



21 September 2015

Ms Ananda Stoevelaar
Lawyer
Market and Participant Supervision
Australian Securities and Investments Commission
Level 5, 100 Market Street
Sydney NSW 2000

By email: market.participants@asic.gov.au

Dear Ms Stoevelaar

ASIC CONSULTATION PAPER 236 – REMAKING OF ASIC CLASS ORDERS ON DEMATERIALIZED SECURITIES AND CHESS UNITS OF FOREIGN SECURITIES

Thank you for the opportunity to provide comments on the proposed remaking of CO 02/281 *Dematerialised securities traded on Austraclear* and CO 02/312 *Part 7.11, Division 4 financial products for ASTC* and the repeal of CO 00/2449 *ASX Online – relief from paper form lodgement* and CO 02/1296 *ASX managed investment warrants – FSR transition*.

We have no substantive issues with the remaking and repeal of the class orders referred to above. We have some drafting comments in relation to the class order to replace CO 02/312, as set out in the attachment.

Certain products traded on the financial market operated by ASX Limited are declared by CO 02/312 to be Division 4 financial products. As a result Part 7.11 Division 4 of the Corporations Act, which concerns the transfer of financial products effected through the clearing and settlement facility operated by ASX Settlement Pty Ltd, applies in relation to those products. If any other market introduces similar products which are to be settled by that clearing and settlement facility there will need to be a separate class order in relation to the transfer of those products. A consequence of such products being declared to be Division 4 financial products is that National Guarantee Fund cover may be extended. This means that in that event there should be consultation with those that would be affected, namely Securities Exchanges Guarantee Corporation and the brokers upon whom a levy may be imposed.



If you have any questions on this submission please do not hesitate to contact me.

Yours sincerely,

Sally Palmer
Deputy General Counsel, Trading



ASX DRAFTING COMMENTS ON CLASS ORDER TO REPLACE CO 02/312

Page	Comments
6	In proposed section 1074BB(3)(a), the subregulation (1A) to be inserted contains the expression “proper ASX Settlement transfer”. In the corresponding provision in Class Order [CO 02/312] the expression “proper ASTC transfer” is used which is a defined term in Regulation 1.0.02. We suggest using the defined term or inserting a definition of “proper ASX Settlement transfer”.
6	In proposed section 1074BB(3)(b), “(the <i>payment time</i>)” is used twice. Is this intentional?
6/7	In proposed section 1074BB(3)(b) the word “options” is used and a definition of “option” is inserted in section 1074BB(3)(d). In the corresponding provisions in Class Order [CO 02/312] “company options” and “company option” are used. We suggest it would be preferable to keep using “company option” to help distinguish these options from other options such as exchange traded options, which are typically options to acquire by way of transfer.