CHESS Replacement

Tranche 1 Rule Amendments

Consultation Paper

November 2019

Contents

Executive Summary

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

The amendments set out in this paper are the first 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 CHESS and reflect the solution design for new or changed functionality as captured in the Technical Documentation released by ASX.

Tranche 1 changes

The rule amendments discussed in this paper relate to accounts, participants, securities and pre-settlement aspects for 'Day 1' implementation of CHESS replacement system functionality. The amendments are being made to:

- Implement new business requirements for the CHESS replacement system, which were outlined in the consultation paper *CHESS Replacement: New Scope and Implementation Plan* released by ASX in April 2018 (seven new business requirements covered by tranche 1).

- 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 CHESS functionality – this relates to CHESS functionality not being used by system users or that is no longer required in the new system.

- Implement other miscellaneous changes - this includes additional emergency assistance provisions, clarifications and changes to correct errors.

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

- Account and holder creation (including changes to holder details).

- Locking and unlocking of accounts and holdings.

- Change of controlling participant and enquiry.

- Security state and settlement instructions.

- Trade registration and novation.

- Netting.

- Collateral management.

- SRN enquiry.

- Transfers and conversions.

- Demand and settlement instructions.

- Settlement locks for CHESS holdings.

A summary of the changes proposed to the rulebooks is contained in Section 1 of this paper and in Attachment A.

Previous consultation on solution design for new system

The new business requirements and the existing CHESS 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 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 seeking feedback on these tranche 1 rule amendments by 17 January 2020. Given the comprehensive nature of the consultation undertaken already, the objective of this consultation is to seek feedback on the operation of the proposed rule amendments and any unintended consequences.

ASX anticipates releasing two further tranches of rule amendments for public consultation:

- Tranche 2 rule amendments relating to corporate actions and mFund is planned for release in mid-February 2020.

- Tranche 3 rule amendments relating to settlement, reporting and miscellaneous amendments is planned for release in mid-March 2020.

The market will be advised of any material changes to the amendments set out in this paper in response to stakeholder feedback by the end of February 2020. This approach will also be adopted for tranches 2 and 3.

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

ASX plans to release the final rules package covering all three tranches in early October 2020. This will allow industry to have the final rule amendments 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 in April 2021.

1. Functionality covered in Tranche 1

1.1. Overview of functionality

The tranche 1 rule amendments support the operation of the CHESS 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 first tranche of rule amendments relate to accounts, participants, securities and pre-settlement aspects for Day 1 CHESS replacement system functionality. The relevant functional elements covered by these amendments are identified further in sections 1.2 – 1.13 below.

The tranche 1 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. Account and Holder creation (including changes to Holder details)

New business requirements

This functionality relates to the following two new business requirements:

Centralised data capture and storage (described in section 2.2.3 of the 2018 consultation paper) - providing for the new system to capture and store additional information linked to a CHESS holding which can be used in connection with corporate actions, compliance with regulatory obligations and new investor services as requested by stakeholders.

This business requirement was identified by the Data Storage, Delivery and Reporting Working Group which requested ASX to investigate the feasibility of a centralised depository for the capture and storage of static end investor data and to distribute certain data to permissioned users to assist in reducing the costs associated with duplicating capture and storage of data and operational costs of on-boarding.

Standardised registration details (described in section 2.2.4 of the 2018 consultation paper) - providing for the new system to support the standardisation of the format for holder details, accommodate changes to requirements specified by regulators (e.g. ATO specifications for SMSFs for the holding of assets) and adhere to industry global messaging standards, i.e. ISO 20022.

This business requirement was identified by the Transfers and Conversions Working Group which requested that there be a standardised format for the recording of holder registration details to assist in reducing operational inefficiency and cost associated with managing the holdings of a client that has different holding registration details entered for their respective CHESS holdings and/or issuer sponsored holdings.

Overview of new/changed functionality

Changes are being made in respect of account and holder functionality, including:

- Transitioning from recording Holder Record details in an unstructured 180 character free text field currently in CHESS, to recording this data in a structured format against certain data elements that aligns with ISO 202022 standards.

- Allowing for up to four joint Holders per HIN to be recorded in the new system, although settlement participants will continue to be subject to rules based restrictions on establishing a Holder Record with more than three Holders unless permitted under the Issuer's constitution (reflecting restrictions in most Issuer constitutions).

- Introducing two new data fields that are required to be completed in connection with the creation of a Holder Record, being "Ownership Type" (i.e. single or joint holding) and "Entity Type" for each named Holder (being

individual or company[1]). Although these are new fields, the information is not new as it is inherent in existing CHESS data.

- Creating the framework for additional non-mandatory data fields to be populated in a Holder Record. ASX is continuing to identify the additional non-mandatory data fields that may be populated in a Holder Record. The results of this work are to be detailed in future Focus Group and/or Technical Committee sessions and disclosed in Technical Documentation and/or associated documentation on the ASX CHESS replacement website. Further detail regarding any non-mandatory data elements will be disclosed following ASXs review of feedback to its Investor Data Focus Group held in October 2019, however, the types of non-mandatory data fields under consideration include:

  – Tax and residency details for mFund (to assist issuers to comply with their CRS and FATCA reporting obligations).
  – Email addresses and mobile phone numbers to enable ASX to distribute CHESS holding statements electronically. It is proposed that an email address and mobile phone number will only be required where a Holder's Communication Preference is electronic.

- As part of the adoption of ISO 20022 messaging which requires separate messages for static data (e.g. holder details) and transaction data (e.g. transfer/enquiry requests), introducing a temporary "Registration Identifier" object containing information of the kind recorded in registration details in order to facilitate transfers between CHESS and issuer sponsored subregisters and SRN enquiries (referred to in 1.9 and 1.10 below).

- Automating processing of requests for change of registration details, changes of Holder Type and removal of Holder Record.

ASX has adopted two key principles in relation to privacy and data protection in the CHESS replacement solution, which the proposed rule amendments are consistent with:

- Users not being compelled to provide additional investor data, nor will changes be made to the rulebooks that would compel certain stakeholders to provide additional information unrelated to clearing, settlement and other equity post trade services.

- Users only receiving information if they are party to a transaction or business purpose which the information relates to.

These changes and the impact on the rulebooks are described in further detail in points 1 to 12 of the Summary in Attachment A.

Consultation on solution design

The solution design for account and holder creation (including changes to holder details) has been the subject of consultation through the following stakeholder forums:

- Focus Group session on 31 October 2018.

- Further Focus Group sessions on 19 March 2019 with participants and registries, and on 26 March 2019 with vendors.

- Technical Committee meetings on 22 May 2018, 27 November 2018 and 26 March 2019.

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[1] Please note that company is intended to be a generic term to refer to entity types that are not a natural person.

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 account and holder functionality.[2]

The account and holder functionality solution design has been communicated publicly in Technical Documentation made available as part of Document Release 1 in December 2018 (and updated in Document Release 3 in May 2019) on the ASX CHESS Replacement website.[3]

1.3.   Locking and unlocking of accounts and holdings

Overview of new/changed functionality

Currently in CHESS, Issuers may request ASX to impose a Holding Lock (being a lock that applies to specific holdings under a HIN) and Controlling Participants may request ASX to impose a Holder Record Lock (being a lock that applies to all holdings under a HIN).

Changes are being made in respect of the existing locking functionality in the CHESS replacement system, including:

- Settlement Participants will be able to request that a Holder Record Lock is applied to a Holder Record in the event that they are served with a court order requiring all Holdings in a Holder Record to be frozen. ASX Settlement will also be able to apply a Holder Record Lock to a Holder Record if the court order is served on ASX Settlement.

- A Holding Lock will be able to be applied to part of a holding only. Currently in CHESS, if an Issuer requests ASX Settlement to apply a Holding Lock to part of a Holding due to a court order or lien, or if ASX Settlement is required to apply a Holding Lock due to a court order, ASX Settlement must request the Controlling Participant to establish a new Holder Record and transfer the financial products that are not subject to the Holding Lock to a new HIN. This new functionality will avoid the need for ASX Settlement to request Controlling Participants to establish a separate Holder Record so that a Holding Lock can be applied to only part of a Holding.

- Automating the processing of applications to apply a Holder Record Lock due to a Holder's death or bankruptcy, and applications to remove a Holder Record Lock from Controlling Participants. This reflects the removal of the need for supporting documentation to be provided prior to the application or removal being processed, however Controlling Participants must continue to maintain supporting documents and provide them to ASX Settlement if requested.

- Introducing an ability for Holding Locks and Holder Record Locks to be time limited (e.g. to reflect the terms of a court order), removing the need for a further message from Issuers or settlement participants to request its release at the expiry of that period.

- Where there has been a death or bankruptcy of a Participant Sponsored Holder, the replacement system will place a "Named Holder Indicator" on that Holder, being an indicator that the relevant Holder relates to the death or bankruptcy (e.g. for joint holdings, this indicator will identify which Holder has died or is bankrupt). The "Named Holder Indicator" is an identifier only. Other than for automating the processing of the Holder Record Lock as indicated above, the existing process for the imposition of a Holder Record Lock by a Controlling Participant in response to a death or bankruptcy remains unchanged.

These changes and the impact on the rulebooks are described in further detail in points 13 to 20 of the Summary in Attachment A.

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[2] This information is available here:
https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/82183674/Stakeholder+Feedback+and+ASX+Response+Standardised+Registration+Details+Account+and+Holder+creation+modification.
[3] This information is available here: https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/23233289/Accounts.

Consultation on solution design

The solution design for locking and unlocking functionality has been the subject of consultation through the following stakeholder forums (that also related to account and holder creation):

- Focus Group session on 31 October 2018.

- Further Focus Group sessions on 19 March 2019 with participants and registries, and on 26 March with vendors.

- Technical Committee meeting on 4 September 2018.

The locking and unlocking functionality solution design has been communicated publicly in Technical Documentation made available as part of Document Release 1 in December 2018 (and updated in Document Release 3 in May 2019 and Document Release 4 in July 2019) on the ASX CHESS Replacement website.[4]

1.4.   Change of Controlling Participant & Enquiry

Overview of new/changed functionality

Under the new system, ASX Settlement will reject a change of controlling participant message if there are outstanding transfers and conversions which had been initiated by the relinquishing participant. The incoming or outgoing participant will also be able to cancel a requested change of controlling participant prior to the change being effected by ASX Settlement.

The ASX Settlement Operating Rules will also be updated to reflect that a change of controlling participant occurs via electronic messaging.

These changes and the impact on the rulebooks are described in further detail in point 21 of the Summary in Attachment A.

Consultation on solution design

The solution design for change of controlling participant & enquiry has been the subject of consultation in the Technical Committee meeting on 28 May 2019.

The change of controlling participant & enquiry solution design has been communicated publicly in Technical Documentation made available as part of Document Release 4 in July 2019 on the ASX CHESS Replacement website.[5]

1.5.   Security state and settlement instructions

Overview of new/changed functionality

Changes are being made in respect of security state and settlement instruction functionality in the new system, including:

- The new system will provide automatic electronic notifications in relation to a wider range of subregister state changes. Under the new system, automatic notifications will be sent in relation to the suspension, closure, reopening and archiving of a subregister.

- The ASXSORs will be amended to expressly contemplate the closure of the relevant subregister in relation to a lapse, expiry or maturity of the relevant Approved Financial Product, or other relevant product lifecycle events. As noted above, the new system will provide automatic notifications on the closure of a subregister, and so the changes update the ASXSORs to provide an express framework for these notifications.

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[4] This information is available here:
https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/67830657/Account+and+Holding+Locking+and+Unlocking+Overview
[5] This information is available here:
https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/85886086/Change+of+Controlling+Participant+Overview

- The ASXSORs will be amended to reflect the new automated cancellation timeline for suspended Instructions, subject to a discretion for ASX Settlement to continue to facilitate settlement of such Instructions where required for particular circumstances. Under the new system, ASX Settlement will automatically cancel Instructions that have been suspended for 15 business days (currently in CHESS the cancellation occurs manually on the 10th business day after the relevant suspension). There may be certain circumstances where a suspended instruction should not be cancelled, and so ASX retains a discretion not to cancel or remove particular instructions (e.g. in relation to CCP Batch Instructions).

- Under the new system, ASX Settlement will not automatically archive a subregister if there are still holdings. This change aims to avoid situations occurring under the new system, where rights or entitlements arise in relation to subregisters that still had holdings, but had already been archived.

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

Consultation on solution design

The solution design for security state and settlement instructions functionality has been the subject of consultation through the following stakeholder forums:

- Focus Group Session on 18 June 2019.

- Technical Committee meeting on 25 June 2019.

The security state and settlement instruction functionality solution design has been communicated publicly in Technical Documentation as part of Document Release 4 in July 2019 made available on the ASX CHESS Replacement website.[6]

1.6. Trade registration and novation

Overview of new/changed functionality

Changes are being made in respect of trade registration and novation functionality to reflect that:

- A maximum number of three BOQ can be provided on a trade report.

- It will no longer be mandatory for a clearing participant's PID to be included in particulars of Cash Market Transactions notified to ASX by AMOs, as the system can derive the PID from information provided by approved market operators to ASX Clear. This functionality will apply across all approved market operators.

These changes and the impact on the rulebooks are described in further detail in points 30 and 31 of the Summary in Attachment A.

Consultation on solution design

The solution design for trade registration and novation functionality has been the subject of consultation in the Focus Group with approved market operators on 29 January 2019.

The trade registration and novation functionality solution design has also been communicated publicly in Technical Documentation made available as part of Document Release 2 in March 2019 on the ASX CHESS replacement website.[7]

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[6] This information is available here: https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/86376579/Security+Sub-register+Status+Notification+Overview

[7] This information is available here: https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/46989605/Market+Trade

1.7. Netting and unnetting

Overview of new/changed functionality

Changes are being made in respect of the netting and unnetting functionality in the CHESS replacement system, including:

- Cash CCP Transactions will be netted per basis of movement (in addition to per HIN and security as per existing functionality).

- The ASX Clear Operating Rules will provide a framework for certain transaction types being ineligible for netting (these transactions are settled on a gross basis). Under CHESS today, the types of transactions ineligible for netting are specified in Part 7.4 of the ASX Procedure Guidelines but not contemplated under the rulebooks. The transaction types ineligible for netting include Cash Market Transactions with a settlement date less than two business days after notification to ASX Clear, and transactions with the following condition codes (which ASX proposes to set out in the terms of the agreements between ASX Clear, ASX Settlement and each market operator):

  - OR – Overseas Resident (Foreign to Foreign).
  - P1 - Put through trade report ($1 million).
  - P2 – Put through trade report ($0.5 million).
  - PR – Prompt re-booking.

- Blocking indicator functionality (being the ability for a clearing participant to request that certain Cash CCP Transactions are excluded from set off) is being decommissioned, although ASX Clear will have the power to remove Cash CCP Transactions from netting if it considers it appropriate to maintain the orderly operation and integrity of ASX Clear.

- Accommodating separation of clearing and settlement functions post Day 1 by providing for ASX Settlement to notify settlement participants acting as a settlement agent for a clearing participant of the CCP Net Batch Instructions and CCP Gross Batch Instructions generated by ASX Clear in respect of that clearing participant. As set out in the 2018 consultation paper, the potential additional clearing and settlement participant structures that this change relates to raise various risk and regulatory implications which will need to be addressed prior to such additional participant structures being allowed.

These changes and the impact on the rulebooks are described in further detail in points 32 to 36 of the Summary in Attachment A.

Consultation on solution design

The solution design for netting and unnetting functionality has been the subject of consultation in the Technical Committee meetings on 17 April 2018, 22 May 2018 and 26 June 2018.

The netting and unnetting functionality solution design has been publicly communicated in Technical Documentation made available as part of Document Release 3 in May 2019 on the ASX CHESS Replacement website.[8]

1.8. Collateral Management

Overview of new/changed functionality

Changes are being made in respect of the collateral management functionality, including:

- Consolidating messages used for requests to reserve or release financial products lodged to fulfil a participant's margin obligations for derivatives or cash transactions, with the new system requiring the message to specify the relevant subposition type (either derivatives or cash market transactions).

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[8] This information is available here: https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/66062745/Netting

- Define within the ASX Settlement Operating Rules the role of a Clearing Participant in authorising the withdrawal of Cover provided by a Controlling Participant that is a different entity.

- Replacing existing CHESS EIS message descriptions by reference to the process in accordance with the User Technical Documentation. The User Technical Documentation covers users accessing the new system through messaging (ISO 20022 standard via AMQP or SWIFTNet) as well as through a distributed ledger API or "node" connection.

These changes and the impact on the rulebooks are described in further detail in points 37 to 39 of the Summary in Attachment A.

Consultation on solution design

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

- Focus Group sessions on 9 July 2019 and 13 August 2019.

- Technical Committee meetings on 23 July 2019 and 27 August 2019.

The collateral management solution design has been communicated publicly in Technical Documentation made available as part of Document Release 5 in September 2019 on the ASX CHESS Replacement website.[9]

1.9.   SRN Enquiry

Overview of new/changed functionality

Changes are being made in respect of the SRN enquiry functionality, including:

- Formalising the operation of existing CHESS functionality for settlement participants requesting details of an SRN or obtaining the holding balance of an issuer sponsored holding, and issuer obligations to process such requests. This supports the new system requirement that messages for transfers or conversions must include SRN and registration details for validation by the issuer (see Section 1.10 below).

- Extending the availability of SRN enquiry functionality to market participants of an Approved Market Operator that are subject to the National Guarantee Fund (NGF) or compensation arrangements under Division 3 of Part 7.5 of the Corporations Act.

These changes and the impact on the rulebooks are described in further detail in points 40 to 42 of the Summary in Attachment A.

Consultation on solution design

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

- Focus Group on 10 April 2019.

- Technical Committee meeting on 7 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 Technical Committee meetings on the solution design of the SRN enquiry functionality.[10]

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[9] This information is available here: https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/101810501/Collateral+Management
[10] This information is available here:
https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/82216212/Stakeholder+Feedback+and+ASX+Response+Transfers+and+Conversions+SRN+Enquiry

The SRN enquiry solution design has been communicated publicly in Technical Documentation made available as part of Document Release 3 in June 2019 on the ASX CHESS Replacement website.[11]

1.10.   Transfers and Conversions

Overview of new/changed functionality

Changes are being made in respect of the transfers and conversions functionality, including:

- Under the new system, all settlement participants will be required to provide registration details in messages requesting a transfer from the Issuer Sponsored Subregister to the CHESS Subregister, with issuers to be required to conduct a pre-transfer validation of such registration details against those maintained by the issuer for that holding before authorising a transfer. This aligns the processing of transfers with existing processing for conversions.

- The above new requirements will replace existing requirements in respect of transfers from the Issuer Sponsored Subregister to the CHESS Subregister for a post-transfer check to be completed by settlement participants that are market participants and the provision by settlement-only participants of Registrable Transfer Documents to an issuer for validation by the issuer of registration details in that transfer document against those maintained by the issuer for that holding prior to authorising the transfer. This aligns the treatment of all settlement participants for the processing of transfers.

- Taking a consistent approach to warranties provided by settlement participants that are market participants and those that are settlement-only participants in respect of transfer processing from the Issuer Sponsored Subregister to the CHESS Subregister.

- A request to transfer or convert holdings between CHESS and issuer sponsored subregisters will be sent in multiple messages, reflecting the separation under ISO 20022 of messages containing holder data and transfer/enquiry requests.

These changes and the impact on the rulebooks are described in further detail in points 43 to 48 (Issuer to CHESS subregister) and points 49 to 50 (CHESS to Issuer subregister) of the Summary in Attachment A.

Consultation on solution design

The solution design for transfers and conversions has been the subject of consultation through the following stakeholder forums:

- Focus Group sessions on 14 February 2019 and 10 April 2019.

- Technical Committee meetings on 8 February (CHESS to issuer subregister) and 7 May 2019 (both issuer to CHESS subregister and CHESS to issuer subregister).

ASX has made available on its website a summary of the feedback it has received from stakeholders from the relevant Focus Groups and Technical Committee meetings on the solution design of the transfers and conversions functionality.[12]

The transfers and conversions solution design has been communicated publicly in Technical Documentation made available as part of Document Release 3 in June 2019 on the ASX CHESS Replacement website.[13]

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[11] This information is available here: https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/79757880/SRN+Enquiry+Overview
[12] This information is available here:
https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/82216212/Stakeholder+Feedback+and+ASX+Response+Transfers+and+Conversions+SRN+Enquiry
[13] This information is available here:
https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/80841006/Transfer+Conversions+Between+Subregisters

1.11. Demand and Settlement Instructions

New business requirements

The changes to demand and settlement instruction functionality described below relate to the following new business requirements:

Bilateral transaction matching – increased settlement tolerance (described in section 2.2.7 of the 2018 consultation paper) - ASX has reviewed the tolerance models for settlement value matching criteria for bilateral transactions with interested stakeholders. Consequently, ASX will be providing settlement participants the opportunity to specify bespoke larger tolerance levels (which will be masked from the other party).

This business requirement was identified by the Settlement Enhancements Working Group, which requested ASX to review the existing three-tiered model for settlement tolerance to accommodate additional flexibility for matching including to allow for the ability for settlement participants to nominate tolerance thresholds in messages.

Bilateral transaction matching – additional matching reference field (described in section 2.2.7 of the 2018 consultation paper) - providing an additional reference field with mandatory matching criteria to better facilitate settlement of stock borrowing and lending transactions.

This business requirement was identified by the Settlement Enhancements Working Group, which requested ASX to introduce the optional additional matching criteria on the basis that it would allow for errors to be identified and corrected.

Non-batch DvP bilateral settlement (described in section 2.2.11 of the 2018 consultation paper) – providing 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.

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.

Linking bilateral settlements (described in section 2.5.5 of the 2018 consultation paper & pages 8, 9 of the *response to consultation feedback* released by ASX in September 2018) – providing for the new system to allow for the settlement of instructions to be linked, with the performance of each contingent on the other.

This business requirement, which was identified by the Settlement Enhancements Working Group, was flagged in the 2018 consultation paper as not being progressed by ASX (including having regard to the new bilateral DvP settlement service offering and the impact on prioritisation of linked bilateral instructions in the settlement batch). However given the strong support from a number of respondents to the CP, ASX's 2018 response to consultation feedback indicated that ASX would include this functionality in the new system. On the basis of the feedback received, ASX was also able to better define this business requirement.

As indicated in the 2018 response to consultation feedback, the availability to users of such functionality on Day 1 remains dependant on addressing any associated risk and regulatory implications from the potential impacts on existing prioritisation of CCP Batch Instructions and settlement certainty for novated transactions.

Overview of new/changed functionality

Changes are being made in respect of transfer and settlement functionality, including:

- New transaction type: Bilateral Demand Settlement Instruction - allowing Participants to transfer units and cash, and to settle the transaction on a DvP basis immediately, rather than in batch. By allowing for such DvP settlement outside of batch, this can reduce counterparty and settlement risk on transactions where currently delivery occurs in CHESS and payment occurs outside of CHESS. The implementation of this functionality is dependent on the establishment of RTGS payment functionality, including implementation of appropriate arrangements with the RBA. Additional rules to support the operation of the RTGS payment facility in respect of such transfers are

anticipated to occur as part of tranches 2 and 3 of the rule amendments. This may also require further tailoring of these tranche 1 rule amendments (supporting messaging to initiate such transfers) to the operation of that RTGS payment functionality.

- Message and Instruction naming - updating the naming conventions of transaction types to reflect new system nomenclature. In particular, the ASXSORs will be amended so that the naming of:

  – "*Single Entry*" messages and instructions (i.e. messages and instructions submitted by one Participant) are updated to "*Unilateral*" messages and instructions.
  – "*Dual Entry*" messages and instructions (i.e. messages and instructions with a different Participant on each side) are updated to "*Bilateral*" messages and instructions.

- Settlement Link ID - allowing settlement participants to link unilateral and bilateral settlement instructions (other than where involving delivery or receipt of financial products from / into a Participant's entrepot accounts) by including an optional, unique "*Settlement Link ID*". The performance of 'linked' instructions in batch settlement will be contingent on each other.

- Trust Amount provision - consolidated Unilateral Batch Instruction - consolidating Unilateral Batch Messages, and updating message requirements so that the provision of a trust amount in the new Message will be determined by the relevant Participant role. In the new system, a single message type will be used for Unilateral Batch Instructions, whereas under CHESS, there are two distinct message types (one which includes a trust amount field, and another which does not). The new consolidated message is designed to only require the provision of a trust amount if the ASXSORs require the relevant Participant to do so.

- Demand Locks - automatically applying a Demand Lock upon receipt of a Valid Bilateral Demand Message from the delivering settlement participant if there are sufficient Available Financial Products at that time. This aims to prevent financial products for a Bilateral Demand Transfer being transferred or converted between the time that the message is submitted by the delivering Participant and performance of that Bilateral Demand Transfer.

- Settlement Tolerance Override Amount - giving settlement participants the ability to override the ASX default tolerance amount for Bilateral Batch Instructions with a higher value on a per transaction value basis. This change will allow greater flexibility by allowing one or both bilateral counterparties to specify a higher override tolerance amount, and so have the ability to achieve a match without one or both Participants having to cancel messages, seek revised instructions, re-book client trades and resubmit messages.

- Changes to daily housekeeping of unmatched instructions - updating ASX's daily housekeeping processes so that housekeeping of unmatched instructions occurs at the end of day each day.

- Matching Reference - allowing settlement participants to include an additional matching identifier reference for Bilateral Batch Messages, in which case an identical matching identifier must be included by the counterparty participant in order for those messages to be matched.

- Changes to Instructions after Match - narrowing the changes to Bilateral Batch Instructions that can be made by a settlement participant in the new system to certain individual data fields relevant to it, with changes to other fields requiring the settlement participants to cancel and re-submit the relevant transaction messages.

- Removal of payment (Free of Delivery) functionality - removing current provisions under the rules that accommodate "Dual Entry Payment Batch Instructions" to reflect that settlement participants will no longer be able to utilise batch settlement to make payments (free of delivery). This is being removed on the basis that the functionality is not being used in CHESS today.

These changes and the impact of each on the rulebooks are described in further detail in points 51 to 60 of the Summary in Attachment A.

Consultation on solution design

The solution design for demand and settlement instructions, including in relation to the new Bilateral Demand Settlement Instruction, has been the subject of consultation through the following stakeholder forums:

- Focus Group Session on 7 November 2018.
- Technical Committee meeting on 27 November 2018.

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 demand and settlement instructions functionality[14].

The solution design for demand and settlement instructions, including in relation to the new Bilateral Demand Settlement Instruction transaction, has been communicated publicly in Technical Documentation as part of Document Release 1 in December 2018 made available on the ASX CHESS Replacement website.[15]

1.12.   Settlement locks for CHESS holdings

New business requirement

This functionality relates to the following new business requirement:

Settlement lock for CHESS holdings (described in section 2.2.5 of the 2018 consultation paper) – providing for the new system to give settlement participants the option to place a 'lock' on, or commit, financial products held in a client CHESS holding for delivery into its settlement account on the settlement day the financial products are due, with ASX to validate that the relevant securities are available and locked for settlement.

This new business requirement was supported by the Settlement Enhancements Working Group on the basis that it would provide for increased settlement certainty and process efficiency, reduce accumulation entrepot account reconciliation and improve investor protection against a participant default.

Overview of new/changed functionality

ASX is introducing settlement locks for CHESS holdings which give settlement participants the option to "lock" or commit securities for settlement from a CHESS holding they control for delivery into their settlement account as part of batch settlement on the settlement date for those financial products.

A mandatory settlement lock will also automatically apply on all securities scheduled to be transferred in batch settlement from a participant's accumulation account to its settlement account.

ASX Settlement will have the power to remove a settlement lock if it reasonably considers it necessary in order to maintain the orderly operation and integrity of the settlement facility. An example of a situation where ASX Settlement may seek to exercise this discretion is if an issuer or settlement participant requests ASX Settlement to apply a Holding Lock or Holder Record Lock to financial products in a Holding due to a court order.

These changes and the impact on the rulebooks are described in further detail in points 61 to 67 of the Summary in Attachment A.

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[14] Available at:
https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/82249140/Stakeholder+Feedback+and+ASX+Response+Demand+and+Settlement+Instructions

[15] This information is available here: https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/23233188/Holding+Transfers

Consultation on solution design

The solution design for settlement locks for CHESS Holdings has been the subject of consultation through the following stakeholder forums:

- Focus Group session on 7 November 2018.

- Technical Committee meetings on 4 September 2018, 9 October 2018 and 27 November 2018.

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 meetings on the solution design of the settlement lock functionality.[16]

The settlement lock functionality solution design has also been communicated publicly in Technical Documentation made available as part of Document Release 1 in December 2018 (and updated in Document Release 5 in September 2019) on the ASX CHESS Replacement website.[17]

Specific stakeholder feedback requested

The 2018 consultation paper had proposed that for client CHESS Holdings to be used in batch, the settlement lock will be mandatory. This would have removed the accumulation account staging process for client CHESS holdings currently undertaken in the lead up to settlement, thereby reducing and simplifying the daily reconciliation of those accounts by participants and providing additional protection for selling clients as they remain on the register with legal title over their securities for the period up to the commencement of batch settlement.

ASX is no longer proposing to mandate the use of the settlement lock because it will not proceed with the new business requirement for a settlement lock for issuer sponsored holdings (referred to in section 2.2.6 of the 2018 consultation paper). Accordingly the accumulation account staging process would still need to be retained for those financial products, meaning that there would be dual processing requirements that apply, depending on whether the underlying financial products being settled were issuer sponsored or CHESS holdings.

ASX is requesting feedback from stakeholders as to whether ASX should revert to its proposal to remove the accumulation staging process for client CHESS holdings (thereby mandating use of the settlement lock for CHESS holdings) as provided for in the 2018 consultation paper, including the potential benefits and impacts to holders and participants of doing so.

1.13.   Other miscellaneous amendments

In addition to changes in respect of the functional elements referred to above in this Section 1 of this paper, several miscellaneous changes are also being made to the ASX Settlement Operating Rules and ASX Clear Operating Rules to:

- Provide for ASX Settlement to provide emergency assistance to settlement participants on a reasonable endeavours basis if they are not able to transmit messages in the new system, for example where a technical outage prevents a settlement participant from being able to transmit messages to ASX Settlement. This rule reflects an existing rule based process in ASX Clear Operating Rules 6.9 to 6.12, together with accompanying procedures.

- Tidy up changes to correct errors.

- Reference within the ASX Clear Operating Rule dealing with trade registration prerequisites, the ability for market transactions that are not eligible for registration to nevertheless be notified by ASX Clear to the settlement facility.

These changes and the impact on the rulebooks are described in further detail in points 68 to 70 of the Summary in Attachment A.

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[16] This information is available here:
https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/102958004/Stakeholder+Feedback+and+ASX+Response+Settlement+Locks+on+HIN+Holdings
[17] This information is available here: https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/23233771/Settlement+Locks

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 CHESS for Equity Post-Trade Services: Business Requirements* which sought initial views from stakeholders on their requirements for the system to replace CHESS and the *Supplementary Questionnaire* released by ASX in December 2016.

- Six CHESS 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 CHESS 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 following aspects to assist in finalising the draft rules for the new system:

- The operation of the draft rule amendments, including any unintended consequences and associated impacts.

- ASX had initially proposed mandating use of a settlement lock for all client CHESS holdings to be used in batch settlement, which would remove the accumulation account staging process for client CHESS holdings. However, this has been put on hold for the reasons set out in 1.12 above. ASX is requesting feedback from stakeholders as to whether ASX should mandate use of the settlement lock and thereby remove accumulation account stage holding for all client CHESS holdings to be used in batch settlement. ASX would also appreciate feedback on the potential benefits and impacts to holders and participants of mandating the use of the settlement lock.

3. Next steps

3.1. Further tranches of rule amendments for public consultation

Reflecting the iterative solution design process for the new system, ASX anticipates releasing two further tranches of rule amendments for public consultation:

- Tranche 2 rule amendments (relating to corporate actions and mFund) in mid-February 2020.

- Tranche 3 rule amendments (relating to settlement, reporting and miscellaneous amendments) in mid-March 2020.

These further tranches of rule amendments are expected to follow a similar consultation process as for tranche 1, although will involve a six week consultation period, rather than the 9 weeks allowed for tranche 1 given that it spans the Christmas period.

Further information on each of the rule tranches is contained in the Rule Amendment and Public Consultation Timeline published in September 2019.[18]

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[18] The Rule Amendment and Public Consultation Timeline is available on the CHESS replacement website, here: https://asxchessreplacement.atlassian.net/wiki/spaces/COMMS/pages/100794865/Rule+Amendment+Public+Consultation+Timeline.

3.2. Response to consultation

Consultation feedback received for each tranche of rule amendments will be considered and ASX will advise of any material changes it proposes to that tranche of amendments. Subject to the feedback received, it is expected that material changes to the draft rule amendments will be released to the market six weeks after the end of the public consultation period for each tranche, being at the end of February 2020 for the Tranche 1 rule amendments.

ASX will release the final rules package in early October 2020 after the completion of the regulatory clearance processes referred to below. This is to allow industry to have the final rule amendments 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 CHESS (including stakeholder engagement as part of that process), future tranches of 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 dependent on the development of the solution for additional functionality to be covered in later tranches. An example of this is for Bilateral Demand Settlement Instructions as referred to in section 1.11 above.

Where this occurs, ASX plans to include the relevant changes to these tranche 1 rule amendments as part of the applicable future tranche of rule amendments released for public consultation. In the case of any changes to the tranche 1 rule amendments for Bilateral Demand Settlement Instructions as referred to above, this is anticipated to occur as part of 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. Regulatory clearance of the rule amendments will be on the basis of such 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, in April 2021.

Attachment A: Summary of rule amendments

CHESS - Summary of proposed changes to the ASX Settlement Operating Rules, ASX Clear Operating Rules and ASX Operating Rules (Tranche 1)

15 November 2019

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

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

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

- account and holder creation;
- changes to holder details;
- locking and unlocking;
- change of controlling participant & enquiry;
- security state & settlement instructions;
- trade capture;
- novation;
- netting;
- collateral management;
- SRN enquiry;
- transfers and conversions;
- demand & settlement instructions; and
- settlement locks for CHESS holdings.

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 CHESS 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 CHESS (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.

Summary of changes to the ASX Settlement Operating Rules (ASXSOR), ASX Clear Operating Rules (ASXCOR) and ASX Operating Rules (ASXOR)

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]
Account and holder creation					
1.	Registration Details are currently recorded as a 180 character free text field separated by delimiters (e.g. a comma or "< >"). This data is recorded in an unstructured format.	The new system will facilitate the recording of structured data about a Holder.	See rationale as set out in section 2.2.4 of the CP. Adoption of ISO 20022 messaging (replacing current EIS messages).	ASXSOR Procedure 8.7.2.	New BR Standardised registration details (CP reference 2.2.4). Reengineer
2.	Holders are not able to be separately identified, but are identified in the Registration Details 180 character free text field.	The new system will allow each joint Holder to be separately identified in a "Holder" object.	See rationale as set out in section 2.2.4 of the CP. Adoption of ISO 20022 messaging (replacing current EIS messages).	ASXSOR 8.19.2.	New BR Standardised registration details (CP reference 2.2.4). Reengineer
3.	N/A	As each Holder will be separately identified, the new system will	To identify each Holder of a Holder Record.	ASXSOR 2.13 (new definition of "UUID");	Reengineer

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

- Changes required to implement new business requirements identified in the CHESS Replacement Consultation Paper, _CHESS 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 CHESS 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]
		allocate a "UUID" to each named Holder of a Holder Record.	Adoption of ISO 20022 messaging (replacing current EIS messages).	8.7.2; 8.11.1; 8.11.2; 8.15.11.	
4.	From a system perspective, the number of joint Holders that can be recorded is limited by the 180 character Registration Details field.	The new system can record up to four joint Holders per HIN. However, settlement participants may only establish a Holder Record with more than 3 holders if permitted under the Issuer's constitution.	See rationale as set out in section 2.2.4 of the CP. Adoption of ISO 20022 messaging (replacing current EIS messages).	ASXSOR 15.17.1.	New BR Standardised registration details (CP reference 2.2.4). Reengineer
5.	N/A	The new system can record additional Holder information. Participants will be required to populate new data fields in respect of a Holder. These are summarised below: • "Entity Type", being a code that indicates whether a Holder is a natural person or not. • "Ownership Type", being a code which indicates whether a Holding is held jointly or by one person only. Settlement Participants may also choose to populate additional non-mandatory fields, which are described in the Technical Documentation.	See rationale as set out in section 2.2.3 of the CP. Adoption of ISO 20022 messaging (replacing current EIS messages).	ASXSOR 2.13 (new definition of "Entity Type" and "Ownership Type" and amended definition of "Holder Record").	New BR Centralise data capture and storage (CP reference 2.2.3). 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]
		To reflect this in the ASXSORs, the definition of "Holder Record" has been drafted inclusively to contemplate that additional information may be provided.			
6.	ASX Settlement is required to administer the CHESS Subregister as agent of an Issuer. The information that ASX Settlement must record and maintain on that register is set out in the ASXSORs (see part 8.6).	The ASXSORs have been amended to clarify what information ASX Settlement considers forms part of the register of members, including having regard to additional information about a Holder that may be captured.	Ensure consistency with section 169 of the Corporations Act.	ASXSOR 8.6.2, 8.6.3. New ASXSOR 8.6.3A.	New BR Centralise data capture and storage (CP reference 2.2.3)
7.	If a Holder elects to receive communications electronically, they must also provide an "Email Purpose", indicating whether they wish to receive electronic communications from: • ASX Settlement only; • Issuers only; or • both ASX Settlement and Issuers.	An "Email Purpose" will no longer be collected. If a Holder elects to receive notices electronically, that Holder will be electing to receive notices electronically from both ASX Settlement and an Issuer.	The Email Purpose was not being utilised. The reengineered solution simplifies account collection.	ASXSOR 2.13 (new definition of "Communication Preference", deleted definition of "Email Purpose" and amended definition of "Email Details"). ASXSOR Procedure 2.13 (deleted definition of "Email Purpose").	Reengineer
8.	N/A	As additional information may be recorded in a Holder Record, only persons that are party to a transaction or business process will be eligible to receive the information.	Privacy and data governance purposes.	ASXSOR 5.3.2; 8.8.1; 15.28.1.	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]
9.	N/A	A "Registration Identifier" is a temporary object containing information of the kind recorded in the Registration Details that is required in order to facilitate Transfers between the CHESS Subregister and Issuer Operated Subregister and SRN enquiries. A Registration Identifier will automatically be removed if there are no pending transactions as at End of Day. A numeric identifier "RGID" will be created to be able to link the relevant Registration Identifier (or information derived from it) with messages to effect Transfers between the CHESS Subregister and Issuer Operated Subregister and SRN enquiries.	The Registration Identifier and RGID are required in order for the new system to process Transfers between the registers and SRN enquiries. Adoption of ISO 20022 messaging (replacing current EIS messages), which contemplates separate messages for holder details (static data) and transfers / enquiries (transaction data).	ASXSOR 2.13 (new definition of "Registration Identifier" and "RGID"); 8.30 (heading); 8.30.1 and 8.30.2. ASXSOR Procedure 8.30.1.	Reengineer
Changes to Holder details					
10.	ASX Settlement must process changes to Registration Details effected by a settlement participant within 2 Business Days of receiving the documentation requested to process the change.	Requests to change Registration Details will be electronically processed by ASX Settlement. A settlement participant is still required to maintain documentation to support the request, and provide this to ASX Settlement on request.	Changes to Registration Details will be more quickly processed by ASX Settlement.	ASXSOR 8.18.3; 8.18.4; Appendix 1 as it relates to 8.18.3.	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]
11.	A settlement participant may **manually** request ASX Settlement to change the Holder Type or remove a Holder Record from CHESS by providing ASX Settlement with documentation that supports the requested change.	The new system will enable a settlement participant to send a Message to request these changes, rather than requesting this manually. If ASX Settlement receives a Valid Originating Message, the system will electronically process the requested change (it will no longer be a manual process). A settlement participant must maintain supporting documentation and be able to produce this to ASX Settlement on request. Please note that only certain changes to Holder Type are permitted. The changes permitted are set out in the Technical Documentation.	Removes a manual process.	ASXSOR 8.18.6; 8.18.7; 8.18.8; Appendix 1 as it relates to 8.18.7 and 8.18.8. ASXSOR Procedure 8.18.6.	Reengineer
12.	N/A	As the new system will facilitate additional information being maintained in a Holder Record, a Participant may request other changes to Holder Record details (provided those changes are permitted under the Technical Documentation).	To reflect new system functionality.	New ASXSOR 8.18.12 to 8.18.14 (inclusive). Amended Appendix 1 as it relates to 8.18.13. New ASXSOR Procedure 8.18.12; 8.18.13.	New BR Centralise data capture and storage (CP reference 2.2.3)

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]
		For example, this rule will permit settlement participants to request changes to the designation.			
Locking and unlocking					
13.	ASX Settlement may apply, or an Issuer may request ASX Settlement to apply, a Holding Lock in response to a court order served on either party.	The ASXSORs are expanded to provide that if a court order is served on a Controlling Participant or ASX Settlement applicable across all CHESS Holdings under a HIN, ASX Settlement may apply, or the Controlling Participant may request ASX Settlement to apply, a Holder Record Lock.	To enable a Controlling Participant and ASX Settlement to apply a Holder Record Lock in the event they are served with a court order.	ASXSOR 8.15.1(b). Consequential changes to ASXSOR 8.15.5; 8.15.19; 8.16.2.	Reengineer
14.	If a Holding Lock only applies to part of a CHESS Holding, a Controlling Participant is required to establish a separate Holder Record and transfer the Financial Products that are not subject to the Holding Lock to a separate HIN.	A Holding Lock can apply to all or part of a CHESS Holding in a Holder Record. A Controlling Participant will no longer need to establish a separate Holder Record to apply a partial Holding Lock.	Same objective can be achieved in a more efficient way utilising new system technology.	ASXSOR 8.15.5. Deletion of ASXSOR 8.15.6.	Reengineer
15.	A Controlling Participant requesting the application of a Holder Record Lock due to death or bankruptcy of a Holder must, if requested by ASX Settlement, provide supporting documentation at the time the request is made. ASX Settlement must apply the Holder Record Lock within 2 Business Days of receiving documentation	On receipt of a Valid Originating Message from a Controlling Participant requesting application of a Holder Record Lock due to death or bankruptcy of a Holder, ASX Settlement will automatically process the request (it will no longer be a manual process that	This change removes a manual process.	ASXSOR 8.15.11; 8.15.12; 8.15.13; Appendix 1 as it relates to 8.15.12.	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]
	requesting application of the Holder Record Lock.	takes up to 2 Business Days or longer). Controlling Participants must maintain documentation to support the application of a Holder Record Lock to a Holder Record, and must be able to produce this to ASX Settlement on request.			
16.	A Controlling Participant may request ASX Settlement to apply a Holding Lock if the settlement participant has an obligation to freeze assets under the legislation or regulations set out in the Procedures (these specifically relate to sanctions legislation only).	This rule has been broadened, so that a Controlling Participant may request ASX Settlement to apply a Holder Record Lock to Holdings if the Controlling Participant has an obligation to freeze assets under *any* legislation or regulations (including as specified in the Procedures).	A Controlling Participant may have an obligation to freeze assets under legislation that is broader than sanctions laws only (eg freezing orders issued under proceeds of crime legislation). The amendments to this rule ensure a Controlling Participant can request a Holder Record Lock whenever they are required to freeze assets at law.	ASXSOR 8.15.14. ASXSOR Procedure 8.15.14.	Other
17.	ASX Settlement may apply a Holder Record Lock if it has an obligation to freeze assets under the legislation or regulation specified in the procedures (being sanctions laws only).	ASX Settlement may apply either a Holder Record Lock or Holding Lock if it has the obligation to freeze assets under *any* legislation or regulations (including as specified in the Procedures).	See above	ASXSOR 8.15.15. ASXSOR Procedure 8.15.15.	Reengineer
18.	To remove:	At the time an Issuer requests ASX Settlement to apply a Holding Lock or a Controlling Participant	New system technology enables a Holding Lock or Holder Record	Amended ASXSOR 8.16.1.	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]
	• a Holding Lock, an Issuer must request ASX Settlement to remove it; • a Holder Record Lock, a Controlling Participant must request ASX Settlement to remove it. It is not possible for an Issuer or Controlling Participant to specify that the Holder Record Lock or Holding Lock (as relevant) should expire after a specified period of time.	requests ASX Settlement to apply a Holder Record Lock, they may specify the period of time for which the Holding Lock or Holder Record Lock (as relevant) should apply. ASX Settlement will automatically remove the Holding Lock or Holder Record Lock (as applicable) following expiry of that period.	Lock to apply for a specified period of time.	New ASXSOR 8.16.3A.	
19.	A Controlling Participant requesting removal of a Holder Record Lock must provide supporting documentation to ASX Settlement before ASX Settlement will remove the Holder Record Lock.	ASX Settlement will automatically process removal of a Holder Record Lock (either on expiry of the period of time specified by a Controlling Participant (see above), or on request). Although Controlling Participants are not required to provide ASX Settlement with documentation to support the removal request prior to ASX Settlement processing the removal, they must maintain supporting documentation and be able to produce this to ASX Settlement on request.	Removes a manual process.	New ASXSOR 8.16.3A. Amended ASXSOR 8.16.3; Appendix 1 as it relates to 8.16.3.	Reengineer
20.	N/A	Where a Holder has died or is bankrupt, the CHESS replacement system will place a "Named	This indicator will allow the system to identify the Holder that has died or is bankrupt.	ASXSOR 2.13 (new definition of "Named Holder Indicator");	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]
		Holder Indicator" on that Holder to identify that they relate to the death or bankruptcy.		8.15.8(d); 8.15.10; 8.15.12; 8.15.16; 8.16.4; 8.16.5. ASXSOR Procedure 8.16.4.	

Change of Controlling Participant & Enquiry

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]
21.	Under CHESS today, ASX will only give effect to a change of Controlling Participant once it receives messages from both the outgoing Participant (ie Participant relinquishing control) and incoming Participant (ie Participant assuming control). Under the existing ASX Settlement Operating Rules, this is also subject to the prior processing of Transfers and Conversions initiated by the relinquishing Participant.	ASX Settlement rejects a change of Controlling Participant if there are outstanding Transfers and Conversions in respect of a Holding under the relevant Holder Record for which the change of Controlling Participant is sought to be effected. ASX Settlement will not give effect to a change of Controlling Participant if either the outgoing or incoming Participant sends a message to cancel the change of Controlling Participant before such change has been given effect to by ASX Settlement. The ASXSORs will also be updated to reflect the provision of such change of Controlling Participant notification by way of electronic messaging, rather than by	The ASX Settlement Operating Rules will be amended to more expressly reflect the non-processing of a change of Controlling Participant if there are outstanding Transfers and Conversions. In addition, the proposed rules expressly address the impact on processing by ASX Settlement if a cancellation of change of Controlling Participant request is received. Reflect automated notification of change of Controlling Participant.	ASXSOR 7.4.1; 8.17.1; Appendix 1 as it relates to Rule 8.17.	Reengineer 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]
		"Notice" (which contemplates the provision of a written document).			
Security State & Settlement Instructions					
22.	*(Giving notice)* Under the existing ASXSORs, certain communications relating to sub-register state changes and the cessation of quotation of financial products subject to a Subposition are to be given by ASX Settlement by way of a "*Notice*"[2], which contemplates the provision of a written document. The new system will provide for the relevant notifications to be provided via system generated messages.	To facilitate ASX Settlement giving automatic electronic notice of changes to subregister states (i.e. in relation to the closure, suspension, archiving and re-opening of sub-registers) and of the date of cessation of quotation of financial products subject to a Subposition, the ASXSORs will be amended so that ASX Settlement must give "*notice*" of the change to the relevant parties. ASXSOR 1.10.1(b) expressly recognises the "*Transmission*" of a Message as a means of "*notifying*" a person of a particular matter.	Automated notification of sub-register state changes and cessation of quotation by way of electronic messaging (expected to simplify existing manual operational processes).	Amended ASXSOR 8.5.1; 8.5.3; 8.14.1; 8.26.1 and 14.3.1. New ASXSOR 8.26.2	Reengineer
23.	*(Replacement of EIS)* Under the current state, the components of Valid Messages under the ASXSORs are typically defined by	The EIS will be replaced with "User Technical Documentation" for the purpose of identifying the framework for message	The EIS is bespoke to the existing CHESS system and will be replaced by technical documentation covering both ISO	ASXSOR 2.13 (deleted definition of "EIS" and new definition of "User	Reengineer

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[2]   ASXSOR 1.10.1 provides that a reference to "notifying" a person of any matters includes a reference to (a) giving "*Notice*" of; or (b) "*Transmitting*" a Message containing, those matters to the person. The defined term "*Notice*" is described in ASXSOR 1.10.1 and contemplates a written document.   Procedures 1.10.1 and 1.10.2 provide further details in relation to the giving of Notice under the Rules.

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]
	reference to the External Interface Specification (**EIS**). The components of messages under the new system will be specified in User Technical Documentation.	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 amendment pack to reflect the replacement of the EIS with the User Technical Documentation, across the rulebooks.	20022 messaging and distributed ledger API or "node" connection.	Technical Documentation").	
24.	*(New notice – closed sub-register)* ASX Settlement is currently required to give "Notice" to Issuers and Participants if a Subregister is closed other than for lapse, expiry, maturity, etc.: see ASXSOR 8.14.1(c) and (e). There is currently no express notice requirement in relation to the closure of a Subregister in the event of lapse, expiry, maturity, etc. The new system will automatically generate messages to give "notice" to Issuers of the closure of a subregister in the event of lapse, expiry, maturity, etc.	The ASXSORs will be amended so that there is an express requirement on ASX Settlement to give "notice" to Issuers of the closure of a subregister in the event of lapse, expiry, maturity, etc.	Automated notification of the closure of a subregister in the event of lapse, expiry, maturity, etc, by way of electronic messaging (enhancing existing notices provided for other subregister state changes).	ASXSOR 8.14.2	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]
25.	*(New notice – suspended sub-register)* ASX Settlement may suspend the processing of transactions on a CHESS subregister if: • it receives notice of a Reconstruction from an Approved Listing Market Operator: ASXSOR 8.26; or • ASX Settlement suspends the approval of a class of an Issuers financial products under ASXSOR 8.4.1: see ASXSOR 8.5.1(a). Currently, there are no express notice requirements in relation to the determination to suspend the subregister (as distinct from the circumstances that may give rise to the suspension). The current notice obligations on ASX Settlement require notification be given to the relevant person of the circumstances that will trigger the suspension of the subregister but not the closure of the subregister itself.[3] The new system will automatically generate messages to relevant parties if a subregister is suspended.	The ASXSORs will be amended so that there is an express requirement on ASX Settlement to give notice to the relevant parties of the suspension of a sub-register.	Automated notification of suspension of subregister, by way of electronic messaging (enhancing existing notices provided for other subregister state changes).	ASXSOR 8.5.1 and 8.26.1	Reengineer

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[3]   For completeness, ASX Settlement must give certain other notices:
- of the suspension of approval under ASXSOR 8.4: see ASXSORs 8.4.2 and 8.4.3;
- in relation to determinations to allow Instructions despite a suspension under ASXSOR 8.4.1: see 8.5.2; and
- the removal of a suspension under ASXSOR 8.4.1: see ASXSOR 8.5.3(b).

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]
26.	*(New notice – re-opened sub-register)* A CHESS subregister is "re-opened" in circumstances where a prevailing "suspension" has been removed. ASX Settlement currently gives written "*Notice*" of the removal of a suspension: ASXSOR 8.5.3(b). The new system will automatically generate messages to relevant parties if the suspension of a subregister is removed.	To facilitate ASX Settlement giving automatic electronic notice of the removal of a suspension of a subregister, the ASXSORs will be amended so that ASX Settlement must give "*notice*" of the change to the relevant parties. ASXSOR 1.10.1(b) expressly recognises the "*Transmission*" of a Message as a means of "*notifying*" a person of a particular matter.	Automated notification of removal of suspension of subregister (expected to simplify existing manual operational processes).	Amended ASXSOR 8.5.3(b). New ASXSOR 8.26.2.	Reengineer
27.	*(Automated security closure)* ASXSOR 8.13.1 provides that ASX Settlement must not close a CHESS subregister unless otherwise provided in the ASXSORs. Under the current rules, mandatory closure of a subregister is currently expressly contemplated under ASXSOR 8.14.1 but not under ASXSOR 8.14.2 in the event of a lapse, expiry, maturity or other relevant product lifecycle events (with ASXSOR 8.14.2 expressly addressing archiving).	ASXSOR 8.14.2 will be amended so that it expressly contemplates the closure of the relevant subregister in relation to a lapse, expiry or maturity of the relevant Approved Financial Product, or other relevant product lifecycle events. ASX Settlement and Issuers will also be required to take steps to effect the orderly closure of the affected CHESS Subregister in a similar manner to ASXSOR 8.14.1.	To more expressly align the automatic closure functionality in the new CHESS system with ASXSOR 8.13.1. To support the orderly closure of the affected subregister.	ASXSOR 8.14.2	Reengineer
28.	*(Cancellation of suspended instructions)* The ASXSORs currently specify circumstances where suspended Instructions must be cancelled or	The ASXSORs will be amended to reflect the new automated cancellation timeline for suspended Instructions.	To accommodate the automation of existing operational process for cancellation of suspended Instructions, subject to ASX Settlement discretions.	Amended ASXSOR 8.5.1; 8.14.1; 8.14.2 and 8.25.1.	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]
	removed either by the relevant Participant or ASXS. In particular: • if ASX Settlement suspends approval of a class of an Issuer's Financial Products, ASX Settlement must: … *cancel any Instruction that remains suspended on the 10th Business Day after suspension of approval:* ASXSOR 8.5.1(c) • If quotation of Financial Products by the Approved Listing Market Operator ceases (other than because quotation is suspended) for certain elective corporate actions, ASX Settlement must *suspend an Instruction or Message that would Transfer or Convert those Financial Products after End of Day on the Business Day on which the CHESS Subregister closes and remove the Instruction or Message on the 10th Business Day after the Subregister closes*: ASXSOR 8.25.1(f). Such cancellation and removal currently occurs through manual operational processes. Under the new system, suspended Instructions affecting a holding will be cancelled automatically if they have been suspended for 15 business days, unless	ASX Settlement will retain a discretion not to cancel or remove a particular Instruction where required for particular circumstances (e.g. for the performance of CCP Batch Instructions) in a similar manner to ASXSOR 8.5.2.		New ASXSOR 8.14.4 and 8.25A	

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]
	ASX Settlement exercises a discretion to facilitate settlement of such Instructions.				
29.	*(Restriction on archiving subregister)* Under the current ASXSORS, there is no express restriction on the archiving of a subregister if there are still holdings on that subregister. Under the new system, ASX Settlement will not automatically archive a subregister if there are still holdings.	The ASXSORs will be amended to include notes to the effect that ASX Settlement will not typically archive a CHESS Subregister if a Holding is recoded on the CHESS Subregister.	The change in archiving functionality is a design decision aimed at reducing instances where a CHESS Subregister is archived, and subsequently requires re-opening.	ASXSOR 8.14.1 and 8.14.2	Reengineer
Trade Capture					
30.	The ASXORs do not currently limit the number of basis of quotation (BOQ) that can be recorded.	A maximum number of three BOQ can be provided on a trade report.	Reflect new system functionality	ASXOR Procedure 2110.	Reengineer
Novation					
31.	ASXCOR 12.2.1 assumes that a clearing participant's PID will be specified in the particulars of a Cash Market Transaction submitted to ASX Clear by an Approved Market Operator.	It will no longer be mandatory for a clearing participant's PID to be included in the particulars of a Cash Market Transaction. If no PID is provided on a Cash Market Transaction, the system will derive the clearing participant's PID based on the relationship between trading and clearing participants.	Reflect new system functionality.	ASXCOR 12.2.1.	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]
Netting					
32.	Currently, there is no mechanism in the rulebooks for a settlement participant that is not also a clearing participant to receive certain notices in connection with CCP Net Batch Instructions (that is, the rulebooks assume a settlement participant will also be a clearing participant). Amendments to the ASXSORs are required so that a settlement participant acting as a Settlement Agent will receive certain notices in connection with CCP Net Batch Instructions.	The ASXSORs will be amended so that a settlement participant acting as a Settlement Agent will receive notices of CCP Net Batch Instructions and CCP Gross Batch Instructions provided to a Clearing Participant under ASXCOR 12.6.2 (in respect of CCP Net Batch Instructions) and 12.7.4 (in respect of CCP Gross Batch Instructions).	To accommodate separation of clearing and settlement functions in the future, and to ensure that settlement participants acting as Settlement Agent receive notices in connection with CCP Net Batch Instructions and CCP Gross Batch Instructions.	New ASXSOR 10.9.1A. Amended ASXSOR Appendix 1 as it relates to 10.9.1A.	Reengineer
33.	Currently in CHESS, a Cash CCP Transaction is not netted per "basis of movement". A "basis of movement" is derived from the "basis of quote" reported on a market transaction from the trading venue (ie "cum" or "ex"). Cash CCP Transactions are currently netted only on a per HIN and security basis.	Cash CCP Transactions will be netted per basis of movement (in addition to per HIN and security as per existing functionality).	This change will allow netting to occur separately on a "cum" and "ex" basis in the event transactions in a security have more than one basis of movement.	ASXCOR 12.6.1 and 12.6.2. ASXCOR Procedure 12.6.2.	Reengineer
34.	The ASXCORs do not currently contemplate that certain transaction types are ineligible for netting. However, the ASX Settlement Procedure Guidelines do provide that certain transaction types will be ineligible for netting (see Part 7.4).	The ASXCORs will now specify that certain transaction types will be ineligible for netting. These transactions are settled on a gross basis in accordance with ASXCOR 12.7.4. The Technical Documentation sets out the types of transactions	To ensure that the ASXCORs reflect the system design and contemplate that certain transaction types are ineligible for netting.	ASXCOR 12.7.3A with consequential amendments to ASXCOR 12.7.4. ASXCOR Procedure 12.7.3A.	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]
		that are ineligible for netting. This includes those with a settlement date shorter than 2 business days, and those with certain condition codes (which will be specified in the Terms of the Trade Acceptance Service with each Approved Market Operator).			
35.	Clearing participants can currently request that certain Cash CCP Transactions are excluded from set off. This functionality has been known as "blocking".	Blocking functionality is not being carried forward.	Blocking functionality has not been carried forward because this functionality was not utilised by clearing participants.	ASXCOR 12.7.3 with consequential amendments to ASXCOR 12.7.4, 12.7.7 and deletion of ASXCOR 12.7.5. ASXCOR Procedure 12.7.3, 12.7.4, 12.7.5 and 12.7.7.	Decommission
36.	N/A – new rule	ASX Clear will have the power to remove Cash CCP Transactions from set off if it reasonably considers it appropriate to maintain the orderly operation and integrity of ASX Clear.	This rule will help to ensure that ASX Clear can meet its obligations as a licensed clearing and settlement facility.	ASXCOR 12.7.3 with consequential amendments to ASXCOR 12.7.4.	Other
Collateral Management					
37.	In CHESS today, in order to reserve or release Financial Products in a Subposition which are used for Cover (being Financial Products lodged to fulfil margin obligations for derivatives or cash transactions), a	Under the new system: • there will be a message to reserve Cover and a message to release Cover, applying across both derivatives and	Reflect new system functionality. Address in the ASXSORs requirements for messages to release Cover only, similar to current specifications for	ASXSOR 14.8.1 ASXSOR Procedure 2.13 (new definition of "ASX	Reengineer Other (for messages to

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]
	Controlling Participant is required to send a message to CHESS which meets certain criteria. As separate messages apply for derivatives and cash market margin, they do not currently specify the Subposition type the Cover relates to (ie if for derivatives transactions or cash market transactions). In the case of a message seeking the release and transfer of Cover, requirements for the message are specified in the ASX Settlement Operating Rules Procedures, however in the case of a message seeking the release of Cover only, reliance is placed on the general requirements for Valid messages (including as specified in the EIS).	cash market margin, requiring the relevant Subposition type to be specified in the message; • an ASX Clear lodgement number is not required for reserving Cover, and is only required for a release if the message which reserved the Cover had this included. The ASXSOR Procedures will also be amended to expressly set out requirements for a message to release Cover only.	messages to release and transfer Cover.	Clear Account"); 14.6.1; 14.8.1 and 14.9.1	release Cover only)
38.	Where the Controlling Participant that has made Financial Products available as Cover is different to the Clearing Participant with the Cover obligations, the ASXCORs allow the Clearing Participant to veto the withdrawal of that Cover.	The ASXSORs will be amended to similarly reflect that where a Controlling Participant is different to the Clearing Participant with the Cover obligations, ASX Settlement sends a message to this Clearing Participant in connection with the release of Cover, and if the Clearing Participant rejects the request to release, ASX Settlement will not release the Cover.	While the ASXCORs provide for authorisation by such third party Clearing Participants for the release of Cover for derivatives transactions as part of the process for ASX Clear authorisation of a release request (refer Annexure 1 par 3.6), this step is not expressly addressed in the ASX Settlement Operating Rules. The ASXSORs will be amended to expressly address this	ASXSOR 14.8.2; 14.8.4 and 14.8.5	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]
			authorisation step by third party Clearing Participants.		
39.	Annexure 1 to the ASX Clear Operating Rules Procedures specifies the procedure for providing Cover and refers to specific CHESS EIS messages.	Amendments have been made to detail the process for lodgement, release and transfer of Cover, removing specific CHESS messages numbers. The amendments will reference messages as specified in the User Technical Documentation which replace the EIS.	More fully reflect the process for lodgement, release and transfer of Cover. The new CHESS system will use ISO20022 messaging (replacing existing EIS messages), therefore the references in Annexure 1 will become redundant. Given ISO20022 messages are not a 'like for like' with CHESS messages, changes have been made to ensure references are generic. The reference to the User Technical Documentation will cover users accessing the new system through messaging (ISO 20022 standard via AMQP or SWIFTNet) as well as through distributed ledger API or "node" connection.	New ASXCOR Procedure 2.10 (heading and definition of "User Technical Documentation"). Annexure 1 of the ASXCOR Procedures (paragraph 3.2, 3.3, 3.4; 3.6 and 3.7)	Reengineer Other
SRN Enquiry					
40.	Although the ASX Settlement Operating Rules contemplate that a Settlement Participant may seek SRN and Holding Balance details of an Issuer Sponsored Holding through CHESS (ASXSOR 6.7), and	The ASX Settlement Operating Rules will be amended to set out the process for Settlement Participants to request details of a SRN or the Holding Balance of	The proposed changes support the new system requirement that messages for the transfer or conversion of financial products must include the SRN and	New ASXSOR 9.14. Amended ASXSOR 6.7.1 and Appendix 1 as it relates to Rule 9.14.	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]
	provide a warranty and indemnity in favour of the Issuer where they do so (ASXSOR 8.11.2), they do not specify the process for a Settlement Participant to request details of a SRN or the Holding Balance of an Issuer Sponsored Holding through CHESS nor require Issuers to respond to a request for such details.	an Issuer Sponsored Holding through CHESS and will require all Issuers to process such requests.	Registration Details for the Issuer Sponsored Holding, with these to be validated by the Issuer against the details on its Issuer Sponsored Subregister (refer to Transfers and Conversions section below).	New ASXSOR Procedure 9.14.2.	
41.	N/A	SRN enquiry requests will be sent in multiple messages which will be linked by a RGID.	Adoption of ISO 20022 messaging (replacing current EIS messages), which contemplates separate messages for holder details (static data) and enquiries (transaction data).	New ASXSOR 9.14.1.	Reengineer
42.	The ASXSORs only allow Sponsoring Participants that have lodged a Sponsorship Bond with ASX to request SRN and Issuer Sponsored Holding Balance details through CHESS from Issuers.	Sponsoring Participants that have not lodged a Sponsorship Bond with ASX Settlement but instead rely on an exception from the requirements to lodge a Sponsorship Bond (i.e. where they are subject to NGF or Division 3 compensation arrangements) will also be allowed to request SRN and Issuer Sponsored Holding Balance details through CHESS.	Allowing for Sponsoring Participants that are market participants of an Approved Market Operator that are subject to the National Guarantee Fund (NGF) or compensation arrangements under Division 3 of Part 7.5 of the Corporations Act (who are not subject to the Sponsorship Bond requirements) to also use CHESS to request SRN and Issuer Sponsored Holding Balance details.	ASXSOR 6.7.1; 8.11.2.	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]
Issuer Sponsored Subregister to CHESS Subregister Transfers and Conversions					
43.	Under CHESS today, a Settlement Participant is not required to provide Registration Details as part of a message requesting the transfer of holdings from the Issuer Sponsored Subregister to the CHESS Subregister.	Under the new system, the Registration Details will need to accompany a request to transfer holdings. Transfer and conversion requests will be sent in multiple messages which will be linked by a RGID (for transfers) or a HIN (for conversions).	The proposed changes support the new system functionality. Adoption of ISO 20022 messaging (replacing current EIS messages), which contemplates separate messages for holder details (static data) and transfers / conversions (transaction data).	ASXSOR 9.8.1A (new) ASXSOR Procedure 9.8.1	Reengineer
44.	Before authorising a conversion request, Issuers must ensure that the registration details for the target and source holding match.	Issuer will also be required to ensure that registration details for the source holding maintained by the Issuer match those specified in the message, in respect of Transfers.	This ensures that a pre-transfer check is done by the Issuer before authorising a transfer, replacing current post transfer check by Participant.	ASXSOR 9.8.3	Reengineer
45.	Under CHESS today, requests to transfer or convert holdings from the Issuer Sponsored Subregister to the CHESS Subregister do not include details of the movement reason or a transaction basis.	Under the new system, details of the movement reason and transaction basis will be included in the request messages.	The proposed changes support the new system functionality and messaging.	ASXSOR Procedure 9.8.1	Reengineer
46.	Settlement-only Participants are currently required to provide a Registrable Transfer Document to Issuers in order for transfers to the CHESS Subregister to be processed.	The ASX Settlement Operating Rules will be amended to remove the requirement for settlement-only Participants to provide a Registrable Transfer Document to Issuers in connection with a transfer from the Issuer	Registration Details currently contained in Registrable Transfer Documents will be included in messages requesting transfers to the CHESS Subregister. This will allow Issuers to validate that the registration details for the source	ASXSOR 9.8.4; 9.8.5; 9.8.6; 9.12.2 (deleted); 9.12.3 (deleted); 9.12.4 (deleted); Appendix 1 as it relates to 9.8.5(b) and 9.8.6.	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]
		Sponsored Subregister to the CHESS Subregister.	holding specified in the message, match those on the Issuer Sponsored Subregister.		
			Replacing the need for settlement-only Participants to provide a Registrable Transfer Document to Issuers separately to transfer request messages, prior to the processing of such messages by Issuers, will also make the transfer process more efficient and align the treatment of all Participants for the processing of transfers.		
47.	All Participants are required to warrant to an Issuer that they have the necessary authority of the holder to access the relevant holding, however this is currently addressed separately for settlement-only participants (Rules 9.12.1) and Settlement Participants that are Market Participants or a Recognised Market Operator (Rule 9.12.5). Where Settlement Participants that are Market Participants or a Recognised Market Operator receive a Registrable Transfer Document from a person other than the transferor, they also provide additional warranties to the Issuer and are	The ASXSORs will be amended to merge the two warranties which are currently found in Rules 9.12.1 and 9.12.5 (which only applies to Transfers), so as to be provided by all Participants.	The changes will consolidate the treatment of participants.	ASXSOR 9.12.1; 9.12.5 and 9.12.6.	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]
	subject to additional obligations regarding transferor authorisation.				
48.	Settlement Participants that are Market Participants or a Recognised Market Operator are required to check that the Financial Products specified in the Issuer Sponsored Subregister to CHESS Subregister transfer request have been deducted from the correct Issuer Sponsored Holding, and rectify any errors.	Under the new system, no post-transfer check will be required.	Registration Details will be included in messages requesting transfers to the CHESS Subregister, with Issuers to be required to validate the Registration Details before a transfer is effected.	ASXSOR 9.12.7 (deleted) and 9.12.8 (deleted)	Reengineer
CHESS Subregister to Issuer Sponsored Subregister Transfers and Conversions					
49.	N/A	Transfer and conversion requests will be sent in multiple messages which will be linked by a RGID (for transfers) or a HIN (for conversions).	Adoption of ISO 20022 messaging (replacing current EIS messages), which contemplates separate messages for holder details (static data) and transfers/conversions (transaction data).	New ASXSOR 9.7.1A.	Reengineer
50.	Under CHESS today, requests to transfer or convert holdings from the CHESS Subregister to the Issuer Sponsored Subregister do not include details of the movement reason or a transaction basis.	Under the new system, details of the movement reason and transaction basis will be included in the request messages.	The proposed changes support the new system functionality and messaging.	ASXSOR Procedure 9.7.1	Reengineer
Demand & Settlement Instructions					
51.	*(New transaction type – Bilateral Demand Settlement Instruction)* N/A – new BR	The new system will allow Participants to settle bilateral	See rationale as set out in section 2.2.11 of the CP	New ASXSOR 9.5A.	New BR Non-batch DvP bilateral

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]
		transactions on a DvP basis immediately, in addition to batch.		New ASXSOR Procedure 9.5A.1 and 9.5A.4. Amendments to ASXSOR 2.13 (new definitions of "Bilateral Demand Settlement Instruction", "Bilateral Demand Settlement Message" and "Bilateral Demand Settlement Transfer" and amended definition of and "Matched Messages").	settlement (CP reference 2.2.11)
52.	*(Message and Instruction naming)* The existing rules currently define various message and instructions types using EIS nomenclature, in particular, "*Single Entry*" and "*Dual Entry*". Following CHESS replacement, the relevant message and instruction types will operate under the updated naming convention below:	The ASXSORs will be amended so that the naming of: • "*Single Entry*" messages and instructions are updated to "*Unilateral*" messages and instructions; and • "*Dual Entry*" messages and instructions are updated to "*Bilateral*" messages and instructions. Note that equivalent changes have not been made to existing	To align the ASXSORs with the updated naming convention for the new CHESS system.	ASXSOR 2.13 (new[4] and deleted[5] definitions) with consequential amendments to ASXSOR 2.13 (amended definition of "Batch Instruction", "Client Trust Account Amount Message", "Matched Messages", "Surveillance Report"); ASXSOR 6.3B.2; 6.3B.3; 6.3B.4; 6.3B.4A; 6.3B.7; 6.18.2; 9.4; 9.5; 9.13;	Other

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[4] "*Unilateral Batch Message*", "*Unilateral Batch Instruction*", "*Unilateral Demand Message*", "*Unilateral Transfer Request*", "*Bilateral Batch Instruction*", "*Bilateral Batch Message*", "*Bilateral Demand Message*", "*Bilateral Demand Transfer*" and "*Bilateral Settlement Message*"

[5] "*Single Entry Batch Message*", "*Single Entry Batch Instruction*", "*Single Entry Demand Message*", "*Single Entry Transfer Request*", "*Dual Entry Batch Instruction*", "*Dual Entry Batch Message*", "*Dual Entry Demand Message*", "*Dual Entry Demand Transfer*", "*Dual Entry Payment Batch Instruction*" and "*Dual Entry Payment Batch Message*"

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 references in this Tranche 1 rule amendment pack, as the solution for such payment functionality (and the potential impact on existing message types) requires further definition. This will be addressed in later Tranches of rule amendments.		Section 10 – Introduction; 10.4.1; 10.5.3; 10.9.2; 10.9.3; 10.9.5; 10.9.6; 10.9.7; 10.9.8; 10.9.11; 10.9.12; 10.9.13; 10.11.7; 10.16.1; 15.13.1; 15.14.1; 15.18.1; 16.18.1; 16.24.5 and Appendix 1 as it relates to 9.5.8 and 9.5.8(b). Amended ASXSOR Procedure 6.3B.2; 6.3B.3; 6.3B.4; 9.4.1; 9.5.1; 9.5.2; 10.9.2; 10.9.3; 10.9.11.	
53.	*(Settlement Link ID)* N/A – new BR	Participants will have the ability to include a new unique identifier code which can link unilateral and bilateral settlement instructions (other than where involving delivery or receipt of financial products into a Participant's entrepot accounts). This will allow performance of those linked instructions in batch settlement to be contingent on each other.	To avoid other client financial products in an omnibus account (e.g. where Participant is custodian) being used for delivery in batch settlement in respect of a sale by a client who is scheduled to receive the relevant financial products into that omnibus account during batch to facilitate that settlement (but does not).	Amended ASXSOR 2.13 (new definition of "Linked Instructions" and "Settlement Link ID"); Section 10 – Introduction and 10.11.6. Amended ASXSOR Procedure 10.9.2 and 10.9.11. New ASXSOR 10.9.18.	New BR Linking bilateral settlements (CP reference 2.5.5 and Response to CP pages 8 and 9)
54.	*(Trust Amount provision - consolidated Unilateral Batch Instruction)* Under the current ASXSORs, particular messages require the provision of a trust amount in relation to a Unilateral Batch Message.	Remove express references to message types that must be used for the purposes of ASXSOR 6.3B and reference the User Technical	To align ASXSORs with new consolidated message functionality. The reference to the User Technical Documentation will	ASXSOR Procedure 6.3B.2; 6.3B.3 and 6.3B.4	Reengineer

Current State / *CHESS replacement* table within the first cell:

Current State	CHESS replacement
"Single Entry"	"Unilateral"
"Dual Entry"	"Bilateral"

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]
	As a consequence of the consolidation of messages, under the new CHESS System, the requirement to include a trust amount in a Unilateral Batch Message will no longer be determined by the relevant message type. Rather, the provision of a trust amount in the new Message type will be determined by the relevant Participant role, rather than message type.	Documentation (which replace the EIS) to define the messages. Settlement Participants that are either (i) a Clearing Participant, or (ii) acting as Settlement Agent for a Clearing Participant will be required to include a trust amount in a Unilateral Batch Message.	cover users accessing the new system through messaging (ISO 20022 standard via AMQP or SWIFTNet) as well as through distributed ledger API or "node" connection.		
55.	*(Demand Locks)* N/A. For Bilateral Demand Transfers, validation that there are sufficient Available Financial Products for the transfer occurs at the time of matching of messages from the receiving and delivering Participants.	The new CHESS system will automatically apply a Demand Lock upon receipt of a Valid Bilateral Demand Message from the delivering Participant if there are sufficient Available Financial Products at that time, preventing financial products for a Bilateral Demand Transfer being transferred or converted between the time that the message is submitted by the delivering Participant and performance of that Bilateral Demand Transfer. This functionality will also be available for new Bilateral Demand Settlement Instructions (referred to below). The Demand Lock will be removed if the relevant Message	Enhance the relevant workflow to protect against the relevant financial products ceasing to be available for transfer.	New ASXSOR 8.15.20; 8.16.8; 9.5.1A; 9.5.1B; 9.5.9; 9.5A.2; 9.5A.3 and 9.5A.9. Amended ASXSOR 2.13 (new definition of "Demand Lock" and amended definition of "Locked"); 3.6.11, 8.15 (heading) and 8.15.19.	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]
		or Transfer is rejected or cancelled.			
		If Financial Products are subject to a Demand Lock and ASX Settlement receives a request from an Issuer to initiate a Holding Adjustment or Financial Products Transformation, ASX Settlement will not give effect to that message unless it is a Reconstruction. ASX Settlement will remove a Demand Lock if an Issuer initiates a Reconstruction.			
56.	*(Settlement Tolerance Override Amount)* N/A – new BR	Participants will have the ability to override the ASX default tolerance amount for Bilateral Batch Instructions with a higher value on a per transaction value basis ("**Override Tolerance Amount**"). A Participant cannot set a limit that is less than the prevailing ASX default tolerance level. This functionality will also be available for new Bilateral Demand Settlement Instructions (referred to below).	See rationale as set out in section 2.2.7 of the CP.	Amended ASXSOR 2.13 (new definition of "Override Tolerance Amount") and 10.9.3. New ASXSOR 9.5A.4 and 9.5A.6.	New BR Bilateral transaction matching (CP reference 2.2.7)
57.	*(Changes to daily housekeeping of unmatched instructions)* Under the current rules, housekeeping of unmatched instructions occurs either: (i) after two	Under the new CHESS system, housekeeping of unmatched instructions will occur at the end of day each day.	The change reflects the new timeframes within which housekeeping will occur under the new CHESS system. The	ASXSOR Appendix 1 as it relates to Rule 9.5.8.	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]
	days, or (ii) after one day if there is an applicable Corporate Action.		functionality is being implemented to simplify housekeeping workflows and system logic.		
58.	*(Matching Reference)* Under the current system, it is possible to include an additional reference field with a matching identifier reference for Bilateral Demand Transfers. Under the new CHESS system it will be possible to include an additional matching identifier reference for Bilateral Batch Instructions.	Participants will be able to include a mandatory matching identifier in a Bilateral Batch Message. If a Participant does so, an identical value must be submitted by the counterparty Participant for the messages to be Matched. The ASXSORs will also be amended to expressly specify this existing functionality for Bilateral Demand Transfers (CHESS currently relies on ASX Settlement Procedure Guidelines and EIS to specify this).	See rationale as set out in section 2.2.7 of the CP. For consistency with new functionality, ASXSORs for Bilateral Demand Transfers will also expressly deal with mandatory matching identifier.	Amended ASXSOR 2.13 (new definition of "*Matching Reference*"); 9.5.2 and 10.9.3. New ASXSOR 9.5A.4	New BR Bilateral transaction matching (CP reference 2.2.7) Other (for Bilateral Demand Transfers)
59.	*(Changes to Instructions after Match)* Under the existing ASXSORs, updates to Bilateral Batch Instructions can be initiated by both parties. Under the new system, updates to Bilateral Batch Instructions are now only supported for a Participant updating individual data fields relevant to it, i.e.: • Account (HIN) • Settlement Link ID • Part Settlement Indicator • Contact details for relevant Holder	The ASXSORs will be amended to reflect the narrower set of changes that Participants will be permitted to make to Bilateral Batch Instructions.	Simplification to the workflow and minimised messages.	ASXSOR 10.9.5; Appendix 1 as it relates to 10.9.4. Deleted ASXSOR 10.9.4.	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]
	• Underlying Reference If a Participant wishes to change any other fields, they must cancel and re-submit the relevant transaction messages.				
60.	*(Removal of payment (FoD) functionality)* Under the existing rules, payments (free of delivery) are supported, i.e. where money can be transferred through the batch without corresponding delivery of financial products. Under the new system, payments (free of delivery) will no longer be supported for a Bilateral Batch Instruction.	The ASXSORs will be amended to remove the current provisions under the rules that accommodate "*Dual Entry Payment Batch Instructions*".	Participants will no longer be able to utilise batch settlement to make payments (free of delivery).	ASXSOR 2.13 (delete definition of "Dual Entry Payment Batch Instruction" and consequential amendments to definition of "Batch Instruction", "CCP Gross Batch Instruction", "CCP Net Batch Instruction" and "Payment Batch Instruction"); 6.3B.7; Section 10 – Introduction; 10.9.3; 10.9.4; 10.9.6; 10.9.7; 10.9.9 (deleted) and 16.18.1.	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]
Settlement locks for CHESS Holdings[6]					
61.	N/A – New BR	A Settlement Lock applies to Financial Products and Entitlements and will prevent them from being deducted from a Holding unless pursuant to a Settlement Transfer.	See rationale as set out in section 2.2.5 of the CP. The Settlement Lock will also support Settlement Transfers beyond delivery by the settlement participant of client CHESS holdings into its settlement entrepot HIN.	ASXSOR 2.13 (new definition of "Settlement Lock" and amended definition of "Locked").	New BR Settlement Lock for CHESS Holdings (CP reference 2.2.5). Reengineer.
62.	N/A – New BR	A delivering settlement participant may request ASX Settlement to apply a Settlement Lock in connection with a **Bilateral Batch Message** Transmitted under Rule 10.9.2, to apply either: • promptly after ASX Settlement has received the Messages. If there are insufficient units to apply the Settlement Lock, ASX	See above	New ASXSOR 10.9.3A. Amended ASXSOR 10.9.3. Amended ASXSOR Procedure 10.9.2.	See above

[6] Settlement Locks may be applied in the following circumstances:

- A mandatory Settlement Lock will apply on a Unilateral Batch Instruction transferring securities from an accumulation entrepot HIN to a settlement entrepot HIN
- An optional Settlement Lock may apply on request to a Unilateral Batch Instruction transferring securities from a sponsored HIN or direct HIN (other than an entrepot HIN). This lock can be requested either in the Unilateral Batch Message, or separately after the Unilateral Batch Message has been sent.
- An optional Settlement Lock may apply on request to a Bilateral Batch Instruction transferring securities from a sponsored HIN or direct HIN (other than an entrepot HIN). This lock can be requested by the delivering participant either in the Bilateral Batch Message to apply either immediately or on Match, or separately after the Bilateral Batch Message has been sent.

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]
		Settlement **will cancel** the Bilateral Batch Messages; or • when those messages are Matched under Rule 10.9.3. If there are insufficient units to apply the Settlement Lock, ASX Settlement **will not cancel** the Bilateral Batch Message or Bilateral Batch Instruction but the settlement lock will not proceed.			
63.	N/A – New BR	A delivering settlement participant may request ASX Settlement to apply a Settlement Lock in connection with a **Unilateral Batch Message** Transmitted under Rule 10.9.11. If there are there are insufficient units to apply the Settlement Lock, ASX Settlement will cancel the Unilateral Batch Message.	See above	Amended ASXSOR 10.9.11. New ASXSOR 10.9.12A.	See above
64.	N/A – New BR	A mandatory Settlement Lock will apply in connection with a **Unilateral Batch Instruction** transferring securities from an accumulation entrepot HIN to a settlement entrepot HIN. This will apply where a settlement participant continues to utilise the accumulation account staging	See above	ASXSOR 6.3B.2.	See above

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]
		process for client CHESS holdings in the lead up to settlement.			
65.	N/A – New BR	A delivering settlement participant may request ASX Settlement to apply a Settlement Lock in connection with a **Unilateral Batch Instruction or Bilateral Batch Instruction** at any time up until cut off on the Settlement Date. ASX Settlement will apply the Settlement Lock if there are sufficient Available Financial Products, or otherwise reject the message and notify the settlement participant accordingly.	See above	New ASXSOR 8.15.21; 8.15.22; 8.15.23; 8.15.24; Appendix 1 as it relates to 8.15.21. Amended ASXSOR 8.15 (heading). New ASXSOR Procedure 8.15.21.	See above
66.	N/A – New BR	A Settlement Lock may be removed in the following circumstances: • If the Participant that requested ASX Settlement to apply the Settlement Lock requests that it be removed. • If the Settlement Instruction the Settlement Lock relates to is cancelled under the ASXSORs. • If ASX Settlement determines it is appropriate to remove the Settlement Lock to maintain the orderly	See above	New ASXSOR 8.16.6; 8.16.7; 8.16.8; 8.16.9. Amended ASXSOR 8.16 (heading); 10.9.5; Appendix 1 as it relates to 8.16.6). New ASXSOR Procedure 8.16.6; 8.16.9.	See above

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]
		operation and integrity of the Settlement Facility. One example where this discretion may be exercised is in the event a participant or issuer requests ASX Settlement to apply a Holding Lock or Holder Record Lock due to a court order to securities subject to a Settlement Lock. • If the Source Holding subject to a Batch Instruction is changed.			
67.	N/A – New BR	If Financial Products are subject to a Settlement Lock and ASX Settlement receives a request from an Issuer to initiate a Holding Adjustment or Financial Products Transformation, ASX Settlement will not give effect to that message unless it is a Reconstruction. ASX Settlement will remove a Settlement Lock if an Issuer initiates a Reconstruction.	See above	New ASXSOR 8.15.20. Amended ASXSOR 8.15.19.	See above
Ad hoc changes					
68.	No existing rule which expressly permits ASX Settlement to provide emergency	A new rule has been added (reflecting an existing rule in ASXCOR 6.9 to 6.12) which	To provide a mechanism for ASX Settlement to provide assistance to settlement participants if such	New ASXSOR 16.25; 16.26; 16.27 and 16.28.	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]
	assistance to settlement participants on a reasonable endeavours basis.	provides that ASX Settlement may act as the settlement participant's agent to send and receive messages on behalf of that participant when communicating with ASX Settlement on a reasonable endeavours basis.	assistance is requested. For example, if a settlement participant is unable to transmit messages due to an outage affecting that settlement participant.	ASXSOR Procedure 16.25.1.	
69.	Tidy up changes to correct errors			ASXSOR 2.13 (new definition of "Available Financial Products" and "Bilateral Settlement Message" and amended definition of "Holder Record Lock" and "Matched Messages"); 3.6.7; 3.6.11; 5.3.4(b); 8.5.2; 8.14.1, 8.18.5; 8.19.2; 8.21.1; 8.21.2; Section 9 (heading), 9.5.4; 9.7.6; 9.8 (heading); 9.8.2; 9.8.3; 14.9.2; 14.17.2 and 16.18.1. ASXSOR Procedure 2.13; 6.3B.3, 8.15.7; 8.15.14; 8.15.15; 8.18.2; 8.19.3; 9.5.1, 9.5.2, 9.7.1; 9.8.1 (heading); 10.9.2 and 10.9.3. ASXCOR Procedure 12.7.7.	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]
70.	ASXCOR 12.1.2 allows for market transactions that are not eligible for registration to nevertheless be notified by ASX Clear to the settlement facility.	Reference such notification ability within ASXCOR 12.1.1 which deals with registration prerequisites.	Clarification.	ASXCOR 12.1.1	Other

ASX SETTLEMENT OPERATING RULES

....

SECTION 2   DEFINITIONS AND INTERPRETATION

....

2.13   DEFINITIONS

2.13.1   Definitions used in the Rules

In these Rules, unless the context otherwise requires:

....

"**Available Financial Products**" means Financial Products that are:

(a)   not in a Locked Holding;

(b)   in the case of Financial Products in an Issuer Sponsored Holding, not reserved under the Listing Rules for the benefit of an Offeror in relation to a takeover scheme;

(c)   in the case of Financial Products in a CHESS Holding, not reserved in a Subposition;

(d)   not the subject of a Client Trust Account Amount Message which ASX Settlement treats as a Unilateral Batch Instruction that has been scheduled for settlement.

Amended 25/05/15

....

"**Batch Instruction**" means an instruction to ASX Settlement to effect:

(a)   a Settlement Transfer in Batch Settlement and, if the instruction is for value, payment in DvP Batch Settlement; or

(b)   in respect of a Payment Batch Instruction, payment in Batch Settlement,

and includes:

(a)   a CCP Net Batch Instruction;

(b)   a CCP Gross Batch Instruction;

(c)   a CCP Derivatives Payment Batch Instruction;

(d)   a ~~Dual Entry~~Bilateral Batch Instruction;

~~(e)   a Dual Entry Payment Batch Instruction;~~

(fe)   a ~~Single Entry~~Unilateral Batch Instruction;

(fg)   a Direct Batch Instruction; and

(gh)   an AQUA Payment Batch Instruction.

Amended 21/03/14

....

"**Bilateral**~~Dual Entry~~ **Batch Instruction**" means a Batch Instruction that results from Matched Bilateral~~Dual Entry~~ Settlement Messages.

"**Bilateral**~~Dual Entry~~ **Batch Message**" means a Message that complies with Rule 10.9.2.

"**Bilateral**~~Dual Entry~~ **Demand Message**" means a Message that complies with Rule 9.5.1.

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

"**Bilateral Demand Settlement Instruction**" means a RTGS Instruction that results from Matched Bilateral Demand Settlement Messages.

"**Bilateral Demand Settlement Message**" means a Message that complies with Rule 9.5A.1.

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

"**Bilateral Settlement Message**" means a Message that complies with Rule 10.9.2.

....

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

Amended 28/04/14

....

"**CCP Net Batch Instruction**" means a Batch Instruction ~~(excluding a Dual Entry Payment Batch Instruction)~~ to give effect to a transaction that has been novated to CCP

and netted in accordance with the operating rules of the Approved Clearing Facility or a Batch Instruction to give effect to an Offsetting Transaction Arrangement entered into in respect of a Failed CCP Net Batch Instruction.

Amended 28/04/14

....

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

Introduced 25/05/15

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

....

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

 (a)   Bilateral Demand Transfer under Rule 9.5.4; or

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

...

"Dual Entry Payment Batch Instruction" ~~means a Batch Instruction that results from Matched Dual Entry Payment Batch Messages.~~

"Dual Entry Payment Batch Message" ~~means a Message that complies with Rule 10.9.2.~~

....

"Email Details" means, in respect of a Holding, the email address ~~and Email Purpose~~ of the Holder.

Introduced 02/11/09

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

Introduced 02/11/09

....

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

….

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

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

….

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

….

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

….

"**Matched Messages**" means:

(a)   in relation to Dual Entry RTGS Messages, Messages that are Matched under Rule 11.13.3;

(b)   in relation to ~~Dual Entry~~Bilateral Batch Messages, Messages that are Matched under Rule ~~9.5.2 or~~ 10.9.3;

(c)   in relation to Dual Entry Switch to Batch Settlement Messages, Messages that are Matched under Rule 11.12.3;

(d)   in relation to Dual Entry Switch to RTGS Messages, Messages that are Matched under Rule 10.6.1 or 10.11.8; ~~and~~

(e)   in relation to Bilateral Demand Messages, Messages that are Matched under Rule 9.5.2;~~in relation to Dual Entry Payment Batch Messages, Messages that are Matched under Rule 10.8.3~~, and

(f)   in relation to Bilateral Demand Settlement Messages, Messages that are Matched under Rule 9.5A.4,

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

"**Matching Reference**" in relation to a Bilateral Demand Message, Bilateral Demand Settlement Message or a Bilateral Batch Message, means an optional unique

identification reference specified in the Message by the Participant as an additional message field that requires mandatory matching.

....

"**Named Holder Indicator**" means an indicator that identifies the named Holder in relation to a death or bankruptcy.

....

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

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

....

"**Payment Batch Instruction**" means:

(a)   a CCP Derivatives Payment Batch Instruction; or

(b)   a Dual Entry Payment Batch Instruction; or

(c~~b~~)   an AQUA Payment Batch Instruction.

Amended 21/03/14

....

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

....

"**RGID**" means a number used to identify a Registration Identifier or information derived from a Registration Identifier.

....

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

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

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

(b)   a Unilateral Batch Instruction under Rule 10.9.11.

....

"**Surveillance Report**" means a report generated by CHESS that identifies changes to:

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

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

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

....

"**Unilateral~~Single Entry~~ Batch Message**" means a Message that complies with Rule 10.9.11.

"**Unilateral~~Single Entry~~ Batch Instruction**" means a Batch Instruction that gives effect to a Unilateral~~Single Entry~~ Batch Message.

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

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

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

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

....

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

....

3.6.7   ASX Settlement indemnity

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

(a)   ASX Settlement Transmits a Report to the Issuer relating to Approved Financial Products of the Issuer that contains incorrect information; or

(b)   ASX Settlement Transmits a Message to the Issuer relating to Approved Financial Products of the Issuer which contains:
(i)   inaccurate Change of Registration Details; or

(ii)   a TFN or ABN of a hHolder which is not the TFN or ABN supplied by a Participant with respect to that Hholder.

....

3.6.11   Exclusion of ASX Settlement liability provisions

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

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

(a)   a failure to admit a person as a Participant under Section 4, and its liability in these circumstances is limited to such liability as may be incurred in complying with the procedure for Appeal under Section 4;

(b)   a failure to provide a Settlement Facilitation Service to a person under Rule 4.1A;

(c)   suspension or revocation of ASX Settlement approval of any class of Financial Products;

(d)   any enforcement action, Proceeding or Appeal against a Facility User whether in accordance with these Rules or not;

(e)   any enforcement action taken by ASX Settlement in accordance with a determination of the Old Tribunal (as defined in Rule 12.23) or the Appeal Tribunal;

(f)   any action to:

(i)   impose Restrictions on;

(ii)   suspend; or

(iii)   terminate,

the participation of a Participant under Section 12;

(g)   the application or removal of a Holding Lock, Holder Record Lock, Demand Lock or Settlement Lock in accordance with Section 8, Section 9 or Section 10; or

(h)   the effecting of a Holding Adjustment or Financial Products Transformation in accordance with Section 9.

....

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

....

5.3.2   Establishing of CHESS Holding

If:

(a)   ASX Settlement receives a Valid Message from an Issuer under Rule 5.3.1; and

(b)   a Holder Record for the HIN specified in that Message has been established under Rule 8.7.2,

ASX Settlement will, within the Scheduled Time:

(c)   enter the number of Financial Products into the CHESS Holding specified in that Message;

(d)   notify the Issuer:

(i)   that the CHESS Holding has been established; and

(ii)   of the <u>relevant</u> Holder Record details for the CHESS Holding; and

(e)   notify the Controlling Participant that the CHESS Holding has been established.

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

5.3.3   Rejection of Messages initiating a Holding Adjustment

If:

(a)   ASX Settlement receives a Valid Message from an Issuer under Rule 5.3.1; and

(b)   a Holder Record for the HIN specified in that Message has not been established under Rule 8.7.2,

ASX Settlement must, within the Scheduled Time:

(c)   reject the Message; and

(d)   notify the Issuer that the Message has been rejected.

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

5.3.4   Transmission of further Messages

If:

(a)   an Issuer receives notification that a CHESS Holding has been established under Rule 5.3.2(d)(i); and

(b)   the Registration Details ~~and, where applicable, the Residency Indicator~~ specified in that notification do not match the Registration Details ~~and Residency Indicator~~ specified in the application form lodged with the Issuer by the person to whom the Financial Products have been allocated,

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

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

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SECTION 6   RIGHTS AND OBLIGATIONS OF PARTICIPANTS

….

6.3B   TRANSFERS TO FACILITATE SETTLEMENT

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

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

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

   i.   Transfers or Converts (as applicable) the Financial Products from the Holding to its Accumulation Account prior to being Transferred to the Settlement Account; and

   ii.   complies with Rule 6.3B.2 when Transferring the Financial Products from its Accumulation Account to the Settlement Account; or

(b)   for Financial Products in a CHESS Holding (other than its Accumulation Account), the Settlement Participant complies with Rule 6.3B.3 when Transferring the Financial Products from the CHESS Holding to the Settlement Account.

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

Introduced 25/05/15

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

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

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

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

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

Introduced 25/05/15

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

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

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

Introduced 25/05/15

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

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

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

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

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

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

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

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

(a)   the sell side and the buy side of the cash contra transaction are:

   (i)   undertaken for the same client;

   (ii)   in respect of different Financial Products; and

   (iii)   to be settled on the same day;

(b)   the Settlement Participant has Transmitted a Valid ~~Single Entry~~Unilateral Batch Message under Rule 6.3B.2 in connection with the sell side of the cash contra transaction and the Message is treated by ASX Settlement as a ~~Single Entry~~Unilateral Batch Instruction which has been scheduled for settlement in accordance with Rule 10.9.11; and

(c)   the Settlement Participant seeks to Transmit a Valid ~~Single Entry~~Unilateral Batch Message under Rule 6.3B.4 in connection with the buy side of the cash contra transaction which specifies the date on which the ~~Single Entry~~Unilateral

Batch Instruction referred to in paragraph (b) is scheduled for settlement as the scheduled Settlement Date in respect of the Transfer of Financial Products under the Batch Instruction arising from that Message,

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

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

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

Introduced 18/04/16

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

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

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

(b)   a Holding (other than the Settlement Account) in connection with the sale of those Financial Products under a Cash Market Transaction, that the Client Trust Receivable Amount in respect of those Financial Products is paid to the Client Trust Account on the day of the Transfer.

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

Introduced 25/05/15

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

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

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

Introduced 25/05/15

6.3B.7   Certain Transfers not subject to above requirements

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

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

(b)   by a Settlement Participant from one of its Settlement Accounts to another of its Settlement Accounts; or

(c)   between two Participants as result of giving effect to a ~~Dual Entry~~Bilateral Demand Transfer or~~,~~ a ~~Dual Entry~~Bilateral Batch Instruction ~~or a Dual Entry Payment Batch Instruction~~.

Introduced 25/05/15

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

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

(a)   the relevant Financial Products were not Financial Products of a client (or from a person acting on behalf of a client) or for the benefit of a client;

(b)   the Client Trust Receivable Amount has already been paid to the Client Trust Account; or

(c)   the Settlement Participant, or, if the Settlement Participant is acting as a Settlement Agent for a Clearing Participant for settling Cash Market Transactions, the Clearing Participant, is entitled to deduct from the consideration remuneration payable to it in connection with the sale of the Financial Products under that Cash Market Transaction and the Settlement Participant or the Clearing Participant (as applicable) deducts such amount.

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

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

6.3B.9   Notification of non-compliance

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

Introduced 25/05/15

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6.7   ELECTRONIC ACCESS TO HOLDING BALANCE AND SRN DETAILS BY PARTICIPANTS

6.7.1   Participant ~~must have valid Sponsorship Bond~~access

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

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

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6.18   DEMAND TRANSFER FOLLOWING A FAIL IN ASX SETTLEMENT BATCH SETTLEMENT

6.18.1   Delivery of part settlement

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

(a)   the delivering Participant designates the Instruction as available for settlement in part;

(b)   during Batch Settlement the Instruction Fails; and

(c)   the delivering Participant gives Notice to the receiving Participant by the Scheduled Time that it can deliver the number and class of Financial Products specified in the Instruction on that Business Day,

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

Introduced 11/03/04 Origin SCH 9.23.1, 10.23.1

6.18.2   Transmitting Messages to effect part settlement

If a delivering Participant:

(a)   gives Notice to the receiving Participant under Rule 6.18.1(c);

(b)   Transmits a Message to ASX Settlement within the Scheduled Time to cancel the Instruction that has been rescheduled for settlement on the next Business Day; and

(c)   Transmits a Message to ASX Settlement within the Scheduled Time to initiate a ~~Dual Entry~~Bilateral Demand Transfer to Transfer the Financial Products to the receiving Participant under Rule 9.5.4.

the receiving Participant must:

(d)   Transmit a Message to ASX Settlement within the Scheduled Time to enable ASX Settlement to Match the request to cancel the Instruction that has been rescheduled for settlement on the next Business Day;

(e)   Transmit a Message to ASX Settlement within the Scheduled Time to enable ASX Settlement to Match the ~~Dual Entry~~Bilateral Demand Message to Transfer the Financial Products to the receiving Participant; and

(f)   pay to the delivering Participant an amount equal to the Settlement Amount specified in the rescheduled Instruction.

Introduced 11/03/04 Origin SCH 9.23.2, 10.23.2

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SECTION 7 PARTICIPANT CLIENT ARRANGEMENTS

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7.4 AQUA PRODUCTS

7.4.1 AQUA Products

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

SECTION 8 HOLDING FINANCIAL PRODUCTS IN THE SETTLEMENT FACILITY

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8.5 EFFECTS OF SUSPENSION AND REVOCATION OF APPROVAL

8.5.1 Action taken by ASX Settlement upon suspension

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

(a) if an Instruction or Message would affect a CHESS Holding of Financial Products in that class:

   (i) suspend all such Instructions it has already received; and

   (ii) reject all such Instructions or Messages that are subsequently received;

(aa) give notice of the suspension or rejection of such Instructions or Messages to:

   (i) the Issuer;

   (ii) the relevant Approved Market Operator; and

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

(b) on each Business Day that the class of Financial Products remains suspended, reschedule any suspended Instructions for settlement on the next Business Day; and

(c)   subject to Rule 8.5.2, cancel any Instruction that remains suspended on the 15th 10th Business Day after suspension of approval. For the purposes of this Rule 8.5.1(c), ASX Settlement may, in its absolute discretion, cancel any Instruction that remains suspended on or after the 10th Business Day after the relevant suspension of approval.

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

8.5.2   Discretion to allow Instruction

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

(a)   the Issuer;

(b)   the Approved Listing Market Operator; and

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

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

8.5.3   Removal of suspension

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

(a)   remove the suspension; and

(b)   give Notice notice to:

(i)   the Issuer;

(ii)   the relevant Approved Market Operator; and

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

Introduced 11/03/04 Origin SCH 3.5.4

8.5.4   Revocation if suspension continues – [Deleted]

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

8.5.5   Effect of revocation

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

(a)   reject all Instructions or Messages that would affect a CHESS Holding of Financial Products in that class; and

(b)   close the CHESS Subregister for that class of Financial Products in accordance with Rule 8.14.1.

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

8.6   CHESS SUBREGISTERS

8.6.1   Status of CHESS Subregister

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

(a)   subject to paragraph (b), the CHESS Subregister for a class of an Issuer's Approved Financial Products forms part of the Issuer's principal register for that class of Financial Products; and

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

Introduced 11/03/04 Origin SCH 5.1

8.6.2   Information recorded and maintained on a CHESS Subregister

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

(a)   the name and address recorded as part of the Registration Details and HIN of each person a Holder with a CHESS Holding of Financial Products in that class; and

(b)   in relation to each such person, the number of Financial Products held.

Introduced 11/03/04 Origin SCH 5.2.1

8.6.3A   Additional information recorded and maintained by ASX Settlement

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

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

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

(a)   the register being open for inspection; or

(b)   furnishing a copy of the register or any part of the register.

Introduced 11/03/04 Origin SCH 5.2.2

8.7 ESTABLISHING A HOLDER RECORD

8.7.1 Restrictions on establishing a Holder Record

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

(a)   the person is a Related Body Corporate of the Participant; or

(b)   the Participant holds a current Sponsorship Agreement executed by the Participant and the person.

Introduced 11/03/04 Origin SCH 5.4.1A

8.7.2 Establishing a Holder Record

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

(a)   establish a Holder Record on CHESS for that person;

(b)   allocate a HIN to that Holder; ~~and~~

(c)   allocate a UUID to each named Holder; and

(d~~c~~)   if the Holder Record has been established for a Participant Sponsored Holder, promptly send a Notice in relation to that Holder Record to that Participant Sponsored Holder.

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

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

8.7.3 Holder Record for Holding of FOR Financial Products

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

(a)   establish a separate Holder Record for that new Holding with the appropriate Residency Indicator; and

(b)   transfer that Holding to that Holder Record.

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

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

Introduced 11/03/04 Origin SCH 5.4.3

8.7.4 Indemnity by Participant where Holder Record established incorrectly

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

(a)   the Participant is not authorised to establish the Holder Record;

(b)   the Participant has provided incorrect details in the Message; or

(c)   the Participant has provided an incorrect Residency Indicator in the Message,

subject to Rule 8.7.5 the Participant indemnifies:

(d)   ASX Settlement from and against all losses, damages, costs and expenses which ASX Settlement may suffer or incur by reason of that unauthorised request or that Transmission of incorrect Holder Record details or an incorrect Residency Indicator; and

(e)   if a Holding is established using incorrect Holder Record details or an incorrect Residency Indicator, the Issuer from and against all losses, damages, costs and expenses which the Issuer may suffer or incur by reason of that Holding being established.

Introduced 11/03/04 Origin SCH 5.4.4, 5.4.5

8.7.5 Limitation on Participant indemnity

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

Introduced 11/03/04 Origin SCH 5.4.6

8.8 ESTABLISHING A CHESS HOLDING

8.8.1 A CHESS Holding may be established

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

(a)   a Participant Transmits a Valid Originating Message that initiates a Demand Transfer or Conversion;

(b)   ASX Settlement Transmits a Valid Originating Message that initiates a Settlement Transfer; or

(c)   an Issuer Transmits a Valid Message to initiate a Holding Adjustment or a Financial Products Transformation,

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

(d)   that a new Holding has been established; and

(e)   of the relevant Holder Record details.

Introduced 11/03/04 Origin SCH 5.5

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8.11   CONFIDENTIALITY

8.11.1   No disclosure except in certain circumstances

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

(a)   the HIN of a CHESS Holding;

(b)   the PID of the Controlling Participant of a CHESS Holding; or

(c)   the SRN for the Holder of an Issuer Sponsored Holding, or

(d)   the UUID of a named Holder;

other than to:

(de)   the Holder of that Holding, or in relation to (d) the relevant named Holder to which the UUID relates;

(ef)   the Holder's duly appointed attorney, agent or legal personal representative, or in relation to (d) the duly appointed attorney, agent or legal personal representative of the relevant named Holder to which the UUID relates;

(fg)   if the Holding is a CHESS Holding, the Controlling Participant for that Holding; or

(hg)   ASX Settlement.

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

8.11.2   Request for information by a Participant

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

(a)   details of the SRN of a Holding on the Issuer Sponsored Subregister;

(b)   the Holding Balance of a Holding on the Issuer Sponsored Subregister;

(c)   the HIN of a CHESS Holder; or

(d)   the PID of the Controlling Participant of the CHESS Holding; or

(e)   the UUID of a named Holder,

the requesting Participant:

(ef)   is taken to have warranted to the Issuer or the other Participant that it is the duly appointed agent of the Holder for the purposes of obtaining the details requested;

(fg)   indemnifies the Issuer or the other Participant in respect of any loss which the Issuer or the other Participant may suffer as a result of the requesting Participant not being authorised to request the information provided; and

(gh)   is, in the case of a request to the Issuer, taken to have acknowledged that:

   (i)   the details provided by the Issuer represent information currently available to the Issuer at the time of response and excludes unregistered transactions; and

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

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

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

8.11.3   Disclosure of information regarding Financial Products

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

(a)   the Holder of that Holding;

(b)   the Controlling Participant for that Holding;

(c)   the Issuer of the Financial Products; or

(d)   if Rule 14.13 applies in relation to a takeover bid any of the following:

    (i)   the bidder;

    (ii)   the CHESS Bidder; or

    (iii)   any agent that the bidder or the CHESS Bidder engages to prepare and distribute offer documentation or process takeover acceptances.

Introduced 11/03/04 Origin SCH 5.9.4

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8.14   CLOSURE OF A CHESS SUBREGISTER

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

Unless Rule 8.14.2 applies, if:

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

(b)   Approval of a class of an Issuer's Financial Products ceases under Rule 8.4.8,

subject to Rule 8.14A, ASX Settlement and the Issuer must take such steps as may be necessary to effect the orderly closure of any affected CHESS Subregister, including without limitation:

(c)   ASX Settlement giving such notice ~~Notice~~ as is reasonably practicable to the Issuer and each Participant of:

    (i)   the date of closure of the CHESS Subregister; and

    (ii)   the last day on which ASX Settlement will process Messages or classes of Messages Transmitted by the Issuer or Participants;

(d)   the Issuer using its best endeavours to ensure that all outstanding processing that affects CHESS Holdings in that class is completed prior to the date of closure of the CHESS Subregister;

(e)   ASX Settlement, on the date of closure of the CHESS Subregister:

    (i)   removing all Holdings on that Subregister to an Issuer Sponsored Subregister; and

    (ii)   giving notice ~~Notice~~ to the Issuer that the CHESS Subregister has been closed;

(f)   ASX Settlement sending a Holding statement in accordance with Rule 8.20.1~~8.18.6~~ to each Participant Sponsored Holder of Financial Products on the CHESS Subregister advising that the Holding has been Converted to an Issuer Operated Subregister; and

(g)   on the day of such closure or on any subsequent Business Day ASX Settlement may archive that CHESS Subregister provided that on the archiving day it must notify the Issuer and Participants confirming the archival of that Subregister.

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

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

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

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

(a)   the Issuer using its best endeavours to ensure that all outstanding processing that affects CHESS Holdings in that class is completed prior to the date of closure of the CHESS Subregister;

(b)   ASX Settlement, on the date of closure of the CHESS Subregister giving notice to the Issuer that the CHESS Subregister has been closed; and~.~

(c)   ASX Settlement may archive the CHESS Subregister for that class of Financial Products:

   (i~a~)   in the case of the class of Approved Financial Products being warrants eligible to be traded under the operating rules of an Approved Market Operator not less than 10 Business Days after the date on which the cessation occurred;

   (ii~b~)   in the case of any other class of Approved Financial Products not less than 20 Business Days after the date on which the cessation occurred; and

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

   (iii~c~)   subject to Rule 8.14.3, reject all Messages Transmitted by the Issuer or Participants that affect a CHESS Holding on that Subregister; and

   (iv~d~)   notify the Issuer, and each Participant confirming the archival of that Subregister.

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

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

8.14.3 Report facilities to be provided by ASX Settlement

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

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

8.14.4 Discretion to allow Instruction

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

(a) the Issuer;

(b) the Approved Listing Market Operator; and

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

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

8.15.1 Court order restricting transfer of Financial Products

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

(a) in a CHESS Holding:

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

(~~b~~ii) is served on ASX Settlement, ASX Settlement must promptly apply a Holding Lock to that Holding; or

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

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

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

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

8.15.2 Lien on Financial Products

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

Introduced 11/03/04 Origin SCH 11.1.2

8.15.3 Employee Incentive Scheme Financial Products

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

(a)   in respect of those Financial Products held on an Issuer Operated Subregister, apply a Holding Lock to all Holdings of Financial Products that have not been quoted by the Approved Listing Market Operator; and

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

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

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

8.15.4 Transfer in contravention of law or Foreign Ownership Percentage

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

(a)   contravene a minimum shareholding provision of a law of the Commonwealth, a State or a Territory; or

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

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

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

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

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

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

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

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

(a) establish a new Holder Record with the same Registration Details as the existing Holding; and

(b) give Notice to ASX Settlement, in the form specified by ASX Settlement, requesting that ASX Settlement:

(i) remove the Holding Lock from the existing Holding;

(ii) deduct from the Holding the number of Financial Products which are affected by the court order or lien; and

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

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

8.15.7 **Action following the application of a Holding Lock**

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

8.15.8 **Notification of Death or Bankruptcy of a Participant Sponsored Holder**

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

(a) Notice of Death of the relevant Holder; or

(b)   a request from the trustee in Bankruptcy of the relevant Holder to initiate a Holder Record Lock,

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

(c)   a Holder Record Lock to all CHESS Holdings under that Holder Record; and

(d)   a Named Holder Indicator to identify the deceased or bankrupt Participant Sponsored Holder.

Introduced 11/03/04 Origin SCH 11.2.1, 11.2.2

8.15.9   Notification of death of a joint Participant Sponsored Holder

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

Introduced 11/03/04 Origin SCH 11.2.3

8.15.10   Notification of bankruptcy of a joint Participant Sponsored Holder

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

(a)   establish new Holder Records in respect of:

(i)   the bankrupt Participant Sponsored Holder, and

(ii)   the remaining Participant Sponsored Holder;

(b)   Transmit Messages to Transfer the interests of the bankrupt Participant Sponsored Holder and the remaining Participant Sponsored Holder into new CHESS Holdings under the respective Holder Records; and

(c)   Transmit a Valid Originating Message requesting that ASX Settlement apply a:

(i)   Holder Record Lock to all CHESS Holdings under the Holder Record of the bankrupt Participant Sponsored Holder; and

(ii)   Named Holder Indicator to identify the bankrupt Participant Sponsored Holder.

Introduced 11/03/04 Origin SCH 11.2.4

8.15.11   Controlling Participant must give supporting documents to ASX Settlement if requested

Prior to a Controlling Participant Transmitting a Message under Rule 8.15.8(b), or 8.15.10(c) in respect of the Bankruptcy of a Participant Sponsored Holder, the Controlling

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

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

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

(b)   reference the supporting documentation to:

(i)   in respect of Rule 8.15.8(b), the HIN for the relevant Holder Record and UUID for the relevant named Holder;

(ii)   in respect of Rule 8.15.10(c), the HINs for the relevant Holder Records and UUID for the relevant named Holder; and

(iii)   the Transaction Identifier of the Originating Message.

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

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

If ASX Settlement:

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

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

ASX Settlement must:

 (c)   within the Scheduled Time:

(ai)   apply the requested Holder Record Lock;

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

(cii)   notify the Controlling Participant; and

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

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

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

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

(iii) the Approved Listing Market Operator.

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

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

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

Introduced 11/03/04 Origin SCH 11.4.4

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

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

Introduced 11/03/04

8.15.15 **Application of Holding Lock or Holder Record Lock by ASX Settlement for the purpose of freezing assets**

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

Introduced 11/03/04

8.15.16 **Indemnity by Controlling Participant requesting a Holder Record Lock**

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

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

8.15.17 **Restriction on Access to Locked Holdings**

If:

(a) ASX Settlement receives an Originating Message from a Participant that initiates a Transfer or Conversion of Financial Products in a CHESS Holding; and

(b) either the Source Holding or the Target Holding specified in the Message is a Locked CHESS Holding,

ASX Settlement must:

(c)   reject the Message; and

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

Introduced 11/03/04 Origin SCH 11.5.1

8.15.18   Notification of rejected Message

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

(a)   the Issuer must reject the Message and notify ASX Settlement of the rejection and the reason for the rejection; and

(b)   on receipt of a notification under Rule 8.15.18(a), ASX Settlement must notify the Participant that initiated that Transfer or Conversion of the rejection.

Introduced 11/03/04 Origin SCH 11.5.2

8.15.19   Giving Effect to Message

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

Introduced 11/03/04 Origin SCH 11.5.3

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

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

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

8.15.21   Request to apply a Settlement Lock

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

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

8.15.22   Application of Settlement Lock by ASX Settlement

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

8.15.23   Rejection of request for Settlement Lock

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

8.15.24   Indemnity by Participant requesting a Settlement Lock

If a Participant Transmits a Message to ASX Settlement requesting the application of a Settlement Lock under Rule 8.15.21, 10.9.2 or 10.9.11 and ASX Settlement applies a Settlement Lock under Rule 8.15.22, 10.9.3A, 10.9.3 or 10.9.11, that Participant indemnifies ASX Settlement and the Holder from and against all losses, damages, costs and expenses which ASX Settlement and the Holder may suffer or incur as a result of ASX Settlement acting upon that request.

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

8.16.1   Removal of Holding Lock by Issuer

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

(a)   if that Issuer may gives Notice in the form specified by ASX Settlement requesting ASX Settlement to remove the Holding Lock; andor

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

Introduced 11/03/04 Origin SCH 11.6.1, 11.6.2

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

If:

(a)   ASX Settlement is served with a court order requiring ASX Settlement to remove a Holding Lock or Holder Record Lock from a CHESS Holding; or

(b)   the court order initiating the Holding Lock or Holder Record Lock under Rule 8.15.1 specified a period during which the restriction on the Transfer of Financial Products in the Holding was to apply and that period has expired,

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

Introduced 11/03/04 Origin SCH 11.6.3

8.16.3A   Removal of Holder Record Lock by Controlling Participant

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

(a)   if that Controlling Participant Transmits an Originating Message requesting ASX Settlement to remove the Holder Record Lock; or

(b)   if the Controlling Participant specified a period during which the restriction on the Transfer of Financial Products in a Holder Record was to apply in the Originating Message requesting ASX Settlement to apply a Holder Record Lock under Rule 8.15.1, 8.15.8, 8.15.10, on the first Business Day following expiry of that period.

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

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

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

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

(b)   specifying a period during which a Holder Record Lock should apply in an Originating Message under Rules 8.15.1, 8.15.8 or 8.15.10(c),

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Introduced 11/03/04

8.16.5 **Indemnity by Controlling Participant requesting removal of Holder Record Lock**

If a Controlling Participant:

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

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

that Controlling Participant indemnifies ASX Settlement or and the Issuer from and against all losses, damages, costs and expenses which ASX Settlement or the Issuer may suffer or incur because the Controlling Participant was not authorised at the time that

the Message was Transmitted to request the removal or to so limit the period during which the Holder Record Lock should apply.

Introduced 11/03/04

8.16.6 Removal of Settlement Lock on request

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

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

8.16.7 Removal of Settlement Lock on cancellation of Instructions

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

8.16.8 Removal of Settlement Lock or Demand Lock by ASX Settlement

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

8.16.9 Action following removal of a Settlement Lock on request

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

8.17 CHANGE OF CONTROLLING PARTICIPANT

8.17.1 Notice to be given to ASX Settlement

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

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

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

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

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

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

8.18   CHANGE OF HOLDER RECORD DETAILS

8.18.1   No change of Registration Details without authority

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

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

8.18.2   Action following change of Registration Details

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

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

8.18.3   Action to be taken by ASX Settlement

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

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

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

8.18.4 ASX Settlement may request documentation

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

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

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

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

Introduced 11/03/04 Origin SCH 11.8.6

8.18.5 Participant indemnity for unauthorised or incorrect request

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

(a) was not authorised, at the time that the Message was Transmitted by that Participant Sponsored Holder to request the change; or

(b) has provided incorrect details in:

(i) the Message requesting the change to Holder Record details; or

(ii) the documents to be maintained under Rule 8.18.4 where the change in ~~r~~Registration ~~d~~Details includes a change of name,

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

Introduced 11/03/04 Origin SCH 11.8.7

8.18.6 Change of Holder Type or removal of Holder Record

A Participant may Transmit an Originating Message to ASX Settlement that includes the matters specified in the Procedures to request:

(a) if modifiable in accordance with the User Technical Documentation, a change to the Holder Type recorded as part of a Holder Record that the Participant controls; or

(b) the removal from CHESS of a Holder Record that the Participant controls where there are no Holdings under that Holder Record.~~,~~

By:

(c) giving Notice of the request to ASX Settlement;

(d) referencing that Notice to the HIN for the Holder; and

(e) providing with that Notice such documentation as ASX Settlement requires to support the requested change or the removal, as the case requires.

Introduced 11/03/04 Origin SCH 11.9.1

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

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

(a) process the change of Holder Type or the removal of the Holder Record as requested; and

(b) notify the Participant that the change or removal, as the case requires, has been effected.

Introduced 11/03/04 Origin SCH 11.9.2

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

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

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

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

(b) reference the supporting documentation to the HIN for the relevant Holder Record.

If ASX Settlement is not satisfied that documentation provided with:

(a) a request to change a Holder Type; or

(b) a request to remove a Holder Record,

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

Introduced 11/03/04 Origin SCH 11.9.3

8.18.9   Change of Residency Indicator – FOR Financial Products

If:

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

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

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

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

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

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

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

8.18.11   Indemnity if Participant is not authorised to change Residency Indicator

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

(a)   is not authorised at the time that the Message is Transmitted by that Participant Sponsored Holder to request the change; or

(b)   has provided incorrect details in the Message requesting the change of Residency Indicator,

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

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

8.18.12   Change of other Holder Record details

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

8.18.13   Action to be taken by ASX Settlement

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

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

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

8.18.14   Participant indemnity for unauthorised or incorrect request

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

(a)   was not authorised, at the time that the Message was Transmitted by that Participant Sponsored Holder to request the change; or

(b)   has provided incorrect details in the Message requesting the change to Holder Record details,

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

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

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

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

(a)   for a CHESS Holding, by Transmitting a Valid Message to ASX Settlement that specifies the details; or

(b)   for an Issuer Sponsored Holding, by including the details in a Valid Message that initiates a CHESS to Issuer Sponsored.

Introduced 11/03/04 Origin SCH 11.10.1

8.19.2   Order of details by Participant

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

(a)   where Rule 8.19.1(a) applies, in the Holder Record for that CHESS Holding; or

(b)   where Rule 8.19.1(b) applies, in the Registration Details for the Target Holding specified in the Message.

Introduced 11/03/04 Origin SCH 11.10.2

8.19.3   Action by ASX Settlement following Message

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

Introduced 11/03/04

8.19.4   Action by Issuer following notification by ASX Settlement

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

(a)   in relation to a CHESS Holding, before End of Day on the day the Issuer receives the Message from ASX Settlement; and

(b)   in relation to an Issuer Sponsored Holding, at the time the Issuer enters the Financial Products into the Target Holding.

Introduced 11/03/04 Origin SCH 11.10.5

8.19.5   Confidentiality

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

Introduced 11/03/04 Origin SCH 11.10.6

8.19.6   ASX Settlement not liable for loss, damage etc

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

Introduced 11/03/04 Origin SCH 11.10.7

8.19.7   Notice by Participant of Australian ADI Account details

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

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

8.19.8   Action by ASX Settlement following Message

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

(a)   the Issuer of the Financial Products of the addition or cancellation of Australian ADI Account details; and

(b)   the Controlling Participant that the addition or cancellation of Australian ADI Account details has been notified to the Issuer.

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

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

(a)   notify ASX Settlement that it accepts the details; or

(b)   notify ASX Settlement that it rejects the details and provide the reason for the rejection.

8.19.10 Issuer to record the Australian ADI Account details

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

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

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

8.19.12 ASX Settlement not liable for loss, damage, etc

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

(a)   the Participant providing Australian ADI Account details:

(i)   without the authority of the Participant Sponsored Holder; or

(ii)   which are incorrect; or

(b)   Australian ADI Account details not being recorded or removed by an Issuer in accordance with Rule 8.19.10 or 8.19.11.

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8.21   CORRECTION OF ERRORS

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

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

(a)   ASX Settlement may give advice or directions to the Participant or Issuer, as the case requires, to correct the error; and

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

Introduced 11/03/04 Origin SCH 11.13

8.21.2   Correction of Processing Errors on the CHESS Subregister

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

(a)   incorrect processing by ASX Settlement of a Valid Message Transmitted to it by a Participant or an Issuer; or

(b)   ASX Settlement otherwise incorrectly applying information provided to it,

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

Introduced 11/03/04 Origin SCH 11.14

8.21.3   Correction of Errors by Issuers across Subregisters

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

(a)   ASX Settlement must promptly give Notice to the Issuer of the corrective action to be taken by the Issuer; and

(b)   if ASX Settlement gives Notice to an Issuer under paragraph (a), the Issuer must within 2 Business Days take such action as is necessary to correct the affected Issuer Sponsored Holding.

Introduced 11/03/04 Origin SCH 11.15.1, 11.15.2

8.21.4   Correction of errors by ASX Settlement across Subregisters

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

(a)   the Issuer must within 2 Business Days give Notice to ASX Settlement of the corrective action to be taken by ASX Settlement; and

(b)   if an Issuer gives Notice to ASX Settlement under paragraph (a), ASX Settlement must promptly take such action as is necessary to correct the affected CHESS Holding.

Introduced 11/03/04 Origin SCH 11.15.3, 11.15.4

8.21.5 **Notice by ASX Settlement**

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

(a)   the Issuer;

(b)   the Participant that controls the affected CHESS Holding; or

(c)   if the affected CHESS Holding is a Participant Sponsored Holding, the Holder.

Introduced 11/03/04 Origin SCH 11.15.5

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8.25   PROCESSING ON CHESS SUBREGISTER IN RELATION TO ELECTIVE CORPORATE ACTIONS

8.25.1 **Ceasing quotation of Financial Products**

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

(a)   partly paid Financial Products on which final calls are payable;

(b)   convertible Financial Products that are due to mature;

(c)   company options that are due to expire;

(d)   redeemable Financial Products; or

(e)   warrants that are due to expire;

subject to Rule 8.25A, ASX Settlement must:

(f)   suspend an Instruction or Message that would Transfer or Convert those Financial Products after End of Day on the Business Day on which the CHESS Subregister closes and remove the Instruction or Message on the ~~10th~~ 15th Business Day after the Subregister closes. For the purposes of this Rule 8.25.1(f), ASX Settlement may, in its absolute discretion, remove any Instruction or Message on or after the 10th Business Day after the relevant Subregister closes; or

(g)   cancel a Message which has not been Matched at End of Day on the Business Day on which the CHESS Subregister closes,

as the case requires.

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

8.26   SUSPENSION OF PROCESSING ON A CHESS SUBREGISTER FOR A RECONSTRUCTION

8.26.1   Where ASX Settlement receives notification of a Reconstruction

If:

(a)   ASX Settlement receives notification from an Approved Listing Market Operator of:

(i)   a Reconstruction that affects a class of Approved Financial Products;

(ii)   the effective date and the Issue Date for that Reconstruction; and

(b)   the Financial Product Code for that class will continue following the Reconstruction;

ASX Settlement must:

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

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

as the case requires, and

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

(i)   the Issuer;

(ii)   the relevant Approved Market Operator; and

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

8.26.2   Removal of processing suspension

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

(a)   remove the suspension; and

(b)   give notice to:

      (i)   the Issuer;

      (ii)   the relevant Approved Market Operator; and

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

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

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8.30   REGISTRATION IDENTIFIER

8.30.1   Establishing a Registration Identifier

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

8.30.2   Automatic removal of dormant Registration Identifiers

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

SECTION 9   TRANSFERS AND CONVERSIONS OF FINANCIAL PRODUCTS

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

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9.4 SINGLE ENTRYUNILATERAL DEMAND TRANSFERS

9.4.1 Message to initiate Single EntryUnilateral Demand Transfer

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

Introduced 11/03/04 Origin SCH 6.2.1

9.4.2 Action by ASX Settlement following Single EntryUnilateral Demand Transfer Message

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

(a)   ASX Settlement must deduct the number of Financial Products specified in the Message from the Source Holding;

(b)   ASX Settlement must enter that number of Financial Products into the Target Holding; and

(c)   if the Target Holding has a Residency Indicator of "F", those Financial Products will have the status of Confirmed FOR Financial Products.

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

9.4.3 Effect of Single EntryUnilateral Demand Transfer

A Single EntryUnilateral Demand Transfer initiated under Rule 9.4.1:

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

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

Introduced 11/03/04 Origin SCH 6.2.3

9.4.4 Restriction on Participant initiating Single EntryUnilateral Demand Transfer

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

(a)   the Single EntryUnilateral Demand Transfer Message specifies a Target Holding that is controlled by another Participant;

(b)   both the Participant that Transmits the Originating Message and the Participant that controls the Target Holding are members of the same Participant Group; and

(c)   either Participant is the Parent Participant for that Participant Group.

9.5 ~~DUAL ENTRY~~BILATERAL DEMAND TRANSFERS

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

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

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

9.5.1A Restrictions on Transfers and Conversions

If a Participant who controls a Source Holding:

(a)   Transmits a Valid Bilateral Demand Message in accordance with Rule 9.5.1; and

(b)   there are sufficient Available Financial Products or Entitlements in the Source Holding,

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

(c)   the relevant Financial Product are Transferred under Rule 9.5.4(a);

(d)   the relevant Bilateral Demand Message has been rejected in accordance with Rule 9.5.1B;

(e)   the relevant Bilateral Demand Transfer has been rejected in accordance with Rule 9.5.4(b); or

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

9.5.1B Bilateral Demand Messages - Rejection

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

(a)   the Source Holding; or

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

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

(c)   reject the Bilateral Demand Message; and

(d)   notify the delivering Participant.

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

If:

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

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

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

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

(iii)   if specified in the Message, the Participants have specified the same Matching Reference,

ASX Settlement must Match the Messages.

Introduced 11/03/04 Origin SCH 6.2.7

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

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

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

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

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

Introduced 11/03/04 Origin SCH 6.2.8A

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

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

(a)   if there are sufficient Available Financial Products in the Source Holding, ASX Settlement must Transfer Financial Products by:

(i)   deducting the number of Financial Products specified in the Message from the Source Holding; and

(ii)   entering that number of Financial Products into the Target Holding; or

(b)   if either:

(i)   the Source Holding; or

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

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

(iii)   reject the ~~Dual Entry~~Bilateral Demand Transfer; and

(iv)   notify both the delivering and the receiving Participants.

Introduced 11/03/04 Origin SCH 6.2.8, 6.2.11

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

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

(a)   takes effect when, under Rule 9.5.4 ASX Settlement deducts Financial Products from the Source Holding; and

(b)   is taken to be effected by:

(i)   in the case of a Transfer in respect of an On Market Transaction that involves only one Participant that is a Clearing Participant, that Participant;

(ii)   in any other case, the delivering Participant.

Introduced 11/03/04 Origin SCH 6.2.9

9.5.6   Application of Standing HIN

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

Introduced 11/03/04 Origin SCH 6.2.10

9.5.7   Participant may cancel ~~Dual Entry~~Bilateral Demand Message

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

Introduced 11/03/04 Origin SCH 6.2.12

9.5.8   Action by ASX Settlement if Messages are not Matched

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

(a)   cancel the ~~Dual Entry~~Bilateral Demand Message; and

(b)   within the Scheduled Time, notify:

    (i)   the Participant that Transmitted the Message; and

    (ii)   the counterparty Participant

that the ~~Dual Entry~~Bilateral Demand Message has been cancelled.

Introduced 11/03/04 Origin SCH 6.2.13

9.5.9   Removal of Demand Lock

If:

(a)   the relevant Bilateral Demand Transfer has been rejected in accordance with Rule 9.5.4(b); or

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

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

9.5A   BILATERAL DEMAND SETTLEMENT TRANSFERS

> **DRAFTING NOTE** – Additional rules to support the operation of the RTGS payment facility in respect of Bilateral Demand Settlement Instructions will be required. This may also require changes to this Rule 9.5A to tailor its operation to the relevant RTGS payment facility once the solution for that facility has been finalised. These additional amendments are anticipated to form part of Tranche 3 of the Rule amendments.

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

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

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

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

If a Participant who controls a Source Holding

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

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

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

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

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

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

9.5A.3   Bilateral Demand Settlement Messages - Rejection

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

(a)   the Source Holding; or

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

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

(c)   reject the Bilateral Demand Settlement Message; and

(d)   notify the delivering Participant.

9.5A.4   Matching Bilateral Demand Settlement Messages

If:

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

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

(i)   subject to paragraph (iv), specifies the same details;

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

(iii)   if specified in the Message, the Participants have specified the same Matching Reference; and

(iv)   either:

(A)   specifies the same Settlement Amount or a Settlement Amount that differs by no more than the Settlement Amount Tolerance;

(B)   if only one Participant has specified an Override Tolerance Amount, the other Participant has specified the same Settlement Amount or a Settlement Amount that differs by no more than the Override Tolerance Amount; or

(C)   if both Participants have specified an Override Tolerance Amount, the Settlement Amount specified by both Participants is the same or differs by no more than the higher of the Override Tolerance Amounts specified by the Participants,

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

(c)   Where there are multiple available Matches for a Bilateral Demand Settlement Message, ASX will Match:

(i)   for multiple available Matches with the same Settlement Amount as the Bilateral Demand Settlement Message, the Bilateral Demand Settlement Message which was received earliest by CHESS; and

(ii)   for multiple available Matches which differ in Settlement Amount from the Bilateral Demand Settlement Message:

(A)   the Bilateral Demand Settlement Message which has the closest Settlement Amount to the Bilateral Demand Settlement Message; or

(B)   if there are multiple available Matches at the closest Settlement Amount to the Bilateral Demand Settlement Message, the Bilateral Demand Settlement Message which was received earliest by CHESS.

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

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

(a)   ASX Settlement enters Financial Products into a Target Holding pursuant to demand settlement of the Bilateral Demand Settlement Instruction; and

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

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

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

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

(a)   ASX Settlement will treat the Matched Messages as a Bilateral Demand Settlement Instruction;

(b)   for the purposes of determining the Settlement Amount in a Bilateral Demand Settlement Instruction, ASX Settlement will:

(i)   if the amount to be included as the Settlement Amount specified by each Participant differs by no more than the Settlement Amount Tolerance, apply the lower of the two amounts as the Settlement Amount for the Bilateral Demand Settlement Instruction scheduled for settlement;

(ii)   if only one Participant has specified an Override Tolerance Amount and the amount to be included as the Settlement Amount specified by each Participant differs by no more than the Override Tolerance Amount, apply the Settlement Amount specified by the Participant which did not submit an Override Tolerance Amount as the Settlement Amount for the Bilateral Demand Settlement Instruction scheduled for settlement;

(iii)   if both Participants specify different Override Tolerance Amounts and the amount to be included as the Settlement Amount specified by each differs by no more than the higher of the Override Tolerance Amounts specified by the Participants, apply the Settlement Amount submitted by the Participant with the lowest Override Tolerance Amount as the Settlement Amount for the Bilateral Demand Settlement Instruction scheduled for settlement; or

(iv)   if both Participants specify the same Override Tolerance Amount and the amount to be included as the Settlement Amount by each Participant differs by no more than the Override Tolerance Amount specified by the Participants, apply the lower of the two Settlement Amounts submitted by the Participants as the Settlement Amount for the Bilateral Demand Settlement Instruction scheduled for settlement; and

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

9.5A.7   Participant may cancel Bilateral Demand Settlement Message

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

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

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

(a)   cancel the Bilateral Demand Settlement Message; and

(b)   within the Scheduled Time, notify:

(i)   the Participant that Transmitted the Message; and

(ii)   the counterparty Participant,

that the Bilateral Demand Settlement Message has been cancelled.

9.5A.9 Removal of Demand Lock

If:

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

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

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

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9.7 TRANSFERS AND CONVERSIONS FROM CHESS HOLDINGS

9.7.1A Messages linked by a RGID or a HIN

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

9.7.1 CHESS to Issuer Sponsored Demand Transfers or Conversions

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

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

9.7.2 Action by ASX Settlement

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

(a) deduct the number of Financial Products specified in the Message from the Source Holding; and

(b) Transmit a Message to the Issuer to Transfer or Convert Financial Products in accordance with the Originating Message.

Introduced 11/03/04 Origin SCH 6.3.2

9.7.3 Action by Issuer

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

Introduced 11/03/04 Origin SCH 6.3.3

9.7.4 Action by Issuer where Foreign to Foreign Allocation

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

(a)   the Issuer enters Financial Products into a Target Holding pursuant to Rule 9.7.3; and

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

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

Introduced 11/03/04 Origin SCH 6.3.3A

9.7.5 Time when Demand Transfer takes effect

A Demand Transfer initiated under Rule 9.7.1:

(a)   takes effect when, under Rule 9.7.2(a), ASX Settlement deducts Financial Products form the Source Holding; and

(b)   is taken to be effected by the Participant whose PID is that of the Participant Transmitting the Message.

Introduced 11/03/04 Origin SCH 6.3.4

9.7.6 Participant restriction on Demand Transfers and Conversions

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

Introduced 11/03/04 Origin SCH 6.9.1

9.8   TRANSFERS AND CONVERSIONS INTO CHESS HOLDINGS

9.8.1A   Messages linked by a RGID or a HIN

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

9.8.1 Issuer Sponsored to CHESS Demand Transfers or Conversions

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

Introduced 11/03/04 Origin SCH 6.5.1

9.8.2 Action by ASX Settlement following Demand Transfer or Conversion

If an Originating Message Transmitted to ASX Settlement complies with Rule 9.8.1, ASX Settlement will Transmit to the Issuer a Message requesting the Issuer to authorise the

Transfer or Conversion of Financial Products in accordance with the Originating Message.

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

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

(a)   the SRN for the Holder of the Source Holding specified in the Message matches the Issuer's records~~there are sufficient Available Financial Products in the Source Holding~~;

(b)   ~~the SRN for the Holder of the Source Holding specified in the Message matches the Issuer's records~~there are sufficient Available Financial Products in the Source Holding; ~~and~~

(c)   in the case of a Message requesting the Issuer to authorise a Conversion, the Registration Details for the Target Holding specified in the Message match the Registration Details for the Source Holding maintained by the Issuer: ~~,~~ and

(d)   in the case of a Message requesting the Issuer to authorise a Transfer, the Registration Details for the Source Holding specified in the Message match the Registration Details for the Source Holding maintained by the Issuer,

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

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

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

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

~~(a)   there are sufficient Available Financial Products in the Source Holding; and~~

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

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

9.8.5   Rejection of Transfer or Conversion by Issuer

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

(a)   reject the Transfer or Conversion; and

(b)   within the Scheduled Time, notify ASX Settlement of that rejection and the reason for the rejection.

9.8.6   Action by Issuer if Transfer or Conversion authorised

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

(a)   deduct the number of Financial Products specified in that Message from the Source Holding; and then

(b)   Transmit a Message to ASX Settlement to Transfer or Convert those Financial Products in accordance with the Originating Message.

9.8.7   Action following Transfer or Conversion

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

(a)   ASX Settlement must enter Financial Products into the Target Holding in accordance with the Originating Message; and

(b)   if the Message under Rule 9.8.6(b) initiates a Foreign to Foreign Allocation and the Target Holding has a Residency Indicator of "F" those Financial Products will have the status of Confirmed FOR Financial Products.

9.8.8   Effect of a Demand Transfer initiated under Rule 9.8.1

A Demand Transfer initiated under Rule 9.8.1:

(a)   takes effect when, under Rule 9.8.6(a), the Issuer deducts Financial Products from the Source Holding; and

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

9.8.9   ASX Settlement may purge unactioned Messages

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

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9.12 ELECTRONIC ACCESS TO HOLDINGS

9.12.1 Warranty of Holder's authority

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

Introduced 11/03/04 Origin SCH 10.7.2

9.12.2 Other Participants must have Registrable Transfer Document [Deleted]

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

~~Introduced 11/03/04 Origin SCH 10.7.1~~

9.12.3 Specifying the Transaction Identifier on the Registrable Transfer Document [Deleted]

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

~~(a) specify the Transaction Identifier on the Registrable Transfer Document held by it under Rule 9.12.2;~~

~~(b) immediately send that document to the office of the Issuer's principal register; and~~

~~(c) store a copy of the documentation sent to the Issuer in a secure location.~~

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

9.12.4 Application of Rules 9.12.5 to 9.12.8 [Deleted]

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

~~Introduced 11/03/04~~

9.12.5 ~~Electronic Access to Issuer Sponsored Holdings by Settlement Participants~~ Warranty by Participant if Rule 9.12.6 applies

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

(a) the Holder's authority to access the Source Holding specified in the Message; and

(b) if Rule 9.12.6 applies :

(a~~i~~) the authority of the person specified as the transferor on the Registrable Transfer Document to effect an Issuer Sponsored to CHESS Transfer; and

(b~~ii~~) possession of the Registrable Transfer Document.

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

9.12.6 **Registrable Transfer Document**

If:

(a) a ~~Settlement~~ Participant takes possession of a Registrable Transfer Document from a person other than the person specified as the transferor in that document; and

(b) the person who supplies the Registrable Transfer Document to that Participant instructs the Participant to move the Financial Products the subject of the Transfer to a CHESS Holding (whether or not that Holding is in the name of that person),

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

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

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

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

9.12.8 **Rectifying Errors** [Deleted]

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

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

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9.13 ~~SINGLE ENTRY~~UNILATERAL TRANSFER REQUESTS

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

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

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

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

(a)   ASX Settlement must deduct the number of Financial Products specified in the Message from the Source Holding; and

(b)   ASX Settlement must enter that number of Financial Products into the Target Holding.

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

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

(a)   takes effect when, under Rule 9.13.2, ASX Settlement deducts Financial Products from the Source Holding; and

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

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

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

Introduced 10/05/04

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

9.14.1 Messages linked by a RGID

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

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

Subject to Rule 6.7.1, a Sponsoring Participant may initiate a request for the details of the SRN of a Holding on the Issuer Sponsored Subregister or the Holding Balance of a

Holding on the Issuer Sponsored Subregister by transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.

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

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

9.14.4 Action by Issuer following receipt of Message from ASX Settlement

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

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

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

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

9.14.5 Further action by ASX Settlement

If ASX Settlement receives a Valid Message under Rule 9.14.4, it must send a Message to the Sponsoring Participant which initiated the request under Rule 9.14.2, providing the SRN or Holding Balance details included in the Message from the Issuer under Rule 9.14.4.

9.14.6 ASX Settlement may purge unactioned Messages

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

SECTION 10   BATCH SETTLEMENT

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

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

(a) for value. This is known as DvP Batch Settlement. Batch Instructions that can be settled in DvP Batch Settlement are:

    (i) CCP Batch Instructions. These consist of CCP Net Batch Instructions and CCP Gross Batch Instructions;

    (ii) Direct Batch Instructions; and

    (iii) ~~Dual Entry~~Bilateral Batch Instructions;

(b) free of value. Batch Instructions that can be settled in Batch Settlement free of value are either:

    (i) ~~Dual Entry~~Bilateral Batch Instructions; or

    (ii) ~~Single Entry~~Unilateral Batch Instructions; and

(c) for payment free of delivery. Batch Instructions that can be settled in Batch Settlement for payment free of delivery are known as Payment Batch Instructions which consist of CCP Derivatives Payment Batch Instructions, ~~Dual Entry Payment Batch Instructions~~ and AQUA Payment Batch Instructions.

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

(a) the basis on which Settlement Participants can act in respect of Batch Settlement;

(b) payment arrangements for Batch Settlement;

(c) removal, cancellation and change of Batch Instructions;

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

(d) discharge of settlement obligations;

(e) failing Batch Instructions;

(ea) notification to the Approved Clearing Facility of failed CCP Batch Instructions which become subject to settlement through Offsetting Transaction Arrangements;

(f) suspension or cancellation of settlement; and

(g) settlement subject to entitlements and adjustments.

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

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10.4 BATCH INSTRUCTIONS INCLUDED IN BATCH SETTLEMENT

10.4.1 Classes of Batch Instructions included in Batch Settlement

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

(a)   a CCP Batch Instruction;

(b)   a Direct Batch Instruction;

(c)   a ~~Dual Entry~~Bilateral Batch Instruction;

(d)   a ~~Single Entry~~Unilateral Batch Instruction;

(e)   a Payments Batch Instruction; or

(f)   any other class of Batch Instruction ASX Settlement may determine from time to time. In determining whether a class of Batch Instruction is eligible for DvP Batch Settlement, ASX Settlement must have regard to the following factors:

   (i)   where it is necessary that any person communicates reliably with CHESS; that person meets any technical and/or performance requirements;

   (ii)   the inclusion of the additional class of Batch Instruction in DvP Batch Settlement will:

      A.   permit Batch Instructions the subject of National Guarantee Fund protection regime to be distinguished, and if necessary, segregated from, Batch Instructions in DvP Batch Settlement which are not the subject of NGF coverage; and

      B.   not adversely affect the NGF coverage;

   (iii)   Participants who will be parties to the additional Batch Instructions admitted to DvP Batch Settlement, and investors upon whose behalf they act, will be informed that the additional class of Batch Instruction is not covered by the National Guarantee Fund;

   (iv)   DvP Batch Settlement of the class of Batch Instruction is likely to be commercially viable for ASX Settlement and will not adversely affect the integrity, reliability or efficiency of the Settlement Facility; and

   (v)   where the Commission requires that the class of transactions to be admitted to Batch Settlement be covered by an investor protection regime, and NGF coverage is not applicable to the class of Batch Instruction, there is an applicable investor protection regime which is acceptable to the Commission.

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

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

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

10.4.2   CCP Batch Instructions notified by Approved Clearing Facility

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

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

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

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

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

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

10.4.4   Notice by ASX Settlement in respect of Direct Batch Instructions

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

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

10.4.5   Notification of Batch Instructions

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

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

10.4.5A   Power to impose conditions on scheduling of Batch Instructions

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

Introduced 28/12/11

10.4.5B   Designation of Batch Instructions

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

Introduced 28/12/11

10.4.6   Priority where Batch Instructions are Failed

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

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

10.4.7   Removing Batch Instructions from Batch Settlement

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

(a)   the integrity, reliability or efficiency of the Settlement Facility will be significantly impaired by allowing the class of Batch Instruction to continue to be included in Batch Settlement or DvP Batch Settlement; or

(b)   it is necessary for the protection of Participants from risk of loss.

Where ASX Settlement removes a class of Batch Instruction from DvP Batch Settlement, ASX Settlement may where it considers it appropriate, allow that class of Batch Instruction to be settled in Batch Settlement.

Introduced 11/03/04 Origin SCH 7.1.3C

10.4.8   Notice of removal of Batch Instructions from Batch Settlement

If ASX Settlement removes a class of Batch Instruction from Batch Settlement or DvP Batch Settlement, ASX Settlement will give Notice of the removal to all Settlement Participants.

Introduced 11/03/04 Origin SCH 7.1.3D

10.4.9   Appeal against decisions about Batch Settlement – [Deleted]

Introduced 11/03/04 Origin SCH 7.1.3E Amended 31/03/08, 01/08/10 Deleted 28/12/11

10.4.10   Convening the Appeal Tribunal – [Deleted]

Introduced 11/03/04 Origin SCH 7.1.3F, 7.1.3G Deleted 31/03/08

10.4.11   Decisions of the Appeal Tribunal – [Deleted]

Introduced 11/03/04 Origin SCH 7.1.3D, 7.1.3I Deleted 31/03/08

10.5   REMOVAL OF BATCH INSTRUCTIONS FROM BATCH SETTLEMENT

10.5.1   Removal of Batch Instructions from Batch Settlement by ASX Settlement

ASX Settlement may remove a Batch Instruction from either Batch Settlement or DvP Batch Settlement if:

(a)   ASX Settlement reasonably considers it necessary in order to maintain the orderly operation and integrity of the Settlement Facility;

(b)   it is requested to do so by an Approved Market Operator in accordance with the Terms of Trade Acceptance Service, or by an Approved Clearing Facility, in order to ensure the efficiency, orderly operation, integrity or proper functioning of the market or facility; or

(c)   it is notified by an Approved Market Operator in accordance with the Terms of Trade Acceptance Service, or by an Approved Clearing Facility, that a Batch Instruction scheduled for settlement has been cancelled,

and if it removes the Batch Instruction ASX Settlement will immediately notify:

(d)   the affected Settlement Participants that the Batch Instruction has been removed from Batch Settlement or DvP Batch Settlement; and

(e)   where relevant, the Approved Market Operator or the Approved Clearing Facility that the Batch Instruction has been removed from Batch Settlement or DvP Batch Settlement.

Introduced 11/03/04 Origin SCH 7.5A.1, 7.5A.2 Amended 27/06/11

10.5.2   Removal of Batch Instructions from Batch Settlement by a Settlement Participant

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

(a)   wishes to use an Alternative Settlement Facility other than ASX Settlement to settle a Batch Instruction;

(b)   wishes to remove a Batch Instruction from DvP Batch Settlement or from Batch Settlement; or

(c)   wishes to settle a Batch Instruction on a Real Time Gross Settlement basis under Section 11;

and the Settlement Participant:

(d)   obtains the consent of the other Settlement Participant to the Batch Instruction; and

(e)   complies with the Rules relating to the removal of Batch Instructions from DvP Batch Settlement or, if relevant, Batch Settlement,

the Settlement Participant may remove the Batch Instruction from DvP Batch Settlement or Batch Settlement or may settle the Batch Instruction under Section 11, as the case may be.

Introduced 11/03/04 Origin SCH 7.1.4A

10.5.3   Cancellation of Batch Instruction by Settlement Participant

If within the Scheduled Time the parties to a Batch Instruction that is a Direct Batch Instruction or a ~~Dual Entry~~Bilateral Batch Instruction Transmit a Valid Message that requests cancellation of the Batch Instruction and the Messages are Matched by ASX Settlement, ASX Settlement will:

(a)   remove the Batch Instruction from Batch Settlement; and

(b)   notify the Settlement Participants that the Batch Instruction has been removed from Batch Settlement.

Introduced 11/03/04 Origin SCH 7.12.1

10.5.4   If Message not Matched

If a Message Transmitted under Rule 10.5.3 has not been Matched, the party that Transmitted the Message may cancel the request by Transmitting a further Valid Message to ASX Settlement revoking the initial request.

Introduced 11/03/04 Origin SCH 7.12.3

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10.9   BATCH INSTRUCTIONS

10.9.1A   Notification of CCP Net Batch Instruction and CCP Gross Batch Instruction to Settlement Agent

Within the Scheduled Time, ASX Settlement will for each Business Day, send to a Settlement Participant acting as a Settlement Agent for a Clearing Participant for settling Cash Market Transactions, CCP Net Batch Instructions containing the details specified in Rule 12.6.2 of the ASX Clear Operating Rules and, if applicable, CCP Gross Batch Instructions containing the details specified in Rule 12.7.4 of the ASX Clear Operating Rules.

10.9.1   Change to CCP Gross Batch Instructions

If the delivering Settlement Participant and the receiving Settlement Participant to a CCP Gross Batch Instruction Transmit a Valid Message to ASX Settlement within the

Scheduled Time that requests a change to the settlement obligations under the instruction, then ASX Settlement will take the following action:

(a)   if the Messages are Matched ASX Settlement will:

(i)   change the settlement obligations in accordance with the Matched Messages;

(ii)   within the Scheduled Time, notify the Settlement Participants that the change has been effected; and

(iii)   include the CCP Gross Batch Instruction in a Surveillance Report of changed Batch Instructions; or

(b)   if the Messages are not Matched and the Settlement Participant that Transmitted the Message cancels the request by Transmitting a further Valid Message to ASX Settlement revoking the initial request ASX Settlement will:

(i)   cancel the initial request; and

(ii)   notify the Settlement Participant that the request has been cancelled.

ASX Settlement may provide the Surveillance Report referred to in paragraph (a)(iii) to the relevant Approved Market Operator or as required by these Rules or the law.

Introduced 11/03/04 Origin SCH 7.14.1, 7.14.2, 7.14.3,7.14.4 Amended 27/06/11

10.9.2   ~~Dual Entry~~Bilateral Batch Instructions

Within the Scheduled Time, a Settlement Participant may Transmit to ASX Settlement a Valid Bilateral Batch Message containing the details specified in the Procedures.~~:~~

~~(a)   a Valid Dual Entry Batch Message containing the details specified in the Procedures; or~~

~~(b)   a Valid Dual Entry Payment Batch Message containing the details specified in the Procedures.~~

~~Introduced 11/03/04 Origin SCH 7.15~~

10.9.3A   Bilateral Batch Instructions – Application of Settlement Lock prior to Matching

If:

(a)   a delivering Settlement Participant Transmits a Bilateral Batch Message in accordance with Rule 10.9.2 requesting ASX Settlement to promptly apply a Settlement Lock to all the Financial Products specified in the Bilateral Batch Message;

(b)   the Source Holding is a CHESS Holding (other than a Settlement Account or Accumulation Account); and

(c)   there are sufficient Available Financial Products in the Source Holding,

ASX Settlement must promptly apply a Settlement Lock to all the Financial Products identified in the Bilateral Batch Message.

If there are insufficient Available Financial Products in the Source Holding or the Source Holding is a Settlement Account or Accumulation Account, ASX Settlement must cancel the Bilateral Batch Message and notify the Participant accordingly.

10.9.3 ~~Dual Entry~~Bilateral **Batch Instructions – Matching**

If:

(a)   a Settlement Participant Transmits a ~~Dual Entry~~Bilateral Batch Message ~~or a Dual Entry Payment Batch Message~~ that specifies or implies the details contained in the Procedures; and

(b)   the Message Transmitted by the other Participant:

     (i)   subject to sub-paragraph (iv), specifies the same details,

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

     (iii)   if specified in the Message, the Participants have specified the same Matching Reference; and

     (iv~~ii~~)   either:

          (A)   specifies the same Settlement Amount or a Settlement Amount that differs by no more than the Settlement Amount Tolerance; or

          (B)   if only one Participant has specified an Override Tolerance Amount, the other Participant has specified the same Settlement Amount or a Settlement Amount that differs by no more than the Override Tolerance Amount; or

          ~~(A)~~(C)   if both Participants have specified an Override Tolerance Amount, the Settlement Amount specified by both Participants is the same or differs by no more than the higher of the Override Tolerance Amounts specified by the Participants,

ASX Settlement will, subject to paragraph (ba), Match the Messages; and

(ba)   where there are multiple available Matches for a Bilateral Batch Message, ASX will Match:

   (i)   for multiple available Matches with the same Settlement Amount as the Bilateral Batch Message, the Bilateral Batch Message which was received earliest by CHESS;

   (ii)   for multiple available Matches which differ in Settlement Amount from the Bilateral Batch Message:

      (A)   the Bilateral Batch Message which has the closest Settlement Amount to the Bilateral Batch Message; or

      (B)   if there are multiple available Matches at the closest Settlement Amount to the Bilateral Batch Message, the Bilateral Batch Message which was received earliest by CHESS.

(c)   if the Messages are Matched within the Scheduled Time, ASX Settlement will:

   (i)   treat the Matched Messages as a ~~Dual Entry~~Bilateral Batch Instruction ~~or a Dual Entry Payment Batch Instruction as the case may be~~;

   (ii)   schedule the ~~Dual Entry~~Bilateral Batch Instruction ~~or the Dual Entry Payment Batch Instruction, as the case may be,~~ for settlement on the Settlement Date specified in the instruction;

   (iii) notify each Participant that the ~~Dual Entry~~Bilateral Batch Instruction ~~or Dual Entry Payment Batch Instruction~~ has been scheduled for settlement; and

   (iv)   for the purposes of determining the Settlement Amount in a Bilateral Batch Instruction, ASX Settlement will:

      (A)   if the amount to be included as the Settlement Amount specified by each Participant differs by no more than the Settlement Amount Tolerance, apply the lower of the two amounts as the Settlement Amount for the ~~Dual Entry~~Bilateral Batch Instruction ~~or the Dual Entry Payment Batch Instruction~~ that is scheduled for settlement; ~~or~~

      (B)   if only one Participant has specified an Override Tolerance Amount and the amount to be included as the Settlement Amount specified by each Participant differs by no more than the Override Tolerance Amount, apply the Settlement Amount specified by the Participant which did not submit an Override Tolerance Amount as the Settlement Amount for the Bilateral Batch Instruction scheduled for settlement;

      (C)   if both Participants specify different Override Tolerance Amounts and the amount to be included as the Settlement Amount specified by each differs by no more than the higher of the Override Tolerance Amounts specified by the Participants, apply the Settlement Amount submitted by the

Participant with the lowest Override Tolerance Amount as the Settlement Amount for the Bilateral Batch Instruction scheduled for settlement; or

(D)   if both Participants specify the same Override Tolerance Amount and the amount to be included as the Settlement Amount by each Participant differs by no more than the Override Tolerance Amount specified by the Participants, apply the lower of the two Settlement Amounts submitted by the Participants as the Settlement Amount for the Bilateral Batch Instruction scheduled for settlement; and

(v)   if the delivering Settlement Participant requested ASX Settlement to apply a Settlement Lock to all the Financial Products specified in the Bilateral Batch Message from the time that the Messages are Matched, and if:

(A)   there are sufficient Available Financial Products in the Source Holding, ASX Settlement will promptly apply a Settlement Lock to all of the Financial Products identified in the Message and will notify the Participant that the Settlement Lock has been applied; or

(B)   there are insufficient Available Financial Products in the Source Holding, ASX Settlement will not apply a Settlement Lock and will notify the Participant that the Settlement Lock could not be applied; or

(d)   if the Messages have not been Matched within the Scheduled Time, ASX Settlement will:

(i)   cancel the ~~Dual Entry~~Bilateral Batch Message ~~or the Dual Entry Payment Batch Message~~; and

(ii)   within the Scheduled Time notify both Settlement Participants of that fact.

Note: A Bilateral Batch Message will not be cancelled if ASX Settlement was unable to apply a Settlement Lock in response to a Settlement Participant's request for a Settlement Lock to apply on Match in accordance with Rules 10.9.2 and 10.9.3 due to there being insufficient Available Financial Products in the Source Holding.

Introduced 11/03/04 Origin SCH 7.16.1, 7.16.2, 7.16.3, 7.16.4

10.9.4   Change of Batch Instructions – Matched Messages [Deleted]

~~A Settlement Participant may Transmit to ASX Settlement a Valid Message requesting a change to a Dual Entry Batch Instruction or a Dual Entry Payment Batch Instruction to which the Participant is a party.~~

~~If, within the Scheduled Time both Settlement Participants to a Dual Entry Batch Instruction or a Dual Entry Payment Batch Instruction Transmit a Valid Message that requests a change to the instruction:~~

(a)   if the Messages are Matched by ASX Settlement, ASX Settlement will change the instruction; or

(b)   if the Messages are not Matched by ASX Settlement, the Participant that Transmitted the Message may cancel the request by Transmitting within the Scheduled Time a further Valid Message that requests cancellation of the original request.

Introduced 11/03/04 Origin SCH 7.21.1, 7.21.2, 7.21.3

10.9.5   Change of Batch Instructions – single Messages

If, within the Scheduled Time, a Settlement Participant to a ~~Dual Entry~~Bilateral Batch Instruction Transmits a Valid Message that requests a change to:

(a)   the designation of the ~~Dual Entry~~Bilateral Batch Instruction as available or not available for settlement in part;

(b)   if the Participant is a delivering Participant, the Source Holding; ~~and~~

(c)   if the Participant is a receiving Participant, the Target Holding;

(d)   the contact details of the relevant Holder;

(e)   the inclusion or, if provided, the amendment of a Settlement Link ID; or

(f)   the underlying reference,

ASX Settlement will:

(g~~d~~)   change the ~~Dual Entry~~Bilateral Batch Instruction in accordance with the Message; ~~and~~

(h~~e~~)   notify the Participant that Transmitted the Message within the Scheduled Time; and

(i)   if there is a change to the Source Holding and Financial Products within that Source Holding were subject to a Settlement Lock, remove the Settlement Lock.

Note: Changes of the kind specified in this Rule are only notified to the Participant that Transmitted the Message.

Introduced 11/03/04 Origin SCH 7.21.4

10.9.6   Cancellation of ~~Dual Entry~~Bilateral Batch Message ~~or Dual Entry Payment Batch Message~~ by Settlement Participant

A Settlement Participant may, by Transmitting a Valid Message to ASX Settlement within the Scheduled Time, cancel a ~~Dual Entry~~Bilateral Batch Message ~~or a Dual Entry Payment Batch essage~~ Transmitted by the Settlement Participant under Rule 10.9.2 if the Message has not been Matched under Rule 10.9.3.

Introduced 11/03/04 Origin SCH 7.20.1(a)

10.9.7 **Cancellation of ~~Dual Entry~~Bilateral Batch Message ~~or Dual Entry Payment Batch Message~~ by both Settlement Participants**

If, within the Scheduled Time both Settlement Participants to a ~~Dual Entry~~Bilateral Batch Instruction ~~or a Dual Entry Payment Batch Instruction~~ Transmit a Valid Message that requests cancellation of the instruction:

(a)   if the Messages are Matched by ASX Settlement, ASX Settlement will cancel the instruction; or

(b)   if the Messages are not Matched by ASX Settlement, the Settlement Participant that Transmitted the Message may cancel the request by Transmitting within the Scheduled Time a further Valid Message that requests cancellation of the original request.

Introduced 11/03/04 Origin SCH 7.20.2, 7.20.3

10.9.8 **Obligations of Participants**

Subject to Rules 6.20.1, 6.20.2, 6.20.3 and 6.20.4, the obligations or entitlements, as the case requires, of the Participants to a ~~Dual Entry~~Bilateral Batch Instruction:

(a)   to deliver or receive Financial Products or Entitlements; and

(b)   if the instruction is to be settled in DvP Settlement Batch Settlement, to pay or receive an amount,

are owed to each other as principals, even if a Settlement Participant has a settlement obligation to another person, or is acting on behalf of a Market Participant, Clearing Participant or another Settlement Participant in relation to the instruction.

Introduced 11/03/04 Origin SCH 7.16.5

10.9.9 **Obligations of Participants to a Dual Entry Payment Batch Instruction - [Deleted]**

~~The obligation or entitlements, as the case requires, of the Participants to a Dual Entry Payment Batch Instruction to pay or receive an amount are owed to each other as principals, even if a Settlement Participant has a settlement obligation to another person, or is acting on behalf of a Market Participant, Clearing Participant or another Settlement Participant in relation to the instruction.~~

Introduced 11/03/04

10.9.10 **Part Settlement**

ASX Settlement will be entitled to treat any CCP Batch Instruction as designated as available for settlement in part under this Section 10.

Introduced 11/03/04 Origin SCH 7.11.1

10.9.11 **Unilateral~~Single Entry~~ Batch Instructions**

Subject to Rules 6.3B.2, 6.3B.3 and 6.3B.4 in respect of Client Trust Account Amount Messages, if within the Scheduled Time, a Settlement Participant Transmits to ASX

Settlement a Valid Unilateral ~~Single Entry~~ Batch Message that contains the details specified in the Procedures and:

(a)   if the Settlement Participant requested ASX Settlement to apply a Settlement Lock to the Financial Products specified in the Valid Unilateral Batch Message and there are sufficient Available Financial Products in the Source Holding, ASX Settlement will:

       (a~~i~~)   treat the Valid Unilateral ~~Single Entry~~ Batch Message as a Unilateral ~~Single Entry~~ Batch Instruction;

       (ii~~b~~)   schedule the Unilateral~~Single Entry~~ Batch Instruction for settlement on the Settlement Date specified in the instruction;

       (iii)   promptly apply a Settlement Lock to the Financial Products identified in the Message (but only where the Source Holding is a CHESS Holding (other than a Settlement Account or Accumulation Account)); and

       (iv~~c~~)   notify the Settlement Participant that the Unilateral~~Single Entry~~ Batch Instruction has been scheduled for settlement; or

(b)   if the Settlement Participant has not requested ASX Settlement to apply a Settlement Lock to the Financial Products specified in the Valid Unilateral Batch Message, ASX Settlement will:

       (i)   treat the Valid Unilateral Batch Message as a Unilateral Batch Instruction;

       (ii)   schedule the Unilateral Batch Instruction for settlement on the Settlement Date specified in the instruction; and

       (iii)   notify the Settlement Participant that the Unilateral Batch Instruction has been scheduled for settlement.

Note: A Batch Instruction cannot always be scheduled for settlement on the Settlement Date specified in the Message, if the Financial Products in question are the subject of a corporate action. For example, a Batch Instruction cannot be scheduled for settlement on a cum entitlement basis on a Business Day after the Record Date for the relevant Corporate Action.

Introduced 11/03/04 Origin SCH 7.17.1, 7.17.2 Amended 25/05/2015

10.9.12A   Rejection of Unilateral Batch Message

If a Settlement Participant requested ASX Settlement to apply a Settlement Lock in a Unilateral Batch Message under Rule 10.9.11, and ASX Settlement is unable to apply the Settlement Lock because there are insufficient Available Financial Products in the Source Holding or the Source Holding is a Settlement Account or Accumulation Account, ASX Settlement will reject the Unilateral Batch Message and notify the Participant accordingly.

10.9.12   Cancelling a ~~Single Entry~~Unilateral Batch Message

A Settlement Participant may, by Transmitting a Valid Message to ASX Settlement within the Scheduled Time, cancel a ~~Single Entry~~Unilateral Batch Message Transmitted by the Settlement Participant under Rule 10.9.11.

Introduced 11/03/04 Origin SCH 7.20.1(b)

10.9.13   Standing Settlement HINs

A CCP Net Batch Instruction will be taken to specify:

(a)   the Standing Settlement HIN of the Settlement Participant as the HIN for the Source Holding or the Target Holding, as the case requires; and

(b)   the Standing Settlement HIN of CCP as the HIN for the Source Holding or Target Holding, as the case requires.

If a Settlement Participant Transmits:

(a)   a ~~Dual Entry~~Bilateral Batch Message; or

(b)   a ~~Single Entry~~Unilateral Batch Message,

and the relevant HIN for the Target or Source Holding as the case requires is not specified, ASX Settlement will apply the Settlement Participant's Standing Settlement HIN as the case requires.

Note: ASX Settlement will reject a message that does not specify a HIN or imply a Standing Settlement HIN.

Introduced 11/03/04 Origin SCH 7.10, 7.18.1, 7.18.2, 7.18.3

10.9.14   Part Settlement designated by a Settlement Participant

Subject to Rule 10.9.17, a Settlement Participant may designate a Batch Instruction other than a CCP Derivatives Payment Batch Instruction as available or not available for settlement in part.

In the event of a Payment Shortfall by a Settlement Participant (or to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)), ASX Settlement may in its absolute discretion override any designation by the Settlement Participant under this Rule and designate a Batch Instruction as available or not available for settlement in part.

Introduced 11/03/04 Origin SCH 7.19.1 Amended 28/04/14 Amended 25/05/2015

10.9.15   Financial Products Shortfall may be settled in part

If:

(a)   (i)   a Source Holding; or

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

specified in one or more Batch Instructions scheduled for settlement on a Business Day would give rise to a Financial Products Shortfall; and

(b)   the instruction is available for settlement in part,

ASX Settlement may apply such lesser number of Financial Products or Entitlements as are available for settlement, in settling the Batch Instruction.

Note: A Batch Instruction removed from DvP Batch Settlement under Rule 10.6.1, 10.6.2 or 10.6.3 will not be available for settlement in part under Section 11.

Introduced 11/03/04 Origin SCH 7.19.2

10.9.16   Accrued Batch Instructions

If ASX Settlement generates an Accrued Batch Instruction in accordance with Rule 10.17.1(d), ASX Settlement will schedule the Accrued Batch Instruction for settlement on the Settlement Date specified in the instruction.

Introduced 11/03/04 Origin SCH 7.22.1

10.9.17   Client Trust Account Amount Messages not available for settlement in part

A Batch Instruction that gives effect to a Client Trust Account Amount Message is not available for settlement in part.

Introduced 25/05/2015

10.9.18   Linked Instructions

If two or more Bilateral Batch Messages under Rule 10.9.2, or Unilateral Batch Messages under Rule 10.9.11, are Transmitted to ASX Settlement by the same Settlement Participant, where:

(a)   one or more of the Messages involves the delivery of a particular Financial Product or Entitlement from a HIN;

(b)   one or more of the Messages involves the receipt of the same Financial Product or Entitlement and into the same HIN;

(c)   each of the Messages under paragraphs (a) and (b) specify the same Settlement Link ID;

(d)   the Messages specify the same Settlement Date; and

(e)   the HIN referred to in paragraphs (a) and (b) is not for an Accumulation Account or a Settlement Account,

and each of those Bilateral Batch Messages are Matched and treated as a Bilateral Batch Instruction under Rule 10.9.3, or each of those Unilateral Batch Messages are treated as a Unilateral Batch Instruction under Rule 10.9.11, ASX Settlement will:

(f)   apply to those Instructions the same Settlement Link ID as the Message from which they result; and

(g)   link, for the purpose of Batch Settlement, the Instructions with the same Settlement Link ID, so that if one of the Linked Instructions is Failed or Failed in part on a Business Day, the Linked Instruction(s) with the same Settlement Link ID will also be Failed or Failed in part (as applicable) on that Business Day.

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10.11   FAILING BATCH INSTRUCTIONS

10.11.1   Failure in Part

If a Batch Instruction is designated as available for settlement in part, ASX Settlement may Fail the Batch Instruction in part under this Rule 10.11.

Introduced 11/03/04 Origin SCH 7.25.1

10.11.2   Failure of Batch Instructions

If, by the Scheduled Time, on a Business Day either:

(a)   (i)   a Source Holding; or

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

specified in one or more Batch Instructions scheduled for settlement on that Business Day, would give rise to a Financial Products Shortfall; or

(b)   a Settlement Participant's net obligation to make payment from a Payment Facility identified by one or more Batch Instructions scheduled for settlement on that Business Day is not authorised by the Payments Provider that operates the Payment Facility;

ASX Settlement will subject to Rule 10.11.6:

(c)   in the case of a Financial Products Shortfall, Fail one or more Batch Instructions, that specify the Holding as a Source Holding, to remove the Financial Products Shortfall; or

(d)   in the case of a Payment Shortfall, Fail one or more Batch Instructions that identify the Payment Facility to remove the Payment Shortfall.

Note: The removal of a Financial Products Shortfall will result in a Source Holding having a balance after Batch Settlement equal to or greater than zero. The removal of a Payment Shortfall will reduce the Settlement Participant's net obligation to make payment from that Payment Facility to zero, or will create a net entitlement to receive payment into that Payment Facility.

Introduced 11/03/04 Origin SCH 7.25.2

10.11.3   Consequential failing of Batch Instructions

If a Batch Instruction that is Failed under Rule 10.11.2 causes:

(a)   a Financial Products Shortfall for a Target Holding that is also specified as a Source Holding in other Batch Instructions scheduled for settlement on that Business Day; or

(b)   an increase in a Settlement Participant's net obligation to make payment from a Payment Facility identified in one or more Batch Instructions scheduled for settlement on that Business Day;

ASX Settlement will subject to Rule 10.11.6:

(c)   in the case of a Financial Products Shortfall, Fail one or more Batch Instructions that specify the Holding as a Source Holding to remove the Financial Products Shortfall; and

(d)   in the case of a Settlement Participant's increased net obligation to make payment in respect of a Payment Facility, Fail one or more Batch Instructions that identify that Payment Facility to limit the Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a) or, within the Scheduled Time, ASX Settlement may request the Payments Provider that operates the Payment Facility to authorise the increased net obligation to make payment.

Note: The removal of a Financial Products Shortfall will result in a Source Holding having a balance after Batch Settlement equal to or greater than zero. The removal of a Payment Shortfall (or of Batch Instructions to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)) will reduce the Participant's net obligation to make payment from that Payment Facility to the amount previously authorised by the Payments Provider (or notified to the Payments Provider under Rule 10.10.4(a)) or will create a net entitlement to receive payment into that Payment Facility.

Introduced 11/03/04 Origin SCH 7.25.3 Amended 28/04/14

10.11.4   Removal of a Payment Shortfall

If ASX Settlement requests a Payments Provider under Rule 10.11.3(d) to authorise a Settlement Participant's increased net obligation to make payment and the Payments Provider does not authorise the Settlement Participant's increased net obligation to make payment, ASX Settlement will, subject to Rule 10.11.6, Fail one or more Batch Instructions that identify that Payment Facility to remove the Payment Shortfall.

Note: The removal of a Payment Shortfall will reduce the Participant's net obligation to make payment from that Payment Facility to the amount previously authorised by the Payments Provider or will create a net entitlement to receive payment into that Payment Facility.

Introduced 11/03/04 Origin SCH 7.25.4

10.11.5 Failure of Settlement Participant Batch Instructions in respect of Confirmed FOR Financial Products

Notwithstanding any other provision of this Section, if a Settlement Participant generates a Batch Instruction in relation to Foreign to Foreign Allocation and:

(a)   the number of Confirmed FOR Financial Products in the Source Holding specified in the Message is less than the number of Confirmed FOR Financial Products to be transferred; or

(b)   the Source Holding which is specified is a Source Holding which does not have a Residency Indicator of "F",

ASX Settlement will fail the Batch Instruction.

Introduced 11/03/04 Origin SCH 7.25A1

10.11.6 Principles that apply to Failing Batch Instructions

In Failing a Batch Instruction under Rules 10.11.2, 10.11.3 or 10.11.4, ASX Settlement will use its best endeavours to:

(a)   subject to Linked Instructions Failed in accordance with Rule 10.9.18, minimise:

   (i)   Financial Products Shortfalls; or

   (ii)   increases in the net obligation to make payment from one or more Payment Facilities identified in one or more Batch Instructions;

(b)   subject to Rule 10.11.6(a):

   (i)   give priority to settlement of rescheduled Batch Instructions and to CCP Batch Instructions;

   (ii)   maximise the total value of Settlement Amounts of Batch Instructions that can be settled on that Business Day;

   (iii)   maximise the total number of Financial Products that can be settled on that Business Day.

Introduced 11/03/04 Origin SCH 7.271

10.11.7 Consequences of Failing a Batch Instruction

If a Batch Instruction is Failed under Rule 10.9.18, 10.11.2, 10.11.3 or 10.11.4 ASX Settlement will:

(a)   if the Batch Instruction is a Batch Instruction for value, adjust the net obligation to make payment or the net entitlement to receive payment of the Payment Facility of each Settlement Participant affected by the Fail in accordance with Rule 10.11.9 or 10.11.10, as the case requires;

(b)   adjust the net obligation to deliver or the net entitlement to receive Financial Products or Entitlements for the Holding of each Participant affected by the Fail;

(ca)   adjust the net obligation to make payment to or net entitlement to receive payment from the Client Trust Account under Rule 10.10A for the relevant Settlement Participant affected by the Fail by reference to the Client Trust Receivable Amount or the Client Trust Deductible Amount specified in the ~~Single Entry~~Unilateral Batch Instruction (as applicable);

(c)   remove the Batch Instruction or part of the Batch Instruction, as the case requires, from Batch Settlement on that Business Day;

(d)   other than where the Batch Instruction is a CCP Derivatives Payment Batch Instruction or a CCP Batch Instruction referred to in Rule 10.11.7A, if the Batch Instruction has been Failed in full, reschedule the Batch Instruction for settlement on the next Business Day;

(e)   if the Batch Instruction has been Failed in part:

        (i)   process the Batch Instruction in respect of that part of the Batch Instruction that is to be settled; and

        (ii)   other than where the Batch Instruction is a CCP Batch Instruction referred to in Rule 10.11.7A, reschedule that part of the Batch Instruction that is to be Failed, for settlement on the next Business Day; and

(f)   notify both Settlement Participants.

Introduced 11/03/04 Origin SCH 7.28.1 Amended 28/04/14 Amended 25/05/2015

10.11.7A   Failed CCP Batch Instructions due to Payment Shortfall settled through Offsetting Transaction Arrangements

A CCP Batch Instruction (where the CCP is ASX Clear) that has been Failed by ASX Settlement under Rule 10.11.2, 10.11.3 or 10.11.4 due to a Payments Shortfall (or to limit a Settlement Participant's net obligation to make payment in respect of that Payment Facility to the amount notified under Rule 10.10.4(a)), will be:

(a)   removed by ASX Settlement from Batch Settlement on that Business Day;

(b)   notified to ASX Clear; and

(c)   other than for the defaulting Clearing Participant, subject to set-off against entitlements and obligations under the first leg of an Offsetting Transaction Arrangement entered into in respect of the Failed CCP Batch Instruction under the ASX Clear Operating Rules.

Where ASX Settlement has removed a CCP Batch Instruction from Batch Settlement and notified that Failed Batch Instruction to ASX Clear under this Rule 10.11.7A, ASX Settlement has no obligation in relation to that Instruction.

Introduced 28/04/14

10.11.8   Removing a re-scheduled Batch Instruction to RTGS

If, within the Scheduled Time:

(a)   the parties to a Failed Batch Instruction (other than a CCP Net Batch Instruction) that has been rescheduled for settlement under Rule 10.11.7 and relates to a Batch Instruction that is eligible for Real Time Gross Settlement under Rule 11.1.1, Transmit a Valid Dual Entry Switch to RTGS Message to ASX Settlement; and

(b)   the Messages are Matched,

ASX Settlement will remove the Batch Instruction from DvP Batch Settlement and process it in Real Time Gross Settlement under Rule 11.11, however:

(c)   Each Settlement Participant acknowledges that ASX Settlement's ability to process a Dual Entry Switch to RTGS Message that requests removal of a Batch Instruction from DvP Batch Settlement on the Business Day on which the Message is Transmitted to ASX Settlement will depend on system processing demands in the Settlement Facility between Start of Day and Settlement Cut-off on that day.

(d)   Despite any other Rule, while ASX Settlement will use reasonable endeavours to process any Message received in terms of this Rule 10.11.8, it will not be responsible for any failure to remove any such Batch Instruction from DvP Batch Settlement on that day.

Note: It is not possible to switch a CCP Net Batch Instruction, once included in netting pursuant to the operating rules of an Approved Clearing Facility, to line-by-line settlement in RTGS.

Note: CHESS queuing processes for preparation of the daily net batch settlement will in the ordinary course have priority over messages requesting switches that are received close to Settlement Cut-off.

Introduced 11/03/04 Origin SCH 7.28.5, 7.28.6

10.11.9   Consequences of Failing a Batch Instruction for value that is not a CCP Net Batch Instruction

If a Batch Instruction for value that is not a CCP Net Batch Instruction is Failed, ASX Settlement will adjust the net obligation to make payment and the net entitlement to receive payment of each Settlement Participant by reference to the Settlement Amount specified in the Batch Instruction.

Introduced 11/03/04 Origin SCH 7.28.3

10.11.10   Consequences of Failing a Batch Instruction for value that is a CCP Net Batch Instruction

If a Batch Instruction for value that is a CCP Net Batch Instruction is Failed, ASX Settlement will adjust the net obligation to make payment and the net entitlement to receive payment of each Settlement Participant by reference to the Settlement Amount notified to ASX Settlement by the CCP.

10.11.11   Fee for Failed Batch Instruction

If a Batch Instruction is Failed under Rule 10.11.2, the delivering Settlement Participant is liable to pay a fee calculated in accordance with the Fees and Charges Schedule.

Note: The effect of Rule 10.11.11 is to cause fail administration fees to be levied only against those Participants that enter the Batch Settlement process with net short positions. It does not cause fail administration fees to be levied against those Participants whose obligations to deliver Financial Products are Failed under Rule 10.11.3 as a result of other Participants Failing to deliver Financial Products to them during the Batch Settlement process.

10.11.12   Automatic Close Out

Notwithstanding any other provision of these Rules, if a Failed Settlement Shortfall exists in relation to either:

(a)   a Source Holding; or

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

specified in a Rescheduled Batch Instruction at the Scheduled Time on the second Business Day after the day on which the Rescheduled Batch Instruction was originally scheduled for settlement, the delivering Settlement Participant must either:

(c)   close out the Failed Settlement Shortfall on the next Business Day (or if that is not a Trading Day, the next Trading Day) by entering into one or more transactions, or causing a Market Participant to enter into one or more transactions on its behalf, on a market conducted by an Approved Market Operator, to acquire the number of Financial Products of the relevant class equal to the Failed Settlement Shortfall; or

(d)   acquire under a securities lending arrangement the number of Financial Products of the relevant class equal to the Failed Settlement Shortfall and deliver those Financial Products pursuant to the Rescheduled Batch Instruction no more than two Business Days later.

Note: The effect of Rule 10.11.12 is to impose a close out obligation only on those Participants that enter the Batch Settlement process with a net short position where the resulting settlement shortfall remains after Batch Settlement is completed two Business Days later. It does not impose a close out obligation on those Participants whose obligations to deliver Financial Products are Failed under Rule 10.11.3 as a result of other Participants Failing to deliver Financial Products to them during the Batch Settlement process.

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10.16 SUSPENSION OR TERMINATION OF A PAYMENTS PROVIDER

10.16.1 ASX Settlement's powers where Payments Provider terminated

If ASX Settlement suspends or terminates a Payments Provider in accordance with the Standard Payments Provider Deed, ASX Settlement may:

(a)   (i)   suspend any Batch Instruction included in DvP Batch Settlement;

(ii)   suspend any Batch Instruction for inclusion in DvP Batch Settlement subsequently received from a Participant;

(iii)   suspend any Payment Batch Instruction included in Batch Settlement; or

(iv)   suspend any Payment Batch Instruction subsequently received from a Participant,

that would affect a Payment Facility held in the name, and operated for the benefit, of any Settlement Participant that is a customer of the suspended Payments Provider;

(aa)   suspend any ~~Single Entry~~Unilateral Batch Instruction included in Batch Settlement or any ~~Single Entry~~Unilateral Batch Instruction for inclusion in Batch Settlement subsequently received from a Participant in respect of a Client Trust Account Amount Message;

(b)   on each Business Day that those Batch Instructions remain suspended, reschedule all instructions other than CCP Derivatives Payment Batch Instructions or CCP Batch Instructions referred to in Rule 10.16A for settlement on the next Business Day; and

(c)   cancel any Batch Instruction that remains suspended on the 10th Business Day after the Payments Provider is suspended or terminated.

Introduced 11/03/04 Origin SCH 7.33A Amended 28/04/14 Amended 2

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SECTION 14   SUBPOSITIONS

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14.3   CLOSURE OF A CHESS SUBREGISTER

14.3.1   Notice given by ASX Settlement when Financial Products cease to be quoted by Approved Listing Market Operator

If:

(a)   Rules 14.2.1 and 14.2.2 do not apply;

(b)   ASX Settlement revokes approval of a class of an Issuer's Financial Products under Rule 8.4.1 or 8.5.4; and

(c)   Financial Products in that class in a CHESS Holding are reserved in a Subposition,

ASX Settlement will give noticeNotice of the date that the Financial Products will cease to be quoted by the Approved Listing Market Operator to:

(d)   the Participant in whose favour the Financial Products are reserved in that Subposition; and

(e)   the Controlling Participant for that Holding.

Introduced 11/03/04 Origin SCH 14.3.1 Amended 10/06/04, 19/08/09, 27/06/11

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14.8   RELEASE OF FINANCIAL PRODUCTS FROM A SUBPOSITION

14.8.1   Initiating a release

If Financial Products in a CHESS Holding have been reserved by ASX Settlement in a Subposition under Rule 14.6.2, a release of the Financial Products from that Subposition may be initiated by a Valid Originating Message that is Transmitted to ASX Settlement by the Controlling Participating for the Holding in accordance with the Procedures.:

(a)   is Transmitted to ASX Settlement by the Controlling Participant for the Holding; and

(b)   specifies the number of Financial Products to be released from the Subposition.

Introduced 11/03/04 Origin SCH 15.3.1

14.8.2   ASX Settlement to Transmit Message to an Approved Clearing Facility

If a Message Transmitted to ASX Settlement complies with Rule 14.8.1, ASX Settlement will, subject to Rule 14.8.5, Transmit a Message to an Approved Clearing Facility seeking

authorisation for the release from the Subposition of the Financial Products specified in the Originating Message Transmitted to ASX Settlement.

Introduced 11/03/04 Origin SCH 15.3.2

14.8.3   Action by the Approved Clearing Facility

If an Approved Clearing Facility receives a Valid Message from ASX Settlement under Rule 14.8.2, the Approved Clearing Facility will, within the Scheduled Time, Transmit to ASX Settlement a Message authorising or rejecting the release of the Financial Products from the Subposition, as the case requires.

Introduced 11/03/04 Origin SCH 15.3.3

14.8.4   Action by ASX Settlement

Subject to Rule 14.8.5, iIf ASX Settlement receives a Valid Message from an Approved Clearing Facility under Rule 14.8.3 authorising the release of Financial Products from a Subposition, ASX Settlement will, release Financial Products from the Subposition in accordance with the Originating Message.

Introduced 11/03/04 Origin SCH 15.3.4

14.8.5   Where Controlling Participant is not the Clearing Participant

This Rule 14.8.5 only applies to Cover in relation to Derivatives transactions.

Where the Controlling Participant is not the Clearing Participant in respect of whose margin obligations the Financial Products were reserved in a Subposition as Cover, ASX Settlement will Transmit a Message to the Clearing Participant seeking authorisation for the release from the Subposition of the Financial Products. If the Clearing Participant rejects the request to release, ASX Settlement will not release the Financial Products from the Subposition.

14.9   COVER RELEASE AND TRANSFER

14.9.1   Transfers of Financial Products reserved in Subposition in favour of an Approved Clearing Facility

A Transfer of Financial Products reserved in a Subposition in favour of an Approved Clearing Facility may be initiated by a Valid Message that is transmitted by the Approved Clearing Facility to ASX Settlement in accordance with the Procedures.

Introduced 11/03/04 Origin SCH 15.4.1

14.9.2   Actions by ASX Settlement

If a Message Transmitted to ASX Settlement complies with Rule 14.9.1 and:

(a)   there are sufficient Financial Products in the Source Holding reserved in a Subposition in favour of the Approved Clearing Facility; and

(b)   there is no Holding Lock or Holder Record Lock on the Source Holding,

ASX Settlement will:

(c)   release the number of Financial Products specified in the Message from the Subposition;

(d)   deduct that number of Financial Products from the Source Holding; and

(e)   enter that number of Financial Products into the Target Holding.

Introduced 11/03/04 Origin SCH 15.4.2

14.9.3   Time at which Transfer takes effect

A Transfer of Financial Products under Rule 14.9.1:

(a)   takes effect when, under Rule 14.9.2, ASX Settlement deducts the Financial Products from the Source Holding; and

(b)   is taken to be effected by the Approved Clearing Facility.

Introduced 11/03/04 Origin SCH 15.4.3

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14.17.2   Actions by ASX Settlement

If a Message Transmitted to ASX Settlement complies with Rule 14.17.1 and:

(a)   there are sufficient Financial Products in the Source Holding reserved in an Offer Accepted Subposition in favour of the Participant Bidder; and

(b)   there is no Holding Lock or Holder Record Lock on the Source Holding,

ASX Settlement must:

(c)   release the number of Financial Products specified in the Message from the Subposition;

(d)   deduct that number of Financial Products from the Source Holding; and

(e)   enter that number of Financial Products into the Takeover Transferee Holding.

Introduced 11/03/04 Origin SCH 16.6.2

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SECTION 15   DvP SETTLEMENT OF ALLOCATIONS IN RESPECT OF INITIAL PUBLIC OFFERINGS

....

15.13 REQUIREMENT TO SPECIFY SOURCE HOLDING

15.13.1 Issuer to specify Source Holding

An Issuer that processes Allocation Interests in DvP Settlement may only enter:

(a)   a ~~Dual Entry~~Bilateral Batch Message under Rule 10.9.2 which specifies a Source Holding controlled by the delivering Settlement Participant, or a Target Holding controlled by the receiving Settlement Participant, as the case requires; or

(b)   a Dual Entry RTGS Message under Rule 11.13.3,

that specifies a Source Holding.

Introduced 11/03/04 Origin SCH 5A.9.2

15.14 AUTHORITY TO ASX SETTLEMENT TO EFFECT MOVEMENTS AND PAYMENT OF ALLOCATION INTERESTS

15.14.1 Issuer and each Participant to authorise ASX Settlement

An Issuer and each Participant that processes Allocation Interests in DvP Settlement irrevocably authorises ASX Settlement to:

(a)   effect a movement of Allocation Interests in respect of each ~~Dual Entry~~Bilateral Batch Instruction or Dual Entry RTGS Instruction, as applicable, entered by the Participant; and

(b)   effect payment in respect of that Instruction.

Introduced 11/03/04 Origin SCH 5A.9.3

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15.17 ESTABLISHING A HOLDING OF ALLOCATION INTERESTS

15.17.1 Holding not to be held jointly by more than three persons

Unless permitted under an Issuer's constitution, A~~a~~ Participant must not establish a Holding of Allocation Interests that would be held jointly by more than 3 persons.

15.18 IDENTIFICATION OF ~~DUAL ENTRY~~BILATERAL BATCH MESSAGES AND TRANSFERS OF ALLOCATION INTERESTS

15.18.1 Issuer or Participant to specify the transaction

In every:

(a)   ~~Dual Entry~~Bilateral Batch Message or, if applicable, Dual Entry RTGS Message entered by an Issuer or Participant; and

(b)   Message to Transfer Allocation Interests Transmitted by a Participant,

the Issuer or Participant, as the case requires, must specify the transaction in accordance with the Procedures as advised by ASX Settlement from time to time.

Introduced 11/03/04 Origin SCH 5A.10.1, 5A.10.2

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15.28   ACTIONS BY ASX SETTLEMENT TO EFFECT A FINANCIAL PRODUCTS TRANSFORMATION

15.28.1   ASX Settlement to establish CHESS Holdings

If ASX Settlement receives a Valid Message from an Issuer to effect a Financial Products Transformation in relation to Allocation Interests in a CHESS Holding and there are sufficient Allocation Interests in the Source Holding specified in the Message, ASX Settlement must:

(a)   deduct the number of Allocation Interests specified in the Message from that Source Holding;

(b)   enter the number of Financial Products specified in the Message into the Target Holding specified in that Message;

(c)   notify the Issuer:

(i)   that the CHESS Holding has been established;

(ii)   of the relevant Holder Record Details for the CHESS Holding; and

(d)   notify the Controlling Participant that the CHESS Holding has been established.

Introduced 11/03/04 Origin SCH 5A.17.2

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SECTION 16   COMMUNICATIONS WITH ASX SETTLEMENT

....

16.18   ASX SETTLEMENT-INITIATED REPORTING IN RELATION TO MATCHING

16.18.1   ASX Settlement to notify Participants of Messages

If ASX Settlement:

(a)   receives either:

(i)   a Valid ~~Dual Entry~~Bilateral Demand Message;

(ii)   a Valid ~~Dual Entry~~Bilateral Batch Message;

(iii)   a Valid Dual Entry RTGS Message;

(iv)   a Valid Dual Entry Switch to RTGS Message; or

(v)   a Valid Dual Entry Switch to Batch Settlement Message; or

(vi)   a Valid Bilateral Demand Settlement Message; or

~~(vi)   a Valid Dual Entry Payment Batch Message; or~~

(b)   Matches a Valid ~~Dual Entry~~Bilateral Batch Message, Valid Bilateral Demand Settlement Message or a Valid Dual Entry RTGS Message ~~or a Valid Dual Entry Payment Batch Message~~ with another Transmitted by the counterparty Participant,

ASX Settlement must notify:

(c)   the Participant that Transmitted the Message; and

(d)   the counterparty Participant,

of the fact.

Introduced 11/03/04 Origin SCH 4.6.1, 4.6.2

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16.24   NOTIFICATION OBLIGATIONS OF ASX SETTLEMENT IN RESPECT OF MESSAGES THAT MAY EFFECT A CHANGE TO A HOLDING BALANCE

Note: Notifications will take place within the time specified for Rule 16.21

16.24.1   ASX Settlement to notify that Demand Transfer or Conversion has been effected

If ASX Settlement processes a Valid Originating Message that complies with Rule 9.4.1 or 9.7.1 from a Participant, ASX Settlement must notify:

(a)   the Participant that Transmitted the Originating Message; and

(b)   if the Originating Message complies with Rule 9.4.1 and the Participant that Transmitted that Message is not the Controlling Participant for the Target Holding specified in that Message, the Controlling Participant for that Target Holding,

that the Demand Transfer or Conversion has been effected.

Introduced 11/03/04 Origin SCH 4.7.2

16.24.2   ASX Settlement to notify that Demand Transfer or Conversion details Transmitted to the Issuer

If ASX Settlement Transmits a Valid Message to an Issuer under Rule 9.8.2, ASX Settlement must notify the Participant that Transmitted the Originating Message that the Demand Transfer or Conversion details have been Transmitted to the Issuer for authorisation.

Introduced 11/03/04 Origin SCH 4.7.3

16.24.3   Processing Valid Message Transmitted to ASX Settlement

If ASX Settlement processes a Valid Message Transmitted to ASX Settlement by an Issuer in accordance with Rule 9.8.6(b), ASX Settlement must notify:

(a)   the Participant that Transmitted the Originating Message that the Demand Transfer or Conversion has been effected; and

(b)   the Issuer to confirm that ASX Settlement has completed processing of the Demand Transfer or Conversion against the Target Holding on the CHESS Subregister.

Introduced 11/03/04 Origin SCH 4.7.4

16.24.4   Rejection of Valid Originating Message

If ASX Settlement rejects a Valid Originating Message that complies with Rule 9.4.1 or 9.7.1 from a Participant because there are insufficient Available Financial Products in the Source Holding ASX Settlement must notify the Participant that Transmitted the Originating Message of the rejection and the reason for the rejection.

Introduced 11/03/04 Origin SCH 4.7.5

16.24.5   ASX Settlement to notify delivering Participant and receiving Participant

If:

(a)   a ~~Dual Entry~~Bilateral Demand Transfer is effected~~;~~.

(aa)   a Bilateral Demand Settlement Transfer is effected;

(b)   a Settlement Transfer is effected in respect of all the Financial Products specified in the Instruction; or

(c)   a Settlement Transfer is effected in respect of only some of the Financial Products specified in the Instruction,

ASX Settlement must notify the delivering Participant and the receiving Participant and, in the case of paragraph (c) must notify them of:

(d)   the number of Financial Products that have been Transferred; and

(e)   the number of Financial Products that were unable to be Transferred because there were insufficient Available Financial Products in the Source Holding.

Introduced 11/03/04 Origin SCH 4.7.6, 4.7.7, 4.7.8

16.24.6 Rejection of Settlement Transfer

If a Settlement Transfer is rejected, ASX Settlement must notify the delivering Participant and the receiving Participant of the rejection.

Introduced 11/03/04 Origin SCH 4.7.9

16.24.7 Processing of Messages to effect a Holding Adjustment or Financial Products Transformation

If ASX Settlement processes a Valid Message from an Issuer to effect a Holding Adjustment or Financial Products Transformation, ASX Settlement must notify:

(a) the Issuer that the Holding Adjustment or the Financial Products Transformation has been effected; and

(b) the Controlling Participant for the affected CHESS Holding of the change to the Holding Balance of that Holding and the reason for the change.

Introduced 11/03/04 Origin SCH 4.7.10

16.24.8 DvP Instructions and Payment Batch Instructions

If a Settlement Transfer is effected in respect of a DvP Instruction, or a payment is effected in respect of a Payment Batch Instruction, ASX Settlement must within the Scheduled Time notify the paying and receiving Participants that a net funds movement has occurred in relation to each active Payment Facility.

Introduced 11/03/04 Origin SCH 4.7.11

16.25 ASX SETTLEMENT EMERGENCY ASSISTANCE

16.25.1 Participant may request ASX Settlement for assistance

If a Participant advises ASX Settlement that it is no longer able to Transmit Messages, the Participant may request ASX Settlement on a reasonable endeavours basis to:

(a) act as the Participant's agent to send and receive Messages on the Participant's behalf in communicating with ASX Settlement; or

(b) make available other emergency facilities,

in accordance with the Procedures.

16.26 EMERGENCY ASSISTANCE NOT PROVIDED BY ASX SETTLEMENT

16.26.1 Where ASX Settlement does not provide assistance

A Participant cannot claim that because ASX Settlement does not assist a Participant under Rule 16.25.1, the Participant is unable to comply with the Rules and Procedures.

16.27 EXCLUSION OF LIABILITY

16.27.1 ASX Settlement not liable for emergency assistance

ASX Settlement accepts no liability for activities it undertakes on behalf of a Participant or the use of its other emergency facilities under Rule 16.25.1.

16.28 INDEMNITY FOR EMERGENCY ASSISTANCE

16.28.1 Participant to indemnify ASX Settlement where ASX Settlement provides emergency assistance

The Participant indemnifies and will keep indemnified ASX Settlement against all actions, proceedings, claims, demands, damages, costs, expenses and any other amounts against or incurred by ASX Settlement arising out of or in connection with any action taken or any inaction by any of ASX Settlement, or its officers, agents, persons acting for or on behalf of ASX Settlement or contractors under Rule 16.25.1.

APPENDIX 1   SCHEDULED TIMES

Rule Number	Requirement	Sydney Time
....		
Rule 8.15.12(c)(i)	Deleted ASX Settlement to apply the Holder Record Lock	within 2 Business Days of receiving the documentation required under Rule 8.15.11.
Rule 8.15.12(c)(ii) and (iii)	Deleted ASX Settlement to notify of application of Holder Record Lock	within 2 Business Days of receiving the documentation required under Rule 8.15.11.
	(i) to the Controlling Participant	
	(ii) to the Issuer	within 2 Business Days of receiving the documentation required under Rule 8.15.11.
8.15.21	A Participant who controls a Source Holding to request ASX Settlement apply a Settlement Lock to CHESS Holdings	before Settlement Cut-off on the Settlement Date specified by the Participant
Rule 8.16.3(b)	Deleted Participant to give documentation supporting request for the removal of a Holder Record Lock under Rule 8.16.3 to ASX Settlement.	within 2 Business Days of Transmitting the Message under Rule 8.16.3.
Rule 8.16.3(c)	Deleted ASX Settlement to remove the Holder Record Lock	within 2 Business Days of receiving the documentation required under Rule 8.16.3.
8.16.6	A Participant who controls a Source Holding to request removal of a Settlement Lock	before Settlement Cut-off on the Settlement Date specified by the Participant
Rule 8.17(a)	Participant assuming control of a Participant Sponsored Holding to Transmit a Valid Message give Notice to ASX Settlement	within 2 Business Days of being notified by the Participant Sponsored Holder.
Rule 8.17(a)	Participant relinquishing control of a Participant Sponsored Holding to Transmit a Valid Message give Notice to ASX Settlement	within 2 Business Days of being notified by the Participant Sponsored Holder.
Rule 8.18.3	ASX Settlement to process give notice of an amendment to Registration Details a Holder Record	within 2 Business Days of amending the Registration Details receiving the documentation required under the Procedures relating to Rule 8.18.3.
Rule 8.18.7	ASX Settlement to process a request to: (a) process a change to a Holder Type; or (ba) remove a Holder Record; and (c) give Notice of : (i) the change of Holder Type; or (ii) the removal of the Holder Record to the Controlling Participant Deleted	within 2 Business Days of receiving the request under Rule 8.18.6.
Rule 8.18.8	Deleted. ASX Settlement to reject a request to: (a) process a change to a Holder Type; or (b) remove a Holder Record; and (c) give Notice of the rejection to the Controlling Participant	within 2 Business Days of receiving the request under Rule 8.18.6.
....		
Rule 8.18.13	ASX Settlement to give notice of an amendment to a Holder Record	within 2 Business Days of amending the Holder Record
....		

Rule Number	Requirement	Sydney Time
Rule 9.5.8	Bilateral~~Dual Entry~~ Demand Message to be Matched.	• ~~by End of Day on the Business Day after the Message is Transmitted to ASX Settlement by the Participant, unless the Message is Transmitted to ASX Settlement on a Record Date;~~ ~~if the Message is Transmitted to ASX Settlement by the Participant on a Record Date,~~ by End of Day on the Business Day on which the Message is Transmitted to ASX Settlement by the Participant.
Rule 9.5.8(b)	ASX Settlement to notify that Bilateral~~Dual Entry~~ Demand Message cancelled.	within 60 minutes of ASX Settlement cancelling the Bilateral~~Dual Entry~~ Demand Message.
Rule 9.5A.8	Bilateral Demand Settlement Message to be Matched.	by End of Day on the Business Day on which the Message is Transmitted to ASX Settlement by the Participant.
Rule 9.5A.8(b)	ASX Settlement to notify that Bilateral Demand Settlement Message cancelled.	within 60 minutes of ASX Settlement cancelling the Bilateral Demand Settlement Message.
Rule 9.8.5(b)	Issuer to notify ASX Settlement that a Demand Transfer or Conversion authorisation request has been rejected.	~~(i)~~ In the case of a Demand Transfer or Conversion initiated by a Participant, within 12 Business Hours of ASX Settlement queuing the Demand Transfer or Conversion authorisation request for collection by the Issuer.~~, or~~ ~~(ii) in the case of a Demand Transfer or Conversion initiated by a Participant: within 12 Business Hours of:~~ ~~• ASX Settlement queuing the Demand Transfer or Conversion authorisation request for collection by the Issuer; or~~ ~~• the Issuer receiving the documentation specified in Rule 9.8.4, whichever is the later; or~~ ~~in the event that the Issuer fails to receive the documentation specified in Rule 9.8.4 within 5 Business Days of ASX Settlement queuing the Demand Transfer or Conversion authorisation request~~

Rule Number	Requirement	Sydney Time
		~~for collection by the Issuer, by End of Day on the following Business Day.~~
Rule 9.8.6	Issuer to notify ASX Settlement that a Demand Transfer or Conversion authorisation request has been authorised.	~~(i)~~ In the case of a Demand Transfer or Conversion initiated by a Participant, within 12 Business Hours of ASX Settlement queuing the Demand Transfer or Conversion authorisation request for collection by the Issuer~~.; or~~
		~~(ii) in the case of a Demand Transfer or Conversion initiated by a Participant: within 12 Business Hours of: . ASX Settlement queuing the Demand Transfer or Conversion authorisation request for collection by the Issuer; or . the Issuer receiving the documentation specified in Rule 9.8.4, whichever is the later. in the event that the Issuer fails to receive the documentation specified in Rule 9.8.4 within 5 Business Days of SCH queuing the Demand Transfer or Conversion authorisation request for collection by the Issuer, by End of Day on the following Business Day.~~
Rule 9.14.4	Action by Issuer following receipt of Message from ASX Settlement regarding details of SRN or SRN Holding Balance.	Within 12 Business Hours of receiving the Message from ASX Settlement under Rule 9.14.3.
Rule 10.9.1A	Notification of CCP Net Batch Instructions and CCP Gross Batch Instructions to Settlement Agent	By Start of Day on the Business Day before the Settlement Date
~~Rule 10.9.4~~	~~Messages to request change to Dual Entry Batch Instruction to Match.~~	~~• if the instruction involves a Settlement Amount – before Trade Instruction Cut-Off on the Settlement Date specified by the Participants;~~ ~~• otherwise – before Settlement Cut-Off on the Settlement Date specified by the Participants.~~
~~Rule 10.9.4(b)~~	~~Participant to transmit Message to cancel original request.~~	~~at any time before the Messages are Matched by ASX Settlement under Rule 10.9.7(a).~~

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ASX SETTLEMENT OPERATING RULES PROCEDURES

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SECTION 2 DEFINITIONS AND INTERPRETATION

2.13   DEFINITIONS

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"**ASX Clear Account**" – an Account as defined in the ASX Clear Operating Rules.

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 "**Email Purpose**" – The categories of communications that a Holder may indicate a preference to receive by delivery to an email address are:

(a) ASX Settlement communications only;

(b) Issuer communications only; or

(c) ASX Settlement and Issuer communications.

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SECTION 6

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PROCEDURE 6.3B.2   TRANSFER OF FINANCIAL PRODUCTS FROM ACCUMULATION ACCOUNT TO SETTLEMENT ACCOUNT

For the purposes of the Valid ~~Single Entry~~Unilateral Batch Message under Rule 6.3B.2:

(a)   the Message type to be used is that specified in the User Technical Documentation for the purpose of Transfers from a Settlement Participant's Accumulation Account to its Settlement Account that contains a field for the inclusion of the Client Trust Receivable Amount ~~a MT107~~ (or such other Message type as determined and notified by ASX Settlement from time to time);

(b)   a separate Message is required in respect of each class of Financial Product sold under a Cash Market Transaction which is due for settlement on the relevant Settlement Date;

(c)   The Client Trust Receivable Amount must be specified as a value of zero or greater, unless the Message is in respect of a PID for which the relevant Settlement Participant is not:

(i)   the Clearing Participant; or

(ii)   acting as Settlement Agent for a Clearing Participant,

in which case the Client Trust Receivable Amount is not required to be specified in the Message;

(d)   The Message must include the scheduled Settlement Date in respect of the Transfer of Financial Products under the Batch Instruction arising from that Message. Transfers may be scheduled for a future Settlement Date;

(e)   Participants may send more than one Message for a Settlement Date or a single Message that covers the net settlement obligations for that Settlement Date in respect of that class of Financial Product;

(f)   Where the Message provides for the Transfer of Financial Products relating to more than one Cash Market Transaction, the Client Trust Receivable Amount to be included is to represent the gross Client Trust Receivable Amount in respect of each of those Financial Products.

Introduced 25/05/15

PROCEDURE 6.3B.3 TRANSFER OF FINANCIAL PRODUCTS FROM CHESS HOLDING (OTHER THAN ACCUMULATION ACCOUNT) TO SETTLEMENT ACCOUNT

For the purposes of the Valid Single EntryUnilateral Batch Message under Rule 6.3B.3:

(a)   the Message type to be used is that specified in the User Technical Documentation for the purpose of Transfers from a CHESS Holding (other than the Settlement Participant's Accumulation Account) to its Settlement Account that contains a field for the inclusion of the Client Trust Receivable Amounta MT107 (or such other Message type as determined and notified by ASX Settlement from time to time);

(b)   a separate Message is required in respect of each class of Financial Product sold under a Cash Market Transaction which is due for settlement on the relevant Settlement Date;

(c)   The Client Trust Receivable Amount must be specified as a value of zero or greater, unless the Message is in respect of a PID for which the relevant Settlement Participant is not:

(i)   the Clearing Participant; or

(ii)   acting as Settlement Agent for a Clearing Participant,

in which case the Client Trust Receivable Amount is not required to be specified in the Message;

(d)   The Message must include the scheduled Settlement Date in respect of the Transfer of Financial Products under the Batch Instruction arising from that Message. Transfers may be scheduled for a future Settlement Date;

(e)   Participants may send more than one Message for a Settlement Date or a single Message that covers the net settlement obligations for that Settlement Date in respect of that class of Financial Product;

(f)   Where the Message provides for the Transfer of Financial Products relating to more than one Cash Market Transaction, the Client Trust Receivable Amount to be included is to

represent the gross Client Trust Receivable Amount in respect of each of those Financial Products.

Introduced 25/05/15

PROCEDURE 6.3B.4   TRANSFER OF FINANCIAL PRODUCTS FROM SETTLEMENT ACCOUNT TO A HOLDING OTHER THAN ACCUMULATION ACCOUNT

For the purposes of the Valid ~~Single Entry~~Unilateral Batch Message under Rule 6.3B.4:

(a)   the Message type to be used is that specified in the User Technical Documentation for the purpose of Transfers from the Settlement Participant's Settlement Account to a CHESS Holding other than the Settlement Participant's Accumulation Account that contains a field for the inclusion of the Client Trust Deductible Amount~~a MT107~~ (or such other Message type as determined and notified by ASX Settlement from time to time);

(b)   a separate Message is required in respect of each class of Financial Product purchased under a Cash Market Transaction which is due for settlement on the relevant Settlement Date;

(c)   The Client Trust Deductible Amount must be specified as a value of zero or as a negative amount, unless the Message is in respect of a PID for which the relevant Settlement Participant is not:

(i)   the Clearing Participant; or

(ii)   acting as Settlement Agent for a Clearing Participant,

in which case the Client Trust Deductible Amount is not required to be specified in the Message;

(d)   The Message must include the scheduled Settlement Date in respect of the Transfer of Financial Products under the Batch Instruction arising from that Message. Transfers may be scheduled for a future Settlement Date;

(e)   Participants may send more than one Message for a Settlement Date in respect of a CHESS Holding for that class of Financial Product or a single Message that covers the net settlement obligations for that Settlement Date in respect of a CHESS Holding for that class of Financial Product;

(f)   Where the Message provides for the Transfer of Financial Products relating to more than one Cash Market Transaction and it is intended that a Client Trust Deductible Amount be included in respect of some or all of those Financial Products, the Client Trust Deductible Amount to be included is to represent the gross Client Trust Deductible Amount in respect of each of those Financial Products it is intended that a Client Trust Deductible Amount be included for.

Introduced 25/05/15

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SECTION 8   APPROVAL OF ISSUERS AND FINANCIAL PRODUCTS

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PROCEDURE 8.7.2   ESTABLISHING A HOLDER RECORD

The matters to be specified in the Message from the Participant to ASX Settlement requesting the establishment of a Holder Record are:

(a)   the Participant's PID;

(b)   a Holder Type;

(c)   Registration Details; a Residency Indicator; and

(d)   in the case of a Clearing Account, a designation to identify that Clearing Account as either:

    (i)   a Settlement Account; or

    (ii)   for a Clearing Participant, an Accumulation Account, and

(e)   where the Clearing Account is to be used for the purposes of Foreign to Foreign Allocations, a Residency Indicator of "F";

(f)   Entity Type for each named Holder;

(g)   for a Participant Sponsored Holding, the Communication Preference and if the Communication Preference indicated is receipt of communications electronically, the Email Details; and

(h)   Ownership Type.

Introduced 11/03/04

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

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

(a)   notifying the Controlling Participant that the Holding Lock has been applied; and

(b)   to:

    (i)   if an Issuer requested the Holding Lock to be applied, that Issuer;

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

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

    (iv)   the Approved Market OperatorExchange.

Introduced 11/03/04

PROCEDURE 8.15.14 APPLICATION OF ~~HOLDING~~ HOLDER RECORD LOCK FOR THE PURPOSES OF FREEZING ASSETS

The relevant legislation and regulations are:

(a)   Charter of the United Nations Act (Cth) 1945, including any regulations made under that Act; and

(b)   Autonomous Sanctions Act (Cth) 2011, including any regulations made under that Act. ~~Charter of the United Nations (Sanctions – Afghanistan) Regulations (Cth) 2001~~

~~(c)   Charter of the United Nations (Terrorism and Dealings with Assets) Regulations (Cth) 2002~~

Introduced 11/03/04

PROCEDURE 8.15.15 APPLICATION OF HOLDING LOCK OR HOLDER RECORD LOCK BY ASX SETTLEMENT FOR THE PURPOSE OF FREEZING ASSETS

The relevant legislation and regulations are:

(a)   Charter of the United Nations Act (Cth) 1945, including any regulations made under that Act; and

(b)   Autonomous Sanctions Act (Cth) 2011, including any regulations made under that Act. ~~Charter of the United Nations (Sanctions – Afghanistan) Regulations (Cth) 2001~~

~~(c)   Charter of the United Nations (Terrorism and Dealings with Assets) Regulations (Cth) 2002~~

Introduced 09/05/06

PROCEDURE 8.15.21 REQUEST TO APPLY A SETTLEMENT LOCK

For the purposes of a Valid Message under Rule 8.15.21, the Message must include:

(a)   the delivering HIN;

(b)   the number and class of Financial Products to be Transferred under the Unilateral Batch Instruction or Bilateral Batch Instruction (as relevant);

(c)   the Transaction Identifier of the related Unilateral Batch Message, Unilateral Batch Instruction, Bilateral Batch Message or Bilateral Batch Instruction (as applicable); and

(d)   any other information ASX Settlement may request from time to time.

PROCEDURE 8.16.4 ACTION FOLLOWING THE REMOVAL OF A HOLDING LOCK OR A HOLDER RECORD LOCK OR RELATED NAMED HOLDER INDICATOR

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

(a)   notifying the Controlling Participant that the Holding Lock or Holder Record Lock and related Named Holder Indicator (if relevant) has been removed; and

(b)   of the removal of the Holding Lock or Holder Record Lock to:

(i)   the relevant Issuer(s);

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

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

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

Introduced 11/03/04

PROCEDURE 8.16.6   REMOVAL OF SETTLEMENT LOCK ON REQUEST

For the purposes of a Valid Message under Rule 8.16.6, the Message must include:

(a)   the delivering HIN;

(b)   the number and class of Financial products subject to the Settlement Lock;

(c)   the Transaction Identifier of the related Unilateral Batch Message, Unilateral Batch Instruction, Bilateral Batch Message or Bilateral Batch Instruction (as applicable); and

(d)   any other information ASX Settlement may request from time to time.

PROCEDURE 8.16.9   ACTION FOLLOWING THE REMOVAL OF A SETTLEMENT LOCK

The Notice to be given by ASX Settlement is a Notice notifying the Participant controlling the Source Holding that the Settlement Lock has been removed.

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PROCEDURE 8.18.2   CHANGE OF HOLDER RECORD DETAILS

The action to be taken by a Participant where there is a change to Registration Details recorded in a Holder Record is as follows:

(a)   the Participant must Transmit a Valid Originating Message that ~~specified~~ specifies the existing HIN for the Holder Record and the new ~~New~~ Registration Details;

(b)   the Controlling Participant must maintain documentation to verify that the Registration Details relating to the change are noted in the Valid Originating Message, are correct and authorised by the client;

(c)   on receipt of notification from ASX Settlement that the change to the Registration Details has been made in accordance with the Valid Originating Message, the Participant must check to make sure that the change to the Registration Details of the Holder have been made to the correct Holding; and

(d)   if the change to the Registration Details were not made to the correct Holding, then the Controlling Participant must liaise with ASX Settlement as soon as possible, and in any event no later than two Business Days, to rectify the error.

Introduced 11/03/04

PROCEDURE 8.18.3

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

(a)   notifying:

   (i)   the Controlling Participant that the requested change has been made; and

   (ii)   in respect of each class of Financial Products in a CHESS Holding of that person, the Issuer of those Financial Products that there has been a change of Holder Record details for that person; and

(b)   if the Holder Record has been established on behalf of a Participant Sponsored Holder:

   (i)   give Notice of the change to that Participant Sponsored Holder; and

   (ii)   if the change to the Holder Record includes is a change of address, send the Notice to the old address of that Participant Sponsored Holder.

Introduced 11/03/04

PROCEDURE 8.18.6   CHANGE OF HOLDER TYPE OR REMOVAL OF HOLDER RECORD

The matters to be specified in the Message from a Participant to ASX Settlement requesting a change of Holder Type, or removal of a Holder Record are:

(a)   the Participant's PID;

(b)   HIN for the relevant Holder Record; and

(c)   for a change of Holder Type, the updated Holder Type.

PROCEDURE 8.18.9   CHANGE OF RESIDENCY INDICATOR

The action to be taken by a Participant where there is a change to a Residency Indicator is as follows:

(a)   the Participant must Transmit a Valid Originating Message that specifies the existing HIN for the Holder Record and the new Residency Indicator;

(b)   prior to sending the Valid Originating Message check that the details in the Valid Originating Message are correct;

(c)   at the time it transmits the Valid Originating Message have the authority of the Holder to make the changes noted in the Valid Originating Message; and

(d)   where relevant, maintain documentation which is sufficient to verify that is has been directed by the Holder to change the Residency Indicator.

PROCEDURE 8.18.10

ASX Settlement will take the following action upon receipt of the Message:

(a)   change the Residency Indicator recorded in the Holder Record in accordance with the specified details in the Valid Originating Message;

(b)   notify the Controlling Participant and the Issuer or Issuers whose Financial Products are included in Schedule 1 to which the change in Residency Indicator relates that the requested change has been made;

(c)   if the Holder Record has been established on behalf of a Participant Sponsored Holder, give Notice of that change to the Participant Sponsored Holder.

PROCEDURE 8.18.12   CHANGE OF OTHER HOLDER RECORD DETAILS

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

(a)   the Participant must Transmit a Valid Originating Message that specifies the existing HIN for the Holder Record and UUID for the relevant named Holder (if applicable) and the new Holder Record Details;

(b)   on receipt of notification from ASX Settlement that the change to the Holder Record details has been made in accordance with the Valid Originating Message, the Participant must check to make sure that the change to the Holder Record details of the Holder have been made to the correct Holding; and

(c)   if the change to the Holder Record details were not made to the correct Holding, then the Controlling Participant must liaise with ASX Settlement as soon as possible, and in any event no later than two Business Days, to rectify the error.

PROCEDURE 8.18.13

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

(a)   the Controlling Participant that the requested change has been made; and

(b)   in respect of each class of Financial Products in a CHESS Holding under that Holder Record, the Issuer of those Financial Products if there has been a change in Holder Record details that is relevant to an Issuer.

PROCEDURE 8.19.3   ACTION BY ASX SETTLEMENT FOLLOWING RECEIPT OF TFN, ABN OR EXEMPTION CODE DETAILS

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

(a)   the Issuer of the Financial Products, of the TFN, ABN or Exemption Code details; and

(b)   the Controlling Participant that the TFN, ABN or Exemption Code details have been notified to the Issuer; or

(c)   the Issuer of those details by including them in the Message Transmitted by ASX Settlement to the Issuer under Rule [9.7.2(b).]

Introduced 11/03/04

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PROCEDURE 8.30.1   ESTABLISHING A REGISTRATION IDENTIFIER

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

(a)   the Participant's PID;

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

(c)   Ownership Type; and

(d)   Entity Type for each named Holder.

SECTION 9

PROCEDURE 9.4.1   VALID ORIGINATING MESSAGE FOR SINGLE ENTRYUNILATERAL DEMAND TRANSFER

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

(a)   includes a Participant's PID as that of the Participant Transmitting the Message;

(b)   specifies as the Source Holding, a CHESS Holding Controlled by the Participant;

(c)   specifies as the Target Holding, a different CHESS Holding;

(d)   specifies the number and class of Financial Products to be Transferred; and

(e)   in the case of a Foreign to Foreign Allocation:

        (i)   includes a Confirmed FOR Indicator; and

        (ii)   specifies a Source Holding which has a Residency Indicator of "F".

Introduced 11/03/04

PROCEDURE 9.5.1   INITIATION OF DUAL ENTRYBILATERAL DEMAND TRANSFER

A Dual EntryBilateral Demand Message will be Ttransmitted to ASX Settlement in accordance with the Procedures if the Message:

(a)   includes the PID of:

(i)   the Participant Transmitting the Message; and

(ii)   the counterparty Participant;

(b)   specifies:

(i)   the number and class of Financial Products to be Transferred;

(ii)   if the Participant Transmitting the Message is the delivering Participant, specifies as the Source Holding, a Holding controlled by the Participant;

(iii)   if the Participant Transmitting the Message is the receiving Participant, specifies as the Target Holding, a Holding controlled by the Participant;

(d)   designates the transaction as: ~~either~~

(i)   On Market; ~~or~~

(ii)   Off Market;

(iii)   IPO;

(iv)   Securities Lending; or

(v)   Non Reportable,

as the case requires;

(e)   designates the transaction as Cum Entitlement or Ex Entitlement.

(f)   in the case of a Foreign to Foreign Allocation:

(i)   includes a Confirmed FOR Indicator; and
(ii)   if the Participant Transmitting the Message is the Delivering Participant, specifies a Source Holding which has a Residency Indicator of "F".

Introduced 11/03/04

PROCEDURE 9.5.2   MATCHING ~~DUAL ENTRY~~BILATERAL DEMAND TRANSFERS

A Valid ~~Dual Entry~~Bilateral Demand Message will be Transmitted in accordance with the Procedures if it specifies or implies:

(a)   the number and class of Financial Products to be Transferred;

(b)   the designation as On Market, ~~or~~Off Market, IPO, Securities Lending or Non Reportable;

(c)   the designation as Cum Entitlement or Ex Entitlement;

(d)   the PID of the delivering Participant;

(e)   the PID of the receiving Participant;

(f)   in the case of a Foreign to Foreign Allocation, a Confirmed FOR Indicator.

PROCEDURE 9.5A.1   INITIATION OF BILATERAL DEMAND SETTLEMENT TRANSFER

A Bilateral Demand Settlement Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

(a)   includes the PID of:

   (i)   the Participant Transmitting the Message; and

   (ii)   the counterparty Participant;

(b)   specifies:

   (i)   the number and class of Financial Products to be Transferred;

   (ii)   if the Participant Transmitting the Message is the delivering Participant, specifies as the Source Holding, a Holding controlled by the Participant;

   (iii)   if the Participant Transmitting the Message is the receiving Participant, specifies as the Target Holding, a Holding controlled by the Participant;

   (iv)   the Settlement Amount;

   (v)   if required, the Settlement currency;

   (vi)   if required, the credit / debt indicator;

   (vii)   the Settlement Date;

   (viii)   if required, the Trade Date;

   (ix)   if required, the Payment Type;

(d)   designates the transaction as:

   (i)   On Market;

   (ii)   Off Market;

   (iii)   IPO;

   (iv)   Securities Lending; or

   (v)   Non Reportable,

   as the case requires;

(e)   designates the transaction as Cum Entitlement or Ex Entitlement.

(f)   in the case of a Foreign to Foreign Allocation:

   (i)   includes a Confirmed FOR Indicator; and

(ii)   if the Participant Transmitting the Message is the Delivering Participant, specifies a Source Holding which has a Residency Indicator of "F".

PROCEDURE 9.5A.4   MATCHING BILATERAL DEMAND SETTLEMENT MESSAGES

A Valid Bilateral Demand Settlement Message will be Transmitted in accordance with the Procedures if it specifies or implies:

(a)   the number and class of Financial Products to be Transferred;

(b)   the designation as On Market, Off Market, IPO, Securities Lending or Non Reportable;

(c)   the designation as Cum Entitlement or Ex Entitlement;

(d)   the PID of the delivering Participant;

(e)   the PID of the receiving Participant;

(f)   the Settlement Amount;

(g)   if required, the Settlement currency;

(h)   if required, the credit / debt indicator

(i)   if required, the Settlement Date;

(j)   if required, the Trade Date;

(k)   if required, the Payment Type,

(l)   in the case of a Foreign to Foreign Allocation, a Confirmed FOR Indicator.

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PROCEDURE 9.7.1   TRANSFERS AND CONVERSIONS FROM CHESS HOLDINGS

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

(a)   includes a Participant's PID as that of the Participant Transmitting the Message;

(b)   specifies as the Source Holding, a CHESS Holding controlled by the Participant;

(c)   in the case of a Message initiating a Transfer, specifies the Registration Details for a Target Holding on the Issuer Sponsored Subregister;

(d)   specifies the number of Financial Products to be Transferred or Converted, as the case requires; and

(e)   in the case of a Foreign to Foreign Allocation

(i)   includes a Confirmed FOR Indicator; and

(ii)   specifies a Source Holding which has a Residency Indicator of "F"; .

(f)   includes the relevant movement reason; and

(g)   includes the relevant transaction basis.

A CHESS to Issuer Sponsored Demand Transfer or Conversion is not permitted for Government Bond Depositary Interests.

Introduced 11/03/04 Amended 21/05/13

PROCEDURE 9.8.1   TRANSFERS AND CONVERSIONS INTO CHESS HOLDINGS

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

(a)   includes a Participant's PID as that of the Participant Transmitting the Message;

(b)   specifies as the Source Holding, an Issuer Sponsored Holding by quoting the SRN for the Holder of that Holding;

(c)   in the case of a Message initiating a Transfer, specifies the Registration Details for a Source Holding on the Issuer Sponsored Subregister;

(dc)   specifies as the Target Holding, a CHESS Holding controlled by that Participant;

(ed)   specifies the number of Financial Products to be Transferred or Converted, as the case requires; and

(fe)   in the case of a Foreign to Foreign Allocation:

(i)   includes a Confirmed FOR Indicator; and

(ii)   specifies a Source Holding which has a Residency Indicator of "F"; .

(g)   includes the relevant movement reason; and

(h)   includes the relevant transaction basis.

Introduced 11/03/04 Amended 23/09/05

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PROCEDURE 9.14.2   REQUEST FOR DETAILS OF SRN OR HOLDING BALANCE OF ISSUER SPONSORED HOLDING

Request for SRN

A Valid Originating Message requesting SRN details of an Issuer Sponsored Holding will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

(a)   includes a Participant's PID as that of the Participant Transmitting the Message; and

(b)   specifies the Registration Details for the Source Holding on the Issuer Sponsored Subregister.

Request for Holding Balance

A Valid Originating Message requesting Holding Balance details of an Issuer Sponsored Holding will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

(a)   includes a Participant's PID as that of the Participant Transmitting the Message; and

(b)   specifies the SRN and Registration Details for the Source Holding on the Issuer Sponsored Subregister.

SECTION 10

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PROCEDURE 10.9.2   BILATERAL~~DUAL ENTRY~~ BATCH INSTRUCTIONS

(1)   A Valid Bilateral~~Dual Entry~~ Batch Message will be Transmitted in accordance with the Procedures if the Message:

    (a)   specifies:

        (i)   the number and class of Financial Products to be Transferred;

        (ii)   a Source Holding controlled by the delivering Settlement Participant, or a Target Holding controlled by the receiving Settlement Participant, as the case requires;

        (iii)   in the case of a DvP Batch Instruction, the Settlement Amount;

        (iv)   in the case of a DvP Batch Instruction (excluding a Wholesale Loan or a Wholesale Return Loan), a Trade Date;

        (v)   a Settlement Date;

        (vi)   in the case of a Foreign to Foreign Allocation:

            (A)   a Confirmed FOR Indicator; and

            (B)   if the Settlement Participant Transmitting the Message is the Delivering Participant, a Source Holding controlled by the Participant which has a Residency Indicator of "F", and

    (b)   includes the PID of:

        (i)   the Settlement Participant Transmitting the Message; and

        (ii)   the counterparty Settlement Participant;

(c)   designates the transaction as On Market, or Off Market, IPO, Securities Lending or Non Reportable as the case requires; and

(d)   if from the Settlement Participant that is a delivering Settlement Participant and requests ASX Settlement to apply a Settlement Lock to the Financial Products identified in the Bilateral Batch Message, the Message specifies whether the Settlement Participant requests ASX Settlement to apply the Settlement Lock:

   (i)   promptly on receipt of the Valid Bilateral Batch Message; or

   (ii)   from the time that the Message is Matched in accordance with Rule 10.9.3.

(2)   Without limiting paragraph (1) of this Procedure 10.9.2, a Valid Bilateral Batch Message may, but is not required to, include a Settlement Link ID

Introduced 11/03/04

PROCEDURE 10.9.3 ~~DUAL ENTRY~~BILATERAL BATCH INSTRUCTIONS – MATCHING

The details to be specified or implied in a ~~Dual Entry~~Bilateral Batch Message are:

(a)   the number and class of Financial Products to be Transferred;

(b)   the designation as On Market, or Off Market, IPO, Securities Lending or Non Reportable;

(c)   the designation as Cum Entitlement or Ex Entitlement;

(d)   the PID of the delivering Participant (or, if a DvP Transaction the relevant Clearing Participant);

(e)   the PID of the receiving Participant;

(f)   the Settlement Date;

(g)   if required, the Trade Date;

(h)   if required, a Settlement Amount; and

(i)   in the case of a Foreign to Foreign Allocation, a Confirmed FOR Indicator.

Introduced 11/03/04

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PROCEDURE 10.9.11 ~~SINGLE ENTRY~~UNILATERAL BATCH INSTRUCTIONS

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

(a)   the Source Holding and another Holding as the Target Holding, each of which must be controlled by the Participant that Transmits the Message;

(b)   the number and class of Financial Products to be Transferred;

(c) the Settlement Date;

(d) includes the PID of the Participant Transmitting the Message;

(e) designates the transaction as On Market or Off Market, as the case requires; and

(f) in the case of a Foreign to Foreign Allocation:

(i) a Confirmed FOR Indicator; and

(ii) a Source Holding which has a Residency Indicator of "F"

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

Introduced 11/03/04

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SECTION 14

PROCEDURE 14.6.1 RESERVATION OF SECURITIES IN CHESS HOLDINGS AS COVER

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

(a) specifies the Clearing Participant and ,ASX Clear Account and ASX Clear Lodgement Number in respect of which the Financial Products are to be reserved; and

(b) specifies the number and class of Financial Products to be reserved in the Subposition; and

(c) specifies the source HIN; and.

(d) specifies the relevant Subposition type.

Introduced 11/03/04 Amended 07/06/13

PROCEDURE 14.8.1 COVER RELEASE

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

(a) specifies the Clearing Participant, ASX Clear Account and ASX Clear lodgement number (if an ASX Clear lodgement number was provided in a Valid Originating Message Transmitted in accordance with Procedure 14.6.1 pursuant to which the Financial Products were reserved as Cover) in respect of which the Financial Products are to be released;

(b) specifies the number of Financial Products to be released from the Subposition;

(c) specifies the Source Holding that contains Financial Products that have been reserved in a Subposition in favour of ASX Clear; and

(d)   specifies the relevant Subposition type.

PROCEDURE 14.9.1   COVER RELEASE AND TRANSFER

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

(a)   specifies a Source Holding that contains Financial Products that have been reserved in a Subposition in favour of ASX Clear;

(b)   specifies another CHESS Holding as the Target Holding; and

(c)   specifies the ASX Clear lLodgement nNumber (if such number was provided in a Valid Originating Message Transmitted in accordance with Procedure 14.6.1 pursuant to which the Financial Products were reserved as Cover) and number of Financial Products to be released from that Subposition and Transferred to the Target Holding.

Introduced 11/03/04 Amended 07/06/13

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SECTION 16 COMMUNICATIONS WITH ASX SETTLEMENT

PROCEDURE 16.25.1   PARTICIPANT MAY REQUEST ASX SETTLEMENT FOR ASSISTANCE

If a Participant is no longer able to transmit Messages, the Participant may request ASX Settlement to provide emergency assistance on a reasonable endeavours basis by following the following procedure.

An authorised signatory of the Participant (as notified to ASX Settlement under Rule 4.6.2) should immediately contact ASX Operations.

Unless otherwise determined by ASX Settlement, the authorised signatory of the Participant must provide ASX Settlement with its request for emergency assistance in writing as soon as possible, including identifying the specific actions the Participant requests that ASX Settlement take.

A letter signed by the authorised signatory of the Participant in the form set out below must also be provided as soon as possible.

The written request for emergency assistance and letter are to be sent by email to: CHESShelp@asx.com.au.

ASX Settlement may require that such written request for emergency assistance is received by ASX Settlement before it provides the emergency assistance on a reasonable endeavours basis.

[Participant letterhead]

By email to: CHESShelp@asx.com.au.

[date]

ASX Settlement Operations
ASX Settlement Pty Ltd

Request for emergency assistance

I confirm that:

1.   I am an authorised signatory of the Participant as notified to ASX Settlement under Rule 4.6.2;

2.   I warrant that I have the authority to request and bind the Participant to the terms of the request for emergency assistance and to ASX Settlement's Rules, Procedures and practices (as amended from time to time);

3.   I, on behalf of the Participant, acknowledge that ASX Settlement accepts no responsibility or liability for activities undertaken as a result of the Participant's request; and

4.   I, on behalf of the Participant, indemnify ASX Settlement and its officers, employees, agents and contractors against all actions, proceedings, claims, demands, damages, costs, expenses and any other amounts against or incurred by ASX Settlement, or its officers, employees, agents or contractors arising out of or in connection with any action taken by or any inaction by any of ASX Settlement, or its officers, employees, agents or contractors under the ASX Settlement Operating Rules in relation to the emergency assistance.

Attachment C: ASX Clear Operating Rule and Procedure amendments

ASX CLEAR OPERATING RULES

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SECTION 12   REGISTRATION, NOVATION, NETTING AND SETTLEMENT

12.1   REGISTRATION AND NOTIFICATION OF MARKET TRANSACTIONS

12.1.1   Market Transactions to be registered

Subject to Rule 12.2.5, ASX Clear will register a Market Transaction (other than an OTC Options Market Transaction) if, and only if:

(a)   there is a current agreement between ASX Clear, an Approved Settlement Facility and the Approved Market Operator through which the Market Transaction was effected, for the provision of a Trade Acceptance Service;

(b)   the Approved Market Operator has submitted the Market Transaction to ASX Clear in accordance with the Terms of Trade Acceptance Service; and

(c)   the Market Transaction is in a category of Market Transactions which ASX Clear will accept for registration, as specified by ASX Clear in the Procedures.

Introduced 11/03/04 Origin OCH 5.4.1, 5.4.2, SCH 7.4 Amended 27/06/11, 28/05/12, 01/10/15

Note: Market Transactions that are not eligible for registration (a pre-requisite for novation) may nevertheless be eligible to be notified by ASX Clear to an Approved Settlement Facility under Rule 12.1.2.

12.1.1A   Registration of OTC Options Market Transactions

Subject to Rule 12.2.5, ASX Clear will register an OTC Options Market Transaction if, and only if, the relevant Participant or Participants notify ASX Clear of the OTC Options Market Transaction in the manner set out in the Procedures. In notifying an OTC Options Market Transaction a Participant warrants to ASX Clear that it has satisfied itself that its client is not a 'U.S. person' (as that term is defined in the Procedures).

Introduced 28/05/12 Amended 01/10/15, 23/11/16

12.1.2   Market Transactions notified but not registered

ASX Clear will notify an Approved Settlement Facility of a Cash Market Transaction which is not registrable under Rule 12.1.1 if:

(a)   there is a current agreement between ASX Clear, the Approved Settlement Facility and the Approved Market Operator through which the Cash Market Transaction was effected, under which ASX Clear agrees to notify that category of Cash Market Transaction to the Approved Settlement Facility for settlement by that facility;

(b)   the Approved Market Operator notifies ASX Clear of that Cash Market Transaction in accordance with the terms of that agreement; and

(c)   the Cash Market Transaction is in a category of Cash Market Transactions which ASX Clear will notify to an Approved Settlement Facility, as specified by ASX Clear in the Procedures.

Introduced 11/03/04 Origin SCH 7.4.3 Amended 27/06/11

12.1.3   Participants liable to settle Cash Market Transactions notified but not registered

Participants must settle Cash Market Transactions notified to an Approved Settlement Facility under Rule 12.1.2 in accordance with the operating rules of that Approved Settlement Facility.

Introduced 11/03/04

12.2   NOVATION

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

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

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

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

(a)   if the Cash Market Transaction is the result of the matching of bids and offers on the market of the Approved Market Operator, immediately after the matching of those bids and offers; or

(b)   if the Cash Market Transaction is the result of a transaction being recorded by the Approved Market Operator, immediately after the transaction is recorded.

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

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

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

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

12.2.2   **Effect of novation**

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

(a)   the Cash Market Transaction is discharged and replaced with two Cash CCP Transactions; and

(b)   the Derivatives Market Contract is discharged and replaced with two Derivatives CCP Contracts,

with the following effect, subject to these Rules:

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

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

ASX Clear and each Participant acknowledge that:

(e)   Cash CCP Transactions (excluding Cash CCP Transactions which are removed from novation pursuant to Rule 12.7.1 or 12.7.2 and not reinstated pursuant to Rule 12.7.5); and

(f)   Derivatives CCP Contracts,

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

(g)   in respect of Cash CCP Transactions, Rules 12.4.1, 12.6.1, and 15; and

(h)   in respect of Derivatives CCP Contracts, Rules 12.16, 12.17, 13.2, 14 and 15.

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

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12.6 CALCULATION OF NET CLEARING OBLIGATIONS

12.6.1 Calculation, set-off and notification of net payment obligation

Subject to Rule 12.6.2A and Rule 12.7 upon novation of a Cash Market Transaction due for settlement on a particular Business Day, the payment and delivery obligations under the Cash CCP Transaction are immediately set off against all other payment and delivery obligations due for settlement on that Business Day in accordance with the rules of law as follows:

(a)   the total of all the amounts that a Participant is obliged to pay ASX Clear on that Business Day for a PID will be set off against the total of all the amounts that the Participant is entitled to receive from ASX Clear on that Business Day for the same PID; and

(b)   the total number of Financial Products of a particular class with the same Entitlement to be delivered to a Participant by ASX Clear on that Business Day for a PID will be set off against the total number of Financial Products of that class with the same Entitlement to be delivered to ASX Clear on that Business Day for the same PID.

Introduced 11/03/04 Origin SCH 7.9.1 Amended 08/08/13, 28/04/14

12.6.2 Notification of Cash CCP Transactions to Approved Settlement Facility

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

(a)   the net delivery obligation or entitlement of a Participant for each PID for all CCP Cash Transactions in a class of Financial Products with the same Entitlement due for settlement on that Business Day; and

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

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

Introduced 11/03/04 Amended 08/08/13, 28/04/14

12.6.2A Obligations under Offsetting Transaction Arrangement relating to Failed CCP Net Batch Instruction

Where the Approved Settlement Facility notifies ASX Clear of Failed CCP Net Batch Instructions under Rule 12.8A and pursuant to that Rule ASX Clear enters into an

Offsetting Transaction Arrangement with the Participant that has obligations or entitlements under the Failed CCP Net Batch Instruction, then:

(a)   obligations and entitlements under the first leg of an Offsetting Transaction Arrangement entered into in respect of each such Failed CCP Net Batch Instruction will be set-off against and discharged by equal but opposite obligations and entitlements under the Failed CCP Net Batch Instruction in the manner set out in Rule 12.8A;

(b)   obligations and entitlements under the second leg of an Offsetting Transaction Arrangement entered into in respect of each such Failed CCP Net Batch Instruction will also be included as delivery and payment obligations or entitlements (as applicable) of the Participant for the PID to which those Failed CCP Net Batch Instructions related in the class of Financial Products due for settlement on the next Business Day;

(c)   CCP Net Batch Instructions due for settlement on a Business Day in respect of that Participant will, in addition to the CCP Net Batch Instructions notified under Rule 12.6.2, also include separate CCP Net Batch Instructions containing details of delivery and payment obligations and entitlements (as applicable) of the Participant under the second leg of each Offsetting Transaction Arrangement entered into in respect of a CCP Net Batch Instruction (and representing equivalent delivery and payment obligations and entitlements of the Participant (as applicable) as under the CCP Net Batch Instruction) Failed on the previous Business Day relating to that PID and class of Financial Products; and

(d)   an instruction will be deemed to have been generated by ASX Clear and sent to the Approved Settlement Facility which contains the details referred to in (c) above.

Introduced 28/04/14

12.6.3   Failure to discharge net obligation – [Deleted]

Introduced 11/03/04 Origin SCH 7.9.3 Deleted 31/03/05

12.7   CANCELLATION AND REMOVAL OF CASH CCP TRANSACTIONS FROM NOVATION, NETTING AND SETTLEMENT

12.7.1   Removal by ASX Clear of a Cash CCP Transaction from settlement notification

ASX Clear may, before the time specified in the Procedures, remove Cash CCP Transactions from transactions to be notified for settlement under Rule 12.6.1 if:

(a)   ASX Clear reasonably considers it appropriate having regard to Rule 1.15 in order to maintain the orderly operation and integrity of ASX Clear;

(b)   it is requested to do so by an Approved Market Operator in accordance with the Terms of Trade Acceptance Service, or by an Approved Settlement Facility, in order to ensure the efficiency, orderly operation, integrity or proper functioning of the market or facility; or

(c)　　it is notified by an Approved Market Operator in accordance with the Terms of Trade Acceptance Service, or by an Approved Settlement Facility, that the original Cash Market Transaction has been cancelled,

and if it removes the Cash CCP Transactions, ASX Clear will immediately notify:

(d)　　the affected Participants that the Cash CCP Transactions have been removed; and

(e)　　where relevant, the Approved Market Operator or the Approved Settlement Facility that the Cash CCP Transactions have been removed,

and Rule 12.7.6 will have effect.

Introduced 11/03/04 Origin SCH 7.5A1, 7.5A.2 Amended 27/06/11

12.7.2　　**Buyer and Seller may request Cash CCP Transactions be removed from novation and set off**

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

(a)　　remove the corresponding Cash CCP Transactions from set off; and

(b)　　notify the Buyer and Seller accordingly,

and Rule 12.7.6 will have effect.

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

Introduced 11/03/04 Origin SCH 7.13.1

12.7.3A　　**Cash CCP Transactions excluded from set off**

ASX Clear must exclude from set off under Rule 12.6.1, the types of Cash CCP Transactions specified in the Procedures.

12.7.3　　**~~Buyer and Seller may request~~ Cash CCP Transactions may be excluded from set off**

ASX Clear may exclude Cash CCP Transactions from set off under Rule 12.6.1 if ASX Clear reasonably considers it appropriate having regard to Rule 1.15 in order to maintain the orderly operation and integrity of ASX Clear.

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

~~(a)　　request ASX Clear to remove the corresponding Cash CCP Transactions from set off under Rule 12.6.1; or~~

12.7.4   **Action by ASX Clear where ~~Buyer and Seller request~~ Cash CCP Transaction ~~be~~ excluded from set off**

Subject to Rule 12.7.9, where ASX Clear excludes a Cash CCP Transaction from set off ~~accepts a request~~ under Rule 12.7.3 or 12.7.3A, ~~to exclude a transaction from set off,~~ ASX Clear will, within the time specified in the Procedures, send to the Approved Settlement Facility corresponding:

(a)   CCP Gross Batch Instructions; or

(b)   CCP RTGS Instructions,

as the case requires and notify the Buyer and Seller accordingly.

Introduced 11/03/04 Origin SCH 7.12, 28/04/14

12.7.5   **Buyer and Seller may cancel request [Deleted]**

12.7.6   **Effect of removal of Cash CCP Transaction**

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

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

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

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

12.7.7   **Request by Buyer or Seller where counterparty not known**

Where a Buyer or Seller (as the case may be) is not aware of the identity of its counterparty for the purpose of making a request to ASX Clear for the removal of a

transaction under ~~either~~ Rule 12.7.2 ~~or Rule 12.7.3~~, the Buyer or Seller may ask ASX Clear, by the time and in the manner set out in the Procedures, to facilitate such a request.

Introduced 28/11/05

12.7.8   ASX Clear action where asked to facilitate a request

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

Introduced 28/11/05

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

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

(a)   obligations and entitlements under the first leg of an Offsetting Transaction Arrangement entered into in respect of each such Failed CCP Gross Batch Instruction will be set-off against and discharged by equal but opposite obligations and entitlements under the Failed CCP Gross Batch Instruction in the manner set out in Rule 12.8A;

(b)   CCP Gross Batch Instructions due for settlement on a Business Day in respect of that Participant will, in addition to the CCP Gross Batch Instructions notified under Rule 12.7.4, also include separate CCP Gross Batch Instructions containing details of delivery and payment obligations and entitlements (as applicable) of the Participant under the second leg of each Offsetting Transaction Arrangement entered into in respect of a CCP Gross Batch Instruction (and representing equivalent delivery and payment obligations and entitlements of the Participant (as applicable) as under the CCP Gross Batch Instruction) Failed on the previous Business Day relating to that PID; and

(c)   an instruction will be deemed to have been generated by ASX Clear and sent to the Approved Settlement Facility which contains the details referred to in (b) above.

Introduced 28/04/14

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ASX CLEAR OPERATING RULE PROCEDURES

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SECTION 2   DEFINITIONS AND INTERPRETATION

PROCEDURE 2.10   DEFINITIONS AND INTERPRETATION

"User Technical Documentation" - has the meaning given to it in the ASX Settlement Operating Rules.

….

SECTION 12   REGISTRATION, NOVATION, NETTING AND SETTLEMENT

…

PROCEDURE 12.6.2 NOTIFICATION OF CASH CCP TRANSACTIONS TO APPROVED SETTLEMENT FACILITY

The time by which ASX Clear will generate and forward CCP Net Batch Instructions to the Approved Settlement Facility is by Start of Day on the Business Day before the Settlement Date.

The CCP Net Batch Instruction will:

(a)   specify:

    (i)   the class of Financial Products, including any Entitlement attached to the Financial Product;

    (ii)   the net number of Financial Products of that class and Entitlement to be delivered to ASX Clear by the Participant or received from ASX Clear by the Participant for each PID;

    (iii)   the net Settlement Amount to be paid to ASX Clear by the Participant or received from ASX Clear by the Participant for each PID;

    (iv)   if the Participant is obliged to deliver Financial Products, the source PID from which the Financial Products are to be delivered;

    (v)   if the Participant is entitled to receive Financial Products, the target PID to which the Financial Products are to be delivered; and

    (vi)   the scheduled Settlement Date;

(b)   include the PID of the delivering Participant or receiving Participant, as the case requires; and

(c)   be designated as an on market transaction.

PROCEDURE 12.7.1 REMOVAL BY ASX CLEAR OF A CASH CCP TRANSACTION FROM SETTLEMENT NOTIFICATION

ASX Clear may remove a Cash Market Transaction from settlement notification under this Rule provided it does so prior to netting for scheduled settlement.

PROCEDURE 12.7.2 BUYER AND SELLER MAY REQUEST CASH MARKET TRANSACTION BE REMOVED FROM NOVATION AND SET OFF

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

PROCEDURE 12.7.3A CASH CCP TRANSACTIONS EXCLUDED FROM SET OFF

The types of Cash CCP Transactions that are prescribed are:

(a) those that are ineligible for set-off in accordance with the Terms of Trade Acceptance Service; and

(b) those that arise from a Cash Market Transaction with a Settlement Date that is less than two Business Days after notification to ASX Clear.

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

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

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

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

Requests relating to CCP Gross Batch Instructions:

The time by which ASX Clear will generate and forward CCP Gross Batch Instructions to the Approved Settlement Facility is by Start of Day on the Business Day before the Settlement Date of the Cash CCP Transaction.

~~Requests relating to~~ **CCP RTGS Instructions:**

The time by which ASX Clear will generate and forward CCP RTGS Instructions to the Approved Settlement Facility is by Start of Day on the Business Day before the Settlement Date.

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

PROCEDURE 12.7.5 BUYER AND SELLER MAY CANCEL REQUEST [DELETED]

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

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

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

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

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

PROCEDURE 12.7.7 REQUEST BY BUYER OR SELLER WHERE COUNTERPARTY NOT KNOWN

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

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

and must include the following information:

(a)   the ASX security code

(b)   the settlement amount

(c)   the unit quantity

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

(e)   the settlement date.

Introduced 28/11/05

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ANNEXURE 1   COLLATERAL PROCEDURES

....

3.   FINANCIAL PRODUCTS MOVEMENTS

3.1   Prerequisites to lodgement of Approved Financial Products

Client Accounts

Client Accounts may qualify to participate in the paperless lodgement scheme where:-

(a)   the Account name in DCS matches the Registered Holder name in CHESS, the ASX Clear Participant is the ASX Settlement Participant that controls the Registered Holding and a completed original *Addendum to Derivatives Client Agreement Form* has been lodged with ASX Clear prior to 28 February 2005; or

(b)   a completed *Registered Holder Collateral Cover Authorisation* form has been lodged for the Client Accounts with ASX Clear prior to 1 March 2019; or

(c)   a Participant has lodged with ASX Clear a document in a form approved by ASX Clear, that identifies a Holder Identification Number (HIN) on the CHESS Subregister against that Client Account ("**Linking Information**").

Client Accounts for which these requirements have not been completed must lodge other forms of Cover, i.e. cash or bank guarantees.

With effect from 1 November 2011, where a Participant lodges a copy of the *Registered Holder Collateral Cover Authorisation* form, it must retain the original of the form and be able to produce it for ASX Clear on request for a period of 7 years from the date on which the Participant ceases to be the relevant client's Controlling Participant.

House Accounts

Prior to lodging Approved Financial Products on a House Account a completed *House Account HIN* form must be lodged with ASX Clear.

The *House Account HIN* form is included at Annexure 2.

House Accounts for which these requirements have not been completed must lodge other forms of Cover, i.e. cash or bank guarantees.

Cash Market Accounts

Prior to lodging Approved Financial Products on a Cash Market Account a completed *Cash Market Account HIN* form must be lodged with ASX Clear.

The *Cash Market Account HIN* form is included at Annexure 2.

Cash Market Accounts for which these requirements have not been completed must lodge cash as Cover.

Introduced 11/03/04 Amended 10/12/04, 20/05/05, 02/02/09, 01/11/11, 07/06/13, 08/02/17, 01/03/19

3.2   **Lodgement of Approved Financial Products**

ASX Clear will only accept lodgements over financial products which are CHESS sponsored and that meet the Collateral eligibility criteria.

a.   **Lodgement of Approved Financial Products to Cover Derivative Margin Obligations**

Participants can arrange for an ASX Settlement participant to lodge Collateral electronically by sending a message requesting the lodgement of Collateral in accordance with the User Technical Documentation. CHESS 027- *Options Cover Creation Request message to CHESS.* CHESS then forwards this message to ASX Clear in accordance with the User Technical Documentationas a *610 - Options Cover Notification* CHESS message.

If ASX Clear rejects the lodgement, the CHESS participant will receive from CHESS an *030 - Reduced Options Cover* CHESS message. If ASX Clear accepts the lodgement, both the ASX Settlement participant and the Participant who has the Derivative margin obligation (where such Participant is different to the ASX Settlement participant) will receive notification from CHESS of the acceptance by ASX Clear of the lodgement of Collateral in accordance with the User Technical Documentation.

If ASX Clear rejects the lodgement, the ASX Settlement participant will receive notification from CHESS of the rejection in accordance with the User Technical Documentation.

Once it has been processed by ASX Clear, the Participant will be sent confirmation via DCS.

b.   **Lodgement of Approved Financial Products to Cover Cash Market Margin Obligations**

Participants can arrange for an ASX Settlement pParticipant to lodge Collateral electronically by sending a message requesting the lodgement of Collateral in accordance with the User Technical Documentationan *871 – Margin Cover Creation request* CHESS message. CHESS then forwards this message to ASX Clear in accordance with the User Technical Documentation.

Once the request has been processed, the Participant will receive an *876 – Accepted Margin Cover Creation* CHESS message. If ASX Clear accepts the lodgement, the ASX Settlement participant will receive notification from CHESS of the acceptance by ASX Clear of the lodgement of Collateral in accordance with the User Technical Documentation.

If ASX Clear rejects the lodgement, the ASX Settlement participant will receive notification from CHESS of the rejection in accordance with the User Technical Documentation. If the request is rejected, the Participant will receive an *878 – Reduced Margin Cover* CHESS message.

Introduced 11/03/04 Amended 20/05/05, 02/02/09, 07/06/13

3.3   Lodgement of Approved Financial Products as Specific Cover

Specific Cover lodgements may be established at the Financial Product level within an Account or at the Account level as follows:

a. Financial Product Level

A Participant may classify any Financial Product level within an Account as specific Cover.

ASX Clear will only accept lodgements of Financial Products which are CHESS sponsored. Participants can arrange for an ASX Settlement participant to lodge Collateral electronically by sending a message in accordance with the User Technical Documentation which specifies the specific Cover to be lodgedCHESS 027- *Options Cover Creation Request* message to CHESS specifying specific Cover lodgement. CHESS then forwards this message to ASX Clear in accordance with the User Technical Documentationas a *610 - Options Cover Notification* CHESS message.

If ASX Clear rejects the lodgement, the ASX Settlement Participant will receive from CHESS an *030 - Reduced Options Cover* CHESS message. If ASX Clear accepts the lodgement, both the ASX Settlement participant and the Participant who has the margin obligation (where such Participant is different to the ASX Settlement participant) will receive notification from CHESS of the acceptance by ASX Clear of the lodgement of Collateral as specific Cover in accordance with the User Technical Documentation.

If ASX Clear rejects the lodgement, the ASX Settlement participant will receive notification from CHESS of the rejection in accordance with the User Technical Documentation.

Once it has been processed by ASX Clear, the Participant will be sent confirmation via DCS.

b. Account Level

A Participant may classify any Account as specific Cover.

When an Account has been classified as specific Cover, any future Financial Product lodgements in the Account will be automatically classified as specific Cover and will only be applied against written Call Option positions with the same underlying Financial Products lodged in the Account (see 2.2.1(ii)).

However, if a Participant requires existing Financial Product lodgements in a specific Cover Account to be classified as specific Cover, the Participant must submit a request to ASX Clear via email to clearing@asx.com.au deriv.clearing@asx.com.au.

Introduced 02/02/09 Amended 07/06/13

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

In the event that a Participant wishes to exchange Collateral or replace one form of Cover (Collateral or Cash Cover) with another form of Cover in respect of margin obligations, the replacement Cover must be received by ASX Clear before ASX Clear will

release the Cover to be exchanged or replaced (as the case may be). Three alternative approaches are outlined below.

a.   'Exchanging' collateral

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

b.   Replacement of Collateral with Cash Cover

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

c.   Replacement of Cash Cover with Collateral

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

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

In all cases, Participants are required to contact Clearing Product Operationsand Settlements (phone 1800 814 240 051033, email clearing@asx.com.auderiv.clearing@asx.com.au) to request the replacement of Cover.

Amended 16/07/07, 02/02/09, 07/06/13

3.5   Withdrawal of Approved Financial Products Not Covering Margin Obligations

ASX Clear will attempt to process Collateral withdrawals by the following times:

for withdrawal requests received by ASX Clear by 9.00 am (Sydney time) - by 10.00 am on that day.

for withdrawal requests received by ASX Clear by 5.00 pm (Sydney time) - on the same day.

for withdrawal requests received by ASX Clear after 5.00 pm (Sydney time) - by 10.00 am the next Business Day.

The time of receipt of a withdrawal request is the time when the CHESS message is received by ASX Clear.

Amended 02/02/09

3.6   Withdrawal of CHESS Holdings

Total Withdrawal
The Participant must arrange for the relevant ASX Settlement participant to transmit a message requesting the withdrawal of Derivatives Collateral in accordance with the User Technical Documentation~~CHESS 029 - *Options Cover Removal Request* message~~. ASX Clear will receive a message from CHESS notifying it of the request for withdrawal of Derivatives Collateral in accordance with the User Technical Documentation. ~~which is received by ASX Clear from CHESS as a 612 – *Notification of Removal of Options Cover* CHESS message.~~

For the withdrawal of Collateral covering a margin obligation in respect of a Cash Market Account, the ASX Settlement Pparticipant must send a message requesting the withdrawal of Collateral in accordance with the User Technical Documentation. ~~an 877 – *Margin Cover Removal Request* CHESS message.~~ ASX Clear will receive a message from CHESS notifying it of the request for withdrawal of Collateral in respect of a Cash Market Account in accordance with the User Technical Documentation.

Partial withdrawals
For partial withdrawals, the ~~029/612~~ CHESS message must identify the number of financial products to be withdrawn.

For partial withdrawals of Collateral covering a margin obligation in respect of a Cash Market Account, the ASX Settlement Pparticipant must send a ~~an 877 CHESS~~ message identifying the number of financial products to be withdrawn in accordance with the User Technical Documentation.

Rejection of Withdrawal
Incomplete or incorrect Derivatives Collateral ~~Options Cover R~~removal rRequests will be rejected. ASX Clear will send a rejection message~~CHESS 605 - *Options Cover Removal Rejection message*~~ to CHESS and CHESS will send a rejection message ~~an 078 - *Rejected Options Cover Removal CHESS message*~~ to the ASX Settlement ~~CHESS~~participant in accordance with the User Technical Documentation.

Incomplete or incorrect Cash Market Margin Cover rRemoval rRequests will be rejected. ASX Clear will send a rejection message to CHESS and CHESS will send a rejection message to the ASX Settlement participant in accordance with the User Technical Documentation~~ 956 – *Rejected Margin Cover Removal Request* CHESS message~~.

Third Party Withdrawals
For withdrawals where the ASX Settlement pParticipant is different to the ASX Clear Participant, the ASX Clear Participant will receive a message in accordance with the User Technical Documentation ~~CHESS 168 – *CP Collateral Removal Authorisation Request message*~~ following a message sent to request the withdrawal of Derivatives Collateral ~~in response to the CHESS 029 message~~. The ASX Clear Participant must then respond with

a~n authorisation or rejection message in accordance with the User Technical Documentation~ *CHESS 103 – CP Collateral Removal Authorisation message*, which will trigger ~the~ either the withdrawal message to ASX Clear or the withdrawal rejection message to the ASX Settlement participant in accordance with the User Technical Documentation~CHESS 612 message to ASX Clear, or a CHESS 109 – CP Collateral Removal Rejection message~. The ASX Clear Participant must respond to these messages within 2 business days of receipt.

Third Party withdrawals are not currently permitted on Financial Products lodged to satisfy margin obligations on a Participant's Cash Market Account.

Introduced 11/03/04 Amended 10/12/04, 02/02/09, 07/06/13

3.7   Transfers of Collateral Lodgements

Participant to Participant Transfers

ASX Clear will only transfer Collateral from one Participant (transferring) to another Participant (receiving) after the receiving Participant has sent a message requesting a change of controlling participant and the transferring Participant has sent the relevant authorisation message (in accordance with the User Technical Documentation) ~has sent their 245 CHESS message - Change Controlling Participant Request and the transferring Participant has sent their 251 CHESS message - Change Controlling Participant Authorisation~ and both messages have been matched in CHESS's overnight processing.

Both the transferring and receiving Participants must send a ~facsimile of~ *Transfer of Collateral between Participants* form with the appropriate sections completed. Once the HINs have been transferred on CHESS, ASX Clear will transfer the Collateral to the receiving Participant provided the *Transfer of Collateral between Participants* form is completed appropriately. Collateral lodgements will not be transferred to the receiving Participant until the above information has been received.

Once a transfer of Collateral has been processed by ASX Clear, the Participant will be sent confirmation of this via DCS.

Account to Account Transfers (Within a Participant)

If a Participant wishes to transfer Collateral lodged in respect of an Account to another Account of that Participant, the Participant must send a facsimile or letter on their standard letterhead containing the following information:

A list of the lodgements to be transferred and their existing Account numbers;

The names of the Account(s) from which the lodgement is to be transferred;

The numbers and names of the Account(s) to which the lodgement is to be transferred.

The new account names must be identical, otherwise standard withdrawals and lodgements must be processed.

Amended 16/07/07, 02/02/09, 01/03/19

3.8 **Lodgement in Favour of Futures Only Participant**

The ASX Settlement participant who has control of the HIN must send the lodgement and withdrawal CHESS messages that show the Futures Participant No. and Account No. in the appropriate fields.

The Futures Participant must send the lodgement/withdrawal forms with the corresponding Participant and Account information. Lodgement forms must be fully completed showing the Account no., PID, HIN, client name and registered holder name.

Clients' securities are not acceptable as lodgement in favour of an Omnibus Account.

Amended 16/07/07, 02/02/09

3.9 **Reports on Lodgements of Approved Financial Products as Collateral**

For ASX Settlement Participants that are not ASX Clear Participants, printed reports are available from ASX Clear on request showing details of their Collateral lodgements. These include reports showing all Collateral lodged, or Collateral lodged in respect of the Accounts of specified clients (with each client on a separate page).

ASX Clear may charge for this service depending on the frequency and size of the reports.

Amended 16/07/07, 02/02/09

ASX OPERATING RULES PROCEDURES

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SECTION 2   PRODUCTS

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 bases of quotation for each Cash Market Product.

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Attachment E: Rule Change Index

CHESS Replacement: Tranche 1 Rule change index

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