



**ASIC**

Australian Securities & Investments Commission

## REGULATORY GUIDE 226

# Guidance on ASIC market integrity rules for capital and related requirements: ASX, ASX 24, Chi-X and APX markets

August 2013

### About this guide

This guide is for market participants on ASX, ASX 24, Chi-X and APX markets.

It gives guidance on ASIC market integrity rules for capital and related requirements for these four markets.

It also explains our approach in developing these rules based on the previous capital and related requirements in the ASX and ASX 24 Operating Rules.

## About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

**Consultation papers:** seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

**Regulatory guides:** give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

**Information sheets:** provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

**Reports:** describe ASIC compliance or relief activity or the results of a research project.

## Document history

This guide was issued in August 2013 and is based on legislation and regulations as at the date of issue.

Previous version:

- Superseded Regulatory Guide 226, issued 1 August 2011, reissued October 2011

## Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

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## A Overview

### Key points

On 1 August 2010, ASIC took over general supervision of trading on Australia's domestic licensed financial markets, which included making market integrity rules for the ASX market (operated by ASX Limited) and the ASX 24 market (operated by Australian Securities Exchange Limited).

At that time, we agreed with ASX Group that it would continue to supervise capital, reporting and margin requirements for non-clearing market participants on the ASX and ASX 24 markets until 1 August 2011.

From 1 August 2011, ASX and ASX 24 market participants must comply with ASIC market integrity rules for capital, reporting and margins. These rules are modelled on the previous requirements for capital, reporting and margins in the ASX and ASX 24 Operating Rules.

From the commencement of operation of the Chi-X (operated by Chi-X Australia Pty Limited) and APX (operated by Asia Pacific Exchange Limited) markets, market participants must comply with the ASIC market integrity rules for capital and reporting for each of the relevant markets. The ASIC market integrity rules for capital and reporting for the APX market are modelled on the rules of the Chi-X market, which are modelled closely on the equivalent capital and reporting rules for the ASX market. This is to ensure a level playing field for all three equity markets. Market participants on two or more of these markets can satisfy the capital rules of the respective markets with one amount of capital and satisfy the reporting rules of the respective markets with one report.

## Supervision of trading on Australia's financial markets

- RG 226.1 On 24 August 2009, the Australian Government announced its decision to transfer the responsibility for supervising Australia's domestic licensed financial markets from market operators to the Australian Securities and Investments Commission (ASIC). Subsequently, the *Corporations Amendment (Financial Market Supervision) Act 2010* (Financial Market Supervision Act) was enacted in March 2010 to transfer that responsibility.
- RG 226.2 The Financial Market Supervision Act, which commenced on 1 August 2010, inserted a new Pt 7.2A into the *Corporations Act 2001* (Corporations Act). From this date, ASIC assumed responsibility for supervising the activities and conduct of market participants in relation to domestic licensed markets (i.e. those operated by persons licensed under s795B(1) of the Corporations Act).
- RG 226.3 Part 7.2A of the Corporations Act established a new rule-making regime whereby ASIC can make market integrity rules dealing with activities and conduct in relation to licensed financial markets, including market participants on the relevant market. We are responsible for supervising

compliance with these rules. We are also responsible for granting waivers from the obligation to comply with provisions of the rules.

RG 226.4 On 1 August 2010, we made ASIC Market Integrity Rules (ASX Market) 2010 for the ASX market, and ASIC Market Integrity Rules (ASX 24 Market) 2010 for the ASX 24 market. These rules were adapted from the long-standing ASX Market Rules (subsequently superseded by the ASX Operating Rules on 1 August 2010) and the Sydney Futures Exchange Operating Rules (subsequently superseded by the ASX 24 Operating Rules on 1 August 2010).

Note 1: In this guide ‘ASIC Market Integrity Rules (ASX)’ refers to the ASIC Market Integrity Rules (ASX Market) 2010 and ‘ASIC Market Integrity Rules (ASX 24)’ refers to the ASIC Market Integrity Rules (ASX 24 Market) 2010.

Note 2: For more information on the market integrity rules generally, see Regulatory Guide 214 *Guidance on ASIC market integrity rules for ASX and ASX 24 markets* (RG 214).

RG 226.5 When the market integrity rules were made, we agreed with ASX and ASX 24 (collectively, ASX Group), that it would continue to supervise and enforce the requirements for capital, reporting and margins in force at that time for a period of 12 months, until 1 August 2011. This was to give us time to prepare for the additional supervisory functions.

RG 226.6 These requirements were contained in Section 8 ‘Transitional Provisions’ of the ASX and ASX 24 Operating Rules. The requirements operated in conjunction with Procedures and Appendices to the Procedures. When this regulatory guide refers to these requirements, it includes any related Procedures and Appendices.

## Market integrity rules for capital, reporting and margins for the ASX and ASX 24 markets

RG 226.7 From 1 August 2011, ASX and ASX 24 market participants must comply with ASIC market integrity rules for capital, reporting and margins for their markets: see Section B of this guide. These rules are modelled on the capital, reporting and margin requirements in Section 8 ‘Transitional Provisions’ of the ASX and ASX 24 Operating Rules, which expired on 31 July 2011.

Note: The rules were developed in consultation with ASX Group and other stakeholders: see Consultation Paper 161 *Proposed ASIC market integrity rules for capital and related requirements: ASX, ASX 24 and Chi-X markets* (CP 161). The rules were made on 1 August 2011: see ASIC Market Integrity Rules (ASX Market) Amendment 2011 (No. 1) and ASIC Market Integrity Rules (ASX 24 Market) Amendment 2011 (No. 1).

RG 226.8 The market integrity rules for capital and reporting only apply to non-clearing market participants. A clearing market participant will need to continue to comply with the relevant clearing facility’s capital and reporting requirements. The rules for margins apply to both clearing and non-clearing market

participants. However, none of the rules covered by this guide apply to principal traders (i.e. market participants that only trade on their own behalf).

## Market integrity rules for capital and reporting for the Chi-X and APX markets

RG 226.9 We have included capital and reporting rules in the market integrity rules for the Chi-X and APX markets: see ASIC Market Integrity Rules (Chi-X Australia Market) 2011, ASIC Market Integrity Rules (APX Market) 2013 and Section C of this guide. These rules are modelled closely on the rules for capital and reporting for the ASX market. We have not included rules for futures (including margin rules) because the Chi-X and APX markets are not licensed to trade futures.

Note 1: In this guide 'ASIC Market Integrity Rules (Chi-X)' refers to the ASIC Market Integrity Rules (Chi-X Australia Market) 2011 and 'ASIC Market Integrity Rules (APX)' refers to the ASIC Market Integrity Rules (APX Market) 2013.

Note 2: The ASIC Market Integrity Rules (Chi-X) were developed in consultation with Chi-X, ASX Group and other stakeholders: see Consultation Paper 161 *Proposed ASIC market integrity rules for capital and related requirements: ASX, ASX 24 and Chi-X markets* (CP 161). The ASIC Market Integrity Rules (Chi-X) commenced on 29 October 2011: see ASIC Market Integrity Rules (Chi-X Australia Market) Amendment 2011 (No. 1). The ASIC Market Integrity Rules (APX) commenced on 3 August 2013 and were developed in consultation with APX and other stakeholders.

RG 226.10 Market participants that are participants on two or more of the ASX, Chi-X and/or APX markets can satisfy the capital rules of the respective markets with one amount of capital and satisfy the reporting rules of the respective markets with one report.

RG 226.11 For trades executed on the APX market which are not subject to central clearing and are not novated, a market participant must calculate a counterparty risk amount for its exposure to the counterparty: see RG 226.53.

## Communicating with ASIC

RG 226.12 Market participants can contact ASIC by email or phone on matters relating to the market integrity rules for capital, reporting, margins and related requirements for the relevant market: see Section D of this guide.

## B Market integrity rules for capital, reporting and margins for the ASX and ASX 24 markets

### Key points

From 1 August 2011, ASX and ASX 24 market participants must comply with ASIC market integrity rules for capital, reporting and margins for these markets. These rules are modelled on the previous requirements in Section 8 of the ASX and ASX 24 Operating Rules, which expired on 31 July 2011. We may review these rules at a later date.

From 1 January 2012, non-clearing ASX 24 market participants must submit monthly returns to ASIC 10 business days (instead of one month) after the end of each month, consistent with the requirements for non-clearing ASX market participants.

From 1 January 2012, all ASX 24 market participants must lodge monthly reconciliations of client money with ASIC, one month after the end of each month, instead of lodging them with ASX Group within that timeframe.

From 1 January 2012, all ASX 24 market participants must complete daily reconciliations of client money, consistent with the existing requirement for ASX market participants.

These rules include maximum penalties for breaches, based on penalties previously applied by ASX Group under the previous requirements.

We will interpret the market integrity rules for the ASX market taking into account ASX Group's *Capital Liquidity Handbook* and *Capital Requirements Guidance*.

All pre-existing waivers granted by ASX Group to market participants automatically transferred across to ASIC on 1 August 2011.

### How the rules apply

RG 226.13 From 1 August 2011, ASX and ASX 24 market participants must comply with ASIC market integrity rules for capital, reporting and margins: see Table 1.

**Table 1: Relevant chapters of the ASIC market integrity rules**

ASIC Market Integrity Rules (ASX)	ASIC Market Integrity Rules (ASX 24)
Chapter 8: Capital Requirements	Chapter 5: Capital Requirements
Chapter 9: Accounts and Audit	Chapter 6: Accounts and Audit
Chapter 10: Futures Market Transactions	Chapter 7: Margins and Right of Close Out

RG 226.14 When we refer to the market integrity rules for capital, reporting and margins, we mean Chapters 8, 9 and 10 of the ASIC Market Integrity Rules (ASX) and

Chapters 5, 6 and 7 of the ASIC Market Integrity Rules (ASX 24). These chapters reflect the previous requirements for capital, reporting and margins in Section 8 ‘Transitional Provisions’ of the ASX and ASX 24 Operating Rules, which expired on 31 July 2011.

- RG 226.15 The previous requirements for capital in the ASX Operating Rules included Schedule 1A (with five Annexures) and Schedule 1B. The ASIC market integrity rules for capital retain this structure.
- RG 226.16 Where possible, we have retained the structure and drafting of the previous requirements for capital, reporting and margins in the ASX and ASX 24 Operating Rules to ensure market certainty and to minimise the impact on market participants. However, we have had to make a number of technical changes to ensure the market integrity rules reflect ASIC supervision rather than ASX Group supervision. These technical changes have no significant impact on market participants.

### Technical changes from previous rules

- RG 226.17 Section 8 ‘Transitional Provisions’ of both the ASX and ASX 24 Operating Rules included transitional provisions relating to the transfer, on 1 August 2010, from the previous ASX Market Rules and SFE Operating Rules to the subsequent ASX and ASX 24 Operating Rules. We have not transferred these provisions because they are not relevant to the market integrity rules.
- RG 226.18 We have incorporated the relevant Procedures to the ASX and ASX 24 Operating Rules directly into the market integrity rules to simplify the structure and readability of the rules, without changing the substance of those Procedures.
- RG 226.19 ASX Group provides guidance on the capital requirements for the ASX market in its *Capital Liquidity Handbook*. This handbook also prescribed additional detail supplementing the ASX Operating Rules. We have inserted this additional detail directly into the market integrity rules.
- RG 226.20 We have removed some discretions, which ASX Group did not use in any significant way and which we do not anticipate needing to use. We have removed other discretions where we will instead use our general discretionary waiver powers in the existing ASIC market integrity rules.
- RG 226.21 We have redrafted those margin requirements that impose obligations on clients in their interaction with market participants, without changing the substance of the requirements. We have done this because the Corporations Act allows us to impose obligations, under ASIC market integrity rules, on market participants only.

## Lodging forms and returns

- RG 226.22 Market participants must generally submit the same information as previously required by the ASX and ASX 24 Operating Rules and in the same format and with the same timing (apart from altered timing for ASX 24 market monthly returns: see RG 226.26–RG 226.28).
- RG 226.23 Market participants can continue to lodge capital returns using ASX Group’s electronic returns lodgement portal, as allowed in the market integrity rules. We have an arrangement with ASX Group that it will forward the returns to us. We intend to reassess this process at a future date and will consult with market participants at that stage.
- RG 226.24 Where the market integrity rules allow a market participant to lodge capital forms or returns directly with us, rather than through ASX Group’s electronic returns lodgement portal, and the market participant decides to do so, they should send it to the email address in Section D of this guide: see RG 226.60.
- RG 226.25 If the market participant is not an ASX market participant and therefore cannot lodge capital returns through the ASX electronic lodgement portal, they should also send capital returns to the email address in Section D of this guide: see RG 226.58. Market participants that belong to multiple exchange markets only need to lodge one return with one of the exchange markets. We would generally expect a market participant of multiple exchange markets that is an ASX market participant to lodge the return electronically with ASX.

## Monthly returns

- RG 226.26 From 1 January 2012, non-clearing ASX 24 market participants must lodge monthly returns 10 business days after the end of each month: see Rule 6.2.1(2)(b) (ASX 24).

Note: This is a change from the ASX 24 Operating Rules, which specified one month after the end of the month. We consulted on this change in CP 161.

- RG 226.27 The purpose of this reduced lodging time is to ensure that the monthly returns we receive are more up-to-date and to harmonise this deadline with the 10-business day deadline for non-clearing ASX market participants.
- RG 226.28 Clearing ASX 24 market participants must continue to comply with the reporting deadline in the ASX Clear (Futures) Operating Rules.

## Monthly reconciliation of client money

- RG 226.29 From 1 January 2012, all ASX 24 market participants (clearing and non-clearing) must lodge a monthly reconciliation of client money with ASIC within one month after the end of each month: see Rule 2.3.3 (ASX 24). The monthly reconciliation should be emailed directly to ASIC, rather than being lodged through ASX Group’s electronic returns lodgement portal.

RG 226.30 Previously, ASX 24 market participants included a monthly reconciliation of client money in their monthly returns to ASX Group. However, ASX 24 market participants no longer have to include this in their monthly returns to ASX Group.

### **Daily reconciliation of client money**

RG 226.31 From 1 January 2012, all ASX 24 market participants (clearing and non-clearing) must complete daily reconciliations of client money: see Rule 2.3.2 (ASX 24). This rule is consistent with the requirement for daily reconciliations for ASX market participants (see Rule 3.5.8 (ASX)) and harmonises the obligations of the market participants on the two markets.

RG 226.32 Daily reconciliations are an essential part of a market participant's proper compliance process for protecting client money. In an insolvency situation, client money can be at risk if it is not properly segregated or accounted for. We consulted on the obligation to provide daily reconciliation of client money in Consultation Paper 152 *ASIC's conversion of ASX and SFE guidance: General operational obligations* (CP 152) and in CP 161.

### **AFS licences**

RG 226.33 Before 1 August 2011, generally non-clearing ASX and ASX 24 market participants had a condition in their Australian financial services (AFS) licences exempting them from having to comply with the standard financial requirements in Regulatory Guide 166 *Licensing: Financial requirements* (RG 166), where the market participant was complying with the capital requirements in the ASX or ASX 24 Operating Rules. From 1 August 2011, non-clearing market participants will need their AFS licences to exempt them from having to comply with the standard financial requirements in RG 166 where they are complying with the ASIC market integrity rules for capital.

RG 226.34 We intend to work with affected non-clearing market participants to ensure their AFS licences are amended accordingly and will contact these market participants directly to ensure a smooth process. Where appropriate, we will take a no-action position, where a non-clearing market participant has complied with our market integrity rules for capital at all times from 1 August 2011. This no-action position also applies to Chi-X and APX market participants.

### **No transition period**

RG 226.35 Because we have transferred the previous ASX and ASX 24 Operating Rules for capital, reporting and margins without any significant changes, we viewed a transition period from 1 August 2011 as unnecessary. However, if a market participant has difficulty implementing the market integrity rules, we have the power to grant a waiver in appropriate situations.

## Future review

- RG 226.36 After we have supervised capital, reporting and margins for a period, we may review the regime and its specific rules to determine whether we think any changes might be needed. If so, we will consult with industry at that stage.

## Penalties

- RG 226.37 The Corporations Act allows ASIC to set maximum penalty amounts of up to \$1,000,000 for breaches of market integrity rules. The ASIC market integrity rules for ASX, ASX 24, Chi-X and APX markets generally set maximum penalty amounts at \$20,000, \$100,000 or \$1,000,000. We have set similar maximum penalty amounts for the market integrity rules for capital, reporting and margins.
- RG 226.38 In setting each maximum penalty amount for these rules, we have taken into account the ASX Enforcement and Appeals Rulebook, along with decisions of ASX Group's past and present review bodies, including the ASX Disciplinary Tribunal, for breaches of the previous requirements for capital, reporting and margins in the ASX and ASX 24 Operating Rules (and their preceding rules).
- RG 226.39 Where there has been no relevant decision, we have set the maximum penalty amount at a level we think is appropriate to the rule's importance in protecting the integrity of the market and in protecting investors.

## Status of ASX Group guidance materials

- RG 226.40 The previous requirements for capital in the ASX Operating Rules operated in conjunction with guidance materials issued by ASX Group—in particular, the *Capital Liquidity Handbook* and the *Capital Requirements Guidance*.
- RG 226.41 We will take into account the *Capital Liquidity Handbook* and the *Capital Requirements Guidance* when interpreting the market integrity rules for capital for ASX, Chi-X and/or APX markets to the extent they are relevant for those markets.
- RG 226.42 ASX Group intends to continue using these guidance materials after 1 August 2011 for clearing market participants on the ASX market and is likely to amend them from time to time. Accordingly, we have retained copies of these guidance materials, as at 31 July 2011, on our website for reference purposes.
- RG 226.43 After a period, we may consider reviewing our policy position on these guidance materials in light of changes in the market or other factors. If so, we will consult with industry at that stage.

RG 226.44 We do not believe there are any relevant guidance materials for the ASX 24 Operating Rules, other than the Procedures and Annexures (and ASX Group's guidance materials detailing these Procedures and Annexures), which we have incorporated directly into the market integrity rules for this market.

## **Transfer of waivers**

RG 226.45 All waivers that ASX Group has granted to non-clearing market participants on both markets from the previous capital, reporting and margin requirements in the ASX and ASX 24 Operating Rules that were current on 31 July 2011 have been automatically transferred across to apply to these market integrity rules: see reg 10.15.04 of the Corporations Regulations 2001 (Corporations Regulations).

## C Market integrity rules for capital and reporting for the Chi-X and APX markets

### Key points

Chi-X and APX market participants must comply with ASIC market integrity rules for capital and reporting for the relevant market. These rules are modelled on the ASIC market integrity rules for capital and reporting for the ASX market.

We have not included rules for margins because they relate to futures transactions, which the Chi-X and APX markets are not authorised to trade.

Chi-X and APX market participants that are participants on two or more of these markets (ASX, Chi-X and/or APX market), will only need to have one amount of capital to satisfy the capital rules of the respective markets, and may satisfy the reporting rules of the respective markets with one report.

### How the rules apply

- RG 226.46 The Chi-X and APX markets are similar to the ASX market in that the ASX market is licensed to trade securities and managed investment products. To ensure a level playing field for these markets, we have made market integrity rules for capital and reporting for the Chi-X and APX markets that are modelled closely on the equivalent market integrity rules for the ASX market. This includes setting maximum penalties equivalent to those in the rules for the ASX market. We have not included rules for margins because these relate to futures transactions, which the Chi-X and APX markets are not licensed to trade.
- RG 226.47 When we refer to the market integrity rules for capital and reporting for the Chi-X and APX markets, we mean Chapter 8 (capital requirements) and Chapter 9 (accounts and audit) of the ASIC Market Integrity Rules (Chi-X) and the ASIC Market Integrity Rules (APX) respectively.
- RG 226.48 As with the ASX market, the rules for capital and reporting for the Chi-X and APX markets only apply to non-clearing market participants. Clearing market participants, if applicable, must continue to comply with the capital and reporting requirements of the relevant clearing facility (i.e. generally, ASX Clear Pty Limited).
- RG 226.49 As well as not including rules relating to margins, we have also not included other rules relating to futures that are in the equivalent rules for the ASX market. For example, we have not included an equivalent to Schedule 1B of the market integrity rules for the ASX market, which sets capital requirements for ASX market participants trading only futures.
- RG 226.50 A Chi-X market participant that is also an ASX market participant can comply with both sets of capital rules by having one amount of capital. Similarly, an APX market participant that is also an ASX market participant

and/or a Chi-X market participant can comply with the respective capital rules of each market by having one amount of capital.

- RG 226.51 Market participants of two or more of the ASX, Chi-X and/or APX markets are required to report only once under all of the rules, due to an exemption from reporting in the rules for:
- (a) the Chi-X market, where the market participant has reported under the equivalent rule for the ASX market (see Rule 9.2.6 (Chi-X)); and
  - (b) the APX market, where the market participant has reported under the equivalent rule for the ASX or Chi-X markets (see Rule 9.2.6 (APX)).
- RG 226.52 Where a market participant of two or more of the ASX, Chi-X and/or APX markets breaches the capital or reporting rules of two or more markets, we intend to approach such situations in a manner consistent with that set out in Report 238 *Response to submissions on CP 148 Proposed market integrity rules: Chi-X market* (REP 238) at p. 10, when making decisions under the disciplinary framework. For example, where breaches of two or more equivalent rules are the result of a single course of conduct by a market participant of two or more of the ASX, Chi-X and/or APX markets, we may seek penalties on the basis that there has been a single breach.
- RG 226.53 As trades executed on the APX market are not subject to central clearing, we have included a rule to require that where a market participant executes a transaction on the APX market and the trade is not novated, the market participant must calculate a counterparty risk amount for its exposure to the counterparty: see Rule A1.2.2(10)(k) (APX).

## Other guidance

- RG 226.54 We intend to take into account ASX Group's guidance materials—the *Capital Liquidity Handbook* and the *Capital Requirements Guidance*—to the extent they may be relevant, when interpreting the rules for the Chi-X and APX markets: see RG 226.40–RG 226.43.
- RG 226.55 Where a market participant has been granted a waiver from the capital or reporting rules for one market (e.g. the ASX market), we may consider granting a similar waiver for the rules for another market (e.g. the Chi-X or APX markets). For details of how to apply for a waiver, see RG 226.58.
- RG 226.56 We intend to ensure that the AFS licences of Chi-X and APX market participants do not require them to comply with the general capital requirements in RG 166, where they are complying with the market integrity rules for capital and reporting for the Chi-X or APX market. Where market participants already have an AFS licence, we intend to work with them, where necessary, to ensure that their AFS licences reflect this. Where

appropriate, we will take a no-action position, where the Chi-X and APX market participant has complied with the market integrity rules for capital and reporting at all times: see also RG 226.33–RG 226.34.

RG 226.57 After we have supervised the Chi-X and APX markets for a period, we may review the proposed capital and reporting regime, and its specific rules, along with a review of the capital and reporting regime for the ASX market, to determine whether we think changes might be needed. We would consult further with industry at that stage. See also RG 226.36.

## D Communicating with ASIC

### Key points

A market participant can contact ASIC by email or phone on matters relating to the market integrity rules for capital, reporting, margins and related requirements.

### How to contact ASIC

#### Written applications and requests

RG 226.58 When requests and applications are made to ASIC (e.g. waiver applications), these should specifically identify the market that the application relates to and should be made in writing and emailed to:

**Senior Executive Leader, Market and Participant Supervision, ASIC,**  
[market.participants@asic.gov.au](mailto:market.participants@asic.gov.au).

#### Telephone hotline

RG 226.59 Market participants can directly contact the relevant ASIC team on 1300 029 454 between 9 am and 5 pm Australian Eastern Standard Time on market trading days on matters relating to the market integrity rules for capital, reporting and margins.

#### Email

RG 226.60 Market participants can also email the relevant ASIC team directly at:  
[market.participants@asic.gov.au](mailto:market.participants@asic.gov.au).

#### Reporting significant breaches

RG 226.61 Significant breaches of the market integrity rules or the Corporations Act should not be reported using the direct contact points above. For information about the procedures for breach reporting, see RG 214.65–RG 214.66.

### Where to find further information

RG 226.62 For further information, go to [www.asic.gov.au/markets](http://www.asic.gov.au/markets).

## Key terms

Term	Meaning in this document
AFS licence	An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries out a financial services business to provide financial services  Note: This is a definition contained in s761A of the Corporations Act.
APX	Asia Pacific Exchange Limited or the exchange market operated by APX
ASIC	Australian Securities and Investments Commission
ASIC Market Integrity Rules (APX)	ASIC Market Integrity Rules (APX Market) 2013—rules made by ASIC under s798G of the Corporations Act for trading on APX
ASIC Market Integrity Rules (ASX 24)	ASIC Market Integrity Rules (ASX 24 Market) 2010—rules made by ASIC under s798G of the Corporations Act for trading on ASX 24
ASIC Market Integrity Rules (ASX)	ASIC Market Integrity Rules (ASX Market) 2010—rules made by ASIC under s798G of the Corporations Act for trading on ASX
ASIC Market Integrity Rules (Chi-X)	ASIC Market Integrity Rules (Chi-X Australia Market) 2011—rules made by ASIC under s798G of the Corporations Act for trading on Chi-X
ASX 24	The exchange market formerly known as Sydney Futures Exchange (SFE), operated by Australian Securities Exchange Limited
ASX 24 Operating Rules	ASX Limited's new operating rules, which replace the pre-existing SFE Operating Rules
ASX	ASX Limited or the exchange market operated by ASX Limited
ASX Limited	The market licensee that operates the exchange market known as 'ASX'
ASX Market Rules	Previous operating rules made by ASX Limited dealing with activities or conduct of its market and of persons in relation to the market
ASX Operating Rules	ASX Limited's new operating rules, which replace the pre-existing ASX Market Rules
Australian domestic licensed financial market	A financial market licensed under s795B(1) of the Corporations Act

Term	Meaning in this document
Australian market licence	Australian market licence under s795B of the Corporations Act that authorises a person to operate a financial market
Chi-X	Chi-X Australia Pty Limited or the exchange market operated by Chi-X
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of the Act
Corporations Regulations	Corporations Regulations 2001
CP 145 (for example)	An ASIC consultation paper (in this example numbered 145)
Financial Market Supervision Act	<i>Corporations Amendment (Financial Market Supervision) Act 2010</i>
market integrity rules	Rules made by ASIC, under s798G of the Corporations Act, for trading on domestic licensed markets
market operator	A holder of an Australian market licence that operates a financial market on which financial products are traded
market participant	An entity that is a participant of a financial market on which financial products are traded
Pt 7.2A (for example)	A part of the Corporations Act (in this example numbered 7.2A), unless otherwise specified
reg 7.2A.02 (for example)	A regulation of the Corporations Regulations (in this example numbered 7.2A.02), unless otherwise specified
RG 214 (for example)	An ASIC regulatory guide (in this example numbered 214)
Rule 2.1.2 (ASX 24) (for example)	A rule of the ASIC Market Integrity Rules (ASX 24) (in this example numbered 2.1.2)
s912 (for example)	A section of the Corporations Act (in this example numbered 912), unless otherwise specified
SFE Operating Rules	The ASX 24 market's operating rules, that preceded the ASX 24 Operating Rules

## Related information

### Headnotes

APX market, ASX market, ASX 24 market, Chi-X market, market integrity rules, capital, reporting, margins, reconciliation of client money

### Regulatory guides

RG 166 *Licensing: Financial requirements*

RG 214 *Guidance on ASIC market integrity rules for ASX and ASX 24 markets*

### Legislation

Corporations Act, Pt 7.2A, s795B(1);

Corporations Regulations, reg 10.14.04

Financial Market Supervision Act

### Market integrity rules

ASIC Market Integrity Rules (APX)

ASIC Market Integrity Rules (ASX)

ASIC Market Integrity Rules (ASX 24)

ASIC Market Integrity Rules (Chi-X)

### Consultation papers and reports

CP 140 *Responsible entities: Financial requirements*

CP 152 *ASIC's conversion of ASX and SFE guidance: General operational obligations*

CP 156 *Retail OTC derivative issuers: Financial requirements*

CP 161 *Proposed ASIC market integrity rules for capital and related requirements: ASX, ASX 24 and Chi-X markets*

REP 238 *Response to submissions on CP 148 Proposed market integrity rules: Chi-X market*

REP 244 *Response to submissions on CP 161 Proposed ASIC market integrity rules for capital and related requirements: ASX, ASX and Chi-X markets*

## **Media and information releases**

11-113AD *ASIC consults on capital and related requirements for the ASX, ASX 24 and Chi-X markets*

11-154AD *ASIC makes rules for capital and related requirements for ASX and ASX 24 markets*

## **Other publications**

ASX Group, *Capital Liquidity Handbook*

ASX Group, *Capital Requirements Guidance*