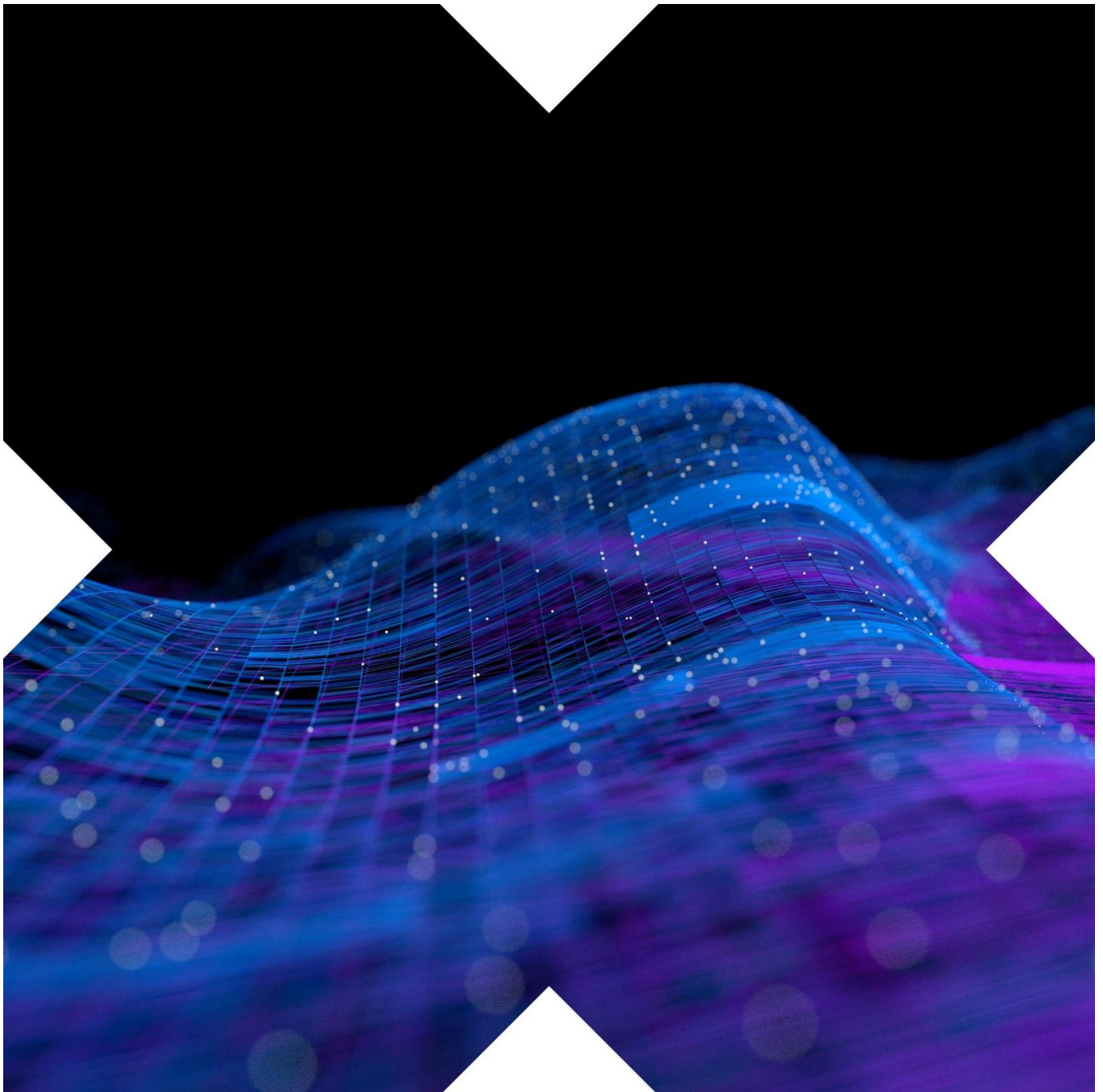


# CHES Project

## Response to Consultation on Release 1 (Clearing Services) – Amendments to Rules and Procedures

10 July 2025



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## 1. Feedback received

On 3 March 2025, ASX Clear and ASX Settlement (ASX) released a Consultation Paper titled '[CHESS Project – Consultation on Release 1 \(Clearing Services\) – Amendments to Rules and Procedures](#)' seeking feedback on proposed amendments to the:

- (a) ASX Clear Operating Rules (ASX COR);
- (b) ASX Clear Operating Rules Procedures; and
- (c) ASX Operating Rules Procedures,

collectively referred to as the 'Rules and Procedures'.

The proposed amendments to the Rules and Procedures facilitate the implementation of Release 1 of the Clearing House Electronic Subregister System (CHES) replacement system. Consultation closed on 14 April 2025 following a six-week consultation period.

In response to the proposed amendments set out in the Consultation Paper, ASX received submissions from 4 stakeholders, including from two Approved Market Operators (AMOs), one Participant and one industry association. Feedback received from one AMO was substantive, with the other respondents either not providing any comments, or indicating that the proposed amendments did not give rise to any issues or unintended consequences.

A summary of the substantive feedback received and ASX's responses to that feedback are set out in Appendix A.

In March 2025, ASX also released a separate but related [consultation paper](#) setting out proposed amendments to the AMO Contractual Terms to implement Release 1 of the CHES Project. Whilst the feedback received in response to that consultation will be set out in a separate consultation response, where feedback received on the AMO Contractual Terms is relevant to matters considered in this consultation response, that feedback is also addressed in Appendix A.

## 2. Amendments as a result of feedback

Having regards to the feedback received to the consultation on the proposed amendments to the Rules and Procedures, ASX has determined to proceed to implement the Rules and Procedures in the form set out in the Consultation Paper.

As a result of the feedback received to the Consultation Paper on the Rules and Procedures, ASX has:

- (a) further explained why ASX considers that no changes are required to the Rules and Procedures to:
  - (i) give effect to the new 'pending trade' functionality; and
  - (ii) remove the requirement for delivering and receiving PIDs to be included in the particulars of a Cash Market Transaction; and
- (b) amended the proposed changes to the AMO Contractual Terms to address queries or concerns raised in relation to the proposed Rules and Procedures changes.

Further detail is contained in Appendix A.

## 3. Revised draft Rule and Procedure amendments

The Rules and Procedures amendments which ASX plans to make to implement Release 1 of the CHES replacement system are set out in Appendix B.

ASX confirms that the Rules and Procedures amendments have not changed from those proposed in ASX's Consultation Paper dated 3 March 2025.

## 4. Next steps

ASX will shortly informally lodge the amended Rules and Procedures with ASIC to seek regulatory clearance.

Subject to regulatory clearance, the amendments will take effect at the time that Release 1 of the CHES Project goes live. ASX will publish a market notice to confirm the final Rules and Procedures and effective date closer to the time.

ASX continues to acknowledge the time and effort that all stakeholders have given to considering the proposed amendments to the Rules and Procedures to implement the CHES Project. ASX thanks all stakeholders for their ongoing engagement in this process.

## Appendix A – Table of substantive feedback and ASX responses

The following table summarises the substantive feedback received to the Consultation Paper on the Rules and Procedures, and ASX's response.

Item	Key issue	Consultation Paper reference	Relevant Rule / Procedure / Contract	Comment / feedback	ASX response
1.	Novation – Amendments to information required to be included in a Cash Market Transaction	Section 2.2	ASX COR 12.2.1	Feedback to clarify the changes proposed to ASX COR 12.2.1 to remove the requirement that a Clearing Participant's Participant ID (PID) be included in the particulars of a Cash Market Transaction notified to ASX by an AMO. Specifically, feedback noted that ASX should make clear the circumstances in which ASX 'maps' the Clearing Participant's PID to the Trading Participant's ID, and what responsibility ASX Clear accepts for this activity.	<p>Currently, ASX COR 12.2.1 provides that ASX Clear will novate a Cash Market Transaction where the delivering PID and receiving PID <i>specified in the particulars of</i> the Cash Market Transaction submitted to ASX Clear relate to two different entities (see ASX COR 12.2.1). This reflects existing CHES system functionality where a trade that is submitted may specify the Clearing Participant through whom the trade should be cleared.</p> <p>In the CHES replacement system, ASX Clear will continue to novate a Cash Market Transaction where the delivering PID and receiving PID relate to two different entities. However, AMOs will not be required to provide the delivering or receiving PID in the particulars (details) of a Cash Market Transaction, on the basis that the CHES replacement system does not provide the functionality for a Trading Participant ID to be linked with more than one clearer. As a result of this change in functionality:</p> <ul style="list-style-type: none"> <li>For existing Trading Participants: trades submitted to ASX Clear will be cleared by the Clearing Participant advised to ASX Clear by the Trading Participant and which is recorded in the reference data maintained in the CHES replacement system. Consistent with existing arrangements, if a Trading Participant changes their Clearing Participant, the Trading Participant will advise ASX Clear of the change and the reference data maintained in CHES will be updated accordingly; and</li> </ul>

Item	Key issue	Consultation Paper reference	Relevant Rule / Procedure / Contract	Comment / feedback	ASX response
					<ul style="list-style-type: none"> <li>For new Trading Participants: When a new Trading Participant ID is created, ASX Clear will be advised of the Trading Participant to Clearing Participant relationship;</li> </ul> <p>in each case, and consistent with the functionality of current CHES, the reference data maintained in CHES will be provided to ASX Clear by the Trading Participant, rather than ASX Clear determining this relationship itself (i.e. ASX Clear will not undertake any new activity vis-à-vis the existing CHES system).</p> <p>If an AMO includes the delivering or receiving PID in the particulars of a Cash Market Transaction and this information is inconsistent with the Trading Participant–Clearing Participant relationship recorded in the CHES replacement system, the Cash Market Transaction will be ‘pending’ and subject to the validation arrangements set out in the Trade Acceptance Service Legal Terms.</p> <p>All activities undertaken by ASX Clear will continue to be subject to the liability provisions specified in ASX COR 1.10.1.</p>

Item	Key issue	Consultation Paper reference	Relevant Rule / Procedure / Contract	Comment / feedback	ASX response
2.	Clarification sought on definitions of 'Clearing PID' and 'Trading PID'	Section 2.2	ASX COR 2.10	Feedback that it may be helpful to be more explicit on what constitutes a 'Clearing PID' and 'Trading PID', noting that neither are defined in the ASX COR nor ASX Operating Rules, and both terms were used in the Consultation Paper and elsewhere by ASX.	<p>The term 'Clearing PID' was used in the Consultation Paper to provide clarity that the PID being referred to was that of a Clearing Participant admitted under ASX COR 3.1.</p> <p>'PID' is defined in ASX Clear Operating Rule 2.10, and this applies to Clearing Participants.</p> <p>Whilst no reference was made in the Consultation Paper to 'Trading PID', ASX would be pleased to provide clarity on the use of this term in any other documents where this term is used.</p>
3.	Clarification sought on the legal status of 'pending' trades	Not Applicable	ASX COR / Schedule 2 Trade Acceptance Service Legal Terms	Feedback seeking clarification on the legal status of the new pending trade functionality under the ASX COR.	<p>The new pending trade functionality is an enhancement to the trade validation process and provides the ability for a trade's underlying reference data (not the trade itself) to be amended, reprocessed and subsequently accepted. A trade will be pended where it falls within one of the validation (processing) scenario's specified in section 3.3.2 of the AMO User Technical Documentation (UTD). All validation scenarios in the UTD contemplate trades which include incorrect reference data (e.g. Buyer/Seller does not have an 'Active role' as a Clearing member). Consistent with the existing CHES system, every trade submitted by an AMO will be processed on that day.</p> <p>In the existing CHES system, all trades that fail validation are rejected. While this will not change in the CHES replacement system, the new pending trade functionality will provide AMOs with greater visibility on the trade validation process by providing visibility on the reasons a trade has been 'pended', and, due to the ability for reference data errors to be corrected by ASX or AMOs, will reduce the circumstances under which trades are rejected. In this regard, the new pending trade functionality is not changing the</p>

Item	Key issue	Consultation Paper reference	Relevant Rule / Procedure / Contract	Comment / feedback	ASX response
					<p>ASX CORs relating to novation or registration, including the circumstances and time that trades will be novated and registered, or the arrangements relating to the treatment of trades of participants where the participant has committed an event of default – the new pending trade functionality is an enhancement to the existing trade processing (validation) functionality only.</p> <p>To provide additional clarity on the new pending trade functionality in the AMO Contractual Terms and related documentation, ASX proposes to:</p> <ul style="list-style-type: none"> <li>(a) amend the Trade Acceptance Service Legal Terms – Schedule 2, to include an express confirmation that pended trades will be ‘processed’ (‘accepted’ or ‘rejected’) on the business day they are submitted; and</li> <li>(b) provide additional clarity in the AMO User Technical Documentation regarding the circumstances under which a trade will be ‘pended’. Note – On 2 July 2025, ASX published an update to the AMO UTD including this additional detail.</li> </ul>



## Appendix B – Release 1 Rules and Procedures Amendments – Revised Draft Amendments

Following consultation on the proposed amendments, the revised draft amendments to the Rules and Procedures are outlined below in mark-up. Text in red is planned to be added, and text in red strike-through is planned to be deleted. Finalised amendments will be published prior to coming into effect, after ASX has completed the regulatory clearance process with ASIC.

### Indicative Amendments to ASX Clear Operating Rules

#### 2.10 DEFINITIONS AND INTERPRETATION

##### 2.10.1 Definitions used in the Rules

“CCP Gross Batch Instruction” 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 has been excluded from netting in accordance with Rule 12.7.3~~ and includes an instruction which contains payment and delivery obligations under an Offsetting Transaction Arrangement entered into in respect of a Failed CCP Gross Batch Instruction.

#### *Explanatory note*

The above definition is being amended to reflect the deletion of rule 12.7.3.

...

#### 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 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 (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 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.

...

#### Explanatory note

The above introduction to Section 12 is being amended to reflect the deletion of rule 12.7.3 – 12.7.4.

## 12.2 NOVATION

### 12.2.1 ASX Clear to novate Cash Market Transactions and Derivatives Market Contracts

ASX Clear will novate a Cash Market Transaction which is registered in accordance with Rule 12.1.1 if and only if the delivering PID and the receiving PID ~~specified in the particulars of~~ for the Cash Market Transaction submitted to ASX Clear by the Approved Market Operator relate to two different legal entities.

If the delivering PID and the receiving PID relate to the same legal entity, ASX Clear will, unless instructed otherwise in accordance with the Procedures, register the Cash Market Transaction and notify the relevant Participant that the Cash Market Transaction has been registered for information only.

ASX Clear will novate a Cash Market Transaction subject to and in accordance with this Rule 12.2.1 with effect from:

- (a) if the Cash Market Transaction is the result of the matching of bids and offers on the market of the Approved Market Operator, immediately after the matching of those bids and offers; or
- (b) If the Cash Market Transaction is the result of a transaction being recorded by the Approved Market Operator, immediately after the transaction is recorded.

ASX Clear will novate a Derivatives Market Contract, if the Derivatives Market Transaction to which it relates has been registered under Rules 12.1.1 or 12.1.1A, at the time of registration.

*Note: A Cash Market Transaction which is submitted by an Approved Market Operator to ASX Clear for registration must be validated by ASX Clear in accordance with the Terms of Trade Acceptance Service in order to confirm that the Cash Market Transaction is registrable under Rule 12.1.1. If the Cash Market Transaction is determined by ASX Clear to be registrable and if it meets the requirements for novation in this Rule 12.2.1, then it is novated with effect from the point in time specified by Rule 12.2.1.*

*For the avoidance of doubt, Derivatives Market Contract includes an Options Market Contract executed on the over the counter market and a Derivatives Market Transaction includes an OTC Options Market Transaction.*

Introduced 11/03/04 Origin OCH 5.4.4, SCH 7.7 Amended 27/06/11, 28/05/12, 07/06/13, 03/12/18, [xxx]

#### Explanatory note

The above rule is being amended to remove the requirement that both a delivering PID and receiving PID are included in the particulars of a Cash Market Transaction submitted to ASX Clear by an Approved Market Operator. This change reflects that the new clearing component is capable of maintaining the Clearing Participant's PID based on the relationship between the Trading and Clearing Participant.

### 12.2.2 Effect of novation

Upon novation of a Cash Market Transaction or a Derivatives Market Contract under Rule 12.2.1:

- (a) the Cash Market Transaction is discharged and replaced with two Cash CCP Transactions; and
- (b) the Derivatives Market Contract is discharged and replaced with two Derivatives CCP Contracts,

with the following effect, subject to these Rules:

- (c) the obligations owed by a Seller to a Buyer are replaced by obligations in the same terms owed by the Seller to ASX Clear, and by obligations owed by ASX Clear to the Buyer;

- (d) the obligations owed by a Buyer to a Seller are replaced by obligations in the same terms owed by the Buyer to ASX Clear, and by obligations owed by ASX Clear to the Seller.

ASX Clear and each Participant acknowledge that:

- (e) Cash CCP Transactions (excluding Cash CCP Transactions which are removed from novation pursuant to Rule 12.7.1 ~~or 12.7.2 and not reinstated pursuant to Rule 12.7.5~~); and
- (f) Derivatives CCP Contracts,

are market netting contracts (as defined in the Payment Systems and Netting Act 1998) the terms of which incorporate any and all Rules which provide for or relate to the exercise of default rights, the netting, set-off or termination of obligations, the calculation or payment of termination values or net amounts and obligations to pay deposits or margin calls, or which otherwise affect the rights and obligations of the parties to the contracts, including, without limitation the Recovery Rules and:

- (g) in respect of Cash CCP Transactions, Rules 12.4.1, 12.6.1, and 15; and
- (h) in respect of Derivatives CCP Contracts, Rules 12.16, 12.17, 13.2, 14 and 15.

Introduced 11/03/04 Origin OCH 5.4.4, SCH 7.8.1 Amended 18/12/06, 13/07/09, 19/08/09, 01/10/15, [xxx]

#### Explanatory note

The above rule is being amended to reflect the deletion of rule 12.7.2.

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#### 12.7.2 Buyer and Seller may request Cash CCP Transactions be removed from novation and set off – [Deleted]

~~If before the time specified in the Procedures, the Buyer and Seller to a Cash Market Transaction request ASX Clear to remove the transaction from novation under Rule 12.2.1 and set off under Rule 12.6.1, in order, for example, to remove the transaction to an Alternative Settlement Facility, ASX Clear will:~~

- ~~(a) remove the corresponding Cash CCP Transactions from set off; and~~
- ~~(b) notify the Buyer and Seller accordingly,~~
- ~~and Rule 12.7.6 will have effect.~~

~~If the Buyer and Seller request it, ASX Clear will send to an Approved Settlement Facility a corresponding Direct Batch Instruction.~~

~~Introduced 11/03/04 Origin SCH 7.13.1~~

#### Explanatory note

The above rule is being deleted on the basis this functionality is no longer being supported in the CHES replacement system and is not functionality currently being used by Clearing Participants.

#### 12.7.3 Buyer and Seller may request Cash CCP Transactions be excluded from set off – [Deleted]

~~If before the time specified in the Procedures a Buyer and Seller to a Cash Market Transaction:~~

- ~~(a) request ASX Clear to remove the corresponding Cash CCP Transactions from set off under Rule 12.6.1; or~~
- ~~(b) request ASX Clear to remove the corresponding Cash CCP Transactions from set off under Rule 12.6.1 for the purpose of settlement in Real Time Gross Settlement;~~

~~ASX Clear will remove the Cash CCP Transactions from set off.~~

~~Introduced 11/03/04 Origin SCH 7.12~~

#### Explanatory note

The above rule is being deleted on the basis this functionality is no longer being supported in the CHES replacement system and is not functionality currently being used by Clearing Participants.

#### 12.7.4 Action by ASX Clear where Buyer and Seller request Cash CCP Transaction be excluded from set off – [Deleted]

~~Subject to Rule 12.7.9, where ASX Clear accepts a request under Rule 12.7.3 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~~

#### Explanatory note

The above rule is being deleted on the basis this functionality is no longer being supported in the CHES replacement system. The deletion of this rule is consequential to the deletion of rule 12.7.3.

#### 12.7.5 Buyer and Seller may cancel request – [Deleted]

~~If before the time specified in the Procedures, the Buyer and Seller to a transaction cancel a request made to ASX Clear to:~~

~~(a) remove the transaction from novation and set off under Rule 12.7.2; or~~

~~(b) remove the transaction from set off under Rule 12.7.3;~~

~~and ASX Clear accepts the request for cancellation, ASX Clear will reinstate the transaction to novation and set off or set off as the case requires.~~

~~Introduced 11/03/04 Origin SCH 7.1.4A, 7.12, 7.12A, 7.13~~

#### Explanatory note

The above rule is being deleted on the basis this functionality is no longer being supported in the CHES replacement system. The deletion of this rule is consequential to the deletion of rules 12.7.2 and 12.7.3.

#### 12.7.6 Effect of removal of Cash CCP Transaction

If ASX Clear removes Cash CCP Transactions under Rules 12.7.1 ~~or 12.7.2~~:

(a) the Seller and the Buyer are, and are taken from the time the original Cash Market Transaction was entered into, to be in direct contractual relationship with each other on the terms of that transaction; and

(b) ASX Clear has no obligation in relation to those .

Introduced 11/03/04 Origin SCH 7.5A.2, 7.13.3, [xxx]

#### Explanatory note

The above rule is being amended to reflect deletion of rule 12.7.2.

#### 12.7.7 Request by Buyer or Seller where counterparty not known - [Deleted]

~~Where a Buyer or Seller (as the case may be) is not aware of the identity of its counterparty for the purpose of making a request to ASX Clear for the removal of a transaction under either Rule 12.7.2 or Rule 12.7.3, the Buyer or Seller may ask ASX Clear, by the time and in the manner set out in the Procedures, to facilitate such a request.~~

~~Introduced 28/11/05~~

##### *Explanatory note*

The above rule is being deleted on the basis this functionality is no longer being supported in the CHES replacement system. The deletion of this rule is consequential to the deletion of rules 12.7.2 and 12.7.3.

#### 12.7.8 ASX Clear action where asked to facilitate a request - [Deleted]

~~Upon being asked under Rule 12.7.7 to facilitate a request, ASX Clear will use reasonable endeavours to contact the counterparty to ascertain whether the counterparty is agreeable or otherwise to a request to remove the transaction. ASX Clear will notify the Buyer or Seller as soon as reasonably practicable whether the counterparty is agreeable to the request.~~

~~Introduced 28/11/05~~

##### *Explanatory note*

The above rule is being deleted on the basis this functionality is no longer being supported in the CHES replacement system. The deletion of this rule is consequential to the deletion of rule 12.7.7.

#### 12.7.9 Obligations under second leg of Offsetting Transaction Arrangement relating to Failed CCP Gross Batch Instruction

Where the Approved Settlement Facility notifies ASX Clear of Failed CCP Gross Batch Instructions under Rule 12.8A and pursuant to that Rule ASX Clear enters into an Offsetting Transaction Arrangement with the Participant that has obligations or entitlements under the Failed CCP Gross Batch Instruction, then:

- (a) obligations and entitlements under the first leg of an Offsetting Transaction Arrangement entered into in respect of each such Failed CCP Gross Batch Instruction will be set-off against and discharged by equal but opposite obligations and entitlements under the Failed CCP Gross Batch Instruction in the manner set out in Rule 12.8A;
- (b) CCP Gross Batch Instructions due for settlement on a Business Day in respect of that Participant will, ~~in addition to the CCP Gross Batch Instructions notified under Rule 12.7.4,~~ also include separate CCP Gross Batch Instructions containing details of delivery and payment obligations and entitlements (as applicable) of the Participant under the second leg of each Offsetting Transaction Arrangement entered into in respect of a CCP Gross Batch Instruction (and representing equivalent delivery and payment obligations and entitlements of the Participant (as applicable) as under the CCP Gross Batch Instruction) Failed on the previous Business Day relating to that PID; and
- (c) an instruction will be deemed to have been generated by ASX Clear and sent to the Approved Settlement Facility which contains the details referred to in (b) above.

Introduced 28/04/14, Amended [xxx]

##### *Explanatory note*

The above rule is being amended to reflect the deletion of rule 12.7.4.

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## 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, [xxx]

#### *Explanatory note*

The above rule is being amended to reflect the deletion of rule 12.7.4.

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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:

- (d) 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;
- (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
- (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, [xxx]

#### *Explanatory note*

The above rule is being amended to reflect the deletion of rule 12.7.4.

## Indicative Amendments to ASX Clear Operating Rules Procedures

### PROCEDURE 1.17.1 GRANT OF CHESS LICENCE

The Procedures referred to in this Rule are contained in the ASX Settlement Participant Guidelines (APG), the **AMO User Technical Documentation (AMO UTD)**, and the External Interface Specification (EIS).

Introduced 11/03/04 Amended 21/06/05, [xxx]

#### Explanatory note

Amended to specify that the new AMO User Technical Documentation is a 'Procedure' (as defined in rule 2.10.1 – Definitions and Interpretation) for the purposes of the rule 1.3 (Procedures) and is subject to the rules relating to intellectual property in rule 1.17.1 – 1.17.3.

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### PROCEDURE 3.2.3 ADDITIONAL REQUIREMENTS FOR PARTICIPANTS CLEARING MARKET TRANSACTIONS EFFECTED THROUGH MULTIPLE APPROVED MARKET OPERATORS

ASX Clear Operating Rule 3.2.3 provides that if an applicant for admission, or an existing Participant, wishes to clear Market Transactions effected through two or more Approved Market Operators, the applicant or Participant must, in addition to complying with Rule 3.2.1, comply with any requirements specified by ASX Clear in the Procedures. The following additional requirements are specified for Participants proposing to clear Market Transactions effected through two or more Approved Market Operators.

When an applicant or Participant proposes to clear Market Transactions effected through two or more Approved Market Operators, the applicant or Participant acknowledges that it will be taken to have agreed to clear every Market Transaction submitted by an Approved Market Operator for registration in the Participant's name, notwithstanding that the Participant has been incorrectly identified in the Approved Market Operator's **trade registration request** **trade capture report** message as a clearing counterparty to the trade (see ASX Clear Operating Rule 12.1.4) and that if it does not meet those Clearing Obligations, it may breach the ASX Clear Operating Rules.

Introduced 27/06/11 Amended 15/06/15, [xxx]

#### Explanatory note

The above Procedure is being amended to replace the reference to 'trade registration request' with 'trade capture report'. This change reflects the new FIX message type terminology.

...

### PROCEDURE 12.7.2 BUYER AND SELLER MAY REQUEST CASH MARKET TRANSACTION BE REMOVED FROM NOVATION AND SET OFF - [Deleted]

~~The Buyer and Seller must notify ASX Clear of their request to remove a Cash Market Transaction from novation and set off before netting for scheduled settlement, i.e. before End of Day on the second Business Day before the Settlement Date.~~

~~Introduced 11/03/04 Amended 27/06/11, 07/03/16~~

#### Explanatory note

The above Procedure is being deleted to reflect the deletion of ASX COR 12.7.2.

PROCEDURE 12.7.3 BUYER AND SELLER MAY REQUEST CASH CCP TRANSACTIONS BE EXCLUDED FROM SET OFF - [Deleted]

~~The Buyer and Seller must notify ASX Clear of their request to exclude a Cash Market Transaction from set off before End of Day on the second Business Day before the Settlement Date.~~

~~The Buyer and Seller must notify ASX Clear of their request to settle a Cash Market Transaction in Real Time Gross Settlement before End of Day on the second Business Day before the Settlement Date.~~

~~Introduced 11/03/04 Amended 27/06/11, 07/03/16~~

*Explanatory note*

The above Procedure is being deleted to reflect the deletion of ASX COR 12.7.3.

PROCEDURE 12.7.4 ACTION BY ASX CLEAR WHERE BUYER AND SELLER REQUEST CASH CCP TRANSACTION BE EXCLUDED FROM SET OFF - [Deleted]

~~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~~

*Explanatory note*

The above Procedure is being deleted to reflect the deletion of ASX COR 12.7.4.

PROCEDURE 12.7.5 BUYER AND SELLER MAY CANCEL REQUEST - [Deleted]

~~The Buyer and Seller must notify ASX Clear of their cancellation of a request to:~~

~~(a) exclude the Cash CCP Transaction from novation and set off (under Rule 12.7.2);~~

~~(b) exclude the Cash CCP Transaction from set off (under Rule 12.7.3);~~

~~before End of Day on the second Business Day before the Settlement Date.~~

~~Introduced 11/03/04 Amended 27/06/11~~

*Explanatory note*

The above Procedure is being deleted to reflect the deletion of ASX COR 12.7.5.

PROCEDURE 12.7.7 REQUEST BY BUYER OR SELLER WHERE COUNTERPARTY NOT KNOWN - [Deleted]

~~A Clearing Participant must notify ASX Clear if it wishes to make a request under either Rule 12.7.2 or Rule 12.7.3, in the following manner:~~

~~By email or telephone to the Help Desk during the operating hours of 8.00 am (Sydney time) to 5.00 pm (Sydney time), prior to the netting process.~~

~~and must include the following information:~~

~~(a) the ASX security code~~



~~(b) the settlement amount~~

~~(c) the unit quantity~~

~~(d) the CHESS transaction id from the CHESSMT 164 (Notified Trade)~~

~~(e) the settlement date~~

~~Introduced 28/11/05~~

*Explanatory note*

The above Procedure is being deleted to reflect the deletion of ASX COR 12.7.7.

## Indicative Amendments to ASX Operating Rules Procedures

### CASH MARKET PRODUCTS

#### Quotation

##### Procedure 2110

ASX will adjust the basis of quotation for Cash Market Products to reflect corporate actions upon the instruments and advise the market of such changes on the morning of the day that the corporate action takes effect or as soon as relevant information is available thereafter. These adjustments will be made visible to the market through the Trading Platform. **ASX may record no more than three basis of quotation for each Cash Market Product.**

##### *Explanatory note*

Amended to reflect that the new clearing component is capable of processing three BOQs only.



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