------------------|
| | | | | <p>changes in highlight), Switch to Batch Settlement Message), 10.6 (heading), 10.6.1, 10.6.2, 10.6.3, 10.11.8, 11.11 (heading), 11.11.1, 11.11.2, 11.12 (heading), 11.12.1, 11.12.2, 11.12.3, 11.12.4, 11.12.5, 11.12.6, 11.12.7, 16.18.1 (also contains Tranche 1 changes in highlight), 16.19.1</p> <p>ASXSOR Appendix 1 as it relates to ASXSOR 10.6.1, 10.11.8, 11.11.2(b), 11.12.1(a)(i), 11.12.1(c), 11.12.3(a)(i), 11.12.5, 11.12.6, 11.12.6(b) and 11.28.2(a)</p> | |
| 8. | <p><i>(Scheduled / standing instructions)</i> Participants can create standing RTGS Instructions to be scheduled to settle on a future date.</p> | <p>RTGS Instructions cannot be scheduled for a future date. In the new system, a Bilateral Demand Settlement Instruction and a Corporate Action RTGS Instruction can only be created and settled on the same Business Day.</p> <p>An RTGS Payments Provider needs to authorise an RTGS</p> | <p>Simplify the RTGS service for its new scope of facilitating bilateral DvP settlements and payments for entitlement acceptances.</p> | <p>ASXSOR 2.13.1 (Definition of RTGS Settlement Date), 11.13.1, 11.14 (heading), 11.14.1, 11.14.2, 11.14.3, 11.14.4, 11.15.1, 11.18.4</p> <p>ASXSOR Appendix 1 as it relates to ASXSOR 11.18.4</p> | Decommission |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|-----|---|---|---|--|-----------------------------|
| | | Instruction before it is sent to RITS. | | | |
| 9. | <p><i>(Failed instructions)</i> RTGS Instructions which are not settled and have not been sent to the Feeder System Queue at RTGS End of Day will be Failed and rescheduled for the next RTGS Business Day.</p> <p>The RTGS End of Day is 5.00pm.</p> <p>If settlement does not occur for RTGS Instructions which means that the recipient of Financial Products to have been transferred under the RTGS Instruction does not receive or become subject to Entitlements or other benefits or obligations in respect of a Corporate Action, which otherwise would have accrued to the recipient if settlement had occurred on the scheduled date, redress is facilitated between the relevant participants to achieve an outcome comparable to settlement having occurred on the scheduled date.</p> | <p>Under the new system, the RTGS End of Day will be 5.15pm. RTGS Instructions which remain on the Feeder System at this time will be failed. ASX Settlement will cancel the RTGS Instruction.</p> <p>If an RTGS Instruction has not settled by 5.15pm, the counterparties to the RTGS Instruction will be notified and will need to create a new RTGS Instruction for the next Business Day.</p> <p>Redress will not be provided for RTGS Instructions that do not settle on the scheduled date.</p> | Simplify the RTGS service for its new scope of facilitating bilateral DvP settlements and payments for entitlement acceptances. | <p>ASXSOR 2.13.1 (Definition of RTGS End of Day), 11.28.1, 11.28.2, 11.31 (heading), 11.31.1, 11.31.2, 11.31.3, 11.31.4, 11.31.5, 11.31.6, 11.31.7</p> <p>ASXSOR Appendix 1 as it relates to ASXSOR 11.28.1(c), 11.28.2(a) and 11.31.1</p> | Reengineer |
| 10. | <p><i>(Changing and cancelling instructions)</i> Under CHES today, Participants can send a message to ASX Settlement requesting it to change the RTGS Instruction.</p> <p>ASX Settlement will only change the details of the RTGS Instruction if the Messages have been Matched.</p> | <p>Under the new system, ASX Settlement will not change any details recorded for an RTGS Instruction.</p> <p>Any RTGS Instructions that remain suspended at the RTGS End of</p> | Simplify the RTGS service for its new scope of facilitating bilateral DvP settlements and payments for entitlement acceptances. | <p>ASXSOR 6.20.1, 6.20.2, 11.15.1, 11.16.1, 11.16.2, 11.16.3, 11.16.4, 11.17.3, 11.17.4, 11.17.5, 11.17.6, 16.19.1</p> <p>Appendix 1 as it relates to ASXSOR 6.20.2, 11.16.1(a)(i), 11.16.1(b),</p> | Reengineer |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
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| | In addition, ASX Settlement can (for any RTGS Instructions which are suspended), Record the RTGS Instruction on the next RTGS Business Day and can cancel an RTGS Instruction that remains suspended after 10 RTGS Business Days. | Day will be cancelled by ASX Settlement. If a Participant wants to change an RTGS Instruction, such instruction will need to be cancelled and re-entered as a new RTGS Instruction. Cancellation is not permitted for Bilateral Demand settlement Instructions. | | 11.16.3(a), 11.16.4, 11.16.4(d) and 11.17.5(a) | |
| 11. | <p><i>(RTGS Payments Providers and Payment Facilities)</i> RTGS Participants must have an RTGS Payments Provider to participate in RTGS and at least 1 Payment Facility.</p> <p>RTGS Payment Providers are required to authorise the activation of a Net Position Record, Cash Sub record and Payment Facility linked to the activated Net Position Record.</p> <p>RTGS Payments Providers can appeal to an independent tribunal if its participation in RTGS has been suspended or terminated, or conditions have been imposed on its participation, by ASX Settlement.</p> | <p>In addition to having a Payment Facility, an RTGS Participant must provide ASX Settlement with details of a bank account (connected to its Payment Facility) with its RTGS Payments Provider and notify ASX Settlement of any changes to this bank account.</p> <p>The same RTGS Payment Facility may be used for Batch Settlement.</p> <p>RTGS Payments Providers will not be required to authorise the activation of a Net Position Record, Cash Sub record and Payment Facility linked to the activated Net Position Record.</p> <p>RTGS Payments Providers may appeal a decision of ASX</p> | <p>Simplify the RTGS service for its new scope of facilitating bilateral DvP settlements and payments for entitlement acceptances.</p> <p>Support identification of bank account referable to a Payment Facility to support straight through processing of RTGS payments into and out of that account.</p> <p>Align appeal processes for RTGS Payment Providers with appeal processes for Participants and Issuers across each of the ASX rulebooks.</p> | <p>ASXSOR 2.13.1 (Definition of Payment Facility, RTGS Bank Account), 4.13.1, 6.15.1, 6.15.3, 11.4.3, 11.5.3, 11.5.4, 11.8.6, 11.8.7, 11.8.8, 11.8.9, 11.8.10, 11.8.11, 11.8.12, 11.8.13, 11.8.14, 11.27.1.</p> <p>ASXSOR Procedure 4.13.1</p> <p>ASXEAR 1.12.1 (Definition of RTGS Payments Provider), 3.1.2, 4.1.1, 4.1.2</p> <p>ASXEAR Procedure 3.1</p> | <p>Reengineer</p> <p>Other</p> |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
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| | | Settlement to suspend, impose conditions on or terminate its participation to an Appeal Tribunal in accordance the provisions of the ASX Enforcement and Appeals Rulebook. | | | |
| 12. | <i>(RTGS settlement reporting)</i> ASX Settlement makes available to each RTGS Payments Provider an RTGS Settlement Report for each RTGS Participant for which it maintains a Payment Facility linked to an active Net Position Record. ASX Settlement notifies a Participant of the net movement of funds for each active Net Position Record and Cash Sub record. | In addition to making available an RTGS Settlement Report to each RTGS Payments Provider for which it maintains a Payment Facility, RTGS Payments Providers will be notified of each settled RTGS Instruction which required the RTGS Payments Provider to make or receive a payment. ASX Settlement to notify Participant of net movement of funds with respect to each bank account connected to a payment facility referable to that Participant's settled RTGS Instructions. | Enhance information available to RTGS Payment Providers in respect of RTGS processing of bilateral DvP settlements and payments for entitlement acceptances. Provide Participants with information for payments with respect to bank accounts connected to settled RTGS Instructions, replacing information for Net Position Record and Cash Sub record which will no longer apply. | ASXSOR 11.30.1,11.30.2 Appendix 1 as it relates to ASXSOR 11.30.1(a) (new) and 11.30.1(b) | Reengineer |
| 13. | <i>(Dual Entry/Bilateral references)</i> The existing rules currently define instruction types using EIS nomenclature, in particular 'Dual Entry'. | As foreshadowed in Row 52 of the Tranche 1 Summary, the ASXSOR will be amended so that references to 'Dual Entry' are updated to 'Bilateral'. | To align the ASXSOR with the updated naming convention for the new CHESS system. | ASXSOR 11.13.3, 11.17.2, 11.17.5, 12.19.8, 15.13.1, 15.14.1, 15.18 (heading), 15.18.1, 16.18.1 (also contains Tranche 1 changes in highlight), | Other |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
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| | | | | ASXSOR Appendix 1 Rule 11.17.5(a) | |
| 14. | <i>(RITS Regulations)</i> The existing ASXSOR refer to specific sections of the RITS Regulations | The ASXSOR have been amended to remove specific sections of the RITS Regulations. The references to these sections are no longer current. | To refer to the RITS Regulations generally | ASXSOR 3.6.17 | Other |
| 15. | <i>(Replacement of EIS)</i> Under CHES today, the components of Messages under the ASXSOR are typically defined by reference to the External Interface Specifications (EIS). The components of messages under the new system will be specified in User Technical Documentation | The EIS will be replaced with User Technical Documentation for the purpose of identifying the framework for message requirements and validity. This includes for users accessing the new system through messaging (ISO 20022 standard via AMQP or SWIFTNet) or through a distributed ledger API or 'node' connection. Further changes to the rulebooks will be provided in the Tranche 3 rule amendments package to reflect the replacement of the EIS with the User Technical Documentation, across the rulebooks. | The EIS is bespoke to the existing CHES system and will be replaced by technical documentation covering both ISO 20022 messaging and distributed ledger API or 'node' connection. | ASXSOR 2.13.1 (definition of RTGS Message), 4.7.1, 11.6.4, 11.6.5 | Reengineer |
| 16. | Ad hoc change | Tidy up changes | | ASXSOR 2.13.1 (Definition of Payment Facility), 3.6.18, 11.6.5, 11.8.3, 11.17.2, 11.17.4, | Other |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|--|--|--|---|---|-----------------------------|
| | | | | 11.23.2, 11.23.3, 11.24.2, 11.30.1 (heading) and Appendix 1 as it relates to ASXSOR 11.8.9(b) and 11.24.2(a)(ii) | |
| Corporate Actions: Takeovers & Buybacks | | | | | |
| 17. | <p><i>Non-Takeover Offer Events</i></p> <p>The ASXSORs currently expressly provide for the processing of acceptances into takeover bids, which is supported by the Corporations Act and regulations⁴. Certain other types of bids to acquire financial products that are not strictly “takeover bids” have been processed using the takeovers facility in CHES, supported by ASXSOR 14.12.1⁵. These include bids under buybacks, reinvestment offers and schemes of arrangement.</p> <p>It is preferred that an express ASXSOR framework be in place to expressly support such non-takeover offer events and any differences in their operation.</p> | <p>In addition to takeover bids currently provided for in the ASXSORs, the ASXSORs will be amended to specifically provide for the processing of acceptances under buyback offers or reinvestment offers as well as elections under schemes of arrangement which allow for elections as to alternate forms of consideration. These events are to be specifically distinguished in the message by an event type code (TEND, BIDS, OTHR respectively).</p> | <p>To provide an express ASXSOR framework supporting certain non-takeover bid events and any differences in their operation to takeover bids.</p> | <p>New ASXSORs 14.22, 14.23, 14.24, 14.25, 14.26, 14.27, 14.28, 14.29 and 14.30.</p> <p>Amended ASXSOR 2.13 (new definition of “<i>Non-Takeover Offer Event Consideration Code</i>”, “<i>Non-Takeover Offer Event</i>”, “<i>Non-Takeover Offer Event Transfer</i>”, “<i>Non-Takeover Offer Event Transferee Holding</i>” and “<i>Participant Offeror</i>” and amended definition of “<i>Offer Accepted Subposition</i>”), 4 (purpose), 4.4.2, 4.9.1, 4.16.4A and 14 (purpose); Appendix 1 as it relates to ASXSOR</p> | Other |

⁴ See section 653A of the *Corporations Act 2001* (Cth) and regulation 6.8.01 of the *Corporations Regulations 2001* (Cth).

⁵ ASXSOR 14.12.1 permits ASXS to treat certain types of bid to acquire financial products as “takeover bids” for the purposes of the ASXSORs.

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|-----|--|--|---|--|-----------------------------|
| 18. | <p><i>Processing of late acceptances</i></p> <p>Under the current state, an offer is sometimes required to be re-opened manually by ASX to facilitate processing of late acceptances or re-arranging of sub-positions. Re-opening is typically used in response to late acceptances for administrative requirements (e.g. to move financial products between codes).</p> | <p>Under the new system ASX will no longer be able to re-open takeover offers after the offer close date.</p> <p>The availability of re-opening functionality for the new system will be limited to non-takeover events (i.e. buybacks, reinvestment offers and schemes of arrangement) (“Non-Takeover Offer Events”). The new CHES system will recognise the different message and event types, and apply corresponding permissions to each, i.e.:</p> <ul style="list-style-type: none"> • (TEND events) The new CHES system will prohibit takeover offers (TEND) from being reopened after the relevant close date. This change does not prevent a takeover event from being extended in the usual course (i.e. by way of market announcement); • (BIDS and OTHR events) The new CHES system will continue to permit the participant offeror to initiate | <p>Support the continued reopening of Non-Takeover Offer Events (i.e. buy-backs, reinvestment offers, and schemes of arrangement) in certain circumstances prescribed under the ASXSORs, providing flexibility to complete the processing of acceptances of non-takeover events after the close date.</p> | <p>14.24.1, 14.24.5, 14.24.9, 14.24.10, 14.26.3 and 14.29.1.</p> <p>New ASXSOR 14.24.7, 14.25.6 and 14.25.7.</p> | Reengineer |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
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| | | changes but without input from ASX Post-Trade Operations. | | | |
| Diary adjustments | | | | | |
| 19. | <p>If settlement does not occur for Batch Instructions which means that the recipient of Financial Products to have been transferred under the Batch Instruction does not receive or become subject to Entitlements or other benefits or obligations in respect of a Corporate Action, which otherwise would have accrued to the recipient if settlement had occurred on the scheduled date, redress is facilitated between the relevant participants to achieve an outcome comparable to settlement having occurred on the scheduled date under ASXSORs 10.17 to 10.23.</p> <p>The current definition of Parent Batch Instruction contemplates such redress where an Accrued Batch Instruction is generated in connection with a Corporate Action relating to the issue of rights to Financial Products and does not contemplate other redress currently facilitated in connection with other Corporate Actions under ASXSORs 10.17 to 10.23.</p> | <p>The existing definition of Parent Batch Instruction will be amended to extend to the different types of redress accommodated under ASXSORs 10.17 to 10.23 e.g. in respect of a failed settlement involving Financial Products subject to a Corporate Action for the issue of dividends or the return of capital.</p> <p>This definition has been expressly extended to incorporate such other redress mechanisms, including Settlement Adjustments, transfers and payments applicable in the context of ASXSORs 10.17 to 10.23.</p> | To reflect the different types of redress and mechanisms for effecting such redress that apply to Batch Instructions that do not settle on the scheduled date under ASXSORs 10.17 to 10.23. | ASXSOR Section 2.13 (Definition of 'Parent Batch Instruction') | Other |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
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| 20. | ASX Settlement calculates a Settlement Amount for an Accrued DvP Batch Instruction generated to provide redress in connection with a failed settlement involving Financial Products subject to Corporate Action relating to the issue of rights to Financial Products under ASXSOR 10.17. The Parent DvP Batch Instruction is reduced by this Settlement Amount. | The Settlement Amount to be applied to an Accrued DvP Batch Instruction generated to provide redress in the circumstances under ASXSOR 10.17 will be zero. Accordingly, there will no longer be a corresponding reduction to the Settlement Amount to the Parent DvP Batch Instruction. | The calculation and inclusion of a Settlement Amount (generally 1 cent per Financial Product to be transferred under the Accrued DvP Batch Instruction) is a legacy initiative introduced before fail fees and is no longer considered necessary to discourage such failed settlements. | ASXSOR 10.17.5 and 10.17.6 | Reengineer |
| 21. | Settlement Participants are required to Transmit a Valid Message to ASX Settlement to request a change to a Parent Batch Instruction. | In order to change a Parent Batch Instruction, Settlement Participants will be required to cancel the Parent Batch Instruction and submit Messages to generate a new Batch Instruction in its place with the revised settlement details. | Manual updates to Parent Batch Instructions will not be supported under the new system. | ASXSOR 10.21.1 | Reengineer |
| 22. | Ad hoc change | Tidy up changes | | ASXSOR 10.18.1 | Other |
| Holding Adjustments | | | | | |
| 23. | If a Corporate Action requires an Issuer to initiate an adjustment to more than one class of the Issuer's Financial Products, the Issuer must initiate a Financial Products Transformation. A Holding Adjustment message cannot be used to give effect to an adjustment to a CHES Holding of more than one class of financial products. | Issuers will be able to give effect to an adjustment to more than one class of financial products by way of a Holding Adjustment. | Reflect new system functionality to remove limitations in processing of Holding Adjustments involving multiple classes of financial products. | Amended ASXSOR 5.22.2. | Reengineer |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
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| 24. | N/A – new rule | <p>Issuers will be required to initiate a Holding Adjustment or Financial Products Transformation to give effect to a Reconstruction by Transmitting a Valid Message to ASX Settlement.</p> <p>One of the existing requirements for a “Valid” Message is that it is formatted in accordance with the User Technical Documentation. The User Technical Documentation will include a requirement that Reconstructions be given effect to via one Message that accounts for an adjustment to a CHES Message rather than multiple messages.</p> | <p>Reflect new system functionality and support the preservation under ASXSOR 14.2 of Subpositions over Financial Products affected by a Reconstruction which requires that a Reconstruction be given effect to via a single Message.</p> | <p>New ASXSOR 5.26.1. Amended ASXSOR 14.2.1 and 14.2.2.</p> | Reengineer |
| 25. | Subject to the terms of any court order, if ASX Settlement receives a message from an Issuer initiating a Holding Adjustment or Financial Products Transformation in relation to Financial Products held in a Locked Holding, ASX Settlement must give effect to that message. | <p>If Financial Products are held in a Locked Holding, ASX Settlement will only give effect to a Holding Adjustment or Financial Products Transformation if it relates to a Reconstruction.</p> <p>Holder Record Locks and Holding Locks are maintained following a Reconstruction. Where some (but not all) financial products in a Holding are subject to a Holding Lock, ASX Settlement will maintain the ratio between the number of Financial Products</p> | <p>Reflect new system functionality to support the preservation of holding locks restricting the movement of Financial Products.</p> <p>Remove manual process.</p> <p>As a Reconstruction generally preserves the value of Financial Products, it is not expected to impact the original purpose for imposing a Holder Record Lock or Holding Lock (including those imposed due to a court order).</p> | <p>Amended ASXSOR 8.15.19 and 8.26.1. New ASXSOR 8.15.20.</p> <p>Deleted new ASXSOR 8.15.20 which was proposed as part of the Tranche 1 rule amendments highlighted (this rule is no longer required as the substance of this rule can now be addressed in</p> | Reengineer |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
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| | | <p>subject to a Holding Lock before and after the Reconstruction. This is not necessary for Holder Record Locks as these locks apply to the entire holding.</p> <p>Please note that 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. 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> | | ASXSOR 8.15.19 and 8.26.1). | |
| 26. | <p>If ASX Settlement receives a Message from an Issuer initiating a Holding Adjustment or Financial Products Transformation in relation to Financial Products in a Subposition, ASX Settlement gives effect to that Message which can mean the release of Financial Products from the Subposition.</p> | <p>A new rule has been introduced to provide that ASX Settlement will not give effect to an Issuer initiated Holding Adjustment or Financial Products Transformation that is not a Reconstruction, in relation to Financial Products reserved in a Subposition.</p> | <p>Reflect new system functionality to support the preservation of Subpositions restricting the movement of Financial Products.</p> | <p>New ASXSOR 14.1.7. Deletion of ASXSOR 14.2.3.</p> | Reengineer |
| 27. | <p>An Issuer initiated Holding Adjustment for AQUA products message must contain the</p> | <p>A message from an Issuer initiating a Holding Adjustment for AQUA products does not need to contain the identification</p> | <p>Reflect new system functionality.</p> | <p>Amended ASXSOR Procedure 18.10.1.</p> | Reengineer |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|--------------|--|---|---|--|-----------------------------|
| | identification number for the originating request transaction. | number for the originating request transaction. | | | |
| 28. | ASX Settlement will not process Issuer initiated Holding Adjustments or Financial Products Transformations received between Start of Day and Settlement Cut-off until after Settlement Processing Phase has been completed. | This processing restriction is being removed. ASX Settlement will process Issuer initiated Holding Adjustments or Financial Products Transformations received between Start of Day and Settlement Cut-off. | Reflect new system functionality to remove restrictions on the processing of Issuer initiated Holding Adjustments or Financial Products Transformations prior to completion of the Settlement Processing Phase. | Amended ASXSOR 16.22.1. | Reengineer |
| 29. | Ad hoc change | Tidy up changes. | | Amended ASXSOR 5.3.6; 5.22.2. | Other |
| mFund | | | | | |
| 30. | <i>(Locked Holdings cannot request redemption)</i> In the current system, an mFund request for redemption can be submitted or accepted for a locked account. In the new system, a mFund request for redemption will not be able to be submitted or accepted for a locked account Under the current ASXSORs, if the relevant message complies with ASXSOR 18.3.1, then ASXS must Transmit the details of the relevant application for redemption to the Product Issuer Settlement Participant (PISP) under ASXSOR 18.3.3. IT is preferred that the ASXSORs contain an express basis to generate an error | The new system will require an account not to be locked for the purposes of submitting a Valid Originating Message requesting the redemption (see adjacent column) of mFund Units. If the message does not satisfy the relevant validation requirements the new system will generate an error message. For completeness, Unit Allotment is still allowed on a locked account provided that the Account was active when the Order was submitted, accepted and cash-settled. | To expressly provide the criteria for a valid message to reflect the new functionality and enable an error message to be generated if the new validation criteria are not satisfied. | Amended ASXSOR Procedure 18.3.1 (under “Applications for issue or redemption”) | Reengineer |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|-----|---|---|---|--|-----------------------------|
| | message when the account is locked, and not require the Message to be Transmitted. | | | | |
| 31. | <p><i>(Validation of requests against Fund Status)</i> The new system will validate a mFund request for against the Fund Status of the Security. In the current system, this validation is not performed.</p> <p>Under the current ASXSORs, if the relevant message complies with ASXSOR 18.3.1, then ASXS is subject to an obligation to Transmit the details of the relevant application for redemption to the PISP under ASXSOR 18.3.3. The ASXSOR Procedures are being amended to provide an express basis to generate an error message, and not require the Message to be Transmitted.</p> | <p>The new system will require the fund status of the particular mFund product to be Open in respect of the relevant type of application for issue and/or redemption (as applicable) for the resulting message to be transmitted by ASXS. If the message does not satisfy the relevant validation requirements the new system will generate an error message.</p> | <p>To expressly provide the criteria for a valid message to reflect the new functionality and enable an error message to be generated if the new validation criteria are not satisfied.</p> | <p>New ASXSOR Procedure 18.3.1 (under “Applications for issue or redemption”)</p> | <p>Reengineer</p> |
| 32. | <p><i>(Removal of Order Type)</i> In the new system, the Order Type field for applications for issue and redemption and status update messages and will be removed. This field is currently specified in the ASXSOR Procedures.</p> | <p>ASXSOR Procedure 18.3.6A requires the order type to be specified in this message: refer to paragraph (h) under each of the “Issue” and “Redemption” subheadings. These references will need to be removed to facilitate the functionality change in the new system</p> | <p>The Order Type field is not available on the ISO message to be used for mFund applications status updates used by Australian and International Market Practice Guidelines. In the new system, the order type will be defined by the message type on Application Submission and Confirmation and so the order type will be an</p> | <p>Amended ASXSOR Procedure 18.3.6A (Issue and Redemption sections) Procedure 18.5 and 18.6.1 (Cancellations) and Procedure 18.7.1 (change of details notified by the PISP).</p> | <p>Reengineer</p> |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
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| | | | inherent aspect of the relevant Message. The Transaction Id (Order Reference) on the status update message will reference the order submitted. | | |
| 33. | <i>(Message field population changes)</i> Under the current system, Unit Price, Number of Units (i.e., Unit Quantity), Fees are optional fields in the relevant Application Acceptance message. In the these fields will be populated at Order Confirmation. | The relevant data fields are not available on the ISO message to be used for mFund issue or redemption acceptance. Consequently, the message content requirements for ASXSOR 18.3.6A will be updated to reflect the relevant fields that will be populated in this message going forward. | The Proposed change involves the automated population of data fields that are currently optional in an Acceptance message sent under ASXSOR 18.3.3. | Amended ASXSOR Procedure 18.3.6A. | Reengineer |
| 34. | <i>(Investor cancellation prior to acceptance)</i> The current system does not allow cancellation of an application by an Investor prior to its acceptance - a Participant may request the Cancellation of an Order only the order has been deferred (i.e. is in an "On-Hold" status). The new system will allow cancellation of an application for issue or redemption by an Investor prior to its Acceptance. The PISP must approve the cancellation request prior to the order being cancelled | Under ASXSOR 18.6.1 an Investor may only request a cancellation to a request to redeem units. A new ASXSOR 18.6.1A and Scheduled time be included to reflect the new procedure, under which the investor may request cancellation prior to the acceptance of the redemption request by the PISP. | To expressly permit a cancellation of a request for issue of units by the investor prior to acceptance of the request. | New ASXSOR 18.6.1A, and Appendix 1 Scheduled Times as they relate to ASXSOR 18.6.1A and 18.6.1A(a) New ASXSOR Procedure 18.6.1A Appendix 1 Scheduled Times as they relate to ASXSOR procedure 18.6.1A and 18.6.1A(a) Amendment to ASXSOR Procedure 18.6.1 (heading). | Reengineer |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
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| 35. | <i>(New cancellation codes)</i> The new system will include new reason codes for cancellation messages. The provision of a reason code will be mandatory in the new system. | For the CHES replacement system, PISP Order Cancellation Reason codes have been added for: <ul style="list-style-type: none"> • PDS Issue Date supplied is not the latest issued PDS • Investor has requested the order for an incorrect fund • Investor has submitted incorrect details on the order • Participant Request | To expressly require a reason code to be provided in a cancellation message | Amendment to ASXSOR Procedure 18.5.1 | Reengineer |
| 36. | <i>(mFund Housekeeping)</i> The new system will cancel orders that have not yet received an Accept/Reject response from the relevant PISP after 31 days. The current system does not perform this housekeeping function. | A new paragraph will be added to ASXSOR 18.3.3 to include a deeming provision to the effect that the application is treated as being rejected, and that the relevant order request will be Cancelled if the PISP does not respond within 31 days. | New functionality to ensure that orders do not remain un-actioned in the CHES System for longer than is required. | New ASXSOR 18.3.5 and amendments to Appendix 1 of the ASXSOR and ASXSOR Procedures as they relate to ASXSOR 18.3.5. | Reengineer |
| 37. | <i>(Validation against holding balance)</i> The current system does not validate the Number of Units on a Full Redemption against the Holding Balance. The new system will validate: <ul style="list-style-type: none"> • when requesting a full redemption order, that the Total Holding Balance is equal to the Available Balance and the number of units requested for redemption; and • otherwise, that the Available Balance is greater than or equal to | Amendment to ASXSOR Procedures to include these express validation requirements. If the message does not satisfy the relevant validation requirements the new system will generate an error message. | To ensure that (i) an Investor cannot redeem locked units (see also row 30 and (ii) the PISP redeems all units on the Account Identifier (HIN) when processing a full redemption for an Investor. To expressly provide the criteria for a valid message to reflect the new functionality and enable an error message to be generated if the new validation criteria are not satisfied. | New ASXSOR Procedure 18.3.1 (under Applications for issue or redemption) | Reengineer |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|-----|---|--|--|--|-----------------------------|
| | the number of units requested for redemption. | | | | |
| 38. | <i>(Removal of "On-Hold" status)</i> The current system allows a PISP to place a redemption order on an "On-Hold" Status prior to Acceptance. The new system will not provide the PISP the capability to place a redemption order on an "On-Hold" Status prior to Acceptance | Under the current ASXSORs, a PISP has the ability to "defer" a redemption request (ie place the request "on-hold"). This functionality will be removed from the ASXSORs. | To remove "on-hold" status functionality on the basis that there currently is low usage of this feature today. On-hold functionality will not be included in the new system following stakeholder input via consultation with the market | Amended ASXSORs 18.3.3, 18.3.4, 18.5.1, and 18.6.1 (including related Appendix 1 Scheduled Times); and Amended ASXSOR Procedure 18.3.3. | Decommission |
| 39. | <i>(Redemption Request Reason mandatory)</i> In the current system it is optional to supply the Redemption Type in the relevant CHES Message. The new system will mandate the provision Redemption Request Reason (called "Redemption Type") as either relating to cooling-off rights or otherwise. | Amendment to redemption request content requirements under ASXSOR Procedures to include Redemption Type information in a redemption request message. | To expressly require a reason code to be provided in a redemption request message | Amendment to include ASXSOR Procedure 18.3.1 (under Application for redemption) | Reengineer |
| 40. | <i>(Removal of gross redemption amount)</i> The mFund Redemption Order Request in the new system will not have the capability for a Participant to redeem a Gross Amount. | The ability to specify net or gross amount will be removed in the new system. This will be reflected in changes to the ASXSOR Procedures. | To remove gross redemption amount (i.e., before including any relevant fees or transaction costs) from a redemption request message on the basis (i) that there has been very low usage of this function in the current system and (ii) ASX understands from stakeholder feedback that Investors expect that the net | Deletion to ASXSOR Procedure 18.3.1 (under Application for redemption) | Reengineer |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|-----|--|---|--|--|-----------------------------|
| | | | amount requested (i.e., the amount after applying any applicable fees or transaction costs) will be returned to them. | | |
| 41. | <p><i>(Validation changes – active payment facility)</i> Under the current system, CHES validates that an "Active" Payment Facility exists for the PISP and the Settlement Participant when:</p> <ul style="list-style-type: none"> • the Redemption Order Is requested by the relevant Participant; • the Redemption Order Is accepted by the PISP; and • the subsequent message by the PISP to update the Acceptance is sent. | Amendment to ASXSOR Procedures to include certain validation requirements regarding the relevant payment facility. If the message does not satisfy the relevant validation requirements the new system will generate an error message. | To expressly require a valid redemption message to be transmitted when there is an Active payment facility for the PISP and relevant Settlement Participant at the time the redemption is requested. | New ASXSOR Procedure 18.3.1 (under Applications for issue or redemption) | Reengineer |
| | The new system will only validate that an "Active" Payment Facility exists for the PISP and the Settlement Participant when the Redemption Order is Requested by the Participant. | | | | |
| 42. | <p><i>(Removal of mFund switch functionality)</i> The new system will not support switching between mFunds.</p> | Following consultation with the market through the mFund Focus Group session, ASX has determined that the new system will not include functionality for switches on the basis that it is currently the subject of very low usage and that | To remove references to switch functionality under the ASXSORs and related Procedures | Amended Section 18 purpose Amended ASXSORs 18.8.1, 18.12.1, 18.12.2, 18.14.1, 18.14.2 and 18.14.3 | Decommission |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|-----|--|---|-------------------|---|-----------------------------|
| | | this functionality only has a limited use case. | | <p>Amended ASXSOR Appendix 1 Scheduled Times as they relate to 18.6.1, 18.6.1(c), 18.6.1(d), 18.7.1</p> <p>Amended ASXSOR Procedures 18.5, 18.7.1 and 18.11.1</p> <p>Amended ASXSOR Procedures Appendix 1 Scheduled Times as they relate to 18.6.1(c), 18.6.1(d) and 18.7.1</p> <p>Deleted ASXSORs 18.4.1 to 18.4.4, 18.4.6, 18.5.2, 18.6.1(b) and 18.7.1(b)</p> <p>Deleted ASXSOR Appendix 1 Scheduled Times as they relate to 18.4.3(a), 18.4.3(b), 18.4.4(b) and 18.5.2</p> <p>Deleted ASXSOR Procedures 18.4.1, 18.4.3 and 18.4.4</p> <p>Deleted ASXSOR Procedures Appendix 1 Appendix 1 Scheduled Times as they relate to 18.4.3(a), 18.4.3(b) and 18.4.4(b)</p> | |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
|-----|--|--|---|--|-----------------------------|
| 43. | <i>(Removal of request income advice functionality)</i> The new system will not support requests for income advice. | Following consultation with the market through the mFund Focus Group session, ASX has determined that that the new system will not include functionality for mFund income statements on the basis that it is currently the subject of very low usage. | To remove references to income advice functionality under the ASXSORs and related Procedures | Amended Section 18 purpose Deleted ASXSORs 18.9.1 to 18.9.6 Deleted ASXSOR Appendix 1 Scheduled Times as they relate to 18.9.2(a), 18.9.2(b), 18.9.4, 18.9.6(a) and 18.9.6(b) Deleted ASXSOR Procedures 18.9.1, 18.9.2 and 18.9.4 Deleted ASXSOR Procedures Appendix 1 Scheduled Times as they relate to 18.9.2(a), 18.9.2(b), 18.9.4, 18.9.6(a) and 18.9.6(b) | Decommission |
| 44. | <i>(mFund Controlling Participants)</i> Under ASXSOR 18.3.2, only a Controlling Participant may initiate a request for redemption. Under the new system, only a Controlling Participant may initiate a request for issue or redemption. | A Controlling Participant must initiate a request for issue of an mFund product. Additionally, ASX understands that, in practice, a Controlling Participant may sometimes appoint a Third Party Provider to perform settlement functions on behalf of the Controlling Participant. Additional commentary will be included in the ASXSORs to | To expressly state that a Controlling Participant must submit requests for issue of mFund Products. To clarify the operation of ASXSOR 18.3.8 in relation to current practice. | Amended ASXSOR 18.3.2 and ASXSOR 18.3.8 | Reengineer |

| No. | Effect of the existing rules (incl why there is a need to amend the rules) | Summary of change | Purpose of change | Rules amended/added | Type of change ¹ |
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| | | clarify liability for batch settlement obligations under ASXSOR 18.3.8. | | | |
| Ad hoc changes | | | | | |
| 45. | Tidy up changes | | | ASXSORs 14.12.4, 14.13.4, 14.14.7, 14.15.5 and 18.7.1. ASXSOR Procedures 18.5, 18.9A.2 | Other |



Attachment B: ASX Settlement Operating Rule and Procedure amendments

ASX SETTLEMENT OPERATING RULES

SECTION 2 DEFINITIONS AND INTERPRETATION

This Section contains the definitions and sets out a number of general principles by which these Rules are to be interpreted.

2.1 GENERAL PRINCIPLES OF INTERPRETATION

In these Rules, unless the context otherwise requires:

- (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any regulation or statutory instrument issued under, that legislation or legislative provision;
- (b) a reference to the operating rules of an Approved Clearing Facility, the operating rules of an Approved Market Operator, the Listing Rules, the ASX Enforcement and Appeals Rulebook, these Rules, the Procedures or the Fees and Charges Schedule is a reference to the operating rules, the Listing Rules, that rulebook, these Rules, the Procedures or the Schedule as modified or amended from time to time;
- (c) the singular includes the plural and vice-versa;
- (d) a reference to person, body, corporation, trust, partnership, unincorporated body, firm, association, authority or government includes any of them;
- (e) a word denoting any gender includes all genders;
- (f) if a word or expression is given a particular meaning, another part of speech or grammatical form of that word or expression has a corresponding meaning;
- (g) a reference to power includes a reference to authority and discretion;
- (h) a reference to a Rule (eg Rule 2.4) includes a reference to all sub-Rules included under that Rule (eg Rule 2.5.4);
- (i) a reference to a Section (eg Section 2) includes a reference to all Rules and sub-Rules within that Section;
- (j) a reference to any Rule or Procedure is a reference to that Rule or Procedure as amended from time to time;
- (k) a reference to time is to the time in Sydney, Australia;
- (l) a reference to currency is a reference to Australian currency;
- (m) a reference to writing includes typing, printing, lithography, photography, telex, facsimile or any other mode of representing or reproducing words in a visible form;

- (n) where there is a reference to the power of ASX Settlement to make, demand or impose a requirement there is a corresponding obligation of the relevant Participant to comply with that demand or requirement in all respects;
- (o) a reference to ASX Settlement notifying or giving notice to a Participant or vice-versa is a reference to notifying or giving notice in accordance with Rule 1.10; ~~and~~
- (p) a reference to records includes any documents and any electronic records which ASX Settlement considers are relevant for the purposes of performing its functions under the Rules; ~~and~~
- (q) a reference to a document includes any record of information including when in electronic form.

Introduced 11/03/04 Origin SCH 21.1 Amended 01/08/10, 01/01/12

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2.13 DEFINITIONS

2.13.1 Definitions used in the Rules

In these Rules, unless the context otherwise requires:

...

“Accelerated Rights Offer” means an offer of a renounceable or non-renounceable right to subscribe for Approved Financial Products pursuant to a rights issue under which:

- (a) some or all persons who are offered Approved Financial Products may:
 - (i) receive the offer before other persons to whom offers are made; or
 - (ii) be given a period of time to accept the offer which is less than the period of time given to other persons to whom offers are made; or
- (b) the Approved Financial Products may be issued to a person before Approved Financial Products are issued to other persons under the offer.

“Acceptance Cancellation Message” means a Message pursuant to Rule 5.21A.5(a) that enables the Controlling Participant to cancel an acceptance pending payment recorded in relation to a Rights Offer or Securities Purchase Plan for a CHESSE Holding.

“Acceptance Form” means a document that enables a person to communicate to an Issuer an election in relation to a Corporate Action, including (without limitation):

- (a) an entitlement & acceptance form;
- (b) a provisional letter of issue; ~~and~~
- (c) an application form (whether or not attached to a ~~prospectus~~disclosure document);
- (d) a Valid Election Participant Notification Message; and
- (e) a Valid Acceptance Participant Notification Message.

Amended 04/03/1.

“Acceptance Participant Notification Message” means a Message pursuant to Rule 5.21A.3(a) that enables the Controlling Participant to communicate to the Issuer an acceptance in relation to a Rights Offer or Securities Purchase Plan for a CHES Holding.

...

~~“Accrued RTGS Instruction” mean an RTGS Instruction generated by ASX Settlement to effect a distribution of Financial Products arising from a Corporate Action.~~

...

~~“Cash Sub record” means a CHES record:~~

~~(a) — an ancillary to a Participant’s Net Position Record; and~~

~~(b) — tagged with an RTGS Account Identifier;~~

~~that tracks amounts to be debited or credited, on settlement of an RTGS Instruction, to the account of the Participant linked to that RTGS Account Identifier.~~

...

~~“CCP Gross RTGS Instruction” means an RTGS 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.~~

...

“CHES Renounceable Rights Subregister” means the Subregister administered by ASX Settlement that records Holdings of renounceable rights or non-renounceable rights (as applicable).

...

“Corporate Action Election Status Advice Message” means a Message pursuant to Rule 5.19A.2(c) that enables the Issuer to communicate to the Controlling Participant whether an election in relation to a dividend or other distribution reinvestment plan or bonus share plan communicated by the Controlling Participant under Rule 5.19.2(a) has been accepted or rejected by the Issuer.

“Corporate Action Payments Participant” means a Participant admitted to participate in the Settlement Facility under Rule 4.4B.

“Corporate Action Record” means a CHES record of a Corporate Action created by ASX Settlement in accordance with Rule 5.19A.1 or Rule 5.21A.1.

“Corporate Action RTGS Message” means a Message that instructs ASX Settlement to settle:

(a) an acceptance of an offer, Transmitted by a Controlling Participant pursuant to Rule 5.21A.3(c); or

(b) a rejection of an acceptance, Transmitted by an RTGS Participant for the Issuer pursuant to Rule 5.21B.1(c).

in Real Time Gross Settlement.

“Corporate Action RTGS Instruction” means an RTGS Instruction generated as a result of a Corporate Action RTGS Message which ASX Settlement treats as a RTGS Instruction under Rule 5.21A.3(d) or Rule 5.21B.1(d).

“Corporate Action Rejection Message” means a Message pursuant to Rule 5.21B.1(a) that enables the Issuer to communicate to ASX Settlement a rejection (in whole or in part) of an acceptance in relation to a Rights Offer or Securities Purchase Plan for a CHESS Holding.

...

~~“Debit Cap” in relation to a Net Position Record for an RTGS Participant, means a facility within the Feeder System that, if activated, enables the Participant’s Net Position Record to go into debit up to the Debit Limit, at any time when the relevant RTGS Payments Provider is deemed to have made the election set out in Rule 11.9.2.~~

~~“Debit Cap Compliant” in Section 11, has the meaning given in Rule 11.20.2.~~

~~“Debit Cap Status” means at any time the status of a Debit Cap as authorised at that time by the RTGS Payments Provider for the relevant RTGS Participant, being either:~~

~~(a) — active; or~~

~~(b) — null (inactive).~~

~~“Debit Limit” in relation to a Debit Cap at any time, means the dollar amount:~~

~~(a) — most recently notified in accordance with Rules 11.9.1(e) and 11.9.3(e); and~~

~~(b) — recorded by ASX Settlement against the Net Position Record to which that Debit Cap applies.~~

~~“Delivery Obligation” in relation to a DvP RTGS Instruction, means an obligation on the part of one party to deliver certain Financial Products to the other on settlement.~~

...

~~“Dual Entry RTGS Instruction” means an RTGS Instruction that results from Matched Dual Entry RTGS Messages.~~

~~“Dual Entry RTGS Message” means an RTGS Message that relates to a DvP RTGS Transaction.~~

~~“Dual Entry Switch to Batch Settlement Message” in relation to a Dual Entry RTGS Instruction, means a Message that, in accordance with the requirements of the EIS, requests that an RTGS Instruction be removed from Real Time Gross Settlement and included in Batch Settlement under Section 10.~~

~~“Dual Entry Switch to RTGS Message” means a Message that, in accordance with the requirements of the EIS, requests that an Batch Instruction be removed from DvP Batch Settlement and included in Real Time Gross Settlement under Section 11.~~

...

“DvP RTGS Instruction” means a Bilateral Demand Settlement Instruction ~~n-RTGS-Instruction that identifies a Payment Obligation and a Delivery Obligation.~~

....

“Election Cancellation Message” means a Message pursuant to Rule 5.19A.5(a) or 5.19A.5(c) that enables the Controlling Participant or the Issuer to communicate to the Issuer or the Controlling Participant (as applicable) a cancellation of a pending election request or an accepted election recorded in relation to a dividend or other distribution reinvestment plan or bonus share plan for a CHES Holding.

...

“Election Issuer Notification Message” means a Message pursuant to Rule 5.19A.3(a) that enables the Issuer to communicate to the Controlling Participant an election notified to the Issuer in relation to a dividend or other distribution reinvestment plan or bonus share plan for a CHES Holding (other than pursuant to an election notified to the Issuer under Rule 5.19A.2(b)(ii)), that has been accepted by the Issuer.

“Election Option Type” means an election for cash or for the issue of Financial Products under a dividend or other distribution reinvestment plan or bonus share plan.

“Election Participant Notification Message” means a Message pursuant to Rule 5.19A.2(a) that enables the Controlling Participant to communicate to the Issuer an election or an update to an election in relation to a dividend or other distribution reinvestment plan or bonus share plan for a CHES Holding.

...

“Entitlement” means:

- (a) property (other than Financial Products) or money transferred or paid to a person because the person is or was the holder of a Financial Product; or
- (b) a right that a person has because the person is or was the holder of a Financial Product, including, for example:
 - (i) A right to be paid an amount or to be issued with additional Financial Products; or
 - (ii) A right that arises out of a reduction in share capital, a scheme of arrangement or compromise or a takeover bid;

and includes a reference to a right, whether existing or future, and whether contingent or not. It includes (without limitation):

- (c) rights;
- (d) bonus issues;
- (e) dividend, interest and trust distribution payments;

- (f) priority issues;
- (g) offers under an equal access scheme;
- (ga) offers under a Securities Purchase Plan;
- (h) in relation to Participating International Financial Products, any equivalent or similar benefit (however described) provided or offered by the issuer of the Participating International Financial Products; and
- (i) interest, principal and any other payments arising in respect of a Government Bond.

....

~~“Excluded Cash Sub-record” means a Cash Sub-record so designated by an RTGS Participant for the purposes of Rule 11.20.~~

....

“Feeder System Queue” means the facility within the Feeder System to:

- (a) enable an RTGS Payments Provider to authorise within CHESSE a Payment Obligation it is required to perform in respect of an RTGS Instruction ~~test RTGS Instructions within CHESSE~~ in the manner contemplated by Rules ~~11.22.18, 11.19 and 11.20;~~ and
- (b) hold and allow ASX Settlement to monitor unsettled RTGS Instructions during the RTGS Settling Phase.

...

“Matched Messages” means:

- ~~(a) in relation to Dual Entry RTGS Messages, Messages that are Matched under Rule 9.5A.411.13.3;~~
- ~~(ab) 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~~
- ~~(be) 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~~
- ~~(cf) 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.

....

~~“**Net Position Record**” in relation to an RTGS Participant, means a facility established within CHESSE through which ASX Settlement tracks and records the outcome of RTGS Instructions due for settlement on any RTGS Business Day, that relate to a particular Payment Facility of that Participant.~~

~~“**Net Position Record Status**” means at any time the status of a Net Position Record as authorised at that time by the RTGS Payments Provider that maintains the Payment Facility to which that Net Position Record is linked, being either:~~

~~(a) — active; or~~

~~(b) — inactive.~~

...

“**Non-Renounceable Rights Offer**” means an offer of a non-renounceable right to subscribe for Approved Financial Products pursuant to a rights issue.

...

“**Non-Takeover Offer Event**” in relation to a Financial Product in a class of Approved Financial Products means:

(a) a buy back offer;

(b) a reinvestment offer; or

(c) an offer under a scheme of arrangement under Part 5.1 of the Corporations Act involving alternate forms of consideration for which an election can be made.

“**Non-Takeover Offer Event Consideration Code**” in relation to a Non-Takeover Offer Event means a unique code allocated by the Approved Listing Market Operator in respect of each alternate form of consideration offered under the relevant Non-Takeover Offer Event.

“**Non-Takeover Offer Event Transfer**” means a Transfer of Financial Products from a CHESSE Holding pursuant to an acceptance of an offer for the Financial Products made under a Non-Takeover Offer Event.

“**Non-Takeover Offer Event Transferee Holding**” means a CHESSE Holding to which Financial Products are to be Transferred pursuant to acceptances of offers made under a Non-Takeover Offer Event.

...

“Offer Accepted Subposition” means a Subposition for the reservation of Financial Products in a CHESSE Holding which are the subject of an acceptance under a takeover bid or a Non-Takeover Offer Event.

...

“**Oversubscription Acceptance**” means an acceptance of an Oversubscription Offer.

“**Oversubscription Offer**” means an offer made to persons to whom offers were made under a Renounceable Rights Offer or a Non-Renounceable Rights Offer to subscribe for Approved Financial Products that either:

(a) had first been offered to, but not accepted by, another person under the rights issue; or

(b) was made on the condition that the Approved Financial Products to which the offer relates may only be issued to the person where an offer of the Approved Financial Products has first been made to, but not accepted by, another person under the rights issue.

...

“Parent Batch Instruction” means a Batch Instruction that gives rise to an Accrued Batch Instruction, Settlement Adjustment, transfer, payment or other adjustment, compensation or redress mechanism pursuant to Rules 10.17 to 10.23 as a result of a Corporate Action.

...

~~**“Parent DvP RTGS Instruction”** means a Parent RTGS Instruction with a Settlement Amount scheduled to settle in DvP Real Time Gross Settlement.~~

...

~~**“Parent RTGS Instruction”** means an RTGS Instruction that gives rise to an Accrued RTGS Instruction as a result of a Corporate Action.~~

“Participant” means an Account Participant, a Specialist Settlement Participant, a General Settlement Participant, ~~or a Product Issuer Settlement Participant~~ or a Corporate Action Payments Participant.

Amended 21/03/14

...

~~**“Participant Managed”** in relation to the attributes of a Net Position Record, means any of the matters set out in Rule 11.9.11.~~

...

“Participant Offeror” means a Participant entitled or authorised (whether as the offeror or on behalf of the offeror) to receive acceptances of offers made under a Non-Takeover Offer Event in accordance with these Rules.

...

“Payment Facility” means a facility operated for a Participant at a Payments Provider for the purposes of paying and receiving payments in Batch Settlement or Real Time Gross Settlement.

....

~~**“Payments Provider Managed”** in relation to the attributes of a Net Position Record, means any of the matters set out in Rule 11.9.3(a) to (f).~~

....

“Plan Election Date” means the date by which a person must submit an Acceptance Form to an Issuer if the person wishes to subscribe for new or additional Financial Products or to receive

cash instead of new or additional Financial Products (as applicable) in respect of a dividend or other distribution reinvestment plan or bonus share plan.

...

“Real Time Gross Settlement” means the processing and settling of:

(a) payment and delivery obligations; or

(b) payment obligations only.

in real time and on a gross, not net, basis, the fundamental characteristic of which is that the payment and delivery components (as applicable) of an Instruction ~~transaction~~ become irrevocable at the time of settlement and, in relation to CHESSE, is effected in accordance with systems and procedures contained in Section 11.

....

~~“Reserve” in Section 11 in relation to Financial Products, has the meaning given in Rule 11.19.1(d).~~

...

“Renounceable Rights Offer” means an offer of a renounceable right to subscribe for Approved Financial Products pursuant to a rights issue.

~~“Renounceable Rights Record”~~ means the record maintained by an Issuer of Holders of renounceable rights or non-renounceable rights not held on the CHESSE Rights Subregister.

...

“Rights Offer” means:

(a) a Non-Renounceable Rights Offer;

(b) a Renounceable Rights Offer; or

(c) an Oversubscription Offer.

but does not include an Accelerated Rights Offer made to an exempt investor.

Note: A Rights Offer includes an Accelerated Rights Offer made to persons other than an exempt investor.

...

~~“RTGS Account Identifier” means a numeric identifier (that may, but need not, be an account number) agreed between an RTGS Participant and an RTGS Payments Provider to uniquely identify the Participant's account that is to be debited, or credited, with the amount of any Payment Obligation, on settlement of an RTGS Instruction in accordance with Rule 11.25.~~

.....

“RTGS Bank Account” means, in relation to an RTGS Participant at any time, a bank account with an RTGS Payments Provider opened by the RTGS Participant, and subject to a current notification by that RTGS Participant in accordance with Rule 11.4.3.

....

~~“RTGS Delivery Shortfall” in relation to Financial Products of a particular class in a Holding at any time on the RTGS Settlement Date for a particular RTGS Instruction, means that the sum of:~~

- ~~(a) — the number of Financial Products of that class required to be delivered from that Holding in Real Time Gross Settlement under that RTGS Instruction on that day;~~
- ~~(b) — the number of Financial Products of that class Reserved against that Holding in relation to RTGS Instructions at that time in the RTGS Settling Phase, and~~
- ~~(c) — prior to ASX Settlement recording under Rule 10.12.1(f)(ii) a movement of Financial Products of that class against that Holding to effect DvP Net Settlement on that day, the number of Financial Products of that class that ASX Settlement has determined at Settlement Cut-off will be so recorded as a movement against that holding at DvP Notification on that day;~~

~~is greater than:~~

- ~~(d) — the total number of Available Financial Products at that time in the Holding.~~

~~“RTGS Eligible” in relation to Financial Products, has the meaning set out in Rule 11.1.1.~~

~~“RTGS End of Day” means on any RTGS Business Day, 5.00pm-5.15pm Sydney time or such other time as ASX Settlement may from time to time determine.~~

~~“RTGS Instruction” means an instruction to ASX Settlement to effect a payment in Real Time Gross Settlement through the CHESSE Feeder System (including in connection with a Settlement Transfer that occurs in CHESSE), and includes a Bilateral Demand Settlement Instruction and a Corporate Action RTGS Instruction to settle an RTGS Transaction in Real Time Gross Settlement through the CHESSE Feeder System, and includes a DvP RTGS Instruction, a CCP Gross RTGS Instruction and a Dual Entry RTGS Instruction.~~

...

~~“RTGS Mandatory” in relation to an RTGS Transaction, has the meaning set out in Rule 11.3.1.~~

~~“RTGS Message” means a Bilateral Demand Settlement Message or Corporate Action RTGS Message Message that, in accordance with the requirements of the EIS, instructs ASX Settlement to settle an RTGS Transaction in Real Time Gross Settlement.~~

~~“RTGS Participant” means a Participant:~~

- ~~(a) — that satisfies the criteria for participation in Real Time Gross Settlement set out in Rule 11.5, and~~
- ~~(b) — for which a Net Position Record has been established under the Rules that records the Net Position Record Status as active.~~

....

~~“RTGS Pre-commencement Testing” means testing at the direction of ASX Settlement to establish whether a prospective RTGS Participant meets the RTGS Participation Requirements.~~

~~“RTGS Settlement Date” means the RTGS Business Day specified, or taken to be specified, in an “RTGS Instruction as the date on which the counterparties intend that RTGS Instruction to settle in Real Time Gross Settlement.~~

...

“Securities Purchase Plan” means an arrangement under which:

(a) an offer of Approved Financial Products is made to each eligible Holder of Approved Financial Products in the relevant class (as applicable) on a date determined by the Issuer;

(b) each offer is made on:

(i) the same terms and conditions; and

(ii) a non-renounceable basis; and

(c) the issue price of the Approved Financial Products may be less than the market price of the Approved Financial Products during a specified period before either the date of the offer or the date of the issue.

but does not include a Rights Offer or a bonus share plan.

“Securities Purchase Plan Acceptance” means an acceptance of an offer under a Securities Purchase Plan.

...

~~“Settlement Adjustment” means an adjustment to the Settlement Amount of a DvP Batch Instruction or a DvP RTGS Instruction.~~

...

~~“Standing Buy Account Identifier” means an RTGS Account Identifier that is notified to ASX Settlement under Rule 11.9.11 or Rule 11.9.15 for the purposes of an RTGS Instruction where the Participant will, on settlement, be the payer of the Payment Obligation identified in that RTGS Instruction.~~

....

~~“Standing Sell Account Identifier” means an RTGS Sell Account Identifier that is notified to ASX Settlement under Rule 11.9.11 or Rule 11.9.15 for the purposes of an RTGS Instruction where the Participant will, on settlement, be the payee of the Payment Obligation identified in that RTGS Instruction.~~

....

~~“Switch to Batch Settlement Message” means a Message that, in accordance with the requirements of the EIS, requests that an RTGS Instruction be removed from Real Time Gross Settlement in CHESS and settled in Batch Settlement.~~

...

“UIC” stands for User Identification Code and means a unique numeric code allocated or attributed by ASX Settlement to ASX Settlement and each Facility User for the purpose of identifying the source and destination of Messages and which may be:

- (a) the UIC of an Issuer;
- (b) a PID; or
- (c) such other numeric code allocated or attributed by ASX Settlement.

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

...

3.6 LIABILITY AND INDEMNITY PROVISIONS

...

3.6.17 Acknowledgments by Facility Users and others

Each Facility User and ASX Settlement acknowledges that the Reserve Bank of Australia, as operator of RITS, provides a facility for the simultaneous settlement of interbank obligations arising from DvP Batch Settlement in CHES.

Each Facility User and each RTGS Payments Provider acknowledges that:

- (a) to facilitate Real Time Gross Settlement in CHES, the Reserve Bank of Australia has approved CHES as a feeder system to RITS/RTGS under the RITS Regulations and has agreed to provide a feeder interface process in RITS/RTGS;
- (b) for so long as CHES remains such a feeder system, the Reserve Bank of Australia will deal with all requests for settlement, recall or other messages sent by ASX Settlement across the Feeder System interface to RITS/RTGS in accordance with, and subject to, RITS Regulations; and
- (c) the Reserve Bank of Australia expressly disclaims liability to any person, to the full extent permitted by law, in the following circumstances:
 - (i) liability in respect of any other aspect of the administration of CHES than set out in this Rule 3.6.17~~8~~; and
 - (ii) liability which arises or might otherwise have arisen in circumstances where a provision of the RITS Regulations excluded liability of the Reserve Bank to any person, ~~including without limitation any applicable circumstances referred to in RITS Regulation 2.4, 2.6, 2.7, 2.8 or 2.9.~~

Note: The arrangements between the Reserve Bank of Australia and ASX Settlement for the CHES Feeder System interface with RITS/RTGS include exclusions of liability on the

part of the Reserve Bank in substantially similar terms to the RITS Regulations, referred to in this Rule.

Introduced 11/03/04 Origin SCH 1.13.4

3.6.18 Exclusion of ASX Settlement liability

ASX Settlement will not be liable to compensate, indemnify or pay any liquidated sum to any Facility User, RTGS Payments Provider or other person:

- (a) for loss suffered in consequence of a circumstance arising in respect of which the Reserve Bank of Australia has excluded its liability; or
- (b) for any loss suffered in consequence of an RTGS Participant Payments Provider failing to authorise an RTGS Instruction in respect of which it is required to perform a Payment Obligation in accordance with ~~settlement processing in terms of~~ Rule 11.18.84.

Introduced 11/03/04 Origin SCH 1.13.4(c), 1.13.5

....

SECTION 4 PARTICIPATION IN THE SETTLEMENT FACILITY

The purpose of this Section 4 is to set out the basis on which persons may participate in the Settlement Facility or be provided with a Settlement Facilitation Service.

Without limiting in any way what a person who participates in the Settlement Facility may do or be permitted to do under these Rules, participation in the Settlement Facility is broadly divided into the following classes:

- (a) **General Settlement Participants** - being those persons who are admitted for purposes including the holding, transfer and settlement in Batch Settlement of Approved Financial Products in the Settlement Facility. A General Settlement Participant may also act in the Settlement Facility as a settlement agent on behalf of a Clearing Participant. A General Settlement Participant may also establish and maintain Participant Sponsored Holdings;
- (b) **Account Participants** – being those persons who participate in certain aspects of the holding and transfer of Approved Financial Products but who do not participate in Batch Settlement in the Settlement Facility. An Account Participant may also establish and maintain Participant Sponsored Holdings;
- (c) **Specialist Settlement Participants** – being those persons who are admitted for limited purposes including acting as Offeror in relation to a takeover [bid scheme or Participant Offeror in relation to a Non-Takeover Offer Event](#) or for processing an Allocation Component in DvP Batch Settlement; ~~and~~
- (d) **Product Issuer Settlement Participants** – being those persons who are admitted for limited purposes including facilitating the settlement in Batch Settlement of transactions relating to requests for issue and redemption of AQUA Products. A Product Issuer Settlement Participant may not establish or maintain Participant Sponsored Holdings; [and](#)
- ~~(d)~~(e) **Corporate Action Payments Participants** – being those persons who are admitted for [limited purposes including facilitating payments relating to corporate action entitlements in Real Time Gross Settlement. A Corporate Action Payments Participant may not establish or maintain Participant Sponsored Holdings or participate in Batch Settlement.](#)

ASX Settlement may also provide a service to an Approved Listing Market Operator for the holding, transfer and settlement of Approved Financial Products that are quoted or admitted to trading status on the market of that Approved Listing Market Operator.

4.1 CLASSES OF PARTICIPATION IN THE SETTLEMENT FACILITY

4.1.1 Settlement Participants

A Settlement Participant:

- (a) is a person who is permitted to participate in Batch Settlement and establish CHESSE Holdings in accordance with these Rules;
- (b) may be either:

- (i) a person admitted as a General Settlement Participant under Rule 4.3.1;
or
- (ii) a person admitted as a Specialist Settlement Participant under Rule 4.4.1; or
- (iii) a person admitted as a Product Issuer Settlement Participant under Rule 4.4A;

(c) is not permitted to participate in RTGS unless it is also an RTGS Participant.

Note: A Settlement Participant must meet the additional technical and payment facility requirements of Section 11 before it will be permitted to settle transactions in Real Time Gross Settlement.

Any reference in these Rules to a Settlement Participant includes a reference to a Settlement Agent. See Rule 4.3.3

Introduced 11/03/04 Amended 21/03/14

4.1.2 Account Participants

An Account Participant is a person who is permitted to establish CHES Holdings in accordance with these Rules but who is not permitted to participate in Batch Settlement.

Introduced 11/03/04

4.1.3 Corporate Action Payments Participants

A Corporate Action Payments Participant is a person who is permitted (subject to satisfying the criteria in Section 11 applicable to an RTGS Participant) to participate in Real Time Gross Settlement by making or receiving payments relating to Corporate Action RTGS Instructions in accordance with these Rules but who is not permitted to participate in Batch Settlement or maintain Participant Sponsored Holdings.

...

4.4 ADMISSION OF SPECIALIST SETTLEMENT PARTICIPANTS

4.4.1 Admission of Specialist Settlement Participants

Subject to Rules 4.2.3A and 4.4.2, ASX Settlement will admit a person as a Specialist Settlement Participant if ASX Settlement is satisfied that the person;

- (a) has applied for admission as a Participant in accordance with Rule 4.2.1;
- (b) meets the technical and performance requirements of this Section;
- (c) meets the performance bond requirements of this Section;
- (d) meets the capacity requirements of this Section;
- (e) meets the location requirements of this Section (subject to Rule 4.4.2);

(f) meets the payment facility requirements of this Section; and

(g) meets the organisational requirements of this Section.

Note: a person admitted as a Specialist Settlement Participant under this Rule 4.4.1 may not act as a Sponsoring Participant.

Introduced 11/03/04 Origin SCH 2.3.2 Amended 23/10/09, 15/06/15, 05/12/19

4.4.2 Specialist Settlement Participant acting only as a Participant Bidder or Participant Offeror

If a Specialist Settlement Participant will be admitted for the limited purpose of acting as a Participant Bidder or Participant Offeror, requirements in Rule 4.4.1(c) and (f) will not apply.

Introduced 23/10/09 Amended 05/12/19

...

4.4B ADMISSION OF CORPORATE ACTION PAYMENTS PARTICIPANTS

4.4B.1 Admission of Corporate Action Payments Participants

Subject to Rule 4.2.3A, ASX Settlement will admit a person as a Corporate Action Payments Participant if ASX Settlement is satisfied that the person:

(a) has applied for admission as a Participant in accordance with Rule 4.2.1;

(b) meets the technical and performance requirements of this Section;

(c) meets the business integrity requirements of this Section;

(d) meets the location requirements of this Section;

(e) meets the payment facility requirements of this Section;

(f) meets the organisational requirements of this Section; and

(g) meets the additional requirements of Section 11 that apply to an RTGS Participant.

Note: a person admitted as a Corporate Action Payments Participant under this Rule 4.4B.1 may not act as a Sponsoring Participant or participate in Batch Settlement.

...

4.7 TECHNICAL AND PERFORMANCE REQUIREMENTS

4.7.1 When a person meets the technical and performance requirements

A person will meet technical and performance requirements to the reasonable satisfaction of ASX Settlement if:

(a) as shown by Pre-commencement Testing, the person has the capacity to communicate reliably with CHESS in accordance with the User Technical Documentation **EIS**;

- (b) the person has such accounting, settlement, recording and reporting systems as are necessary for the purposes of the person's existing and anticipated operations;
- (c) the person employs or retains such personnel familiar with the Rules and the Procedures as are necessary to allow the person to generate, receive and process Messages in accordance with the Rules and Procedures;
- (d) the person has the necessary organisational and technical resources to ensure that Messages submitted to ASX Settlement by the Participant do not interfere with the efficiency, integrity or proper functioning of the Settlement Facility;
- (e) the person observes and gives effect to any advice or directions given by ASX Settlement to it in order to ensure that the person meets or continues to meet the requirements of paragraphs (a) to (d); and
- (f) the person has appointed a person to be responsible for communication with ASX Settlement in connection with CHESS and has communicated the name of that person to ASX Settlement, both upon admission to participation and where there are any subsequent changes made.

Introduced 11/03/04 Origin SCH 2.6

...

4.9 PERFORMANCE BONDS

4.9.1 Settlement Participant to lodge Settlement Bond

A Settlement Participant, other than a Participant that:

- (a) is prudentially supervised;
- (b) is a CS Facility that complies with the Reserve Bank of Australia's financial stability standards; or
- (c) acts only as a Participant Bidder [or Participant Offeror](#),

must ensure that at all times while the Participant remains a Settlement Participant there is lodged with ASX Settlement a valid Settlement Bond.

For the purposes of this Rule 4.9, a Participant is prudentially supervised if it is:

- (d) required to comply with the operating rules of an:
 - (i) Approved Market Operator specified in the Procedures; or
 - (ii) Approved Clearing Facility;

that relate to NTA or risk based financial requirements; or
- (e) regulated by APRA.

Introduced 11/03/04 Origin SCH 10.19.1, 10.19.1A, 10.19.1B Amended 04/04/05, 18/12/06, 27/06/11

...

4.13 PAYMENT FACILITY REQUIREMENTS

4.13.1 Person to have a Payment Facility

The payment facility requirements of this Section are that:

- (a) for the purposes of making and receiving payments in respect of payment obligations and entitlements under Section 10 [or Section 11](#) of these Rules, the person has in place at all times at least the number of Payment Facilities specified in the Procedures with one or more Payments Providers; and
- (b) each Payment Facility is either:
 - (i) held in the name of, and operated for the benefit of, the person or a Related Body Corporate of the person;
 - (ii) held in the name of a party unrelated to the person but operated for the benefit of the person, where the party operating the Payment Facility has agreed to be bound by the Rules which relate to the operation and suspension of Payment Facilities as if it was an ASX Settlement Participant.

Introduced 11/03/04 Origin SCH 2.12.1 Amended 21/03/14

...

4.16 INACTIVE PARTICIPANTS

4.16.1 ASX Settlement may give notice

Where ASX Settlement considers that a Participant has not settled any Instructions under these Rules, for a continuous period of 6 months, ASX Settlement may notify the Participant that it intends to terminate the Participant's recognition as a Participant.

Introduced 11/03/04 Origin ASX 5.4.1, OCH 2.5A.1

4.16.2 Participant may make submissions

On receipt of a notice given under Rule 4.16.1, the Participant may make written submissions to ASX Settlement explaining why, in its view, the Participant's participation in the Settlement Facility should not be terminated. Any written submission must be received by ASX Settlement within 10 Business Days following receipt of the notice from ASX Settlement, unless ASX Settlement grants an extension in writing.

Introduced 11/03/04 Origin ASX 5.4.2, OCH 2.5A.2

4.16.3 Termination of participation if no submission received

Where no submission is received by ASX Settlement under Rule 4.16.2, ASX Settlement may terminate the Participant's participation in the Settlement Facility following the end of the 10 Business Day period, or any extension referred to in that Rule.

Introduced 11/03/04 Origin ASX 5.4.3, OCH 2.5A.3

4.16.4 Termination of participation if submission received

Where a submission is received by ASX Settlement under Rule 4.16.2, if:

- (a) ASX Settlement is not satisfied that the Participant will settle any Instructions under these Rules within a further 20 Business Days following the receipt of the submission; or
- (b) the Participant fails to settle such a transaction in that period,

ASX Settlement may terminate the Participant's participation as a Participant.

Introduced 11/03/04 Origin ASX 5.4.4, OCH 2.5A.4 Amended 18/12/06

4.16.4A Termination of participation as a Specialist Settlement Participant

In addition to any other rights or powers ASX Settlement may have under this Rule 4.16, where a Specialist Settlement Participant has been admitted for the limited purpose of acting as a Participant Bidder in relation to a takeover bid [or a Participant Offeror in relation to a Non-Takeover Offer Event](#) and ASX Settlement is satisfied that the takeover bid [or Non-Takeover Offer Event \(as applicable\)](#) is complete or has been withdrawn, ASX Settlement may by written notice to the Specialist Settlement Participant terminate its participation as a Specialist Settlement Participant.

Introduced 05/12/19

4.16.5 Ceasing to be a Participant

For the avoidance of doubt, a Participant who is no longer recognised in any category has ceased to be a Participant.

Introduced 11/03/04

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SECTION 5 RIGHTS AND OBLIGATIONS OF ISSUERS

This Section sets out the rights and obligations of Issuers to, amongst other things:

- (a) observe the Rules;
- (b) authorise ASX Settlement to establish and administer, on behalf of Issuers, CHESS and Issuer Operated Subregisters;
- (c) reconcile and report errors and anomalies including the auditing of registry functions and the giving of notice to ASX Settlement of changed circumstances; and
- (d) in relation to the collection of Messages, access to CHESS and Issuer Sponsored Holdings, Corporate Actions, Financial Products subject to foreign ownership restrictions, the determining of voting entitlements and the divestment or forfeiture of Financial Products.

The Section also deals with Issuer's liabilities for Holding Locks, Holding Adjustments and Financial Products Transformations.

[This Section also sets out the framework for the electronic transmission and processing of:](#)

- (a) [elections in relation to dividend or other distribution reinvestment plans and bonus share plans; and](#)
- (b) [acceptances of offers under Rights Offers and Securities Purchase Plans.](#)

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5.3 ESTABLISHING A CHESS SUBREGISTER IN RESPECT OF AN OFFER OF APPROVED FINANCIAL PRODUCTS

5.3.1 Initiating a Holding Adjustment

If:

- (a) an Issuer makes available forms of application for an Offer of Approved Financial Products; and
- (b) the Approved Listing Market Operator gives that Issuer approval for quotation of those Financial Products,

the Issuer must, other than where it is bound by the provisions of Rules 15.27 or 15.28, not later than End of Day on the Issue Date for the Financial Products, Transmit to ASX Settlement a Message that initiates a Holding Adjustment to establish a CHESS Holding in respect of each person who has:

- (c) lodged an application with, and been allocated Financial Products pursuant to the Offer by, the Issuer; and
- (d) instructed the Issuer that any Financial Products so allocated be held in a CHES Holding by specifying a HIN on the application.

Introduced 11/03/04 Origin SCH 5.4A.1 Amended 27/06/11, 04/03/13

5.3.2 Establishing of CHES 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 CHES Holding specified in that Message;
- (d) notify the Issuer:
 - (i) that the CHES Holding has been established; and
 - (ii) of the Holder Record details for the CHES Holding; and
- (e) notify the Controlling Participant that the CHES 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 CHES 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

5.3.5 Deduction of Financial Products from a CHESS Holding

If ASX Settlement receives a Valid Message that initiates a Holding Adjustment from an Issuer under Rule 5.3.4, ASX Settlement will, within the Scheduled Time;

- (a) deduct the number of Financial Products from the CHESS Holding specified in the Message; and
- (b) notify:
 - (i) the Issuer; and
 - (ii) the Controlling Participant for the CHESS Holding,

that the Financial Products have been deducted from that Holding.

Introduced 11/03/04 Origin SCH 5.4A.5

5.3.6 Entering Financial Products into a Holding

If an Issuer receives notification from ASX Settlement under Rule 5.3.3 ~~or 5.3.5~~, the Issuer must immediately enter the Financial Products specified in that Message into a Holding with Registration Details that match the Registration Details specified in the application form lodged with the Issuer by the person to whom the Financial Products have been allocated on the Issuer Sponsored Subregister.

Introduced 11/03/04 Origin SCH 5.4A.6

5.3.7 Issuer's Obligations

If an Issuer is required to enter Financial Products into an Issuer Sponsored Holding under Rule 5.3.6, the Issuer must, if the Financial Products are entered into an Issuer Sponsored Holding:

- (a) issue a Transaction Statement to the Holder; or
- (b) send to the Holder a Notice that sets out the SRN, the Registration Details and the Holding Balance for the Issuer Sponsored Holding,

within the time specified in the Listing Rules.

Introduced 11/03/04 Origin SCH 5.4A.7

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5.19A CORPORATE ACTIONS – DIVIDEND REINVESTMENT PLAN AND BONUS SHARE PLAN ELECTION MESSAGING

5.19A.1 Corporate Action Record creation and removal

- (a) If an Issuer, in respect of Approved Financial Products, notifies the Approved Listing Market Operator in accordance with its Listing Rules of a dividend or other distribution reinvestment plan or bonus share plan, the Issuer must also immediately notify ASX Settlement of the details of that dividend or other distribution reinvestment plan or bonus share plan.
- (b) ASX Settlement will create a Corporate Action Record in respect of the Issuer for the relevant dividend or other distribution reinvestment plan or bonus share plan notified to the Approved Listing Market Operator as referred to in Rule 5.19A.1(a) of which ASX Settlement is informed.
- (c) If the Issuer, in respect of Approved Financial Products, notifies the Approved Listing Market Operator in accordance with its Listing Rules of any change to, or cancellation of, a dividend or other distribution reinvestment plan or bonus share plan, the Issuer must also immediately notify ASX Settlement of the details of that change to or cancellation of the dividend or other distribution reinvestment plan or bonus share plan.
- (d) ASX Settlement will for a Corporate Action Record created under Rule 5.19A.1(b):

 - (i) update or remove that Corporate Action Record for a change or cancellation notified to the Approved Listing Market Operator as referred to in Rule 5.19A.1(c) (as applicable) of which ASX Settlement is informed; and
 - (ii) remove that Corporate Action Record on a date determined by ASX Settlement following the Plan Election Date.

5.19A.2 Corporate Action election – notification by Controlling Participant

- (a) Subject to Rules 5.19A.2(e) and (f), a Controlling Participant may provide notification to an Issuer of:

 - (i) an election for all or part of a CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan; or
 - (ii) if there is an existing:

 - (A) accepted election for the same Election Option Type for part of the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii), an update to that election; or
 - (B) pending election request for an Election Option Type for the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(b)(i), an election for a different Election Option Type,
- by Transmitting to ASX Settlement a Valid Election Participant Notification Message within the Scheduled Time in accordance with the Procedures.

(b) If ASX Settlement receives a Valid Election Participant Notification Message under Rule 5.19A.2(a) and a Corporate Action Record for the relevant dividend or other distribution reinvestment plan or bonus share plan has been created in accordance with Rule 5.19A.1, ASX Settlement will:

(i) record a pending election request in relation to the election;

(ii) Transmit a Message to the Issuer notifying it of the election in accordance with the Originating Message; and

(iii) notify the Controlling Participant that initiated the election that a pending election request has been recorded in relation to the election.

(c) If an Issuer receives a Valid Message from ASX Settlement under Rule 5.19A.2(b)(ii), the Issuer must, unless the Issuer is notified of the cancellation of the pending election request under Rule 5.19A.5(b)(ii)(A), either accept or reject the relevant election and must Transmit a Corporate Action Election Status Advice Message to ASX Settlement within the Scheduled Time in accordance with the Procedures, notifying of the acceptance or rejection of the election by the Issuer.

(d) If ASX Settlement receives a Valid Corporate Action Election Status Advice Message under Rule 5.19A.2(c), ASX Settlement will:

(i) record the acceptance or rejection of the relevant pending election request (as applicable) and, if the Valid Corporate Action Election Status Advice Message communicates:

(A) a rejection, delete the pending election request recorded under 5.19A.2(b)(i); or

(B) an acceptance, and there is an existing accepted election for the same Election Option Type for part of the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii), update that existing recorded election accordingly.

(ii) Transmit a Message to the Controlling Participant that notified the relevant election under Rule 5.19A.2(a), notifying it of the acceptance or rejection of that election by the Issuer in accordance with the Corporate Action Election Status Advice Message; and

(iii) Transmit a Message to the Issuer acknowledging the receipt of the Corporate Action Election Status Advice Message under Rule 5.19A.2(c).

Note: The issue of Approved Financial Products under an election for which an acceptance has been notified by the Issuer under a Corporate Action Election Status Advice Message continues to be subject to the relevant plan rules.

(e) If there is an existing:

(i) accepted election for all of the CHESS Holding (as specified in the Procedures) in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii); or

(ii) pending election for the same Election Option Type for the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(b)(i).

an update to that election by the Controlling Participant may only be facilitated via a cancellation of the accepted election or pending election under Rule 5.19A.5(a) and the provision of a new notification under Rule 5.19A.2(a).

(f) If there is an existing accepted election for part of the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii), an update to that election by the Controlling Participant such that the new election is for all of the CHESS Holding (as specified in the Procedures) may only be facilitated via a cancellation of the accepted election under Rule 5.19A.5(a) and the provision of a new notification under Rule 5.19A.2(a).

5.19A.3 Corporate Action election – notification by Issuer

(a) Subject to Rules 5.19A.3(c) and (d), if:

(i) an election has been notified to the Issuer for all or part of a CHESS Holding in relation to a dividend or other distribution reinvestment plan or bonus share plan other than pursuant to Rule 5.19A.2(b)(ii); and

(ii) that election has been accepted by the Issuer,

the Issuer must Transmit to ASX Settlement a Valid Election Issuer Notification Message within the Scheduled Time in accordance with the Procedures, notifying of that accepted election.

(b) If ASX Settlement receives a Valid Election Issuer Notification Message under Rule 5.19A.3(a) and a Corporate Action Record for the relevant dividend or other distribution reinvestment plan or bonus share plan has been created in accordance with Rule 5.19A.1, ASX Settlement will:

(i) record the accepted election for the CHESS Holding;

(ii) if in respect of the same CHESS Holding and dividend or other distribution reinvestment plan or bonus share plan there is already recorded:

(A) an accepted election for the same Election Option Type for part of the CHESS Holding under Rule 5.19A(2)(d)(i) or Rule 5.19A(3)(b)(i), update that existing recorded election accordingly; or

(B) a pending election request for a different Election Option Type under Rule 5.19A.2(b), record the accepted election for the CHESS Holding;

(iii) Transmit a Message to the Controlling Participant for the CHESS Holding notifying it of the accepted election in accordance with the Election Issuer Notification Message; and

(iv) Transmit a Message to the Issuer acknowledging the receipt of the Election Issuer Notification Message.

(c) If there is an existing:

(i) accepted election for all of the CHESS Holding (as specified in the Procedures) in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii); or

(ii) pending election for the same Election Option Type for the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(b)(i),

an update to that election by the Issuer may only be facilitated via a:

(iii) cancellation of the accepted election under Rule 5.19A.5(c); or

(iv) rejection of the pending election for the same Election Option Type under Rule 5.19A.2(c),

and the provision of a new notification under Rule 5.19A.3(a).

(d) If there is an existing accepted election for part of the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii), an update to that election by the Issuer such that the new election is for all of the CHESS Holding (as specified in the Procedures) may only be facilitated via a cancellation of the accepted election under Rule 5.19A.5(c) and the provision of a new notification under Rule 5.19A.3(a).

5.19A.4 Priority of elections

For the avoidance of doubt, if in relation to a dividend or other distribution reinvestment plan or bonus share plan for all or part of a CHESS Holding, the Issuer is notified of multiple elections under Rule 5.19A.2(b)(ii) or otherwise, or is notified of a cancellation of an election under Rule 5.19A.5(b)(ii)(A) or otherwise, the Issuer may determine the sequence in which the notifications were received and which takes priority for the purpose of its acceptance or rejection of a notified election or cancellation.

5.19A.5 Cancellation of election

(a) If for:

(i) a pending election request recorded by ASX Settlement for all or part of a CHESS Holding under Rule 5.19A.2(b)(i); or

(ii) an accepted election recorded by ASX Settlement for all or part of a CHESS Holding under Rule 5.19A.2(d)(i), 5.19A.3(b)(i) or 5.19A.3(b)(ii),

the Controlling Participant seeks to cancel that pending election request or accepted election, the Controlling Participant:

(iii) must (in the case of a pending election request referred to in Rule 5.19A.5(a)(i)); or

(iv) may (in the case of an accepted election referred to in Rule 5.19A.5(a)(ii)),

Transmit to ASX Settlement a Valid Election Cancellation Message within the Scheduled Time in accordance with the Procedures, notifying of that cancellation.

- (b) If ASX Settlement receives a Valid Election Cancellation Message under Rule 5.19A.5(a), ASX Settlement will:
- (i) cancel and remove the pending election request record created under Rule 5.19A.2(b)(i) or the accepted election recorded by ASX Settlement under Rule 5.19A.2(d)(i), 5.19A.3(b)(i) or 5.19A.3(b)(ii) (as applicable); and
 - (ii) Transmit a Message to:
 - (A) the Issuer notifying of the cancellation of the pending election request or accepted election in accordance with the Election Cancellation Message; and
 - (B) the Controlling Participant for that Holding, notifying of the cancellation and removal of ASX Settlement's record of the pending election request or accepted election (as applicable) in accordance with the Election Cancellation Message under Rule 5.19A.5(b)(i).

Note: The cancellation of an election under Rule 5.19.5(a) which is notified to the Issuer under Rule 5.19A.5(b) continues to be subject to acceptance or rejection of that cancellation by the Issuer in accordance with the relevant plan rules.

- (c) If for an accepted election recorded by ASX Settlement for all or part of a CHES Holding under Rule 5.19A.2(d)(i), 5.19A.3(b)(i) or 5.19A.3(b)(ii), the Issuer cancels that election, the Issuer must Transmit to ASX Settlement a Valid Election Cancellation Message within the Scheduled Time in accordance with the Procedures, notifying of that cancellation.
- (d) If ASX Settlement receives a Valid Election Cancellation Message under Rule 5.19A.5(c), ASX Settlement will:
- (i) cancel and remove the accepted election recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or 5.19A.3(b)(ii) (as applicable); and
 - (i) Transmit a Message to the Issuer and the Controlling Participant for that CHES Holding, notifying of the cancellation of the election in accordance with the Election Cancellation Message.
- (e) If an Issuer is notified of multiple elections or cancellations for all or part of a CHES Holding in respect of a relevant dividend or other distribution reinvestment plan or bonus share plan and the Issuer is required to notify ASX Settlement of:
- (i) the acceptance or rejection of an election under Rule 5.19A.2(c) or Rule 5.19A.3(a); or
 - (ii) the cancellation of an election under Rule 5.19A.5(c).
- (as applicable) and the Scheduled Times for the Issuer to provide such notifications overlap, the Issuer must notify ASX Settlement of the relevant acceptance, rejection or cancellation in the sequence as processed and recorded by the Issuer.

Note: Rule 5.19A.5(e) seeks to support the record maintained by ASX Settlement under Rule 5.19A.2(b), 5.19A.2(d), 5.19A.3(b), 5.19A.5(b) and 5.19A.5(d) as to an election notified for all or part of a CHES Holding in respect of a relevant dividend or other distribution reinvestment plan or bonus share plan being aligned with the election status as

recorded by the Issuer for the purpose of ASX Settlement's processing of elections and cancellations of elections notified under Rules 5.19A.2, 5.19A.3 and 5.19A.5.

5.19A.6 Housekeeping of pending elections

If a pending election request has been recorded in accordance with Rule 5.19A.2(b)(i), and a Corporate Action Status Advice Message has not been received by ASX Settlement from the Issuer within the Scheduled Time, ASX Settlement will cancel the pending election request recorded under Rule 5.19A.2(b)(i) and notify the relevant Controlling Participant and Issuer of such cancellation.

5.19A.7 Warranty by Controlling Participant or Issuer

A:

- (a) Controlling Participant that Transmits an Election Participant Notification Message under Rule 5.19A.2(a);
- (b) Issuer that Transmits an Election Issuer Notification Message under Rule 5.19A.3(a);
- (c) Controlling Participant that Transmits an Election Cancellation Message under Rule 5.19A.5(a); or
- (d) Issuer that Transmits an Election Cancellation Message under Rule 5.19A.5(c).

is taken to have warranted that the Controlling Participant was authorised or the Issuer was legally entitled or authorised (as applicable) to notify an election or cancellation of an election for all or part of a CHESS Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) pursuant to such Transmitted Message.

Note: The legal entitlement or authority of a Controlling Participant or Issuer for the purpose of the warranty under Rule 5.19A.7 could for example be as a result of an instruction by the Holder of the CHESS Holding to the Controlling Participant or Issuer or due to a change in the plan terms or cancellation of the plan by the Issuer.

5.19A.8 Controlling Participant or Issuer Indemnity

If a Controlling Participant or Issuer is taken under Rule 5.19A.7 to have warranted that it was legally entitled or authorised (as applicable) to notify an election or cancellation of an election for all or part of a CHESS Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) and the Controlling Participant or Issuer was not so legally entitled or authorised, the Controlling Participant or Issuer (as applicable) indemnifies:

- (a) the Issuer or Controlling Participant (as applicable);
- (b) ASX Settlement; and
- (c) the Holder.

against all losses, damages, costs and expenses arising from the Controlling Participant or Issuer (as applicable) not having been so legally entitled or authorised.

5.19A.9 Plan terms to include Holder representations and warranties

In respect of a dividend or other distribution reinvestment plan or bonus share plan notified to the relevant Approved Listing Market Operator as referred to in Rule 5.19A.1(a), the Issuer

must ensure that the terms and conditions of the relevant plan include terms and conditions to the effect that by:

- (a) instructing a Controlling Participant to notify the Issuer of an election for all or part of the relevant CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan by Transmitting an Election Participant Notification Message under Rule 5.19A.2(a), the Holder represents and warrants that they:
 - (i) are legally entitled to make the relevant election;
 - (ii) have read and understood, and agree to be bound by the by the terms and conditions of the relevant plan;
 - (iii) make the relevant election in accordance with the terms and conditions of the relevant plan and authorise the Issuer to register them as a Holder of Approved Financial Products issued under the relevant plan;
 - (iv) in the case of a dividend or other distribution reinvestment plan, authorise the application of the distribution or dividend amount with respect to the number of Approved Financial Products participating in the relevant plan to the allocation of additional Approved Financial Products at the price specified in, and subject to, the terms and conditions of the relevant plan; and
 - (v) make all of the representations and warranties attributed to Holders as set out in the documentation setting out the terms of the relevant plan; and
- (b) notifying the Issuer of an election or cancellation of an election for all or part of the relevant CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan other than through their Controlling Participant, the holder authorises the Issuer to notify the Controlling Participant of that election or cancellation.

Drafting note: Rules for the provision of bank account details, including but not limited to an acceptance election under a DRP and BSP via a separate bank account notification Message will be provided in Tranche 3.

5.19A.10 Enquiry request for details of election status for dividend or other distribution reinvestment plan or bonus share plan

- (a) A Controlling Participant may initiate a request for the details of the existing election status recorded by the Issuer for a CHESS Holding in relation to a dividend or other distribution reinvestment plan or bonus share plan (as applicable) by Transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.
- (b) If an Originating Message Transmitted to ASX Settlement complies with Rule 5.19A.10(a), ASX Settlement will Transmit to the Issuer a Message requesting the Issuer to provide the details of the election status requested in the Originating Message.

- (c) If an Issuer receives a Valid Message under Rule 5.19A.10(b), the Issuer must, within the Scheduled Time, Transmit a Valid Message to ASX Settlement with the requested details of the election status.
- (d) If ASX Settlement receives a Valid Message under Rule 5.19A.10(c), it must send a Message to the Controlling Participant that initiated the request under Rule 5.19A.10(a), providing the election status details included in the Message from the Issuer under Rule 5.19A.10(c).
- (e) If an Issuer receives a Message from ASX Settlement under Rule 5.19A.10(b) and does not respond to ASX Settlement under Rule 5.19A.10(c) within the relevant Scheduled Time for response, ASX Settlement may purge the unactioned Message from the Settlement Facility.

5.19A.11 Warranty by Controlling Participant and Issuer

- (a) A Controlling Participant that Transmits a Message under Rule 5.19A.10(a) is taken to have warranted that the Controlling Participant was legally entitled or authorised to request the details of the election status for the CHESSE Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) pursuant to such Transmitted Message;
- (b) An Issuer that Transmits a Message under Rule 5.19A.10(c) is taken to have warranted that the details of the election status notified in such Message accurately represent the details of the existing election status recorded by the Issuer for the CHESSE Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) at the time such Message was Transmitted.

5.19A.12 Controlling Participant and Issuer Indemnities

- (a) If a Controlling Participant is taken under Rule 5.19A.11(a) to have warranted that it was legally entitled or authorised to request the details of the election status for a CHESSE Holding in relation to a dividend or other distribution reinvestment plan or bonus share plan (as applicable) and the Controlling Participant was not so legally entitled or authorised, the Controlling Participant indemnifies:
 - (i) the Issuer;
 - (ii) ASX Settlement; and
 - (iii) the Holder,against all losses, damages, costs and expenses arising from the Controlling Participant not having been so legally entitled or authorised.
- (b) If an Issuer is taken under Rule 5.19A.11(b) to have warranted that the details of the election status notified in a Message Transmitted under Rule 5.19A.10(c) represent the details of the existing election status recorded by the Issuer for the CHESSE Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) at the time such Message was Transmitted and the details of the election status notified did not represent the details of the relevant existing election status recorded by the Issuer at that time, the Issuer indemnifies:
 - (i) the Controlling Participant;

(ii) ASX Settlement; and

(iii) the Holder.

against all losses, damages, costs and expenses arising from the details of the election status notified by the Issuer not accurately representing the details of the relevant existing election status recorded by the Issuer at that time.

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5.21A CORPORATE ACTIONS - RIGHTS OFFERS AND SECURITIES PURCHASE PLANS ACCEPTANCE MESSAGING

5.21A.1 Corporate Action Record creation and removal

- (a) If an Issuer, in respect of Approved Financial Products, notifies the Approved Listing Market Operator in accordance with its Listing Rules of a Rights Offer or a Securities Purchase Plan, the Issuer must also immediately notify ASX Settlement of the details of that Corporate Action.
- (b) ASX Settlement will create a Corporate Action Record in respect of the Issuer for the relevant Rights Offer or a Securities Purchase Plan notified to the Approved Listing Market Operator as referred to in Rule 5.21A.1(a) of which ASX Settlement is informed.
- (c) If the Issuer, in respect of Approved Financial Products, notifies the Approved Listing Market Operator in accordance with its Listing Rules of any change to, or cancellation of, a Rights Offer or a Securities Purchase Plan, the Issuer must also immediately notify ASX Settlement of the details of that change or cancellation to the Corporate Action.
- (d) ASX Settlement will for a Corporate Action Record created under Rule 5.21A.1(b):
 - (i) update or remove that Corporate Action Record for a change or cancellation notified to the Approved Listing Market Operator as referred to in Rule 5.21A.1(c) (as applicable) of which ASX Settlement is informed; and
 - (ii) remove that Corporate Action Record on a date determined by ASX Settlement following the Applications Close Date.

5.21A.2 Corporate Actions - RTGS Participants

- (a) An Issuer that notifies ASX Settlement of the details of a Corporate Action pursuant to Rule 5.21A.1(a) must either:
 - (i) be an RTGS Participant; or
 - (ii) have appointed an RTGS Participant to settle RTGS Instructions in relation to that Corporate Action in Real Time Gross Settlement.

References in Rule 5.21A and 5.21B to an RTGS Participant for the Issuer relate to the Issuer as an RTGS Participant or the RTGS Participant so appointed (as applicable).

- (b) A Controlling Participant may only provide notification to an Issuer of an offer acceptance for all or part of a CHES Holding in respect of a Rights Offer or

Securities Purchase Plan in respect of a CHESS Holding under Rule 5.21A.3(a) if it is an RTGS Participant.

5.21A.3 Corporate Action acceptance – notification by Controlling Participant

- (a) A Controlling Participant may provide notification to an Issuer of an offer acceptance for all or part of a CHESS Holding in respect of the relevant Rights Offer or Securities Purchase Plan by Transmitting to ASX Settlement a Valid Acceptance Participant Notification Message within the Scheduled Time in accordance with the Procedures. If the relevant Acceptance Participant Notification Message relates to an acceptance of an Entitlement under a Rights Offer made under a disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act and the Entitlement has not been renounced and transferred to the relevant CHESS Holding, the Message must include the unique reference number to identify the entitlement and acceptance form.
- (b) If ASX Settlement receives a Valid Acceptance Participant Notification Message under Rule 5.21A.3(a) and a Corporate Action Record for the relevant Rights Offer or Securities Purchase Plan has been created in accordance with Rule 5.21A.1, ASX Settlement will:

 - (i) in respect of an acceptance in relation to a Rights Offer or Securities Payment Plan:

 - (A) record an acceptance pending payment; and
 - (B) notify the Controlling Participant that provided the acceptance notification that an acceptance pending payment has been recorded,

in relation to the acceptance notified under Rule 5.21A.3(a); and
 - (ii) in respect of an acceptance in relation to a Rights Offer (other than an Oversubscription Offer):

 - (A) apply a Holding Lock to the relevant Holding on the applicable CHESS Rights Subregister; and
 - (B) notify the Controlling Participant that the Holding Lock has been applied,

in relation to the acceptance notified under Rule 5.21A.3(a).-
- (c) Within the Scheduled Time, the Controlling Participant may initiate a Corporate Action RTGS Instruction in respect of the acceptance notified to ASX Settlement under Rule 5.21A.3(a) by Transmitting to ASX Settlement a Valid Corporate Action RTGS Message in accordance with the Procedures.
- (d) If ASX Settlement receives a Valid Corporate Action RTGS Message under Rule 5.21A.3(c), then:

 - (i) ASX Settlement will:

 - (A) treat the Message as an RTGS Instruction to be settled in Real Time Gross Settlement under Section 11;

- (B) update the record created under Rule 5.21A.3(b)(i)(A) to indicate that a payment instruction in RTGS has been initiated;
- (C) notify the Controlling Participant that the record created under Rule 5.21A.3(b)(i)(A) has been updated to payment initiated; and
- (ii) if the Payment Obligation under that RTGS Instruction is settled, ASX Settlement will:
 - (A) update the record updated under Rule 5.21A.3(d)(i)(B) to indicate that a payment instruction in RTGS has been completed;
 - (B) notify the Controlling Participant that the record updated under Rule 5.21A.3(d)(i)(B) has been updated to payment completed;
 - (C) Transmit a Message to the RTGS Participant for the Issuer notifying it of the offer acceptance in accordance with the Originating Message from the Controlling Participant under Rule 5.21A.3(a); and
 - (D) Transmit a Message to the RTGS Participant for the Issuer notifying it of settlement of the payment for the acceptance referred to in Rule 5.21A.3(d)(ii)(C) above.
- (iii) if the RTGS Instruction initiated under Rule 5.21A.3(c) is rejected under Rule 11.18.8(c), or if the Payment Obligation under that RTGS Instruction otherwise Fails, ASX Settlement will:
 - (A) update the record updated under Rule 5.21A.3(d)(i)(B) to record an acceptance pending payment;
 - (B) notify the Controlling Participant that the record updated under Rule 5.21A.3(d)(i)(B) has been updated to acceptance pending payment.
- (e) If, within the Scheduled Time, a Controlling Participant has not Transmitted to ASX Settlement a Valid Corporate Action RTGS Message that complies with Rule 5.21A.3(c), the acceptance notified to ASX Settlement under Rule 5.21A.3(a) will be cancelled by ASX Settlement under Rule 5.21A.6.

5.21A.4 Priority of acceptances

For the avoidance of doubt, if in relation to a Rights Offer or a Securities Purchase Plan for a CHESS Holding, the Issuer is notified of an acceptance under Rule 5.21A.3 and is also notified of an acceptance other than pursuant to 5.21A.3, or is notified of a cancellation of an acceptance, the Issuer may determine the sequence in which the notifications were received and which takes priority for the purpose of its acceptance or rejection of a notified acceptance or cancellation.

5.21A.5 Cancellation of acceptance

- (a) If for an acceptance pending payment recorded by ASX Settlement under Rule 5.21A.3(b)(i)(A), the Controlling Participant seeks to cancel that acceptance, the Controlling Participant must Transmit to ASX Settlement a Valid Acceptance

Cancellation Message within the Scheduled Time in accordance with the Procedures, notifying of that cancellation.

(b) If ASX Settlement receives a Valid Acceptance Cancellation Message under Rule 5.21A.5(a), ASX Settlement will:

(i) in respect of an acceptance notified in relation to a Rights Offer or a Securities Purchase Plan, cancel and remove the acceptance pending payment record created under Rule 5.21A.3(b)(i)(A);

(ii) in respect of an acceptance notified in relation to a Rights Offer (other than an Oversubscription Offer), remove the Holding Lock applied under Rule 5.21A.3(b)(ii)(A); and

(iii) Transmit a Message to the Controlling Participant for that Holding, notifying of the cancellation of the acceptance pending payment recorded in accordance with the Acceptance Cancellation Message.

(c) If a Valid Acceptance Cancellation Message is Transmitted to ASX Settlement by the Controlling Participant after the Scheduled Time, ASX Settlement must reject the Acceptance Cancellation Message.

5.21A.6 Housekeeping of pending acceptances

If an acceptance pending payment has been recorded in accordance with Rule 5.21A.3(b)(i)(A) or 5.21A.3(d)(iii)(A) (or updated to payment initiated under Rule 5.21A.3(d)(i)(B)) and Real Time Gross Settlement has not been completed within the Scheduled Time, ASX Settlement will:

(a) cancel the acceptance pending payment record created under Rule 5.21A.3(b)(i)(A) or 5.21A.3(d)(iii)(A) (or payment initiated record under Rule 5.21A.3(d)(i)(B)) and notify the relevant Controlling Participant of such cancellation; and

(b) remove the Holding Lock applied under Rule 5.21A.3(b)(ii)(A).

5.21A.7 Warranty by Controlling Participant

A Controlling Participant that Transmits an:

(a) Acceptance Participant Notification Message under Rule 5.21A.3(a); or

(b) Acceptance Cancellation Message under Rule 5.21A.5(a),

is taken to have warranted that the Controlling Participant was authorised to notify an acceptance or cancellation of an acceptance for all or part of a CHES Holding in relation to the relevant Rights Offer or Securities Purchase Plan (as applicable) pursuant to such Transmitted Message.

5.21A.8 Controlling Participant Indemnity

If a Controlling Participant is taken under Rule 5.21A.7 to have warranted that it was authorised to notify an acceptance or cancellation of an acceptance for all or part of a CHES Holding in relation to the relevant Rights Offer or Securities Purchase Plan (as applicable) and the Controlling Participant was not so authorised, the Controlling Participant indemnifies:

(a) the Issuer;

(b) ASX Settlement; and

(c) the Holder,

against all losses, damages, costs and expenses arising from the Controlling Participant not having been so authorised.

5.21A.9 Offer terms to include Holder representations and warranties

In respect of a Rights Offer or Securities Purchase Plan notified to the relevant Approved Listing Market Operator as referred to in Rule 5.21A.1(a), the Issuer must ensure that the terms and conditions of the relevant offer include terms and conditions to the effect that by instructing a Controlling Participant to notify the Issuer of an offer acceptance for all or part of the relevant CHES Holding in respect of the relevant Rights Offer or Securities Purchase Plan by Transmitting an Acceptance Participant Notification Message under Rule 5.21A.3(a), the Holder represents and warrants that they:

(a) are legally entitled to accept the relevant offer;

(b) either:

(i) have been given a full copy of the current disclosure document, product disclosure statement, or any other offer documentation setting out the terms of the relevant offer (as applicable); or

(ii) if the Rights Offer is a Renounceable Rights Offer, and the Entitlement has been renounced and transferred to the Holder, have had access to a full copy of the current disclosure document, product disclosure statement, or any other offer documentation setting out the terms of the relevant offer (as applicable);

(c) have read and understood, and agree to be bound by the terms and conditions applicable to the relevant offer;

(d) agree to be bound by the terms and conditions of the constitution of the Issuer or relevant managed investment scheme (as applicable);

(e) accept the offer of Approved Financial Products in accordance with the terms and conditions of the relevant offer and authorise the Issuer to register them as a Holder of Approved Financial Products issued under the relevant offer; and

(f) make all of the representations and warranties attributed to Holders as set out in the documentation setting out the terms of the relevant offer.

5.21 CORPORATE ACTIONS – RIGHTS ISSUES

5.21.1 ~~Renounceable~~ Rights Record and Issue of Rights

In implementing an Issue of Approved Financial Products that are rights the Issuer must:

(a) between the Record Date and the Issue Date for the rights, issue rights in respect of a CHES Holding of Parent Financial Products by Transmitting a Message to ASX Settlement to effect an appropriate Holding Adjustment to a Holding on the CHES ~~Renounceable~~ Rights Subregister;

- (b) before Start of Day on the Issue Date for the rights, establish a ~~Renounceable~~ Rights Record for each Holder of an Issuer Sponsored Holding of Parent Financial Products that is entitled to the rights;
- (c) during the Rights Period, maintain a ~~Renounceable~~ Rights Record for each Holder of rights that does not hold rights on the CHES ~~Renounceable~~ Rights Subregister; and
- (d) note each ~~Renounceable~~ Rights Record established as a result of a CHES to Issuer Sponsored Transfer or Conversion as "pending acceptance".

ASX Settlement must reject an Instruction or Message that would Transfer or Convert rights after End of Day on the Applications Close Date for that issue of rights.

Introduced 11/03/04 Origin SCH 12.4.2, 13.5.1 Amended 04/03/13

5.21.2 Acceptance of Financial Products pursuant to an offer of rights ~~offer~~

If, in accordance with the terms of an offer of rights to Financial Products, a Holder of rights in a Holding on the CHES ~~Renounceable~~ Rights Subregister accepts the Issuer's offer, the Issuer must within 1 Business Day Transmit to ASX Settlement a valid Message to effect either:

- (a) a Holding Adjustment; or
- (b) a Financial Products Transformation,

to remove the rights from that Holding.

Introduced 11/03/04 Origin SCH 13.6.1

5.21.3 Reservation of Rights Following Acceptance

If, during the Rights Period for an issue of rights, ASX Settlement receives a Valid Message from the Issuer under Rule 5.21.2(a) to effect a Holding Adjustment to deduct rights from a Holding, ASX Settlement must:

- (a) deduct the number of rights specified in the Message from that Holding; and
- (b) notify:
 - (i) the Issuer; and
 - (ii) the Controlling Participant,

that the rights have been deducted from the Holding and the reason for the deduction.

Introduced 11/03/04 Origin SCH 12.5.1

5.21.4 Removal of rights from a Holding

If an Issuer removes rights from a Holding on the CHES ~~Renounceable~~ Rights Subregister by effecting a Holding Adjustment in accordance with Rule 5.21.2(a), the Issuer must:

- (a) maintain proper records in respect of that Holder's HIN and the rights that were removed; and

- (b) Issue the Financial Products to which that Holder is entitled to a CHES Holding of that Holder in accordance with Rule 5.22.1.

Introduced 11/03/04 Origin SCH 13.6.2 Amended 04/03/13

5.21.5 Issue of Financial Products

If an Issuer removes rights from a Holding on the CHES ~~Renounceable~~-Rights Subregister by effecting a Financial Products Transformation in accordance with Rule 5.21.2(b), the Message which initiates the Financial Products Transformation must also Issue the Financial Products to which that Holder is entitled to a CHES Holding of that Holder.

Introduced 11/03/04 Origin SCH 13.6.3 Amended 04/03/13

5.21B CORPORATE ACTIONS – RIGHTS OFFERS AND SECURITIES PURCHASE PLAN REJECTIONS

5.21B.1 Issuer payment for rejected acceptances

- (a) If an RTGS Participant for the Issuer has been notified of an offer acceptance for all or part of a CHES Holding in respect of the Rights Offer or Securities Purchase Plan in accordance with Rule 5.21A.3(a), and the Issuer determines that:

- (i) it will reject the relevant acceptance as a result of it being invalid or the cancellation of the Rights Offer or Securities Purchase Plan; or
- (ii) in respect of an Oversubscription Acceptance or a Securities Purchase Plan Acceptance, it will reject the relevant acceptance in whole or in part as a result of a scaleback in accordance with the terms of the relevant Oversubscription Offer or Securities Purchase Plan.

the RTGS Participant for the Issuer may Transmit to ASX Settlement a Valid Corporate Action Rejection Message within the Scheduled Time in accordance with the Procedures, notifying ASX Settlement of that rejection.

- (b) If ASX Settlement receives a Valid Corporate Action Rejection Message under Rule 5.21B.1(a), ASX Settlement will:

- (i) create a rejection pending payment record in respect of the Issuer for the Corporate Action Rejection Message Transmitted to ASX Settlement under Rule 5.21B.1(a); and
- (ii) notify the RTGS Participant for the Issuer a rejection pending payment has been recorded.

- (c) Within the Scheduled Time, the RTGS Participant for the Issuer may initiate a Corporate Action RTGS Instruction in respect of the rejection notified to ASX Settlement under Rule 5.21B.1(a) by Transmitting to ASX Settlement a Valid Corporate Action RTGS Message in accordance with the Procedures.

- (d) If ASX Settlement receives a Valid Corporate Action RTGS Message under Rule 5.21B.1(c), then:

- (i) ASX Settlement will:

- (A) treat the Message as an RTGS Instruction to be settled in Real Time Gross Settlement under Section 11;
 - (B) update the record created under Rule 5.21B.1(b)(i) to indicate that a payment instruction in RTGS has been initiated; and
 - (C) notify the RTGS Participant for the Issuer that the record created under Rule 5.21B.1(b)(i) has been updated; and
- (ii) if the Payment Obligation under that RTGS Instruction is settled, ASX Settlement will:
 - (A) update the record updated under Rule 5.21B.1(d)(i)(B) to indicate that a payment instruction in RTGS has been completed; and
 - (B) notify the RTGS Participant for the Issuer that the record updated under Rule 5.21B.1(d)(i)(B) has been updated to payment completed; and
 - (C) Transmit a Message to the Controlling Participant notifying it of the acceptance rejection in accordance with the Originating Message from the RTGS Participant for the Issuer under Rule 5.21B.1(a); and
 - (D) Transmit a Message to the Controlling Participant notifying it of settlement of the payment for the rejection referred to in Rule 5.21B.1(d)(ii)(C) above.
- (iii) if the RTGS Instruction initiated under Rule 5.21B.1(c) is rejected under Rule 11.18.8(c), or if the Payment Obligation under that RTGS Instruction otherwise Fails, ASX Settlement will:
 - (A) update the record updated under Rule 5.21B.1(d)(i)(B) to record a rejection pending payment;
 - (B) notify the RTGS Participant for the Issuer that the record updated under Rule 5.21B.1(d)(i)(B) has been updated to rejection pending payment.
- (e) If, within the Scheduled Time, a RTGS Participant for the Issuer has not Transmitted to ASX Settlement a Valid Corporate Action RTGS Message that complies with Rule 5.21B.1(c), the rejection notified to ASX Settlement under Rule 5.21B.1(a) will be cancelled by ASX Settlement under Rule 5.21B.2.

5.21B.2 Housekeeping of pending rejection

If a rejection pending payment has been recorded in accordance with Rule 5.21B.1(b)(i) or 5.21B.1(d)(iii)(A) (or updated to payment initiated under Rule 5.21B.1(d)(i)(B)) and Real Time Gross Settlement has not been completed within the Scheduled Time, ASX Settlement will cancel the rejection pending payment record created under Rule 5.21B.1(b)(i) or 5.21B.1(d)(iii)(A) (or payment initiated record under Rule 5.21B.1(d)(i)(B)) and notify the relevant RTGS Participant for the Issuer of such cancellation.

5.22 CORPORATE ACTIONS – CHANGES TO HOLDINGS

5.22.1 Issue of Financial Products to a CHESS Holding

If an Issuer receives a duly completed Acceptance Form, Standard Conversion Form or Standard Exercise Form and that [document](#)~~form~~ includes:

- (a) [other than in relation to an Election Participant Notification Message or Acceptance Participant Notification Message](#), instructions or a notation to the effect that the applicant or Holder wishes to hold the Financial Products on the CHESS Subregister; and
- (b) the HIN of that applicant or Holder,

the Issuer must Issue the relevant Financial Products to the HIN specified on the [document](#)~~form~~.

Introduced 11/03/04 Origin SCH 13.7 Amended 18/12/06, 04/03/13

5.22.2 Issuer to send ~~valid~~ [Valid](#) Message

If as a result of a Corporate Action, an Issuer is required to Issue Approved Financial Products to a CHESS Holding and neither Rule 5.21.1(a) or 5.21.5 applies, the Issuer must do so by Transmitting a Valid Message to ASX Settlement before the End of Day on the Issue Date for that Corporate Action that ~~:~~

- ~~(a) ——— initiates a Holding Adjustment if the Issue does not require an adjustment to a CHESS Holding of another class of the Issuer’s Financial Products; or~~
- ~~(b) ——— initiates a Financial Products Transformation if the Issue requires an adjustment to a CHESS Holding of another class of the Issuer’s Financial Products.~~

Introduced 11/03/04 Amended 10/06/04, 04/03/13

5.22.3 Removal of Financial Products by Holding Adjustment

If an Issuer, in accordance with the terms of a Corporate Action, may reduce the Holding Balance of a CHESS Holding affected by the Corporate Action, the Issuer may Transmit a Message to ASX Settlement to initiate a Holding Adjustment to effect that reduction.

Introduced 11/03/04 Origin SCH 13.8.1

5.26 RECONSTRUCTIONS – CHANGES TO HOLDINGS

5.26.1 Issuer to send Valid Message

If as a result of a Reconstruction, an Issuer is required to initiate a Holding Adjustment or Financial Products Transformation, the Issuer must do so by Transmitting a Valid Message to ASX Settlement.

SECTION 6 RIGHTS AND OBLIGATIONS OF PARTICIPANTS

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6.11 CORPORATE ACTIONS

6.11.1 Cum Entitlement Financial Products

A Participant must not designate a Message to Transfer or Convert Financial Products as Cum Entitlement after End of Day on the Record Date for that entitlement.

Introduced 11/03/04 Origin SCH 9.15.1, 10.14.1

6.11.2 Exercise of conversion or other rights

A Participant must use:

- (a) a Standard Conversion Form to give Notice of exercise of a right to convert convertible Financial Products;
- (b) a Standard Exercise Form to apply for shares on exercise of a company option; and
- (c) a:

(i) Standard Acceptance Form; or

(ii) a Valid Participant Acceptance Notification Message.

to give Notice of acceptance in respect of an issue of renounceable rights under a Rights Offer, unless an entitlement and acceptance form has been issued to the Holder of those rights.

Introduced 11/03/04 Origin SCH 9.15.2, 10.14.2

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6.15 ESTABLISHING A PAYMENT FACILITY

6.15.1 Payment Facilities

A Settlement Participant and a Corporate Action Payments Participant must have in place at all times at least the number of Payment Facilities required under Rule 4.13 to facilitate settlement of Instructions and, in relation to those Payment Facilities:

- (a) the Settlement Participant or Corporate Action Payments Participant must give Notice to ASX Settlement in the form prescribed by ASX Settlement from time to time. Without limitation, such Notice must identify in respect of each Payment Facility the relevant facility subtype as specified in the User Technical Documentation;
- (b) a Payment Facility will not be available to facilitate settlement of Instructions until a Payments Provider acknowledges to ASX Settlement that it will operate the Payment Facility on behalf of the Settlement Participant or Corporate Action Payments Participant;

(c) a separate Payment Facility must be established for each PID allocated by ASX Settlement to the Settlement Participant or Corporate Action Payments Participant;

(ca) a Payment Facility may be used to facilitate settlement of both Batch Instructions and RTGS Instructions;

(d) in relation to DvP Settlement:

(i) each Payment Facility must be linked to at least one CHES Holding;

(ii) ~~a~~ CHES Holding must not be linked to more than one Payment Facility; and

(iii) a Settlement Participant which is a Clearing Participant must use the same Payment Facility to facilitate settlement of all CCP Batch Instructions in respect of a PID. A Settlement Participant that acts for more than one Clearing Participant may use multiple Payment Facilities, but must only maintain one Payment Facility per Clearing Participant on whose behalf it acts; ~~and~~

(e) in relation to Payment Batch Instructions:

(i) each payment type as determined by ASX Settlement must be linked to a separate Payment Facility; and

(ii) unless otherwise agreed in writing by ASX Settlement, a payment type must not be linked to more than one Payment Facility; and

(f) in relation to Real Time Gross Settlement, a Settlement Participant or Corporate Action Payments Participant which is an RTGS Participant must give ASX Settlement Notice of the RTGS Bank Account referable to each Payment Facility used to settle RTGS Instructions in accordance with Rule 11.4.3.

Introduced 11/03/04 Origin SCH 9.20, 10.21 Amended 08/08/13, 21/03/14

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6.15.3 ASX Settlement to reject Messages if no Payment Facility

If a Settlement Participant Transmits a Valid Message in relation to:

(a) an Instruction that specifies a HIN or incorporates a Standing Settlement HIN for a CHES Holding and a Payment Facility for that Holding has not been established; ~~or~~

(b) a Payment Batch Instruction and a Payment Facility for the relevant payment type has not been established; or

(c) an RTGS Instruction and a Payment Facility for the relevant payment type has not been established.

ASX Settlement must reject the Message.

Introduced 11/03/04 Origin SCH 9.20.8, 10.21.7

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6.17 AUTHORITY TO EFFECT SETTLEMENT AND TO INCLUDE A SETTLEMENT PARTICIPANT'S PID IN AN INSTRUCTION

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6.17.2 Participant authority to include PID

Each Settlement Participant irrevocably authorises ASX Settlement to include its PID or the PID of a Clearing Participant for which it acts as Settlement Agent in each:

- (a) CCP Batch Instruction; and
- (b) Accrued Batch Instruction; ~~and~~
- ~~(c) Accrued RTGS Instruction;~~

as the PID of the delivering Participant or receiving Participant, as the case requires.

Introduced 11/03/04 Origin SCH 9.22.2, 10.25.2

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6.20 REMOVAL OF INSTRUCTION FROM BATCH SETTLEMENT BY ASX SETTLEMENT

6.20.1 Giving notice to ASX Settlement

If:

- (a) a Settlement Participant (the first Settlement Participant) is a counterparty to an Instruction with a Settlement Participant that owes obligations to the CCP (the second Settlement Participant);
- (b) the first Settlement Participant is acting as an agent for a non Participant in relation to that Instruction;
- (c) the non Participant is a client of the second Settlement Participant; and
- (d) the non Participant becomes externally administered before the Settlement Date of the Instruction,

the first Settlement Participant may by providing to ASX Settlement within the Scheduled Time a Notice in the prescribed form and adequate documentation to evidence the external administration of the non Participant, request ASX Settlement to remove the Instruction to which it is counterparty from Batch Settlement ~~or Real Time Gross Settlement, as the case may be.~~

Introduced 11/03/04 Origin SCH 9.24.1, 10.24.1

6.20.2 Action by ASX Settlement

If ASX Settlement:

- (a) receives a Notice under Rule 6.20.1; and

- (b) is satisfied that the documentation referred to in that Rule is adequate to evidence the external administration of the non Participant,

ASX Settlement must, subject to the Rules, within the Scheduled Time:

- (c) remove the Instruction from Batch Settlement ~~or, if applicable, Real Time Gross Settlement~~; and
- (d) give Notice to the Settlement Participant providing the Notice and the counterparty Settlement Participant that the Instruction has been so removed.

Introduced 11/03/04 Origin SCH 10.24.3

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SECTION 8 HOLDING FINANCIAL PRODUCTS IN THE SETTLEMENT FACILITY

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8.15 HOLDING LOCKS AND HOLDER RECORD LOCKS

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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~~ 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 Holding subject to a Holding Lock or Holder Record Lock ~~Locked Holding~~ where the Holding Adjustment or Financial Products Transformation is a Reconstruction ~~(other than a Holding subject to a Settlement Lock or Demand Lock)~~, ASX Settlement must give effect to that Message.

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 held in a Locked Holding.

Introduced 11/03/04 Origin SCH 11.5.3

8.15.20 Ratio between Financial Products after Reconstruction subject to a Holding Lock

If:

- (a) a Reconstruction occurs in relation to a class of Approved Financial Products which is given effect to through a Valid Message in accordance with Rule 5.26;
- (b) the Financial Product Code for that class will continue following the Reconstruction; and
- (c) the Reconstruction affects Financial Products in a CHES Holding that are subject to a Holding Lock that applies to some, but not all, Financial Products in a CHES Holding.

at the time ASX Settlement enters Financial Products into, or deducts Financial Products from, that Holding, ASX Settlement must also apply the Holding Lock to, or remove the Holding Lock from, Financial Products in that Holding, so that the ratio between:

- (d) the number of Financial Products in that Holding subject to the Holding Lock; and
- (e) the total number of Financial Products in that Holding.

is, as far as possible having regard to fractional entitlements, the same before and after the Reconstruction.

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.

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8.24 ~~CHES~~ **RENOUNCEABLE RIGHTS SUBREGISTER**

8.24.1 **Entering rights into a Holding**

If ASX Settlement has established a CHES ~~Renounceable~~-Rights Subregister under Rule 8.23, ASX Settlement must:

- (a) on receipt of a Valid Message from the Issuer to effect a Holding Adjustment to enter rights into a Holding on the Subregister, enter the rights into that Holding; and
- (b) during the Rights Period:
 - (i) process Demand Transfers and Conversions in respect of the rights in accordance with Section 9 of these Rules ([as applicable](#)); and
 - (ii) process Settlement Transfers in respect of the rights in accordance with Section 10 of these Rules ([as applicable](#)).

Introduced 11/03/04 Origin SCH 12.4.1

8.24.2 **Rejection of Instruction**

ASX Settlement must reject an Instruction or Message that would Transfer or Convert rights after End of Day on the Applications Close Date for that [rights](#) issue ~~of rights~~.

Introduced 11/03/04 Origin SCH 12.4.2 Amended 18/12/06

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8.26 **SUSPENSION OF PROCESSING ON A CHES 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) as the case requires:

(i) 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

(ii) 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; and

(d) remove any Settlement Locks or Demand Locks (as applicable) that have been applied to Holdings in the class of Financial Product subject to the Reconstruction and give notice of the removal to the Participant controlling the Holding that the Settlement Lock or Demand Lock has been removed from; and

~~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.

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

SECTION 9 TRANSFERS OF FINANCIAL PRODUCTS

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9.5A BILATERAL DEMAND SETTLEMENT TRANSFERS

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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 to be settled in Real Time Gross Settlement under Section 11

(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 will be settled in Real Time Gross Settlement under Section 11 ~~has been scheduled for demand settlement.~~

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SECTION 10 BATCH SETTLEMENT

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10.6 REAL TIME GROSS SETTLEMENT - REMOVAL OF DUAL ENTRY BATCH INSTRUCTIONS FROM DVP BATCH SETTLEMENT ~~[Deleted]~~

10.6.1 Removal of Dual Entry Batch Instructions from DvP Batch Settlement ~~[Deleted]~~

~~If, within the Scheduled Time:~~

~~(a) — the parties to a Dual Entry Batch Instruction that has been scheduled for settlement under Rule 10.9.3 and 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 Dual Entry Batch Instruction from DvP Batch Settlement and process it in Real Time Gross Settlement under Rule 11.11.1 and 11.11.2.~~

~~Introduced 11/03/04 Origin SCH 7.12A.1, 7.16A.1~~

10.6.2 Limit on ASX Settlement's obligation to remove Dual Entry Batch Instructions from DvP Batch Settlement ~~[Deleted]~~

~~Each Settlement Participant acknowledges that ASX Settlement's ability to process a Dual Entry Switch to RTGS Message that requests removal of a Dual Entry 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. Despite any other Rule, while ASX Settlement will use reasonable endeavours to process any such request, it will not be liable for any failure to remove any such Dual Entry Batch Instruction from DvP Batch Settlement on that day.~~

~~Note: — CHESSE queuing processes for preparation of the daily 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 7.16A.3~~

10.6.3 Cancelling a request to remove Dual Entry Batch Instructions to Real Time Gross Settlement ~~[Deleted]~~

~~If a Message Transmitted under Rule 10.6.1 has not been Matched, the Settlement Participant that Transmitted the Message may cancel the request by Transmitting a further Valid Message to ASX Settlement revoking the initial request.~~

~~Introduced 11/03/04 Origin SCH 7.12A.3, 7.16A.2~~

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10.11 FAILING BATCH INSTRUCTIONS

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10.11.8 Removing a re-scheduled Batch Instruction to RTGS ~~[Deleted]~~

~~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: — CHESSE 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

10.17 SETTLEMENT SUBJECT TO ENTITLEMENTS AND ADJUSTMENTS

10.17.1 Financial Products Distributions

If a Parent Batch Instruction:

- (a) is scheduled to settle on a Cum Entitlement basis;
- (b) has an Entitlement to:
 - (i) a bonus issue;
 - (ii) a non-renounceable entitlement;
 - (iii) a renounceable rights issue; or

(iv) a distribution in specie,

(c) does not settle in full by End of Day on the Record Date for the Corporate Action, ASX Settlement will within the Scheduled Time:

(d) generate an Accrued Batch Instruction; and

(e) notify the Accrued Batch Instruction to each affected Settlement Participant.

Introduced 11/03/04 Origin SCH 7.34.1

10.17.2 Accrued Batch Instructions

A Settlement Transfer may be initiated by an Accrued Batch Instruction which contains the details specified in the Procedures.

Introduced 11/03/04 Origin SCH 7.34.2, 7.34.3

10.17.3 Authority to ASX Settlement

The delivering Settlement Participant under an Accrued Batch Instruction authorises ASX Settlement to initiate a Settlement Transfer in accordance with the Accrued Batch Instruction and these Rules.

Introduced 11/03/04 Origin SCH 7.34.4

10.17.4 Number of Financial Products to be Transferred

The number of Financial Products to be Transferred by an Accrued Batch Instruction must be equal to the number of Entitlements that relate to the number of outstanding Financial Products specified in the Parent Batch Instruction at End Of Day on the Record Date for the Corporate Action.

Introduced 11/03/04 Origin SCH 7.34.5 Amended 18/12/06

10.17.5 Calculation of Settlement Amount

The Settlement Amount of an Accrued DvP Batch Instruction will be zero. ~~must be calculated by multiplying the adjustment per unit of Financial Product notified by the Approved Listing Market Operator by the number of Financial Products to be Transferred by the Accrued DvP Batch Instruction.~~

Introduced 11/03/04 Origin SCH 7.34.6 Amended 27/06/11

10.17.6 ASX Settlement to reduce Settlement Amount [Deleted]

~~ASX Settlement will reduce the Settlement Amount of a Parent DvP Batch Instruction by an amount equal to the Settlement Amount of the related Accrued DvP Batch Instruction.~~

Introduced 11/03/04 Origin SCH 7.34.7

10.17.7 Calculation of Settlement Date

ASX Settlement will calculate the Settlement Date for an Accrued Batch Instruction in accordance with the relevant operating rules of the Approved Listing Market Operator.

10.18 CASH DISTRIBUTIONS

10.18.1 Cash distributions for Parent DvP Batch Instructions

If a Parent DvP Batch Instruction:

- (a) is scheduled to settle on a Cum Entitlement basis;
- (b) has an Entitlement to:
 - (i) a dividend;
 - (ii) interest; or
 - (iii) a capital return; and
- (c) does not settle in full by End of Day on the Record Date for the Corporate Action,

ASX Settlement will within the Scheduled Time:

- (d) calculate a Settlement Adjustment by multiplying the adjustment per unit of Financial Product notified by the Approved Listing Market Operator by the number of outstanding Financial Products specified in the Parent DvP Batch Instruction at End of Day on the Record Date for the Corporate Action;
- (e) reduce the Settlement Amount of the Parent Batch Instruction by ~~a~~ the Settlement Adjustment; and
- (f) notify the Settlement Adjustment to each Settlement Participant.

Introduced 11/03/04 Origin SCH 7.35.1, 7.35.2 Amended 27/06/11

10.21 CASH ADJUSTMENTS FOR NO LIABILITY CALLS, OPTIONS AND CONVERTIBLE NOTES

10.21.1 Parent Batch Instruction

If a Parent Batch Instruction:

- (a) is scheduled to settle before End of Day on the last Business Day that ASX Settlement will process Transfers before:
 - (i) a call for no liability company falls due;
 - (ii) the final date for the exercise of company issued options; or
 - (iii) the final date for the conversion of convertible Financial Products;
- (b) does not settle in full by End of Day on that Business Day; and

- (c) both Settlement Participants have agreed that settlement will be effected by a Transfer of the Financial Products that result from the:
- (i) call;
 - (ii) exercise; or
 - (iii) conversion,

then each Settlement Participant must Transmit ~~a~~ Valid Messages to ASX Settlement by the Scheduled Time ~~requesting~~ which in effect a change to the Parent Batch Instruction through the cancellation of the Parent Batch Instruction and the generation of a new Batch Instruction with the revised details to reflect the number and class of Financial Products that are to be Transferred as a result of the call, exercise or conversion.

Note: Depending upon the nature of the Corporate Action, it may be necessary to change the number and class of Financial Products, the Settlement Amount and the Settlement Date. In the case of a call or an exercise of an option, the delivering Settlement Participant is entitled to be paid the relevant call or exercise money by the receiving Settlement Participant before making an application to the Issuer to take up the resulting Financial Products.

Introduced 11/03/04 Origin SCH 7.38.1

SECTION 11 REAL TIME GROSS SETTLEMENT

A Settlement Participant may settle Instructions in the Settlement Facility in Batch Settlement or Real Time Gross Settlement. [A Corporate Action Payments Participant may settle Instructions in the Settlement Facility in Real Time Gross Settlement only.](#) Real Time Gross Settlement is governed by Section 11 of these Rules. Batch Settlement is governed by Section 10.

Real Time Gross Settlement involves the settlement of RTGS Instructions. RTGS Instructions ~~may include~~ ~~CCP Gross Batch Instructions, Dual Entry Bilateral Demand Settlement Batch Instructions, and Corporate Action RTGS Instructions or Direct Batch Instructions that are eligible to be switched to Real Time Gross Settlement.~~

In addition to determining the eligibility of Instructions to be included in Real Time Gross Settlement the purpose of this Section is to set out Rules relating to the operation of Real Time Gross Settlement in the Settlement Facility including:

- (a) the basis on which Settlement Participants [and Corporate Action Payments Participants](#) can act in respect of RTGS Settlement;
- (b) payment arrangements for RTGS Settlement;
- ~~(c) the transfer and switch of Instructions between RTGS Settlement and Batch Settlement;~~
- ~~(c)~~ the requirements to be met for RTGS Instructions;
- ~~(d)~~ the ~~change to or~~ suspension and cancellation of RTGS Instructions;
- ~~(e)~~ RTGS Settlement processing;
- ~~(g) testing criteria including in relation to Financial Products and Debit Caps;~~
- ~~(h)~~ discharge of settlement obligations; and
- ~~(g)~~ failing of RTGS Instructions.

11.1 ELIGIBILITY OF INSTRUCTIONS FOR RTGS SETTLEMENT

11.1.1 Eligible Instructions

An Instruction is eligible for Real Time Gross Settlement under Section 11 if [it is within a class of Instructions specified by ASX Settlement in the Procedures from time to time.](#) ~~in accordance with the EIS, it may be processed for Real Time Gross Settlement and:~~

- ~~(a) it is not within a class of Instruction that has been determined as ineligible for, or has been removed from, Real Time Gross Settlement under Rule 11.1.2; and~~
- ~~(b) in the case of a DvP RTGS Instruction, it relates to RTGS Eligible Financial Products.~~

Introduced 11/03/04 Origin SCH 7A.1.1A

11.1.2 Non eligible classes of Instructions

ASX Settlement may at any time ~~determine that a class of Instructions is not eligible for Real Time Gross Settlement in CHESSE, or may at any time~~ remove a class of Instructions from Real Time Gross Settlement if:

- (a) ASX Settlement forms the reasonable opinion that Real Time Gross Settlement of the class of Instructions is unlikely to be commercially viable for ASX Settlement;
- (b) ASX Settlement reasonably considers it necessary in order to maintain the orderly operation or integrity of the Settlement Facility or the efficiency of Real Time Gross Settlement in CHESSE;
- (c) 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, integrity or proper functioning of that market or facility; or
- (d) it is requested to do so by the Reserve Bank of Australia in order to ensure the proper functioning of RITS/RTGS.

Introduced 11/03/04 Origin SCH 7A.1.2 Amended 27/06/11

11.1.3 Notice given in relation to non eligible classes of Instructions

If ASX Settlement ~~makes a determination or~~ removes a class of Instructions from Real Time Gross Settlement under Rule 11.1.2, ASX Settlement must give Notice of the ~~determination or~~ removal to [RTGS Participants](#).²

- ~~(a) — the person that applied for admission of the relevant Approved Financial Products, giving reasons for the determination or removal; and~~
- ~~(b) — Participants.~~

Introduced 11/03/04 Origin SCH 7A.1.3

11.2 APPEALS AGAINST RTGS DETERMINATIONS [\[DELETED\]](#)

11.2.1 Appeal Notices [\[Deleted\]](#)

~~The relevant person or any Participant (as applicable) may appeal against the decision of ASX Settlement to:~~

- ~~(a) — not admit a class of Instructions into Real Time Gross Settlement; or~~
 - ~~(b) — remove a class of Instructions from Real Time Gross Settlement,~~
- ~~in accordance with the provisions of the ASX Enforcement and Appeals Rulebook.~~

Introduced 11/03/04 Origin SCH 7A.1.4 Amended 31/03/08, 01/08/10

11.2.2 Appeal Notice given to Appeal Tribunal – [\[Deleted\]](#)

Introduced 11/03/04 Origin SCH 7A.1.5 Deleted 31/03/08

11.2.3 Convening and conduct of Appeal Tribunal – [\[Deleted\]](#)

Introduced 11/03/04 Origin SCH 7A.1.6 Deleted 31/03/08

11.2.4 Decisions of Appeal Tribunal – [Deleted]

Introduced 11/03/04 Origin SCH 7A.1.7 Deleted 31/03/08

11.2.5 Appeal Tribunal decisions binding – [Deleted]

Introduced 11/03/04 Origin SCH 7A.1.8 Deleted 31/03/08

11.3 RTGS MANDATORY INSTRUCTIONS [DELETED]

11.3.1 Consultation with the Reserve Bank of Australia [Deleted]

~~After consultation with the Reserve Bank of Australia, ASX Settlement may determine that, in order to address settlement risk in the Settlement Facility reasonably and appropriately, a particular class of Instruction (which may, but need not, be classified in terms of value) will, to the extent it settles in the Settlement Facility after a date specified by ASX Settlement, settle on a Real Time Gross Settlement basis.~~

Introduced 11/03/04 Origin SCH 7A.1.9

11.3.2 Delivering Financial Products in RTGS [Deleted]

~~Subject to Rule 11.3.3, each Participant that is obliged to deliver or receive Financial Products that are RTGS Eligible, and the obligation is in respect of an Instruction that is RTGS Mandatory, must deliver or receive those Financial Products in Real Time Gross Settlement in accordance with this Section 11.~~

~~Note: — the effect of Rule 11.3 is that Real Time Gross Settlement is optional in CHES except for any class of Instruction that ASX Settlement declares to be RTGS Mandatory.~~

Introduced 11/03/04 Origin SCH 7A.1.10

11.3.3 Alternative Settlement Facility [Deleted]

~~If a Participant that is obliged to deliver or receive Financial Products:~~

~~(a) — wishes to use a facility provided by an Alternative Settlement Facility other than the Settlement Facility to settle an Instruction that is RTGS Mandatory; and~~

~~(b) — obtains the consent of the counterparty to the Instruction,~~

~~the Participant may:~~

~~(c) — deliver or receive the Financial Products using a Demand Transfer in accordance with Section 9 of these Rules; and~~

~~(d) — use the Alternative Settlement Facility to settle that Instruction.~~

Introduced 11/03/04 Origin SCH 7A.1.11 Amended 18/12/06

11.4 RTGS ADMINISTRATION OF AND PARTICIPATION IN REAL TIME GROSS SETTLEMENT

11.4.1 ASX Settlement as administrator

ASX Settlement is the administrator of Real Time Gross Settlement in CHES.

Introduced 11/03/04 Origin SCH 7A.2.1

11.4.2 Participants eligible to participate in Real Time Gross Settlement in CHES

A Participant is only eligible to participate in the Real Time Gross Settlement of Instructions in CHES if it is an RTGS Participant.

Introduced 11/03/04 Origin SCH 7A.2.2

11.4.3 RTGS Participants must have an RTGS Payments Provider

An RTGS Participant must ensure that, for the purposes of irrevocably settling Payment Obligations in connection with RTGS Instructions, it has at all times:

- (a) an RTGS Payments Provider (which may, but need not, be the same Payments Provider it utilises for the purposes of DvP Batch Settlement); ~~and~~
- (b) at least one Payment Facility with an RTGS Payments Provider; and-
- (c) a bank account, referable to that Payment Facility, with the RTGS Payments Provider which is available for use by the RTGS Participant to settle RTGS Instructions and the RTGS Participant:
 - (i) must give ASX Settlement notice of the prescribed particulars of that bank account; and
 - (ii) may by giving ASX Settlement notice, amend any of those prescribed particulars.

Introduced 11/03/04 Origin SCH 7A.2.4

11.4.4 RTGS Payments Provider

An RTGS Payments Provider:

- (a) participates in that capacity in the Real Time Gross Settlement of Instructions in CHES to the extent it performs, in accordance with Section 11, any Payment Obligation owed by an RTGS Participant; and
- (b) may also be a Participant and may participate in Real Time Gross Settlement in CHES in either capacity.

A Payments Provider is not permitted to participate in RTGS, unless it is also an RTGS Payments Provider.

Introduced 11/03/04 Origin SCH 7A.2.3, 7A.2.5

11.5 RTGS PARTICIPANTS~~ESTABLISHING AND MODIFYING NET POSITION RECORDS~~

11.5.1 Requirements to become an RTGS Participant~~Activating a Net Position Record~~

A Participant may settle RTGS Instructions in the capacity of an RTGS Participant in Real Time Gross Settlement, if it~~For each Participant that:~~

- (a) is a Settlement Participant or a Corporate Action Payments Participant; and

~~(b) has requested ASX Settlement to establish at least one Net Position Record to facilitate Real Time Gross Settlement; and~~

~~(be) is RTGS Accredited;~~

Note: A Corporate Action Payments Participant that is RTGS Accredited may only settle Corporate Action RTGS Instructions under Section 11.

~~ASX Settlement must, on receipt of a Valid Message Transmitted by an RTGS Payments Provider in accordance with Rule 11.5.3:~~

~~(d) activate a Net Position Record linked to at least one RTGS Account Identifier; and~~

~~(e) allow that Participant to settle RTGS Instructions in the capacity of an RTGS Participant in Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.4.1

11.5.2 RTGS Accredited Participants

To be RTGS Accredited, a Participant must, to the reasonable satisfaction of ASX Settlement, ~~as shown by RTGS Pre-commencement Testing,~~ meet the RTGS Participation Requirements which include, but are not limited to, providing ASX Settlement with details of the Participant's RTGS Bank Account.

Introduced 11/03/04 Origin SCH 7A.4.2

11.5.3 Authorisation by RTGS Payments Providers required for activation of a Net Position Record ~~[Deleted]~~

~~ASX Settlement will not activate a Net Position Record for a Participant until an RTGS Payments Provider has confirmed to ASX Settlement, in the form prescribed by ASX Settlement, that that Payments Provider authorises:~~

~~(a) a Net Position Record being:~~

~~(i) activated with the attributes requested by the Participant under Rule 11.9.1; and~~

~~(ii) linked to a Payment Facility maintained or to be maintained by it for that Participant~~

~~(b) a Cash Sub record being established under that Net Position Record, linked to an account designated by the RTGS Account Identifier nominated by that Participant; and~~

~~(c) the Payment Facility linked to the activated Net Position Record being available to settle any payment obligation identified in an Accrued RTGS Instruction that ASX Settlement generates in accordance with Rule 11.31.1 in connection with a Parent RTGS Instruction:~~

~~(i) to which the Participant is a counterparty; and~~

~~(ii) which is Recorded for Real Time Gross Settlement.~~

~~Note: An Accrued RTGS Instruction usually involves a low value payment and in the normal course will be settled in DvP Batch Settlement under Section 10, but using the Payment Facility used in RTGS to settle the Parent RTGS Instruction.~~

Introduced 11/03/04 Origin SCH 7A.4.3

11.5.4 Requirements for an active Net Position Record ~~[Deleted]~~

~~An active Net Position Record must be:~~

~~(a) linked to one, but not more than one without ASX Settlement's permission, Payment Facility; and~~

~~(b) linked to at least one Cash Sub record which is linked to an RTGS Account Identifier.~~

Introduced 11/03/04 Origin SCH 7A.4.4, 7A.4.5, 7A.4.6, 7A.4.7

11.6 RTGS PAYMENTS PROVIDERS

11.6.1 Requirements for RTGS Payments Providers

A person may participate in Real Time Gross Settlement in CHES in the capacity of an RTGS Payments Provider, if it:

- (a) is a Payments Provider;
- (b) is able to comply with the obligations of an RTGS Payments Provider as contemplated by the Rules;
- (c) does not adversely affect the integrity or orderly operation of, or introduce significant new risk into, the Settlement Facility;
- (d) is able to meet any technical and performance requirements prescribed by ASX Settlement to ensure that an RTGS Payments Provider maintains effective and efficient communications with ASX Settlement for the purposes of Real Time Gross Settlement;
- (e) has applied to participate in the capacity of an RTGS Payments Provider in the form prescribed by ASX Settlement from time to time; and
- (f) provides such information as ASX Settlement requires to demonstrate the applicant satisfies the criteria specified in the Rules.

Introduced 11/03/04 Origin SCH 7A.3.1, 7A.3.1A

11.6.2 Liability of RTGS Payments Provider

An RTGS Payments Provider assumes rights and incurs obligations in that capacity under the Rules in its own right and not as trustee for, or agent on behalf of, any other person.

Introduced 11/03/04 Origin SCH 7A.3.1

11.6.3 Applications to participate as an RTGS Payments Provider

In respect of an application to participate in Real Time Gross Settlement in CHES in the capacity of an RTGS Payments Provider under Rule 11.6.1:

- (a) ASX Settlement may assume the correctness of any representation or warranty made by any applicant and is not required to conduct independent enquiries or verification;
- (b) if the applicant satisfies all applicable participation criteria (including execution and delivery of the application in a manner satisfactory to ASX Settlement), ASX Settlement will admit a person to Real Time Gross Settlement in CHES in the capacity of an RTGS Payments Provider; and
- (c) if ASX Settlement rejects an application, it must notify the applicant within 30 days of determining not to accept an application, including the reasons for rejection of the application.

Introduced 11/03/04 Origin SCH 7A.3.1A, 7A.3.1B, 7A.3.1C

11.6.4 Covenants by RTGS Payments Providers

Each RTGS Payments Provider covenants with ASX Settlement, each Facility User and each other RTGS Payments Provider for the time being:

- (a) to observe the Rules and the requirements of the [User Technical DocumentationEIS](#), to the extent and in the manner provided;
- (b) in the capacity of a member of RITS/RTGS, to comply with the RITS Regulations, to the extent they apply or purport to apply to Instructions initiated in, and sent to RITS/RTGS from, CHES; and
- (c) as regards ASX Settlement and each RTGS Participant for which it maintains a Payment Facility, to bear risk of loss to the RTGS Payments Provider arising in connection with any breach of the RITS Regulations by any financial institution (including the RTGS Payments Provider) that is a member of RITS/RTGS or the Reserve Bank of Australia as operator of RITS/RTGS, relating to the settlement of a Payment Obligation, and

each RTGS Payments Provider acknowledges that its participation in Real Time Gross Settlement in CHES constitutes its acceptance of the matters set out in paragraphs (a)-(c) inclusive.

Introduced 11/03/04 Origin SCH 7A.3.2

11.6.5 Communications between ASX Settlement and an RTGS Payments Provider

For the purposes of the operation of Real Time Gross Settlement in CHES, ~~the Procedures in relation to Rule 4.7 and~~ each of Rules 1.10.1, 1.10.4, 16.1, 16.3, 16.11, 16.12, 16.14, 16.15, 16.16, 16.17, 16.21(b), 16.22 (last paragraph) and 16.23 apply to communications between ASX Settlement and an RTGS Payments Provider as if incorporated in this Section 11, on the basis that:

- (a) (except in the case of Rules 16.1(a), ~~and 16.1(b) and paragraphs (a) and (c) of the Procedures in relation to Rule 4.7~~) that RTGS Payments Provider was a Facility User;
- (b) in the case of Rules 16.1(a), 16.1(b) ~~and paragraphs (a) and (c) of the Procedures in relation to Rule 4.7~~, each reference to the [User Technical DocumentationEIS](#) was a reference to so much of the [User Technical DocumentationEIS](#) as relates to Payments Providers and is applicable in connection with Real Time Gross Settlement, and each reference to a Facility User was a reference to an RTGS Payments Provider;

- (c) for the purposes of Rules 16.15 (last paragraph) and 16.16(a) and (b) only, that RTGS Payments Provider was an Issuer; and
- (d) references generally to the [User Technical Documentation](#)~~EIS~~ were references to those parts of the [User Technical Documentation](#) ~~EIS~~ that are applicable to communications between ASX Settlement and the Payments Provider in connection with Real Time Gross Settlement.

Introduced 11/03/04 Origin SCH 7A.3.12

11.6.6 Notice given when ceasing to act as RTGS Payments Provider

An RTGS Payments Provider may give not less than 20 Business Days Notice to ASX Settlement stating that it will cease to participate in CHESS in that capacity and, if it does:

- (a) the RTGS Payments Provider must give not less than 20 Business Days Notice to each RTGS Participant for which it maintains a Payment Facility for the purposes of Real Time Gross Settlement, stating that it will cease to participate as an RTGS Payments Provider in CHESS;
- (b) each RTGS Participant that receives a Notice under paragraph (a) must ensure it has a Payment Facility for purposes of Real Time Gross Settlement in place with another RTGS Payments Provider by the Scheduled Time; and
- (c) Notices given by an RTGS Payments Provider under this Rule 11.6.6 are irrevocable.

Introduced 11/03/04 Origin SCH 7A.3.13, 7A.3.14, 7A.3.15

11.6.7 Continuing liability of RTGS Payments Provider

Any cessation or termination of participation in Real Time Gross Settlement in CHESS of an RTGS Payments Provider will not affect any right or liability arising:

- (a) under these Rules; or
- (b) in respect of any act, matter or thing occurring,

before that resignation or termination takes effect.

Introduced 11/03/04 Origin SCH 7A.3.16

11.7 EXTERNAL ADMINISTRATION OF RTGS PARTICIPANTS AND RTGS PAYMENTS PROVIDERS

11.7.1 External administration of an RTGS Participant

An RTGS Participant that goes into external administration within the meaning of the Payment Systems and Netting Act must, without in any way limiting its obligation to give Notice to ASX Settlement in accordance with Rule 12.18.1, give Notice to any RTGS Payments Provider with which it maintains a Payment Facility for the purposes of Real Time Gross Settlement in CHESS, as soon as practicable after it becomes aware of the external administration.

For the avoidance of doubt, an obligation to give Notice arises under this Rule 11.7.1 when a Participant is a partnership or consists of 2 or more trustees, and a partner or a trustee goes into external administration within the meaning of the Payment Systems and Netting Act.

11.7.2 Assumption of obligations by RTGS Payments Provider

If an RTGS Participant that has settled a Payment Obligation under the Rules through an RTGS Payments Provider:

- (a) goes into external administration within the meaning of the Payment Systems and Netting Act; and
- (b) fails to fulfil obligations outstanding in relation to the Payment Obligation,

the RTGS Payments Provider must assume those obligations.

Note: Rule 11.7.2 addresses the requirements of section 9(1)(g) of the Payment Systems and Netting Act.

11.7.3 External administration of an RTGS Payments Provider

If an RTGS Payments Provider:

- (a) goes into external administration within the meaning of the Payment Systems and Netting Act;
- (b) becomes aware that an RTGS Participant for which it maintains a Payment Facility for the purposes of Real Time Gross Settlement has gone into external administration within the meaning of the Payment Systems and Netting Act; or
- (c) receives a Notice given by an RTGS Participant under Rule 11.7.1,

it must give Notice to ASX Settlement, in accordance with the Rules and addressed to the Prescribed Person, as soon as practicable after becoming aware of the relevant external administration.

11.7.4 Suspension of RTGS Payments Provider

Where ASX Settlement receives a Notice that relates to Rule 11.7.3(a) or it is otherwise satisfied that an RTGS Payments Provider has gone into external administration within the meaning of the Payment Systems and Netting Act, ASX Settlement may for a specified period of time suspend:

- (a) that RTGS Payments Provider; and
- (b) any RTGS Participant which holds its Payment Facilities for the purposes of Real Time Gross Settlement exclusively with that RTGS Payments Provider,

from participation in Real Time Gross Settlement in CHES.

Note: Rules 11.7.1, 11.7.3, 11.7.4 and 11.8.2 address the requirements of sections 9(1)(e) and (f) of the Payment Systems and Netting Act. Refer also to Rule 11.8.9.

11.7.5 ASX Settlement not obliged to monitor

ASX Settlement has no obligation to keep itself informed about the status, financial condition or creditworthiness of any RTGS Participant or RTGS Payments Provider.

Introduced 11/03/04 Origin SCH 7A.2.13

11.8 SUSPENSION OF RTGS PARTICIPANTS AND RTGS PAYMENTS PROVIDERS

11.8.1 Penalties imposed on RTGS Payments Providers

Without in any way limiting Rule 11.7.4, if an RTGS Payments Provider:

- (a) in the reasonable opinion of ASX Settlement:
 - (i) ceases to satisfy any of the applicable criteria for participation set out in Rule 11.6.1; or
 - (ii) fails to comply with any of its undertakings in Rule 11.6.4 in a manner which has a material adverse effect on its ability to comply with its obligations in that capacity under the Rules;
- (b) breaches the Rules and fails to rectify the breach, or provide an explanation satisfactory to ASX Settlement within 10 Business Days after receiving Notice from ASX Settlement to remedy the breach; or
- (c) has been suspended from participation as a Payments Provider in the arrangements established for DvP Batch Settlement under the Standard Payments Provider Deed,

ASX Settlement may:

- (d) suspend the RTGS Payments Provider from participation in that capacity in Real Time Gross Settlement in CHESSE for a specified period of time; or
- (e) in lieu of suspending the RTGS Payments Provider, impose conditions on its participation in Real Time Gross Settlement in CHESSE or its provision of services in that capacity to Participants.

Introduced 11/03/04 Origin SCH 7A.3.3

11.8.2 Restrictions on participation in Real Time Gross Settlement

For the avoidance of doubt, where ASX Settlement exercises its right under Rule 12.19 to impose Restrictions on, suspend or terminate the participation of a Participant that is an RTGS Participant, any such Restriction, suspension or termination applies to Restrict (except to the extent ASX Settlement otherwise specifies), suspend or terminate, as the case may be, the ability of that Participant to participate in Real Time Gross Settlement.

Introduced 11/03/04 Origin SCH 7A.2.11

11.8.3 Suspension of RTGS Payments Providers

If an RTGS Payments Provider is suspended:

- (a) under Rule 11.7.4; or

(b) under Rule 11.8.1,

it is not entitled, from the date that suspension takes effect until the suspension is revoked, to:

(c) provide services to Participants in the capacity of an RTGS Payments Provider; or

(d) participate in Real Time Gross Settlement in CHESSE,

except (without imposing an obligation on the RTGS Payments Provider to do so) to the extent, and on such conditions, as ASX Settlement may, at its discretion, permit. Nothing in this Rule 11.8.3 excuses an RTGS Payments Provider to which Rule 11.8.1(d) or (e) applies from meeting its other obligations in that capacity under the Rules, except as expressly provided.

Note: Refer to Rule 11.175 for the consequences for Instructions affecting Payment Facilities maintained for Participant customers of that RTGS Payments Provider.

Introduced 11/03/04 Origin SCH 7A.3.4

11.8.4 Termination of suspension of RTGS Payments Provider

At any time while a RTGS Payments Provider is suspended from participation in Real Time Gross Settlement in CHESSE, ASX Settlement may:

(a) terminate the suspension; or

(b) change the period of suspension,

by Notice to that RTGS Payments Provider.

Introduced 11/03/04 Origin SCH 7A.3.5

11.8.5 Immediate termination for RTGS Payments Providers

If:

(a) an RTGS Payments Provider is suspended from participation in Real Time Gross Settlement in CHESSE for a period or periods totalling in aggregate 15 Business Days in any period of 12 months; or

(b) ASX Settlement terminates the Standard Payments Provider Deed in force with a Payments Provider that is also an RTGS Payments Provider,

ASX Settlement may by giving notice to that RTGS Payments Provider terminate the participation of that RTGS Payments Provider in Real Time Gross Settlement in CHESSE with immediate effect.

Introduced 11/03/04 Origin SCH 7A.3.6

11.8.6 Appeals by RTGS Payments Providers

If an RTGS Payments Provider:

(a) has its participation in Real Time Gross Settlement in CHESSE suspended for a continuous period of 15 Business Days on grounds set out in Rule 11.8.1(a) or (b);

(b) has conditions imposed on its participation in Real Time Gross Settlement in CHESSE pursuant to Rule 11.8.1(e); or

- (c) has its participation in Real Time Gross Settlement in CHES terminated on the grounds set out in Rule 11.8.5(a),

it may appeal to [an Appeal Tribunal in accordance with the provisions of the ASX Enforcement and Appeals Rulebook](#). ~~an independent tribunal appointed by ASX Settlement which may, but need not, be the independent tribunal appointed for the purposes of the Standard Payments Provider Deed, and Rules 11.8.7 to 11.8.13 apply.~~

Introduced 11/03/04 Origin SCH 7A.3.7

11.8.7 Appeals [\[Deleted\]](#)

~~An appeal initiated under Rule 11.8.6 by an RTGS Payments Provider will be conducted in accordance with Rules 11.8.8 to 11.8.13.~~

Introduced 11/03/04 Origin SCH 7A.3.8

11.8.8 ~~Time for making appeal~~ [Ability to take action pending appeal](#)

~~An appeal may only be made within 10 Business Days of the event appealed from by Notice in writing to ASX Settlement setting out the grounds of the appeal. Pending the [expiry of the notice period to appeal or the](#) determination of the appeal, the suspension, condition or termination is fully effective in accordance with these Rules.~~

Introduced 11/03/04

11.8.9 Right of parties to be heard [\[Deleted\]](#)

~~ASX Settlement and the RTGS Payments Provider are entitled to be heard on the appeal and the appeal is to be conducted in private. Otherwise the procedure to be adopted on the appeal may be determined by the tribunal provided that the appeal must be:~~

- ~~(a) — commenced as soon as practicable after Notice in writing to ASX Settlement under Rule 11.8.8; and~~
- ~~(b) — conducted expeditiously and without unnecessary delays or adjournments.~~

Introduced 11/03/04

11.8.10 Qualified Privilege [\[Deleted\]](#)

~~Each of the RTGS Payments Provider and ASX Settlement and their respective officers and employees has qualified privilege as regards each other in respect of any statement made for the purposes of, or in connection with, the appeal.~~

Introduced 11/03/04

11.8.11 Determination of the appeal [\[Deleted\]](#)

~~In determining the appeal, the tribunal may:~~

- ~~(a) — dismiss the appeal; or~~
- ~~(b) — either:
 - ~~(i) — in the case of an appeal under Rule 11.8.6(a) or (b):~~~~

- ~~A. terminate a suspension;~~
 - ~~B. change the period of suspension to a new specified period or time;
or~~
 - ~~C. vary or revoke any conditions imposed under Rule 11.8.1(e); or~~
- ~~(ii) in the case of an appeal under Rule 11.8.6(c), direct ASX Settlement to re-admit the RTGS Payments Provider to participation in Real Time Gross Settlement in CHES.~~

~~As soon as practicable after the hearing of the appeal, the tribunal must notify ASX Settlement and the RTGS Payments Provider of its determination in writing.~~

Introduced 11/03/04

11.8.12 Costs of appeal [Deleted]

~~Each party must bear its own costs in relation to an appeal.~~

Introduced 11/03/04

11.8.13 Appeal proceedings confidential [Deleted]

~~Appeal proceedings (but not the written determination of an appeal) are confidential and may not be disclosed to any person except:~~

- ~~(a) with the consent of the RTGS Payments Provider, ASX Settlement and the tribunal;~~
- ~~(b) if required by law;~~
- ~~(c) in connection with legal proceedings relating to these Rules or the appeal;~~
- ~~(d) if the information is generally and publicly available other than because of a breach of this Rule 11.8.13; or~~
- ~~(e) to a Related Body Corporate of the party, provided the Related Body Corporate undertakes to observe this Rule.~~

~~Nothing in this Rule 11.8.13 prevents disclosure by the RTGS Payments Provider to any client of the RTGS Payments Provider of the fact that the RTGS Payments Provider has appealed, or intends to appeal, under these Rules with respect to the suspension or termination of the RTGS Payments Provider.~~

Introduced 11/03/04

11.8.14 Actions by ASX Settlement after tribunal determination [Deleted]

~~If:~~

- ~~(a) an RTGS Payments Provider has had its participation in Real Time Gross Settlement in CHES:~~
 - ~~(i) suspended on the grounds set out in Rule 11.8.1(e); or~~

~~(ii) — terminated on the grounds set out in Rule 11.8.5(b); and~~

~~(b) — the independent tribunal directs ASX Settlement:~~

~~(i) — to terminate the Payments Provider's suspension from DvP Batch Settlement; or~~

~~(ii) — to enter into a fresh Standard Payment Provider Deed with the Payments Provider;~~

~~ASX Settlement will be taken to have been further directed by the independent tribunal:~~

~~(c) — to revoke the Payments Provider's suspension from participation in Real Time Gross Settlement in CHESSE; or~~

~~(d) — to re-admit the Payments Provider as an RTGS Payments Provider, on the terms and conditions of these Rules;~~

~~as applicable.~~

Introduced 11/03/04 Origin SCH 7A.3.9

11.8.15 RTGS Participant to nominate replacement RTGS Payments Provider

Without in any way limiting the exercise of ASX Settlement's discretion under Rule 11.7.4(b), where ASX Settlement determines to suspend or terminate the participation of an RTGS Payments Provider in Real Time Gross Settlement in CHESSE, ASX Settlement may elect to require each RTGS Participant on whose behalf the RTGS Payments Provider operates a Payment Facility for the purposes of Real Time Gross Settlement, to nominate a Payment Facility with another RTGS Payments Provider (in the case of suspension of the first-mentioned Payments Provider, for the period of the suspension) and, if it so elects:

(a) ASX Settlement must give Notice to that effect to each such RTGS Participant; and

(b) that Participant must nominate a Payment Facility with another RTGS Payments Provider within the Scheduled Time.

Introduced 11/03/04 Origin SCH 7A.3.10, 7A.3.11

11.9 RTGS CREDIT CONTROLS DELETED

11.9.1 Creation of Net Position Records Deleted

~~Each request by a Participant to ASX Settlement to create and activate a Net Position Record under Rule 11.5.1(b), must:~~

~~(a) — be in the form prescribed by ASX Settlement from time to time;~~

~~(b) — indicate whether or not the nominated RTGS Payments Provider will utilise a Debit Cap to set its credit exposure in relation to the Payment Obligations to be recorded for that Participant against that Net Position Record; and~~

~~(c) — if a Debit Cap is to be utilised, specify a maximum dollar limit (which may be zero) for its operation.~~

~~If a Debit Cap is not to be activated on creation of the Net Position Record, the Participant has the option to specify a maximum dollar limit (which may be zero) for its operation.~~

~~Introduced 11/03/04 Origin SCH 7A.5.1~~

11.9.2 RTGS Payments Provider's authorisations in relation to a Debit Cap status ~~[Deleted]~~

~~An RTGS Payments Provider that in accordance with the Rules authorises a Participant's request to ASX Settlement to activate a Net Position Record with a Debit Cap Status recorded as:~~

- ~~(a) — active will, on creation of that Net Position Record, be taken to have:
 - ~~(i) — elected to set its credit exposure, in relation to the Payment Obligations to be recorded against that Net Position Record, by means of a Debit Cap; and~~
 - ~~(ii) — authorised ASX Settlement to allow the Participant's Net Position Record to go into debit up to the Debit Limit, at any time on any RTGS Business Day when the Debit Cap Status assigned to that Net Position Record is recorded as active; and~~~~
- ~~(b) — inactive will, on creation of that Net Position Record, be taken to have elected to determine credit decisions, in respect of any Payment Obligations to be recorded against that Net Position Record, on a case by case basis via its AIF interface.~~

~~Introduced 11/03/04 Origin SCH 7A.5.2, 7A.5.3~~

11.9.3 Notification by RTGS Payments Providers regarding active Net Position Records ~~[Deleted]~~

~~An RTGS Payments Provider may Transmit to ASX Settlement a Valid Message notifying that, for a Net Position Record that is active in relation to a Payment Facility maintained by it for a particular RTGS Participant, it requires ASX Settlement to:~~

- ~~(a) — change the Net Position Record Status to inactive;~~
- ~~(b) — determine credit decisions through:
 - ~~(i) — its AIF interface; or~~
 - ~~(ii) — use of an active Debit Cap;~~~~
- ~~(c) — increase or decrease the Debit Limit;~~
- ~~(d) — in relation to a linked Cash Sub-record, receive, or not receive, RITS Presettlement Advices of RTGS Instructions that specify a particular RTGS Account Identifier;~~
- ~~(e) — in relation to a linked Cash Sub-record, receive, or not receive, RITS Post settlement Advices of RTGS Instructions that specify a particular RTGS Account Identifier; or~~
- ~~(f) — alter or add any other attributes, as permitted by ASX Settlement from time to time, and ASX Settlement is entitled to rely on that Valid Message to:~~

- ~~(g) — change any relevant Payments Provider Managed attribute of a Net Position Record; and~~
- ~~(h) — (i) — adjust Feeder System records in accordance with the Message; and~~
 - ~~(ii) — within the Scheduled Time, advise each of RTGS Payments Provider and the relevant RTGS Participant of the change, and the time it was made.~~

~~Note: — The status of a Net Position Record cannot be changed with intra-day effect, but an RTGS Payments Provider may, in respect of a Net Position Record having an active Debit Cap, effect an intra-day reduction to zero in the Debit Limit, with the effect set out in Rule 11.9.10.~~

Introduced 11/03/04 Origin SCH 7A.5.4, 7A.5.5

11.9.4 Obligations of RTGS Payments Provider not affected [Deleted]

~~A change made by ASX Settlement to any of the Payments Provider Managed attributes of a Participant's Net Position Record in accordance with this Rule 11.9 does not in any way affect any liability or obligation on the part of the relevant RTGS Payments Provider assumed:~~

- ~~(a) — before the change; and~~
- ~~(b) — in connection with the Real Time Gross Settlement under the Rules of any Payment Obligation of that Participant.~~

Introduced 11/03/04 Origin SCH 7A.5.6

11.9.5 Net Position Record attributes cannot be changed during RTGS Settling Phase [Deleted]

~~For the avoidance of doubt, where:~~

- ~~(a) — an RTGS Payments Provider requests ASX Settlement to make a change to a Payments Provider Managed attribute of a Participant's Net Position Record under Rule 11.9.3;~~
- ~~(b) — before ASX Settlement processes that request, an RTGS Instruction that affects that Net Position Record has entered the RTGS Settling Phase; and~~
- ~~(c) — that RTGS Instruction settles under the Rules,~~

~~the Payments Provider will be taken, in respect of that RTGS Instruction:~~

- ~~(d) — to be bound by the Payments Provider Managed attributes of that Net Position Record in force before it made that request; and~~
- ~~(e) — to have assumed all relevant obligations and liability on that basis.~~

~~Note: — Rule 11.9.5 acknowledges that a Payments Provider cannot change a Net Position Record attribute for an RTGS Instruction in the RTGS Settling Phase, and it recognises ASX Settlement's limited ability to recall funds transfer instructions from RITS/RTGS. However a Payments Provider that determines its credit exposure to that Participant via the AIF will retain discretion to decline funding for that instruction.~~

Introduced 11/03/04 Origin SCH 7A.5.6A

11.9.6 Net Position Records with an inactive status [\[Deleted\]](#)

~~Where, in accordance with Rule 11.9.3, ASX Settlement records as inactive the status of a Net Position Record, ASX Settlement will:~~

- ~~(a) — reject any RTGS Message received by it after the time of that recording; and~~
- ~~(b) — within the Scheduled Time, remove any RTGS Instruction that has been Recorded, that in each case identifies a Cash Sub record linked to that Net Position Record.~~

~~Note: — The status of a Net Position Record cannot be changed intra day. The effect of Rule 11.9.3 and this Rule 11.9.6 is to ensure that ASX Settlement will not process any Instruction Recorded for settlement, or Message received, on any day subsequent to receipt of such an instruction from the relevant RTGS Payments Provider.~~

Introduced 11/03/04 Origin SCH 7A.5.7

11.9.7 Elections of RTGS Payments Providers where Net Position Record is recorded as active [\[Deleted\]](#)

~~During any period in which the Debit Cap Status of a Net Position Record is recorded as active, the RTGS Payment Provider that maintains the Payment Facility to which that Net Position Record is linked is taken, for that period, to have made the election and authorisation set out in Rule 11.9.2(a).~~

Introduced 11/03/04 Origin SCH 7A.5.8

11.9.8 Elections of RTGS Payments Providers where Net Position Record is recorded as inactive [\[Deleted\]](#)

~~During any period in which the Debit Cap Status of a Net Position Record is recorded as inactive, the RTGS Payments Provider that maintains the Payment Facility to which that Net Position Record is linked is taken, for that period, to have made the election set out in Rule 11.9.2(b).~~

Introduced 11/03/04 Origin SCH 7A.5.9

11.9.9 Change in Debit Cap Status [\[Deleted\]](#)

~~If, at any time in respect of a Net Position Record for which the Debit Cap Status has been changed to active, no Debit Limit is recorded in the CHESSE Feeder System, the Debit Limit will at that time be taken to be zero.~~

Introduced 11/03/04 Origin SCH 7A.5.10

11.9.10 Circumstances in which ASX Settlement will not permit Real Time Gross Settlement [\[Deleted\]](#)

~~Except in the circumstances contemplated by Rule 11.9.5, where an RTGS Payments Provider has elected to determine its credit exposure to an RTGS Participant by means of an active Debit Cap, ASX Settlement will not permit an RTGS Instruction to which that Participant is a counterparty to settle in Real Time Gross Settlement if:~~

- ~~(a) — the Debit Limit assigned to the Net Position Record against which the relevant Payment Obligation is to be recorded is reduced;~~

~~(b) — the debit balance recorded against that Net Position Record at the time of the reduction is equal to or greater than the reduced Debit Limit; and~~

~~(c) — if the RTGS Instruction were to be settled under these Rules, the result would be to increase the debit balance of that Net Position Record.~~

~~*Note: — Refer to Rule 11.20.3(b) in connection with the determination of a debit balance for a Net Position Record and to Rules 11.9.4 and 11.9.5 in connection with instructions already in the RTGS Settling Phase at the time ASX Settlement receives a request to reduce an operative Debit Limit.*~~

Introduced 11/03/04 Origin SCH 7A.5.11

11.9.11 Notifications by RTGS Participants to ASX Settlement ~~[Deleted]~~

~~An RTGS Participant may at any time notify ASX Settlement that it requires ASX Settlement to:~~

~~(a) — cancel any previously nominated, and substitute a replacement, Standing Buy Account Identifier or Standing Sell Account Identifier;~~

~~(b) — cancel any previously nominated, or nominate a new, RTGS Account Identifier;~~

~~(c) — nominate, or cancel any nomination of, a Cash Sub-record as an Excluded Cash Sub-record; or~~

~~(d) — alter or add to any other attributes, as permitted by ASX Settlement from time to time,~~

~~that relate to a Net Position Record, or associated Cash Sub-record, maintained in its name.~~

~~*Note: — The facility to nominate a Cash Sub-record as an Excluded Cash Sub-record is directed to accommodating trust account obligations in connection with the calculation of available funds within any applicable Debit Limit.*~~

Introduced 11/03/04 Origin SCH 7A.5.12

11.9.12 Change of details of Participant Managed attributes ~~[Deleted]~~

~~On receipt of a Valid Message Transmitted by an RTGS Participant requesting a change to any of the Participant Managed attributes of an active Net Position Record, ASX Settlement must, but if and only if the relevant RTGS Payments Provider has Transmitted a Valid Message acknowledging to ASX Settlement that it has authorised the requested change:~~

~~(a) — adjust the Feeder System records; and~~

~~(b) — within the Scheduled Time, advise each of the RTGS Participant and RTGS Payments Provider of the change and the time it was made.~~

Introduced 11/03/04 Origin SCH 7A.5.13

11.9.13 Obligations of RTGS Participants not affected ~~[Deleted]~~

~~A change made by ASX Settlement to any of the Participant Managed attributes of a Participant's Net Position Record in accordance with this Rule 11.9 does not in any way affect any liability or obligation on the part of that Participant, or the relevant RTGS Payments Provider, assumed:~~

~~(a) before the change; and~~

~~(b) in connection with the Real Time Gross Settlement under the Rules of any relevant obligation of that Participant.~~

Introduced 11/03/04 Origin SCH 7A.5.14

11.9.14 Participant and the Payments Provider to be bound by the Participant Managed attributes [\[Deleted\]](#)

~~For the avoidance of doubt, where:~~

~~(a) an RTGS Participant requests ASX Settlement to make a change to a Participant Managed attribute of a Net Position Record of that Participant under Rule 11.9.11;~~

~~(b) before ASX Settlement processes that request, an RTGS Instruction that affects that Net Position Record has entered the RTGS Settling Phase; and~~

~~(c) that RTGS Instruction settles under the Rules;~~

~~the Participant and the Payments Provider will be taken, in respect of that RTGS Instruction:~~

~~(d) to be bound by the Participant Managed attributes of that Net Position Record in force before the Participant made that request; and~~

~~(e) to have assumed their respective obligations and liabilities on that basis.~~

Introduced 11/03/04 Origin SCH 7A.5.14A

11.9.15 Standing RTGS Account Identifiers [\[Deleted\]](#)

~~A Participant may, in connection with any request to ASX Settlement to create a Net Position Record under these Rules, nominate no more than:~~

~~(a) one Standing Buy Account Identifier; and~~

~~(b) one Standing Sell Account Identifier;~~

~~to be linked to that Net Position Record.~~

Introduced 11/03/04 Origin SCH 7A.6.1

11.9.16 Participant election [\[Deleted\]](#)

~~A Participant may elect to specify the same details for the Standing Buy Account Identifier and the Standing Sell Account Identifier.~~

Introduced 11/03/04 Origin SCH 7A.6.2

11.10 RTGS PART SETTLEMENT NOT AVAILABLE

11.10.1 ASX Settlement will not treat an instruction as available for settlement in part

ASX Settlement is not entitled to treat an Instruction processed for Real Time Gross Settlement in CHES as available for settlement in part.

Introduced 11/03/04 Origin SCH 7A.7.1

11.11 DVP RTGS INSTRUCTIONS TRANSFERRED FROM DVP BATCH SETTLEMENT_
~~[DELETED]~~

11.11.1 Matched Dual Entry Switch to RTGS Messages ~~[Deleted]~~

~~ASX Settlement will treat Matched Dual Entry Switch to RTGS Messages notified to it in accordance with Rule 10.6.1, 10.6.2, 10.6.3 or 10.11.8(a) and (b) as collectively constituting an RTGS Instruction.~~

~~Introduced 11/03/04 Origin SCH 7A.8.1~~

11.11.2 Unspecified Settlement ~~[Deleted]~~

~~If a deemed RTGS Instruction under Rule 11.11.1 does not specify an RTGS Settlement Date:~~

- ~~(a) the counterparties will be taken to have instructed ASX Settlement to settle that Instruction in Real Time Gross Settlement on the scheduled Settlement Date, determined in accordance with Section 10; and~~
- ~~(b) ASX Settlement will Record each such RTGS Instruction for Real Time Gross Settlement and within the Scheduled Time, notify each counterparty and advise the applicable RTGS Settlement Date.~~

~~Introduced 11/03/04 Origin SCH 7A.8.2, 7A.8.3~~

11.12 RTGS SWITCH TO BATCH SETTLEMENT ~~[DELETED]~~

11.12.1 Valid Switch to Batch Settlement Messages ~~[Deleted]~~

~~Subject to this Rule 11.12, ASX Settlement will:~~

- ~~(a) treat a Valid Switch to Batch Settlement Message that:
 - ~~(i) is Transmitted within the Scheduled Time on any RTGS Business Day to ASX Settlement by an RTGS Participant, in connection with an RTGS Instruction;~~
 - ~~(ii) relates to a DvP Instruction;~~
 - ~~(iii) if the DvP Instruction has been admitted under Rule 10.4.5 identifies it, if applicable, as one to which NGF coverage does not apply; and~~
 - ~~(iv) does not relate to an Instruction that is RTGS Mandatory,~~~~

~~as constituting a Batch Instruction, and~~

- ~~(b) remove the RTGS Instruction from Real Time Gross Settlement; and~~
- ~~(c) within the Scheduled Time, notify each counterparty that the Instruction has been removed from Real Time Gross Settlement and will be settled in Batch Settlement, and Section 10 will apply.~~

Introduced 11/03/04 Origin SCH 7A.9.1

11.12.2 Messages relating to a Dual Entry RTGS Instruction must be Matched [Deleted]

~~ASX Settlement has no obligation to act in accordance with a Valid Switch to Batch Settlement Message that relates to a Dual Entry RTGS Instruction, unless it has Matched that Message.~~

Introduced 11/03/04 Origin SCH 7A.9.2

11.12.3 When ASX Settlement will Match Dual Entry Switch to Batch Settlement Messages [Deleted]

~~ASX Settlement will:~~

- ~~(a) Match a Valid Dual Entry Switch to Batch Settlement Message that:
 - ~~(i) is Transmitted by a Participant to ASX Settlement within the Scheduled Time; and~~
 - ~~(ii) specifies or implies the same mandatory details as the Message Transmitted by the counterparty Participant; and~~~~
- ~~(b) treat the Matched Dual Entry Switch to Batch Settlement Message as collectively constituting a Batch Instruction.~~

Introduced 11/03/04 Origin SCH 7A.9.3, 7A.9.4, 7A.9.5

11.12.4 Batch Instructions to be settled on the Settlement Date [Deleted]

~~Subject to this Rule 11.12, ASX Settlement will schedule each such Batch Instruction for inclusion in Batch Settlement on the requested Settlement Date.~~

~~Note: An Instruction transferred to Batch Settlement under Rule 11.12 will not be novated to CCP and will only be netted on an administrative basis.~~

Introduced 11/03/04 Origin SCH 7A.9.6

11.12.5 No Settlement Date specified [Deleted]

~~If a Batch Instruction constituted in accordance with this Rule 11.12 does not specify a Settlement Date, ASX Settlement will be taken to have been instructed to settle the Instruction in Batch Settlement:~~

- ~~(a) if the Instruction is constituted within the Scheduled Time, on the Business Day Recorded as the RTGS Settlement Date; or~~
- ~~(b) if the Instruction is not constituted within the Scheduled Time on the Business Day Recorded as the RTGS Settlement Date, on the next Business Day.~~

Introduced 11/03/04 Origin SCH 7A.9.7

11.12.6 Requests for change in HIN [Deleted]

~~If, within the Scheduled Time, an RTGS Participant Transmits to ASX Settlement a Valid Message that requests a change in the HIN to apply for the Source Holding or the Target~~

~~Holding, as applicable, in connection with a Batch Instruction constituted under this Rule 11.12 ASX Settlement will:~~

- ~~(a) — record a change to the Instruction in accordance with the Message; and~~
- ~~(b) — within the Scheduled Time, notify the Participant that Transmitted the Message.~~

~~Note: — Changes of the kind specified in this Rule are only notified to the Participant that Transmitted the Message: refer to Rules 16.18 and 16.19.~~

~~— Rule 11.12.6 provides the mechanism by which a Participant may switch between Payment Facilities (and Payment Providers) when switching between settlement modes.~~

Introduced 11/03/04 Origin SCH 7A.9.8

11.12.7 Processing of Instructions by ASX Settlement [Deleted]

~~(a) — Each RTGS Participant acknowledges that ASX Settlement's ability to process a Switch to Batch Settlement Message that requests settlement of a Instruction (or related HIN change) on the Business Day on which the Message is Transmitted to ASX Settlement will depend on system processing demands in CHESSE between Start of Day and Settlement Cut-off on that day.~~

~~(b) — Despite any other Rule, while ASX Settlement will use reasonable endeavours to process any Message received in terms of Rule 11.12.7(a), it will have no liability for any failure to process any such Instruction as requested in that day's Settlement Processing Phase.~~

~~Note: — CHESSE queuing processes for preparation of the daily net batch settlement under Section 10 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 7A.9.9

11.13 RTGS INSTRUCTIONS

11.13.1 Requirements of RTGS Instructions

Subject to this Rule 11.13, ASX Settlement will:

(a) — treat a Valid RTGS Message Transmitted to it within the Scheduled Time on any RTGS Business Day as constituting an RTGS Instruction; and

(b) — Record an RTGS Instruction for Real Time Gross Settlement on that RTGS Business Day.

Introduced 11/03/04 Origin SCH 7A.10.1

11.13.2 ~~Messages relating to~~ Bilateral Demand Settlement ~~DvP RTGS Instructions~~ Messages must be Matched

ASX Settlement has no obligation to Record or act in accordance with a Valid Bilateral Demand Settlement Message ~~Valid RTGS Message that relates to a DvP RTGS Instruction~~, unless it has Matched that Message.

Introduced 11/03/04 Origin SCH 7A.10.2

11.13.3 **When ASX Settlement will Match ~~Dual Entry~~ Bilateral Demand Settlement Messages RTGS**

ASX Settlement will Match ~~a Dual Entry Valid Bilateral Demand Settlement~~ RTGS Messages received on any RTGS Business Day in accordance with Rule 9.5A.4.

~~that:~~

- ~~(a) is Transmitted to ASX Settlement by a Participant within the Scheduled Time; and~~
- ~~(b) (i) specifies or implies the same mandatory details; and~~
 - ~~(ii) specifies or implies the same Settlement Amount or a Settlement Amount that differs by no more than the Settlement Amount Tolerance; and~~

~~treat the Matched Dual Entry RTGS Message as the RTGS Message Transmitted to ASX Settlement by the counterparty Participant.~~

Introduced 11/03/04 Origin SCH 7A.10.3, 7A.10.4

11.13.4 **Treatment of Matched Message**

~~If, within the Scheduled Time, ASX Settlement Matches Valid Dual Entry RTGS Messages, it will:~~ If ASX Settlement Matches Valid Bilateral Demand Settlement Messages on an RTGS Business Day, it will take action, including determining the Settlement Amount for the relevant RTGS Instruction, in accordance with Rule 9.5A.6. For the purposes of Section 11, the Settlement Amount will equal the Payment Obligation in relation to that RTGS Instruction.

- ~~(a) treat the Matched Messages as constituting an RTGS Instruction; and~~
- ~~(b) if the amount to be included as the Settlement Amount specified in each such Message differs by no more than the Settlement Amount Tolerance, apply the lower of the two amounts as the Settlement Amount for the relevant RTGS Instruction; and~~
- ~~(c) for each RTGS Instruction:
 - ~~(i) Record it for Real Time Gross Settlement; and~~
 - ~~(ii) within the Scheduled Time, notify each counterparty and advise the applicable RTGS Settlement Date.~~~~

Introduced 11/03/04 Origin SCH 7A.10.4, 7A.10.5, 7A.10.6

11.13.5 **Obligations between counterparties to an RTGS Instruction**

As between the RTGS Participants that are the counterparties to a particular RTGS Instruction, the obligations of each of them:

- (a) to pay or receive an amount; or
- (b) in the case of a Bilateral Demand Settlement ~~DvP RTGS~~ Instruction, to deliver or receive Financial Products,

are taken to be owed to the other as principal, even if a Participant has a settlement obligation to another person in relation to the underlying RTGS Instruction.

11.14 RTGS STANDING INSTRUCTIONS [DELETED]

11.14.1 Standing Buy Accounts [Deleted]

~~If a Valid RTGS Message Transmitted to ASX Settlement by the RTGS Participant that is the payer on settlement of the relevant Payment Obligation:~~

~~(a) — does not specify an RTGS Account Identifier for the purpose of making the payment required to discharge that Payment Obligation on settlement; and~~

~~(b) — the Participant has notified ASX Settlement of its Standing Buy Account Identifier;~~

~~the Message will be taken to specify that Participant's Standing Buy Account Identifier as the RTGS Account Identifier.~~

Introduced 11/03/04 Origin SCH 7A.11.1

11.14.2 Standing Sell Accounts [Deleted]

~~If a Valid RTGS Message Transmitted to ASX Settlement:~~

~~(a) — does not specify an RTGS Account Identifier for the purpose of the RTGS Participant that is the payee on settlement of the relevant Payment Obligation receiving payment of that Payment Obligation; and~~

~~(b) — the Participant has notified ASX Settlement of its Standing Sell Account Identifier;~~

~~the Message will be taken to specify that Participant's Standing Sell Account Identifier as the RTGS Account Identifier.~~

~~*Note: — ASX Settlement will reject a Message that does not specify, or cannot be taken to specify, an RTGS Account Identifier.*~~

Introduced 11/03/04 Origin SCH 7A.11.2

11.14.3 Standing Settlement HIN for Source Holding [Deleted]

~~If a Valid Dual Entry RTGS Message Transmitted to ASX Settlement by the Participant that is the delivering Participant on settlement:~~

~~(a) — does not specify a HIN for the Source Holding from which the Financial Products are required to be delivered; and~~

~~(b) — the Participant has notified ASX Settlement of a Standing Settlement HIN pursuant to Section 10 of the Rules;~~

~~the Message will be taken to specify that Standing Settlement HIN as the HIN for the Source Holding.~~

Introduced 11/03/04 Origin SCH 7A.11.3

11.14.4 Standing Settlement HIN for Target Holding [\[Deleted\]](#)

~~If a Valid Dual Entry RTGS Message Transmitted to ASX Settlement by the Participant that is the receiving Participant on settlement:~~

- ~~(a) — does not specify a HIN for the Target Holding to which the Financial Products are required to be delivered; and~~
- ~~(b) — the Participant has notified ASX Settlement of a Standing Settlement HIN pursuant to Section 10 of the Rules;~~

~~the Message will be taken to specify that Standing Settlement HIN as the HIN for the Target Holding.~~

~~Note: — ASX Settlement will reject a Message that does not specify, or cannot be taken to specify, a HIN.~~

Introduced 11/03/04 Origin SCH 7A.11.4

11.15 RECORDING RTGS INSTRUCTIONS

11.15.1 ASX Settlement to store details of each RTGS Instruction

ASX Settlement will store electronically in CHESSE details of each RTGS Instruction, ~~or change to an RTGS Instruction,~~ notified to it in accordance with the Rules, for RTGS processing through the Feeder System ~~on the RTGS Settlement Date specified, or taken to be specified, in that RTGS Instruction.~~

For the avoidance of doubt, Feeder System records constitute confirmation, as between relevant Participants, of the settlement details for an RTGS Instruction, but its formation is determined in accordance with the applicable law.

Introduced 11/03/04 Origin SCH 7A.12

11.16 CHANGE TO RTGS INSTRUCTIONS

11.16.1 ~~Complying with a Valid Message~~ [Change to RTGS Instructions](#)

[An RTGS Participant cannot request ASX Settlement to change any of the details Recorded for an RTGS Instruction to which that Participant is counterparty.](#)

~~Subject to this Rule 11.16, ASX Settlement will:~~

- ~~(a) — comply with a Valid Message:~~
 - ~~(i) — Transmitted to it by an RTGS Participant within the Scheduled Time on any RTGS Business Day; and~~
 - ~~(ii) — requesting ASX Settlement to change any of the details Recorded for an RTGS Instruction to which that Participant is counterparty;~~
- ~~(b) — within the Scheduled Time, notify the sender that the change has been made; and~~

- ~~(e) if both counterparties are Settlement Participants that are Clearing Participants and the RTGS Instruction relates to an On Market Transaction, include details of the change in a Surveillance Report of changed On Market Transactions.~~

Introduced 11/03/04 Origin SCH 7A.13.1

11.16.2 No obligation to act unless Message Matched [\[Deleted\]](#)

~~ASX Settlement has no obligation to act in accordance with a Valid Message requesting ASX Settlement to change any of the details of a Dual Entry RTGS Instruction, unless it has Matched the Message.~~

Introduced 11/03/04 Origin SCH 7A.13.2

11.16.3 Message to change the details of a Dual Entry RTGS Instruction [\[Deleted\]](#)

~~A Message to change the details of a Dual Entry RTGS Instruction must:~~

- ~~(a) be Transmitted to ASX Settlement by a Participant within the Scheduled Time; and~~
- ~~(b) specify or imply the same mandatory details as the Message Transmitted by the counterparty Participant, and~~

~~ASX Settlement will match such Messages.~~

Introduced 11/03/04 Origin SCH 7A.13.3, 7A.13.4

11.16.4 Changing an RTGS instruction [\[Deleted\]](#)

~~If within the Scheduled Time, a counterparty to a Dual Entry RTGS Instruction Transmits a Valid Message that requests a change to:~~

- ~~(a) if the Participant is the delivering Participant, the Source Holding; and~~
- ~~(b) if the Participant is the receiving Participant:~~
- ~~(i) the Target Holding; or~~
 - ~~(ii) in the case of an RTGS Instruction designated as Off Market, any stamp duty details required under the Rules;~~

~~ASX Settlement will:~~

- ~~(c) change the RTGS Instruction in accordance with the Message; and~~
- ~~(d) notify the Participant that Transmitted the Message within the Scheduled Time.~~

~~Note: Changes of the kind specified in this Rule are only notified to the Participant that Transmitted the Message. Refer to Rule 16.18 and 16.19 for general rules regarding notifications by ASX Settlement.~~

Introduced 11/03/04 Origin SCH 7A.13.5

11.17 RTGS SUSPENSION AND CANCELLATION OF RTGS INSTRUCTIONS

11.17.1 Suspension or termination of RTGS Payments Provider

If ASX Settlement suspends or terminates the participation of an RTGS Payments Provider in Real Time Gross Settlement in CHESSE, ASX Settlement may:

- (a) suspend any RTGS Instruction which at that time is:
 - (i) Recorded for Real Time Gross Settlement; or
 - (ii) under processing in the Feeder System Queue;
- (b) cancel any RTGS Message that at that time has not been Matched; or
- (c) reject any RTGS Message subsequently received from a Participant,

if that RTGS Instruction or RTGS Message would affect a Payment Facility maintained by that Payments Provider for the benefit of any RTGS Participant.

Introduced 11/03/04 Origin SCH 7A.14.1

11.17.2 Suspension of RTGS Participant

If, under Rule 12.19.1, ASX Settlement suspends the participation of any RTGS Participant, ASX Settlement will, subject to Rules 11.17.7 ~~and Rule 12.14.9~~:

- (a) suspend any RTGS Instruction to which that Participant is a counterparty and which at that time is:
 - (i) Recorded for Real Time Gross Settlement; or
 - (ii) under processing in the Feeder System Queue; and
- (b) cancel any ~~Dual Entry~~ Bilateral Demand Settlement ~~RTGS~~ Message Transmitted by the Participant that has not at that time been Matched and reject any RTGS Message subsequently received from that Participant.

Note: Refer to Rule 12.20.1 in relation to the consequences of termination of a Participant.

Introduced 11/03/04 Origin SCH 7A.14.2

11.17.3 Suspended RTGS Instructions

ASX Settlement ~~will may~~ cancel any RTGS Instruction that remains suspended, for whatever reason, at RTGS End of Day.

- ~~(a) on each RTGS Business Day on which any RTGS Instruction remains suspended, Record the RTGS Instruction for Real Time Gross Settlement on the next RTGS Business Day; and~~
- ~~(b) cancel any RTGS Instruction that remains suspended at RTGS End of Day on the 10th consecutive RTGS Business Day after the commencement of suspension.~~

~~Introduced 11/03/04 Origin SCH 7A.14.3~~

11.17.4 Cancellation of RTGS Instructions by Participants

Subject to this Rule 11.17.4, if within the Scheduled Time a Participant Transmits to ASX Settlement a Valid Message requesting cancellation of an RTGS Instruction to which that Participant is a counterparty and in respect of which it has a Payment Obligation, ASX Settlement will:

- (a) cancel its Recording of the RTGS Instruction and, if applicable, remove it from the Feeder System Queue; and
- (b) within the Scheduled Time, notify the sender that the RTGS Instruction has been removed from Real Time Gross Settlement in CHESSE; ~~and~~
- ~~(c) if both counterparties are Settlement Participants that are Clearing Participants and the RTGS Instruction relates to an On Market Transaction, include details of the change in a Surveillance Report.~~

~~Introduced 11/03/04 Origin SCH 7A.14.4~~

11.17.5 ~~No Messages to cancellation of Dual Entry Bilateral Demand Settlement RTGS Instructions~~

A Participant to a Bilateral Demand Settlement Instruction may not Transmit a Message to ASX Settlement requesting cancellation of that Instruction.

~~If a Message to cancel a Dual Entry RTGS Instruction:~~

- ~~(a) is Transmitted to ASX Settlement by a Participant within the Scheduled Time; and~~
- ~~(b) specifies or implies the same mandatory details as the Message Transmitted by the counterparty Participant,~~

~~ASX Settlement will Match the Messages.~~

~~Introduced 11/03/04 Origin SCH 7A.14.6, 7A.14.7~~

11.17.6 Cancellation of Dual Entry RTGS Instructions [Deleted]

~~ASX Settlement has no obligation to act in accordance with a Valid Message requesting cancellation of a Dual Entry RTGS Instruction, unless it has Matched the Message.~~

~~Introduced 11/03/04 Origin SCH 7A.14.5~~

11.17.7 Suspension or cancellation of an RTGS Instruction during RTGS Settling Phase

Despite any other Rule, ASX Settlement has no obligation to suspend settlement processing of, or cancel, an RTGS Instruction that has entered the RTGS Settling Phase except to the extent that the Reserve Bank of Australia, as operator of RITS/RTGS, permits ASX Settlement to recall from, or otherwise inactivate in, RITS/RTGS funds transfer details relating to that RTGS Instruction.

~~Introduced 11/03/04 Origin SCH 7A.14.8~~

11.17A RTGS FINANCIAL PRODUCTS SUBJECT TO DEMAND LOCK

11.17A.1 Application of Demand Lock to Financial Products the subject of a Bilateral Demand Settlement Transfer

ASX Settlement will apply a Demand Lock to Financial Products that are the subject of a Bilateral Demand Settlement Transfer in accordance with Rule 9.5A.2.

11.17A.2 Cancellation of Demand Lock applied to Financial Products

ASX Settlement will cancel any Demand Lock applied to Financial Products that are the subject of a Bilateral Demand Settlement Instruction if:

- (a) the Bilateral Demand Settlement Instruction to which the Demand Lock relates is Failed or suspended in accordance with the Rules;
- (b) the Financial Products subject to the Demand Lock are no longer Available Financial Products; or
- (c) the Financial Products subject to the Demand Lock are subject to a Reconstruction and ASX Settlement has received a Valid Message from an Issuer under Rule 8.15.19,

however ASX Settlement has no obligation to cancel a Demand Lock applied to Financial Products in connection with a Bilateral Demand Settlement Instruction, the funds transfer details of which have been sent across the Feeder System interface to RITS, unless the Reserve Bank of Australia, as operator of RITS, permits ASX Settlement to recall the RTGS Instruction from, or otherwise inactivate it in, RITS.

Note: Rule 11.17A.2(b) acknowledges that ASX Settlement may be compelled by order of a court of competent jurisdiction to apply a Holding Lock to the Holding from which the relevant Financial Products are to be delivered in Real Time Gross Settlement.

11.17A.3 Cancellation of Bilateral Demand Settlement Instruction if Financial Products unavailable

Where ASX Settlement has cancelled a Demand Lock applied to Financial Products that are the subject of a Bilateral Demand Settlement Instruction pursuant to Rule 11.17A.2(b), that Bilateral Demand Settlement Instruction will be cancelled.

11.18 RTGS SETTLEMENT PROCESSING

11.18.1 ASX Settlement to process for Real Time Gross Settlement

On each RTGS Business Day, ASX Settlement must process for Real Time Gross Settlement in accordance with the Rules, RTGS Instructions that have been Recorded for Real Time Gross Settlement on that day. ASX Settlement will send an RTGS Instruction Recorded for Real Time Gross Settlement to the Feeder System Queue.

Introduced 11/03/04 Origin SCH 7A.15.1

11.18.2 Real Time Gross Settlement of RTGS Instructions

For any RTGS Instruction that identifies a Payment Obligation, the details of which are required to be sent across the Feeder System interface with RITS/RTGS for any purpose whatsoever in the course of the RTGS Settling Phase, ASX Settlement assumes obligations under Rule 11.18.1 subject to and conditional on:

- (a) the availability of RITS/RTGS, its feeder interface process with CHES and any supporting communications infrastructure;
- (b) the availability of the AIF; and
- (c) without limiting the foregoing, the Reserve Bank of Australia not exercising any discretion, right or duty in accordance with the RITS Regulations to suspend, or vary the operational timetable for, RITS/RTGS operations.

Introduced 11/03/04 Origin SCH 7A.15.2

11.18.3 ASX Settlement entitled to rely on messages and reports

ASX Settlement is entitled:

- (a) to assume (without independently verifying) the authenticity and correctness of:
 - (i) any electronic message received across the Feeder System interface with RITS/RTGS that meets required specifications; or
 - (ii) any RTGS Contingency Report,

in either case that is sent or purports to be sent to it by the Reserve Bank of Australia as operator of RITS/RTGS; and

- (b) to act under the Rules (which may include, but is not limited to, settling any RTGS Instruction) in reliance, in good faith, on any such message or report.

Introduced 11/03/04 Origin SCH 7A.15.3

11.18.4 RTGS Instructions must be 'ready to settle' ~~[Deleted]~~

~~ASX Settlement has no authority to process an RTGS Instruction Recorded for settlement on a particular RTGS Settlement Date until each of:~~

- ~~(a) the RTGS Participant that is required to perform the relevant Payment Obligation; and~~
- ~~(b) in relation to a DvP RTGS Instruction, the RTGS Participant that is required to perform the relevant Delivery Obligation;~~

~~Has, by the Scheduled Time on that day, separately Transmitted a Valid Message to ASX Settlement to confirm that the RTGS Instruction is 'ready to settle'.~~

Introduced 11/03/04 Origin SCH 7A.15.4

11.18.5 RTGS Instructions to be sent to Feeder System Queue ~~[Deleted]~~

~~An RTGS Instruction that, in accordance with Rule 11.18.4, has been confirmed as 'ready to settle' on the applicable RTGS Settlement Date, will be sent to the Feeder System Queue for testing in CHES.~~

Introduced 11/03/04 Origin SCH 7A.15.5

11.18.6 Processing by ASX Settlement of RTGS Instructions

ASX Settlement is entitled to:

~~(a) determine the operation of the testing procedures in the Feeder System Queue from time to time at its discretion; and~~

~~(b) progress the RTGS Settling Phase for RTGS Instructions held in the Feeder System Queue from time to time, in the order determined by it and notified to Participants from time to time, in each case having regard to the efficiency and integrity of the Feeder System, and CHES generally.~~

Introduced 11/03/04 Origin SCH 7A.15.6

11.18.7 Correction by ASX Settlement of Net Position Record [Deleted]

~~ASX Settlement may at any time correct any error or omission in a Net Position Record or any Cash Sub-record linked to it, with effect from the time at which the correct, or nil, entry ought to have been made, and in respect of such action:~~

~~(a) ASX Settlement may when practicable consult with the affected RTGS Participant and its RTGS Payments Provider before making such corrections;~~

~~(b) ASX Settlement must notify each of them before reversing or correcting any such entry;~~

~~(c) ASX Settlement will provide to the relevant Payments Provider, details of the adjustment (if any) that that Payment Provider must make to its records for any corresponding account; and~~

~~(d) any failure by ASX Settlement to give such notification will not invalidate the relevant correction.~~

Introduced 11/03/04 Origin SCH 7A.15.7, 7A.15.8

11.18.8 Authorisation of RTGS Instruction by RTGS Payments Provider

(a) ASX Settlement will send a message to the RTGS Payments Provider that is required to perform a Payment Obligation in relation to an RTGS Instruction for authorisation by that RTGS Payments Provider by the Scheduled Time.

(b) ASX Settlement will not progress an RTGS Instruction to the RTGS Settling Phase until the RTGS Payments Provider that is required to perform the relevant Payment Obligation has separately Transmitted a Valid Message to ASX Settlement to authorise that Payment Obligation.

(c) If the RTGS Payments Provider Transmits a Valid Message to ASX Settlement rejecting that Payment Obligation then that RTGS Instruction will be Failed and ASX Settlement will cancel its Record of the RTGS Instruction (and notify the counterparty or counterparties (as applicable) within the Scheduled Time).

11.19 RTGS FINANCIAL PRODUCTS TESTING ~~[DELETED]~~

11.19.1 Reservation of Financial Products for settlement of Delivery Obligations ~~[Deleted]~~

~~If within the Scheduled Time, ASX Settlement determines, in relation to a Delivery Obligation identified in a particular RTGS Instruction held in the Feeder System Queue, that:~~

~~(a) — the Financial Products specified are Available Financial Products;~~

~~(b) — (i) — the Source Holding; or~~

~~(ii) — during an Ex Period, a Cum Entitlement Balance for the Source Holding,~~

~~— specified in the RTGS Instruction will not give rise to an RTGS Delivery Shortfall; and~~

~~(c) — if Rule 11.20.1 applies to the related Payment Obligation, the payment is Debit Cap Compliant;~~

~~then in respect of that RTGS Instruction:~~

~~(d) — ASX Settlement will generate an electronic communication to reserve the number of Financial Products required to be delivered from that Holding in Real Time Gross Settlement on that day in order to settle the relevant Delivery Obligation;~~

~~(e) — ASX Settlement will within the Scheduled Time, notify each counterparty to the RTGS Instruction; and~~

~~(f) — any Reservation of Financial Products made by ASX Settlement under Rule 11.19.1 may only be cancelled by ASX Settlement in accordance with the Rules.~~

Introduced 11/03/04 Origin SCH 7A.16.1, 7A.16.2

11.19.2 Cancellation of Reservation of Financial Products ~~[Deleted]~~

~~ASX Settlement will cancel any Reservation of Financial Products if:~~

~~(a) — the RTGS Instruction to which the Reservation relates is Failed, cancelled or suspended in accordance with the Rules; or~~

~~(b) — the Financial Products so Reserved are no longer Available Financial Products;~~

~~however ASX Settlement has no obligation to cancel a Reservation of Financial Products in connection with an RTGS Instruction, the funds transfer details of which have been sent across the Feeder System interface to RITS/RTGS, unless the Reserve Bank of Australia, as operator of RITS/RTGS, permits ASX Settlement to recall the Instruction from, or otherwise inactivate it in, RITS/RTGS.~~

~~*Note: — Rule 11.19.2(b) acknowledges that ASX Settlement may be compelled by order of a court of competent jurisdiction to apply a Holding Lock to the Holding from which the Reserved Financial Products are to be delivered in Real Time Gross Settlement.*~~

Introduced 11/03/04 Origin SCH 7A.16.3, 7A.16.4

11.19.3 Cancellation of Reserved Financial Products which are no longer Available Financial Products [\[Deleted\]](#)

~~Where ASX Settlement has cancelled a Reservation of Financial Products in relation to an RTGS Instruction pursuant to Rule 11.19.2(b), that RTGS Instruction will, to the extent legally permissible, remain in the Feeder System Queue and be recycled for testing under this Rule 11.19.~~

Introduced 11/03/04 Origin SCH 7A.16.5

11.20 RTGS DEBIT CAP TESTING [\[DELETED\]](#)

11.20.1 Net Position Records with an active Debit Cap [\[Deleted\]](#)

~~This Rule 11.20.1 applies at any time when a Participant's Net Position Record records an active Debit Cap.~~

Introduced 11/03/04 Origin SCH 7A.17.1

11.20.2 Debit Cap Compliant payments [\[Deleted\]](#)

~~Payment of the amount of a Payment Obligation identified in an RTGS Instruction will be Debit Cap Compliant only if the Available Credit at that time recorded against the applicable Net Position Record exceeds the amount of the Payment Obligation.~~

Introduced 11/03/04 Origin SCH 7A.17.2

11.20.3 Available Credit and debit balances in relation to a Net Position Record [\[Deleted\]](#)

~~For the purposes of this Section 11:~~

~~(a) Available Credit in relation to a Net Position Record will:~~

~~(i) be determined by deducting from the Debit Limit at the relevant time, the sum of:~~

~~A. the amount of the balance recorded as a debit against the Net Position Record at that time; and~~

~~B. the amount of the balance recorded as a credit against any linked Cash Sub-record that at that time is designated as an Excluded Cash Sub-record; and~~

~~(ii) not take account of any Payment Obligation identified in an RTGS Instruction that is in the RTGS Settling Phase at that time, where the relevant Participant is the payee on settlement; and~~

~~(b) the debit balance recorded against a Net Position Record at any time will be taken to include the amount of any Payment Obligation:~~

~~(i) at that time in the RTGS Settling Phase;~~

~~(ii) where the relevant Participant is the payer on settlement; and~~

~~(iii) — that is indicatively recorded as an unsettled debit against that Net Position Record.~~

Introduced 11/03/04 Origin SCH 7A.17.3

11.20.4 **Generation of an electronic communication [Deleted]**

~~If Rule 11.20.1 applies and, within the Scheduled Time, ASX Settlement determines that:~~

~~(a) — payment of the amount of any Payment Obligation identified in an RTGS Instruction is Debit Cap Compliant; and~~

~~(b) — if that RTGS Instruction is a DvP RTGS Instruction, Rules 11.19.1(a) and (b) are satisfied;~~

~~ASX Settlement will cause an electronic communication to be generated to record indicatively as an unsettled debit against the Net Position Record of the Participant that is the payer on settlement, an amount of funds equal to the amount of that Payment Obligation.~~

Introduced 11/03/04 Origin SCH 7A.17.4

11.21 **RTGS RETESTING IN FEEDER SYSTEM QUEUE [DELETED]**

11.21.1 **RTGS Instruction to remain in Feeder System Queue [Deleted]**

~~An RTGS Instruction that:~~

~~(a) — is held in the Feeder System Queue; and~~

~~(b) — fails to meet any applicable testing criteria within CHESSE, including but not limited to those set out in Rules 11.19 and 11.20;~~

~~will:~~

~~(c) — not progress to the RTGS Settling Phase as contemplated by Rule 11.22; and~~

~~(d) — remain in the Feeder System Queue, awaiting retesting in CHESSE.~~

Introduced 11/03/04 Origin SCH 7A.18

11.22 **RTGS SETTLING PHASE**

11.22.1 **Commencement of RTGS Settling Phase**

The RTGS Settling Phase, in relation to an RTGS Instruction held in the Feeder System Queue, ~~follows the satisfactory completion of testing in CHESSE and~~ will be taken to have commenced immediately ASX Settlement has:

(a) received a Valid Message from the RTGS Payments Provider that is required to perform the Payment Obligation identified in that RTGS Instruction, authorising that Payment Obligation; and

(b) in the case of a Bilateral Demand Settlement DvP RTGS Instruction, applied a Demand Lock over ~~Reserved~~ the number of Financial Products identified in that RTGS Instruction. ~~;~~

~~(b) in any other case, recorded as an unsettled debit against the affected Net Position Record of the RTGS Participant that is the payer, an amount equal to the amount of the Payment Obligation;~~

~~identified in that RTGS Instruction.~~

~~Note: A Net Position Record cannot be marked as contemplated by Rule 11.22.1(b), when Rule 11.20 applies, unless ASX Settlement has determined the payment to be Debit Cap Compliant: see Rules 11.20.2 and 11.20.4. ASX Settlement will, in the ordinary course, indicatively mark the payment against the payer's Net Position Record after completing all relevant aspects of intra-CHESS testing for any RTGS Instruction.~~

Introduced 11/03/04 Origin SCH 7A.19.1

11.22.2 Completion of RTGS Settling Phase

Completion of the RTGS Settling Phase for an RTGS Instruction is conditional on the performance, by the RTGS Payments Provider for the RTGS Participant that is the payer on settlement, of the Payment Obligation owed by that Participant.

Introduced 11/03/04 Origin SCH 7A.19.2

11.22.3 Undertakings by RTGS Payments Providers

Each RTGS Payments Provider irrevocably and severally undertakes, where:

- (a) it maintains the affected Payment Facility for each of the payer and payee RTGS Participants in relation to a Payment Obligation identified in an RTGS Instruction; and
- (b) the RTGS Instruction settles in accordance with the Rules under Rule 11.25.

to give effect to the irrevocable settlement between the Participants of that Payment Obligation:

- (c) for the benefit of each of them; and
- (d) as contemplated in the Rules, including without limitation Rule 11.27.

Introduced 11/03/04 Origin SCH 7A.19.3

11.23 RTGS PAYMENT WITHOUT AIF ~~CHESS-CONTROLLED AUTHORISATION OF PAYMENT~~

11.23.1 Application of Rule

~~The procedures in~~ This Rule 11.23 apply ~~applies~~ to any RTGS Instruction that has entered the RTGS Settling Phase where the relevant RTGS Payments Provider does not determine credit decisions for the RTGS Participant that is identified as the payer of the Payment Obligation through the AIF.:

- ~~(a) a Debit Cap has been, and remains, activated for the Net Position Record of the RTGS Participant that is identified as the payer of the Payment Obligation; and~~
- ~~(b) ASX Settlement has determined, within the Scheduled Time, that the payment is Debit Cap Compliant.~~

Introduced 11/03/04 Origin SCH 7A.20.1

11.23.2 RTGS Payments Providers of RTGS Participants

Where an RTGS Instruction has entered the RTGS Settling Phase, ASX Settlement will send a message across the Feeder System interface to RITS that:

- (a) reports to RITS on behalf of the relevant RTGS Payments Provider, a request to settle a funds transfer, in an amount equal to the amount of the Payment Obligation identified in that RTGS Instruction, from the RTGS Payments Provider for the payer Participant to the RTGS Payments Provider for the payee Participant; and
- (b) requests RITS to generate a settlement message to the Feeder System if that is done; and

if ASX Settlement receives, within the Scheduled Time, a message in terms of Rule 11.23.2(b), the condition in Rule 11.22.2 is satisfied.

~~When the RTGS Participant that is the payer, and the RTGS Participant that is the payee, of a Payment Obligation identified in an RTGS Instruction have, in relation to their respective affected Payments Facilities:~~

- ~~(a) the same Payments Provider and Rule 11.23.1 applies, then the condition in Rule 11.22.2 is, without more, taken to be satisfied; or~~
- ~~(b) different Payment Providers; then
 - ~~(i) ASX Settlement will send a message across the Feeder System interface to RITS/RTGS that:
 - ~~A. reports to RITS/RTGS on behalf of the relevant RTGS Payments Providers, a request to settle a funds transfer, in an amount equal to the amount of the Payment Obligation identified in that RTGS Instruction, from the RTGS Payments Provider for the payer Participant to the RTGS Payments Provider for the payee Participant; and~~
 - ~~B. requests RITS/RTGS to generate a settlement message to the Feeder System if that is done; and~~~~
 - ~~(ii) if ASX Settlement receives, within the Scheduled Time, a message in terms of Rule 11.23.2(b)(i)(B), the condition in Rule 11.22.2 is satisfied.~~~~

Introduced 11/03/04 Origin SCH 7A.20.2, 7A.20.3

11.23.3 RTGS Contingency Reports

If, on any RTGS Business Day:

- (a) RITS/RTGS, or its interface with the Feeder System, fails; or
- (b) the RITS/RTGS database is corrupted,

the Reserve Bank of Australia has advised that it will provide an RTGS Contingency Report to ASX Settlement before RTGS End of Day on that day; and

- (c) if an RTGS Contingency Report advises ASX Settlement that a request for a funds transfer requested under Rule 11.23.2(~~ab~~)(~~i~~)(A) is accepted, that advice is taken to:
 - (i) be final; and
 - (ii) satisfy the condition in Rule 11.22.2 in relation to the relevant RTGS Instruction.

Introduced 11/03/04 Origin SCH 7A.20.4

11.24 RTGS PAYMENT WITH AIF CONTROLLED AUTHORISATION ~~OF PAYMENT~~

11.24.1 Application of Rule

~~The procedures in this~~ This Rule 11.24 ~~apply~~ applies to any RTGS Instruction that, within the Scheduled Time, has entered the RTGS Settling Phase, where the relevant RTGS Payments Provider determines credit decisions for the RTGS Participant that is identified as the payer of the Payment Obligation through the AIF.

Introduced 11/03/04 Origin SCH 7A.21.1

11.24.2 RTGS Payments Providers of RTGS Participants

Where the RTGS Participant that is the payer, and the RTGS Participant that is the payee, of a Payment Obligation identified in an RTGS Instruction have, in relation to their respective affected Payment Facilities:

- (a) the same RTGS Payments Provider:
 - (i) ASX Settlement will send a message across the Feeder System interface with RITS/RTGS to reach the RTGS Payments Provider through the AIF that:
 - A. notifies the funds transfer details of the Payment Obligation identified in the RTGS Instruction;
 - B. requests the RTGS Payments Provider to perform the Payment Obligation; and
 - C. requests RITS/RTGS, if so instructed by that RTGS Payments Provider, to generate a settlement message to the Feeder System; and
 - (ii) if ASX Settlement receives, within the Scheduled Time, a message in terms of Rule 11.24.2(a)(i)(C), the condition in Rule 11.22.2 is taken to be satisfied; or
- (b) different RTGS Payments Providers:

- (i) ASX Settlement must send a message across the Feeder System interface with RITS/RTGS that:
 - A. requests, if applicable, a RITS Presettlement Advice to be generated in respect of the Payment Obligation identified in that RTGS Instruction and sent through the AIF to the RTGS Payments Provider for the payer Participant;
 - B. reports to RITS/RTGS on behalf of the relevant RTGS Payments Providers, a request to settle a funds transfer in an amount equal to the amount of the Payment Obligation, from the RTGS Payments Provider for the payer Participant to the RTGS Payments Provider for the payee Participant; ~~and~~
 - C. requests RITS/RTGS to generate a settlement message to the Feeder System if that is done; and
 - D. requests, if applicable, a RITS Postsettlement Advice to be generated in respect of the Payment Obligation settled in respect of that RTGS Instruction and sent through the AIF to the RTGS Payments Provider for the payer Participant; and
- (ii) if ASX Settlement receives, within the Scheduled Time, a message in terms of Rule 11.24.2(b)(i)(C), the condition in Rule 11.22.2 is satisfied.

Introduced 11/03/04 Origin SCH 7A.21.2, 7A.21.3

11.24.3 RTGS Contingency Reports

- (a) If, on any RTGS Business Day:
 - (i) RITS/RTGS, or its interface with the Feeder System, fails; or
 - (ii) the RITS/RTGS database is corrupted,

the Reserve Bank of Australia has advised that it will provide an RTGS Contingency Report to ASX Settlement before RTGS End of Day on that day; and
- (b) If an RTGS Contingency Report advises ASX Settlement that a request for a funds transfer requested under Rule 11.24.2(a)(i)(B) or Rule 11.24.2(b)(i)(B) is accepted, that advice is taken to:
 - (i) be final; and
 - (ii) satisfy the condition in Rule 11.22.2 in relation to the relevant RTGS Instruction.

Introduced 11/03/04 Origin SCH 7A.21.4

11.25 REAL TIME GROSS SETTLEMENT

11.25.1 Settlement of Payment and Delivery Obligations

If and only if ASX Settlement has, in relation to an RTGS Instruction, satisfied itself within the Scheduled Time:

- (a) in terms of Rule 11.22.2; and
- (b) if that RTGS Instruction is a [Bilateral Demand Settlement Instruction](#) ~~DvP RTGS Instruction~~, that Financial Products will be delivered in performance of the relevant Delivery Obligation,

ASX Settlement will cause to be generated:

- (c) [an electronic communications](#) within CHESS that [records that](#) ~~simultaneously:~~
 - ~~(i) adjust the Net Position Record for the RTGS Participant that is the payer by debiting an amount equal to the amount of that Payment Obligation; and~~
 - ~~(ii) adjust the Net Position Record for the RTGS Participant that is the payee by crediting an amount equal to the amount of that Payment Obligation;~~

~~and~~ the Payment Obligation under that RTGS Instruction is settled; and

- (d) at the same time as (c), in the case of a [Bilateral Demand Settlement](#) ~~DvP RTGS Instruction~~, Communications that simultaneously:
 - (i) deduct the number of Financial Products specified in the relevant RTGS Instruction from the Source Holding specified in that RTGS Instruction; and
 - (ii) enter the number of Financial Products specified in the relevant RTGS Instruction into the Target Holding specified in that RTGS Instruction,

and [record that](#) the Delivery Obligation under that RTGS Instruction is settled,

with the result that, as between the counterparties, the RTGS Settling Phase for the RTGS Instruction is completed:

- (e) in CHESS at the time of [generating those the record in paragraph \(c\) or in the case of a Bilateral Demand Settlement Instruction, the record in paragraph \(d\)](#) ~~adjustments~~; and
- (f) with the effect set out in Rule 11.26.

Introduced 11/03/04 Origin SCH 7A.22.1

11.25.2 Partly effecting Settlement Transfers

A Settlement Transfer in accordance with Rule 11.25.4 is taken to be effected:

- (a) in the case of an RTGS Instruction designated as On-Market where only one Participant is a Clearing Participant, by the Clearing Participant; and

(b) in any other case, by the delivering Participant.

Introduced 11/03/04 Origin SCH 7A.22.3

11.25.3 Confirmed FOR Financial Products

If ASX Settlement, in accordance with an Instruction which initiates a Foreign to Foreign Allocation, Transfers Financial Products to a Target Holding pursuant to Rule 11.25 and the Target Holding has a Residency Indicator of “F”, those Financial Products have the status of Confirmed FOR Financial Products.

Introduced 11/03/04 Origin SCH 7A.22.4

11.25.4 Proper ASTC transfers under the Corporations Act

A Communication generated under Rule 11.25.1(d) in relation to an RTGS Instruction effects a Settlement Transfer by ASX Settlement in accordance with that RTGS Instruction that is taken to be a proper ASTC transfer for the purposes of the Corporations Act.

Introduced 11/03/04 Origin SCH 7A.22.2

11.26 RTGS FINAL DISCHARGE OF OBLIGATIONS

11.26.1 Settlement of Payment Obligations

On settlement under Rule 11.25 of the Payment Obligation identified in an RTGS Instruction:

- (a) each obligation of a Participant to make payment under that RTGS Instruction is discharged irrevocably in full; and
- (b) each entitlement of a Participant to receive payment under that RTGS Instruction is satisfied irrevocably in full.

Introduced 11/03/04 Origin SCH 7A.23.1

11.26.2 Settlement of Delivery Obligations

On settlement under Rule 11.25 of the Delivery Obligation identified in an RTGS Instruction:

- (a) each obligation of a Participant to deliver Financial Products or Entitlements under that RTGS Instruction is discharged irrevocably in full; and
- (b) each entitlement of a Participant to receive Financial Products or Entitlements under that RTGS Instruction is satisfied irrevocably in full.

Introduced 11/03/04 Origin SCH 7A.23.2

11.27 OBLIGATIONS OF RTGS PAYMENTS PROVIDERS

11.27.1 RTGS Payments Provider to make available the gross amount of a Payment obligation

An RTGS Payments Provider must make available to each RTGS Participant that:

- (a) is the payee of a Payment Obligation that has settled in accordance with the Rules on a particular RTGS Business Day; and

- (b) operates a Payment Facility with the RTGS Payments Provider ~~that is linked to the Net Position Record against which that Payment Obligation has been recorded as a credit on settlement,~~

~~for value~~ on that RTGS Business Day (at times agreed between them), the gross amount of that Payment Obligation:

- (c) in clear funds; and
- (d) in the [RTGS Bank](#) ~~a~~ Account ~~designated by the RTGS Account Identifier~~ specified, or taken to be specified, for that Participant in that RTGS Instruction,

but nothing in this Rule 11.27 will be construed to negate or exclude any right of set-off or other right that may arise, other than under the Rules, as between a Participant and its RTGS Payments Provider.

Introduced 11/03/04 Origin SCH 7A.24

11.28 FAILED RTGS INSTRUCTIONS

11.28.1 RTGS Instructions which are Failed ~~or rescheduled~~

All RTGS Instructions that are Recorded for Real Time Gross Settlement on an [an particular](#) RTGS Business Day and that:

- (a) are held unsettled, for whatever reason, in the Feeder System Queue at RTGS End of Day on that day; or
- (b) have not been sent to the Feeder System Queue by RTGS End of Day,

will be ~~:~~

~~(c) Failed [on in respect of](#) that RTGS Business Day [and ASX Settlement will cancel its Record of the RTGS Instructions](#) (and [notify the counterparty or counterparties \(as applicable\)](#) ~~notified~~ within the Scheduled Time), ~~and~~~~

~~(d) [unless Rule 11.28.2 applies, rescheduled for Real Time Gross Settlement on the next RTGS Business Day, recorded as 'ready to settle'.](#)~~

Introduced 11/03/04 Origin SCH 7A.25.1

11.28.2 Switching RTGS Instruction to Batch Settlement [\[Deleted\]](#)

~~If:~~

- ~~(a) [within the Scheduled Time, ASX Settlement receives from a Participant a Valid Switch to Batch Settlement Message that relates to a Failed RTGS Instruction;](#) and~~
- ~~(b) [the requirements of Rule 11.12 are otherwise satisfied;](#)~~

~~ASX Settlement will, subject to and in accordance with Rule 11.12, switch that RTGS Instruction to Batch Settlement.~~

~~Note: [Refer to Rule 11.12.7 in relation to processing constraints applicable to switches.](#)~~

11.29 CONSEQUENCES OF FAILED RTGS INSTRUCTIONS

11.29.1 Fees payable to ASX Settlement

If an Instruction relating to an On-Market Transaction is Failed under rule 11.28.1, the Participant that is:

- (a) in the case of a failed RTGS Instruction that results from insufficient Financial Products, the delivering Participant;
- (b) in the case of a Failed RTGS Instruction that results from insufficient funds, the Participant that is on settlement the payer of that Payment Obligation; or
- (c) in the case of a Failed RTGS Instruction that results from a failure to authorise settlement processing in terms of Rule 11.18.4, a Participant that has failed to supply authorisation,

is liable to pay a fee to ASX Settlement, calculated in accordance with the Fees and Charges Schedule.

Introduced 11/03/04 Origin SCH 7A.26.1

11.29.2 No fail administration fees in certain cases

Despite Rule 11.29.1, Fail administration fees will not be levied where the Failed RTGS Instruction is due solely to the operation of the CHESSE Feeder System, including partial or total failure, malfunction, overload or the unavailability at any relevant time of RITS/RTGS, the AIF or communications with the relevant RTGS Payments Provider.

Introduced 11/03/04 Origin SCH 7A.26.2

11.30 RTGS SETTLEMENT REPORTING BY ASX SETTLEMENT

11.30.1 RTGS Settlement Reporting to [RTGS](#) Payments Providers

Within the Scheduled Time on each RTGS Business Day, ASX Settlement must:

(a) [Notify each RTGS Payments Provider of each RTGS Instruction that has been settled in respect of which the RTGS Payments Provider made or received payment; and](#)

~~(a)~~(b) [make available to each RTGS Payments Provider an RTGS Settlement Report for that day in respect of each RTGS Participant for which it maintains a Payment Facility-linked to an active Net Position Record.](#)

Introduced 11/03/04 Origin SCH 7A.27.1

11.30.2 RTGS Settlement Reporting to Participants

Within the Scheduled Time, ASX Settlement must Notify a Participant of:

- (a) each RTGS Instruction that has been settled to which the Participant is a counterparty;

- (b) on each RTGS Business Day, the net movement of funds paid or credited with respect to for each RTGS Bank Account Net Position Record and linked Cash Sub-record that is active in referable relation to that Participant's settled RTGS Instructions; and
- (c) on each RTGS Business Day, the net movement of Financial Products for each Holding controlled by the Participant, from or to which Financial Products have been delivered in Real Time Gross Settlement.

Introduced 11/03/04 Origin SCH 7A.28.1

11.31 RTGS SETTLEMENT REPORTING BY ASX SETTLEMENT [Deleted]

11.31.1 RTGS Financial Products Distributions [Deleted]

~~If a Parent RTGS Instruction Recorded in the CHESSE Feeder System:~~

- ~~(a) is to settle in Real Time Gross Settlement on a Cum Entitlement basis;~~
- ~~(b) has an Entitlement to:
 - ~~(i) a bonus issue;~~
 - ~~(ii) a non-renounceable entitlement;~~
 - ~~(iii) a renounceable rights issue; or~~
 - ~~(iv) a distribution in specie, and~~~~
- ~~(c) has not settled under this Section 11 by End of Day on the Record Date for the Corporate Action;~~

~~ASX Settlement will, within the Scheduled Time:~~

- ~~(d) generate an Accrued RTGS Instruction to initiate a Settlement Transfer under section 10; and;~~
- ~~(e) notify the Instruction to each counterparty Participant.~~

Introduced 11/03/04 Origin SCH 7A.29.1, 7A.29.2

11.31.2 Instructions processed in Batch Settlement [Deleted]

~~An Instruction generated under Rule 11.31.1 will be processed for settlement in Batch Settlement utilising the Payment Facility referred to in Rule 11.5.3(c) and otherwise in accordance with Rule 10.17 and Section 10 generally.~~

~~Note: Refer to Rule 11.5.3 in relation to use of the same Payment Facility maintained for the Participant by the RTGS Payments Provider for settlement of both the Parent RTGS Instruction and the Accrued RTGS Instruction.~~

Introduced 11/03/04 Origin SCH 7A.29.2

11.31.3 RTGS Cash Distributions ~~[Deleted]~~

~~Rule 10.17 applies, as if incorporated in full in this Section 11, to a Parent RTGS Instruction that:~~

~~(a) is Recorded to settle in Real Time Gross Settlement on a Cum Entitlement basis;~~

~~(b) has an Entitlement to:~~

~~(i) a dividend;~~

~~(ii) interest; or~~

~~(iii) a capital return; and~~

~~(c) has not settled in full by End of Day on the Record Date for the Corporate Action, except that references in Rule 10.17 to Batch Settlement are to be construed as if they were references to Real Time Gross Settlement.~~

~~Introduced 11/03/04 Origin SCH 7A.30.1~~

11.31.4 RTGS Cash Adjustments for limited liability calls and renounceable rights ~~[Deleted]~~

~~Rules 10.19 and 10.20 apply, as if incorporated in full in this Section 11, to a Parent RTGS Instruction that:~~

~~(a) is Recorded to settle in Real Time Gross Settlement on or before End of Day on the last Business Day on which ASX Settlement will process Transfers before:~~

~~(i) a call for a limited liability company falls due; or~~

~~(ii) application money for a renounceable rights issue falls due; and~~

~~(b) does not settle in full by End of Day on that Business Day,~~

~~except that references in Rule 10.20 to Batch Settlement are to be construed as if they were references to Real Time Gross Settlement.~~

~~Introduced 11/03/04 Origin SCH 7A.31.1~~

11.31.5 RTGS cash adjustments for no liability calls, options and convertible notes ~~[Deleted]~~

~~Rule 10.21 applies, as if incorporated in full in this Section 11, to a Parent RTGS Instruction that:~~

~~(a) is Recorded to settle in Real Time Gross Settlement before End of Day on the last Business Day that ASX Settlement will process Transfers before:~~

~~(i) a call for no liability company falls due;~~

~~(ii) the final date for the exercise of company issued options; or~~

~~(iii) — the final date for the conversion of convertible Financial Products;~~

~~(b) — does not settle in full by End of Day on that Business Day; and~~

~~(c) — both Participants have agreed that settlement will be effected by a Transfer of the Financial Products that result from the:~~

~~(i) — call;~~

~~(ii) — exercise; or~~

~~(iii) — conversion;~~

~~except that references in Rule 10.21 to Batch Settlement are to be construed as if they were references to Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.32.1

11.31.6 RTGS Reconstructions ~~[Deleted]~~

~~Rule 10.22 applies, as if incorporated in full in this Section 11, to a Parent RTGS Instruction Recorded for Real Time Gross Settlement where:~~

~~(a) — ASX Settlement receives notification from an Approved Listing Market Operator of:~~

~~(i) — a Reconstruction that affects a class of Approved Financial Products;
and~~

~~(ii) — the effective date and the Issue Date for that Reconstruction;~~

~~(b) — the Financial Products Code for that class will continue following the Reconstruction;
and~~

~~(c) — the Parent RTGS Instruction does not settle in Real Time Gross Settlement by End of Day on the second Business Day after the effective date,~~

~~except that references in Rule 10.22 to Batch Settlement are to be construed as if they were references to Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.33.1 Amended 27/06/11, 04/03/13, 14/04/14, 07/03/16

11.31.7 RTGS buyer's right to entitlement ~~[Deleted]~~

~~Rule 10.23 applies, as if incorporated in full in this Section 11, to a Parent RTGS Instruction Recorded in the CHESSE Feeder System that:~~

~~(a) — is Recorded to settle in Real Time Gross Settlement on a Cum Entitlement basis;~~

~~(b) — has an Entitlement in respect of which no adjustment is prescribed by the Rules in the event of failure to settle in full; and~~

(e) ~~does not settle in full by End of Day on the Record Date for the Corporate Action, except that references in Rule 10.23 to Batch Settlement are to be construed as if they were references to Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.34.1

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SECTION 12 COMPLIANCE, ENFORCEMENT ACTIONS AND APPEALS

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12.19 RESTRICTION OR SUSPENSION OF PARTICIPATION

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12.19.8 Effects of Suspension on Participation

If ASX Settlement suspends the participation of a non-compliant Participant, subject to Rules 12.19.9 and 12.19.10 and, in the case of suspension of an Instruction from Real Time Gross Settlement pursuant to Rule 12.19.8(c), subject to Section 11, ASX Settlement must:

- (a) reject any Message initiated by the non-compliant Participant or another Participant that refers to a CHESS Holding under the control of the non-compliant Participant;
- (b) reject any Message initiated by the non-compliant Participant to establish a new Participant Sponsored Holding;
- (c) suspend from Batch Settlement or Real Time Gross Settlement, as the case may be, any Instruction that is outstanding at the time of the suspension; and
- (d) cancel any ~~bilateral~~~~Dual Entry~~ Message Transmitted by the Participant that has not been Matched at the time of the suspension.

Note: Refer to Rule 11.17.7 in relation to RTGS Instructions the funds transfer details of which are held in the RTGS system queue, which ASX Settlement may not be able to recall or inactivate.

Introduced 11/03/04 Origin SCH 19.5.1

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SECTION 14 SUBPOSITIONS

This Section deals with the reserving of Financial Products in and the releasing of Financial Products from a subposition including:

- (a) the legal effect of subpositions;
- (b) the legal relationship between ASX Settlement, Issuers, Participants and Holders;
- (c) the reporting on subpositions to Participants and Participant Sponsored Holders;
- (d) the reservation of Financial Products as Cover, the giving of warranties and indemnities in respect of such cover by Participants and Approved Clearing Facilities and the release and transfer of such Financial Products; ~~and~~
- (e) the creation of takeover Offer Accepted subpositions including the provision of information by bidders and Target Issuers, the giving of warranties and indemnities by Participants in respect of such subpositions and the release and transfer of Financial Products from an Offer Accepted subposition; and
- (f) the creation of Non-Takeover Offer Event related subpositions including the provision of information by offerors and Issuers, the giving of warranties and indemnities by Participants in respect of such subpositions and the release and transfer of Financial Products from a Non-Takeover Offer Accepted subposition.

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14.1 LEGAL RELATIONSHIPS & LEGAL EFFECT OF SUBPOSITIONS

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14.1.7 Holding Adjustments and Financial Products Transformations

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

14.2 EFFECT OF ISSUER INITIATED ACTIONS ON SUB-POSITIONS

14.2.1 Ratio between Financial Products after Reconstruction where Financial Product Code continues

If:

- (a) a Reconstruction occurs in relation to a class of Approved Financial Products which is given effect to through a Valid Message in accordance with Rule 5.26;
- (b) the Financial Product Code for that class will continue following the Reconstruction;
and

- (c) the Reconstruction affects Financial Products in a CHESS Holding that are reserved in a Subposition,

at the time ASX Settlement enters Financial Products into, or deducts Financial Products from, that Holding, ASX Settlement must also reserve Financial Products in, or release Financial Products from, the Subposition so that the ratio between:

- (d) the number of Financial Products in that Holding reserved in the Subposition; and
- (e) the total number of Financial Products in that Holding,

is, as far as possible having regard to fractional entitlements, the same before and after the Reconstruction.

Introduced 11/03/04 Origin SCH 14.2.1

14.2.2 **Ratio between Financial Products after Reconstruction where Financial Product Code is replaced**

If:

- (a) a Reconstruction occurs in relation to a class of Approved Financial Products [which is given effect to through a Valid Message in accordance with Rule 5.26](#);
- (b) a replacement Financial Product Code is to be used for that class following the Reconstruction; and
- (c) the Reconstruction affects Financial Products held in a CHESS Holding that are reserved in a Subposition in favour of a particular person,

at the time ASX Settlement processes a Message in relation to the Reconstruction in accordance with Rule 8.29, ASX Settlement must release the Financial Products reserved in the Subposition and reserve the Financial Products arising from the Reconstruction in a Subposition in favour of the same person so that the ratio between:

- (d) the number of Financial Products in that Holding reserved in the Subposition; and
- (e) the total number of Financial Products in that Holding,

is, as far as possible having regard to fractional entitlements, the same before and after the Reconstruction.

Introduced 11/03/04 Origin SCH 14.2.2

14.2.3 **Release of Financial Products from Subposition ~~[Deleted]~~**

~~If:~~

- ~~(a) an Issuer initiates a Holding Adjustment or a Financial Products Transformation that will reduce the Holding Balance of a CHESS Holding;~~
- ~~(b) Financial Products in that CHESS Holding are reserved in a Subposition; and~~
- ~~(c) Rules 14.2.1 and 14.2.2 do not apply;~~

~~immediately after ASX Settlement gives effect to that Holding Adjustment or Financial Products Transformation in accordance with these Rules, ASX Settlement may, if necessary,~~

~~release Financial Products from the Subposition so that the number of Financial Products in that Holding reserved in that Subposition does not exceed the Holding Balance of the Holding.~~

Introduced 11/03/04 Origin SCH 14.2.3

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14.12.4 Participant to act as Participant Bidder

Throughout the bid period and for such subsequent period as ASX Settlement may specify, the bidder must ensure that a Participant acts as Participant Bidder in relation to the takeover bid.

Introduced 11/03/04 Origin SCH 16.2.2

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14.13.4 Disclosure of HIN or SRN to agent under Rule 14.13.3(d)

A person must not, under Rule 14.13.3(d), disclose a HIN or SRN to an agent that is not otherwise bound by these Rules unless that person has:

- (a) obtained from the agent a written undertaking to the Issuer that, if a HIN or SRN is disclosed to the agent in its capacity as agent of the person, the agent will not disclose that HIN or SRN other than to:
 - (i) the Holder of the Holding;
 - (ii) the Controlling Participant for the Holding;
 - (iii) ASX Settlement; or
 - (iv) the bidder or the Participant Bidder in relation to the takeover bid, as the case requires; and
- (b) provided the agent's written undertaking to the Issuer prior to disclosing any HIN or SRN to the agent under Rule 14.13.3.

Introduced 11/03/04 Origin SCH 16.2A.4

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14.14.7 Participant Bidder may submit takeover acceptance

If:

- (a) a bid is made under a takeover bid in relation to Financial Products in a class of Approved Financial Products;
- (b) at any time during the period of the bid, the Financial Products are in a Participant Sponsored Holding; and
- (c) before the end of the period of the bid, the Participant Sponsored Holder of those Financial Products instructs the Participant Bidder that they accept the bid,

the Participant Bidder may effect the acceptance by Transmitting a Valid Message to ASX Settlement that:

- (~~d~~a) is sent during the offer period for takeover bid;
- (~~e~~b) specifies a Takeover Consideration Code for that takeover bid;
- (~~f~~e) specifies the HIN for the Participant Sponsored Holding of Financial Products to which the acceptance relates; and
- (~~g~~d) specifies the number of Financial Products in the Holding to which the acceptance relates.

Introduced 09/05/05

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14.15.5 Application of Rules

Rules 14.15.6 and 14.15.7 apply if Financial Products in a CHESS Holding are reserved in an Offer Accepted Subposition in accordance with a Message Transmitted by the Participant Bidder under Rules 14.14.7.

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14.22 NOTIFICATION OF A NON-TAKEOVER OFFER EVENT IN RESPECT OF A CLASS OF APPROVED FINANCIAL PRODUCTS AND PROVISION OF INFORMATION

14.22.1 Rules 14.22 to 14.30 only apply if offeror uses facility for Non-Takeover Offer Event

These Rules 14.22 to 14.30 only apply to a Non-Takeover Offer Event for which the offeror has supplied a notice to ASX Settlement under Rule 14.22.2 in connection with the offeror seeking to use the facility made available by ASX Settlement under those Rules for the processing of acceptances under that offer.

14.22.2 Offeror to supply copy of notice of Non-Takeover Offer Event

If an offeror gives any notice of the making of, or of the intention to make, an offer under a Non-Takeover Offer Event in relation to Approved Financial Products and that offeror seeks to use the facility made available by ASX Settlement under these Rules 14.22 to 14.30 for the processing of acceptances under that offer, the offeror must immediately supply a copy of that notice to ASX Settlement.

14.22.3 Application of Rules 14.22 to 14.30 to scheme of arrangement

Where a Non-Takeover Offer Event is an offer under a scheme of arrangement under Part 5.1 of the Corporations Act involving alternate forms of consideration for which an election can be made, Rules 14.22 to 14.30 will apply to such offer on the basis that the relevant:

- (a) offer is the offer of alternate forms of consideration under the scheme of arrangement for which an election can be made; and
- (b) acceptance is the election as to the form of consideration under the scheme of arrangement.

14.23 NON-TAKEOVER OFFER EVENTS – OFFER ACCEPTED SUBPOSITIONS

14.23.1 ASX Settlement to act as agent of the offeror

Throughout the offer period and for such subsequent period as ASX Settlement may specify, ASX Settlement will act as the agent of the offeror in relation to acceptances by Holders on the CHESSE Subregister.

14.23.2 Participant to act as Participant Offeror

Throughout the offer period and for such subsequent period as ASX Settlement may specify, the offeror must ensure that a Participant acts as Participant Offeror in relation to the Non-Takeover Offer Event.

14.23.3 Obligations of offeror

Not less than 5 Business Days before the start of the offer period for a Non-Takeover Offer Event in relation to a class of Approved Financial Products, the offeror must:

- (a) (i) if the offeror is a Participant, give Notice to ASX Settlement that the offeror will be the Participant Offeror;
 - (ii) apply to become a Participant for the limited purpose of acting as Participant Offeror; or
 - (iii) appoint a Participant to act as Participant Offeror (whether that Participant's status is limited to acting as the Participant Offeror or otherwise) and give Notice to ASX Settlement of the name and UIC of that Participant; and
- (b) give Notice to ASX Settlement of the name of the Holder and the HIN for the Non-Takeover Offer Event Transferee Holding.

14.23.4 Participant Offeror to be Controlling Participant

The Participant Offeror will be the Controlling Participant for the Non-Takeover Offer Event Transferee Holding.

14.23.5 Acceptances must be in accordance with the Rules

The offeror must ensure that each offer under a Non-Takeover Offer Event in relation to a class of Approved Financial Products specifies that an acceptance of that offer in respect of Financial Products that are, at the time of acceptance, in a CHESSE Holding, must be made in accordance with these Rules.

14.23.6 Financial Products as consideration

If:

- (a) an offer under a Non-Takeover Offer Event is accepted for Financial Products in a CHESSE Holding; and
- (b) the consideration to be provided under the acceptance of the offer includes Financial Products in a class of Approved Financial Products,

the offeror must ensure that any Financial Products provided as consideration for the acceptance are issued to a CHES Holding in accordance with these Rules.

14.24 NON-TAKEOVER OFFER EVENT ACCEPTANCES

14.24.1 Controlling Participant to initiate acceptances

If:

- (a) an offer is made under a Non-Takeover Offer Event in relation to Financial Products in a class of Approved Financial Products;
- (b) at any time during the offer period of the Non-Takeover Offer Event, the Financial Products are in a Participant Sponsored Holding;
- (c) on or before the close date of the Non-Takeover Offer Event, the Participant Sponsored Holder instructs the Controlling Participant to accept the offer,

the Controlling Participant may initiate the acceptance under this Rule 14.24:

- (d) if the Participant Sponsored Holder specifies the time when or by which the offer must be accepted, in accordance with those instructions; or
- (e) otherwise, within the Scheduled Time.

14.24.2 Acceptances of offers under Non-Takeover Offer Event to be initiated by Valid Originating Message

Acceptance of an offer under a Non-Takeover Offer Event for Financial Products that, at the time of acceptance, are held in a CHES Holding, may be initiated by a Valid Originating Message that:

- (a) is Transmitted to ASX Settlement by the Controlling Participant for the Holding;
- (b) is sent during the offer period for the relevant offer;
- (c) specifies a Non-Takeover Offer Event Consideration Code for that offer; and
- (d) specifies the number of Financial Products in the Holding to which the acceptance relates.

14.24.3 Non-Takeover Offer Event Transfers

A Message that complies with Rule 14.24.2 also initiates a Non-Takeover Offer Event Transfer of the Financial Products specified in the Message.

14.24.4 Reservation of Financial Products in an Offer Accepted Subposition

If a Message complies with Rule 14.24.2 and there are sufficient Available Financial Products in the Holding specified in the Message, ASX Settlement will reserve the number of Financial Products specified in the Message in an Offer Accepted Subposition in favour of the Participant Offeror for the Non-Takeover Offer Event.

14.24.5 Rejection of reservation of Financial Products in Offer Accepted Subposition

If, on receipt of notification from ASX Settlement under Rule 14.5.1, the Participant Offeror rejects the reservation of Financial Products in an Offer Accepted Subposition, the Participant Offeror must, within the Scheduled Time, Transmit a Message to ASX Settlement rejecting the reservation.

14.24.6 Release of Financial Products from Offer Accepted Position

If ASX Settlement receives a Valid Message under Rule 14.24.5, ASX Settlement will release the number of Financial Products from the Offer Accepted Subposition in accordance with the Originating Message.

14.24.7 Participant Offeror may submit acceptance

If:

- (a) an offer is made under a Non-Takeover Offer Event in relation to Financial Products in a class of Approved Financial Products;
- (b) at any time during the period of the relevant offer, the Financial Products are in a Participant Sponsored Holding;
- (c) on or before the close date of the Non-Takeover Offer Event, the Participant Sponsored Holder of those Financial Products instructs the Participant Offeror that they accept the offer.

the Participant Offeror may effect the acceptance by Transmitting a Valid Message to ASX Settlement that:

(d) is sent either:

- (i) during the offer period for the relevant Non-Takeover Offer Event; or
- (ii) within one Business Day of the close of the offer period for the relevant Non-Takeover Offer Event, if either:
 - (A) the Participant Sponsored Holder of those Financial Products has instructed the Participant Offeror that they accept the offer on or before the close date of the Non-Takeover Offer Event in accordance with Rule 14.24.7, but a Message to effect the acceptance is unable to be Transmitted to ASX Settlement before the end of the relevant offer period for genuine operational or administrative reasons; or
 - (B) the Participant Sponsored Holder of the relevant Financial Products has instructed the Participant Offeror that they accept the offer on or before the close date of the Non-Takeover Offer Event in accordance with Rule 14.24.7, but for the purposes of correctly finalising the Non-Takeover Offer Event, re-balancing or administrative corrections are required to be performed.
- (e) specifies a Non-Takeover Offer Event Consideration Code for that Non-Takeover Offer Event;
- (f) specifies the HIN for the Participant Sponsored Holding of Financial Products to which the acceptance relates; and

(g) specifies the number of Financial Products in the Holding to which the acceptance relates.

14.24.8 Action by ASX Settlement

If a Message complies with Rule 14.24.7 and there are sufficient Available Financial Products in the Holding specified in that Message, ASX Settlement will send a Message to the Controlling Participant for that Holding providing the details relating to the relevant offer acceptance included in the Message under Rule 14.24.7.

14.24.9 Controlling Participant to respond to Message

If a Controlling Participant receives a Message under Rule 14.24.8 it must Transmit a Message to ASX Settlement within the Scheduled Time and include a Target Transaction Identifier that matches the Transaction Identifier of the Message under Rule 14.24.7 and either:

(a) accepts the offer acceptance, or

(b) rejects the offer acceptance.

14.24.10 Controlling Participant to notify Holder of Rejection

If a Controlling Participant rejects an offer acceptance under Rule 14.24.9(b) the Controlling Participant must, within the Scheduled Time, notify the Holder that the relevant offer acceptance has been rejected.

14.24.11 Non-Takeover Offer Event Transfers

A Valid Message that complies with Rule 14.24.9(a) initiates a Non-Takeover Offer Event Transfer of the Financial Products.

14.24.12 Reservation of Financial Products in an Offer Accepted Subposition

If a Message complies with Rule 14.24.9(a), ASX Settlement will reserve the number of Financial Products specified in the relevant offer acceptance in an Offer Accepted Subposition in favour of the Participant Offeror for the Non-Takeover Offer Event.

14.25 WARRANTIES AND INDEMNITIES

14.25.1 Application of Rules

Rules 14.25.2 to 14.25.4 apply if Financial Products in a CHES Holding are reserved in an Offer Accepted Subposition in accordance with an Originating Message Transmitted by the Controlling Participant for that Holding under Rule 14.24.2.

14.25.2 Participants as Holder of Financial Products

If the Participant is the Holder of the Financial Products, the Participant is taken to have warranted that the Holder was legally entitled or authorised to accept the offer to which the acceptance relates, and to effect a Transfer of the Financial Products.

14.25.3 If Participant is not Holder of Financial Products

If the Participant is not the Holder of the Financial Products, the Participant is taken to have warranted that:

(a) the Holder was legally entitled or authorised; and

(b) the Participant was authorised by the Holder,

to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products.

14.25.4 Participant to indemnify

If a Participant is taken under Rule 14.25.2 or 14.25.3 to have warranted that:

(a) the Holder was legally entitled or authorised to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products; or

(b) the Participant was authorised by the Holder to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products,

and the Holder was not so legally entitled or authorised, or the Participant was not so authorised by the Holder, the Participant indemnifies:

(c) the offeror;

(d) the Participant Offeror;

(e) the Issuer;

(f) ASX Settlement; and

(g) the Holder (in the case of paragraph (b)),

against all losses, damages, costs and expenses arising from that Holder or the Participant not having been so legally entitled or authorised.

14.25.5 Application of Rules

Rules 14.25.6 and 14.25.7 apply if Financial Products in a CHES Holding are reserved in an Offer Accepted Subposition in accordance with a Message Transmitted by the Participant Offeror under Rule 14.24.7.

14.25.6 Warranty by Participant Offeror

The Participant Offeror is taken to have warranted that:

(a) the Holder was legally entitled or authorised; and

(b) the Participant Offeror was authorised by the Holder,

to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products.

If a Message is transmitted after the end of the offer period the Participant Offeror is also taken to have warranted under Rule 14.24.7(d)(ii), that one or more of the circumstances in that Rule apply in relation to the Message.

14.25.7 Participant Offeror to Indemnify

If a Participant Offeror is taken under Rule 14.25.6 to have warranted that:

- (a) the Holder was legally entitled or authorised to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products; or
- (b) the Participant Offeror was authorised by the Holder to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products,

and the Holder was not legally entitled or authorised, or the Participant Offeror was not so authorised by the Holder; or

- (c) one or more of the circumstances in Rule 14.24.7(d)(ii) apply in relation to the Message transmitted after the end of the offer period under that Rule, and those circumstances did not apply;

the Participant Offeror indemnifies:

- (d) the offeror;
- (e) the Issuer;
- (f) the Controlling Participant;
- (g) ASX Settlement; and
- (h) the Holder (in the case of paragraph (b) or (c)).

against all losses, damages, costs and expenses arising from the Holder or the Participant Offeror not having been so legally entitled or authorised or the circumstances in Rule 14.24.7(d)(ii) not applying.

14.25.8 Controlling Participant to Indemnify

If a Controlling Participant:

- (a) rejects an offer acceptance under Rule 14.24.9(b) without adequate justification; or
- (b) receives a Valid Message under Rule 14.24.8 and does not Transmit a Message to ASX Settlement that complies with Rule 14.24.9 within the Scheduled Time under Rule 14.24.9;

the Controlling Participant indemnifies:

- (c) the offeror;
- (d) the Issuer;
- (e) the Participant Offeror;
- (f) ASX Settlement; and
- (g) the Holder.

against all losses, damages, costs and expenses arising from that rejection or failure to Transmit a Message.

14.26 CANCELLATION OF NON-TAKEOVER OFFER EVENT ACCEPTANCES

14.26.1 Release of Financial Products from an Offer Accepted Subposition

If Financial Products in a CHESS Holding have been reserved by ASX Settlement in an Offer Accepted Subposition in connection with a Non-Takeover Offer Event, a release of the Financial Products from that Subposition may be initiated by a Valid Originating Message that:

- (a) is Transmitted to ASX Settlement by the Controlling Participant for that Holding; and
- (b) specifies the number of Financial Products to be released from the Subposition.

14.26.2 Authorisation for release of Financial Products from an Offer Accepted Subposition

If an Originating Message Transmitted to ASX Settlement complies with Rule 14.26.1, ASX Settlement must Transmit a Message to the Participant Offeror seeking authorisation for the release from the Offer Accepted Subposition of the Financial Products specified in the Originating Message.

14.26.3 Participant Offeror to authorise or reject the release of Financial Products

If a Participant Offeror receives a Valid Message from ASX Settlement under Rule 14.26.2:

- (a) the Participant Offeror must, subject to paragraph (b), Transmit a Message to ASX Settlement, within the Scheduled Time, authorising or rejecting the release of Financial Products from the Offer Accepted Subposition; and
- (b) if the Holder of the Financial Products to which the acceptance relates is legally entitled to withdraw the acceptance, the Participant Offeror must Transmit, and the offeror must ensure that the Participant Offeror Transmits, to ASX Settlement a Valid Message under Rule 14.26.2 that authorises the release of those Financial Products.

14.26.4 ASX Settlement to release Financial Products

If ASX Settlement receives a Valid Message from a Participant Offeror under Rule 14.26.3 authorising the release of Financial Products from an Offer Accepted Subposition, ASX Settlement must release Financial Products from the Offer Accepted Subposition in accordance with the Originating Message.

14.26.5 Release of Financial Products from an Offeror Accepted Subposition initiated by Participant Offeror on behalf of a Holder

If Financial Products in a CHESS Holding have been reserved by ASX Settlement in an Offer Accepted Subposition, a release of the Financial Products from that Subposition by a Participant Offeror on behalf of a Participant Sponsored Holder may be initiated by a Valid Message that:

- (a) is Transmitted to ASX Settlement by the Participant Offeror;
- (b) specifies a Non-Takeover Offer Event Consideration Code for the Non-Takeover Offer Event;

(c) specifies the HIN for the Participant Sponsored Holding to be released from the Subposition; and

(d) specifies the number of Financial Products to be released from the Subposition.

14.26.6 ASX Settlement to release Financial Products

If ASX Settlement receives a Valid Message from a Participant Offeror under Rule 14.26.5 requesting the release of Financial Products from an Offer Accepted Subposition, ASX Settlement must release Financial Products from the Offer Accepted Subposition in accordance with the Originating Message.

14.26.7 Application of Rules

Rules 14.26.8 to 14.26.9 apply if Financial Products in a CHES Holding are released from an Offer Accepted Subposition in accordance with a Message Transmitted by the Participant Offeror under Rule 14.26.5

14.26.8 Warranty by Participant Offeror

The Participant Offeror is taken to have warranted that:

(a) the Holder was legally entitled or authorised; and

(b) the Participant Offeror was authorised by the Holder,

to initiate the release of Financial Products from the Subposition.

14.26.9 Participant Offeror to Indemnify

If a Participant Offeror is taken under Rule 14.26.8 to have warranted that:

(a) the Holder was legally entitled or authorised to initiate the release of Financial Products from the Subposition; or

(b) the Participant Offeror was authorised by the Holder to initiate the release of Financial Products from the Subposition,

and the Holder was not legally entitled or authorised, or the Participant Offeror was not so authorised by the Holder, the Participant Offeror indemnifies:

(c) the offeror;

(d) the Issuer;

(e) the Controlling Participant;

(f) ASX Settlement; and

(g) the Holder (in the case of paragraph (b)).

against all losses, damages, costs and expenses arising from that Holder or the Participant Offeror not having been so legally entitled or authorised.

14.27 TRANSFERS PURSUANT TO NON-TAKEOVER OFFER EVENT ACCEPTANCES

14.27.1 Non-Takeover Offer Event Transfers of Financial Products completed by Valid Message

A Non-Takeover Offer Event Transfer of Financial Products in relation to a Non-Takeover Offer Event may be completed by a Valid Message that:

- (a) is Transmitted to ASX Settlement by the Participant Offeror for the Non-Takeover Offer Event;
- (b) specifies a Source Holding that contains Financial Products reserved in a Subposition in favour of the Participant Offeror;
- (c) specifies the Non-Takeover Offer Event Transferee Holding as the Target Holding; and
- (d) specifies the number of Financial Products in the Source Holding to be Transferred.

14.27.2 Actions by ASX Settlement

If a Message Transmitted to ASX Settlement complies with Rule 14.27.1 and:

- (a) there are sufficient Financial Products in the Source Holding reserved in an Offer Accepted Subposition in favour of the Participant Offeror; 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.

14.27.3 Time at which Non-Takeover Offer Event Transfer takes effect

If a Non-Takeover Offer Event Transfer is:

- (a) initiated by a Message under Rule 14.24.2; and
- (b) completed by a Message under Rule 14.27.1,

the Non-Takeover Offer Event Transfer:

- (c) takes effect when, under Rule 14.27.2, ASX Settlement deducts the Financial Products from the Source Holding; and
- (d) is taken to be effected by:
 - (i) the Message under Rule 14.24.2; and
 - (ii) the Participant that Transmits the Message.

14.28 WARRANTIES AND INDEMNITIES BY A PARTICIPANT OFFEROR

14.28.1 Application of Rules

Rules 14.28.2 to 14.28.4 apply to the completion of a Non-Takeover Offer Event Transfer by the Participant Offeror under Rule 14.27.1.

14.28.2 Participant Offeror as offeror

If the Participant Offeror is the offeror under the Non-Takeover Offer Event, the Participant Offeror is taken to have warranted that the offeror was legally entitled or authorised to complete the Non-Takeover Offer Event Transfer.

14.28.3 If Participant Offeror is not the offeror

If the Participant Offeror is not the offeror under the Non-Takeover Offer Event, the Participant Offeror is taken to have warranted that:

- (a) the offeror was legally entitled and authorised; and
- (b) the Participant Offeror was authorised by the offeror,

to complete the Non-Takeover Offer Event Transfer.

14.28.4 Participant Offeror to indemnify

If the Participant Offeror is taken, under Rule 14.28.2 or 14.28.3, to have warranted that:

- (a) the offeror was legally entitled or authorised to complete the Non-Takeover Offer Event Transfer; or
- (b) the Participant Offeror was authorised by the offeror to complete the Non-Takeover Offer Event Transfer, and

the offeror was not so legally entitled or authorised, or the Participant Offeror was not so authorised, the Participant Offeror indemnifies:

- (c) the Holder;
- (d) the Controlling Participant for the Source Holding;
- (e) the Issuer;
- (f) ASX Settlement; and
- (g) the offeror (in the case of paragraph (b)).

against all losses, damages, costs and expenses arising from that offeror or Participant Offeror not having been so legally entitled or authorised.

14.29 LAPSE OF OFFERS UNDER A NON-TAKEOVER OFFER EVENT

14.29.1 Participant Offeror to notify ASX Settlement of effect of defeating conditions

After the end of the offer period for a Non-Takeover Offer Event in relation to a class of Approved Financial Products, the Participant Offeror must, within the Scheduled Time, notify ASX Settlement of:

- (a) any acceptances of offers under the offer; and
- (b) any binding contracts that have resulted from such acceptances,

that are avoided because of the existence of a defeating condition, and, in respect of any such acceptances and contracts, ASX Settlement must release Financial Products in that class from Offer Accepted Subpositions in relation to that Non-Takeover Offer Event.

14.29.2 Participant Offeror to indemnify ASX Settlement

The Participant Offeror indemnifies ASX Settlement in respect of all losses, damages, costs and expenses that ASX Settlement may suffer or incur as a result of ASX Settlement acting in accordance with the instructions of the Participant Offeror.

14.30 FINALISATION OF OFFERS UNDER A NON-TAKEOVER OFFER EVENT

14.30.1 ASX Settlement to release Financial Products

After the end of the offer period for a Non-Takeover Offer Event in relation to a class of Approved Financial Products, ASX Settlement must, if Rule 14.29.1 does not apply, release Financial Products from any remaining Offer Accepted Subpositions in relation to that Non-Takeover Offer Event at the request of the Participant Offeror, subject to agreement by ASX Settlement.

SECTION 15 DVP [BATCH](#) SETTLEMENT OF ALLOCATIONS IN RESPECT OF INITIAL PUBLIC OFFERINGS

This Section is concerned with the processing of Allocation Components for an Offer of Approved Financial Products and the processing of Allocation Interests in DvP [Batch](#) Settlement including:

- (a) the pre-requisites that must be met by an Issuer before an Allocation Component may be processed in DvP [Batch](#) Settlement;
- (b) the establishment of Records and Holdings of Allocation Interests and access to these Holdings by Participants and Issuers;
- (c) the legal relationship between Issuers, Participants and applicants and the responsibilities of Participants and Issuers in relation to the transfer of Allocation Interests including the giving of warranties and indemnities;
- (d) the requirements that must be met by Participants and Issuers in respect of the processing of Allocation Interests in DvP [Batch](#) Settlement and the Issue of Financial Products; and
- (e) the limitation of ASX Settlement's liability with respect to the processing of applications and application monies, the Transfer of Allocation Interests to applicants and the Issue of Financial Products.

15.1 APPLICATION OF SECTION 15

15.1.1 Effect of Section 15

This Section 15 regulates:

- (a) the processing of an Allocation Component as a class of transactions in DvP [Batch](#) Settlement;
- (b) the Transfer of Allocation Interests by Participants to applicants; and
- (c) the Issue of Approved Financial Products in respect of those Allocation Interests,

and the Rules apply to an Issuer and Participants who process an Allocation Component in DvP [Batch](#) Settlement other than as specifically modified by this Section.

Introduced 11/03/04 Origin SCH 5A.1 Amended 04/03/13

15.2 ISSUER REQUEST TO PROCESS ALLOCATION COMPONENT IN DVP [BATCH](#) SETTLEMENT

15.2.1 Issuer to give Notice

If:

- (a) an Issuer makes available forms of application for an Offer of Approved Financial Products; and
- (b) the Approved Listing Market Operator gives that Issuer approval for quotation of those Financial Products,

the Issuer may give Notice to ASX Settlement that it wishes to process an Allocation Component of that Offer as a class of transactions in DvP [Batch](#) Settlement.

Introduced 11/03/04 Origin SCH 5A.2.1 Amended 27/06/11

15.3 PREREQUISITES FOR PROCESSING ALLOCATION COMPONENT IN DVP [BATCH](#) SETTLEMENT

15.3.1 Issuer's conditions for processing Allocation Component

For an Allocation Component to be processed in DvP [Batch](#) Settlement, the Issuer must meet the following conditions:

- (a) the Allocation Component must be admitted to DvP [Batch](#) Settlement as a class of transactions under Rule 10.4.1;
- (b) the Issuer must be admitted as a Participant or appoint a Participant as an agent to act on its behalf;
- (c) the Issuer must establish a Payment Facility for the purpose of receiving application monies in DvP Batch Settlement and give Notice to ASX Settlement in respect of that Payment Facility; [and](#)
- (d) the Issuer must establish a Settlement Account and enter into it the number of Allocation Interests that represent the Allocation Component; ~~and~~
- ~~(e) if the Issuer intends to process the Allocation Component in DvP Real Time Gross Settlement, the additional requirements for Real Time Gross Settlement of a transaction that are set out in Section 11 must be complied with.~~

Note: An Issuer may appoint an agent to operate a Payment Facility on its behalf, in the name of the Issuer. The Payment Facility may only be used for the receipt of application monies.

Introduced 11/03/04 Amended 05/12/19 Origin SCH 5A.3.1

15.4 ADMISSION OF ALLOCATION COMPONENT AS BATCH INSTRUCTION

15.4.1 Allocation Component processed in DvP [Batch](#) Settlement

If ASX Settlement is satisfied that the conditions in Rule 15.3 have been met, the Allocation Component may be processed in DvP [Batch](#) Settlement, and transactions in the Allocation Interests are Batch Instructions under Rule 10.4.1(c), subject to the provisions of this Section 15.

Introduced 11/03/04 Origin SCH 5A.4.1

15.5 RECORD OF ALLOCATION INTERESTS

15.5.1 Establishment of records of Allocation Interests

When ASX Settlement admits an Allocation Component as a class of transactions to DvP [Batch](#) Settlement under this Section 15, the Issuer:

- (a) irrevocably authorises ASX Settlement to establish and administer a CHESSE record of Allocation Interests;
- (b) acknowledges that ASX Settlement acts as its agent in administering that CHESSE record in accordance with this Section 15; and
- (c) must establish an Issuer operated record of Allocation Interests.

Notwithstanding anything else in the Rules or the Corporations Act, a record of Allocation Interests established under this Rule 15.5 does not form part of an Issuer's principal register of Financial Products.

Introduced 11/03/04 Origin SCH 5A.5.1, 5A.5.2

15.6 RECORD OF APPLICATIONS

15.6.1 ASX Settlement entitled to assume adequate records kept

ASX Settlement is entitled to assume that an Issuer that processes an Allocation Component as a class of transactions in DvP [Batch](#) Settlement has made arrangements with each relevant Participant to keep adequate records in respect of:

- (a) applications;
- (b) application monies; and
- (c) Holdings of Allocation Interests established under this Section.

Introduced 11/03/04 Origin SCH 5A.6.1

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15.9 TRANSFERS OF ALLOCATION INTERESTS BOUND BY THE RULES

15.9.1 Transfer of Allocation Interests not a proper ASTC Transfer

Notwithstanding that a Transfer of Allocation Interests does not constitute a proper ASTC Transfer, an Issuer and Participants that process an Allocation Component in DvP [Batch](#) Settlement agree to be bound by these Rules as if Allocation Interests were "financial products" under the Corporations Act.

Introduced 11/03/04 Origin SCH 5A.7.1 Amended 18/12/06

15.10 HOLDINGS OF ALLOCATION INTERESTS

15.10.1 Participants bound by the Rules

Notwithstanding that a record of Allocation Interests does not form part of an Issuer's principal register of Financial Products, an Issuer and Participants that process an Allocation Component in DvP [Batch](#) Settlement agree to be bound by these Rules as if a record of Allocation Interests were a CHESSE Subregister or an Issuer Operated Subregister, as the case requires.

Introduced 11/03/04 Origin SCH 5A.7.2

15.11 PROCESSING OF ALLOCATION COMPONENT IN DVP [BATCH](#) SETTLEMENT

15.11.1 Sections 10 ~~and 11~~ [applies](#) to an Allocation Component

The provisions of Section 10 ~~and, if applicable, Section 11~~ apply to the processing of an Allocation Component in Batch Settlement ~~or Real Time Gross Settlement, as the case requires,~~ as if a reference to "Financial Products" were a reference to "Allocation Interests", other than as specifically modified by this Section.

Introduced 11/03/04 Origin SCH 5A.8.1

15.12 PROCESSING OF ALLOCATION INTERESTS IN DVP [BATCH](#) SETTLEMENT

15.12.1 Participant's agreement with Issuer

A Participant that processes Allocation Interests in DvP [Batch](#) Settlement is taken to have agreed with the Issuer that in consideration of receiving an Allocation Component it will:

- (a) process applications and enter applicant registration details in respect of that Offer on the Issuer's behalf; and
- (b) submit application monies to the Issuer in DvP [Batch](#) Settlement for relevant applicants.

Introduced 11/03/04 Origin SCH 5A.9.1

15.13 REQUIREMENT TO SPECIFY SOURCE HOLDING

15.13.1 Issuer to specify Source Holding

An Issuer that processes Allocation Interests in DvP [Batch](#) Settlement may only enter:

- ~~(a)~~ a [Bilateral Dual Entry](#) 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 [Batch](#) Settlement irrevocably authorises ASX Settlement to:

- (a) effect a movement of Allocation Interests in respect of each [Bilateral Dual Entry](#) 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

15.15 TRANSFER OF ALLOCATION INTERESTS AND ISSUE OF FINANCIAL PRODUCTS

15.15.1 Participants to transfer Allocation Interests in sufficient time

A Participant that processes Allocation Interests in DvP [Batch](#) Settlement must Transfer Allocation Interests to applicants in sufficient time to enable the Issuer to Issue Financial Products to the relevant applicants in accordance with Rules 15.27 and 15.28.

Introduced 11/03/04 Origin SCH 5A.9.4 Amended 04/03/13

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15.18 IDENTIFICATION OF [BILATERAL DUAL ENTRY](#) BATCH MESSAGES AND TRANSFERS OF ALLOCATION INTERESTS

15.18.1 Issuer or Participant to specify the transaction

In every:

- (a) [Bilateral Dual Entry](#) 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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15.21 PARTICIPANT AS PRINCIPAL OR AS AGENT OF APPLICANT

15.21.1 Where a Participant pays an amount to an Issuer

A Participant who pays an amount to an Issuer and receives Allocation Interests in DvP [Batch](#) Settlement makes that payment and receives those Allocation Interests:

- (a) as principal; or

- (b) where the Participant is in receipt of application monies, as agent for the relevant applicant.

Introduced 11/03/04 Origin SCH 5A.12.1

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15.30 INABILITY TO PROCESS ALLOCATION COMPONENT IN DVP SETTLEMENT

15.30.1 Participant to forward application and application monies

If:

- (a) ASX Settlement removes an Allocation Component from DvP [Batch](#) Settlement under Rule 10.4.7-~~or 11.1.2~~; or
- (b) ASX Settlement imposes Restrictions on the participation of a non-compliant Participant under Rule 12.19.1(a),

and as a result a Participant is unable to process an Allocation Component in DvP [Batch](#) Settlement, the Participant must immediately forward any applications and application monies to the relevant Issuer in order that the Issuer may process those applications prior to the Issue Date for the relevant Approved Financial Products.

Introduced 11/03/04 Origin SCH 5A.19.1 Amended 04/03/13

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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; or
 - ~~(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~~
 - (iii) 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; or 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

16.19 CANCELLATION OR CHANGE OF A VALID MESSAGE OR INSTRUCTION

16.19.1 ASX Settlement to notify of changed or cancelled Messages and Instructions

Except as provided by Rules ~~10.9.5, 11.12.6 and 11.16.4~~, if in accordance with these Rules:

- (a) a Participant; or
 - (b) ASX Settlement,
- cancels or changes either:
- (c) a Valid Message; or

(d) an Instruction,

ASX Settlement must notify:

(e) the delivering Participant; and

(f) the receiving Participant

of that fact.

Introduced 11/03/04 Origin SCH 4.22.19, 4.6.3

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16.22 PROCESSING MESSAGES DURING THE SETTLEMENT PROCESSING PHASE

16.22.1 ASX Settlement will not process Messages

ASX Settlement will not process during the Settlement Processing Phase:

(a) a Message requesting a Demand Report or a Standing Report; or

(b) a Message that will effect a change to the Holding Balance of any CHES Holding other than a Message that initiates a Settlement Transfer,

Messages that initiate Settlement Transfers in connection with Batch Settlement will only be processed by ASX Settlement during the Settlement Processing Phase.

If, on any Business Day, ASX Settlement receives between Start of Day and Settlement Cut-off

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~~(c) a Valid Message Transmitted by an Issuer to effect a Financial Products Transformation or a Holding Adjustment; or~~

~~(d) a Valid Message Transmitted by ASX Clear or a CHES Offeror to effect a Transfer of Financial Products reserved in a Subposition from a CHES Holding.~~

ASX Settlement will not process the Message until after that day's Settlement Processing Phase has been completed.

If ASX Settlement receives a Valid Message Transmitted by a Facility User after End of Day on a Trading Day, ASX Settlement will not process that Message until after Start of Day on the following Trading Day.

Introduced 11/03/04 Origin SCH 4.9.3, 4.9.4, 4.9.5, 4.9.6 Amended 19/08/09

SECTION 18 SETTLEMENT OF AQUA PRODUCTS

This Section contains rules relating specifically to the settlement of AQUA Products including:

- (a) processing of requests for issue and redemption of AQUA Products ~~and requests to Switch between AQUA Products;~~
- (b) cancellation of requests for issue or redemption of AQUA Products ~~or Switch;~~
- (c) notification of changes to details for requests for issue or redemption ~~or Switch~~ of AQUA Products; and
- (d) actions that ASX Settlement may take in the event of failure by a Product Issuer Settlement Participant to settle issues and redemptions of AQUA Products; ~~and~~
- ~~(e) the provision of distribution and re-investment advices to Holders of AQUA Products.~~

18.1 APPLICATION OF RULES TO AQUA PRODUCTS

18.1.1 Application of Section 18

This Section 18 applies to the processing of requests for issue and redemption of AQUA Products as a class of transaction in Batch Settlement. AQUA Products must be settled in accordance with this Section 18. This Section 18 does not apply in relation to Financial Products which are not AQUA Products.

18.1.2 Compliance with Rules other than Section 18

Subject to the modifications specified in Rule 18.13, a Facility User must, in respect of AQUA Products, comply with all Rules to the extent those Rules apply to AQUA Products.

18.1.3 Conflict between Rules

If there is a conflict between a provision of this Section 18 and any other provision of these Rules, the provision of this Section 18 will prevail to the extent of the conflict.

18.2 SETTLEMENT PROCESS

18.2.1 Transactions

Transactions in relation to AQUA Products which may be settled through the Settlement Facility in Batch Settlement are payments in respect of the issue or redemption of AQUA Products.

18.2.2 Process

Payments in respect of the issue or redemption of AQUA Products are to be settled in Batch Settlement as follows:

- (a) for issue of AQUA Products, on a 'payment then delivery' basis; and

(b) for redemption of AQUA Products, on a 'delivery then payment' basis,

in accordance with the provisions of this Section 18 and all other applicable provisions of these Rules.

18.3 REQUESTS FOR ISSUE OR REDEMPTION OF AQUA PRODUCTS

18.3.1 Initiation of request

A Settlement Participant may initiate a request for issue or redemption of AQUA Products by Transmitting to ASX Settlement a Valid Originating Message before Fund Request Cut-Off in accordance with the Procedures. In addition to the matters specified in the Procedures the Valid Originating Message in respect of an application for issue of AQUA Products must include:

- (a) confirmation that the requirements of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) have been satisfied; and
- (b) confirmation that the Holder has received a copy of the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) for the AQUA Products referred to in Rule [4652] of the ASX Operating Rules and the date of that Product Disclosure Statement or Combined Product Disclosure Statement (as applicable).

Amended 06/02/17

18.3.2 Initiating Settlement Participant to be Controlling Participant

A Settlement Participant may only initiate a request for [issue or](#) redemption of AQUA Products ~~in for~~ a CHESS Holding in respect of which it is the Controlling Participant.

18.3.3 Product Issuer Settlement Participant to accept or reject request

If a Valid Originating Message Transmitted to ASX Settlement complies with Rule 18.3.1:

- (a) ASX Settlement must, within the Scheduled Time, Transmit a Message to the relevant Product Issuer Settlement Participant to notify it of the details of the request specified in the Valid Originating Message;
- (b) the Product Issuer Settlement Participant must, subject to Rule 18.3.3(c) and within the Scheduled Time, Transmit a Valid Message to ASX Settlement accepting or rejecting ~~(or, in the case of requests for redemption only, deferring)~~ the request and specifying the information required by the Procedures; and
- (c) the Product Issuer Settlement Participant must reject a request for issue of AQUA Products pursuant to Rule 18.3.3(b) where the AQUA Product Issuer must not issue the AQUA Products pursuant to Rule 10A.4.5(e) of the ASX Operating Rules.

Amended 15/08/16, 06/02/17

18.3.4 ASX Settlement to notify Settlement Participant

If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.3.3(b), ASX Settlement must Transmit a Message to the Settlement Participant that initiated the request notifying it that the request has been accepted or rejected ~~(or, in the case of requests for redemption only, deferred)~~, as the case requires.

Amended 15/08/16

18.3.5 ~~Deemed rejection~~ Removal of requests ~~—[Deleted]~~

Without limiting Rule 18.3.3(b), if the Product Issuer Settlement Participant has not Transmitted a Valid Message to ASX Settlement pursuant to Rule 18.3.3(b) by the Scheduled Time, ASX Settlement may:

- (a) cancel and remove any requests for the issue or redemption for AQUA Products that have not been accepted or rejected in accordance with Rule 18.3.3(b); and
- (b) notify the Settlement Participant that initiated the request for issue or redemption of AQUA Products that the request has been cancelled.

~~Deleted 15/08/16~~

18.3.6 Accepted request to result in AQUA Payment Batch Instruction and Holding Adjustment

If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.3.3(b) accepting a request for issue or redemption of AQUA Products:

- (a) ASX Settlement must:
 - (i) schedule an AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, for settlement in Batch Settlement on the Settlement Date as determined by ASX Settlement (in the case of an AQUA Application Payment Batch Instruction) or as specified in the Valid Message Transmitted by the Product Issuer Settlement Participant in accordance with Rule 18.3.3(b) (in the case of an AQUA Redemption Payment Batch Instruction); and
 - (ii) Transmit a Message to the Settlement Participant that initiated the request and the Product Issuer Settlement Participant notifying them that an AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, has been scheduled for settlement; and
- (b) the Product Issuer Settlement Participant must, within the Scheduled Time (or, in the case of a request for issue only, by the rescheduled date (if any) notified in accordance with Rule 18.7), Transmit to ASX Settlement a Valid Message in accordance with the Procedures that initiates a Holding Adjustment to increase or decrease, by the number of AQUA Products determined by the Product Issuer Settlement Participant in respect of the request for issue or redemption, as the case requires, the Holding Balance of the CHES Holding specified in the Originating Message.

Amended 15/08/16

18.3.6A Product Issuer Settlement Participant to provide certain information prior to issue or redemption of AQUA Products

If the Product Issuer Settlement Participant accepts a request for issue or redemption of AQUA Products in accordance with Rule 18.3.3(b):

- (a) the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Valid Message to ASX Settlement notifying it of the information specified in the Procedures; and

- (b) ASX Settlement must, within the Scheduled Time, Transmit a Message to the Settlement Participant that initiated the request for issue or redemption of AQUA Products notifying it of the information received from the Product Issuer Settlement Participant in accordance with Rule 18.3.6A(a).

Introduced 15/08/16

18.3.7 Notifications to prospective investor clients

If a Settlement Participant receives a Message under Rules 18.3.6(a)(ii), 18.3.6A(b), 18.4.4(a), 18.5.1, or 18.7.2(a), it must:

- (a) where the Settlement Participant is also the Trading Participant through which the request for issue or redemption of AQUA Products was initiated on behalf of the client investor, promptly communicate the relevant information to the client; or
- (b) where the Settlement Participant is acting as Settlement Agent for the Trading Participant through which the request for issue or redemption of AQUA Products was initiated on behalf of the client investor, promptly communicate the relevant information to that Trading Participant.

Amended 15/08/16

18.3.8 Obligations of Participants in relation to AQUA Payment Batch Instructions

The obligation or entitlement, as the case requires, of a Settlement Participant that initiates a request for issue or redemption of AQUA Products and the Product Issuer Settlement Participant that accepts the request for issue or redemption, to pay or receive an amount in accordance with the AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction scheduled in accordance with Rule 18.3.6(a)(i), are owed to each other as principals, even if one or both of the Participants is acting on behalf of another person in relation to the instruction.

Note: A Settlement Participant that initiates a request for issue or redemption of AQUA Products will be liable for any failure or inability by a Third Party Provider to comply with the Rules. Refer also to Rule 2.4 and Rule 16.17.

18.3.9 Representation by Settlement Participants

Where a Settlement Participant Transmits a Valid Originating Message to ASX Settlement under Rule 18.3.1, the Settlement Participant is taken to represent for the benefit of the relevant AQUA Product Issuer that:

- (a) where the Settlement Participant is also the Trading Participant through which the request for issue of AQUA Products was initiated on behalf of the client investor:
 - i. the Settlement Participant gave the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) referred to in Rule 18.3.1(b) to the client;
 - ii. the requirements of Part 2 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) in relation to the client investor have been satisfied; and

- iii. the Settlement Participant has complied with any other matters as set out in the Procedures,

prior to accepting the client's instruction to initiate the request; or

- (b) where the Settlement Participant is acting as Settlement Agent for the Trading Participant through which the request for issue of AQUA Products was initiated on behalf of the client investor, the Settlement Participant has received confirmation from the Trading Participant that:

- i. the Trading Participant gave the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) referred to in Rule 18.3.1(b) to the client;
- ii. the requirements of Part 2 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) in relation to the client investor have been satisfied; and
- iii. the Trading Participant has complied with any other matters as set out in the Procedures,

prior to accepting the client's instruction to initiate the request.

Amended 06/02/17

18.4 REQUESTS TO SWITCH BETWEEN AQUA PRODUCTS – ~~[DELETED]~~

18.4.1 Initiation of request – ~~[Deleted]~~

~~A Settlement Participant may initiate a request to Switch between AQUA Products by Transmitting to ASX Settlement a Valid Originating Message before Fund Request Cut Off in accordance with the Procedures. In addition to the matters specified in the Procedures the Valid Originating Message must include confirmation that the Holder has received a copy of the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) for the AQUA Products referred to in Rule [4652] of the ASX Operating Rules and the date of that Product Disclosure Statement or Combined Product Disclosure Statement (as applicable).~~

~~Amended 06/02/17~~

18.4.2 Initiating Settlement Participant to be Controlling Participant – ~~[Deleted]~~

~~A Settlement Participant may only initiate a request to Switch between AQUA Products in CHESS Holdings which are referable to the same Holder and in respect of which it is the Controlling Participant.~~

18.4.3 Product Issuer Settlement Participant to accept or reject request – ~~[Deleted]~~

~~If a Valid Originating Message Transmitted to ASX Settlement complies with Rule 18.4.1:~~

- ~~(a) ASX Settlement must, within the Scheduled Time, Transmit a Message to the relevant Product Issuer Settlement Participant to notify it of the details of the request specified in the Valid Originating Message;~~

- ~~(b) — the Product Issuer Settlement Participant must, subject to Rule 18.4.3(c) and within the Scheduled Time, Transmit a Valid Message to ASX Settlement accepting, rejecting or deferring the request and specifying the information required by the Procedures; and~~
- ~~(c) — the Product Issuer Settlement Participant must reject a request for Switch between AQUA Products pursuant to Rule 18.4.3(b) where the AQUA Product Issuer must not issue the AQUA Products pursuant to Rule 10A.4.5(c) of the ASX Operating Rules.~~

~~Amended 15/08/16, 06/02/17~~

18.4.4 ASX Settlement to notify Settlement Participant— ~~[Deleted]~~

~~If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.4.3(b):~~

- ~~(a) — ASX Settlement must Transmit a Message to the Settlement Participant that initiated the request notifying it that the request has been accepted, rejected or deferred, as the case requires; and~~
- ~~(b) — if the request has been accepted, the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit to ASX Settlement Valid Messages in accordance with the Procedures that initiate Holding Adjustments to increase and decrease, by the number of AQUA Products determined by the Product Issuer Settlement Participant in respect of the request to Switch between AQUA Products, as the case requires, the Holding Balance of each CHESS Holding specified in the Valid Originating Message.~~

~~Amended 15/08/16~~

18.4.5 Deemed rejection of request – ~~[Deleted]~~

~~Deleted 15/08/16~~

18.4.6 Representation by Settlement Participants— ~~[Deleted]~~

~~Where a Settlement Participant Transmits a Valid Originating Message to ASX Settlement under Rule 18.4.1, the Settlement Participant is taken to represent for the benefit of the relevant AQUA Product Issuer that:~~

- ~~(a) — where the Settlement Participant is also the Trading Participant through which the request to switch between AQUA Products was initiated on behalf of the client investor:
 - ~~i. — the Settlement Participant gave the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) referred to in Rule 18.4.1 to the client; and~~
 - ~~ii. — the Settlement Participant has complied with any other matters as set out in the Procedures;~~~~
- ~~— prior to accepting the client’s instruction to initiate the request; or~~
- ~~(b) — where the Settlement Participant is acting as Settlement Agent for the Trading Participant through which the request to switch between AQUA Products was initiated~~

~~on behalf of the client investor, the Settlement Participant has received confirmation from the Trading Participant that:~~

- ~~i. the Trading Participant gave the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) referred to in Rule 18.4.1 to the client; and~~
- ~~ii. the Trading Participant has complied with any other matters as set out in the Procedures;~~

~~_____ prior to accepting the client's instruction to initiate the request.~~

~~Amended 06/02/17~~

18.5 CANCELLATION OF REQUESTS BY PRODUCT ISSUER SETTLEMENT PARTICIPANT

18.5.1 Cancellation of accepted issue or redemption requests

If, within the Scheduled Time, a Product Issuer Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request for issue or redemption of AQUA Products that the Product Issuer Settlement Participant accepted ~~(or, in the case of requests for redemption only, deferred)~~ in accordance with Rule 18.3.3(b), ASX Settlement will:

- (a) cancel and remove from Batch Settlement any unsettled AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction scheduled in accordance with Rule 18.3.6(a)(i) or rescheduled in accordance with Rule 18.7.2(b)(i) that relates to the request; and
- (b) notify the Settlement Participant that initiated the request for issue or redemption of AQUA Products that the request has been cancelled and that any unsettled AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction that relates to the request has been removed from Batch Settlement.

Amended 15/08/16

18.5.2 Cancellation of accepted request to Switch – ~~[Deleted]~~

~~If, within the Scheduled Time, a Product Issuer Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request to Switch between AQUA Products that the Product Issuer Settlement Participant accepted or deferred in accordance with Rule 18.4.3(b), ASX Settlement will~~

~~notify the Settlement Participant that initiated the request to Switch between AQUA Products that the request has been cancelled.~~

~~Amended 15/08/16~~

18.6 CANCELLATION OF REQUEST BY APPLICANT

18.6.1 Cancellation request to be accepted or rejected by Product Issuer Settlement Participant

If, within the Scheduled Time, a Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of:

~~(a) a request for redemption of AQUA Products, or~~

~~(b) a request to Switch between AQUA Products,~~

~~then: at the Settlement Participant initiated and the Product Issuer Settlement Participant deferred in accordance with Rule 18.3.3(b) or Rule 18.4.3(b):~~

(a) ASX Settlement must, within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation request; and

(b) the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Valid Message in accordance with the Procedures to ASX Settlement accepting or rejecting the cancellation request and specifying the information required by the Procedures.

Amended 15/08/16

18.6.1A Cancellation of request for issue

If, within the Scheduled Time, a Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request for the issue of AQUA Products, ASX Settlement must:

(a) within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation of the request; and

(b) Transmit a Message to the Settlement Participant notifying it of the cancellation of the request for issue.

18.6.2 ASX Settlement to notify Settlement Participant

If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.6.1(d), ASX Settlement must Transmit a Message to the Settlement Participant that initiated the cancellation request notifying it that the request has been accepted or rejected.

18.6.3 Deemed rejection of request – [Deleted]

Deleted 15/08/16

18.7 NOTIFICATION OF CHANGE OF ISSUE OR REDEMPTION DETAILS BY PRODUCT ISSUER SETTLEMENT PARTICIPANT

18.7.1 Product Issuer Settlement Participant to notify change of details

A Product Issuer Settlement Participant that has accepted:

~~(a) a request for issue or redemption of AQUA Products in accordance with Rule 18.3.3(b); or~~

~~(b) a request to Switch between AQUA Products in accordance with Rule 18.4.3(b);~~

may notify the Settlement Participant that initiated the request of changes to details of matters relating to the request, as specified in the Procedures, by Transmitting to ASX Settlement, within the Scheduled Time, a Valid Message in accordance with the Procedures.

[If ASX Settlement receives a Valid Message in accordance with this Rule 18.7.1, it will notify the Settlement Participant that initiated the request for issue or redemption of AQUA Products of the changes to those details.](#)

Amended 15/08/16

18.7.2 ASX Settlement to notify applicant and reschedule payment instructions

If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.7.1, ASX Settlement must:

- (a) Transmit a Message to the Settlement Participant that initiated the request notifying it of the changed details advised by the Product Issuer Settlement Participant; and
- (b) if the Product Issuer Settlement Participant has notified a change to the Settlement Date for payment in respect of a request for issue or redemption of AQUA Products:
 - (i) reschedule the AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, for settlement in Batch Settlement on the Settlement Date specified in the Message Transmitted by the Product Issuer Settlement Participant in accordance with Rule 18.7.1; and
 - (ii) Transmit a Message to the Settlement Participant that initiated the request and the Product Issuer Settlement Participant notifying them that the AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, has been rescheduled.

18.8 FAILURE TO SETTLE

18.8.1 Reminder notices – Holding Adjustment in respect of request for issue

If a Product Issuer Settlement Participant fails to initiate a Holding Adjustment in respect of a request for issue of AQUA Products in accordance with Rule 18.3.6(b) ~~or a request for to Switch under Rule 18.4.4(b)~~, ASX will, on each Business Day until the Product Issuer Settlement Participant initiates a Holding Adjustment in respect of the request in accordance with Rule 18.3.6(b) or Rule 18.4.4(b), Transmit a Message to the Product Issuer Settlement Participant reminding it of its obligation to initiate a Holding Adjustment.

18.8.2 Fee payable for reminder notice

A Product Issuer Settlement Participant is liable to pay a fee, as specified in the Fees and Charges Schedule, in respect of each Message Transmitted to it by ASX Settlement in accordance with Rule 18.8.1.

18.8.3 Failure to settle – action by ASX Settlement

If a Product Issuer Settlement Participant:

- (a) reschedules in accordance with Rule 18.7:
 - (i) the date for delivery of AQUA Products to an applicant for issue of AQUA Products; or
 - (ii) the Settlement Date for payment in respect of a request for redemption of AQUA Products,
 - on three or more occasions; or
- (b) fails to:
 - (i) initiate a Holding Adjustment in respect of a request for issue of AQUA Products in accordance with Rule 18.3.6(b); or
 - (ii) settle an AQUA Redemption Payment Batch Instruction in Batch Settlement when scheduled for settlement in accordance with Rule 18.3.6(a)(i) or Rule 18.7.2(b)(i),

ASX Settlement may:

- (c) impose Restrictions on;
- (d) suspend for a period; or
- (e) terminate,

the participation of the Product Issuer Settlement Participant in accordance with Rule 10.15 and Section 12 of these Rules (as applicable). ASX Settlement may, in its absolute discretion, impose Restrictions on or suspend the participation of a Product Issuer Settlement Participant generally (that is, in respect of all classes of AQUA Products in relation to which it is authorised) or in respect of one or more classes of AQUA Products in relation to which it is authorised (as specified by ASX Settlement in a Notice to the Product Issuer Settlement Participant).

18.8.4 Inability to process AQUA Products in Batch Settlement

If:

- (a) ASX Settlement removes one or more AQUA Products, or AQUA Payment Batch Instructions in relation to one or more AQUA Products, from Batch Settlement under Rule 10.4.7; or

- (b) ASX Settlement imposes Restrictions on the participation of a Settlement Participant under Section 12,

and as a result a Settlement Participant is unable to process requests for issue of AQUA Products in Batch Settlement, the Settlement Participant must, subject to applicable law and the instructions of the person entitled to any moneys held or payable by the Settlement Participant in connection with the request for issue, immediately forward any requests and moneys to the relevant Product Issuer Settlement Participant in order that the Product Issuer Settlement Participant may process those requests.

18.8.5 No interference with Transfer of AQUA Products

Issuers of AQUA Products and Product Issuer Settlement Participants must not prevent, delay or in any way interfere with the Transfer of AQUA Products.

18.9 REQUEST FOR INCOME ADVICE – ~~[Deleted]~~

18.9.1 Initiation of request – ~~[Deleted]~~

~~A Settlement Participant may initiate a request for income advice for AQUA Products in a CHESS Holding for which it is the Controlling Participant by Transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.~~

~~Introduced 15/08/16~~

18.9.2 Product Issuer Settlement Participant to accept or reject request – ~~[Deleted]~~

~~If a Valid Originating Message Transmitted to ASX Settlement complies with Rule 18.9.1:~~

- ~~(a) ASX Settlement must, within the Scheduled Time, Transmit a Message to the relevant Product Issuer Settlement Participant to notify it of the details of the request specified in the Valid Originating Message; and~~
- ~~(b) the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Valid Message to ASX Settlement accepting or rejecting the request and specifying the information required by the Procedures.~~

~~Introduced 15/08/16~~

18.9.3 ASX Settlement to notify Settlement Participant – ~~[Deleted]~~

~~If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.9.2(b), ASX Settlement must Transmit a Message to the Settlement Participant that initiated the request notifying it that the request has been accepted or rejected, as the case requires.~~

~~Introduced 15/08/16~~

18.9.4 Accepted request to result in Product Issuer Settlement Participant providing income advice for each Holding – ~~[Deleted]~~

~~A Product Issuer Settlement Participant that has accepted a request for income advice in accordance with Rule 18.9.2(b) must advise, for each class of AQUA Products in relation to which it is authorised, details of:~~

- ~~(a) — income distribution entitlements in respect of each CHESS Holding of the AQUA Products where applicable; and~~
- ~~(b) — reinvestment of income distribution entitlements in respect of each CHESS Holding of the AQUA Products where applicable;~~

~~by Transmitting to ASX Settlement, within the Scheduled Time after each date for determining distribution entitlements in respect of the AQUA Products, a Valid Message that contains the details specified in the Procedures.~~

~~Amended 15/08/16~~

18.9.5 ASX Settlement to notify Controlling Participant – [Deleted]

~~If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.9.4, ASX Settlement must Transmit a Message to the Controlling Participant for each CHESS Holding of the AQUA Products notifying it of the distribution entitlement and reinvestment details advised by the Product Issuer Settlement Participant in accordance with Rule 18.9.4.~~

~~Amended 15/08/16~~

18.9.6 Cancellation of accepted request – [Deleted]

~~If a Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request for income advice that the Settlement Participant initiated and the Product Issuer Settlement Participant accepted in accordance with Rule 18.9.2(b):~~

- ~~(a) — ASX Settlement must, within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation request; and~~
- ~~(b) — the Product Issuer Settlement Participant must, within the Scheduled Time, implement the cancellation request.~~

~~Introduced 15/08/16~~

.....

18.12 GENERAL

18.12.1 Participant warrants that it holds properly documented instructions

A Settlement Participant that:

- (a) initiates a request for issue or redemption ~~or Switch~~ of AQUA Products;
- (b) requests cancellation of a request for redemption ~~or Switch~~ of AQUA Products;
- (c) initiates a request for income advice for AQUA Products or requests cancellation of a request for income advice for AQUA Products; or
- (d) initiates a request for a change to details of a Holder's standing instructions for the issue or redemption of AQUA Products,

on behalf of another person:

- (e) warrants to the Issuer that the Settlement Participant holds a properly documented instruction from that other person; and
- (f) must retain and produce on request by ASX Settlement copies of such instructions.

Amended 15/08/16

18.12.2 Processing of AQUA Products in Batch Settlement

A Settlement Participant that initiates on behalf of another person a request for issue or redemption ~~or Switch~~ of AQUA Products is taken to have agreed with the Product Issuer Settlement Participant that it will pay application moneys to the Product Issuer Settlement Participant and receive redemption moneys from the Product Issuer Settlement Participant in Batch Settlement on behalf of that other person.

18.12.3 Failure to respond to request

- (a) If a Product Issuer Settlement Participant fails to Transmit a Valid Message to ASX Settlement within the Scheduled Time in accordance with Rules 18.3.3(b), 18.4.3(b), 18.6.1(d), 18.9.2(b) or 18.9A.2(b), ASX Settlement may direct the Product Issuer Settlement Participant to Transmit the relevant Valid Message in accordance with Rule 18.3.3(b), 18.4.3(b), 18.6.1(d), 18.9.2(b) or 18.9A.2(b) (as applicable) within the time specified in the direction.
- (b) The Product Issuer Settlement Participant must comply with any direction received from ASX Settlement pursuant to Rule 18.12.3(a) within the time specified in the direction.

Introduced 15/08/16

18.13 SPECIFIC MODIFICATIONS TO RULES

18.13.1 Modifications

The following Rules apply in relation to AQUA Products and Issuers of AQUA Products subject to the modifications specified below:

- (a) Rules 5.12.2 and 5.12.3 apply as if references to “Issuer’s constitution” were references to the constitution or other governing document of the registered scheme under which the AQUA Products are constituted; ~~and~~
- (b) Rules 5.13.1 and 5.13.3 apply as if references to “total issued capital” for a class of Financial Products were references to the total number of issued Financial Products in a class of AQUA Products; and
- (c) Rule 5.19A applies as if references to “the Issuer” were references to the relevant “Product Issuer Settlement Participant”.

18.14 LIMITATION OF LIABILITY

18.14.1 ASX Settlement not in control of issue or redemption

Each Settlement Participant acknowledges that ASX Settlement does not control and cannot procure:

- (a) the issue or redemption of AQUA Products by Issuers;
- (b) the processing of requests for issue or redemption of AQUA Products, ~~or requests to Switch between AQUA Products,~~ by Product Issuer Settlement Participants;
- (c) the processing of requests for cancellation of requests for redemption of AQUA Products ~~or a Switch between AQUA Products,~~ by Product Issuer Settlement Participants;
- (d) the processing of requests for income advice for AQUA Products, or the accuracy or completeness of any such income advice for AQUA Products provided by Product Issuer Settlement Participants; or
- (e) the processing of requests for a change to details of a Holder's standing instructions for the issue or redemption of AQUA Products.

Amended 15/08/16

18.14.2 Limitation of ASX Settlement liability

ASX Settlement has no liability to:

- (a) Issuers;
- (b) Settlement Participants;
- (c) any client of a Settlement Participant that has lodged a request for issue or redemption ~~or Switch~~ of AQUA Products;
- (d) Holders of AQUA Products; or
- (e) any other person claiming an interest in AQUA Products,

with respect to any action or failure to take action by an Issuer, Product Issuer Settlement Participant or other Settlement Participant in connection with a request for issue or redemption ~~or Switch~~ of AQUA Products, including (without limitation):

- (f) an Issuer's failure to issue or redeem AQUA Products or to make available redemption moneys;
- (g) failure by a Product Issuer Settlement Participant or other Settlement Participant to deliver AQUA Products or to settle an AQUA Payment Batch Instruction;
- (h) failure by the Product Issuer Settlement Participant to provide an income advice for AQUA Products or the accuracy or completeness of any such income advice for AQUA Products provided by the Product Issuer Settlement Participant; or
- (i) failure by the Product Issuer to process a request for a change to details of a Holder's standing instructions for the issue or redemption of AQUA Products.

Amended 15/08/16

18.14.3 Product Issuer Settlement Participant to indemnify ASX Settlement

Each Issuer, Product Issuer Settlement Participant and other Settlement Participant indemnifies ASX Settlement against all expenses, losses, damages and costs that ASX Settlement may

sustain or incur in connection with any action or failure to take action by the Issuer, Product Issuer Settlement Participant or other Settlement Participant, as the case requires, in connection with a request for issue or redemption ~~or Switch~~ of AQUA Products.

APPENDIX 1 SCHEDULED TIMES

| Rule Number | Requirement | Sydney Time |
|--|---|--|
| Rule 5.19A.2(a) | Controlling Participant to notify election in respect of all or part of the relevant dividend or other distribution reinvestment plan or bonus share plan by Transmitting to ASX Settlement a Valid Election Participant Notification Message. | by the closing time on the Plan Election Date specified in the relevant plan rules. |
| Rule 5.19A.2(c) | Issuer to Transmit a Corporate Action Election Status Advice Message | by the earlier of: (i) the time specified in the plan rules (if applicable); or (ii) within 1 Business Day of a Valid Message being sent to the Issuer under Rule 5.19A.2(b)(ii). |
| Rule 5.19A.3(a) | Issuer to notify election in respect of all or part of the relevant dividend or other distribution reinvestment plan or bonus share plan that has been accepted by the Issuer by Transmitting to ASX Settlement a Valid Election Issuer Notification Message. | within 1 Business Day of the election being accepted by the Issuer. |
| Rule 5.19A.5(a) | Controlling Participant to Transmit to ASX Settlement a Valid Election Cancellation Message for a pending election request or accepted election (if applicable) | by the closing time on the Plan Election Date specified in the relevant plan rules, or if an earlier time is specified in the plan rules for such cancellation, such earlier time. |
| Rule 5.19A.5(c) | Issuer to Transmit to ASX Settlement a Valid Election Cancellation Message for an election (if applicable) | within 1 Business Day of cancelling the election. |
| Rule 5.19A.6 | Issuer to transmit to ASX Settlement a Valid Corporate Action Status Advice Message | within 1 Business Day of the relevant Valid Message being sent to the Issuer under Rule 5.19A.2(b)(ii). |
| Rule 5.19A.10(c) | Action by Issuer following receipt of Message from ASX Settlement regarding details of DRP or BSP election. | Within 12 Business Hours of receiving the Message from ASX Settlement under Rule 5.19A.10(b). |
| *** Rule 5.21A.3(a) | Controlling Participant to notify election in respect of all or part of the relevant Rights Offer by Transmitting to ASX Settlement a Valid Acceptance Participant Notification Message. | By the closing time on the Applications Close Date for the relevant Rights Offer or Securities Purchase Plan. |
| Rule 5.21A.3(c) | Controlling Participant to Transmit to ASX Settlement a Valid Corporate Action RTGS Message | By the earlier of: - closing time on the Applications Close Date for the relevant Rights Offer or Securities Purchase Plan. - RTGS Instruction Cut-Off on the Applications Close Date. |
| Rule 5.21A.3(e) | Controlling Participant to Transmit to ASX Settlement a Valid Corporate Action RTGS Message | By the earlier of: - closing time on the Applications Close Date for the relevant Rights Offer or Securities Purchase Plan. - RTGS Instruction Cut-Off on the Applications Close Date. |

| | | |
|---------------------------------|--|--|
| Rule 5.21A.5(a) | Controlling Participant to Transmit to ASX Settlement a Valid Acceptance Cancellation Message for an acceptance pending payment | Before the earlier of: - a Corporate Action RTGS Instruction has been initiated in relation to the relevant acceptance ; or - the closing time on the Applications Close Date for the relevant Rights Offer or Securities Purchase Plan. |
| Rule 5.21A.5(c) | Controlling Participant to Transmit to ASX Settlement a Valid Acceptance Cancellation Message | Before the earlier of: - a Corporate Action RTGS Instruction has been initiated in relation to the relevant acceptance or - the closing time on the Applications Close Date for the relevant Rights Offer or Securities Purchase Plan. |
| Rule 5.21A.6 | If an acceptance pending payment has been recorded (or updated to payment initiated) and Real Time Gross Settlement has not been completed | By the earlier of: - closing time on the Applications Close Date for the relevant Rights Offer or Securities Purchase Plan ; and - RTGS End of Day on the Applications Close Date. |
| Rule 5.21B.1(a) | The Issuer may Transmit to ASX Settlement a Valid Corporate Action Rejection Message | Within 30 Business Days after the Applications Close Date. |
| Rule 5.21B.1(c) | The RTGS Participant for the Issuer may Transmit to ASX Settlement a Valid Corporate Action RTGS Message | Within 30 Business Days after the Applications Close Date. |
| Rule 5.21B.1(e) | RTGS Participant for the Issuer to Transmit to ASX Settlement a Valid Corporate Action RTGS Message | Within 30 Business Days after the Applications Close Date. |
| Rule 5.21B.2 | If a rejection pending payment has been recorded (or updated to payment initiated) and Real Time Gross Settlement has not been completed | Within 30 Business Days after the Applications Close Date. |
| ... | | |
| Rule 6.20.2 | ASX Settlement to remove Instruction from Batch Settlement or Real-Time Gross Settlement | by Settlement Cut-Off on the Settlement Day on which the Instruction falls due for Batch Settlement or Real Time Gross Settlement. |
| ... | | |
| Rule 10.6.1 | Participants to Match request to switch to RTGS. | before End of Day on the second Business Day before the Settlement Date. |
| ... | | |
| Rule 10.11.8 | Participants to Match request to switch Failed Batch Settlement Instruction to RTGS. | by Settlement Cut-off* on the Business Day to which the Batch Instruction has been rescheduled. |
| ... | | |

*Note: — as normal net batch processing has priority, whether an instruction to switch settlement modes received shortly before Settlement Cut-off can be actioned necessarily depends on processing volumes and other applicable system constraints: refer Rule 10.11.8.

| Rule 9.5A.8 | Bilateral Demand Settlement Message to be Matched. | Before RTGS Instruction Cut-Off by End of Day on the Business Day on which the Message is Transmitted to ASX Settlement by the Participant. |
|-------------------------------|---|---|
| Rule 11.8.159(b) | Participant to nominate new Payment Facility. | within 5 Business Days of ASX Settlement giving Notice to the Participant or such longer period as ASX Settlement determines. |
| Rule 11.9.3(b)(ii) | ASX Settlement to notify change to Payments Provider Managed attributes of a Net Position Record to Payments Provider and Participant. | in the case of inactivation of Net Position Record: by Start of Day on next RTGS Business Day after receipt of request to inactivate; in the case of all other changes: within 60 minutes of ASX Settlement effecting the change. |
| Rule 11.9.6(b) | ASX Settlement to remove Recorded RTGS Instruction from Feeder System following inactivation of Net Position Record. | by Start of Day on next RTGS Business Day after receipt of request to inactivate. |
| Rule 11.9.12(b) | ASX Settlement to notify change to Participant Managed attributes of a Net Position Record to Payments Provider and Participant. | within 60 minutes of ASX Settlement effecting the change. |
| Rule 11.11.2(b) | ASX Settlement to advise Participants that it has Recorded RTGS Instruction switched from Scheduled Settlement. | within 60 minutes of ASX Settlement Recording the RTGS Instruction. |
| Rule 11.12.1(a)(i) | Participant to Transmit Valid Switch to Batch Settlement Message to ASX Settlement. | before the commencement of the RTGS Settling Phase for that RTGS Instruction; and by Settlement Cut-off² on the Business Day on which settlement is required. |
| Rule 11.12.1(e) | ASX Settlement to advise removal of RTGS Instruction from RTGS. | within 60 minutes of ASX Settlement effecting the removal. |
| Rule 11.12.3(a)(i) | Participant to Transmit Dual Entry Switch to Batch Settlement Message to ASX Settlement | before the commencement of the RTGS Settling Phase for that RTGS Instruction; and by Settlement Cut-off² on the Business Day on which settlement is required. |
| Rule 11.12.5 | Batch Instruction to be constituted for settlement to occur on recorded RTGS Settlement Date. | before commencement of the RTGS Settling Phase for that RTGS Instruction; and by Settlement Cut-off ² on the Business Day Recorded as the RTGS Settlement Date. |

²Note: — as normal net batch processing has priority, whether an instruction to switch received shortly before Settlement Cut-off can be actioned necessarily depends on processing volumes and other applicable system constraints: refer Rule 11.12.7.

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| Rule 11.12.6 | Participant to Transmit to ASX Settlement request for HIN change. | before commencement of the RTGS Settling Phase for that RTGS Instruction, and by Settlement Cut-off on the Business Day on which settlement is required. |
| Rule 11.12.6(b) | ASX Settlement to advise Participant of HIN change. | within 60 minutes of ASX Settlement effecting the change. |
| Rule 11.13.1(a) | Participant to Transmit RTGS Messages to ASX Settlement. | before RTGS Instruction Cut-off on the RTGS <u>Business Day</u> Settlement Date. |
| Rule 11.13.3 | Dual Entry RTGS Message to be Transmitted to ASX Settlement. | before RTGS Instruction Cut-off on the RTGS Settlement Date. |
| Rule 11.13.4 | RTGS Messages to be Matched. | before RTGS Cut-off on the RTGS Settlement Date. |
| Rule 11.13.4(c)(ii) | ASX Settlement to notify Recording of RTGS Instruction. | within 60 minutes of ASX Settlement Recording the RTGS Instruction. |
| Rule 11.16.1(a)(i) | Participant to request ASX Settlement to change RTGS Instruction. | before commencement of the RTGS Settling Phase for that RTGS Instruction or RTGS Instruction Cut-off on the RTGS Settlement Date, whichever is earlier. |
| Rule 11.16.1(b) | ASX Settlement to advise Participant of changed RTGS Instruction. | within 60 minutes of ASX Settlement effecting the change. |
| Rule 11.16.3(a) | Participants to Transmit Dual Entry Messages requesting changes to Dual Entry RTGS Instruction to ASX Settlement. | before commencement of RTGS Settling Phase for that RTGS Instruction or RTGS Instruction Cut-off on the RTGS Settlement Date, whichever is earlier. |
| Rule 11.16.4 | Participant to Transmit single entry change to ASX Settlement | before commencement of RTGS Settling Phase for that RTGS Instruction or RTGS Instruction Cut-off on the RTGS Settlement Date, whichever is earlier. |
| Rule 11.16.4(d) | ASX Settlement to advise Participant of change | within 60 minutes of ASX Settlement effecting the change. |
| Rule 11.17.4 | Participant to request ASX Settlement to cancel RTGS Instruction | before RTGS Instruction Cut-off on the RTGS <u>Business Day</u> Settlement Date or before completion of the RTGS Settling Phase for that RTGS Instruction, whichever is earlier. |

...

**Note: — as normal net batch processing has priority, whether an instruction to switch received shortly before Settlement Cut-off can be actioned necessarily depends on processing volumes and other applicable system constraints: refer Rule 11.12.7.*

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| Rule 11.17.5(a) | Participants to Match cancellation request for Dual-Entry RTGS-Instruction | before RTGS Instruction Cut-off on the RTGS Settlement Date or before completion of the RTGS-Settling Phase for that RTGS-Instruction, whichever is earlier. |
| Rule 11.18.4 | Participant to notify ASX Settlement that RTGS Instruction is 'ready to settle' | before RTGS Instruction Cut-off on the RTGS Settlement Date. |
| Rule 11.18.8(a) | RTGS Payments Provider performing a Payment Obligation to notify ASX Settlement of authorisation | before RTGS Cut-off on the RTGS Business Day |
| Rule 11.18.8(c) | ASX Settlement to notify counterparty or counterparties (as applicable) of Failed RTGS Instruction | as soon as practicable after ASX Settlement receives a rejection Message from the relevant RTGS Payments Provider |
| Rule 11.19.1 | ASX Settlement to determine Financial Products will not give rise to RTGS Delivery Shortfall | before RTGS Cut-off on the RTGS Settlement Date. |
| Rule 11.19.1(e) | ASX Settlement to notify counterparties of Reservation of Financial Products | within 60 minutes of ASX Settlement effecting the Reservation. |
| Rule 11.20.4 | ASX Settlement to determine Debit Cap Compliance | before RTGS Cut-off on the RTGS Settlement Date. |
| Rule 11.23.1(b) | ASX Settlement to determine Debit Cap Compliance | before RTGS Cut-off on the RTGS Settlement Date. |
| Rule 11.23.2(b)(iii) | ASX Settlement to have received settlement response from RITS/RTGS | before RTGS End of Day on the RTGS Business Day Settlement Date. |
| Rule 11.24.1 | RTGS Instruction to have entered RTGS Settling Phase | before RTGS Cut-off on the RTGS Business Day Settlement Date. |
| Rule 11.24.2(a)(ii) | ASX Settlement to have received settlement response from RITS | before RTGS End of Day on the RTGS Business Day. |
| Rule 11.24.2(b)(ii) | ASX Settlement to have received settlement response from RITS/RTGS | before RTGS End of Day on the RTGS Business Day Settlement Date. |
| Rule 11.25.1 | ASX Settlement to be satisfied that RTGS Settling Phase can complete on the RTGS Business Day Settlement Date | before RTGS End of Day on the RTGS Business Day Settlement Date. |
| Rule 11.28.1(e) | ASX Settlement to notify counterparties of Failed RTGS Instruction | as soon as practicable after RTGS End of Day. |
| Rule 11.28.2(a) | Participant to request ASX Settlement to switch Failed RTGS Instruction to Batch Settlement | before Settlement Cut-off* on the next RTGS Business Day. |
| Rule 11.30.1(a) | ASX Settlement to notify RTGS Payments Provider of settled RTGS Instruction | as soon as practicable after ASX Settlement receives notification from RITS that the Payment Obligation has been settled. |
| Rule 11.30.1(b) | ASX Settlement to make available RTGS Settlement Report to RTGS Payments Provider | as soon as practicable after RTGS End of Day and completion of End of Day Processing Phase. |

*Note: — as normal net batch processing has priority, whether an instruction to switch received shortly before Settlement Cut-off can be actioned necessarily depends on processing volumes and other applicable system constraints: refer Rule 11.12.7.

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| Rule 11.30.2 | ASX Settlement settlement reporting to RTGS Participants | as soon as practicable after RTGS End of Day and completion of End of Day Processing Phase. |
| Rule 11.31.1 | ASX Settlement to generate Accrued RTGS Instruction | by Start of Day on the Business Day immediately after the Record Date for the Corporate Action. |
| ... | | |
| Rule 14.14.9 | Controlling Participant to notify ASX Settlement of acceptance or rejection of a T akeover O ffer a Acceptance Introduced 09/05/05 Amended 30/09/19 | by End of Day on the Business Day following the Business Day on which the Controlling Participant receives a Valid Message under Rule 14.14.8. |
| | | |
| Rule 14.24.1 | Participant to initiate acceptance under a Non-Takeover Offer Event. | (i) by End of Day on the date the Participant Sponsored Holder instructs the Participant to accept the offer; or (ii) if the offer period ends on the date that the Participant Sponsored Holder instructs the Participant, before the end of the offer period. |
| Rule 14.24.5 | Participant Offeror to notify ASX Settlement of a rejection of an Offer Accepted Subposition | within 2 Business Days of receiving notification from ASX Settlement under Rule 14.5.1. |
| Rule 14.24.9 | Controlling Participant to notify ASX Settlement of acceptance or rejection of a non-takeover offer acceptance | by End of Day on the Business Day following the Business Day on which a Valid Message is received under Rule 14.24.8. |
| Rule 14.24.10 | Controlling Participant to notify Holder of rejection of Non-Takeover Offer Event acceptance | by End of Day on the Business Day on which the Controlling Participant rejects the Non-Takeover Offer Event acceptance under Rule 14.24.9(b). |
| Rule 14.26.3 | Participant Offeror to authorise or reject a request for Financial Products to be released from an Offer Accepted Subposition | within 2 Business Days of receiving a Valid Message from ASX Settlement under Rule 14.27.2. |
| Rule 14.29.1 | Participant Offeror to notify ASX Settlement of acceptances that are avoided because of a defeating condition | within 1 Business Day of the non-takeover offer lapsing because of a defeating condition. |
| | | |
| Rule 18.3.3(b) | If an Originating Message Transmitted to ASX Settlement complies with Rule 18.3.1, Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Message to ASX Settlement accepting or rejecting (or, in the case of requests for redemption only, deferring) the request and specifying the information required by the Procedures. Introduced 21/03/14 | As set out in the Procedures. |

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| Rule 18.3.5 | <u>If the Product Issuer Settlement Participant has not Transmitted a Valid Message to ASX Settlement pursuant to Rule 18.3.3(b) by the Scheduled Time, ASX Settlement may cancel the relevant request initiated under Rule 18.3.1.</u> | <u>As set out in the Procedures.</u> |
| | | |
| Rule 18.4.3(a) | If an Originating Message Transmitted to ASX Settlement complies with Rule 18.4.1, ASX Settlement must, within the Scheduled Time, Transmit a Message to the relevant Product Issuer Settlement Participant to notify it of the details of the request specified in the Originating Message. Introduced 21/03/14 | As set out in the Procedures. |
| Rule 18.4.3(b) | If an Originating Message Transmitted to ASX Settlement complies with Rule 18.4.1, the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Message to ASX Settlement accepting, rejecting or deferring the request and specifying the information required by the Procedures. Introduced 21/03/14 | As set out in the Procedures. |
| Rule 18.4.4(b) | If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant under Rule 18.4.3(b), and if the request has been accepted, the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit to ASX Settlement Messages that initiate Holding Adjustments to increase or decrease, by the number of AQUA Products determined by the Product Issuer Settlement Participant in respect of the request to Switch between AQUA Products, as the case requires, the Holding Balance of each CHESS Holding specified in the Originating Message. Introduced 21/03/14 | As set out in the Procedures. |
| | | |
| Rule 18.5.2 | A Product Issuer Settlement Participant may Transmit a Valid Message that requests cancellation of a request to Switch between AQUA Products that the Product Issuer Settlement Participant accepted in accordance with Rule 18.4.3(b). Introduced 21/03/14 | As set out in the Procedures. |
| Rule 18.6.1 | A Settlement Participant may Transmit a Valid Message that requests cancellation of: (a) a request for redemption of AQUA Products; or (b) a request to Switch between AQUA Products, that the Settlement Participant initiated and the Product Issuer Settlement Participant deferred in accordance with Rule 18.3.3(b). Introduced 21/03/14 | As set out in the Procedures. |
| Rule 18.6.1(ae) | If within the Scheduled Time a Settlement Participant Transmits a Valid Message that requests cancellation of: (a) a request for redemption of AQUA Products; or (b) a request to Switch between AQUA Products, that the Settlement Participant initiated, and the Product Issuer Settlement Participant deferred in accordance with Rule 18.3.3(b); (e) ASX Settlement must, within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation request. Introduced 21/03/14 | As set out in the Procedures. |

Rule 18.6.1(~~b~~d) If within the Scheduled Time a Settlement Participant Transmits a Valid Message that requests cancellation of:
~~(a) — a request for redemption of AQUA Products, or~~
~~(b) — a request to Switch between AQUA Products,~~
that the Settlement Participant initiated, ~~and the Product Issuer Settlement Participant deferred in accordance with Rule 18.3.3(b):~~
~~(c) — the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Message to ASX Settlement accepting or rejecting the cancellation request and specifying the information required by the Procedures.~~

Introduced 21/03/14

[Rule 18.6.1A](#) [A Settlement Participant may Transmit a Valid Message that requests cancellation of a request for issue of AQUA Products that the Settlement Participant initiated.](#) [As set out in the Procedures](#)

[Rule 18.6.1A\(a\)](#) [If within the Scheduled Time a Settlement Participant Transmits a Valid Message that requests cancellation of a request for issue of AQUA Products; or that the Settlement Participant initiated, ASX Settlement must, within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation of the request.](#) [As set out in the Procedures](#)

Rule 18.7.1 An Product Issuer Settlement Participant that has accepted-
~~(a) — a request for issue or redemption of AQUA Products in accordance with Rule 18.3.3(b), or~~
~~(b) — a request to Switch AQUA Products in accordance with Rule 18.4.3(b);~~
may notify the Settlement Participant that initiated the request of changes to details of the matters relating to the request, as specified in the Procedures, by Transmitting, within the Scheduled Time, a Valid Message to ASX Settlement in accordance with the Procedures.

Introduced 21/03/14

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| Rule 18.9.2(a) | <p>If a Valid Originating Message Transmitted to ASX Settlement complies with Rule 18.9.1, ASX Settlement must, within the Scheduled Time, Transmit a Message to the relevant Product Issuer Settlement Participant to notify it of the details of the request specified in the Valid Originating Message.</p> <p>Introduced 15/08/16</p> | As set out in the Procedures. |
| Rule 18.9.2(b) | <p>If a Valid Originating Message Transmitted to ASX Settlement complies with Rule 18.9.1, the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Valid Message to ASX Settlement accepting or rejecting the request and specifying the information required by the Procedures.</p> <p>Introduced 15/08/16</p> | As set out in the Procedures. |
| Rule 18.9.4 | <p>A Product Issuer Settlement Participant that has accepted a request for income advice in accordance with Rule 18.9.2(b) must advise, for each class of AQUA Products in relation to which it is authorised, details of:</p> <p>(a) income distribution entitlements in respect of each CHES Holding of the AQUA Products where applicable; and</p> <p>(b) reinvestment of income distribution entitlements in respect of each CHES Holding of the AQUA Products where applicable,</p> <p>by Transmitting to ASX Settlement, within the Scheduled Time after each date for determining distribution entitlements in respect of the AQUA Products, a Valid Message that contains the details specified in the Procedures.</p> <p>Introduced 15/08/16</p> | As set out in the Procedures. |
| Rule 18.9.6(a) | <p>If a Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request for income advice that the Settlement Participant initiated and the Product Issuer Settlement Participant accepted in accordance with Rule 18.9.2(b), ASX Settlement must, within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation request.</p> <p>Introduced 15/08/16</p> | As set out in the Procedures. |
| Rule 18.9.6(b) | <p>If a Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request for income advice that the Settlement Participant initiated and the Product Issuer Settlement Participant accepted in accordance with Rule 18.9.2(b), the Product Issuer Settlement Participant must, within the Scheduled Time, implement the cancellation request.</p> <p>Introduced 15/08/16</p> | As set out in the Procedures. |

ASX SETTLEMENT OPERATING RULES PROCEDURES

SECTION 4 ADMISSION OF OTHER SETTLEMENT PARTICIPANTS

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PROCEDURE 4.13.1 PERSON TO HAVE A PAYMENT FACILITY

For the purposes of Rule 4.13.1(a), the person must have the following number of Payment Facilities with a Payments Provider:

- (a) if the person is making and receiving payments in respect of AQUA Payment Batch Instructions, at least two Payment Facilities;
- (b) if the person is making and receiving payments in respect of any other payment obligations and entitlements under Section 10 [or Section 11](#) of these Rules, at least one Payment Facility.

Introduced 21/03/14

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SECTION 5 RIGHTS AND OBLIGATIONS OF ISSUERS

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PROCEDURE 5.19A.2 CORPORATE ACTION ELECTION – NOTIFICATION BY CONTROLLING PARTICIPANT

For the purposes of Rule 5.19A.2(a), a Valid Election Participant Notification Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Controlling Participant's UIC;
- (b) the Transaction Identifier of the Message
- (c) the Corporate Action Record identifier (if applicable);
- (d) the type of Corporate Action that the election relates to;
- (e) the code for the relevant Approved Financial Product;
- (f) the HIN of the relevant CHES Holding;
- (g) the option number code;
- (h) the Election Option Type; and
- (i) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Election Participant Notification Message relates to.

For the purposes of Rule 5.19A.2(c), a Valid Corporate Action Election Status Advice Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Transaction Identifier of the related Message received by the Issuer under Rule 5.19A.2(b)(ii);
- (b) the Corporate Action Record identifier;
- (c) the type of Corporate Action that the election relates to;
- (d) the processing status of the election, i.e. if the election is accepted or rejected;
- (e) the code for the relevant Approved Financial Product;
- (f) the HIN of the relevant CHES Holding;
- (g) the option number code;
- (h) the Election Option Type;
- (i) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Corporate Action Election Status Advice Message relates to; and
- (j) if the election is rejected, the reason must be provided.

For the purposes of Rule 5.19A.2(e) and Rule 5.19A.2(f), an election for “all” of the relevant CHES Holding means an election that specifies for the purpose of paragraph (i) of Procedure 5.19A.2(a) above, a proportion of the relevant CHES Holding which is the whole of the relevant CHES Holding, but does not include an election in relation to a number of Approved Financial Products even if the number specified constitutes the total quantity of Approved Financial Products in that CHES Holding.

Note: a Message for “all” of the relevant CHES Holding is denoted by the proportion code “QALL”, or such other code as may be determined by ASX Settlement, from time to time.

PROCEDURE 5.19A.3 CORPORATE ACTION ELECTION – NOTIFICATION BY ISSUER

For the purposes of Rule 5.19A.3(a), a Valid Election Issuer Notification Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Issuer’s UIC;
- (b) the Corporate Action Record identifier (if applicable);
- (c) the type of Corporate Action that the election relates to;
- (d) the code for the relevant Approved Financial Product;
- (e) the HIN of the relevant CHES Holding;
- (f) the option number code;
- (g) the Election Option Type; and
- (h) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Election Issuer Notification Message relates to.

For the purposes of Rule 5.19A.3(c) and Rule 5.19A.3(d), an election for “all” of the relevant CHES Holding means an election that specifies for the purpose of paragraph (h) of Procedure 5.19A.3(a) above, a proportion of the relevant CHES Holding which is the whole of the relevant CHES Holding, but does not include an election in relation to a number of Approved Financial Products even if the number specified constitutes the total quantity of Approved Financial Products in that CHES Holding.

Note: a Message for “all” of the relevant CHES Holding is denoted by the proportion code “QALL”, or such other code as may be determined by ASX Settlement, from time to time.

PROCEDURE 5.19A.5 CANCELLATION OF ELECTION

For the purposes of Rule 5.19A.5(a) and 5.19A.5(c), a Valid Election Cancellation Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Election Cancellation Message includes:

- (a) the Participant’s UIC or Issuer’s UIC (as applicable);
- (b) the Corporate Action Record identifier;
- (c) the type of Corporate Action that the election relates to;
- (d) the code for the relevant Approved Financial Product;
- (e) the HIN of the relevant CHES Holding;
- (f) the option number code;
- (g) the Election Option Type;
- (h) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Election Cancellation Message relates to.

PROCEDURE 5.19A.10 REQUEST FOR DETAILS OF ELECTION STATUS FOR DIVIDEND OR OTHER DISTRIBUTION REINVESTMENT PLAN OR BONUS SHARE PLAN

Request for election status

A Valid Originating Message requesting details of the existing election status recorded by the Issuer 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 the HIN of the relevant CHES Holding; and
- (c) specifies the code for the relevant Approved Financial Product.

PROCEDURE 5.21A.3 CORPORATE ACTION ACCEPTANCE – NOTIFICATION BY CONTROLLING PARTICIPANT

For the purposes of Rule 5.21A.3(a), a Valid Acceptance Participant Notification Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Participant’s UIC;
- (b) the Corporate Action Record identifier;
- (c) the type of Corporate Action that the election relates to;
- (d) the code for the relevant Approved Financial Product;
- (e) the HIN of the relevant CHES Holding;
- (f) the option number code; and
- (g) the acceptance option type; and
- (h) in respect of:
 - (i) an acceptance of an offer under a Rights Offer, the number of Approved Financial Products which the Acceptance Participant Notification Message relates to; or
 - (ii) an acceptance of an offer under a Securities Purchase Plan, the number of Approved Financial Products or the dollar amount which the Issuer will use to determine the number of Approved Financial Products, which the Acceptance Participant Notification Message relates to.

For the purposes of Rule 5.21A.3(c), a Valid Corporate Action RTGS Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Participant’s UIC;
- (b) the Transaction Identifier of the related Acceptance Participant Notification Message from the Controlling Participant under Rule 5.21A.3(a);
- (c) the Transaction Identifier for the Message;
- (d) a timestamp to show the date and time of processing;
- (e) the number of payments to which the Message relates;
- (f) the aggregate dollar amount of all related Participant Acceptance Notification Messages to which the Corporate Action RTGS Message relates;
- (g) the payment reference number;
- (h) the payment method type;
- (i) the transaction type;

- (j) the requested execution date;
- (k) the account name of the payor Controlling Participant;
- (l) the identification number of the relevant payment facility of the payor Controlling Participant;
- (m) the account name and HIN of the of the payee RTGS Participant for the Issuer; and
- (n) the Corporate Action Record identifier.

PROCEDURE 5.21A.5 CANCELLATION OF ACCEPTANCE

For the purposes of Rule 5.21A.5(a), a Valid Acceptance Cancellation Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Participant's UIC;
- (b) the Transaction Identifier of the related message sent by the Controlling Participant under Rule 5.21A.3(a);
- (c) the Corporate Action Record identifier;
- (d) the type of Corporate Action that the election relates to;
- (e) the HIN of the relevant CHES Holding;
- (f) the option number code;
- (g) the cancellation option type
- (h) the number of Approved Financial Products which the Acceptance Cancellation Message relates to.

PROCEDURE 5.21B.1 ISSUER PAYMENT FOR REJECTION OF APPLICATIONS

For the purposes of Rule 5.21B.1(a), a Valid Corporate Action Rejection Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Participant's UIC;
- (b) the Transaction Identifier for the Message;
- (c) the Target Transaction Identifier for the related payment Message received by the RTGS Participant for the Issuer under Rule 5.21A.3;
- (d) the Corporate Action Record identifier;
- (e) the type of Corporate Action that the acceptance relates to;
- (f) the code for the relevant Approved Financial Product;
- (g) the HIN of the receiving Controlling Participant for relevant CHES Holding;
- (h) the number of allotted Approved Financial Products which the Corporate Action Rejection Message relates to;

- (i) the option number code;
- (j) the rejection option type;
- (k) the currency and amount applied against the allotment of Approved Financial Products to which the Corporate Action Rejection Message relates;
- (l) the currency and amount of money being refunded from the related offer acceptance; and
- (m) the reason code for the Corporate Action Rejection Message.

For the purposes of Rule 5.21B.1(c), a Valid Corporate Action RTGS Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Participant's UIC;
- (b) the Transaction Identifier of the related Corporate Action Rejection Message from the RTGS Participant for the Issuer under Rule 5.21B.1(a);
- (c) the Transaction Identifier for the Message;
- (d) a timestamp to show the date and time of processing;
- (e) the number of payments to which the Message relates;
- (f) the aggregate dollar amount of all related Corporate Action Rejection Messages to which the Corporate Action RTGS Message relates;
- (g) the payment reference number;
- (h) the payment method type;
- (i) the transaction type;
- (j) the requested execution date;
- (k) the account name of the payor RTGS Participant for the Issuer;
- (l) the identification number of the relevant payment facility of the payor RTGS Participant for the Issuer;
- (m) the account name and HIN of the of the payee Controlling Participant; and
- (n) the Corporate Action Record identifier.

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SECTION 11

PROCEDURE 11.1.1 ELIGIBLE INSTRUCTIONS

For the purpose of Rule 11.1.1, the following Instructions are specified:

(a) Bilateral Demand Settlement Instructions; and

(b) Corporate Action RTGS Instructions.

PROCEDURE 11.4.3 BANK ACCOUNT DETAILS

For the purpose of Rule 11.4.3(c), the prescribed particulars of each bank account to be given by an RTGS Participant are as follows:

(a) Name of the Payments Provider;

(b) BSB number; and

(c) Account number.

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SECTION 18

PROCEDURE 18.3.1 VALID ORIGINATING MESSAGE FOR AQUA PRODUCTS – INITIATION OF REQUEST

Initial Application for issue

“**Initial Application**” means an application for units in a Financial Product where the investor does not have a Holding in that Financial Product at the time the application is made.

For the purposes of Rule 18.3.1, a Valid Originating Message in respect of an Initial Application for issue of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the code for the AQUA Product;
- (b) the HIN;
- (c) the amount to be invested;
- (d) the identification number for the request transaction;
- (e) all required account type details;
- (f) all required investor details;
- (g) all required tax residency details;
- (h) all required details of the investor’s advisor; and
- (i) the distribution preference of the investor (full distribution reinvestment plan, partial distribution reinvestment plan or cash); and where a partial distribution reinvestment plan or cash is nominated; the bank account details of the investor.

If the matters specified above are not received by ASX Settlement within 5 Business Days of the Originating Message being sent, ASX Settlement will cancel the Originating Message and notify the Settlement Participant of such cancellation.

Subsequent Application for issue

“**Subsequent Application**” means an application for units in a Financial Product where the Holding Balance of that Financial Product of a Holder is greater than zero at the time the application is made.

For the purposes of Rule 18.3.1, a Valid Originating Message in respect of a Subsequent Application for issue of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the code for the AQUA Product;
- (b) the HIN;
- (c) the amount to be invested; and
- (d) the identification number for the request transaction.

Application for redemption

For the purposes of Rule 18.3.1, a Valid Originating Message in respect of an application for redemption of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the code for the AQUA Product;
- (b) the number of AQUA Products to be redeemed;
- (c) the identification number for the request transaction;
- (d) the HIN;
- ~~(e) a statement as to whether the redemption is to be net or gross; and~~
- ~~(f)~~ indication if a full or partial redemption is requested; and
- (f) either:
 - (i) if the application for redemption relates to the exercise of cooling-off rights, the redemption request reason “Cooling-Off” must be provided; or
 - (ii) otherwise the redemption request reason “Fund Redemption” must be provided.

Applications for issue or redemption

For the purposes of Rule 18.3.1, a Valid Originating Message in respect of an Initial Application, a Subsequent Application, or application for redemption of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures only if:

- (a) in respect of an Initial Application, or a Subsequent Application, the relevant AQUA Products are open for applications (in the case) of the kind contemplated by the relevant request; and
- (b) and in respect of an application for a redemption of AQUA Products only, if:

- (i) the relevant AQUA Products are open for redemptions of the kind contemplated by the relevant request;
- (ii) the relevant Holding is not Locked;
- (iii) either:
 - (A) the available balance in relation to the Holding is greater than or equal to the total number of AQUA Products to which the application relates; or
 - (B) in the case of a request for a “Full Redemption” of a particular Holding of an AQUA Product, the total balance in relation to the Holding is equal to the total number of AQUA Products to which the application relates;
- (iv) the total number of AQUA Products to which the application relates are available at the time that the Settlement Participant seeks to Transmit the relevant Message; and
- (v) the current Payment Facility established by the Product Issuer Settlement Participant in relation to the relevant AQUA Product is active.

Introduced 21/03/14 Amended 01/07/14, 15/08/16, 12/11/18

PROCEDURE 18.3.3 VALID MESSAGE FOR AQUA PRODUCTS – ACCEPTING OR; REJECTING ~~OR DEFERRING~~ A REQUEST

Issue

For the purposes of Rule 18.3.3(b), a Valid Message in respect of an acceptance or rejection of an application for issue of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) a timestamp to show the time of processing;
- (b) the identification number for the acceptance or rejection transaction (as applicable);
- (c) the identification number of the originating request transaction;
- (d) a statement as to whether the request under Rule 18.3.1 is accepted or rejected ;
- (e) if the request under Rule 18.3.1 is accepted, the day on which the price of the AQUA Product units will be determined and the day for delivery of AQUA Products to an applicant for issue of AQUA Products; and
- (f) if the request under Rule 18.3.1 is rejected, the reason must be provided.

Redemption

For the purposes of Rule 18.3.3(b), a Valid Message in respect of an acceptance or -rejection ~~or deferral~~ of an application for redemption of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) a timestamp to show the time of processing;
- (b) the identification number for the acceptance or; rejection ~~or deferral~~ transaction (as applicable);
- (c) the identification number of the originating request transaction;

- (d) a statement as to whether the request under Rule 18.3.1 is accepted or; rejected ~~or deferred~~;
- (e) if the request under Rule 18.3.1 is accepted, the day on which the price of the AQUA Product units will be determined and the Settlement Date; and
- ~~(f) if the request under Rule 18.3.1 is deferred, the reason must be provided; and~~
- ~~(g)~~ if the request under Rule 18.3.1 is rejected, the reason must be provided.

Introduced 21/03/14 Amended 15/08/16, 12/11/18

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PROCEDURE 18.3.6A VALID MESSAGE FOR AQUA PRODUCTS – INFORMATION TO BE PROVIDED PRIOR TO ISSUE OR REDEMPTION

Issue

For the purposes of Rule 18.3.6A(a), a Valid Message in respect of an application for issue of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) a timestamp to show the time of processing;
- (b) the Controlling Participant's UIC;
- (c) the identification number for the transaction;
- (d) the identification number for the originating request transaction;
- (e) the number of AQUA Product units for issue;
- (f) the price per AQUA Product unit for issue;
- (g) the settlement amount; and
- ~~(h) the transaction status; and~~
- ~~(h) the order type.~~

Redemption

For the purposes of Rule 18.3.6A(a), a Valid Message in respect of an application for redemption of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) a timestamp to show the time of processing;
- (b) the Controlling Participant's UIC;
- (c) the identification number for the transaction;
- (d) the identification number for the originating request transaction;
- (e) the price per AQUA Product unit for redemption;
- (f) the settlement amount;

(g) any change to the day on which the price of the AQUA Product units will be determined or the Settlement Date (as applicable); and

(h) the transaction status; ~~and~~

~~(h) the order type.~~

Introduced 15/08/16

PROCEDURE 18.4.1 VALID ORIGINATING MESSAGE FOR AQUA PRODUCTS – INITIATION OF REQUEST TO SWITCH – DELETED

~~For the purposes of Rule 18.4.1, a Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

~~(a) the code for the AQUA Product that is to be redeemed;~~

~~(b) the code for the AQUA Product that is to be issued;~~

~~(c) the identification number for the switch request transaction;~~

~~(d) the HIN; and~~

~~(e) indication if a full or partial switch is requested. If a partial switch is requested, the number of AQUA Products that are to be switched.~~

Introduced 21/03/14 Amended 01/07/14, 15/08/16, 12/11/18

PROCEDURE 18.4.3 VALID MESSAGE FOR AQUA PRODUCTS – ACCEPTING OR, REJECTING ~~OR DEFERRING~~ THE SWITCH REQUEST – DELETED

~~For the purposes of Rule 18.4.3(b), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

~~(a) the code for the AQUA Product that is to be redeemed;~~

~~(b) the code for the AQUA Product that is to be issued;~~

~~(c) the identification number for the acceptance, rejection or deferral transaction (as applicable);~~

~~(d) the identification number for the originating switch request transaction;~~

~~(e) the HIN;~~

~~(f) a timestamp to show the time of processing; and~~

~~(g) the transaction status.~~

Introduced 21/03/14 Amended 15/08/16, 12/11/18

PROCEDURE 18.4.4 VALID MESSAGE FOR AQUA PRODUCTS – HOLDING ADJUSTMENT REQUEST – ~~[DELETED]~~

~~For the purposes of Rule 18.4.4(b), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) — the code for the AQUA Product;~~
- ~~(b) — the HIN;~~
- ~~(c) — the identification number for the transaction;~~
- ~~(d) — the identification number for the originating request transaction;~~
- ~~(e) — the number of AQUA Product units to be increased or decreased (as applicable); and~~
- ~~(f) — the reason for the transaction type.~~

~~Introduced 15/08/16~~

PROCEDURE 18.5.1 VALID MESSAGE FOR AQUA PRODUCTS – CANCELLATION OF ACCEPTED ISSUER OR REDEMPTION REQUESTS BY PRODUCT ISSUER SETTLEMENT PARTICIPANT

For the purposes of Rule 18.5.1, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Product Issuer Settlement Participant Transmits the Message to ASX Settlement prior to:

- (a) settlement of the AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, that relates to the request; and
- (b) initiation of the Holding Adjustment to increase or decrease the Holding Balance of the CHESS Holding, as the case requires, that relates to the request; and

the Message includes the following:

- (c) a timestamp to show the time of processing;
- (d) the Controlling Participant's UIC;
- (e) the identification number for the cancellation transaction;
- (f) the identification number for the originating transaction;
- (g) the transaction status; and
- (h) a reason for the cancellation must be provided~~the order type.~~

~~For the purposes of Rule 18.5.2, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) — a timestamp to show the time of processing;~~
- ~~(b) — the Controlling Participant's UIC;~~

~~(c) the identification number for the cancellation transaction;~~

~~(d) the identification number for the originating transaction;~~

~~(e) the transaction status; and~~

~~(f) the order type.~~

Introduced 15/08/16

PROCEDURE 18.6.1 VALID MESSAGE FOR AQUA PRODUCTS – CANCELLATION OF REQUEST FOR REDEMPTION BY APPLICANT

For the purposes of Rule 18.6.1, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Settlement Participant Transmits the Message to ASX Settlement prior to:

- (a) settlement of the AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, that relates to the request; and
- (b) initiation of the Holding Adjustment to increase or decrease the Holding Balance of the CHES Holding, as the case requires, that relates to the request; and

the Message includes the following:

- (a) the identification number for the cancellation request transaction; and
- (b) the identification number for the originating transaction.

For the purposes of Rule 18.6.1(d), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) a timestamp to show the time of processing;
- (b) the Controlling Participant's UIC;
- (c) the identification number for the cancellation transaction;
- (d) the identification number for the originating cancellation request transaction; and
- ~~(e) the transaction status; and~~

~~(f) the order type.~~

Introduced 21/03/14 Amended 15/08/16

PROCEDURE 18.6.1A VALID MESSAGE FOR AQUA PRODUCTS – CANCELLATION OF REQUEST FOR ISSUE BY APPLICANT

For the purposes of Rule 18.6.1A, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes the following:

- (a) the identification number for the cancellation request transaction;
- (b) the identification number for the originating transaction;

(c) a timestamp to show the time of processing; and

(d) a reason for the cancellation must be provided.

PROCEDURE 18.7.1 VALID MESSAGE FOR AQUA PRODUCTS – CHANGE OF DETAILS NOTIFIED BY PRODUCT ISSUER SETTLEMENT PARTICIPANT

For the purposes of Rule 18.7.1, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if:

- (a) for the issue of AQUA Products ~~or the issue component of a switch between AQUA Products~~, the Message relates to a change of details for the day for delivery of AQUA Products to an applicant for issue of AQUA Products; or
- (b) for the redemption of AQUA Products ~~or the redemption component of a switch between AQUA Products~~, the Message relates to a change of details for the Settlement Date, and

includes the following:

- (c) a timestamp to show the time of processing;
- (d) the status of the transaction;
- (e) the identification number of the change request transaction;
- (f) the identification number of the originating transaction; and
- ~~(g) the order type; and~~
- ~~(g) a reason for the change request must be provided.~~

Introduced 21/03/14 Amended 15/08/16

PROCEDURE 18.9.1 VALID ORIGINATING MESSAGE FOR AQUA PRODUCTS – INITIATION OF REQUEST FOR INCOME ADVICE – [DELETED]

~~For the purposes of Rule 18.9.1, a Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) the code for the AQUA Product;~~
- ~~(b) the HIN;~~
- ~~(c) the identification number for the income advice request transaction; and~~
- ~~(d) the income advice preference of the investor; and where income advice is nominated, the preference of the investor for an annual income advice or a periodic income advice.~~

~~Introduced 15/08/16~~

PROCEDURE 18.9.2 VALID MESSAGE FOR AQUA PRODUCTS – ACCEPTING OR REJECTING REQUEST FOR INCOME ADVICE – ~~[DELETED]~~

~~For the purposes of Rule 18.9.2(b), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) — the identification number for the acceptance or rejection transaction (as applicable);~~
- ~~(b) — the identification number for the originating income advice request transaction; and~~
- ~~(c) — a statement as to whether the request under Rule 18.9.1 is accepted or rejected. If the request is rejected, a reason must be provided.~~

~~Introduced 15/08/16~~

PROCEDURE 18.9.4 VALID MESSAGE FOR AQUA PRODUCTS – INCOME ADVICE DETAILS – ~~[DELETED]~~

~~Periodic Income Advice~~

~~Where the preference of the investor is for a periodic income advice, for the purposes of Rule 18.9.4(a), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) — a timestamp to show time of processing;~~
- ~~(b) — the code for the AQUA Product;~~
- ~~(c) — the HIN;~~
- ~~(d) — the identification number for the income advice transaction;~~
- ~~(e) — the identification number for the originating income advice request transaction;~~
- ~~(f) — the gross amount of the income distribution entitlement;~~
- ~~(g) — the net amount of the income distribution entitlement;~~
- ~~(h) — a statement as to whether the income advice is an initial income advice or an amended income advice;~~
- ~~(i) — the payment date; and~~
- ~~(j) — the record date.~~

~~Where the preference of the investor is for a periodic income advice, for the purposes of Rule 18.9.4(b), a Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) — the code for the relevant AQUA Product;~~
- ~~(b) — the gross amount of the income distribution entitlement;~~
- ~~(c) — the identification number of the income advice transaction;~~

- ~~(d) — the HIN;~~
- ~~(e) — the PID;~~
- ~~(f) — the income distribution entitlement amount per AQUA Product unit;~~
- ~~(g) — the number of AQUA Product units participating;~~
- ~~(h) — the payment date; and~~
- ~~(i) — the record date.~~

Annual Income Advice

~~Where the preference of the investor is for an annual income advice, for the purposes of Rule 18.9.4(a), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) — a timestamp to show time of processing;~~
- ~~(b) — the code for the AQUA Product;~~
- ~~(c) — the HIN;~~
- ~~(d) — the identification number for the income advice transaction;~~
- ~~(e) — the identification number for the originating income advice request transaction;~~
- ~~(f) — the net amount of the income distribution entitlement;~~
- ~~(g) — the identification number of the set transaction for the income advice;~~
- ~~(h) — the period that the income advice relates to; and~~
- ~~(i) — a statement as to whether the income advice is an initial income advice or an amended income advice.~~

~~The information included in a Valid Message must be provided in accordance with the tax reporting requirements of the relevant AQUA Product.~~

~~Where a Product Issuer Settlement Participant provides details of the relevant income distribution entitlement in a series Valid Messages, it must also provide a Valid Message with consolidated details of the relevant income distribution entitlement.~~

~~Where the preference of the investor is for an annual income advice, for the purposes of Rule 18.9.4(b), no details for the reinvestment of income distribution entitlements in respect of each CHESS Holding of AQUA Products are prescribed in the Procedures.~~

~~Introduced 21/03/14 Amended 15/08/16~~

PROCEDURE 18.9.6 VALID MESSAGE FOR AQUA PRODUCTS – CANCELLATION OF ACCEPTED REQUEST FOR INCOME ADVICE

For the purposes of Rule 18.9.6, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Controlling Participant's UIC;
- (b) the identification number for the cancellation request transaction; and
- (c) the identification number for the originating income advice request transaction.

Introduced 15/08/16

PROCEDURE 18.9A.1 VALID ORIGINATING MESSAGE FOR AQUA PRODUCTS – INITIATION OF REQUEST TO CHANGE HOLDER'S STANDING INSTRUCTIONS

The details specified in Procedure 18.3.1(f) may only be changed by a Settlement Participant initiating a request in accordance with Rule 18.9A.1.

For the purposes of Rule 18.9A.1, a Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message relates to the details specified in Procedure 18.3.1(f) and includes the following:

- (a) the code for the AQUA Product;
- (b) the HIN;
- (c) the Controlling Participant's [UIC](#);
- (d) the identification number for the change request transaction;
- (e) the distribution preference of the investor; and where cash or a partial distribution reinvestment plan is nominated; the Bank Account details of the investor; and
- (f) confirmation that the Holder has received a copy of the current version of the Product Disclosure Statement specified by date required to be given in connection with issue of the AQUA Product to a person as a retail client under the Corporations Act [\(if applicable\)](#).

Introduced 15/08/16

PROCEDURE 18.9A.2 VALID MESSAGE FOR AQUA PRODUCTS – ACCEPTING OR REJECTING REQUEST TO CHANGE DETAILS

For the purposes of Rule 18.9A.2(b), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the identification number for the acceptance or rejection transaction (as applicable);
- (b) the identification number for the originating change request transaction; and
- (c) a statement as to whether the request under Rule 18.9A.1 is accepted or rejected. If the request is rejected a reason must be provided.

Introduced 15/08/16

PROCEDURE 18.10.1 VALID MESSAGE FOR AQUA PRODUCTS – HOLDING ADJUSTMENT REQUEST

For the purposes of Rule 18.10.1, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the code for the AQUA Product;
- (b) the HIN;
- (c) [the Controlling Participant's UIC](#);
- (ed) the identification number for the transaction;
- ~~(d) the identification number for the originating request transaction;~~
- (e) the number of AQUA Product units to be increased or decreased (as applicable); and
- (f) the reason for the transaction type.

Introduced 15/08/16

PROCEDURE 18.11.1 TECHNICAL ACCREDITATION

A prospective Product Issuer Settlement Participant seeking technical accreditation must contact ASX Settlement to arrange for access to the CHES external test environment for AQUA Products. ASX Settlement will provide each prospective Product Issuer Settlement Participant with a CHES test kit and an accreditation script.

A Product Issuer Settlement Participant obtains technical accreditation when it has, to the reasonable satisfaction of ASX Settlement:

- (a) demonstrated the capacity to communicate reliably with CHES using Messages required for the issue, redemption ~~and switch~~ of AQUA Products; and
- (b) adhered to and successfully completed each of the testing scenarios outlined in the accreditation script.

Introduced 21/03/14

APPENDIX 1 SCHEDULED TIMES

ASX Settlement will provide 30 days' notice of any amendments to the Scheduled Times in this appendix, other than in exceptional circumstances where an urgent amendment is required.

| Rule Number | Sydney Time |
|--|---|
| Rule 2.13.1 (Fund Request Cut-Off) | 11:00am on any Business Day. |
| Rule 18.3.1 | A Message Transmitted by a Settlement Participant under Rule 18.3.1 will be cancelled if all relevant information is not provided within 5 Business Days of the Message being sent. |
| Rule 18.3.3(a) | Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted before Fund Request Cut-Off: Settlement Cut-Off on the same Business Day. Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted after Fund Request Cut-Off: Settlement Cut-Off on the next Business Day. |
| Rule 18.3.3(b) | Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted before Fund Request Cut-Off: Settlement Cut-Off on the same Business Day. Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted after Fund Request Cut-Off: Settlement Cut-Off on the next Business Day. |
| <u>Rule 18.3.5</u> | <u>Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted before Fund Request Cut-Off: 31 days after Settlement Cut-Off on the same Business Day.</u> <u>Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted after Fund Request Cut-Off: 31 days after Settlement Cut-Off on the next Business Day.</u> |
| Rule 18.3.6(b) | Prior to CHES End of Day on the day on which the issue is to occur, as specified by the Product Issuer Settlement Participant in the Message Transmitted under Rule 18.3.3(b) or Rule 18.7. |
| Rule 18.3.6A(a) | In relation to a request for issue of AQUA Products: as soon as reasonably practicable prior to the issue of AQUA Product units on the day on which the issue is to occur. In relation to a request for redemption of AQUA Products: as soon as reasonably practicable prior to settlement on the Settlement Date. |
| Rule 18.3.6A(b) | Within 4 Business Hours of receipt of a Message from a Product Issuer Settlement Participant Transmitted under Rule 18.3.6A(a). |

| | |
|---------------------------|---|
| Rule-18.4.3(a) | Within 4 Business Hours of receipt of a Message from a Settlement Participant Transmitted under Rule 18.4.1. |
| Rule-18.4.3(b) | Within 12 Business Hours of receipt of a Message from ASX Settlement Transmitted under Rule 18.4.3(a). |
| Rule-18.4.4(b) | Prior to CHESSE End of Day on the day on which the Switch is to occur, as specified by the Product Issuer Settlement Participant in the Message Transmitted under Rule 18.4.3(b). |
| Rule 18.5.1 | Within 90 calendar days of the day on which the Message under Rule 18.3.1 was Transmitted <u>Prior to the Product Issuer Settlement Participant accepting the relevant application for issue or redemption.</u> |
| Rule 18.5.2 | Within 90 calendar days of the day on which the Message under Rule 18.4.1 was Transmitted. |
| Rule 18.6.1 | Within 90 calendar days of the day on which the Message under Rule 18.3.1 or 18.4.1 was Transmitted. |
| Rule 18.6.1(ae) | Within 4 Business Hours of receipt of a Message from a Settlement Participant under Rule 18.6.1 (a) or (b). |
| Rule 18.6.1(bd) | Within 12 Business Hours of receipt of a Message in accordance with Rule 18.6.1(c). |
| <u>Rule 18.6.1A</u> | <u>Before the acceptance of the relevant request for issue by the Product Issuer Settlement Participant under Rule 18.3.3(b).</u> |
| <u>Rule 18.6.1A(a)</u> | <u>Within 4 Business Hours of receipt of a Message from the Settlement Participant under Rule 18.6.1A.</u> |
| Rule 18.7.1 | In relation to a request for issue of AQUA Products, or a Switch between AQUA Products : prior to CHESSE End of Day on the day on which the issue is to occur, as specified by the Product Issuer Settlement Participant in the Message Transmitted under Rule 18.3.3(b) or 18.4.3(b), as the case may be. In relation to a request for redemption of AQUA Products: prior to Settlement Cut-Off on the day specified as the payment date by the Product Issuer Settlement Participant in a Message Transmitted under Rule 18.3.3(b). |
| Rule-18.9.2(a) | Within 4 Business Hours of receipt of a Message from a Settlement Participant Transmitted under Rule 18.9.1. |
| Rule-18.9.2(b) | Within 12 Business Hours of receipt of a Message from ASX Settlement Transmitted under Rule 18.9.2(a). |

| | |
|------------------------|--|
| Rule 18.9.4 | <p>Where the Message Transmitted by a Product Issuer Settlement Participant under Rule 18.9.4 relates to a periodic income advice: no later than five (5) Business Days after each periodic income distribution or reinvestment of income distribution (as applicable) occurs.</p> <p>Where the Message Transmitted by a Product Issuer Settlement Participant under Rule 18.9.4 relates to an annual income advice: no later than five (5) Business Days after details of the annual income distribution entitlements or reinvestment of income distribution entitlements (as applicable) is sent or made available to that investor.</p> |
| Rule- 18.9.6(a) | Within 4 Business Hours of receipt of a Message from a Settlement Participant Transmitted under Rule 18.9.6. |
| Rule- 18.9.6(b) | Within 12 Business Hours of receipt of a Message from ASX Settlement Transmitted under Rule 18.9.6(a). |
| Rule 18.9A.2(a) | Within 4 Business Hours of receipt of a Message from a Settlement Participant Transmitted under Rule 18.9A.1. |
| Rule 18.9A.2(b) | Within 12 Business Hours of receipt of a Message from ASX Settlement Transmitted under Rule 18.9A.2(a). |
| Rule 18.9A.4 | Within 12 Business Hours of Transmitting a Valid Message to ASX Settlement accepting the request under Rule 18.9A.2(b). |

Introduced 21/03/14 Amended 07/03/16, 15/08/16, 12/11/18



Attachment C: ASX Clear Operating Rule and Procedure amendments

ASX CLEAR OPERATING RULES

SECTION 2 DEFINITIONS AND INTERPRETATION

...

2.10 DEFINITIONS AND INTERPRETATION

2.10.1 Definitions used in the Rules

...

“Buyer” means:

- (a) in relation to a Cash Market Transaction, the party who has an obligation to pay money under the terms of the transaction;
- (b) in relation to:
 - (i) a Cash CCP Transaction;
 - (ii) a CCP Net Batch Instruction;
 - (iii) a CCP Gross Batch Instruction;
 - ~~(iv) a CCP RTGS Instruction;~~the Participant responsible to ASX Clear for performing the obligations of the buyer under the terms of the relevant Cash Market Transaction or Offsetting Transaction Arrangement;
- (c) in relation to a Direct Settlement Instruction, the Participant who has an obligation to pay money under the terms of the relevant Cash Market Transaction;
- (d) in relation to a Derivatives Market Contract which is an Options Market Contract, the party with the exercisable rights under the terms of the contract;
- (e) in relation to a Derivatives Market Contract which is a Futures Market Contract, the party specified as buyer under the terms of the contract;
- (f) in relation to a Derivatives CCP Contract, being a Futures CCP Contract or an Options CCP Contract, the Participant responsible to ASX Clear for performance of the obligations of the buyer under the terms of the relevant Derivatives Market Contract; and
- (g) ASX Clear where a specific Rule refers to ASX Clear as buyer.

Amended 28/04/14

...

“CCP RTGS Instruction” ~~[deleted]. means an instruction generated by ASX Clear for notification to the Approved Settlement Facility and which contains details of payment and delivery obligations in relation to a Cash CCP Transaction that is to be settled in Real Time Gross Settlement.~~

....

“Fail” means the removal by the Approved Settlement Facility of the whole or part of:

- (a) a CCP Net Batch Instruction; or
- (b) a CCP Gross Batch Instruction; ~~or~~
- ~~(c) a CCP RTGS Instruction;~~

from settlement in accordance with the operating rules of the Approved Settlement Facility.

Note: A Failed CCP Batch Instruction removed from Batch Settlement (as defined in the operating rules of the Approved Settlement Facility) may be notified by the Approved Settlement Facility to ASX Clear for settlement on that day through an Offsetting Transaction Arrangement entered into between ASX Clear and the respective non-defaulting Participant in accordance with Rule 12.8A.

Amended 28/04/14

....

“Instruction” means:

- (a) a CCP Net Batch Instruction; or
- (b) a CCP Gross Batch Instruction; ~~or~~
- ~~(c) a CCP RTGS Instruction.~~

....

“Real Time Gross Settlement” ~~[deleted] means the processing and settling of payment and delivery obligations in real time and on a gross, not net, basis, the fundamental characteristic of which is that the payment and delivery components of a transaction become irrevocable at the time of settlement.~~

...

“RTGS” ~~[deleted] means Real Time Gross Settlement.~~

....

“Seller” means:

- (a) in relation to a Cash Market Transaction, the party who has an obligation to deliver a particular number and class of transferable Financial Products under the terms of the transaction;
- (b) in relation to:

- (i) a Cash CCP Transaction;
- (ii) a CCP Net Batch Instruction; [and](#)
- (iii) a CCP Gross Batch Instruction; ~~and~~
- ~~(iv) a CCP RTGS Instruction;~~

the Participant responsible to ASX Clear for performing the obligations of the seller under the relevant Cash Market Transaction or Offsetting Transaction Arrangement;

- (c) in relation to a Direct Settlement Instruction, the Participant who has an obligation to deliver a particular number and class of transferable Financial Products under the terms of the relevant Cash Market Transaction;
- (d) in relation to a Derivatives Market Contract which is an Options Market Contract, the party with the obligation to acquire or dispose of a specified quantity of an Underlying Financial Product, an Underlying Derivative or an Underlying Commodity, to pay an amount of money, or to enter into an Underlying Derivative under the terms of the contract;
- (e) in relation to a Derivatives Market Contract which is a Futures Market Contract, the party specified as seller under the terms of the contract;
- (f) in relation to a Derivatives CCP Contract, being a Futures CCP Contract or an Options CCP Contract, the Participant responsible to ASX Clear for performance of the obligations of the seller under the terms of the relevant Derivatives Market Contract; and
- (g) ASX Clear where a specific Rule refers to ASX Clear as seller.

Amended 19/08/09, 28/04/14

...

SECTION 4 RIGHTS AND OBLIGATIONS OF PARTICIPANTS

...

4.21 PARTICIPANT'S AUTHORITY TO INCLUDE PID

4.21.1 Participant irrevocably authorises ASX Clear to include PID

Each Participant irrevocably authorises ASX Clear to include its PID in each:

- (a) CCP Net Batch Instruction;
- (b) CCP Gross Batch Instruction; [and](#)
- ~~(c) CCP RTGS Instruction; and~~
- ~~(c)~~ each Cash Market Transaction accepted for reporting by ASX Clear under Rule 12.1.2,

as the PID of the delivering Participant or receiving Participant, as the case requires.

...

SECTION 12 REGISTRATION, NOVATION, NETTING AND SETTLEMENT

This Section deals with the novation, netting and settlement of transactions.

Market Transactions are either Cash Market Transactions or Derivatives Market Transactions. A Derivatives Market Transaction may be a Futures Market Transaction or an Option Market Transaction. A Derivatives Market Transaction comprises the number of Derivatives Market Contracts entered into on the market of an Approved Market Operator, or over the counter in the case of OTC Options Market Transactions. Market Transactions are notified to ASX Clear by an Approved Market Operator, or by the relevant Participant in the case of OTC Options Market Transactions, and will either be accepted by ASX Clear for registration or accepted for reporting but not registration. In the case of Derivatives Market Transactions, ASX Clear will register each of the Derivatives Market Contracts (Futures Market Contracts, Options Market Contracts or OTC Options Market Transactions) comprising the Derivatives Market Transaction.

If a Market Transaction is accepted by ASX Clear for registration and meets the requirements for novation set out in Rule 12.2.1, it will be novated to ASX Clear. Once novated, a Cash Market Transaction is discharged and replaced with two Cash CCP Transactions, a Derivatives Market Contract is discharged and replaced with two Derivatives CCP Contracts, a Futures Market Contract is discharged and replaced with two Futures CCP Contracts and an Options Market Contract is discharged and replaced with two Options CCP Contracts.

Cash CCP Transactions and Derivatives CCP Contracts may then be subject to set off and the netting of delivery obligations and payment obligations. In general terms, in relation to a Cash CCP Transaction both Participants together may, prior to netting and set off, choose to take a transaction out of the Clearing Facility and settle it directly or in an Alternative Settlement Facility. ASX Clear also has power, in certain circumstances to remove a transaction.

Once ASX Clear has calculated net delivery and net payment obligations of Participants for Cash CCP Transactions it will then notify the Approved Settlement Facility of:

- (a) those net delivery and net payment obligations which have been set off and netted by way of a CCP Net Batch Instruction; and
- (b) those delivery and payment obligations which have been novated but not netted by way of a CCP Gross Batch Instruction ~~or CCP RTGS Instruction.~~

If a Market Transaction is accepted by ASX Clear for reporting but not registration, ASX Clear will notify the reported transaction to the Approved Settlement Facility and ASX Clear has no other obligation or responsibility for the Market Transaction.

In addition to dealing with the above matters, this section deals with:

- (c) when Market Transactions are novated to ASX Clear;
- (d) the effect of novation;
- (e) the circumstances in which a Cash Market Transaction may be excluded from novation and the consequences of so excluding it;

- (f) the circumstances in which a Cash CCP Transaction may be removed from novation and excluded from netting and the consequences of so doing;
- ~~(g) the circumstances in which a Participant may remove and settle transactions by Real-Time Gross Settlement;~~
- ~~(g)~~ (h) what is to happen if there is a payment or delivery failure in the case of Cash CCP Transactions or a payment failure in respect of Derivatives CCP Contracts;
- (h) the circumstances in which a Participant may choose to isolate counterparty in respect of Cash CCP Transactions;
- (i) the discharge of payment and delivery obligations;
- ~~(j)~~ (k) a Participant's obligation to report positions in relation to Derivatives CCP Contracts to ASX Clear;
- ~~(k)~~ (l) the giving of trading and clearing information in relation to Derivatives Market Contracts and Derivatives CCP Contracts by ASX Clear to Participants, the Participant's obligation to check that information and report any errors to ASX Clear;
- ~~(m)~~ (n) the correction of errors by ASX Clear; and
- ~~(n)~~ (o) the cancellation and amendment of Derivatives Market Contracts.

This section also deals with the Offsetting Transaction Arrangements which will apply between ASX Clear and Participants for failed CCP Batch Instructions notified by the Approved Settlement Facility in order to facilitate the settlement (rather than rescheduling) of those instructions for the purposes of Sub-standard 7.9 of the Financial Stability Standards for Central Counterparties. Delivery and payment obligations under such Offsetting Transaction Arrangements are to be dealt with on the same basis as delivery and payment obligations under other Cash CCP Transactions and be subject to set-off against those obligations.

...

12.7 CANCELLATION AND REMOVAL OF CASH CCP TRANSACTIONS FROM NOVATION, NETTING AND SETTLEMENT

...

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

...

12.8 PAYMENT OR DELIVERY FAILURE OF CASH CCP TRANSACTIONS

12.8.1 Failure causing an increase in ASX Clear's payment obligations

If an Approved Settlement Facility Fails:

(a) a CCP Net Batch Instruction generated by ASX Clear under Rule 12.6.2 or 12.6.2A; or

(b) a CCP Gross Batch Instruction generated by ASX Clear under Rule 12.7.4 or 12.7.9; ~~or~~

~~(c) a CCP RTGS Instruction generated by ASX Clear under Rule 12.7.4;~~

and as a result of the Failure there is an increase in ASX Clear's obligation to make payment, ASX Clear may make arrangements to meet its increased obligation. Where ASX Clear considers that a Participant's default would trigger a Failure in respect of an Instruction referred to in this Rule 12.8.1, ASX Clear may also make arrangements to make payments to avoid such Instructions being Failed.

Introduced 11/03/04 Origin SCH 7.26.1 Amended 28/04/14

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12.8.5 Application of Standard Settlement Price by ASX Clear

If an Approved Settlement Facility Fails in full or in part:

(a) a CCP Net Batch Instruction generated by ASX Clear under Rule 12.6.2 or 12.6.2A; or

(b) a CCP Gross Batch Instruction generated by ASX Clear under Rule 12.7.4 or 12.7.9; ~~or~~

~~(c) a CCP RTGS Instruction generated by ASX Clear under Rule 12.7.4;~~

and ASX Clear requests the Approved Settlement Facility to reschedule the Instruction to the next Business Day, ASX Clear will apply a Standard Settlement Price to determine a Revised Settlement Amount for each Instruction or part of Instruction that ASX Clear requests the Approved Settlement Facility to reschedule for settlement and:

~~(c)~~ if ASX Clear has an entitlement to receive under a rescheduled Instruction and:

(i) if the Revised Settlement Amount is greater than the Settlement Amount of the Instruction that has Failed, the delivering Participant must pay ASX Clear the difference between the two amounts; or

(ii) if the Revised Settlement Amount is less than the Settlement Amount of the Instruction that has Failed, ASX Clear must pay to the delivering Participant the difference between the two amounts;

(d~~e~~) if ASX Clear has an obligation to deliver under a rescheduled Instruction and:

(i) if the Revised Settlement Amount is less than the Settlement Amount of the Settlement Instruction that has Failed, the receiving Participant must pay ASX Clear the difference between the two amounts; and

(ii) if the Revised Settlement Amount is greater than the Settlement Amount of the Instruction that has Failed, ASX Clear must pay the receiving Participant the difference between the two amounts; and

(e~~f~~) ASX Clear will apply the Revised Settlement Amount to each rescheduled Instruction.

Introduced 11/03/04 Origin SCH 7.28.2 Amended 28/04/14

...

ASX CLEAR OPERATING RULES PROCEDURES

SECTION 12 REGISTRATION, NOVATION, NETTING AND SETTLEMENT

...

**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

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Attachment D: ASX Enforcement and Appeals Rulebook amendments

ASX ENFORCEMENT AND APPEALS RULEBOOK

SECTION 1 SCOPE OF RULEBOOK

...

1.12 DEFINITIONS

1.12.1 Definitions

In these Rules and the Procedures, unless the context otherwise requires:

...

[“RTGS Payments Provider” has the same meaning it has in the ASX Settlement Operating Rules.](#)

...

SECTION 3 APPEALS

...

3.1.2 ASX Settlement Operating Rule appeals

- (a) A Participant, Issuer or Other Facility User if dissatisfied with a decision of ASX under Section 2 of this Rulebook to issue an Enforcement Notice or any sanction imposed in the Enforcement Notice;
- (b) An applicant against a decision of ASX to reject its application to become a Participant under ASX Settlement Operating Rule 4.14.3;
- (c) An Issuer if dissatisfied with a decision of ASX to revoke approval of a class of the Issuer's Financial Products under ASX Settlement Operating Rule 8.4.1(b);
- (d) A Settlement Participant or an affected person if dissatisfied with the decision of ASX under ASX Settlement Operating Rule 10.4 to:
 - (i) not admit a class of Batch Instruction into DvP Batch Settlement; or
 - (ii) remove a class of Batch Instruction from Batch Settlement or DvP Batch Settlement,
- (e) ~~[deleted]A person who has applied for admission of the relevant Approved Financial Products or a Participant if dissatisfied with a decision of ASX under ASX Settlement Operating Rule 11.1 to:~~
 - ~~(i) not admit a class of Instructions into Real Time Gross Settlement; or~~
 - ~~(ii) remove a class of Instructions from Real Time Gross Settlement,~~

- (f) An Issuer if dissatisfied with the decision of ASX to revoke approval of the Issuer's Financial Products under ASX Settlement Operating Rule 12.17.4;
- (g) A non-compliant Participant if dissatisfied with a decision of ASX under ASX Settlement Operating Rule 12.19.1 unless:
 - (i) the non-compliance is in respect of a prohibition or restriction imposed by a State Revenue Authority against the Participant paying stamp duty by lodgement of a periodic return;
 - (ii) in the case of a General Settlement Participant, the Settlement Participant no longer complies with the capacity requirements specified in ASX Settlement Operating Rule 4.10;
 - (iii) in the case of a Settlement Participant which is a Foreign Clearing House:
 - (a) the Settlement Participant no longer complies with the requirement to be appropriately authorised to provide clearing services in the foreign country in which its principal place of business is located; or
 - (b) any necessary regulatory approval granted to the Settlement Participant to allow the Settlement Participant to provide services as a Participant have been withdrawn,
- (h) A Facility User if dissatisfied with a decision of ASX to suspend processing of Messages or classes of messages under ASX Settlement Operating Rule 16.3.1(e):-
 - (i) [An RTGS Payments Provider if dissatisfied with a decision of ASX to suspend, impose conditions on or terminate its participation in Real Time Gross Settlement under ASX Settlement Operating Rule 11.8.6.](#)

Amended 01/08/10, 25/05/15

...

SECTION 4 ASX ANNOUNCEMENT AND IMPOSITION OF PENALTY

4.1 ASX ANNOUNCEMENT

4.1.1 Announcement

Without limitation to any announcement or publication which ASX is permitted to make under the relevant ASX Operating Rules, subject to Rules 3.3 and 3.4:

- (a) ASX may make public, in the form and manner ASX considers appropriate having regard to Rule 1.5.1, any of the following matters:
 - (i) enforcement action (including pursuant to Rule 2.4) against a Participant, Issuer or Other Facility User, including the exercise by ASX of any of its powers under Rules 2.2.1, 2.2.2 or 2.2.2A and an explanation of, or reasons for, such action;

- (ii) the suspension or termination of a Participant's [or an RTGS Payments Provider's](#) admission, including any explanation of, or reasons for, such suspension or termination;
- (iii) any other matters set out in the Procedures.

In the case of enforcement action against a Participant, Issuer or Other Facility User or the suspension or termination of a Participant's [or RTGS Payments Provider's](#) admission which is the subject of an appeal, paragraph (b) applies.

- (b) an Appeal Tribunal may direct ASX to make public, in the form and manner ASX considers appropriate having regard to Rule 1.5.1, any of the following matters:
 - (i) enforcement action against a Participant, Issuer or Other Facility User which has been the subject of an appeal (and has not been entirely set aside), including the exercise by ASX of any of its powers under Rules 2.2.1, 2.2.2 or 2.2.2A, the affirmation or variation by an Appeal Tribunal of such exercise of powers and an explanation of, or reasons for, such action by ASX or determination by the Appeal Tribunal;
 - (ii) the suspension or termination of a Participant's admission as a Participant [or the suspension or termination of an RTGS Payments Provider's admission as an RTGS Payments Provider](#) which has been the subject of an appeal, including an explanation of, or reasons for, such suspension or termination by ASX or determination by the Appeal Tribunal;
 - (iii) any other matters set out in the Procedures.
- (c) Unless ASX or an Appeal Tribunal (as the case may be) determines otherwise, an announcement or publication made under Rule 4.1.1(a) or 4.1.1(b) will include:
 - (i) the name of the Participant, Issuer, ~~or~~ Other Facility User [or RTGS Payments Provider](#) (as applicable), except in the circumstances set out in the Procedures; and
 - (ii) any other information which ASX or the Appeal Tribunal (as the case may be) considers relevant to the matters dealt with in the announcement or publication.

Amended 01/08/10, 25/05/15

4.1.2 No action for disclosure

A Participant, Issuer, ~~or~~ Other Facility User [or RTGS Payments Provider](#) must not take (and must procure that its Employees do not take) any action or proceeding (including without limitation an action for damages) against ASX, any officer, employee or agent of ASX, any member of an Appeal Tribunal or any other person acting under the authority of any of the above, for publishing or circulating any announcement, or which would stop any person from publishing or circulating any announcement under Rule 4.1.1 (or under any other relevant Operating Rule which permits such announcement or publication) or making any record in the register under Rule 4.1.3. Any person against whom an action or proceeding is taken in breach of this Rule 4.1.2 may rely on this Rule 4.1.2 as a defence to that action or proceeding.

Amended 01/08/10, 25/05/15

4.1.3 Register of banned individuals

ASX will enter the name of a person in respect of whom an order is made under Rule 2.2.1(d)(i) on a register made available to all Participants.

Amended 01/08/10, 25/05/15

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ASX ENFORCEMENT AND APPEALS RULEBOOK
PROCEDURES

SECTION 3 APPEALS

PROCEDURE 3.1 DECISIONS THAT MAY BE APPEALED

Each notice of appeal (“Appeal Notice”) must identify the decision against which the appeal is made and set out the grounds of appeal. For the purposes of Rule 3.1, any Appeal Notice to be lodged shall be in the format specified in the table below and:

- (a) addressed to the chairperson of the Appeal Tribunal Panel at the following address:

The Chairperson
c/o Legal Counsel to the Appeal Tribunal
Exchange Centre
20 Bridge Street,
SYDNEY NSW 2000
e-mail: Tribunals@asx.com.au
Fax: 02 9227 0917

- (b) accompanied by a bank cheque or electronic funds transfer payable to ASX Operations Pty Limited for the appeal fee set out in the table below.

If payment is made by electronic funds transfer, the payment should be made to the following account:

Bank: National Australia Bank
Account Name: ASX Operations Pty Ltd
BSB: 082 057
A/C: 494728375
Swift Code (Overseas Customers): NATAAU3302S

and the applicant should email its remittance advice to ar@asx.com.au or fax it to (612) 9227-0553, describing the payment as “appeal fee” and including the name of the appellant and the amount paid.

In the case of an appeal under Rule 3.1.1(e) or Rule 3.1.5(c), the appeal fee must be paid to ASX Operations Pty Limited by bank cheque or electronic funds transfer no later than 1 Trading Day from the lodgement of the Appeal Notice (irrespective of the outcome of the appeal).

| Type of Appeal | Form of Appeal Notice | Time to lodge Appeal Notice | Appeal Fees |
|---|-----------------------|---|----------------------------|
| 3.1.1 ASX Operating Rules Appeals | | | |
| Rule 3.1.1 (a) | Written notice | No later than 20 Business Days from receipt of the Enforcement Notice. | \$5000 GST exclusive |
| Rule 3.1.1(b) | Written notice | No later than 10 Business Days from receipt of notification of ASX's decision. | \$5000 GST exclusive |
| Rule 3.1.1 (c) | Written notice | No later than 1 Trading Day from receipt of notification of ASX's decision. | \$5000 GST exclusive |
| Rule 3.1.1(d) | Written notice | No later than 1 Trading Day from receipt of notification of ASX's decision. | \$5000 GST exclusive |
| Rule 3.1.1(e) | Written notice | Within 5 minutes of notification of ASX's decision to cancel or not cancel the trade. | \$5000 GST exclusive |
| 3.1.2 ASX Settlement Operating Rule Appeals | | | |
| Rule 3.1.2(a) | Written notice | No later than 20 Business Days from receipt of the Enforcement Notice. | \$5000 GST exclusive |
| Rules 3.1.2(b), (d), (f) – (h) | Written notice | No later than 10 Business Days from receipt of notification of ASX's decision. | \$5000 GST exclusive |
| Rule 3.1.2(c) | Written notice | No later than 10 Business Days from receipt of notification of ASX's decision. | \$5000 GST exclusive |
| 3.1.3 ASX Clear Operating Rule Appeals | | | |
| Rule 3.1.3 (a) | Written notice | No later than 20 Business Days from receipt of the Enforcement Notice. | \$5000 GST exclusive |
| All appeals except for those referred to in Rule 3.1.3(a) | Written notice | No later than 10 Business Days from receipt of notification of ASX's decision. | \$5000 GST exclusive |
| 3.1.4 ASX Listing Rule Appeals – [Deleted] | | | |
| 3.1.5 ASX 24 Operating Rule Appeals | | | |
| Rule 3.1.5(a) | Written notice | No later than 20 Business Days from receipt of the Enforcement Notice. | \$5000 GST exclusive |

| Type of Appeal | Form of Appeal Notice | Time to lodge Appeal Notice | Appeal Fees |
|---|------------------------------|---|----------------------------|
| Rule 3.1.5(b) | Written notice | No later than 10 Business Days from receipt of notification of ASX's decision. | \$5000 GST exclusive |
| Rule 3.1.5(c) | Written notice | Within 5 minutes of notification of ASX's decision to cancel or not cancel the trade. | \$5000 GST exclusive |
| 3.1.6 ASX Clear (Futures) Operating Rule Appeals | | | |
| Rule 3.1.6(a) | Written notice | No later than 20 Business Days from receipt of the Enforcement Notice. | \$5000 GST exclusive |
| Rule 3.1.6(b) | Written notice | No later than 10 Business Days from receipt of notification of ASX's decision. | \$5000 GST exclusive |
| Rule 3.1.6(c) | Written notice | No later than 10 Business Days from receipt of notification of ASX's decision. | \$5000 GST exclusive |
| 3.1.7 Austraclear Appeals | | | |
| Rule 3.1.7(a) | Written notice | No later than 20 Business Days from receipt of the Enforcement Notice. | \$5000 GST exclusive |
| Rule 3.1.7(b) and (c) | Written notice | No later than 10 Business Days from receipt of notification of ASX's decision. | \$5000 GST exclusive |

Amended 01/08/10, 20/12/10, 25/05/15, 15/06/15, 24/12/15

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Attachment E: Rule Change Index

CHES Replacement: Tranche 2 Rule change index

| Amended rule ¹ | Summary row reference no. |
|---------------------------------------|--|
| ASX Settlement Operating Rules | |
| 2.1 | 1, 2 |
| 2.13.1 | <ul style="list-style-type: none"> Accelerated Rights Offer – 2 Acceptance Cancellation Message – 2 Acceptance Form – 1, 2 Acceptance Participant Notification Message – 2 Accrued RTGS Instruction – 4, 5 Cash Sub record – 6 CCP Gross RTGS Instruction – 4 CHES Renounceable Rights Subregister – 2 Corporate Action Election Status Advice Message – 1 Corporate Action Payments Participant – 3 Corporate Action Record – 1, 2 Corporate Action RTGS Message – 2 Corporate Action RTGS Instruction – 2 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---|
| 2.13.1 | <ul style="list-style-type: none"> Corporate Action Rejection Message – 2 Debit Cap – 6 Debit Cap Compliant – 6 Debit Cap Status – 6 Debit Limit – 6 Delivery Obligation – 4 Dual Entry RTGS Instruction – 7 Dual Entry RTGS Message – 7 Dual Entry Switch to Batch Settlement Message – 7 Dual Entry Switch to RTGS Message – 7 DvP RTGS Instruction – 4 Election Cancellation Message – 1 Election Issuer Notification Message – 1 Election Option Type - 1 Election Participant Notification Message – 1 Entitlement – 2 Excluded Cash Sub record – 6 Feeder System Queue – 5 Matched Messages – 4, 7 |

¹ * denotes a new Rule.

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---|
| 2.13.1 | <ul style="list-style-type: none"> • Net Position Record – 5, 6 • Net Position Record Status – 6 • Non-Renounceable Rights Offer – 2 • Non-Takeover Offer Event – 17 • Non-Takeover Offer Event Consideration Code – 17 • Non-Takeover Offer Event Transfer – 17 • Non-Takeover Offer Event Transferee Holding – 17 • Offer Accepted Subposition – 17 • Oversubscription Acceptance – 2 • Oversubscription Offer – 2 • Parent Batch Instruction – 19 • Parent DvP RTGS Instruction – 4 • Parent RTGS Instruction – 4 • Participant – 3 • Participant Managed – 6 • Participant Offeror – 17 • Payment Facility – 11, 16 • Payments Provider Managed – 6 • Plan Election Date – 1 • Real Time Gross Settlement – 4 • Reserve – 5 • Renounceable Rights Offer – 2 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|--|
| 2.13.1 | <ul style="list-style-type: none"> • Renounceable Rights Record – 2 • Rights Offer – 2 • RTGS Account Identifier – 6 • RTGS Bank Account – 11 • RTGS Delivery Shortfall – 5 • RTGS Eligible – 4 • RTGS End of Day – 9 • RTGS Instruction – 4 • RTGS Mandatory – 4 • RTGS Message – 4, 15 • RTGS Participant – 3, 6 • RTGS Pre-commencement Testing – 5 • RTGS Settlement Date – 8 • Securities Purchase Plan – 2 • Securities Purchase Plan Acceptance – 2 • Settlement Adjustment – 4 • Standing Buy Account Identifier – 6 • Standing Sell Account Identifier – 6 • Switch to Batch Settlement Message – 7 • UIC – 2 |
| 3.6.17 | 14 |
| 3.6.18 | 5, 16 |
| 4 – Purpose | 3, 17 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---------------------------|
| 4.1.3* | 3 |
| 4.4.2 | 17 |
| 4.4B* | 3 |
| 4.4B.1* | 3 |
| 4.7.1 | 15 |
| 4.9.1 | 17 |
| 4.13.1 | 11 |
| 4.16.4A | 17 |
| 5 – Purpose | 1, 2 |
| 5.3.6 | 29 |
| 5.19A* | 1 |
| 5.19A.1* | 1 |
| 5.19A.2* | 1 |
| 5.19A.3* | 1 |
| 5.19A.4* | 1 |
| 5.19A.5* | 1 |
| 5.19A.6* | 1 |
| 5.19A.7* | 1 |
| 5.19A.8* | 1 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---------------------------|
| 5.19A.9* | 1 |
| 5.19A.10* | 1 |
| 5.19A.11* | 1 |
| 5.19A.12* | 1 |
| 5.21A* | 2 |
| 5.21A.1* | 2 |
| 5.21A.2* | 2 |
| 5.21A.3* | 2 |
| 5.21A.4* | 2 |
| 5.21A.5* | 2 |
| 5.21A.6* | 2 |
| 5.21A.7* | 2 |
| 5.21A.8* | 2 |
| 5.21A.9* | 2 |
| 5.21.1 | 2 |
| 5.21.2 | 2 |
| 5.21.4 | 2 |
| 5.21.5 | 2 |
| 5.21B* | 2 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---------------------------|
| 5.21B.1* | 2 |
| 5.21B.2* | 2 |
| 5.22.1 | 2 |
| 5.22.2 | 23, 29 |
| 5.26* | 24 |
| 5.26.1* | 24 |
| 6.11.2 | 2 |
| 6.15.1 | 11 |
| 6.15.3 | 11 |
| 6.17.2 | 4 |
| 6.20.1 | 10 |
| 6.20.2 | 10 |
| 8.15.19 | 25 |
| 8.15.20 | 25 |
| 8.24 | 2 |
| 8.24.1 | 2 |
| 8.24.2 | 2 |
| 8.26.1 | 25 |
| 9.5A.6 | 4, 5 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---------------------------|
| 10.6 | 7 |
| 10.6.1 | 7 |
| 10.6.2 | 7 |
| 10.6.3 | 7 |
| 10.11.8 | 7 |
| 10.17.5 | 20 |
| 10.17.6 | 20 |
| 10.18.1 | 22 |
| 10.21.1 | 21 |
| 11 – Purpose | 3, 4, 5, 7 |
| 11.1.1 | 4 |
| 11.1.2 | 4 |
| 11.1.3 | 4 |
| 11.2 | 4 |
| 11.2.1 | 4 |
| 11.3 | 4 |
| 11.3.1 | 4 |
| 11.3.2 | 4 |
| 11.3.3 | 4 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---------------------------|
| 11.4.3 | 11 |
| 11.5 | 3 |
| 11.5.1 | 3 |
| 11.5.2 | 3 |
| 11.5.3 | 6, 11 |
| 11.5.4 | 6, 11 |
| 11.6.4 | 15 |
| 11.6.5 | 15, 16 |
| 11.8.3 | 16 |
| 11.8.6 | 11 |
| 11.8.7 | 11 |
| 11.8.8 | 11 |
| 11.8.9 | 11 |
| 11.8.10 | 11 |
| 11.8.11 | 11 |
| 11.8.12 | 11 |
| 11.8.13 | 11 |
| 11.8.14 | 11 |
| 11.9 | 6 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---------------------------|
| 11.9.1 | 6 |
| 11.9.2 | 6 |
| 11.9.3 | 6 |
| 11.9.4 | 6 |
| 11.9.5 | 6 |
| 11.9.6 | 6 |
| 11.9.7 | 6 |
| 11.9.8 | 6 |
| 11.9.9 | 6 |
| 11.9.10 | 6 |
| 11.9.11 | 6 |
| 11.9.12 | 6 |
| 11.9.13 | 6 |
| 11.9.14 | 6 |
| 11.9.15 | 6 |
| 11.9.16 | 6 |
| 11.11 | 7 |
| 11.11.1 | 7 |
| 11.11.2 | 7 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---------------------------|
| 11.12 | 7 |
| 11.12.1 | 7 |
| 11.12.2 | 7 |
| 11.12.3 | 7 |
| 11.12.4 | 7 |
| 11.12.5 | 7 |
| 11.12.6 | 7 |
| 11.12.7 | 7 |
| 11.13.1 | 4, 8 |
| 11.13.2 | 4 |
| 11.13.3 | 4, 13 |
| 11.13.4 | 4 |
| 11.13.5 | 4 |
| 11.14 | 8 |
| 11.14.1 | 8 |
| 11.14.2 | 8 |
| 11.14.3 | 8 |
| 11.14.4 | 8 |
| 11.15.1 | 8, 10 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---------------------------|
| 11.16.1 | 10 |
| 11.16.2 | 10 |
| 11.16.3 | 10 |
| 11.16.4 | 10 |
| 11.17.2 | 13, 16 |
| 11.17.3 | 10 |
| 11.17.4 | 4, 10, 16 |
| 11.17.5 | 10, 13 |
| 11.17.6 | 10 |
| 11.17A* | 5 |
| 11.17A.1* | 5 |
| 11.17A.2* | 5 |
| 11.17A.3* | 5 |
| 11.18.1 | 4 |
| 11.18.4 | 8 |
| 11.18.5 | 5 |
| 11.18.6 | 5 |
| 11.18.7 | 6 |
| 11.18.8* | 5, 6 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---------------------------|
| 11.19 | 5 |
| 11.19.1 | 5 |
| 11.19.2 | 5 |
| 11.19.3 | 5 |
| 11.20 | 5 |
| 11.20.1 | 5 |
| 11.20.2 | 5 |
| 11.20.3 | 5 |
| 11.20.4 | 5 |
| 11.21 | 5 |
| 11.21.1 | 5 |
| 11.22.1 | 5 |
| 11.23 | 6 |
| 11.23.1 | 6 |
| 11.23.2 | 6, 16 |
| 11.23.3 | 6, 16 |
| 11.24 | 6 |
| 11.24.1 | 6 |
| 11.24.2 | 6, 16 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---------------------------|
| 11.25.1 | 4, 6 |
| 11.27 | 11 |
| 11.27.1 | 11 |
| 11.28.1 | 9 |
| 11.28.2 | 9 |
| 11.30.1 | 12, 16 |
| 11.30.2 | 12 |
| 11.31 | 4, 9 |
| 11.31.1 | 4, 9 |
| 11.31.2 | 4, 9 |
| 11.31.3 | 4, 9 |
| 11.31.4 | 4, 9 |
| 11.31.5 | 4, 9 |
| 11.31.6 | 4, 9 |
| 11.31.7 | 4, 9 |
| 12.19.8 | 13 |
| 14 – Purpose | 17 |
| 14.1.7* | 26 |
| 14.2.1 | 24 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---------------------------|
| 14.2.2 | 24 |
| 14.2.3 | 26 |
| 14.12.4 | 45 |
| 14.13.4 | 45 |
| 14.14.7 | 45 |
| 14.15.5 | 45 |
| 14.22* | 17 |
| 14.22.1* | 17 |
| 14.22.2* | 17 |
| 14.22.3* | 17 |
| 14.23* | 17 |
| 14.23.1* | 17 |
| 14.23.2* | 17 |
| 14.23.3* | 17 |
| 14.23.4* | 17 |
| 14.23.5* | 17 |
| 14.23.6* | 17 |
| 14.24* | 17 |
| 14.24.1* | 17 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---------------------------|
| 14.24.2* | 17 |
| 14.24.3* | 17 |
| 14.24.4* | 17 |
| 14.24.5* | 17 |
| 14.24.6* | 17 |
| 14.24.7* | 17, 18 |
| 14.24.8* | 17 |
| 14.24.9* | 17 |
| 14.24.10* | 17 |
| 14.24.11* | 17 |
| 14.24.12* | 17 |
| 14.25* | 17 |
| 14.25.1* | 17 |
| 14.25.2* | 17 |
| 14.25.3* | 17 |
| 14.25.4* | 17 |
| 14.25.5* | 17 |
| 14.25.6* | 17, 18 |
| 14.25.7* | 17, 18 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---------------------------|
| 14.25.8* | 17 |
| 14.26* | 17 |
| 14.26.1* | 17 |
| 14.26.2* | 17 |
| 14.26.3* | 17 |
| 14.26.4* | 17 |
| 14.26.5* | 17 |
| 14.26.6* | 17 |
| 14.26.7* | 17 |
| 14.26.8* | 17 |
| 14.26.9* | 17 |
| 14.27* | 17 |
| 14.27.1* | 17 |
| 14.27.2* | 17 |
| 14.27.3* | 17 |
| 14.28* | 17 |
| 14.28.1* | 17 |
| 14.28.2* | 17 |
| 14.28.3* | 17 |

| Amended rule ¹ | Summary row reference no. |
|----------------------------------|---------------------------|
| 14.28.4* | 17 |
| 14.29* | 17 |
| 14.29.1* | 17 |
| 14.29.2* | 17 |
| 14.30* | 17 |
| 14.30.1* | 17 |
| 15 – Section heading and Purpose | 4 |
| 15.1.1 | 4 |
| 15.2 | 4 |
| 15.2.1 | 4 |
| 15.3 | 4 |
| 15.3.1 | 4 |
| 15.4.1 | 4 |
| 15.5.1 | 4 |
| 15.6.1 | 4 |
| 15.9.1 | 4 |
| 15.10.1 | 4 |
| 15.11 | 4 |
| 15.11.1 | 4 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---------------------------|
| 15.12 | 4 |
| 15.12.1 | 4 |
| 15.13.1 | 4, 13 |
| 15.14.1 | 4, 13 |
| 15.15.1 | 4 |
| 15.18 | 13 |
| 15.18.1 | 4, 13 |
| 15.21.1 | 4 |
| 15.30.1 | 4 |
| 16.18.1 | 7, 13 |
| 16.19.1 | 7, 10 |
| 16.22.1 | 28 |
| 18 – Purpose | 42, 43 |
| 18.3.2 | 44 |
| 18.3.3 | 38 |
| 18.3.4 | 38 |
| 18.3.5 | 36 |
| 18.4 | 42 |
| 18.4.1 | 42 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---------------------------|
| 18.4.2 | 42 |
| 18.4.3 | 42 |
| 18.4.4 | 42 |
| 18.4.6 | 42 |
| 18.5.1 | 38 |
| 18.5.2 | 42 |
| 18.6.1 | 38, 42 |
| 18.6.1A* | 34 |
| 18.7.1 | 42, 45 |
| 18.8.1 | 42 |
| 18.9 | 43 |
| 18.9.1 | 43 |
| 18.9.2 | 43 |
| 18.9.3 | 43 |
| 18.9.4 | 43 |
| 18.9.5 | 43 |
| 18.9.6 | 43 |
| 18.12.1 | 42 |
| 18.12.2 | 42 |

| Amended rule ¹ | Summary row reference no. |
|--|--|
| 18.13.1 | 1 |
| 18.14.1 | 42 |
| 18.14.2 | 42 |
| 18.14.3 | 42 |
| Appendix 1 | 1, 2, 4, 5, 6, 7, 8, 9, 10, 12, 13, 16, 17, 34, 36, 38, 42 |
| ASX Settlement Operating Rules Procedures | |
| 4.13.1 | 11 |
| 5.19A.2* | 1 |
| 5.19A.3* | 1 |
| 5.19A.5* | 1 |
| 5.19A.10* | 1 |
| 5.21A.3* | 2 |
| 5.21A.5* | 2 |
| 5.21B.1* | 2 |
| 11* | 4 |
| 11.1.1* | 4 |
| 11.4.3* | 11 |
| 18.3.1 | 31, 37, 39, 40, 41 |

| Amended rule ¹ | Summary row reference no. |
|---------------------------|---------------------------|
| 18.3.3 | 38 |
| 18.3.6A | 32, 33 |
| 18.4.1 | 42 |
| 18.4.3 | 38, 42 |
| 18.4.4 | 42 |
| 18.5 | 32, 35, 42, 45 |
| 18.6.1 | 32 |
| 18.6.1A | 34 |
| 18.7.1 | 32, 42 |
| 18.9.1 | 43 |
| 18.9.2 | 43 |
| 18.9.4 | 43 |
| 18.9A.1 | 2 |
| 18.9A.2 | 45 |
| 18.10.1 | 27 |
| 18.11.1 | 42 |
| Appendix 1 | 34, 36, 42, 43 |

| Amended rule | Summary row reference no. |
|---|--|
| ASX Clear Operating Rules | |
| 2.10.1 | <ul style="list-style-type: none"> • Buyer – 4 • CCP RTGS Instruction – 4 • Fail – 4 • Instruction – 4 • Real Time Gross Settlement – 4 • RTGS – 4 • Seller – 4 |
| 4.21.1 | 4 |
| 12 – Purpose | 4 |
| 12.7.4 | 4 |
| 12.8.1 | 4 |
| 12.8.5 | 4 |
| ASX Clear Operating Rules Procedures | |
| 12.7.4 | 4 |

| Amended rule | Summary row reference no. |
|--|-------------------------------|
| ASX Enforcement and Appeals Rulebook | |
| 1.12.1 | • RTGS Payments Provider – 11 |
| 3.1.2 | 4, 11 |
| 4.1.1 | 11 |
| 4.1.2 | 11 |
| ASX Enforcement and Appeals Rulebook Procedures | |
| 3.1 | 11 |