



Australian Market Licence (ASX Limited) Additional Conditions Notice 2021 (No. 1)

Corporations Act 2001

I, Kim Demarte, Acting Senior Executive Leader, Australian Securities and Investments Commission, issue this notice under paragraph 796A(1)(a) of the *Corporations Act 2001* (the Act).

Dated 24 November 2021

Signed


as a delegate of the Minister under section 1101J of the Act.

1 Name of notice

This notice is the *Australian Market Licence (ASX Limited) Additional Conditions Notice 2021 (No. 1)*.

2 Commencement

This notice takes effect from 24 November 2021.

3 Additional conditions

Schedule 1 sets out additional conditions that are imposed on the *Australian Market Licence (ASX Limited) 2002* as varied by:

- (a) *Australian Market Licence (Australian Stock Exchange Limited) Variation Notice 2004 (No. 1)*; and
- (b) *Australian Market Licence (Australian Stock Exchange Limited) Variation Notice 2006 (No. 1)*.

Schedule 1—Conditions

1 Definitions

In this Schedule:

Executive Steering Group means the Executive Steering Group overseeing the execution by the licensee of the remedial actions to address the IBM review recommendations.

go-live in relation to a relevant technology project means the licensee cutting over to a new technology or system that is to be delivered or implemented as part of the relevant technology project.

IBM review recommendations means the recommendations contained in the final report by IBM issued to the licensee and dated 22 June 2021.

licensee means ASX Limited.

quarter end date means 31 March, 30 June, 30 September and 31 December.

relevant oversight body means:

- (a) the Executive Steering Group; or
- (b) if the Executive Steering Group is no longer in place—any other group of senior executives of the licensee overseeing the execution by the licensee of the remedial actions to address the IBM review recommendations.

relevant technology project means a technology project that has been notified to ASIC by the licensee as a project under which it will give the attestations referred to in condition 6(2).

2 Implementation of the IBM review recommendations

The licensee must address each of the IBM review recommendations to the satisfaction of ASIC.

3 Quarterly reporting by licensee

- (1) The licensee must, by 31 January 2022 and thereafter within 14 days of each quarter end date occurring during the period from 31 March 2022 to 30 June 2023, give a report to ASIC and the independent expert appointed in accordance with condition 4 containing an update on:
 - (a) the progress of the implementation of the remedial actions undertaken by the licensee to address the IBM review recommendations; and

- (b) if there are any issues in implementing any remedial actions, the reasons for those issues and what action the licensee will take to address them (*quarterly report*).

The quarterly report must be accompanied by an attestation from the relevant oversight body confirming that the relevant oversight body reasonably believes the quarterly report is accurate. The attestation may be made by one or more members of the relevant oversight body authorised by the relevant oversight body to make the attestation on its behalf.

4 Appointment of an independent expert

- (1) The licensee must, within 14 days of the imposition of the conditions in this Schedule, appoint an independent third party (*independent expert*) to:
- (a) review and assess each of the quarterly reports; and
 - (b) within 30 days of receipt of each quarterly report, provide the licensee and ASIC with a written report setting out whether the remedial actions undertaken in the period covered by the report demonstrate appropriate implementation of, and progress towards addressing, the IBM review recommendations.
- (2) The independent expert appointed by the licensee must:
- (a) be satisfactory to ASIC; and
 - (b) engaged on terms and conditions that are satisfactory to ASIC.

5 Reasonable assistance to the independent expert

The licensee must:

- (a) permit the independent expert, to the extent that it is reasonable having regard to the engagement, to have access to its premises, equipment, technology, systems, books and records, and to interview its representatives;
- (b) give the independent expert any information, document or explanation reasonably requested by the independent expert; and
- (c) otherwise reasonably assist the independent expert in carrying out the terms of its engagement.

6 Board attestation requirements

- (1) Within 14 days after completion of all of the remedial actions necessary to fully address the IBM review recommendations, the licensee must provide ASIC with an attestation on behalf of the Board of Directors of the licensee confirming that, having regard to information provided by the licensee's

senior executives and, where relevant, applicable reports from experts independent of the licensee:

- (a) the licensee has put in place adequate controls and procedures designed to implement the remedial actions; and
 - (b) the licensee has employed or engaged all necessary people with the requisite skill and expertise in order to implement the remedial actions.
- (2) Prior to go-live in connection with any relevant technology project, the licensee must provide ASIC with an attestation on behalf of the Board of Directors of the licensee confirming that, having regard to information provided by the licensee's senior executives and, where relevant, applicable reports from experts independent of the licensee:
- (a) the licensee has in place adequate controls and procedures designed to ensure that the licensee complies with section 792A of the Act; and
 - (b) the licensee has employed or engaged all necessary people with the requisite skill and expertise in order to comply with section 792A of the Act.

The licensee must ensure that it does not go-live on a relevant technology project unless 14 days have elapsed after the attestation has been given to ASIC.

7 Compliance with conditions

- (1) The licensee may seek ASIC's written consent to extend the time by which any of the requirements of the licence conditions in this Schedule are to be completed. The licensee must provide ASIC with written reasons for seeking the extension prior to expiry of the time under the licence condition for completion of the relevant requirement. No extension shall be effective until such time as ASIC has provided its written consent to the licensee.
- (2) Nothing in these licence conditions derogates from any other obligation of the licensee to give notice to ASIC of a matter under section 792B of the Act.
- (3) If the licensee fails to perform any of the requirements of the licence conditions in this Schedule in the time required by the conditions, or as extended under condition 7(1), the licensee must immediately notify ASIC in writing of the failure to perform the relevant requirement and when compliance with the relevant requirement of the conditions will occur.

8 Conclusion of licence conditions

- (1) Conditions 2 to 5 and 6(1) in this Schedule cease to have effect upon the provision of the attestation required under condition 6(1).
- (2) All remaining licence conditions in this Schedule cease to have effect 14 days after each of the following are satisfied:
 - (a) an attestation required under condition 6(2) has been given in relation to a relevant technology project; and
 - (b) at the time of giving the attestation there are no other relevant technology projects in respect of which the licensee has yet to provide an attestation to ASIC under condition 6(2).