ASIC FEEDBACK CS 48

Proposed Amendments to the ASIC Derivative Transaction Rules (Reporting) 2024

RDF Formal Response

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1. Introduction

The Retail Derivative Forum (RDF) is an international trade association representing firms active in retail derivative markets, with a particular focus on transaction reporting standards for brokers offering CFDs, spread bets and related OTC derivative products.

The RDF represents a broad cross-section of retail derivative brokers operating in global markets, including many firms with reporting obligations under the ASIC Derivative Transaction Rules (Reporting) 2024 (the 2024 Reporting Rules).

We welcome ASIC's engagement with the industry through this consultation and ongoing dialogue.

2. Executive Summary

The RDF has reviewed all 16 proposed changes and assessed their impact (based on likely implementation effort) on retail CFD brokers as follows:

Change	ASIC Proposal Ref	Description	Rule Reference	RDF Impact
4	4	Definition of 'Alphanumeric'	Rule S1.2.1	**HIGH**
11	5	Subsequent Position UTI	Item 99a	**MEDIUM**
12	6	Other Payments — Unwind Payments	Items 74-79	**HIGH**
13	6	Underlier ID (Other) and Source	Items 83-84	**HIGH**
14	7	New Table S1.1(1a) — Underlier Allowable Values	Table S1.1(1a)	**HIGH**
15	8	EROR Action Type for Collateral Reporting	Table S1.1(3), Item 22	**MEDIUM**
1-3, 5-10, 16	1-3, 5, 9	All remaining changes	Various	**LOW**

Note: ASIC's CS 48 groups its proposed amendments into 9 numbered proposals. For ease of engagement with individual data elements, the RDF has disaggregated these into 16 discrete changes tracked by their specific Rule or Item reference. The mapping to ASIC's proposal numbering is shown above.

Our principal concerns relate to three areas:

1. the requirement to populate the Other Payment (UWIN) field for CFD terminations, and the potential issues that may arise when reporting at position level;
2. the new standardised underlier identification framework, which requires significant system and reference data work; and
3. the proposed 1 March 2027 commencement date, which we consider insufficient time based on a conclusion of CS 48.

The RDF's key requests are that ASIC:

- publish worked examples for UWIN reporting in position-level CFD scenarios, including partial terminations;
- clarify the interaction between UPI reference data and Item 83, including examples by product type;
- publish a worked examples table for Table S1.1(1a), covering the underlier types most relevant to retail derivative brokers;
- consider a later commencement date for proposed implementation;
- note the additional out-of-scope feedback raised at Section 7 in relation to Trade Repository validation of the Counterparty 2 field.

3. High Impact Changes

3.1 Change 4: Definition of 'Alphanumeric' (Rule S1.2.1)

RDF ASSESSMENT: HIGH IMPACT | Rule S1.2.1 Definitions

ASIC's Proposal

ASIC proposes to introduce a formal two-tier definition of 'alphanumeric': (i) for Counterparty 2 name (Item 7a), any character permitted by the full ISO 20022 message definition; and (ii) for all other alphanumeric fields, the 7-Bit ASCII character set only.

RDF Position

The RDF supports ASIC's broader objective of data standardisation; however, we have concerns regarding the strict limitation to the 7-Bit ASCII character set for certain fields, which creates significant operational and data-integrity risks, which may also impact how character data is submitted to Trade Repositories (TR).

During our member review session, it was noted that some firms have previously had direct conversations with ASIC regarding the acceptance or rejection of certain characters by repositories, particularly in relation to Counterparty 2 name fields. This clarification will help resolve those issues. However, we wish to highlight the following practical concerns:

- **Impact on source data systems:**

The character set applicable to a given field will depend not only on how the reporting firm formats its output, but also on how client data is stored at the source. For example, legal names of retail clients may contain non-Latin characters (e.g. accented letters, characters from non-Latin scripts) that are entirely legitimate and correct in the ISO 20022 context but may require transformation before being placed in fields that are restricted to 7-Bit ASCII. Depending on the architecture of a firm's reporting pipeline, this may require changes to ETL processes, validation layers, or TR submission schemas.

- **Guidance requested:**

We request that ASIC publish updated Schedule 1 Technical Guidance and/or an RG 251 addendum that provides worked examples illustrating: (a) which specific Items are affected by the 7-Bit ASCII restriction; and (b) how firms should handle source data that contains non-ASCII characters when mapping to those restricted fields.

- **TR validation alignment:**

We would also request that ASIC confirm with the licensed Derivative Trade Repositories that their validation rules will be updated to enforce the new character set definitions consistently, so that firms do not face conflicting validation outcomes between the rules and the repositories.

3.2 Change 12: Other Payments — Unwind Payments (Items 74, 75, 78, 79)

RDF ASSESSMENT: HIGH IMPACT | Table S1.1(1), Items 74, 75, 78, 79

ASIC's Proposal

ASIC proposes to clarify that 'Other payments' include amounts of monetary value transferred or transferable, such as termination amounts credited or debited to client money balances as a reporting entity's internal book entry, and not only as amounts paid or received to a counterparty's bank account. Items 78 and 79 are also updated to introduce 'transferor' and 'transferee' alongside 'payer' and 'receiver'.

RDF Position

REP 828 indicated that only a small minority of CFD issuers were initially reporting unwind payments correctly, suggesting a systemic misalignment between ASIC's expectations and the industry's interpretation of the rules.

While we understand ASIC's objective of improving the visibility of monetary value transfers arising on termination, the RDF requests further clarification on the conceptual and practical application of the UWIN field to standard retail CFDs, particularly where positions are reported at position level rather than at individual execution level. In these circumstances, the value recorded in a client account may not map cleanly to a single reportable position event, especially where partial closes, intraday activity and position aggregation are present.

3.2.1 Divergence from Other Jurisdictions

A fundamental concern for RDF members is that this requirement represents a material divergence from the equivalent reporting regimes under EMIR (as supervised by both ESMA and the FCA). Under EMIR, the equivalent field for Other Payments is not populated by CFD firms for trade or position termination events, and the RDF is not aware of any regulatory expectation from ESMA or the FCA that it should be.

We acknowledge ASIC's position that the absence of a requirement under EMIR does not automatically mean it is permissible to omit reporting under the 2024 Reporting Rules. However, clarification as to why this is required by ASIC would assist firms operating cross-border reporting architectures to identify where Australia-specific build logic is required and to evidence the basis for that divergence in internal governance and control frameworks.

3.2.2 Conceptual Basis: How this field practically relates to CFDs

The RDF's view is that the Other Payment (UWIN) field was designed to capture payment amounts that arise on termination and that were not captured elsewhere in the reporting lifecycle, for example, compensation for lost future cash flows or penalty amounts payable upon early termination of a structured derivative.

A retail CFD is a highly standardised, cash-settled product. The unrealised P&L is reported on a daily basis as the Mark-to-Market (Valuation Amount). Upon closing, the position is terminated and the realised P&L is crystallised in the client's account as a book entry. This is not a 'hidden' payment: it is the observable outcome of a transaction whose daily mark has already been reported throughout its life.

3.2.3 Position-Level Reporting: Accuracy Concerns

Many retail CFD brokers report at position level rather than at individual trade level. The following scenario illustrates the difficulty:

> If there is a position opened on Monday, but that is made up of 5 underlying trades. The unrealised P&L for this open position may be $100. If 2 of the 5 trades are closed on Tuesday which realised $50 on the client's account, there may have been 10 new intraday transactions made up of a combination of new and closing trades, which realised $500. However, the intraday closes are not relative to the position per se. Therefore it could be potentially inconsistent with the economic event represented by the position-level report.

This problem is compounded in the context of partial terminations. Members raised the specific question of whether the UWIN field is required at the time of a partial termination (e.g. when a client reduces their position), not only at full close. ASIC's published Technical Guidance states that Other payments are applicable to both partial and full termination (reported under MODI-ETRM or TERM event types). However, the difficulty of reporting an accurate UWIN value at each partial termination, where intraday closes may have occurred at numerous price points throughout the day, means that the value reported may be inaccurate in every case where position-level reporting is used.

Furthermore, industry practices vary. Some members report the Other Payments field at the Trade level only, while others report it exclusively at the Position level upon full termination (TERM), as their systems cannot accurately isolate the realised P&L for a partial termination (MODI) within an aggregated position.

The RDF's position is that ASIC should acknowledge this structural limitation and provide specific guidance on the acceptable basis for calculating and reporting UWIN values in position-level reporting scenarios.

In the absence of such guidance, firms face a difficult choice between: (a) not reporting the field at all (which creates non-compliance); and (b) reporting a value that is, by the nature of the product and reporting structure, unlikely to be accurate in all cases.

The RDF requests that ASIC clarify whether:

- If a firm reports at both Trade and Position levels, is UWIN expected on both? If so, how does ASIC intend to prevent the duplication/double-counting of aggregated P&L values?
- For position-level CFD reporting, should UWIN be calculated by reference to:
  - the realised P&L attributable only to the quantity reduced in the reported position event;
  - all realised P&L credited or debited to the client account on the reporting date for that underlier; or
  - only the realised P&L associated with the UTI being partially or fully terminated (mindful of the complexity stated above)
- Another basis specified by ASIC.

3.3 Changes 13 and 14: Underlier Identification — Items 83, 84 and New Table S1.1(1a)

RDF ASSESSMENT: HIGH IMPACT | Table S1.1(1), Items 83 & 84 + new Table S1.1(1a)

ASIC's Proposal

ASIC proposes to restructure Items 83 and 84 (Underlier ID (Other) and Underlier ID (Other) Source) to require the use of standardised formats aligned with the December 2025 update to the international Critical Data Elements (CDE) Technical Guidance. A new Table S1.1(1a) sets out binding allowable values for 12 underlier types, including Equity Stock, Equity Index, Digital Asset, Exchange-Traded Future, Commodity Index, and Floating Rate Index.

RDF Position

RDF members broadly welcome the introduction of standardised underlier identification formats. Members acknowledged during the review session that the historical lack of standardisation in this field has resulted in inconsistent and unreliable data, with different firms using different naming conventions for the same underlier. The move towards an ISO-aligned standard is entirely appropriate and welcome.

Notwithstanding this support, we have the following specific concerns and questions:

3.3.1 Interaction Between UPI and Item 83

A significant question arose during the review session regarding the relationship between the Unique Product Identifier (UPI) reported in the designated UPI field and the Underlier ID (Other) field (Item 83). Specifically: where the UPI already encodes sufficient information to identify the specific underlier (for example, where the UPI contains an ISIN for an equity stock), is it still required to report the underlier identification separately in Item 83?

The rules appear to provide that Item 83 is not required where the UPI identifies the relevant information. However, the practical question of which UPI templates encode sufficient underlier identification, and which do not, varies by asset class and is not straightforward to determine. Furthermore, it is unclear whether the new requirement is intended to override UPI-based identification in all cases, or only in cases where the UPI is insufficient.

We formally request that ASIC clarify:

- Whether Item 83 must always be populated, regardless of whether the UPI already identifies the underlier; or whether it is only required where the UPI does not encode sufficient underlier identification.
- In cases where both the UPI and Item 83 are populated, should Item 83 replicate the information that is already encoded in the UPI (e.g. the ISIN already visible in the UPI), or should it provide additional/alternative identification?
- Through guidance, publish a mapping of which UPI product templates, by asset class, are considered to encode sufficient underlier identification such that Item 83 is not required.

3.3.2 Digital Assets / Cryptocurrency CFDs

The requirement to use an ISO 24165 Digital Token Identifier (DTI) for digital asset underliers will require retail CFD brokers offering cryptocurrency CFDs (e.g. CFDs on Bitcoin, Ether, and other digital assets) to obtain and maintain DTI reference data for all such underliers. This is a new and potentially significant data sourcing obligation. We request that ASIC confirm whether it expects firms to source DTI data independently or whether a reference data service will be made available or recommended.

3.3.3 Equity Stock Format

The required format for Equity Stock underliers (‘Official registered name – CFI 2nd character – CFI 3rd character’) requires firms to hold and maintain CFI codes for all equity stock underliers. We request clarification on what constitutes the ‘official registered name’ for a given equity and which source should be used as the authoritative reference (e.g. LEI database, stock exchange records, ISIN database).

3.3.4 Request for Published Mapping Table

Given the complexity of Table S1.1(1a), the RDF respectfully requests that ASIC publish a worked examples table covering each of the 12 listed underlier types, showing precisely how the format should be applied for at least one example per type. This would substantially reduce implementation risk and inconsistency across the industry.

Specifically for 'Equity Index' underliers, the proposed allowable value is 'The long name assigned to the underlier by the publisher'. However, publishers often use multiple variations. For example, LSEG refers to the FTSE 100 as 'FTSE 100 Index (UKX)', but it is also widely published as 'FTSE 100 Index', 'FTSE 100', or 'UK 100'. To avoid systemic TR rejections and data divergence, we strongly request that ASIC provide or designate a definitive central source/list of published index names that participants can rely on as the authoritative standard.

3.3.5 Related Underlier and Product Reference Data Issues

Members note that the underlier identification framework introduced by Changes 13 and 14 should be considered alongside several related ASIC clarifications and ongoing industry workstreams. We respectfully request that ASIC consider the following points in finalising the new requirements:

- **IPNT vs LOTS for Equity Index CFDs:**

ASIC has previously clarified firms should use IPNT (Index Points), rather than LOTS, as the unit of measure for Equity Index CFDs. The new Table S1.1(1a) format for Equity Index underliers should be read consistently with this clarification, and ASIC’s worked examples should explicitly cover an Equity Index CFD scenario.

- **Settlement type accuracy:**

RDF members are aware that some firms may have historically generated UPIs for CFDs and spread bets with a ‘Physical’ settlement type, when these products are correctly cash-settled. The RDF has communicated this to its membership as a remediation priority. Worked examples published by ASIC should reinforce that CFD and spread bet UPIs should reflect cash settlement.

- **Technical ISINs and UPI divergence:**

The RDF is currently engaging with the FCA on the use of ‘technical ISINs’ in cases where an immediate underlying ISIN does not exist, and on whether such technical ISINs should be used in UPI generation. Generation of technical ISINs in different jurisdictions may lead to divergent UPIs for the same economic underlier. ASIC’s underlier identification guidance should anticipate this issue and clarify how Items 83 and 84 should be populated where the UPI itself relies on a jurisdictionally-specific technical ISIN.

- **UTI formatting consistency:**

ASIC has previously noted that some firms have been generating UTIs without the required LEI prefix, and that the controlling entity must be properly reported when an LEI is retired. While these points are not part of CS 48, they are part of the same data quality theme and should be addressed in any consolidated guidance update accompanying CS 48 commencement.

4. Medium Impact Changes

4.1 Change 11: Subsequent Position UTI (Item 99a)

RDF ASSESSMENT: MEDIUM IMPACT | Table S1.1(1), Item 99a

ASIC's Proposal

ASIC proposes to introduce a new data element, Subsequent Position UTI (Item 99a), that must be reported when a transaction is terminated as part of a transaction-to-position event (TERM-INCP). The field identifies the UTI of the new position into which the terminated transaction is consolidated.

RDF Position

The RDF understands the introduction of this data element aligns with existing requirements in the EU and UK. Many firms already populate an equivalent field in other jurisdictions, and therefore the concept is not new. That said, regulators in Europe are proposing to make structural reforms across relevant regulatory frameworks. However, for firms that report solely under the 2024 Reporting Rules, this may be a more material change.

The RDF welcomes the fact that ASIC pre-signalled this change. This advance notice is the type of constructive engagement that helps members plan for change and reflects positively on ASIC's approach to industry engagement.

We note the following implementation considerations:

- **Intraday vs end of day values**

Between the ESMA and FCA, there were differing expectations on how to populate this field if there was not end of day position. The ESMA took an approach which required a Subsequent Position UTI to be populated (as well as a Position report of Quantity 0), whilst the FCA took the opposite approach of requiring firms to populate "NOTAVAILABLE" and no requirement to report a Position report.

For intraday closes where trades are compressed into a position, but then no position remains open, the RDF would welcome ASIC to clarify their expectation for what is required to be reported i.e. whether a 0 position should be reported with a Position UTI does not technically exist, or, whether no position is required to be reported and a different Subsequent Position UTI is to be populated in the Trade level report.

- **Action type**

As a potential alternative, or in addition to Subsequent Position UTI, the RDF would like ASIC to consider introducing Action Types to define the state without requiring strict UTI linkage. For example, an Action Type of 'POSC' could define an intraday trade, and 'INCP' for EOD positions.

- **Guidance required on correct TERM-INCP sequence:**

REP 828 highlighted that many CFD issuers have been reporting transaction-to-position conversion events using incorrect action and event type sequences. The introduction of a mandatory Subsequent Position UTI field may compound the impact of those errors. We request that ASIC publish a clear, step-by-step worked example of the correct TERM-INCP reporting sequence for a typical retail CFD position conversion, including confirmation of how the Subsequent Position UTI should be generated and by whom. The RDF would be happy to support the drafting of such guidance.

- **Impact for Australia-only reporters:**

Firms reporting only in Australia, who may not have implemented the equivalent EU/UK requirement, should be made aware that this change requires implementation effort and that the 1 March 2027 timeline may be challenging in combination with other changes in CS 48.

4.2 Change 15: EROR Action Type for Collateral Reporting (Table S1.1(3), Item 22)

RDF ASSESSMENT: MEDIUM IMPACT | Table S1.1(3), Item 22

ASIC's Proposal

ASIC proposes to add 'EROR' as a new action type for collateral reporting, enabling reporting entities to cancel a collateral report that was submitted in error or is no longer current and has not been removed by the DTR's normal data handling processes.

RDF Position

The RDF welcomes this change. REP 828 identified failures in collateral reporting as a recurring issue across CFD issuers, and the introduction of the EROR action type provides a practical self-service remediation tool that will help firms correct erroneous data without requiring ASIC or TR intervention.

This change is relatively straightforward to implement, it involves adding a new permissible value to an existing field, but firms must ensure their reporting systems and their TRs both support the new action type from commencement. We request that ASIC confirm that licensed TRs will be ready to accept EROR collateral reports from 1 March 2027.

We would also like ASIC to clarify whether EROR can be used only for collateral reports submitted after commencement, or whether it may also be used to cancel legacy collateral reports that remain open or current in DTR data as at commencement.

Furthermore, we request clarification on how TRs will process this action type at the database level: if a participant submits an EROR message for a collateral submission, does this retire the entire collateral portfolio code permanently (similar to how an EROR on a trade kills the UTI unless a REVI is submitted)? Or does it simply remove the specific collateral value for that specific collateral date/time, leaving the portfolio code active for future submissions?

5. Low Impact Changes — Summary Position

The RDF has assessed Changes 1, 2, 3, 5, 6, 7, 8, 9, 10, and 16 as low impact for retail CFD brokers. Our brief positions on each are as follows:

#	Change	RDF Position
1	TR Technical Metadata (Rule 2.2.1(1C))	Supported. Codifies existing practice. No new obligation for members.
2	Not-Required Reporting (Rule 2.2.1(1D))	Supported. Permissive only. Members are reminded that voluntarily reported fields must still be accurate.
3	ISO 20022 Technical Constraints (Rule 2.2.1(4)(a)(ii))	Supported. Technical relief that relaxes a constraint on reporting entities.
5	Execution Agent of CP2 (Item 13a)	Supported. Optional field. Not applicable for most retail CFD brokers dealing with natural-person clients.
6	Leverage Ratio (Item 31a)	Supported in principle. The RDF notes that ASIC's explanation references FX TARF structures as the primary use case for this field. As standard retail CFDs do not involve leverage ratio reporting of this nature, this change is not expected to require implementation effort for most members. Not yet reportable pending ISO 20022 inclusion. We request that ASIC confirm in its accompanying technical guidance that this field does not apply to standard retail CFD or spread bet products.
7	Notional Qty Schedule, Legs 1 & 2 (Items 45a–45f)	Supported. Not applicable to standard retail CFDs with constant notionals.
8	Price Schedule (Items 49a–49c)	Supported. Not applicable to standard retail CFDs which use a single quoted price.
9	Strike & Barrier Price Schedules (Items 59c–59k)	Supported. Barrier elements not yet required pending ISO 20022. Firms offering exotic CFD-like products should note the broader context of REP 828.
10	Barrier Type & Exercise Style (Items 60a–60d)	Supported. Not yet required pending ISO 20022. Not applicable to standard retail CFDs.
16	Typographical Correction (Item 59b)	Supported. Drafting fix only. No substantive change.

6. Implementation Timeline

The RDF notes that the proposed commencement date of 1 March 2027 provides approximately nine months from the close of CS 48 (22 May 2026). Whilst we acknowledge ASIC's desire to move forward with improvements to reporting quality, we are concerned that this timeline is insufficient given:

- **Cumulative implementation burden:**

Members have absorbed the 2024 Reporting Rules commencement in October 2024, a further targeted update in October 2025, and the REP 828 remediation programme. CS 48 represents a third wave of material change within approximately 18 months for many firms.

- **System architecture changes:**

The Other Payments (UWIN) clarification (Change 12) and the Underlier ID standardisation (Changes 13 and 14) both require changes to reporting system architecture, data schemas, and source data management. These are not configuration changes: they require development, testing, and release cycles. For firms with complex reporting infrastructure, this work may take six to nine months alone.

- **Delegated reporting coordination:**

Many retail CFD brokers rely on reporting delegates. Any system change must be coordinated between the reporting entity and the delegate, adding to the implementation timeline.

- **Absence of detailed technical guidance:**

Several of the proposed changes require ASIC to publish further technical guidance (particularly on UWIN calculation and underlier ID mapping) before firms can begin implementation. Each month that guidance is delayed reduces the available implementation window.

- **Parallel international regulatory workstreams:**

In addition to the 2024 Reporting Rules, retail derivative firms are concurrently managing significant regulatory change in other jurisdictions, including ESMA's call for evidence review on trade reporting, ongoing FCA consultations on improving the UK transaction reporting regime, continued FCA engagement on margin and collateral reporting under EMIR, and anticipated new derivative transaction reporting requirements in South Africa. The RDF can provide further detail on these workstreams upon request.

The implementation capacity of compliance and reporting teams is finite. The RDF respectfully asks ASIC to take this broader workstream context into account when finalising the commencement date.

To ensure data quality is not compromised by rushed system architecture changes, the RDF respectfully requests that ASIC extend the commencement date for all changes to 1 October 2027. This will allow firms to manage a single, consolidated development and release cycle.

7. Additional Technical Feedback

While not strictly within the scope of CS 48, RDF members wish to raise a persistent structural issue regarding Trade Repository (TR) validation logic, which impacts data accuracy.

Occasionally, a Counterparty 2 value (e.g., an individual's client code, not an LEI) is reported incorrectly and requires updating. Currently, due to TR validation rules, participants cannot send a 'CORR' (Correction) message to update the Counterparty 2 value because the TR uses this field as part of its unique primary key.

To fix the error, firms must 'EROR' out the original submission and re-report it as a 'NEWT' with a completely NEW UTI. The historic trades cannot be updated under the original UTI. This breaks the lifecycle linkage, meaning regulators cannot easily see that the new UTI is a correction of a previous submission.

We respectfully request that ASIC address this restriction with the licensed TRs, potentially by mandating that the combination of [Reporting Counterparty/Counterparty 1 + UTI] serves as the unique key, rather than locking the Counterparty 2 field.

8. Conclusion

The Retail Derivative Forum thanks ASIC for the opportunity to respond to CS 48. We support ASIC's objective of improving the quality and consistency of derivative transaction reporting in Australia, and we acknowledge the findings of REP 828 as a useful indication of the compliance challenges facing the retail CFD sector.

Our principal requests are:

- That ASIC publish detailed technical guidance on the calculation and reporting of Other Payment (UWIN) values in position-level reporting scenarios before the commencement date, and that ASIC acknowledge the divergence from EMIR treatment and engage with European regulators on harmonisation.
- That ASIC publish a worked examples table for the new Table S1.1(1a) underlier identification requirements, including clarification of the interaction between the UPI field and Item 83.
- That ASIC extend the commencement date for all changes to 1 October 2027, consistent with the detailed timeline rationale set out in Section 6, to give industry sufficient time to implement the high-complexity changes alongside the ongoing REP 828 remediation programme.

The RDF looks forward to continuing its constructive dialogue with ASIC and stands ready to assist with any follow-up questions. We would welcome the opportunity to discuss the content of this response directly with ASIC's team ahead of or following the close of the feedback period.

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