



## **Australian Market Licence (Australian Stock Exchange Limited) Variation Notice 2004 (No. 1)**

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I, ROSS CAMERON, Parliamentary Secretary to the Treasurer, issue this Notice under section 796A of the *Corporations Act 2001*.

Dated 11 March 2004

Parliamentary Secretary to the Treasurer

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**1 Name of Notice**

This Notice is the *Australian Market Licence (Australian Stock Exchange Limited) Variation Notice 2004 (No. 1)*.

**2 Commencement**

This Notice commences on 11 March 2004.

**3 Variation of *Australian Market Licence (Australian Stock Exchange Limited) 2002***

Schedule 1 varies the *Australian Market Licence (Australian Stock Exchange Limited) 2002*.

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**Schedule 1 Variations**  
(section 3)

[1] **Section 3, after definition of Act**

*insert*

*derivative* has the meaning given by section 761D of the Act.

*Division 3 arrangements* has the meaning given by section 880B of the Act.

*fidelity fund* has the meaning given by section 880B of the Act.

*Note* Section 880B has been modified in relation to a licensed market by regulation 7.5.01A of the *Corporations Regulations 2001*.

[2] **Section 3, after definition of FSR commencement**

*insert*

*security* has the meaning given by section 761A of the Act.

[3] **Section 3, definition of old Corporations Act**

*omit*

[4] **Section 4**

*omit everything after*

*operate*

*insert*

the financial market that:

- (a) is a continuation of the markets, that immediately before 11 March 2004, were operated by:
  - (i) Australian Stock Exchange Limited; and
  - (ii) ASX Futures Exchange Pty Ltd; and
- (b) is operated in accordance with the operating rules of the Australian Stock Exchange Limited.

**[5] Section 4, at the foot***insert*

*Note* Changes to the infrastructure (including but not limited to the computer and associated systems) or operations of the market would not of themselves necessitate a variation of the description of the market. The description does not limit the market to operating as it does at 11 March 2004 but rather applies to the market as it develops over time, operating subject to the operating rules in force from time to time and providing services in relation to the classes of financial products specified in section 5.

**[6] Sections 5 and 6***substitute***5 Classes of financial products**

The classes of financial products that can be dealt with on the market are:

- (a) securities; and
- (b) financial products mentioned in paragraph 764A (1) (b) of the Act; and
- (c) financial products mentioned in paragraph 764A (1) (ba) of the Act that relate to a managed investment scheme that is not registered because of an exemption or modification of Chapter 5C of the Act; and
- (d) derivatives; and
- (e) debentures, stocks or bonds issued or proposed to be issued by a government; and
- (f) transferable certificates of deposit that are financial products under Division 3 of Part 7.1 of the Act.

**6 Clearing and settlement facility**

- (1) Subject to subsections (2) and (3), Australian Stock Exchange Limited must have appropriate clearing and settlement arrangements for transactions, effected through the market, for each kind of financial product dealt with on the market, with:
  - (a) Australian Clearing House Pty Limited; or
  - (b) ASX Settlement and Transfer Corporation Pty Limited; or
  - (c) any other CS facility licensee approved for the purpose by the Minister.
- (2) Australian Stock Exchange Limited is not required to have clearing and settlement arrangements for transactions:
  - (a) that are effected through the part of the market known as the wholesale loan securities market; and
  - (b) that, on commencement of this Licence, are settled by arrangements made between the parties in accordance with market conventions.

- (3) Australian Stock Exchange Limited must have operating rules that provide for the procedure for settling transactions, effected through the market, that:
- (a) cannot be cleared and settled through a facility mentioned in subsection (1); and
  - (b) are not transactions mentioned in subsection (2).

**[7] After section 6**

*insert*

**7 Compensation arrangements**

- (1) Australian Stock Exchange Limited must maintain a fidelity fund as the source of funds for its Division 3 arrangements.
- (2) The minimum amount of cover for its Division 3 arrangements is \$2 million.