



ASIC

Australian Securities & Investments Commission

Attachment to CP 181: Retail trading in Commonwealth Government Securities

July 2012

These draft market integrity rules reflect the proposals in Consultation Paper 181 *Retail trading in Commonwealth Government Securities* (CP 181).

This attachment presents ASIC's proposed amendments to the ASIC Market Integrity Rules (Competition). These amendments are presented as a marked-up version of the relevant sections of the existing ASIC Market Integrity Rules (Competition), including the amendments proposed in Attachment 1 to Consultation Paper 179 *Australian market structure: draft rules and guidance* (CP 179).

For a copy of CP 181 and CP 179, see www.asic.gov.au/cp.

For more information, including the related ASIC advisory, go to www.asic.gov.au/markets.

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Chapter 1: Introduction

Part 1.1 Preliminary

1.1.1 Enabling legislation

ASIC makes this instrument under subsection 798G(1) of the Act.

Note: There is no penalty for this Rule.

1.1.2 Title

This instrument is ASIC Market Integrity Rules (Competition in Exchange Markets) 2011.

Note: There is no penalty for this Rule.

1.1.3 Commencement

The provisions of this instrument commence as follows:

- (a) Chapter 1, Rules 2.1.1(2), 2.1.4(2), 3.3.2, 4.1.3, 5.1.5 and 6.2.1 and Part 4.3 commence on the day after the instrument is registered under the *Legislative Instruments Act 2003*; and
- (b) Chapters 2 to 7 (excluding Rules 2.1.1(2), 2.1.4(2), 3.3.2, 4.1.3, 5.1.5 and 6.2.1 and Part 4.3) commence on 31 October 2011.

Note: There is no penalty for this Rule.

1.1.4 Scope of these Rules

These Rules apply to:

- (a) the activities or conduct of a Market;
- (b) the activities or conduct of persons in relation to a Market; and
- (c) the activities or conduct of persons in relation to Financial Products,

as specified in each Chapter, Part or Rule.

Note: There is no penalty for this Rule.

1.1.5 Entities that must comply with these Rules

The following entities must comply with these Rules:

- (a) Market Operators; and
- (b) Participants,

as specified in each Rule.

Note: There is no penalty for this Rule.

1.1.6 Conduct by officers, Employees or agents

In these Rules, conduct engaged in on behalf of a person:

- (a) by an officer, Employee, or other agent of the person, and whether or not within the scope of the actual or apparent authority of the officer, Employee, or other agent; or
- (b) by any other person at the direction or with the consent or agreement (whether express or implied) of an officer, Employee, or other agent of the person, and whether or not the giving of the direction, consent or agreement is within the scope of the actual or apparent authority of the officer, Employee, or other agent,

is deemed to have been engaged in by the person.

Note: There is no penalty for this Rule.

1.1.7 State of mind of a person

(1) If for the purposes of these Rules in respect of conduct engaged in by a person, it is necessary to establish the state of mind of the person, it is sufficient to show that an officer, Employee, or other agent of the person, being an officer, Employee, or other agent by whom the conduct was engaged in and whether or not the conduct was within the scope of the actual or apparent authority of that officer, Employee, or other agent, had that state of mind.

(2) In subrule (1), a reference to the state of mind of a person includes a reference to the knowledge, intention, opinion, belief or purpose of the person and the person's reasons for the person's intention, opinion, belief or purpose.

Note: There is no penalty for this Rule.

Part 1.2 Waiver

1.2.1 Waiver of Rules

(1) Subject to Rule 1.2.3, ASIC may relieve any person or class of persons from the obligation to comply with a provision of these Rules, either generally or in a particular case or category, and either unconditionally or subject to such conditions as ASIC thinks fit.

(2) If any conditions on a waiver given under subrule (1) are imposed, all of the conditions must be complied with for the waiver to be effective.

(3) ASIC may withdraw, in writing, a waiver given under subrule (1) at any time.

(4) Any request by a person for a waiver under subrule (1) must be in writing.

(5) Any waiver given under subrule (1), and any conditions imposed on that waiver, must be in writing.

(6) ASIC may publish notice of a waiver given under subrule (1).

Note: There is no penalty for this Rule.

1.2.2 Compliance with conditions

Failure to comply with a condition imposed under Rule 1.2.1 is a contravention of this Rule.

Maximum penalty: \$1,000,000

1.2.3 Period during which relief applies

ASIC may specify the period or specific event during which any relief from an obligation to comply with a provision of these Rules may apply.

Note: There is no penalty for this Rule.

1.2.4 Register

(1) ASIC may establish and maintain a register for recording details of relief granted under Rule 1.2.1 and may enter the following details in the register:

- (a) the date that the relief takes effect;
- (b) the person or class of persons relieved from the obligation;
- (c) the provision to which the relief applies;
- (d) brief reasons for the relief; and
- (e) any conditions that apply to the relief.

(2) ASIC may publish the register referred to in subrule (1).

Note: There is no penalty for this Rule.

Part 1.3 Notice, notification and service of documents

1.3.1 Participant to have email

A Participant must acquire and maintain an operating email system for the purposes of receiving notices under these Rules.

Note: There is no penalty for this Rule.

1.3.2 Methods of giving notice in writing

Unless otherwise specified in a Rule, ASIC may give a notice under these Rules by any of the following methods:

- (a) delivering it to the recipient personally;

- (b) leaving it at or by sending it by courier or post to the address of the recipient last notified to ASIC;
- (c) sending it by facsimile to the recipient's facsimile number last notified to ASIC;
- (d) a circular or bulletin addressed to a class of persons and delivered or communicated by any means permitted under this Rule;
- (e) specific email by any method which identifies a person or person's title as addressee and no notice of non-delivery has been received; or
- (f) broadcast email by any method which identifies the addressee and which, having regard to all the relevant circumstances at the time, was as reliable as appropriate for the purposes for which the information was communicated.

Note: There is no penalty for this Rule.

Part 1.4 Interpretation

1.4.1 References to time

In these Rules, unless the contrary intention appears, a reference to time is to the time in Sydney, Australia.

Note: There is no penalty for this Rule.

1.4.2 Words and expressions defined in the Corporations Act

Words and expressions defined in the Act will, unless otherwise defined or specified in these Rules or the contrary intention appears, have the same meaning in these Rules.

Note: There is no penalty for this Rule.

1.4.3 Definitions

In these Rules, unless the contrary intention appears:

Act means the Corporations Act 2001 (Cth).

Anomalous Order means a:

- (a) Buy Order for which the price is above the maximum Anomalous Order Threshold for the relevant ~~Equity Market~~ Financial Product ~~or ASX SPI 200 Future~~; and
- (b) Sell Order for which the price is below the minimum Anomalous Order Threshold for the relevant ~~Equity Market~~ Financial Product ~~or ASX SPI 200 Future~~.

Note: See [Proposal D1 in CP 181](#), Proposal B2 in CP 179, Section C of REP 290 and Section B of draft updated RG 223

AFSL means an Australian financial services licence granted under section 913B of the Act.

Note: See Section D of REP 290 and Section H of draft updated RG 223

Anomalous Order Threshold means a threshold for ~~an Equity Market~~ [Financial Product](#) ~~or ASX SPI 200 Future~~ determined under subrule 2.1.1(1).

Note: See [Proposal D1 in CP 181](#), Section C of REP 290 and Section B of draft updated RG 223

AOP Client means a person who is a client of a Participant and who is permitted by a Participant to submit Trading Messages into the Participant's system.

Note: See Section D of REP 290 and Section H of draft updated RG 223

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

ASX 24 means Australian Securities Exchange Limited (ACN 000 943 377).

ASX 24 Market the market operated by ASX 24 under the Australian Market Licence (Australian Securities Exchange Limited) 2002.

Note: See Section C of REP 290 and Section B of draft updated RG 223

ASX Market means the Financial Market operated by ASX.

ASX SPI 200 Future means the Futures Contract over the market index known as the S&P/ASX 200, that is generally known as the 'ASX SPI 200 Future' and that is admitted to quotation on the ASX 24 Market.

Note: See Section C of REP 290 and Section B of draft updated RG 223

ASX Trade24 means the Order Book operated by ASX 24 and generally known as 'ASX Trade 24', that is the central Order Book for ASX SPI 200 Futures.

Note: See Section C of REP 290 and Section B of draft updated RG 223

ASX TradeMatch means the Order Book operated by ASX and generally known as 'ASX TradeMatch', that is ASX's central Order Book for Equity Market Products.

Note: See Section C of REP 290 and Section B of draft updated RG 223

Auction, in Part 2.2 of these Rules, means:

- (a) in relation to an Equity Market Product, an auction in the Equity Market Product on ASX TradeMatch;
- (b) in relation to the ASX SPI 200 Future, an auction in the ASX SPI 200 Future on ASX Trade24;
- (c) [in relation to CGS Depository Interests, an auction in the CGS Depository Interest on the central Order Book of the Responsible Market Operator for CGS Depository Interests.](#)

Note: See [Proposal D1 in CP 181](#), Section C of REP 290 and Section B of draft updated RG 223

Best Available Bid, in relation to a Transaction in [Equity Market Financial](#) Products, means the highest Pre-Trade Transparent Bid, for [Equity Market Financial](#) Products in the same class as the [Equity Market Financial](#) Products the subject of the Transaction, available across all Order Books at the time the Transaction is executed.

Note: See [Proposal E1 in CP 181](#)

Best Available Offer, in relation to a Transaction in [Equity Market Financial](#) Products, means the lowest Pre-Trade Transparent Offer, for [Equity Market Financial](#) Products in the same class as the [Equity Market Financial](#) Products the subject of the Transaction, available across all Order Books at the time the Transaction is executed.

Note: See [Proposal E1 in CP 181](#)

Best Mid-Point means:

$$(\text{Best Available Bid} + \text{Best Available Offer}) \div 2.$$

Bid, in relation to a Financial Product, means a price or quantity of the Financial Product to be purchased.

Block Trade has the meaning given by Rule 4.2.1.

Buy Order means an Order to buy Financial Products.

Category A Equity Market Product has the meaning given by paragraph 5.2.1(3)(a).

Category B Equity Market Product has the meaning given by paragraph 5.2.1(3)(b).

Category C Equity Market Product has the meaning given by paragraph 5.2.1(3)(c).

Category D Equity Market Product has the meaning given by paragraph 5.2.1(3)(d).

CHES Depository Interest has the meaning given to the term “CDI” by Rule 2.13.1 of the Operating Rules of ASX Settlement Pty Limited (ACN 008 504 532).

CGS Depository Interest has the meaning given by section 761A of the Act.

Note: See item 9 of Schedule 1 to the Commonwealth Government Securities Legislation Amendment (Retail Trading) Bill 2012.

CGS Market means a Financial Market, on or through which offers to acquire or dispose of CGS Depository Interests are made or accepted, the operator of which is licensed under subsection 795B(1) of the Act.

CGS Market Operator means an entity that is licensed under subsection 795B(1) of the Act to operate a CGS Market, and that has entered into contractual arrangements with the Australian Office of Financial Management to offer trading services in CGS Depository Interests.

CGS Market Participant means a person that is a Participant of a CGS Market.

Client Order means an instruction, provided by a client to a Participant, to enter into a Transaction or Transactions.

Confirmation has the meaning given by Rule 7.3.1.

Continuously and in Real-Time, in relation to Pre-Trade Information or Post-Trade Information, means that the information is:

- (a) made available through an electronic data feed and in a machine-readable format; and
- (b) updated immediately as:
 - (i) new Orders are received and existing Orders are amended, matched, executed or cancelled; or
 - (ii) Transactions are executed, reported or cancelled,

as applicable.

Crossing System means any automated service provided by a Participant to its clients which matches or executes Client Orders with Orders of:

- (a) the Participant; or
 - (b) other clients of the Participant,
- otherwise than on an Order Book.

Crossing System Initial Report has the meaning given by Rule 4.3.1.

Crossing System Monthly Report has the meaning given by Rule 4.3.2.

Crossing System Reporting Information has the meaning given by Rule 4.3.3.

Disclosed, in relation to an Order on an Order Book, means the Pre-Trade Information referred to in both items 4 (*volume*) and 6 (*price*) in the Table in Rule 4.1.4 ([in the case of Equity Market Products](#)) or Rule 4.1.4A ([in the case of CGS Depository Interests](#)) is made available for the Order.

Note: See Proposal F1 in CP 181

Employee, in relation to a person, includes a director, employee, officer, agent, representative, consultant or adviser of that person, or an independent contractor who acts for or by arrangement with a person.

Equity Market means a Financial Market, on or through which offers to acquire or dispose of Equity Market Products are made or accepted, the operator of which is licensed under subsection 795B(1) of the Act.

Equity Market Operator means an entity that is licensed under subsection 795B(1) of the Act to operate an Equity Market.

Equity Market Participant means a participant in an Equity Market.

Equity Market Product means:

- (a) a share in a body;
- (b) a Financial Product referred to in subparagraph 764A(1)(b)(i) or subparagraph 764A(1)(ba)(i) of the Act;
- (c) a right (whether existing or future and whether contingent or not) to acquire, by way of issue, the following under a rights issue:
 - (i) a share covered by paragraph (a); or
 - (ii) a Financial Product covered by paragraph (b); or
- (d) a CHESS Depository Interest, [\(other than a CHESS Depository Interest that is a CGS Depository Interest\)](#),

admitted to quotation on the ASX Market.

Note: See [CP 181](#)

ETR Event means when:

- (a) a Buy Order for [an Equity Market](#) ~~a Financial~~ Product ~~or an ASX SPI 200 Future~~, for which the Bid price is both above the Reference Price and in the Extreme Trade Range for the [Equity Market](#) ~~Financial~~ Product ~~or ASX SPI 200 Future~~; or
- (b) a Sell Order for [an Equity Market](#) ~~a Financial~~ Product ~~or an ASX SPI 200 Future~~, for which the Bid price is both below the Reference Price and in the Extreme Trade Range for the [Equity Market](#) ~~Financial~~ Product ~~or ASX SPI 200 Future~~,

enters a Market or is executed on a Market

Note: See [Proposal D1 of CP 181](#), Section C of REP 290 and Section B of draft updated RG 223

Exchange-Traded Fund Special Trade has the meaning given to the term “ETF Special Trade” by the Operating Rules of ASX.

Executing Participant has the meaning given by Rule 5.1.2.

Extreme Trade Range:

- (a) in relation to Equity Market Products, has the meaning given by subrule 2.2.1(1); ~~and~~
- (b) in relation to ASX SPI 200 Futures, has the meaning given by subrule 2.2.1(2); ~~and~~
- (c) [in relation to CGS Depository Interests, has the meaning given by subrule 2.2.1\(3\).](#)

Note: See [Proposal D1 in CP 181](#), Section C of REP 290 and Section B of draft updated RG 223

Family Company, in the definition of “Principal”, means a corporation:

- (a) controlled by the person or the Immediate Family of the person; or
- (b) in respect of which the person is beneficially entitled to more than 50% of the issued capital.

Family Trust, in the definition of “Principal”, means a trust in which:

- (a) the person or the Immediate Family of the person is the sole or majority beneficiary; or
- (b) the person has the ability to remove the trustee of the trust and replace that trustee with his or her own nominee.

Financial Market has the meaning given by section 767A of the Act.

Financial Product has the meaning given by section 761A of the Act.

Funds Manager means an entity whose primary business is to invest moneys and manage assets and other investments allocated to it by clients for that purpose.

Futures Market means a Financial Market, on or through which offers to acquire or dispose of ASX SPI 200 Futures are made or accepted, the operator of which is licensed under subsection 795B(1) of the Act.

Note: See Section C of REP 290 and Section B of draft updated RG 223

Futures Market Contract means a contract on the terms of a Futures Series.

Note: See Sections C and D of REP 290 and Sections B and H of draft updated RG 223

Futures Market Operator means an entity that is licensed under subsection 795B(1) of the Act to operate a Futures Market.

Note: See Section C of REP 290 and Section B of draft updated RG 223

Futures Series means a set of contractual terms on which futures contracts are authorised for trading by a Market Operator.

Note: See Section C and D of REP 290 and Sections B and H of draft updated RG 223

Hidden, in relation to an Order on an Order Book, means the Pre-Trade Information referred to in both items 4 (*volume*) and 6 (*price*) in the Table in Rule 4.1.4 ([in the case of Equity Market Products](#)) or Rule 4.1.4A ([in the case of CGS Depository Interests](#)) is not made available for the Order.

Note: See [Proposal F1 in CP 181](#)

Immediate Family, in relation to a person, means that person’s spouse and any non-adult children.

Invalid, in relation to a price established by an Auction, or the price of a Transaction, means:

- (a) the price has resulted from an error;
- (b) the price is materially different from the price of the last Transaction in the same [Equity Market](#)~~Financial~~ Product ~~or ASX SPI 200 Future~~ on the same Order Book, and the difference in price is not, in the opinion of the Market Operator, readily attributable to an announcement that has been made to the Market or some other event; or

- (c) the price has resulted from a Transaction that is otherwise required to be cancelled or amended by the Market Operator of the Market on which the Transaction is executed.

Note: See [Proposal D1 in CP 181](#), Section C of REP 290 and Section B of draft updated RG 223

In Writing, in Chapters 2, 3 and 5 of these Rules, means in printed or electronic form.

Large Portfolio Trade has the meaning given by Rule 4.2.2.

Large Principal Transaction has the meaning given by Rule 5.2.1.

Listing Rules has the meaning given by section 761A of the Act.

Market means a Financial Market, on or through which offers to acquire or dispose of Financial Products are made or accepted, the operator of which is licensed under subsection 795B(1) of the Act.

Market Operator means an entity that is licensed under subsection 795B(1) of the Act to operate a Market.

Market Operator's Trading System means the technical infrastructure used by the Market Operator for the purposes of receiving Trading Messages, matching and executing Orders and reporting Transactions.

NMI means the National Measurement Institute division of the Commonwealth Department of Innovation, Industry, Science and Research.

Normal Trading Hours, in relation to a Participant and a Transaction, means Trading Hours for all Markets:

- (a) on which the Financial Products the subject of the Transaction are quoted; and
- (b) to which the Participant has access, either directly or indirectly through another Participant.

Offer, in relation to a Financial Product, means a price or quantity of the Financial Product to be sold.

Off-Market Bid has the meaning given by section 9 of the Act and in respect of an issuer incorporated or established outside Australia, means any similar form of bid.

Operating Rules has the meaning given by section 761A of the Act.

Order means an instruction to purchase or sell Financial Products, or an instruction to amend or cancel a prior instruction to purchase or sell Financial Products.

Opening Transaction, in relation to ~~an Equity Market~~ [a Financial Product](#) ~~or ASX SPI 200 Future~~ and an Order Book, means the first Transaction in the [Equity Market](#) [Financial Product](#) ~~or ASX SPI 200 Future~~ on the Order Book after a Trading Reset.

Note: See [Proposal D1 of CP 181](#), Section C of REP 290 and Section B of draft updated RG 223

Options Market Contract means a contract on the terms of an Option Series.

Note: See Section D of REP 290 and Section H of draft updated RG 223

Option Series means a set of contractual terms on which options are authorised for trading by ASX.

Note: See Section D of REP 290 and Section H of draft updated RG 223

Order Book means an electronic list of Buy Orders and Sell Orders, maintained by or on behalf of a Market Operator, on which those Orders are matched with other Orders in the same list.

Out of Hours Trade has the meaning given by Rule 4.2.6.

Participant means a person that is a participant, within the meaning of section 761A of the Act, of a Market.

Partly Disclosed, in relation to an Order on an Order Book, has the meaning given by Rule 4.1.5.

Permitted Trade during the Post-Trading Hours Period has the meaning given by Rule 4.2.4.

Permitted Trade during the Pre-Trading Hours Period has the meaning given by Rule 4.2.5.

Post-Trade Information ~~has the meaning given by Rule 5.1.7.;~~

(a) [in relation to Transactions in Equity Market Products, has the meaning given by Rule 5.1.7; and](#)

(b) [in relation to Transactions in CGS Depository Interests, has the meaning given by Rule 5.1.7A.](#)

Note: See [Proposal F1 of CP 181](#)

Post-Trading Hours Period means, [in relation to a Financial Product:](#)

- (a) where all Markets [on which that Financial Product is quoted](#) have the same Trading Hours, the 30-minute period following the end of Trading Hours; or
- (b) where any Market [on which that Financial Product is quoted](#) has different Trading Hours to any other Market [on which that Financial Product is quoted](#), the period from the earliest time on a Trading Day that Trading Hours end on any Market [on which that Financial Product is quoted](#), until 30 minutes after the latest time on a Trading Day that Trading Hours end on any Market [on which that Financial Product is quoted](#).

Note: See [Proposal F1 in CP 181](#)

Pre-Trade Information:

- (a) [in relation to Orders in Equity Market Products](#), has the meaning given by Rule 4.1.4; [and](#)
- (b) [in relation to Orders in CGS Depository Interests](#), has the meaning given by Rule 4.1.4A.

Note: [See Proposal F1 of CP 181](#)

Pre-Trade Transparent:

- (a) in relation to an Order, means Pre-Trade Information is made available for the Order by a Market Operator; [and](#)
- (b) in relation to a Bid or Offer, means the Bid or Offer is part of an Order for which the Pre-Trade Information referred to in item 6 (*price*) of the Table in Rule 4.1.4 ([in the case of Equity Market Products](#)) or Rule 4.1.4A ([in the case of CGS Depository Interests](#)) is made available by a Market Operator.

Note: [See Proposal F1 in CP 181](#)

Pre-Trading Hours Period means:

- ~~(a)~~ [in the case of an Equity Market Product](#), the period on a Trading Day from three hours before the start of Trading Hours for ASX TradeMatch to 15 minutes before the start of Trading Hours for ASX TradeMatch; [and](#)
- [\(b\) in the case of a CGS Depository Interest, the period on a Trading Day from three hours before the start of Trading Hours for the Market of the Responsible Market Operator for CGS Depository Interests to 15 minutes before the start of Trading Hours for that Market .](#)

Note: [See Proposal F1 in CP 181](#)

Price Step means a difference in price of one Tick Size.

Principal, in the context of a Participant acting or trading on its own behalf “as Principal”, includes a reference to a Participant acting or trading on its own behalf or on behalf of any of the following persons:

- (a) a partner of the Participant;
- (b) a director, company secretary or Substantial Holder of the Participant;
- (c) the Immediate Family, Family Company or Family Trust of a partner, director, company secretary or Substantial Holder of the Participant;
- (d) a body corporate in which the interests of one or more of the partners singly or together constitute a controlling interest;
- (e) any Related Body Corporate of the Participant,

but does not include where a Participant is acting or trading as a trustee of a trust in which the Participant has no direct or indirect beneficial interest.

Recognised Stock Exchange has the meaning given by the Operating Rules of ASX.

Note: See Section F of REP 290 and Section D of draft updated RG 223

Note: [The terms “Reference Bid”, “Reference Mid-Point” and “Reference Offer” were deleted from these rules in Attachment 1 to CP 179.](#)

Reference Price means a price determined in accordance with Rule 2.2.2.

Regulatory Data has the meaning given by Rule 5A.1.4.

Note: See Section D of REP 290 and Section H of draft updated RG 223

Related Body Corporate has the meaning given by section 50 of the Act.

Reporting Participant has the meaning given by Rule 5.1.2.

Responsible Market Operator ~~means:~~

- (a) in relation to Equity Market Products, [means ASX](#); ~~and~~
- (b) in relation to ASX SPI 200 Futures, [means ASX 24](#); ~~and~~
- (c) [in relation to CGS Depository Interests, has the meaning given by Rule 2.2.1A.](#)

Note: See [Proposal D1 in CP 181](#), Section C of REP 290 and Section B of draft updated RG 223

Retail Client means a person who is a retail client within the meaning of subsection 761G(1) of the Act in relation to the handling and execution by the Participant of that person’s Order or Orders.

Retail Client’s Instructions has the meaning given by subrule 3.1.1(3).

Rules mean these market integrity rules.

Securities Lending Arrangement has the meaning given by subsection 1020AA(1) of the Act.

Sell Order means an Order to sell Financial Products.

Substantial Holder in the definition of “Principal”, when used to refer to a substantial holder in a corporation, means a person who has or would have a substantial holding if Part 6C of the Act applied to that corporation.

Tick Size means:

- (a) in relation to an Equity Market Product [or CGS Depository Interest](#), the minimum increment by which the price for an Equity Market Product [or CGS Depository Interest](#) may increase or decrease, in accordance with Rule 6.4.1; and
- (b) in relation to the ASX SPI 200 Futures, one index point.

Note: See [Proposal H1 of CP 181](#), Section C of REP 290 and Section B of draft updated RG 223

Tier 1 Equity Market Product has the meaning given by paragraph 4.2.1(3)(a).

Note: See Section F of REP 290 and Section D of draft updated RG 223

Tier 2 Equity Market Product has the meaning given by paragraph 4.2.1(3)(b).

Note: See Section F of REP 290 and Section D of draft updated RG 223

Tier 3 Equity Market Product has the meaning given by paragraph 4.2.1(3)(c).

Note: See Section F of REP 290 and Section D of draft updated RG 223

Time Priority, in relation to an Order Book, means that Orders to buy or sell [Equity Market](#)~~Financial~~ Products in the same class for the same price are queued in the Order Book for matching and execution, with priority in the queue being given to the Order that was entered into the Order Book at the earlier time.

Note: See [Proposal F1 of CP 181](#)

Total Consideration means:

- (a) for a Buy Order, the purchase price paid by a client in respect of performance of a Client Order, plus Transaction Costs; or
- (b) for a Sell Order, the sale price received by a client in respect of performance of a Client Order less Transaction Costs.

Trade Report, in Chapter 5A, means:

- (a) in relation to an Equity Market Product [or CGS Depository Interest](#), a report of Post-Trade Information required to be made to a Market Operator under Rule 5.1.1; and
- (b) in relation to a Financial Product other than an Equity Market Product, a Futures Market Contract ~~or~~, an Options Market Contract [or a CGS Depository Interest](#), a report of information in relation to a Transaction entered into otherwise than matching of Orders on an Order Book, required to be made to a Market Operator under the Operating Rules of a Market.

Note: See [Proposal G1 of CP 181](#), Section D of REP 290 and Section H of draft updated RG 223

Trade with Price Improvement has the meaning given by Rule 4.2.3(1).

Note: See Section F of REP 290 and Section D of draft updated RG 223

Trading Day, in relation to a Market, means a day on which Financial Products may be traded on that Market.

Trading Hours, in relation to a Market, means the times on a Trading Day during which:

- (a) Orders may be entered, amended or cancelled on the Order Books of the Market; and

(b) Orders are matched and Transactions are executed on a continuous basis on the Market, and includes a time during which an auction is conducted on the Market.

Trading Information has the meaning given by Rule 5.1.6.

Trading Messages means those messages submitted to or from a Market relating to trading functions, such as Orders, amendment or cancellation of Orders and the reporting or cancellation of Transactions on the Market.

Trading Pause, in relation to ~~an Equity Market~~ Financial Product ~~or ASX SPI 200 Future~~, means a period during which the Market Operator must prevent Orders for the Equity Market Financial Product ~~or ASX SPI 200 Future~~ from being matched or executed on its Market, but during which Bids and Offers for the Equity Market Financial Product ~~or ASX SPI 200 Future~~ may be displayed, entered, amended and cancelled.

Note: See [Proposal D1 of CP 181](#), Section C of REP 290 and Section B of draft updated RG 223

Trading Reset, in relation to ~~an Equity Market~~ Financial Product ~~or ASX SPI 200 Future~~, means each of a Trading Pause, Trading Suspension, and the end of Trading Hours for the Equity Market Financial Product ~~or ASX SPI 200 Future~~.

Note: See [Proposal D1 of CP 181](#), Section C of REP 290 and Section B of draft updated RG 223

Trading Suspension means a halt or suspension in trading on a Market pursuant to the exercise of a power by a Market Operator under its Operating Rules during which Orders may not be matched or executed on the relevant Market, but does not include a halt or suspension caused by a technical problem (including a power outage) affecting a Market Operator's Trading System.

Transaction means a transaction in a Financial Product.

Transaction Costs means all costs paid by a client that are directly related to a particular Transaction including, without limitation, any trade execution costs imposed by a Market, Crossing System or Participant, clearing and settlement costs and commissions paid to the Participant by a client.

Under the Rules of a Market, in relation to a Market, means executed on an Order Book or reported to a Market Operator in accordance with these Rules and the Operating Rules (including written procedures made under the Operating Rules) of the relevant Market.

Note: See [Proposal I1 in CP 181](#)

UTC(AUS) means the output of the caesium atomic clock designated by the NMI as UTC(AUS).

Wholesale Client means a person who is a wholesale client within the meaning of subsection 761G(4) of the Act in relation to the handling and execution by the Participant of that person's Order or Orders.

Wholesale Client's Instructions has the meaning given by subrule 3.1.1(4).

Note: There is no penalty for this Rule.

Chapter 2: Extreme price movements

Part 2.1A Application

2.1A.1 Application of Chapter

(1) This Chapter applies to Equity Market Operators ~~and~~, Futures Market Operators and CGS Market Operators.

(2) In this Chapter, *Relevant Products* means Equity Market Products ~~and~~, ASX SPI 200 Futures and CGS Depository Interests.

Note: There is no penalty for this Rule.

Note: See Proposal D1 in CP 181, Section C of REP 290 and Section B of draft updated RG 223

Part 2.1 Order entry controls for Anomalous Orders

2.1.1 Requirement to have Anomalous Order Thresholds

(1) A Market Operator must determine an Anomalous Order Threshold for each Relevant Product that is quoted on its Market.

(2) A Market Operator must notify ASIC In Writing of the Anomalous Order Threshold for each Relevant Product that is quoted on its Market, not less than 21 days before first adopting the Anomalous Order Threshold for the purposes of Rule 2.1.3.

(3) ASIC may notify a Market Operator that an Anomalous Order Threshold the Market Operator has notified to ASIC or adopted for the purposes of Rule 2.1.3 is not appropriate to promote market integrity or a fair, orderly or transparent market.

(4) If ASIC notifies a Market Operator under subrule (3) in relation to a Relevant Product, the Market Operator must, as soon as practicable, determine a new Anomalous Order Threshold for the Relevant Product and notify ASIC In Writing of the new Anomalous Order Threshold before adopting the Anomalous Order Threshold for the purposes of Rule 2.1.3.

(5) In determining an Anomalous Order Threshold for a Relevant Product a Market Operator must take into account, at a minimum:

- (a) the price at which a single Order deviates substantially from:
 - (i) prevailing market conditions for the Relevant Product;
 - (ii) historical trading patterns; and
- (b) if the Relevant Product is:
 - (i) an Equity Market Product or CGS Depository Interest, the Tick Size for the Equity Market Product or CGS Depository Interest; or

- (ii) an ASX SPI 200 Future, the relevant index multiplier for the ASX SPI 200 Future.

Maximum penalty: \$1,000,000

Note: See [Proposal D1 in CP 181](#), Section C of REP 290 and Section B of draft updated RG 223.

2.1.2 Requirement to make Anomalous Order Thresholds publicly available

A Market Operator must make an Anomalous Order Threshold determined under Rule 2.1.1 publicly available before adopting the Anomalous Order Threshold for the purposes of Rule 2.1.3.

Maximum penalty: \$100,000

2.1.3 Requirement to prevent Anomalous Orders from entering Markets

A Market Operator must have in place adequate controls to prevent Anomalous Orders from entering an Order Book (*Relevant Order Book*) of its Market at all times on a Trading Day other than a time during which:

- (a) Orders are not matched and Transactions are not executed on a continuous basis on the Relevant Order Book; or
- (b) an auction is being conducted on the Relevant Order Book.

Maximum penalty: \$1,000,000

Note: See Proposal B1 in CP 179

2.1.4 Requirement to have adequate arrangements in relation to Anomalous Order Thresholds

(1) A Market Operator must have in place adequate arrangements for:

- (a) determining Anomalous Order Thresholds in accordance with Rule 2.1.1;
- (b) regularly reviewing, and if necessary, amending, the Anomalous Order Threshold for each Relevant Product quoted on its Market, to take into account changes to the matters set out in subrule 2.1.1(5); and
- (c) monitoring, and if necessary, adjusting, the controls referred to in Rule 2.1.3 to ensure that the controls are adequate to prevent Anomalous Orders from entering its Market.

(2) A Market Operator must notify ASIC In Writing:

- (a) of the arrangements that the Market Operator has in place under paragraph (1)(a), not less than 21 days before first adopting an Anomalous Order Threshold for the purposes of Rule 2.1.3 in accordance with those arrangements; and

- (b) each time the Market Operator revises the arrangements it has in place under paragraph (1)(a), not less than two business days before adopting the revised arrangements for the purposes of paragraph (1)(a).
- (3) ASIC may notify a Market Operator that its arrangements for determining Anomalous Order Thresholds under paragraph (1)(a) are not appropriate to promote market integrity or a fair, orderly or transparent market.
- (4) If ASIC notifies a Market Operator under subrule (3), the Market Operator must, as soon as practicable, revise its arrangements and notify ASIC In Writing of the revised arrangements not less than two business days before adopting them for the purposes of paragraph (1)(a).
- (5) A Market Operator must record In Writing the arrangements required by subrule (1).

Maximum penalty: \$1,000,000

Note: See Section C of REP 290 and Section B of draft updated RG 223

Part 2.2 Extreme Trade Range

2.2.1 Extreme Trade Range

(1) The *Extreme Trade Range* for an Equity Market Product means all prices which are greater than:

- (a) the number of cents set out in the following Table; or
- (b) the percentage amount set out in the following Table,

as the case may be, away from the Reference Price for the Equity Market Product.

Where Reference Price for Equity Market Product is in the following price range:	Tick	Extreme Trade Range (cents or percentage away from Reference Price)
0.1–9.9 cents	0.1 cent	>5 cents
10–99.5 cents	0.5 cent	>30 cents
100–199.5 cents	0.5 cent	>50 cents
200–499 cents	1 cent	>50.0%
500–699 cents	1 cent	>40.0%
700–999 cents	1 cent	>35.0%
1000–1999 cents	1 cent	>30.0%
2000–4999 cents	1 cent	>25.0%

Where Reference Price for Equity Market Product is in the following price range:	Tick	Extreme Trade Range (cents or percentage away from Reference Price)
≥5000 cents	1 cent	>20.0%

(2) The *Extreme Trade Range* for the ASX SPI 200 Future means all prices which are greater than 250 Price Steps away from the Reference Price for the ASX SPI 200 Future.

(3) The *Extreme Trade Range* for CGS Depository Interests means all prices which are greater than 20% away from the Reference Price for the CGS Depository Interest on the CGS Market.

Note: There is no penalty for this Rule.

Note: See [Proposal D1 In CP 181](#) and [Proposal B3 in CP 179](#)

2.2.1A Responsible Market Operator for CGS Depository Interests

(1) Subject to subrule (2), the *Responsible Market Operator* in relation to CGS Depository Interests is the CGS Market Operator.

(2) Where there is more than one CGS Market, the *Responsible Market Operator* in relation to CGS Depository Interests is the CGS Market Operator determined in writing by ASIC and notified on its website.

(3) A notification referred to in subrule (2) takes effect on the later of the date specified in the notification or 60 business days after the notification is made.

Note: See [Proposal D1 in CP 181](#)

Note: [Rule 2.2.2](#) was deleted and replaced with a proposed new [Rule 2.2.2 in Attachment 1 to CP 179](#). See Section C of REP 290 and Section B of draft updated RG 223

2.2.2 Obligation on Market Operator to determine and notify Reference Price

(1) The Responsible Market Operator must determine a Reference Price for each Relevant Product after each Trading Reset, as follows:

- (a) if there is an Auction in the Relevant Product after the Trading Reset and before the Opening Transaction, the price established by the Auction;
- (b) if:
 - (i) the Responsible Market Operator determines, acting reasonably, that the price established by the Auction referred to in paragraph (a) is Invalid;
 - (ii) the Auction referred to in paragraph (a) does not establish a price; or

(iii) there is no Auction in the Relevant Product after the Trading Reset and before the Opening Transaction,

the price of the Opening Transaction; or

(c) if paragraph (b) applies and the price of the Opening Transaction is Invalid, a price determined by the Responsible Market Operator, acting reasonably, to be not Invalid.

(2) The Responsible Market Operator must, each time it determines a new Reference Price for a Relevant Product in accordance with subrule (1), immediately:

- (a) use the Reference Price to determine the Extreme Trade Range for the Relevant Product in accordance with Rule 2.2.1, until the next Trading Reset for the Relevant Product; and
- (b) notify ASIC and, subject to subrules 6.2.1(1) and (6), the Market Operator of each other Market on which the Relevant Product is quoted, of the Reference Price for the Relevant Product.

(3) Subject to subrule (4), each Market Operator that receives a notification under paragraph (2)(b) must immediately use the Reference Price in the notification to determine the Extreme Trade Range for the Relevant Product in accordance with Rule 2.2.1, until it next receives a notification under paragraph (2)(b) in relation to the Relevant Product.

(4) A Market Operator that operates an Order Book for Relevant Products other than-;

(a) ASX TradeMatch ~~or~~ (in the case of Equity Market Products);

(b) ASX Trade 24, ~~(in the case of ASX SPI 200 Futures); or~~

(c) the central Order Book of the Responsible Market Operator for CGS Depository Interests (in the case of CGS Depository Interests),

must determine the Reference Price for each Relevant Product for that Order Book after each Trading Reset on that Order Book, as:

~~(d)~~ the price of the Opening Transaction; or

~~(e)~~ if paragraph ~~(d)~~ applies and the price of the Opening Transaction is Invalid, a price determined by the Market Operator, acting reasonably, to be not Invalid,

until the Market Operator receives a notification of the new Reference Price for the Relevant Product under paragraph (2)(b).

Note: Under subrules 6.2.1(1) and (6), ASX (as the Responsible Market Operator for Equity Market Products) must provide notifications under paragraph 2.2.2(2)(b) to other Market Operators through an electronic data feed, and need only make a notification in relation to a particular Equity Market Product to a Market Operator that has notified ASX it will quote the Equity Market Product on its Market.

Maximum penalty: \$100,000

Note: See [Proposal D1 in CP 181](#), Section C of REP 290 and Section B of draft updated RG 223

2.2.2A Requirement to prevent extreme price movements

A Market Operator must have in place adequate controls to prevent a Transaction in a Relevant Product executing on an Order Book (*Relevant Order Book*) of its Market in the Extreme Trade Range for the Relevant Product, at all times during a Trading Day other than at a time during which:

- (a) Orders are not matched and Transactions are not executed on a continuous basis on the Relevant Order Book; or
- (b) an auction is being conducted on the Relevant Order Book.

Maximum penalty: \$1,000,000

Note: See Section C of REP 290 and Section B of draft updated RG 223

2.2.2B Requirement to identify and notify of ETR Event

(1) A Market Operator must identify when an ETR Event occurs on its Market.

(2) Where a Market Operator (other than the Responsible Market Operator) identifies that an ETR Event has occurred on its Market, the Market Operator must immediately notify the Responsible Market Operator of the ETR Event, subject to subrule 6.2.1(1).

(3) Where a technical problem (including a power outage) prevents a Market Operator from making a notification referred to in subrule (2) immediately, the notification must be made to the Responsible Market Operator without delay by another appropriate means.

Note: Under subrule 6.2.1(1), a Market Operator must provide notifications under subrule 2.2.2B(2) to ASX (as the Responsible Market Operator for Equity Market Products) through an electronic data feed.

Maximum penalty: \$1,000,000

Note: See Section C of REP 290 and Section B of draft updated RG 223

2.2.2C Requirement to impose Trading Pause

(1) Where the Responsible Market Operator:

- (a) identifies an ETR Event on its own Market; or
- (b) receives a notification of an ETR Event from another Market Operator,

in relation to a Relevant Product, the Responsible Market Operator must immediately:

- (c) impose a Trading Pause on the Relevant Product for a minimum period of 10 minutes; and
- (d) notify ASIC and, subject to subrules 6.2.1(1) and (6), the Market Operator of each other Market on which the Relevant Product is quoted, that the Trading Pause has been imposed.

(2) A Market Operator that receives a notification under subrule (1) must immediately place each Relevant Product the subject of the notification into a Trading Pause on its Market.

(3) A Market Operator that places a Relevant Product into a Trading Pause in accordance with subrule (2) may only lift or remove that Trading Pause after the Market Operator receives a notification under subrule (4) in relation to the same Relevant Product.

(4) The Responsible Market Operator must immediately notify ASIC and, subject to subrules 6.2.1(1) and (6), the Market Operator of each other Market on which the Relevant Product is quoted when it lifts or removes the Trading Pause imposed on the Relevant Product under subrule (1).

(5) Where a technical problem (including a power outage) prevents the Responsible Market Operator from making a notification referred to in paragraph (1)(d) or subrule (4) immediately, the notification must be made to ASIC and the Market Operator of each other Market on which the Relevant Product is quoted, without delay by another appropriate means.

(6) The Responsible Market Operator must make publicly available information concerning:

- (a) the fact that a Trading Pause will result from an ETR Event;
- (b) subject to paragraph (1)(c), how the Responsible Market Operator will determine the length of a Trading Pause resulting from an ETR Event; and
- (c) how the Responsible Market Operator will resume trading in the Relevant Product on its Market after a Trading Pause resulting from an ETR Event.

Note: Under subrules 6.2.1(1) and (6), ASX (as the Responsible Market Operator for Equity Market Products) must provide notifications to other Market Operators under paragraph 2.2.2C(1)(d) and subrule 2.2.2C(4) through an electronic data feed, and need only make a notification in relation to a particular Equity Market Product to a Market Operator that has notified ASX it will quote the Equity Market Product on its Market.

Maximum penalty: \$1,000,000

Note: See Section C of REP 290 and Section B of draft updated RG 223

2.2.3 Notification of Transactions in Extreme Trade Range

If a Transaction is executed on a Market within the Extreme Trade Range for a Relevant Product, the relevant Market Operator must, as soon as practicable after becoming aware that the Transaction was executed:

- (a) notify ASIC and the Market Operators of all other Markets on which that Relevant Product is quoted, of the price and time at which the relevant Transaction was executed;
- (b) notify the Participants that executed the relevant Transaction, that the Transaction was executed in the Extreme Trade Range; and
- (c) make publicly available the price and time of the relevant Transaction, or, where more than one Transaction in the same Relevant Product was executed in the Extreme Trade Range on the Market of the relevant Market Operator at or around the same time, the

range of prices and times at which such Transactions were executed, and the total number of such Transactions.

Maximum penalty: \$100,000

Note: See Section C of REP 290 and Section B of draft updated RG 223

2.2.4 Market Operator arrangements in relation to Extreme Trade Range

(1) The Responsible Market Operator must have in place adequate arrangements for notifying ASIC and other Market Operators of Reference Prices in accordance with subrule 2.2.2(2), and the imposition and lifting or removal of a Trading Pause under paragraph 2.2.2C(1)(d) and subrule 2.2.2C(4).

(2) A Market Operator must have in place adequate arrangements for:

- (a) identifying when an ETR Event occurs on its Market, in accordance with subrule 2.2.2B(1);
- (ab) notifying the Responsible Market Operator that an ETR Event has occurred on its Market, in accordance with subrule 2.2.2B(2);
- (b) notifying ASIC, other Market Operators and the relevant Participants once the Market Operator has become aware that a Transaction was executed on its Market in the Extreme Trade Range, in accordance with subrules 2.2.3(a) and (b); and
- (c) making publicly available the price and time of a Transaction executed in the Extreme Trade Range, and, where applicable, the range of prices and times, and total number, of Transactions executed in the Extreme Trade Range at or around the same time, in accordance with subrule 2.2.3(c).

Maximum penalty: \$1,000,000

Note: See Section C of REP 290 and Section B of draft updated RG 223

Part 2.3 Transparent cancellation policies

2.3.1 Market Operator to have transparent cancellation policies

(1) A Market Operator must have adequate policies and procedures for the cancellation of Transactions in Relevant Products entered into on its Market.

(2) A Market Operator's policies and procedures under subrule (1) must:

- (a) include a policy that all Transactions executed on its Market within the Extreme Trade Range will be cancelled;
- (b) set out the circumstances, if any, in which Transactions in Relevant Products other than Transactions referred to in paragraph (a):
 - (i) will be cancelled;

- (ii) may be cancelled subject to a discretion; or
- (iii) will not be cancelled;
- (c) provide for the timely cancellation of Transactions in Relevant Products; and
- (d) describe how the Market Operator will communicate with Participants about the cancellation of Transactions in Relevant Products.

(3) A Market Operator must comply with its policies and procedures required under subrule (1).

(4) A Market Operator must ensure that the policies and procedures it has in place to comply with subrule (1), and any changes to those policies and procedures, are made available to its Participants before those policies and procedures, or those changes, take effect.

Maximum penalty: \$1,000,000

<p>Note: See Proposal B4 in CP 179 and Section C of REP 290 and Section B of draft updated RG 223</p>
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Chapter 3: Best execution

Part 3.1A Application

3.1A.1 Application of Chapter

This Chapter applies to:

- (a) Equity Market Participants [and CGS Market Participants](#); and
- (b) Orders (including Client Orders) in relation to Equity Market Products [and CGS Depository Interests](#).

Note: There is no penalty for this Rule.

Note: [See Proposal E1 in CP 181](#)

Part 3.1 Best execution obligation

3.1.1 Best execution obligation—Best outcome

(1) Subject to subrules (3), (4) and (6), when handling and executing an Order for a client a Participant must take reasonable steps to obtain the best outcome for that client.

(2) For the purposes of subrule (1), when handling and executing an Order for:

- (a) a Retail Client who has not given an instruction under subrule (3), the best outcome means the best Total Consideration; and
- (b) a Wholesale Client who has not given an instruction under subrule (4), the best outcome may be price, costs, Total Consideration, speed, likelihood of execution or any other relevant outcome, or any combination of those outcomes.

(3) If a Retail Client provides a Participant with instructions (*Retail Client's Instructions*) in relation to handling and executing that Retail Client's Order that are inconsistent with the Participant obtaining the best Total Consideration under subrule (1) for the Retail Client and that are:

- (a) clear and unambiguous;
- (b) In Writing, or if provided to the Participant verbally, recorded by the Participant and retained by the Participant for a period of seven years; and
- (c) specific to an Order, and not contained within the terms and conditions of a client agreement or any other standard form agreement provided by the Participant to the client,

the Participant must take reasonable steps to handle and execute the Order in a way which satisfies the Retail Client's Instructions.

(4) If a Wholesale Client provides a Participant with instructions (*Wholesale Client's Instructions*) that are inconsistent with the Participant obtaining the best outcome under subrule (1) for the Wholesale Client and that are:

- (a) clear and unambiguous;
- (b) In Writing, or if provided to the Participant verbally, recorded by the Participant and retained by the Participant for a period of seven years; and
- (c) not contained within the standard terms and conditions of a client agreement provided by the Participant to the client, but which may be standing instructions or specific Order by Order instructions,

the Participant must take reasonable steps to handle and execute the Order or Orders in a way which satisfies the Wholesale Client's Instructions.

(5) If a standing instruction is given to a Participant under paragraph (4)(c), that instruction must be:

- (a) periodically reviewed to ensure it remains possible for the Participant to satisfactorily perform the instruction; and
- (b) if the instruction provides that the Participant is not required to comply with subrule (1), only acted on by the Participant for a period of 12 months.

(6) For the period from commencement of this Rule to [1 March 2013], a Participant may decide to transmit Orders [in Equity Market Products](#) only to ASX TradeMatch, notwithstanding that the Participant may have been able to obtain the best outcome required by this Rule by transmitting Orders [in Equity Market Products](#) to another Order Book.

Maximum penalty: \$1,000,000

Note: [See Proposal E1 in CP 181](#). As stated in ASIC FAQ D2, ASIC intends to extend the transitional period provided for in subrule 3.1.1(6) before 31 October 2012, and to clarify that Participants may choose to route orders only to ASX's TradeMatch prior to that date.

3.1.2 No inducement

(1) Subject to subrule (3), a Participant must not take steps to encourage or induce a client to provide the instructions referred to in subrules 3.1.1(3) or (4).

(2) A Participant must not take steps to encourage or induce a client to agree that the Participant is not required to disclose the matters referred to in subrules 3.3.1(1) and (2).

(3) A Participant who takes steps to inform a Wholesale Client that its standing instructions provided under paragraph 3.1.1(4)(c) are due to expire, does not contravene this Rule.

Maximum penalty: \$1,000,000

3.1.3 Prohibition on discriminatory commission structure

A Participant must not charge a client, or propose to charge a client, brokerage, commission or other fees for executing an Order on a Market that differs from the brokerage, commission or other fees the Participant would charge if the Order was executed on another Market, unless the difference is related to the actual cost of executing Orders on a Market.

Maximum penalty: \$1,000,000

Part 3.2 Policies and procedures

3.2.1 Participant must have adequate policies and procedures in place

(1) A Participant must establish, document and implement adequate policies and procedures to ensure that it complies with Rule 3.1.1.

(2) A Participant's policies and procedures under subrule (1) must, without limitation, set out a description of:

- (a) the Order Books, and (in reliance on an exception to subrule 4.1.1(1)) any place other than an Order Book, to which the Participant may transmit Client Orders;
- (b) how Client Orders will be handled and executed, including the circumstances in which Client Orders will be transmitted for matching or execution to an Order Book or elsewhere (in reliance on an exception to subrule 4.1.1(1)) and the circumstances in which that transmission will be automatic and the circumstances in which that transmission will be manual; and
- (c) arrangements to monitor the policies, procedures and implementation required by subrule (1) to ensure they continue to be adequate to ensure compliance with subrule 3.1.1(1).

Maximum penalty: \$1,000,000

3.2.2 Participant must comply with its policies and procedures

A Participant must comply with the policies and procedures required under Rule 3.2.1.

Maximum penalty: \$1,000,000

3.2.3 Best execution arrangements—Review

(1) A Participant must review the policies and procedures and implementation of them required by Rule 3.2.1 each time:

- (a) there is a material change in circumstances that affects where the Participant may transmit Client Orders; and

- (b) the results of monitoring undertaken under paragraph 3.2.1(2)(c) suggest the policies and procedures under subrule 3.2.1(1) are not adequate to ensure compliance with Rule 3.1.1,

for the purposes of ensuring the policies and procedures and implementation of them continue to be adequate to ensure compliance with subrule 3.1.1(1).

(2) A Participant who relies on subrule 3.1.1(6) to transmit Orders [in Equity Market Products](#) to ASX TradeMatch only for the period until [1 March 2013] must, prior to [1 March 2013]:

- (a) review the policies and procedures and implementation of them required by Rule 3.2.1 for the purposes of ensuring they will continue to be adequate to ensure compliance with subrule 3.1.1(1) in the period after [1 March 2013]; and
- (b) disclose In Writing to its clients any changes to its policies and procedures arising from the review it undertakes under paragraph (a).

Maximum penalty: \$1,000,000

Note: [See Proposal E1 in CP 181](#). As stated in ASIC FAQ D2, ASIC intends to extend the transitional period provided for in subrule 3.1.1(6) before 31 October 2012, and to clarify that Participants may choose to route orders only to ASX's TradeMatch prior to that date.

Part 3.3 Disclosure to clients of best execution obligation

3.3.1 Disclosure of best execution obligation

(1) Before accepting a Client Order from a client for the first time, a Participant must disclose to the client:

- (a) that the Participant is required to handle and execute Client Orders in accordance with Part 3.1;
- (b) how, in general terms, the requirements of Part 3.1 may affect the handling and execution of the Client Orders;
- (c) the Order Books, and (in reliance on an exception to subrule 4.1.1(1)) any place other than an Order Book, to which the Participant may transmit Client Orders;
- (d) the circumstances in which Client Orders may be transmitted to each Order Book and (in reliance on an exception to subrule 4.1.1(1)) to places other than Order Books; and
- (e) that where a client provides a Participant with instructions that are inconsistent with the Participant obtaining the best outcome for the client, the Participant must take reasonable steps to handle and execute the Order or Orders in a way which satisfies those instructions and, as a result, may not achieve the best outcome for the client.

(2) Each time there is a material change that affects any of the matters referred to at paragraph (1)(c) or (d), a Participant must disclose a summary of those changes to clients as soon as practicable after the change occurs.

(3) A Participant must disclose the matters referred to in paragraphs (1)(a) to (e) upon receipt of a request from a client, within a reasonable time of receiving the request.

(4) The disclosure required by subrules (1) and (2) must be In Writing, and be retained by a Participant for a period of seven years.

(5) The disclosure required by subrule (1) must include the level of detail of information about a Participant's handling and execution arrangements that a client would reasonably require to enable the client to make an informed decision about whether to instruct the Participant to handle and execute Orders on its behalf.

(6) A Participant is not required to disclose the matters referred to in subrule (1) and (2) to a Wholesale Client if the Wholesale Client and the Participant agree that disclosure is not required, and the terms of that agreement are:

- (a) clear and unambiguous;
- (b) In Writing and retained by the Participant for a period of seven years; and
- (c) not part of a standard client agreement or any other standard form agreement provided by the Participant to all its Wholesale Clients or to a class of its Wholesale Clients.

Maximum penalty: \$100,000

3.3.2 Disclosure of best execution obligation—Existing clients

(1) A Participant must disclose the matters referred to in paragraphs 3.3.1(1)(a) to (e) to all its existing clients by 31 October 2011.

(2) The disclosure required by subrule (1) must be In Writing, and be retained by a Participant for a period of seven years.

Maximum penalty: \$100,000

Part 3.4 Evidencing execution performance

3.4.1 Demonstrating execution performance and Order transmission by Participants—On request by a client

(1) Subject to Rule 3.4.2, a Participant must, if it receives a reasonable request from a client to do so, demonstrate to the client that the Client's Orders have been executed in accordance with the Participant's policies and procedures required under Part 3.2.

(2) A Participant must comply with subrule (1) within a reasonable time after receiving the request.

Maximum penalty: \$100,000

3.4.2 Demonstrating execution performance and Order transmission by Participants—Evidencing adequacy of arrangements

A Participant must keep, for a period of seven years, records which enable the Participant to demonstrate compliance with the policies and procedures required under Part 3.2 and client instructions.

Maximum penalty: \$100,000

Chapter 4: Pre-trade transparency

Part 4.1A Application

4.1A.1 Application of Chapter

This Chapter applies to:

- (a) Equity Market Operators; ~~and CGS Market Operators;~~
- (b) Equity Market Participants ~~and CGS Market Participants;~~ and
- (c) Orders and Transactions in Equity Market Products ~~and CGS Depository Interests.~~

Note: There is no penalty for this Rule.

Note: See [Proposal F1 in CP 181](#), Section F of REP 290 and Section D of draft updated RG 223

Part 4.1 Orders must be Pre-Trade Transparent

4.1.1 Participants to enter into Transactions on Pre-Trade Transparent Order Book, subject to exceptions

(1) Subject to subrule (2), a Participant must not enter into a Transaction unless the Transaction is entered into by matching of a Pre-Trade Transparent Order on an Order Book.

(2) A Participant is not required to comply with subrule (1) in relation to:

- (a) Block Trades;
- (b) Large Portfolio Trades;
- (c) a Trade with Price Improvement;
- (d) a Permitted Trade during the Post-Trading Hours Period;
- (e) a Permitted Trade during the Pre-Trading Hours Period; and
- (f) Out of Hours Trades.

(3) A Participant that enters into a Transaction in reliance on an exception in subrule (2) must keep, for a period of seven years from the date of the Transaction, records that enable the Participant to demonstrate that the relevant Transaction met the criteria for the relevant exception, including, in relation to a Transaction executed in reliance on an exception in paragraph (2)(c), a record of the Best Available Bid and Best Available Offer at the time the Transaction was executed.

Maximum penalty: \$1,000,000

Note: See Section F of REP 290 and Section D of draft updated RG 223.

4.1.2 Market Operator to immediately make available Pre-Trade Information subject to exceptions

(1) Subject to subrules (2) and (3), a Market Operator must make available Pre-Trade Information for its Market:

- (a) for all Orders received during Trading Hours for the Market, Continuously and in Real-Time; and
- (b) for all Orders received outside of Trading Hours for the Market, by no later than the time Trading Hours next resume,

to all persons in this jurisdiction who have entered into an arrangement with the Market Operator to access the Pre-Trade Information on that basis.

(2) A Market Operator is not required to make available Pre-Trade Information in relation to:

- (a) an Order on an Order Book that, if executed, would result in a Block Trade;
- (b) an Order or series of Orders on an Order Book that, if executed, would result in a Large Portfolio Trade; and
- (c) an Order on an Order Book that, if executed, would result in a Trade with Price Improvement.

(3) The Market Operator must take reasonable steps to ensure that all Pre-Trade Information it makes available under subrule (1) is and remains complete, accurate and up-to-date.

Maximum penalty: \$1,000,000

Note: See Section F of REP 290 and Section D of draft updated RG 223.

4.1.3 Market Operator to make available Pre-Trade Information on reasonable commercial terms and on a non-discriminatory basis

Subject to Rule 6.2.1, where a person in this jurisdiction seeks access to Pre-Trade Information for a Market, the Market Operator must make available the Pre-Trade Information:

- (a) on reasonable commercial terms; and
- (b) on a non-discriminatory basis.

Maximum penalty: \$1,000,000

4.1.4 Pre-Trade Information—[Equity Market Products](#)

For the purposes of these Rules, *Pre-Trade Information*, in relation to an Order [for an Equity Market Product](#), means the information set out in the following Table in relation to that Order.

Item	Label	Pre-Trade Information
1	Order date	The date on which the Order was received by the Market Operator

Item	Label	Pre-Trade Information
2	Order time	The time at which the Order was received by the Market Operator
3	Product identification	The symbol, assigned in accordance with Rule 6.2.3, that identifies the Equity Market Product the subject of the Order
4	Volume	The number of Equity Market Products the subject of the Order, unless the Order is a Partly Disclosed Order and the information in item 6 of this Table has been made available for all or part of the Order
5	Order side	Whether the Order is a Buy Order or Sell Order
6	Price	The price per Equity Market Product of the Order, unless the Order is a Partly Disclosed Order and the information in item 4 of this Table has been made available for all or part of the Order
7	Currency	The currency of the price per Equity Market Product of the Order, unless the Order is in Australian dollars

Note: There is no penalty for this Rule.

Note: See Proposal F1 in CP 181

4.1.4A Pre-Trade Information—CGS Depository Interests

For the purposes of these Rules, *Pre-Trade Information*, in relation to an Order for a CGS Depository Interest, means the information set out in the following Table in relation to that Order.

Item	Label	Pre-Trade Information
<u>1</u>	<u>Order date</u>	<u>The date on which the Order was received by the Market Operator</u>
<u>2</u>	<u>Order time</u>	<u>The time at which the Order was received by the Market Operator</u>
<u>3</u>	<u>Product identification</u>	<u>The symbol, assigned in accordance with Rule 6.2.3, that identifies the CGS Depository Interest the subject of the Order</u>
<u>4</u>	<u>Volume</u>	<u>The number of CGS Depository Interests the subject of the Order</u>
<u>5</u>	<u>Order side</u>	<u>Whether the Order is a Buy Order or Sell Order</u>
<u>6</u>	<u>Price</u>	<u>The price per CGS Depository Interest of the Order. The price entered should be price per \$100 nominal, inclusive of interest.</u>
<u>7</u>	<u>Value</u>	<u>The price per CGS Depository Interest of the Order referred to in item 6, multiplied by the volume of the Order referred to in item 4.</u>

Note: There is no penalty for this Rule.

Note: See Proposal F1 in CP 181

4.1.5 Partly Disclosed Orders

(1) In these Rules, *Partly Disclosed Order* means an Order on an Order Book in relation to which:

- (a) the Operating Rules of the Market require the Pre-Trade Information referred to in the Table in Rule 4.1.4 ([in the case of Equity Market Products](#)) or Rule 4.1.4A ([in the case of CGS Depository Interests](#)) to be made available, with the exception of:
 - (i) item 4 (*volume*) but not item 6 (*price*); or
 - (ii) item 6 (*price*) but not item 4 (*volume*); and
- (b) the consideration for the Order is greater than \$0.

(2) For the purposes of subrule (1), a Partly Disclosed Order includes an Order on an Order Book which the Operating Rules of a Market:

- (a) require to be of a minimum volume or value; and
- (b) permit to be divided into separate parts so that part of the Order is Disclosed and part of the Order is Hidden, until such time as the part of the Order that is Disclosed is executed, following which the Hidden parts of the Order (or the residual amount of the Order if less than the minimum volume or value) are in turn Disclosed until the total Order has been executed.

Note: There is no penalty for this Rule.

[Note: See Proposal F1 in CP 181](#)

4.1.6 Application to partly filled Orders

Where an exception referred to in subrule 4.1.1(2) or 4.1.2(2) applies to an Order and that Order is executed in part, the exception ceases to apply unless the remainder of the Order would have been entitled to the exception if it were a separate Order.

Note: There is no penalty for this Rule.

4.1.7 Priority for Disclosed Orders and Partly Disclosed Orders

A Market Operator must not permit a Hidden Order on an Order Book of the Market to have Time Priority over a Disclosed Order or Partly Disclosed Order on the same Order Book, where the Disclosed Order or Partly Disclosed Order is an Order to buy or sell the same class of [Equity Market Financial](#) Products, at the same price, as the Hidden Order.

Maximum penalty: \$1,000,000

[Note: See Proposal F1 in CP 181](#)

4.1.9 Dealings to which this Part does not apply

For the avoidance of doubt, this Part does not apply to Transactions arising from:

- (a) the terms of ~~an Equity Market~~ Financial Product, including a redemption;
- (b) primary market actions, including an issue or allotment of, or an application or subscription for, ~~an Equity Market~~ Financial Product;
- (c) acceptance of an offer under an Off-Market Bid; and
- (d) the delivery of ~~an Equity Market~~ Financial Product under a Securities Lending Arrangement.

Note: There is no penalty for this Rule.

Note: See [Proposal F1 in CP 181](#), Section F of REP 290 and Section D of draft updated RG 223.

Part 4.2 Pre-Trade Information—Exceptions

4.2.1 Exception—Block Trades

- (1) In these Rules, **Block Trade** means a Transaction where:
- (a) the Participant acts:
 - (i) on behalf of both buying and selling clients to that Transaction; or
 - (ii) on behalf of a buying or selling client on one side of that Transaction and as Principal on the other side;
 - (b) the ~~Equity Market~~ Financial Products are issued by the same issuer, in the same class, with the same paid-up value; and
 - (c) the consideration for the Transaction is:
 - (i) in the case of Equity Market Products:
 - (A) \$1,000,000 or more for Tier 1 Equity Market Products;
 - (B) \$500,000 or more for Tier 2 Equity Market Products; and
 - (C) \$200,000 or more for Tier 3 Equity Market Products; and
 - (ii) in the case of CGS Depository Interests, \$200,000 or more.
- (2) For the purposes of paragraph (1)(b), ~~Equity Market~~ Financial Products that differ only in relation to the amount of dividend or distribution payable are in the same class.
- (3) For the purposes of paragraph (1)(c):
- (a) **Tier 1 Equity Market Products** means those Equity Market Products notified by ASIC under these Rules and in accordance with subrule (4);
 - (b) **Tier 2 Equity Market Products** means those Equity Market Products notified by ASIC under these Rules and in accordance with subrule (4); and
 - (c) **Tier 3 Equity Market Products** means all Equity Market Products that are not Tier 1 or 2 Equity Market Products.
- (4) For the purposes of subrule (3), the notification given by ASIC:

- (a) will be published on its website; and
- (b) takes effect from 20 business days following the date of the notification.

Note: There is no penalty for this Rule.

Note: See [Proposal F1 in CP 181](#), Section F of REP 290 and Section D of draft updated RG 223.

4.2.2 Exception—Large Portfolio Trades

(1) In these Rules, *Large Portfolio Trade* means a Transaction where:

- (a) the Participant acts:
 - (i) on behalf of both buying and selling clients to that Transaction; or
 - (ii) on behalf of a buying or selling client on one side of that Transaction and as Principal on the other side;
- (b) the Transaction is entered into pursuant to a single agreement between the buyer and seller for consideration in total of not less than \$5,000,000; and
- (c) the Transaction comprises purchases or sales of [Equity MarketFinancial](#) Products in not less than 10 different classes for which the minimum consideration in each class is \$200,000.

(2) Nothing in paragraph (1)(c) prevents the Transaction from comprising additional purchases or sales in other classes where the consideration for those classes is less than \$200,000.

Note: There is no penalty for this Rule.

Note: See [Proposal F1 in CP 181](#)

Note: [Rule 4.2.3 was deleted and replaced with a proposed new Rule 4.2.3 in Attachment 1 to CP 179.](#) See Section F of REP 290 and Section D of draft updated RG 223.

4.2.3 Exception—Trades with Price Improvement

(1) In these Rules, a Transaction is a *Trade with Price Improvement* where:

- (a) the Transaction is executed at a price per [Equity MarketFinancial](#) Product which is:
 - (i) higher than the Best Available Bid and lower than the Best Available Offer by one or more Price Steps; or
 - (ii) at the Best Mid-Point; and
- (b) if the Transaction is entered into other than by matching of an Order on an Order Book, the Participant acts:
 - (i) on behalf of both buying and selling clients to that Transaction; or

- (ii) on behalf of a buying or selling client on one side of that Transaction and as Principal on the other side.

(2) For the purposes of this Rule, the Best Mid-Point is not limited to standard Price Steps for the [Equity Market Financial](#) Product.

Note: There is no penalty for this Rule.

Note: See [Proposal F1 in CP 181](#), Section F of REP 290 and Section D of draft updated RG 223.

4.2.4 Exception—Permitted Trades during the Post-Trading Hours Period

In these Rules, *Permitted Trade during the Post-Trading Hours Period* means a Transaction [in a Financial Product](#) during the Post-Trading Hours Period [for that Financial Product](#):

- (a) that completes an Order received prior to the end of Trading Hours for the Market (and, if there is an auction at the end of Trading Hours, prior to that auction);
- (b) that comprises a bona fide hedge;
- (c) if there is an auction at the end of Trading Hours for a Market, that completes an Order that narrowly missed execution during that auction;
- (d) that rectifies an error; or
- (e) that results in the [Equity Market Financial](#) Products the subject of the Transaction being sold by a nominee that holds those [Equity Market Financial](#) Products on behalf of a Funds Manager to another nominee that holds those [Equity Market Financial](#) Products on behalf of the same Funds Manager, and where the Participant acts for both clients.

Note: There is no penalty for this Rule.

Note: See [Proposal F1 in CP 181](#)

4.2.5 Exception—Permitted Trades during the Pre-Trading Hours Period

In these Rules, *Permitted Trade during the Pre-Trading Hours Period* means a Transaction [in a Financial Product](#) during the Pre-Trading Hours Period [for that Financial Product](#) where:

- (a) the Participant acts:
 - (i) on behalf of both buying and selling clients to that Transaction; or
 - (ii) on behalf of a buying or selling client on one side of that Transaction and as Principal on the other side; and
- (b) either:
 - (i) overseas resident clients are involved in both sides of the Transaction; or
 - (ii) an overseas resident client is involved in one side and the Participant is acting as Principal on the other side of the Transaction; and
- (c) a stock market maintained by a Recognised Stock Exchange either:

- (i) in the overseas client's country of residence; or
- (ii) if both sides of the Transaction involve overseas resident clients, in the country of residence of one of those clients,

is open for trading at that time.

Note: There is no penalty for this Rule.

[Note: See Proposal F1 in CP 181](#)

4.2.6 Exception—Out of Hours Trade

In these Rules, *Out of Hours Trade* means a Transaction [in a Financial Product](#) entered into by a Participant:

- (a) during the period after the Post-Trading Hours Period [for that Financial Product](#) on a Trading Day and before the Pre-Trading Hours Period [for that Financial Product](#) on the next Trading Day; and
- (b) if the Transaction is entered into on behalf of a client, where the relevant Order was received from the client during the period set out in paragraph (a) and the Participant entered into the other side of the Transaction as Principal or on behalf of another client whose instructions were received at any time.

Note: There is no penalty for this Rule.

[Note: See Proposal F1 in CP 181](#)

Part 4.3 Reporting requirements for Crossing Systems

4.3.1 Reporting requirements for Crossing Systems—Crossing System Initial Report

- (1) A Participant that operates, or proposes to operate, a Crossing System must lodge with ASIC a report (the *Crossing System Initial Report*) which describes:
- (a) the date on which the Crossing System began operating, or will begin to operate, in this jurisdiction;
 - (b) access to the Crossing System, including the criteria for determining persons who are eligible to use the Crossing System and whether the Crossing System transmits Orders to other Crossing Systems;
 - (c) how Orders are prioritised and matched, and Transactions are executed, on the Crossing System;
 - (d) how the price for Transactions on the Crossing System is determined;
 - (e) the fees, commissions, rebates or other charges paid by or to the Participant and users of the Crossing System;

- (f) whether the Participant that operates the Crossing System deals as Principal with clients on the Crossing System and if so, the arrangements the Participant has in place for the management of conflicts of interest that may arise between the Participant and those clients;
 - (g) the name of the Market or Markets to which:
 - (i) Transactions executed on the Crossing System are reported; and
 - (ii) Orders matched on the Crossing System are transmitted for execution;
 - (h) where more than one Market is named under paragraph (g), the circumstances in which each Market is used for the purposes set out in paragraph (g); and
 - (i) whether Orders on the Crossing System are purged at the end of the day or remain on the Crossing System until matching or execution on the Crossing System next resumes, and if the Orders are not purged, the period of time they remain on the Crossing System.
- (2) The Participant must lodge the Crossing System Initial Report with ASIC:
- (a) within 20 business days from the date this Rule commences; or
 - (b) no later than 20 business days before the day the Participant begins to operate the Crossing System,
- whichever occurs later.

Maximum penalty: \$100,000

4.3.2 Reporting requirements for Crossing Systems—Crossing System Monthly Report

A Participant that operates a Crossing System during a calendar month must, within 20 business days of the end of the calendar month:

- (a) prepare a report (the *Crossing System Monthly Report*) for that calendar month setting out:
 - (i) any changes to the information provided in the Crossing System Initial Report;
 - (ii) for each day during the calendar month on which Orders were received or Transactions were matched or executed on the Crossing System, Crossing System Reporting Information for each relevant [Equity Market Financial](#) Product for that day; and
- (b) provide the Crossing System Monthly Report to ASIC.

Maximum penalty: \$100,000

[Note: See Proposal F1 in CP 181](#)

4.3.3 Crossing System Reporting Information

In these Rules, *Crossing System Reporting Information* means the information set out in column 3 of the following Table.

Item	Data requirement	Crossing System Reporting Information
1	Crossing System ID	A code identifying the Crossing System
2	Date	The date to which the information set out in items 3 to 19 of this Table relates
3	Product identification	The symbol, assigned in accordance with Rule 6.2.3, that identifies the Equity Market Financial Product to which the information set out in items 4 to 19 of this Table relates
4	Buy Orders received—Volume	The total number of units of that Equity Market Financial Product in all Buy Orders for that Equity Market Financial Product received by the Crossing System on that date
5	Sell Orders received—Volume	The total number of units of that Equity Market Financial Product in all Sell Orders for that Equity Market Financial Product received by the Crossing System on that date
6	Buy Orders received—Value	The total dollar value of all Buy Orders for that Equity Market Financial Product received by the Crossing System on that date
7	Sell Orders received—Value	The total dollar value of all Sell Orders for that Equity Market Financial Product received by the Crossing System on that date
8	Buy Orders received—Number	The total number of Buy Orders for that Equity Market Financial Product received by the Crossing System on that date
9	Sell Orders received—Number	The total number of Sell Orders for that Equity Market Financial Product received by the Crossing System on that date
10	Trades executed—Volume	The total number of units of that Equity Market Financial Product in all Transactions in that Equity Market Financial Product matched by or executed through the Crossing System on that date
11	Trades executed—Value	The total dollar value of units of that Equity Market Financial Product in all Transactions in that Equity Market Financial Product matched by or executed through the Crossing System on that date
12	Trades executed—Number	The total number of Transactions in that Equity Market Financial Product matched by or executed through the Crossing System on that date
13	Orders cancelled—Volume	The total number of units of that Equity Market Financial Product in Orders for that Equity Market Financial Product cancelled at the request of the client on that date
14	Orders cancelled—Value	The total dollar value of Orders for that Equity Market Financial Product cancelled at the request of the client on that date
15	Orders cancelled—Number	The total number of Orders for that Equity Market Financial Product cancelled at the request of the client on that date

Item	Data requirement	Crossing System Reporting Information
16	Principal trades— Volume	The total number of units of that Equity Market Financial Product in all Transactions in that Equity Market Financial Product executed on that date, where the Participant that operates the Crossing System was either buyer or seller
17	Principal trades— Value	The total dollar value of Transactions in that Equity Market Financial Product executed on that date, where the Participant that operates the Crossing System was either buyer or seller
18	Principal trades— Number	The total number of Transactions in that Equity Market Financial Product executed on that date, where the Participant that operates the Crossing System was either buyer or seller
19	Median trade value	The median dollar value of Transactions in that Equity Market Financial Product matched by or executed through the Crossing System on that date

Note: There is no penalty for this Rule.

Note: See Proposal F1 in CP 181

Chapter 5: Post-trade transparency

Part 5.1A Application

5.1A.1 Application of Chapter

This Chapter applies to:

- (a) Equity Market Operators; ~~and CGS Market Operators;~~
- (b) Equity Market Participants ~~and CGS Market Participants;~~ and
- (c) Orders and Transactions in Equity Market Products ~~and CGS Depository Interests.~~

Note: There is no penalty for this Rule.

Note: See Proposal F2 in CP 181

Part 5.1 Transactions must be post-trade transparent

5.1.1 Participants to report Transactions done other than on an Order Book of a Market

- (1) The Reporting Participant must report Post-Trade Information for a Transaction entered into otherwise than matching of Orders on an Order Book, to a Market Operator.
- (2) The Reporting Participant must report Post-Trade Information for a Transaction referred to in subrule (1):
 - (a) subject to paragraph (b):
 - (i) if the Transaction is matched or executed during Normal Trading Hours, immediately after the Transaction is executed;
 - (ii) if the Transaction is matched or executed during a period in which there is an auction on the Market to which the Transaction will be reported, immediately after that auction;
 - (iii) if the Transaction is executed outside of the times referred to in subparagraphs (i) and (ii), by no later than 15 minutes before the time Normal Trading Hours next resume, or at such earlier time as is required by the Operating Rules of the Market under which the Reporting Participant determines the Transaction has taken place;
 - (b) if the Transaction is:
 - (i) a Large Principal Transaction; or
 - (ii) a Large Portfolio Trade in which the Participant acts as Principal as either buyer or seller,as soon as practicable after the Reporting Participant is no longer exposed to risk as Principal in connection with the Transaction, and by no later than the time set out in subrule (3).

(3) The Reporting Participant must report Post-Trade Information for a Transaction referred to in paragraph (2)(b):

- (a) if the Transaction is executed before 1.00 pm on a Trading Day, by no later than 15 minutes prior to the next Trading Day; or
- (b) if the Transaction is executed after 1.00 pm on a Trading Day, by no later than 1.00 pm on the next Trading Day.

(4) The Reporting Participant must take reasonable steps to ensure that all Post-Trade Information it reports under subrule (2) is and remains complete, accurate and up-to-date.

(4A) Without limiting subrule (4), a Reporting Participant must have in place systems and controls to ensure that each Transaction it reports under subrule (2) and (3) meets all of the criteria for:

- (a) the exception in subrule 4.1.1(2) relied upon by the Reporting Participant to enter into the Transaction other than in accordance with subrule 4.1.1(1); and
- (b) the exception in paragraph (2)(b), if the Reporting Participant has relied upon that exception to report the Transaction other than in accordance with the times set out in paragraph (2)(a).

(4B) A Reporting Participant that is notified by a Market Operator under paragraph 5.1.4A(4)(b) in relation to a Transaction it has reported must immediately amend or cancel the Transaction or take other appropriate measures in relation to the Transaction, having regard to the Reporting Participant's obligations under this Rule and Rule 4.1.1.

(5) A Participant that enters into more than one Transaction as Principal and in the same class of [Equity Market Financial](#) Products, at the same time and for the same price, for the purposes of executing a Buy Order of one client against a Sell Order of another client, must take reasonable steps to ensure that those Transactions are reported as a single Transaction.

Note: See [Proposal F2 in CP 181](#), Proposal B7 in CP 179 and Section F of draft updated RG 223

Maximum penalty: \$1,000,000

5.1.2 Reporting Participant

(1) In these Rules, *Reporting Participant* means, in relation to a Transaction:

- (a) where a Participant is the only party to the Transaction that is required to comply with these Rules, the Participant; or
- (b) where more than one party to the Transaction is required to comply with these Rules, the *Executing Participant*.

(2) In subrule (1), *Executing Participant* means:

- (a) the Participant that receives the Order and executes the Transaction without transmitting the Order to another Participant (for example, a Participant that executes an Order on its own Crossing System); or
- (b) if both Participants satisfy paragraph (a) (for example, Participants that manually negotiate a Transaction):
 - (i) the Participant that is the seller, or is acting on behalf of the seller; or
 - (ii) as otherwise agreed between the Participants.

(3) If a Participant is determined to be the Executing Participant in accordance with paragraph (2)(c), the Participant that is the seller, or is acting on behalf of the seller, must document the agreement reached.

(4) Each Participant that is a party to a Transaction to which subrule 5.1.1(1) applies must take reasonable steps to determine, prior to the Transaction being executed, which party is the Reporting Participant.

Maximum penalty: \$100,000

Note: See Proposal B8 in CP 179
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5.1.3 Application to constituent parts of portfolio trade

Where a Participant enters into a single agreement to buy or sell more than one class of [Equity MarketFinancial](#) Products, the Participant may consider each class of [Equity MarketFinancial](#) Products to be bought or sold under the agreement as a separate Transaction for the purposes of determining whether that Transaction is a Large Principal Transaction.

Note: There is no penalty for this Rule.

Note: See Proposal F2 in CP 181
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5.1.4A Market Operator to validate Post-Trade Information

(1) A Market Operator must not accept a report of Post-Trade Information for a Transaction from a Reporting Participant under Rule 5.1.1 if the Transaction was executed at a time at which the relevant [Equity MarketFinancial](#) Product was in a Trading Suspension.

(2) Without limiting subrule 5.1.4(2), a Market Operator that receives a report of Post-Trade Information for a Transaction from a Reporting Participant under Rule 5.1.1 must have in place arrangements to determine whether the Transaction as reported meets the criteria for:

- (a) the exception in subrule 4.1.1(2) relied upon by the Reporting Participant to enter into the Transaction other than in accordance with subrule 4.1.1(1); and
- (b) where applicable, the exception in subparagraph 5.1.1(2)(b) relied upon by the Reporting Participant to report the Transaction other than in accordance with the times set out in paragraph 5.1.1(2)(a).

(3) For the purposes of subrules (1) and (2), the Market Operator must have in place, at a minimum, arrangements that enable the Market Operator to determine that the criteria set out in column 3 of the following Table are met in relation to each Transaction of a kind set out in column 2:

Item	Exception relied upon by Participant	Market Operator must determine that the following criteria are met
1	Block Trades (see paragraph 4.1.1(2)(a))	the consideration for the Transaction meets the criteria in Rule 4.2.1
2	Large Portfolio Trades (see paragraph 4.1.1(2)(b) and subparagraph 5.1.1(2)(b)(ii))	<p>(a) the consideration for each Transaction and the total consideration for the series of Transactions meets the criteria in Rule 4.2.2; and</p> <p>(b) the Transaction has been reported to the Market Operator by no later than the time set out in subrule 5.1.1(3); and</p> <p>(c) the Transaction was not executed at a time at which there was a Trading Suspension in any of the Equity MarketFinancial Products the subject of the Transaction on the Market Operator's Market</p>
3	Trade with Price Improvement (see paragraph 4.1.1(2)(c))	the price per Equity MarketFinancial Product for the Transaction meets the criteria in subrule 4.2.3(1) based on the Market Operator's calculation of the Best Available Bid and Best Available Offer at the time of the Transaction
4	Permitted Trades During Post-Trading Hours Period (see paragraph 4.1.1(2)(d))	the Transaction was entered into during the Post-Trading Hours Period as set out in Rule 4.2.4
5	Permitted Trades During Pre-Trading Hours Period (see paragraph 4.1.1(2)(e))	the Transaction was entered into during the Pre-Trading Hours Period as set out in Rule 4.2.5
6	Out of Hours Trades (see paragraph 4.1.1(2)(f))	the Transaction was entered into outside of Normal Trading Hours as set out in Rule 4.2.6
7	Large Principal Transactions (see subparagraph 5.1.1(2)(b)(i))	<p>(a) the consideration for the Transaction meets the criteria in Rule 5.2.1; and</p> <p>(b) the Transaction has been reported to the Market Operator by no later than the time set out in subrule 5.1.1(3); and</p> <p>(c) the Transaction was not executed at a time during which there was a Trading Suspension in any of the Equity MarketFinancial Products the subject of the Transaction, on the Market Operator's Market</p>

(4) Where a Market Operator determines under this Rule that a Transaction reported to it under Rule 5.1.1 does not meet any or all of the criteria for the Transaction set out in the Table in subrule (3), the Market Operator:

- (a) must not accept the report of Post-Trade Information for the Transaction;

- (b) must notify the Reporting Participant that the Market Operator will not accept the report of Post-Trade Information for the Transaction; and
- (c) must not make available the Post-Trade Information for the Transaction under Rule 5.1.4.

Note: See [Proposal F2 in CP 181](#), Proposal B7 in CP 179 and Section F of draft updated RG 223

5.1.4 Market Operator to immediately make available Post-Trade Information

(1) A Market Operator must make available Post-Trade Information for its Market:

- (a) for Transactions executed or reported during Trading Hours, Continuously and in Real-Time; and
- (b) for Transactions executed or reported outside of Trading Hours, before Trading Hours next resume,

to all persons in this jurisdiction who have entered into an arrangement with the Market Operator to access the Post-Trade Information on that basis.

(2) The Market Operator must take reasonable steps to ensure that Post-Trade Information it makes available under subrule (1) is and remains complete, accurate and up-to-date.

Maximum penalty: \$1,000,000

5.1.5 Market Operator to make available Post-Trade Information on reasonable commercial terms and on a non-discriminatory basis

Subject to Rule 6.2.1, where a person in this jurisdiction seeks access to Post-Trade Information, the Market Operator must make available the Post-Trade Information:

- (a) on reasonable commercial terms; and
- (b) on a non-discriminatory basis.

Maximum penalty: \$1,000,000

5.1.6 Market Operator to make available Trading Information on a website within 20 minutes

(1) A Market Operator must make available Trading Information for its Market:

- (a) on a website that is publicly accessible;
- (b) free of charge; and
- (c) on a delayed basis of no more than 20 minutes.

(2) For the purposes of subrule (1), *Trading Information* means, for each Equity Market Product that is quoted on the Market, the information set out in column 3 of the following Table.

Item	Label	Post-Trade Information
1	Product identification	The symbol, assigned in accordance with Rule 6.2.3, that identifies the Equity Market Product to which the information referred to in items 2 to 8 of this Table relates
2	Last traded price	The price per Equity Market Product of the last Transaction in the Equity Market Product on an Order Book on the relevant Market
3	Bid	The highest Bid for the Equity Market Product on an Order Book of the relevant Market
4	Offer	The lowest Offer for the Equity Market Product on an Order Book of the relevant Market
5	High	The highest price at which a Transaction in the Equity Market Product has been executed on an Order Book on the relevant Market on the Trading Day to which the information relates
6	Low	The lowest price at which a Transaction in the Equity Market Product has been executed on an Order Book on the relevant Market on the Trading Day to which the information relates
7	Volume	The total number of Equity Market Products in all Transactions in the Equity Market Product conducted on an Order Book of, or reported to, the relevant Market, for the Trading Day to which the information relates
8	Trading status	The trading status for the Equity Market Product
9	Delay	If the information in items 1 to 8 of this Table is made available on a delayed basis, the delay, in minutes

Note: For the avoidance of doubt, Trading Information referred to in items 2 to 6 of this Table does not include Transactions in Equity Market Products reported to the Market Operator in accordance with Rule 5.1.1.

(3) For the purposes of subrule (1), *Trading Information* means, for each CGS Depository Interest that is quoted on the Market, the information set out in column 3 of the following Table.

<u>Item</u>	<u>Label</u>	<u>Post-Trade Information</u>
<u>1</u>	<u>Product identification</u>	<u>The symbol, assigned in accordance with Rule 6.2.3, that identifies the CGS Depository Interest to which the information referred to in items 2 to 8 of this Table relates</u>
<u>2</u>	<u>Last traded price</u>	<u>The price per CGS Depository Interest of the last Transaction in the CGS Depository Interest on an Order Book on the relevant Market</u>
<u>3</u>	<u>Bid</u>	<u>The highest Bid for the CGS Depository Interest on an Order Book of the relevant Market</u>
<u>4</u>	<u>Offer</u>	<u>The lowest Offer for the CGS Depository Interest on an Order Book of the relevant Market</u>

<u>Item</u>	<u>Label</u>	<u>Post-Trade Information</u>
5	<u>High</u>	<u>The highest price at which a Transaction in the CGS Depository Interest has been executed on an Order Book on the relevant Market on the Trading Day to which the information relates</u>
6	<u>Low</u>	<u>The lowest price at which a Transaction in the CGS Depository Interest has been executed on an Order Book on the relevant Market on the Trading Day to which the information relates</u>
7	<u>Median</u>	<u>The median price at which a Transaction in the CGS Depository Interest has been conducted on an Order Book of, or reported to, the relevant Market on the Trading Day to which the information relates</u>
8	<u>Number of Trades</u>	<u>The number of Transactions in the CGS Depository Interest conducted on an Order Book of, or reported to, the relevant Market on the Trading Day to which the information relates</u>
9	<u>Value</u>	<u>The total value of all Transactions in the CGS Depository Interest conducted on an Order Book of, or reported to, the relevant Market, for the Trading Day to which the information relates</u>
10	<u>Trading Status</u>	<u>The trading status for the CGS Depository Interest</u>
11	<u>Coupon</u>	<u>For the CGS Depository Interest, the fixed interest amount paid at regular intervals</u>
12	<u>Maturity Date</u>	<u>For the CGS Depository Interest, the date on which the principal will be repaid</u>
13	<u>Face Value</u>	<u>For the CGS Depository Interest, the principal or redemption value</u>
14	<u>Delay</u>	<u>If the information in items 1 to 14 of this Table is made available on a delayed basis, the delay, in minutes</u>

Note: For the avoidance of doubt, Trading Information referred to in items 2 to 6 of this Table does not include Transactions in Equity Market Products reported to the Market Operator in accordance with Rule 5.1.1.

Maximum penalty: \$100,000

Note: See Proposal [F2 in CP 181](#) and Proposal [B9](#) in CP 179

5.1.7 **Post-Trade Information—Equity Market Products**

In these Rules, *Post-Trade Information* means:

- (a) in relation to a Transaction [in Equity Market Products](#) entered into otherwise than matching of Orders on an Order Book and reported by the Reporting Participant to the Market Operator, the information set out in items 1 to 9 of the following Table;
- (b) in relation to a Transaction [in Equity Market Products](#) entered into by matching of an Order on an Order Book:

- (i) the information set out in items 2 and 4 of the following Table in relation to that Order; and
- (ii) the information set out in items 1, 3 and 5 to 9 of the following Table, to the extent that the information is unable to be readily determined by reference to both Pre-Trade Information that was made available in relation to that Order and the information referred to in subparagraph (i); and
- (c) in relation to a Transaction [in Equity Market Products](#) referred to in paragraph (a) or (b) that is cancelled, the information set out in items 7 and 8 of the following Table.

Item	Label	Post-Trade Information
1	Trade execution date (as at date)	The date on which the Transaction is executed, unless the Transaction is reported on the same day it is executed
2	Trading time	The time at which the Transaction was executed
3	Product identification	The symbol, assigned in accordance with Rule 6.2.3, that identifies the Equity Market Product the subject of the Transaction
4	Volume	The number of Equity Market Products the subject of the Transaction
5	Price	The price per Equity Market Product of the Transaction
6	Currency	The currency of the price per Equity Market Product of the Transaction, unless the Transaction was in Australian dollars
7	Trade cancellation indicator	If the Transaction is cancelled, a notation or code to identify that the Transaction is cancelled
8	Original trade date	If the Transaction is cancelled, the information in item 1 of this Table
9	Exception code	If the Transaction was executed: <ul style="list-style-type: none"> • otherwise than by matching of Orders on an Order Book; or • without Pre-Trade Information in relation to the Order being made available, a unique code that identifies the exception in subrule 4.1.1(2) or 4.1.2(2) relied upon

Note: There is no penalty for this Rule.

[Note: See Proposal F2 in CP 181](#)

5.1.7A Post-Trade Information—CGS Depository Interests

In these Rules, *Post-Trade Information* means:

- (a) in relation to a Transaction in CGS Depository Interests, the information set out in items 1 to 6 and 9 of the following Table; and

(b) in relation to a Transaction referred to in paragraph (a) that is cancelled, the information set out in items 7 and 8 of the following Table.

<u>Item</u>	<u>Label</u>	<u>Post-Trade Information</u>
<u>1</u>	<u>Trade execution date (as at date)</u>	<u>The date on which the Transaction is executed, unless the Transaction is reported on the same day it is executed</u>
<u>2</u>	<u>Trading time</u>	<u>The time at which the Transaction was executed</u>
<u>3</u>	<u>Product identification</u>	<u>The symbol, assigned in accordance with Rule 6.2.3, that identifies the CGS Depository Interest the subject of the Transaction</u>
<u>4</u>	<u>Value</u>	<u>The total value of CGS Depository Interests the subject of the Transaction</u>
<u>5</u>	<u>Volume</u>	<u>The number of CGS Depository Interests the subject of the Transaction</u>
<u>6</u>	<u>Price</u>	<u>The price per CGS Depository Interest of the Transaction</u>
<u>7</u>	<u>Trade cancellation indicator</u>	<u>If the Transaction is cancelled, a notation or code to identify that the Transaction is cancelled</u>
<u>8</u>	<u>Original trade date</u>	<u>If the Transaction is cancelled, the information in item 1 of this Table</u>
<u>9</u>	<u>Exception code</u>	<u>If the Transaction was executed:</u> <ul style="list-style-type: none"> <u>• otherwise than by matching of Orders on an Order Book; or</u> <u>• without Pre-Trade Information in relation to the Order being made available,</u> <u>a unique code that identifies the exception in subrule 4.1.1(2) or 4.1.2(2) relied upon</u>

Note: There is no penalty for this Rule.

Note: See Proposal F2 in CP 181

Part 5.2 Delayed reporting

5.2.1 Delayed reporting—Large Principal Transaction

(1) In these Rules, *Large Principal Transaction* means:

- (a) a Transaction in which one party to the Transaction is the Participant acting as Principal and the other party to the Transaction is the Participant acting as agent for a client;
- (b) the consideration for the Transaction is:
 - (i) \$15,000,000 or more for Category A Equity Market Products;
 - (ii) \$10,000,000 or more for Category B Equity Market Products;

- (iii) \$5,000,000 or more for Category C Equity Market Products; or
 - (iv) \$2,000,000 or more for Category D Equity Market Products [or CGS Depository Interests](#); and
- (c) the Transaction is not effected to unwind, close out or liquidate (in whole or in part) a position established by a Transaction which meets the requirements in paragraphs (a) and (b).
- (2) For the purposes of paragraph (1)(a), the client may be a Funds Manager acting on behalf of more than one fund.
- (3) For the purposes of paragraph (1)(b):
- (a) **Category A Equity Market Products** means those Equity Market Products notified by ASX under its Operating Rules and in accordance with subrule (4);
 - (b) **Category B Equity Market Products** means those Equity Market Products notified by ASX under its Operating Rules and in accordance with subrule (4);
 - (c) **Category C Equity Market Products** means those Equity Market Products notified by ASX under its Operating Rules and in accordance with subrule (4); and
 - (d) **Category D Equity Market Products** means all Equity Market Products that are not Category A, B or C Equity Market Products.
- (4) For the purposes of subrule (3), the notification given by ASX:
- (a) must be published on its website and notified In Writing to other Market Operators; and
 - (b) takes effect from the day following the notification.

Note: There is no penalty for this Rule.

Note: See [Proposal F2 in CP 181 and](#) Proposal B10 in CP 179

5.2.2 Dealings to which this Chapter does not apply

For the avoidance of doubt, this Chapter does not apply to:

- (a) a Participant transmitting an Order to another Participant for the purposes of the second Participant transmitting the Order to an Order Book or Crossing System;
- (b) primary market actions, including an issue or allotment of, application or subscription for an [Equity Market Financial](#) Product, or acceptance of an offer under an Off-Market Bid;
- (c) the delivery of an [Equity Market Financial](#) Product under a Securities Lending Arrangement; and
- (d) Exchange-Traded Fund Special Trades.

Note: There is no penalty for this Rule.

Note: See [Proposal F2 in CP 181](#)

Chapter 5A: Regulatory Data

5A.1.1 Application

This Chapter applies to:

- (a) Equity Market Operators; and CGS Market Operators;
- (b) Equity Market Participants and CGS Market Participants; and
- (c) Orders and Transactions in-:
 - (i) Financial Products admitted to quotation on the ASX Market, other than Futures Market Contracts or Options Market Contracts; and
 - (ii) CGS Depository Interests.

Note: There is no penalty for this Rule.

Note: See [Proposal G1 in CP 181](#), Section D of REP 290 and Section H of draft updated RG 223

5A.1.2 Participant to provide Regulatory Data with Orders and Trade Reports

(1) A Participant must provide Regulatory Data to a Market Operator in an Order transmitted to an Order Book of that Market Operator.

(2) A Participant must provide Regulatory Data to a Market Operator in a Trade Report made to that Market Operator, for each side of the Transaction for which the Participant acted as agent on behalf of a client, or as Principal.

(3) A Participant must not disclose the Regulatory Data it provides under subrules (1) and (2) in connection with the Order or Trade Report other than:

- (a) to any of the following:
 - (i) a person acting as agent on behalf of the Participant, to the extent there is a legitimate business reason for the person to have access to the Regulatory Data;
 - (ii) the Market Operator to which the Regulatory Data is provided; or
 - (iii) ASIC;
- (b) for the purposes of seeking legal advice; or
- (c) as otherwise required or permitted by law,

and must take reasonable steps to ensure that a person referred to in subparagraph (a)(i) does not disclose the Regulatory Data to any person other than a person referred to in paragraph (a), or in accordance with paragraphs (b) or (c).

Note: See Section D of REP 290 and Section H of draft updated RG 223

5A.1.3 Market Operator to record Regulatory Data

(1) A Market Operator must keep a record of Regulatory Data provided to it by a Participant in a record of:

- (a) an Order transmitted to an Order Book of the Market Operator and any Transaction resulting from that Order; and
- (b) a Trade Report.

(2) A Market Operator must not use or disclose Regulatory Data referred to in subrule (1) for any purpose other than:

- (a) providing the Regulatory Data to ASIC;
- (b) making available the Regulatory Data to the Participant, or a person acting on behalf of the Participant, that provided the Regulatory Data to the Market Operator; or
- (c) a purpose that is otherwise required or permitted by law.

Note: A Market Operator is required to provide Regulatory Data to ASIC under Chapter 7 of the *ASIC Market Integrity Rules (ASX Market) 2010* and Chapter 7 of the *ASIC Market Integrity Rules (Chi-X Australia Market) 2011*.

Note: See Section D of REP 290 and Section H of draft updated RG 223

5A.1.4 Regulatory Data

(1) In these Rules, *Regulatory Data* means:

- (a) in relation to a Trade Report, the information set out in items 1 to 5 of the following Table; and
- (b) in relation to an Order transmitted to an Order Book and any Transaction resulting from that Order, the information set out in items 2 to 5 of the following Table.

(2) The information in items 3, 4 and 5 of the following Table does not need to be provided by a Participant if the Participant has taken all reasonable steps to determine the information and is unable to do so.

(3) ASIC may determine and publish on its website the format for, or content of, a code, notation or number referred to in the following Table.

(4) Participants and Market Operators must provide or record Regulatory Data in an Order or Trade Report in a format, if any, determined and published by ASIC under subrule (3).

(5) Where a Participant provides a notation, code or number to identify information set out in items 1 to 5 of the following Table in an Order or Trade Report, it must take all reasonable steps to consistently provide the same code, notation or number to identify the same information in subsequent Orders or Trade Reports.

Item	Label	Regulatory Data
1	Execution venue	A code identifying the Market, Crossing System or other facility on which the Orders were matched or the Transaction was executed
2	Capacity of Participant	For each side (buy and/or sell) of the Order or Transaction on which the Participant is required to comply with subrules 5A.1.2(1) and (2), a notation to identify whether the Participant is acting as: (a) as Principal; (b) as agent for a client; or (c) as both Principal and agent for a client, in relation to the Order or Transaction
3	Origin of Order or Transaction	For each side (buy and/or sell) of the Order or Transaction on which the Participant acts as agent for a client, a unique notation, code or number to identify the person on whose instructions the Order is submitted or Transaction was executed
4	Intermediary ID	For each side (buy and/or sell) of the Order or Transaction on which: (a) the Participant acts as agent for an AOP Client that is an AFSL holder; and (b) the Participant has an arrangement with the AFSL holder under which the AFSL holder submits Trading Messages into the Participant's system as intermediary for its own clients, the AFSL number of the AFSL holder
5	Directed wholesale indicator	For each side (buy and/or sell) of the Order or Transaction on which: (a) the Participant acts as agent for an AOP Client that is a Wholesale Client; and (b) the Participant has an arrangement with the Wholesale Client under which the Wholesale Client submits Trading Messages into the Participant's system with non-discretionary execution and routing instructions, a unique notation or code to indicate this

Note: See Section D of REP 290 and Section H of draft updated RG 223

Chapter 6: Market Operators—Other obligations

Part 6.1A Application of Chapter

6.1A.1 Application

This Chapter applies to:

- (a) Equity Market Operators [and CGS Market Operators](#);
- (b) Equity Market Participants [and CGS Market Participants](#); and
- (c) [Financial Products that are Equity Market Products and CGS Depository Interests](#).

Note: There is no penalty for this Rule.

Note: See Proposal H1 in CP 181

Part 6.1 Trading Suspensions

6.1.1 Market Operator to notify of Trading Suspensions

(1) Subject to subrule (2) and Rule 6.2.1, a Market Operator (*first Market Operator*) must immediately notify each other Market Operator (*other Market Operator*) each time the first Market Operator:

- (a) places ~~an Equity Market~~ [Financial](#) Product into a Trading Suspension; and
- (b) lifts or removes a Trading Suspension on ~~an Equity Market~~ [Financial](#) Product.

(2) Where a technical problem (including a power outage) prevents the first Market Operator from making a notification referred to in paragraph (1)(a) or (b) immediately, the notification must be made to the other Market Operator without delay by another appropriate means.

Maximum penalty: \$1,000,000

Note: See Proposal H1 in CP 181

6.1.2 Market Operator to place ~~Equity Market~~ [Financial](#) Products into a Trading Suspension

(1) A Market Operator that receives a notification under paragraph 6.1.1(1)(a) must immediately place each ~~Equity Market~~ [Financial](#) Product the subject of the notification into a Trading Suspension on its Market.

(2) A Market Operator that places ~~an Equity Market~~ [Financial](#) Product into a Trading Suspension in accordance with subrule (1) may only lift or remove that Trading Suspension after the Market Operator receives a notification under paragraph 6.1.1(1)(b) in relation to the same ~~Equity Market~~ [Financial](#) Product.

Maximum penalty: \$1,000,000

[Note: See Proposal H1 in CP 181](#)

6.1.3 Market Operator to notify of system outages

A Market Operator must notify ASIC, other Market Operators and Participants immediately upon becoming aware of a technical problem (including a power outage) affecting a Market Operator's trading, compliance monitoring and reporting systems that may interfere with the fair, orderly or transparent operation of any Market.

Maximum penalty: \$1,000,000

Part 6.2 Information Sharing

6.2.1 Provision of information by electronic data feed to other Market Operators

(1) Subject to subrules (2) to (5) and Rule 6.1.3, a Market Operator (*first Market Operator*) must make available to each other Market Operator (*other Market Operator*), through an electronic data feed and in a machine-readable format:

- (a) notifications referred to in subrule 2.2.2(2) and Rules 2.2.2B and 2.2.2C;
- (b) Pre-Trade Information referred to in subrule 4.1.2(1);
- (c) Post-Trade Information referred to in subrule 5.1.4(1);
- (d) notifications referred to in Rule 6.1.1; and
- (e) to the extent not covered by paragraph (d), information about the status of trading in each ~~Equity Market~~[Financial](#) Product.

(2) Notwithstanding Rules 4.1.3 and 5.1.5, the first Market Operator must make available a data feed referred to in subrule (1) to each other Market Operator either at no cost or for an amount which is no greater than the direct, efficient, incremental costs of making the data feed available.

(3) Notwithstanding Rules 4.1.3 and 5.1.5, where the first Market Operator makes available a data feed referred to in subrule (1) in accordance with subrule (2), the first Market Operator may make that data feed available on terms that limit the purposes for which the other Market Operator may make use of the data feed to purposes directly related to:

- (a) in the case of a notification referred to in paragraph (1)(a):
 - (i) identifying an ETR Event in relation to ~~an Equity Market~~[a Financial](#) Product ~~or ASX SPI 200 Future~~; and
 - (ii) placing ~~an Equity Market~~[a Financial](#) Product ~~or ASX SPI 200 Future~~ into a Trading Pause, or lifting or removing that Trading Pause;

- (b) in the case of information referred to in paragraph (1)(b), (c) or (e), compliance with the other Market Operator's obligations under Part 7.2 and Part 7.2A of the Act, including in the case of ASX, the obligation to monitor and enforce compliance with its Listing Rules; and
- (c) in the case of the notification referred to in paragraph (1)(d), placing ~~an Equity Market~~ Financial Product into a Trading Suspension, or lifting or removing that Trading Suspension, on the Market of the other Market Operator.

(4) A Market Operator need only make available a data feed referred to in subrule (1) in accordance with subrule (2) in relation to ~~an Equity Market~~ Financial Product to another Market Operator, within a reasonable time of receiving a notification from that Market Operator under subrule (5) in relation to that ~~Equity Market~~ Financial Product.

(5) For the purposes of subrule (4), the other Market Operator may give notice to the first Market Operator that the other Market Operator requires a data feed referred to in subrule (1) for a purpose referred to in subrule (3) in relation to ~~an Equity Market~~ Financial Product.

(6) ASX need only make the notifications referred to in paragraph (1)(a) or (d) in relation to an Equity Market Product to another Market Operator, within a reasonable time of receiving a notification from that Market Operator under subrule (7) in relation to that Equity Market Product.

(7) For the purposes of subrule (6), a Market Operator other than ASX must notify ASX of an Equity Market Product it intends to quote on its Market.

Maximum penalty: \$1,000,000

Note: See [Proposal H1 of CP 181](#), Section C of REP 290 and Section B of draft updated RG 223

6.2.2 Market Operator must assign unique identifiers to each Participant

(1) A Market Operator must assign each of its Participants a unique identifier for the purposes of identifying the Participant in records of Orders, Transactions and other Trading Messages relating to ~~Equity Market~~ Financial Products.

(2) Where a Participant is a Participant of more than one Market, each relevant Market Operator must assign the same identifier to the Participant under subrule (1).

Maximum penalty: \$100,000

Note: See [Proposal H1 of CP 181](#)

6.2.3 Market Operator must use unique symbols for [Equity Market Financial Products](#)

(1) ASX must assign each Equity Market Product a unique symbol for the purposes of identifying that Equity Market Product in records of Orders, Transactions and other Trading Messages on its Market.

(2) A Market Operator other than ASX must, for each Equity Market Product that is quoted on its Market, assign the same unique symbol assigned by ASX under subrule (1) to that Equity Market Product for the purposes of identifying that Equity Market Product in records of Orders, Transactions and other Trading Messages on its Market.

[\(3\) The Responsible Market Operator for CGS Depository Interests must assign each CGS Depository Interest a unique symbol for the purposes of identifying that CGS Depository Interest in records of Orders, Transactions and other Trading Messages on its Market.](#)

[\(4\) A CGS Market Operator other than the Responsible Market Operator for CGS Depository Interests must assign the same unique symbol assigned by the Responsible Market Operator under subrule \(3\) to that CGS Depository Interest for the purposes of identifying that CGS Depository Interest in records of Orders, Transactions and other Trading Messages on its Market.](#)

Maximum penalty: \$100,000

[Note: See Proposal H1 of CP 181](#)

Part 6.3 Synchronised clocks

6.3.1 Market Operators to synchronise clocks

(1) A Market Operator must set the clock the Market Operator uses for recording the time and date in its trading, compliance monitoring and reporting systems so that it is synchronised to within 20 milliseconds of the UTC(AUS) maintained by the NMI.

(2) Where a Market Operator relies on another person to provide any aspect of their trading, compliance monitoring or reporting systems that records the time and date, the Market Operator must take reasonable steps to ensure that person synchronises the clock used for that purpose to within 20 milliseconds of the UTC(AUS) maintained by the NMI.

Maximum penalty: \$1,000,000

6.3.2 Market Operator to have arrangements for compliance

(1) A Market Operator must have in place adequate arrangements to ensure it complies with Rule 6.3.1, including arrangements for:

- (a) regularly monitoring the clock it uses for recording the time and date in its trading, compliance monitoring and reporting systems to ensure it remains synchronised; and

- (b) when required, re-setting the clock it uses for recording the time and date in its trading, compliance monitoring and reporting systems.

(2) Where a Market Operator relies on another person to provide any aspect of their trading, compliance monitoring and reporting systems, the Market Operator must take reasonable steps to ensure that person has in place arrangements referred to in subrule (1).

Maximum penalty: \$100,000

Part 6.4 Tick Sizes

6.4.1 Market Operators to use standard Tick Sizes

(1) Subject to subrule (2), a Market Operator must not accept, display or queue Orders in an Order Book in Tick Sizes less than:

- (a) \$0.01 for an Equity Market Product priced at equal to or greater than \$2.00;
- (b) \$0.005 for an Equity Market Product priced at equal to or greater than \$0.10 and less than \$2.00; ~~and~~
- (c) \$0.001 for an Equity Market Product priced at less than \$0.10; ~~and~~
- (d) \$0.001 for a CGS Depository Interest.

(2) Subrule (1) does not apply to an Order that, if executed, would result in a Block Trade, Large Portfolio Trade or, in the context of Rule 4.2.3, a Transaction at the ~~Reference Mid-Point or at the~~ Best Mid-Point.

Maximum penalty: \$1,000,000

[Note: See Proposal H1 of CP 181](#)

Part 6.5 Material changes to Operating Rule procedures

6.5.1 Market Operator to notify material changes to Operating Rule Procedures

(1) Subject to subrule (2), a Market Operator must notify ASIC of a material change to the written procedures made under its Operating Rules, within a reasonable time before adopting the change.

(2) Where a Market Operator is required to make an urgent material change to the written procedures made under its Operating Rules, the Market Operator must notify ASIC of the change as soon as practicable after making the change.

Maximum penalty: \$100,000

Chapter 7: Participants—Other obligations

Part 7.1A Application

7.1A.1 Application of Chapter

This Chapter applies to:

- (a) Equity Market Operators; ~~and CGS Market Operators;~~
- (b) Equity Market Participants ~~and CGS Market Participants;~~ and
- (c) Orders and Transactions in Equity Market Products ~~and CGS Depository Interests.~~

Note: There is no penalty for this Rule.

Note: See Proposal II in CP 181

Part 7.1 Transactions to be under the Operating Rules of a Market Operator

7.1.1 Transactions to be under the Operating Rules of a Market Operator

A Participant must not enter into a Transaction in:

- (a) an Equity Market Product other than Under the Rules of a Market, ~~that is an Equity Market;~~ or
- (b) a CGS Depository Interest other than Under the Rules of a Market that is a CGS Market,

unless the Transaction is entered into pursuant to:

- ~~(c)~~(c) the terms of an Equity Market Product, including a redemption; or
- ~~(d)~~(d) a primary market action, including an Off-Market Bid for Equity Market Products or an issue, allotment or subscription of new Equity Market Products or CGS Depository Interests.

Maximum penalty: \$1,000,000

Note: See Proposal II in CP 181

Part 7.2 Trading Suspensions

7.2.1 Prohibition on trading during Trading Suspensions

A Participant must not match an Order or execute a Transaction in an Equity Market Product or CGS Depository Interest circumstances where the relevant Equity Market Product or CGS

[Depository Interest](#) is in a Trading Suspension on all Markets on which that Equity Market Product [or CGS Depository Interest](#) is quoted.

Maximum penalty: \$100,000

Note: [See Proposal I1 in CP 181](#)

Part 7.3 Multiple Markets—Single trade confirmations

7.3.1 Multiple Markets—Participant may produce single trade confirmation

If a Participant is required to give a confirmation to a client in accordance with section 1017F of the Act, rule 3.4.1 of the *ASIC Market Integrity Rules (ASX Market) 2010* or rule 3.4.1 of the *ASIC Market Integrity Rules (Chi-X Australia Market) 2011* (the *Confirmation*) and enters into a Transaction [in an Equity Market Product or CGS Depository Interest](#) on more than one Market for the purpose of completing a Client Order, the Participant may accumulate Transactions on different Markets which complete the Client Order on a single Confirmation and specify the volume weighted average price, rather than the price per unit, for all Transactions provided that:

- (a) the client authorised in writing the accumulation and price averaging of two or more Transactions in a Confirmation at or before the time the Order was placed; and
- (b) if requested by the client, the Participant gives to the client a statement of all the individual prices of the Equity Market Products [or CGS Depository Interests](#), which are accumulated and averaged in the Confirmation.

Maximum penalty: \$20,000

Note: [See Proposal I1 in CP 181](#)