



ASIC
Australian Securities &
Investments Commission

REGULATORY GUIDE 282

Exchange traded products

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About this guide

This guide relates to exchange traded products (ETPs), including exchange traded funds (ETFs) and structured products.

The first part of the guide is for issuers of interests or shares in ETFs that are responsible entities. It gives guidance on how these ETF issuers can comply with their obligations under the *Corporations Act 2001*, relevant legislative instruments, and market operating rules.

The second part of the guide is for Australian market operators that admit ETPs. The guide sets out good practices in relation to admission and monitoring standards for ETPs, which largely reflect current market practice.

About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

Consultation papers: seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

Regulatory guides: give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

Information sheets: provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Reports: describe ASIC compliance or relief activity or the results of a research project.

Document history

This guide was issued in November 2025 and is based on legislation and regulations as at the date of issue.

This guide replaces:

- Superseded INFO 230 *Exchange traded products: Admission guidance* (INFO 230).

Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

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A Overview

Key points

An exchange traded fund (ETF) is a type of open-ended managed fund where the interests (units) in the fund are in a class that can be traded on a licensed market. ETFs are a subset of exchange traded products (ETPs).

Both ASIC and market operators play an important role in regulating ETFs. Identifying and addressing the regulatory risks arising from ETFs is part of ASIC's role in promoting confident and informed investors, and fair and efficient financial markets.

ETFs have unique features and concepts and are subject to specific obligations, including licensing and disclosure obligations. ASIC has provided various relief to ETF issuers to facilitate the operation of ETFs.

ASIC has also provided guidance to market operators in relation to the admission and monitoring of ETPs generally.

What this guide covers

- RG 282.1 Section A to Section D of this guide are for Australian financial services (AFS) licensees that are responsible entities of managed investment schemes where the interests in the schemes are quoted and can be traded on a licensed market. It covers some of the obligations that apply to ETF issuers under the *Corporations Act 2001* (Corporations Act), relevant legislative instruments and market operating rules. This guide does not cover the cross-listing of ETFs across multiple licensed markets.

Note: This guide also applies to corporate directors of corporate collective investment vehicles (CCIVs) where shares in a sub-fund of the CCIV are quoted on a licensed market. Corporate directors of such CCIVs are also ETF issuers. However, when this guide was issued, no CCIV sub-fund had been admitted to quotation as an ETF. Therefore, this guide does not refer to CCIVs in all places where guidance could apply. Despite the differences in legal structure, readers should regard references to a 'fund' or 'scheme' as including a reference to a CCIV sub-fund, and references to 'interests' or 'units' as including a reference to shares in a CCIV sub-fund. Corporate directors of CCIVs owe certain duties to members of the CCIVs under Ch 8B of the Corporations Act and general law.

- RG 282.2 Section E of this guide is for holders of Australian market licences that admit ETPs. It sets out ASIC's existing expectations and current exchange market practice relating to:
- (a) approving ETP issuers;
 - (b) ongoing supervision of ETPs and issuers;

- (c) pricing of underlying assets of ETPs and other conditions for underlying assets (including where derivatives are involved);
- (d) disclosure of portfolio holdings;
- (e) liquidity provision and market making;
- (f) securities lending;
- (g) waivers;
- (h) product labels and naming considerations; and
- (i) other types of ETPs.

It also outlines ASIC's expectations for licensed Australian exchanges' ongoing supervision of ETPs and issuers, to ensure a fair, orderly and transparent market and compliance with the exchanges' operating rules.

Note 1: This guide incorporates market operator guidance that was previously contained in INFO 230 *Exchange traded products: Admission guidance* (INFO 230). INFO 230 was specifically aimed at market operators of ETPs (beyond just ETFs, which are the focus of Section A to Section D of this guide). We consider that guidance to both ETF issuers *and* market operators of ETPs is better combined in a single, consolidated document.

Note 2: When this guide was issued, the only licensed markets offering quotation of ETPs are ASX (which facilitates the quotation and trading of ETPs on the AQUA market) and Cboe.

Note 3: While this guide covers some of the obligations that apply to issuers of exchange traded funds and market operators that admit exchange traded products under applicable law and market operating rules, it does not cover all requirements or circumstances. You should refer to the specific rules, procedures, and related documentation issued by market operators for comprehensive and up-to-date information.

RG 282.3 An ETF is a type of open-ended managed fund (usually a unit trust that is a registered scheme or a class of interests in a registered scheme) where the relevant interests are in a class that can be traded on a licensed market. ETFs trade and settle like listed securities. However, unlike a fund where the interests are not quoted for trading, interests in an ETF are continuously traded on a licensed market, and are generally cleared and settled on a licensed clearing and settlement (CS) facility.

Note 1: Some ETFs (commonly referred to as 'dual access ETFs') allow investors to purchase and sell units in an ETF either on-market or off-market (by lodging relevant documentation directly with the responsible entity for the fund), providing choice to investors and their advisers, and enables greater cost efficiency for issuers. Where an investor applies or redeems directly with the ETF issuer, these transactions are not centrally cleared. ETF issuers may offer dual access ETFs to provide investors flexibility around applications and redemptions, and for issuers to increase efficiency and reduce costs.

Note 2: Most ETFs typically have their units quoted for trading on ASX's AQUA market or the operating rules of the Cboe market as opposed to the ETF being admitted under the listing rules of the relevant market. ETFs are a type of ETP. ETPs are

financial products that are quoted and can be traded on a licensed market, and are generally categorised as ‘open-ended’ products, where interests can be created or redeemed continuously based on investor demand—such as ETFs and structured products.

Note 3: A structured product is a security or derivative that gives financial exposure to the performance of underlying instruments. Most structured products are open ended.

Note 4: In contrast, ‘listed closed-ended’ products are listed products where the number of interests is fixed at launch and cannot be created or redeemed continuously—such as listed investment companies (LICs), listed investment trusts (LITs) and real estate investment trusts (REITs).

- RG 282.4 This guide is intended for:
- (a) ETF issuers (see Section A to Section D). While it does not expressly apply to issuers of other traded investment products such as structured products and ‘closed-ended’ products, some information in this guide may be useful for these types of issuers; and
 - (b) market operators (see Section E), with respect to the admission of ETPs, including ETFs.

How ETFs are regulated

ASIC’s role

- RG 282.5 ASIC is responsible for administering the Corporations Act and the *Australian Securities and Investments Commission Act 2001* (ASIC Act), which both set out the conduct and disclosure obligations of financial service providers, including responsible entities that operate registered managed investment schemes.
- RG 282.6 ASIC’s role in relation to ETF issuers includes:
- (a) licensing the responsible entity;
 - (b) assessing applications for registration of schemes;
 - (c) providing class relief or individual relief, as appropriate, and monitoring compliance with the relief;
 - (d) undertaking proactive and reactive supervision and surveillance activities in relation to conduct and disclosure obligations; and
 - (e) taking enforcement action for non-compliance with the law.
- RG 282.7 ASIC is also responsible for the supervision of operators of financial markets and market participants. Our main functions are to:
- (a) make decisions about domestic or overseas market licence applications, changes to operating rules and other matters relating to financial markets;

- (b) assess, report on and enforce compliance of market participants and market operators (and other prescribed entities) for compliance with the market integrity rules and the Corporations Act, including risk assessments of participants and, where necessary, conduct targeted surveillance of suspected misconduct; and
- (c) enforce the prohibition on a person operating, or holding out that they operate, a financial market in Australia, if they are not licensed or exempt.

RG 282.8 We directly supervise trading on Australia's domestic licensed markets, including activity in relation to ETFs, as well as other cash market products, options market contracts and derivatives market contracts.

RG 282.9 In addition to administering the relevant laws, ASIC maintains close dialogue with the market operators in relation to ETFs. This includes, among other things, considering novel product referrals from market operators and engaging on proposed amendments to the market operating rules.

Note: The term 'novel product referral' refers to the process for facilitating admission of novel products. ASIC and the relevant market operator(s) will generally discuss the novel aspects of the product (including informal feedback on the disclosures and representations inside the draft Product Disclosure Statements (PDS) and target market determinations (TMDs)) before the market operator determines whether to admit the product for quotation. This may add additional time to the admission process: see the note at RG 282.117.

Market operators

RG 282.10 Market operators play a gatekeeper role in deciding which products may be traded on a public market that is accessible to retail investors. They set the admission requirements for ETFs, approval requirements for ETF issuers, and assess the compliance of products proposed for quotation with their operating rules: see RG 282.18–RG 282.19.

RG 282.11 Market operators are also responsible for monitoring the compliance of entities they admit to quotation with obligations under their respective operating rules, such as liquidity commitments and certain disclosure requirements, and for the monitoring of the market more broadly—to ensure its fair, orderly and transparent operation: see RG 282.118–RG 282.120.

RG 282.12 Expectations for market operators, including good practices for admission of ETPs (including ETFs), are outlined in Section E.

Specific relief available for ETF issuers

RG 282.13 ETF issuers are subject to various obligations including obligations under the Corporations Act, the ETF's constitution, and relevant rules of the

market operators. Section C sets out the AFS licensing and responsible entity obligations imposed on ETF issuers under the Corporations Act. ASIC has provided class relief to ETF issuers from some of these obligations under:

- (a) [*ASIC Corporations \(Relief to Facilitate Admission of Exchange Traded Funds\) Instrument 2024/147*](#);
- (b) [*ASIC Corporations \(Periodic Statement Relief for Quoted Securities\) Instrument 2024/14*](#); and
- (c) [*ASIC Corporations \(Electronic Disclosure\) Instrument 2025/447*](#)

See Section D.

RG 282.14 Table 1 summarises the key class relief available to ETF issuers. ETF issuers can also apply to ASIC for relief on an individual basis: see RG 282.112–RG 282.115.

Table 1: Key relief available for ETF issuers

Relief instrument	Relevant provision of the Corporations Act	Guidance
<u>ASIC Instrument 2024/147</u>	Relief to facilitate the operation of ETFs, including: <ul style="list-style-type: none"> • equal treatment relief (s601FC(1)(d) and s1224D(2)(b)); • material change and significant event disclosure relief (s1017B); and • relevant interest, substantial holding and beneficial ownership tracing relief (s606) 	RG 282.81– RG 282.104
<u>ASIC Instrument 2024/14</u>	Relief from certain content requirements for periodic statements: s1017D	RG 282.105– RG 282.107
<u>ASIC Instrument 2025/447</u>	Digital disclosure relief for certain communications Note: This instrument modifies various disclosure obligations relating to Pt 7.7 and 7.9 of the Corporations Act, including reg 7.9.75A of the <i>Corporations Regulations 2001</i> (Corporations Regulations) which relates to periodic statements.	RG 282.108– RG 282.111

B What is an exchange traded fund?

Key points

An ETF is different from an unquoted fund because the units in an ETF are continuously traded on a licensed market, and generally cleared and settled on a licensed CS facility.

A key aspect of ETFs is that they combine the features of a listed entity (to have its securities traded on a financial market) with the open-ended nature of unquoted funds (to allow issue and redemption of units). The primary issue and redemption of interests in an ETF can involve authorised participants transacting with the issuer.

Generally, an ETF issuer is required to provide for market making in the ETF's interests, either through an external market maker it appoints or by market making itself. Through the continuous quotation of buy and sell orders in the ETF by the market maker on the market, the market price of units in the ETF will generally be at, or closely resemble, the current net asset value (NAV) of the ETF throughout the trading day.

At the date of publication, retail investors can trade in ETF units through a market participant (or via investor-directed investment platforms) on the ASX and/or Cboe secondary markets.

Key features of ETFs

Open-ended

- RG 282.15 An ETF is an open-ended registered scheme, or class of units within such a scheme, where the units are traded on a licensed market and settle like listed securities.
- RG 282.16 ETFs are an 'open-ended' product. The number of units on issue in an ETF are not fixed and may increase (through applications) or decrease (through redemptions) daily, depending on investor demand—this is known as a 'primary market transaction'.
- RG 282.17 'Open-ended' products, like ETFs, differ from 'closed-ended' products, which generally offer a fixed number of securities or interests of investors in an initial public offering.

Note: Unlike open-ended products, 'closed-ended' product issuers are precluded from offering withdrawal or redemption facilities by the listing rules of the relevant market—so, the number of securities or interests on issue does not vary, except after certain specified corporate events such as capital raisings, buy-backs or dividend reinvestment. The traded prices for listed investment companies and listed investment trusts can differ significantly from the NAV.

Quotation

- RG 282.18 To facilitate the secondary trading of ETF units, some market operators must enable the admission or quotation of ETFs for trading on their licensed market.

Note: In Australia, when this regulatory guide was published, the only licensed markets offering quotation of ETFs were ASX (which facilitates the quotation and trading of ETF units on the AQUA market) and Cboe.

- RG 282.19 To be, and to remain, quoted on a licensed market, ETF issuers and ETFs must demonstrate that they comply, and can continue to comply, with the operating rules of the relevant market operator (market operating rules) as follows:

- (a) For ASX, ETFs are primarily admitted under Schedule 10A of the [ASX Operating Rules](#) (known as the ‘AQUA rules’).
- (b) For Cboe, the [Cboe Operating Rules](#) apply to the admission of various types of investment products, including ETFs: see Section 1 and Section 14 of the Cboe Operating Rules.

Note 1: Some early ETFs were originally admitted on the ASX market under the ASX Listing Rules, but most of these funds have been migrated to the AQUA market, so that the AQUA rules (as opposed to the ASX Listing Rules) apply to them.

Note 2: In this guide, the term ‘relevant rules and procedures’ refers to the operating rules, procedures and any applicable guidance notes that govern the admission and ongoing quotation of ETFs for these market operators.

Arbitrage and authorised participants

- RG 282.20 ETFs have a unique creation/redemption process which assists secondary market prices to maintain a close correlation to the value of the underlying assets they track. The creation and redemption process takes place off market, generally between the ETF issuer and certain market participants (known as ‘authorised participants’). As noted in RG 282.16, this process is known as the ‘primary market’ of an ETF. ETF issuers allow ongoing application for and redemption of ETF units at a price based on the NAV of the ETF by authorised participants: see Figure 1. The market price of an ETF will generally be at, or closely resemble, the current NAV of the fund because of the arbitrage activities of authorised participants and market makers.

Note 1: In the case of dual access ETFs, investors other than authorised participants (including retail clients) can apply for and redeem units directly with the ETF issuer in the primary market: see RG 282.40–RG 282.45 for more information.

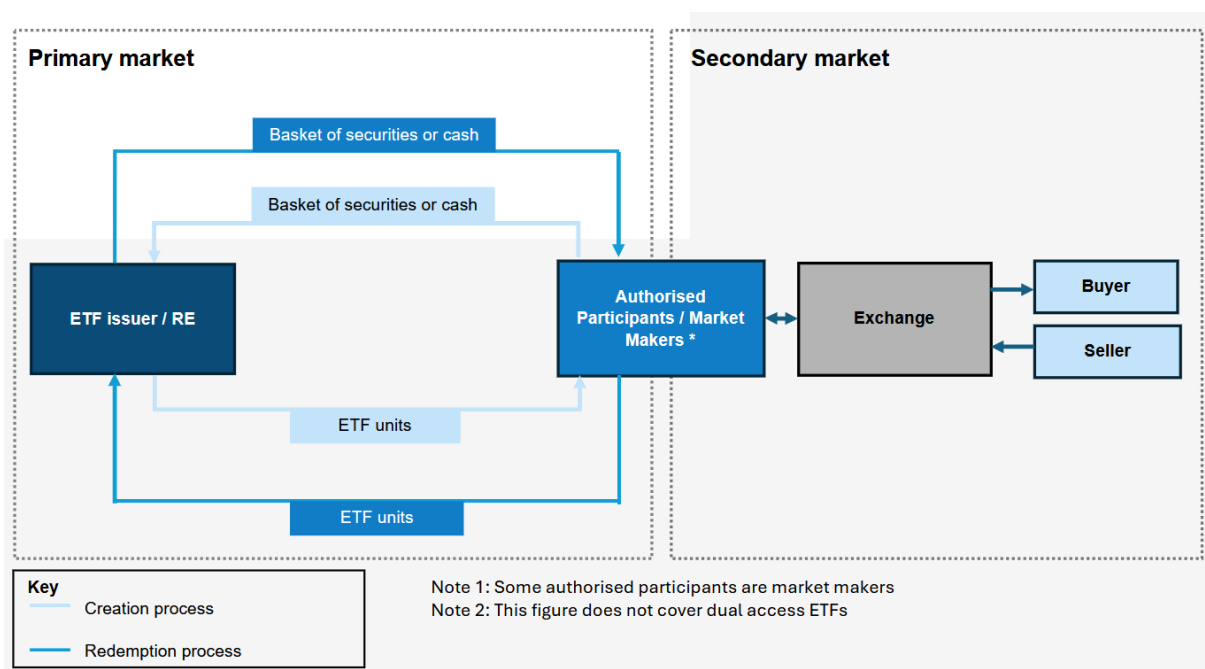
Note 2: Authorised participants and market makers engaging in arbitrage activities must comply with any relevant rules and procedures of the market operator.

Note 3: Participants engaging in arbitrage should also ensure they comply with obligations under the Corporations Act and the market integrity rules (see RG 282.59)

in avoiding behaviour that compromises market integrity, such as front-running ETF flows (e.g. use of non-public information to trade ahead of significant ETF transactions), manipulative trading (e.g. artificially inflating or deflating ETF market prices to enhance profit from arbitrage), trading on non-public information (see RG 282.62(d)), and failing to adhere to short selling restrictions (e.g. naked short selling without relevant relief).

Note 4: The primary market described in this paragraph relates only to ETFs with external market making arrangements and not internal market makers. For further information on internal market making arrangements, see RG 282.56–RG 282.63.

Figure 1: Creation/redemption process for physically-replicating equities-based ETF with external market makers



Note: For a description of this figure, see RG 282.20 (accessible version).

RG 282.21 ETF units are generally redeemable either ‘in-cash’ or ‘in-kind’. Under an in-cash redemption model, an authorised participant (or market maker that is an authorised participant—see RG 282.28 for more information on market makers) that redeems ETF units receives cash equivalent to the NAV of those units. By contrast, under an in-kind redemption model, the authorised participant or market maker receives a basket of the ETF’s underlying securities (or a representative sample) instead of cash at redemption. The choice of redemption mechanism has implications for liquidity management, tax efficiency, transaction costs and portfolio transparency.

RG 282.22 If the market price of the ETF diverges from the value that authorised participants and market makers believe to be NAV per ETF unit (expected NAV) at a particular time, an authorised participant or market maker may

generally be expected to take advantage of the arbitrage opportunity. For example, if an ETF market price is higher than the expected NAV per unit, an authorised participant or market maker will sell ETF units on-market at the higher price and apply for creation of ETF units at the lower price, to realise gains from this arbitrage opportunity.

- RG 282.23 This selling will tend to drive the ETF market price lower back towards NAV. Conversely, if an ETF market price is less than the expected NAV per unit, the authorised participant or market maker will buy ETF units, driving the ETF market price back towards expected NAV, and then profit by redeeming those interests at NAV at the end of the day.
- RG 282.24 The availability of hedging instruments means that until the ETF market price adjusts, there is an arbitrage opportunity. On entering a transaction in ETF units, to protect against any change in NAV until the end of the trading day, the authorised participant or market maker may use hedging instruments to vary its net position in the assets that underlie the ETF, relative to what they would have been if the transaction in ETF units had not taken place, often by using proxies such as index futures where appropriate. For example, the authorised participant or market maker may buy the underlying assets to hedge against any increase in the NAV until the end of the day if it has already sold ETF units on-market.
- RG 282.25 Where securities in a particular basket (see RG 282.64 for more information on creation/redemption baskets) must be provided for the issue of an ETF unit, the authorised participant or market maker can buy the basket of securities required, at the time it sells the ETF unit on-market. The authorised participant or market maker will apply for an ETF unit at the end of the day if needed to meet its settlement obligations or redeem units if it holds more than needed.

Market making and providing liquidity in the ETF

- RG 282.26 Secondary market liquidity in ETPs can be influenced by a range of factors including investor demand for the product, sales and distribution efforts, prevailing market conditions and investor education. However, to ensure regular two-way pricing (i.e. bids and offers) is maintained in each product to help balance supply and demand. ETP issuers, including ETF issuers, are generally subject to liquidity support obligations under the operating rules of the relevant market operator.

Note: Under the relevant rules and procedures, an issuer seeking to have a new ETF admitted to quotation must have certain liquidity or market making arrangements in place that are appropriate to the market operator. Market operators may review whether a liquidity arrangement is consistent with other ETFs of similar investment mandate, asset class and/or strategy. The relevant rules and procedures may require the ETF issuer to reach an agreement with the market operator on the maximum spread (in basis points or cents) and minimum order quantity (dollar value) at which quotes will be provided in the ETF for the required proportion of the trading day.

RG 282.27 To comply with those liquidity support obligations, certain processes are followed:

- (a) ETP issuers may appoint an independent third party that is, or has an arrangement with, a market participant (external market maker) to act as lead market maker. A lead market maker's role is to provide liquidity in secondary trading volumes and to quote within agreed spreads. Market makers earn their revenue from trading, and competition is a strong motivation to maintain tight bid–offer spreads that should then produce close alignment to the expected NAV.

Note: Market making agreements with issuers are negotiated between the market maker and the relevant ETF issuer on a case-by-case basis for each specific ETF. Issuers should check the relevant policies and rules for the requirements in relation to market making and liquidity.

- (b) In other cases, the ETP issuer performs the market making function itself through an execution agent. This is known as internal market making: see RG 282.56–RG 282.63.

RG 282.28 While both market makers and authorised participants support liquidity in an ETF, their roles are not the same (although some market makers may also be authorised participants). Authorised participants are permitted to create and redeem units with the ETF issuer in the primary market. Authorised participants help support ETF liquidity when they introduce newly created ETF units or withdraw units from the secondary market. Market makers are entities that provide two-way bid/offer quotes for the ETF during the trading day to support ETF liquidity—this occurs within the secondary market.

Note 1: Market makers and authorised participants will generally require an AFS licence with the relevant authorisations for the activities they conduct (e.g. dealing and/or making a market), unless they are exempt. See Regulatory Guide 1 *Applying for and varying an AFS licence* ([RG 1](#)) for further information on AFS licensing requirements.

Note 2: The [ASIC Corporations \(Short Selling\) Instrument 2018/745](#) provides a conditional short selling exemption to certain ETF market makers during the course of market making in the ETF in specified circumstances: see section 5 of ASIC Instrument 2018/745. ETF market makers who meet the requirements to rely on ASIC Instrument 2018/745 must ensure that the sale occurs on a day when applications for and redemptions in the ETF are allowable. As part of their process of avoiding settlement failure, ETF market makers should factor in any risks to meeting settlement, such as any creation blackout dates or cut-off times of the ETF. ASIC Instrument 2018/745 requires ETF market makers who exceed 1% of volume or value of sales during a 12-month period of the short sales in the ETF, to report this to ASIC within 28 days after 31 March (the end of the 12-month reporting period).

RG 282.29 For further information on liquidity provision and market making for ETPs (including ETFs), see RG 282.56–RG 282.63 and also RG 282.144–RG 282.159.

Investment strategies and types of ETFs

RG 282.30 There are different types of ETFs and investment strategies. They include, at a high level:

- (a) **Passive ETFs:** These ETFs are generally structured to replicate the performance of an external benchmark (e.g. an equity index, interest rate benchmark or commodity price). The most common type of passive ETF is an index-tracking ETF. The investment strategy of an index-tracking ETF is to acquire an exposure to securities that matches a robust and transparent benchmark as closely as possible. Sometimes derivatives or other products are used to achieve benchmark matching, such as when it is impractical or inefficient to physically acquire certain securities in the benchmark. The use of derivatives (or other complex investment strategies) may cause an ETF with an 'index-tracking' investment mandate to be labelled 'Complex'.
- (b) **Active ETFs:** These ETFs do not seek to track the performance of an index, benchmark or specific security. Instead, for example, they may aim to outperform a stated benchmark. In order to achieve this objective, these ETFs may employ an investment strategy that involves specified rules or discretionary decisions.

Note: For more information about the application of primary and secondary labels (including the application of the 'Active' label to ETFs), see RG 282.163 to RG 282.168.

RG 282.31 **Complex ETFs:** These ETFs may use more complex investment strategies than simple 'long-only' holdings of securities, bonds or other financial assets. The complex investment strategies used include the use of debt or leverage, short selling, or certain uses of derivatives (other than for disclosed hedging of exchange rate or interest rate risks) (see RG 282.126–RG 282.130), or they may also fall under ASIC's definition of a hedge fund: see Regulatory Guide 240 *Hedge funds: Improving disclosure* ([RG 240](#)).

Note 1: For more information about the application of primary and secondary labels (including the application of the 'Complex' label to ETFs), see RG 282.163–RG 282.168.

Note 2: For information about smart beta or rules-based ETPs (including ETFs), see RG 282.169–RG 282.170. For information about leveraged or inverse ETPs, see RG 282.171–RG 282.172.

RG 282.32 ETFs can invest in different underlying assets including equities, property securities, commodities, fixed interest instruments, crypto-assets, among others. There are also multi-asset ETFs that invest across a range of asset classes.

RG 282.33 ETFs can either be physically backed or synthetic. Physically backed ETFs hold the underlying assets directly. Synthetic ETFs use derivatives to copy

the movements of an index or underlying assets, although they may hold some of the underlying assets.

Note: Synthetic ETFs have an additional risk that the counterparty to the derivative could fail to meet their obligations.

- RG 282.34 The naming conventions for various ETPs, including ETFs, are set out in RG 282.163–RG 282.172. ETF issuers should adopt appropriate and generally true-to-label product trading names and descriptions that comply with these naming conventions, to the satisfaction of the market operator. The purpose of the naming conventions is to help retail investors clearly differentiate between different types of ETFs with different characteristics, risks and strategies, where investors may not always access and read the PDS. All ‘open-ended’ exchange traded products must use a primary label to indicate the relevant product’s structure (i.e. ‘Exchange Traded Fund’, ‘ETF’, ‘Structured Product’ or ‘Structured’, as applicable). Depending on the investment strategy used, the ETF may need to use the secondary label ‘Active’ or ‘Complex’ in its name. An ‘Active ETF’ must use those words in its name unless it is a Complex ETF, in which case it must use that term.

Note: While it is expected that the ETF issuer adopt relevant labels in its trading name in accordance with the naming conventions, the name of the fund in the constitution and in ASIC public records can remain as is and does not have to be changed.

C What obligations apply to ETF issuers?

Key points

ETF issuers must comply with the legal and regulatory requirements that ordinarily apply to units in unlisted registered managed investment schemes.

These include:

- AFS licensing requirements and responsible entity obligations; and
- other issuer obligations relevant to retail investors.

ETF issuers must also comply with rules imposed by the relevant market operator. As issuers of units in quoted managed investment schemes, ETF issuers must also comply with:

- obligations relating to disclosure of portfolio information;
- obligations relating to market making; and
- where applicable, additional obligations relating to dual access ETFs.

AFS licensing requirements

RG 282.35 An ETF issuer that is a responsible entity of a registered scheme must hold an AFS licence authorising it to operate the scheme and to provide any other relevant financial services in relation to the scheme and its underlying assets. The authorisation to operate the scheme may either be:

- an ‘in-kind scheme’ authorisation that permits the responsible entity to operate any number of schemes that hold certain types of assets specified in the authorisation (such as financial assets, commodities or crypto-assets, among others); or
- a ‘named-scheme’ authorisation that permits the operation of a particular named scheme that holds certain asset types.

Note: If the ETF is a sub-fund of a CCIV, the corporate director of the CCIV must hold an AFS licence with the appropriate authorisations to operate the business and conduct the affairs of the CCIV.

RG 282.36 The AFS licensing requirements depend on the kind of assets held by the ETF. For example:

- a ‘financial assets scheme’ authorisation is required where the ETF invests in securities or if the ETF itself is a feeder fund (i.e. it invests in another fund);
- a ‘derivatives scheme’ authorisation is required where the ETF holds derivatives for hedging or other purposes, other than as incidental property;

- (c) a ‘commodities scheme’ authorisation is required where the ETF holds raw materials, metals (including precious metals), agricultural products and energy products; and

Note: A ‘commodities scheme’ authorisation does not cover financial assets, derivatives, crypto-assets or primary production schemes.

- (d) a ‘crypto-assets scheme’ authorisation is required where the ETF invests in, or provides direct exposure to, crypto-assets that are not financial products.

Note: For more information on crypto-assets, see Information Sheet 225 *Crypto-assets* ([INFO 225](#)) and also RG 282.71–RG 282.72.

For more information on various ‘in-kind scheme’ authorisations, see [RG 1](#) at RG 1.65.

- RG 282.37 If the scheme’s assets do not fit within ASIC’s pre-defined categories of scheme assets, the ETF issuer may need a tailored AFS licence authorisation to operate the scheme.
- RG 282.38 In addition to ‘operating’ a scheme, an ETF issuer will generally be carrying on dealing activities and may require dealing authorisations on its AFS licence: see the note in [RG 1](#) at RG 1.65 and also RG 36 *Licensing: Financial product advice and dealing* ([RG 36](#)). For example, if the ETF issuer operates a registered scheme that holds securities in the scheme asset holdings, the ETF issuer will generally need an authorisation to deal in securities and issue interests in the scheme to retail clients.

Responsible entity obligations

- RG 282.39 See ASIC webpage [Running a registered scheme](#) for an overview of the obligations that apply to ETF issuers that are responsible entities, including obligations under Chapter 5C.

Dual access funds

- RG 282.40 Dual access (also called ‘dual entry-exit’) ETFs allow all investors (not just authorised participants) to:
 - (a) purchase and sell interests in an ETF on the secondary market; or
 - (b) apply and redeem directly with the ETF issuer (on the primary market) by lodging relevant documentation directly with the ETF issuer.
- RG 282.41 As discussed in Note 1 of RG 282.3, dual access ETFs involve a single class of units that can be traded on-market and be applied for or redeemed directly

off-market. A dual access ETF is not a type of investment strategy but represents a structural feature of a type of ETF.

- RG 282.42 The ETF issuer does not breach the equal treatment duty in s601FC(1)(d) (for registered schemes) or s1224D(2)(b) (for CCIVs) because the members of the ETF have equality of opportunity—that is, members can elect whether to apply or redeem on-market or off-market. No specific equal treatment relief needs to be sought for an ETF issuer wishing to adopt a dual access model, although the constitution, PDS and potentially the TMD will need to reflect this feature.
- RG 282.43 There may be some practical challenges with offering dual modes of entry or exit as each method entails different custody and settlement market practices. Registry providers must have the ability to satisfy all transfers, registration and settlement requirements of the market operator, as well as the ability to manage applications and redemptions made off-market. Alternatively, an ETF issuer may choose to establish two separate classes of interests, one that can be traded only on-market and the other that can be traded only off-market.
- RG 282.44 In addition to complying with their disclosure obligations under Ch 7 of the Corporations Act (see RG 282.75–RG 282.77), dual access ETF issuers should clearly disclose:
- (a) that investors may pay or receive different prices for units in the same ETF, depending on whether they acquire or dispose of the units on-market or off-market;
 - (b) any differences in the treatment of on-market versus off-market investors in relation to:
 - (i) minimum additional investment amounts for initial and additional applications;
 - (ii) entitlements to fractional units under any distribution reinvestment plans;
 - (iii) the treatment of fractional units where an investor elects to convert or transfer units to a CHESs-sponsored account; and
 - (c) any other material differences between acquiring or disposing of units on-market versus off-market.
- RG 282.45 Dual access funds need to comply with ETP naming conventions: see RG 282.173.

Disclosure of portfolio information

General

RG 282.46 There are different portfolio disclosure models that may be adopted by an ETF issuer, depending on factors such as the extent to which the ETF issuer's intellectual property needs to be protected. ETF issuers should review the relevant rules and procedures in relation to its disclosure requirements for information about portfolio holdings. Table 2 below sets out the minimum requirements for the different portfolio disclosure models that ETF issuers must follow.

Table 2: Portfolio disclosure models of ETFs

Market making model	Disclosure type	Commonly used by	Features
External	Full portfolio holding disclosures (daily)	Both index and active ETFs	<ul style="list-style-type: none"> A complete list of underlying securities and their weightings made publicly available on a daily basis An iNAV is not generally required*, unless the ETF issuer seeks to rely on the equal treatment relief in ASIC Instrument 2024/147 for unequal treatment in provision of information to authorised participants <p>This information helps the arbitrage activities of market makers. It may also assist retail investors and other market participants to assess the price of the units relative to the NAV</p> <p>*Note: There may be exceptions, depending on market operator requirements. For example, an iNAV may be required for crypto ETFs quoted on the Cboe market that use this model.</p>
	Creation/Redemption Basket (daily)	Both index and active ETFs	<ul style="list-style-type: none"> The creation/redemption or pricing basket is a basket of securities that should generally closely reflect the portfolio of the ETF's holdings and is created to track the pricing movements of an ETF. It is intended to assist with intraday pricing. An iNAV is not generally required, unless the ETF issuer seeks to rely on the equal treatment relief in ASIC Instrument 2024/147 for unequal treatment in provision of information to authorised participants <p>This information helps the arbitrage activities of authorised participants</p>

Market making model	Disclosure type	Commonly used by	Features
	Material portfolio information (MPI) disclosure (varies, generally daily)	Active ETFs	<ul style="list-style-type: none"> Only portfolio information considered 'material' is disclosed as negotiated between the ETF issuer and the market maker, and agreed with the market operator, e.g. disclosure of a basket of proxy securities (instead of actual underlying holdings), or other form of MPI. Disclosure of MPI under this model occurs on a daily basis An iNAV is required—the ETF issuer must also publish an iNAV at least every 15 seconds The issuer must still disclose the full portfolio holdings, albeit on a delayed basis, at least quarterly with a delay of no more than two months <p>An ETF issuer may choose to adopt this model to the extent necessary to protect its intellectual property in the portfolio composition or proprietary investment strategies</p>
Internal	Delayed portfolio holding disclosure (amount of delay varies)	Active ETFs	<ul style="list-style-type: none"> Full portfolio disclosure is published on a delayed basis, but at least quarterly with a delay of no more than two months An iNAV is required—the ETF issuer must also publish an iNAV as frequently as practicable <p>An ETF issuer may choose to adopt this model to the extent necessary to protect its intellectual property in the portfolio composition or proprietary investment strategies</p>

Note 1: This table provides a high-level overview of disclosure requirements only. ETF issuers should check the relevant rules and procedures for precise disclosure requirements.

Note 2: Dual access ETFs should also refer to the information provided at RG 282.42–RG 282.43.

RG 282.47 An ETF issuer should review the relevant rules and procedures in relation to its disclosure requirements. Among other items, ETF issuers could be required to disclose:

- (a) information about dividends or distributions paid in relation to the ETF;
- (b) the number and/or value of ETF units issued and redeemed during a reporting month; and
- (c) periodic financial reports.

They may also be subject to Product disclosure statements (PDS) and target market determination (TMD) obligations: see RG 282.75—RG 282.80.

Disclosure of full portfolio information

RG 282.48 The relevant rules and procedures may require ETF issuers to publish the full portfolio of the ETF's holdings (or a creation/redemption basket of underlying securities which should generally closely reflect the characteristics of the portfolio of the ETF's holdings) on a periodic basis, along with the NAV per unit on each trading day. It is generally expected

that full portfolio holdings will be disclosed daily (exceptions apply in circumstances where the issuer undertakes internal market making or relies on a creation/redemption basket or a material portfolio information (MPI) disclosure model: see RG 282.51).

Note: The NAV for international equity funds may be published after the commencement of the next Australian trading day.

RG 282.49 This portfolio transparency provides market makers and authorised participants the ability to create and redeem units in the ETF to maintain liquidity. When there is increased demand relative to supply, the authorised participants apply to the issuer for units (called creation units), which can be settled by delivering a basket of securities or cash. Redemptions occur through a similar process. This process provides an arbitrage mechanism to help bring the value of the units back in line with the net asset value (NAV) under normal market conditions: see RG 282.21–RG 282.25. This portfolio holdings disclosure also allows retail investors and other market participants to assess the price of the units relative to the NAV.

RG 282.50 If an issuer is relying on the equal treatment relief in [ASIC Instrument 2024/147](#) when providing information to authorised participants, it must publicly disclose its portfolio holdings or creation/redemption baskets before the start of the trading day after the day on which the disclosure was made to authorised participants: see RG 282.88. Further, issuers of some ETFs must also publish an iNAV regularly (at least every 15 minutes throughout the trading day) if they wish to rely on the equal treatment relief: see RG 282.67–RG 282.68 for further information on iNAVs. In practice issuers generally disseminate iNAV much more frequently than every 15 minutes, noting the exact frequency may vary between issuers and depend on the market-making model adopted.

Note: For example, iNAV may be provided at least every 15 seconds for issuers using the MPI disclosure model. The frequency may be even shorter for issuers adopting internal market-making arrangements.

Delayed disclosure of portfolio holdings

RG 282.51 For active ETFs, it may be permissible for issuers to disclose full portfolio holdings on a delayed basis rather than on a daily basis (e.g. in circumstances involving internal market making or involving the MPI model). A condition of delayed release of portfolio information is that the ETF will be required to publish an iNAV.

RG 282.52 Licensed markets are expected to work with ETF issuers to assess the need for and extent of delayed public disclosure in each case, with a minimum requirement of quarterly public disclosure with a delay of no more than two months.

Material portfolio information (MPI) disclosure model

- RG 282.53 Under this model, the issuer agrees with the market maker on the characteristics of the MPI that will be published to the market daily. For example, the MPI could be a basket of proxy assets rather than the actual holdings of the fund. The MPI could also potentially take other forms, such as risk or sector-based disclosures or any other form as agreed between the issuer and market-maker. The proposed MPI disclosure model is also reviewed by the market operator.
- RG 282.54 Issuers of active ETFs may elect to follow the MPI model if they consider there is a risk that daily disclosure of full portfolio holdings could compromise the intellectual property of the ETF's portfolio holdings. The MPI model allows the issuer to manage a range of potential risks associated with full daily disclosure (including the potential for pricing of underlying assets or the ETF to be negatively impacted by trading activity based on the disclosures), while avoiding some of the market integrity risks associated with internal market making (see paragraph RG 282.60).
- RG 282.55 The issuer must disclose:
- (a) the MPI at the start of each trading day;
 - (b) an iNAV at least every 15 seconds throughout the trading day;
 - (c) the tracking performance between the disclosed MPI and the full portfolio on a quarterly basis; and
 - (d) full portfolio holdings at least quarterly with a delay of no more than two months.

Internal market making

- RG 282.56 In some circumstances, an ETF issuer is permitted to undertake the market making function, as well as performing the role of responsible entity, known as 'internal market making'. Under an internal market making arrangement, the issuer adopts the role of market maker on the fund's behalf, rather than using an independent third-party trading participant. Under this arrangement, the issuer must appoint a trading participant to act as execution agent to enter bids and offers in the ETF units throughout the day on behalf of the ETF. At the end of the trading day, a net creation or redemption in the ETF units is performed by the issuer, or their appointed third party, and any profit or loss from the market making activity is attributed to the ETF.
- RG 282.57 Issuers of active ETFs typically undertake internal market making if they consider there is a risk that others will use the intellectual property of the ETF's portfolio holdings, for example, by replicating the investment strategy to the ETF's detriment.
- RG 282.58 For internal market making ETFs, disclosure of the ETF's holdings must be provided on a delayed, rather than daily, basis. Without daily portfolio

holdings information, external market makers cannot accurately price the ETF and hedge their risk exposures, so the issuer performs the market making function.

RG 282.59 ETF issuers that undertake internal market making must comply with their obligations under the Corporations Act, including the prohibitions on market manipulation and insider trading, and the duties to act in the best interests of members, manage conflicts of interest, and maintain procedures for withdrawals that meet the requirements in s601GA(4). Responsible entities should obtain legal advice to ensure that their proposed arrangements comply with the Corporations Act.

RG 282.60 To manage market integrity risks associated with internal market making, the responsible entity must:

- (a) appoint a trading participant to act as execution agent to enter bids and offers in the ETF units throughout the day on behalf of the responsible entity;
- (b) only use a reference price or other information that is publicly available as the input for market making quotes;
- (c) establish information barriers between the ETF issuer and execution agent so that bids and offers are not submitted to the market by persons or systems with knowledge of the current portfolio holdings (or in rare and isolated scenarios where such a person must be involved, the bids and offers must not deviate from their standing instructions until the non-public information is disclosed to the public);
- (d) have adequate arrangements for identifying and responding to instances of substantial information asymmetry in the market which may include cessation of market making activities or requesting a trading halt; and
- (e) have appropriate compliance and supervision arrangements to support the arrangements.

Note: Market integrity risks arising from internal market making include, among other things:

- insider trading;
- risks associated with conflicts of interest (e.g. an issuer that also acts as internal market maker may be tempted to prioritise its own trading profitability over fair and efficient market functioning by unduly widening bid/ask spreads);
- manipulation risks; and
- information asymmetry.

RG 282.61 iNAV's are also required for ETFs where an agent of the responsible entity conducts the market making in an internal market making arrangement. The provision of an iNAV provides a pricing reference point for the internal market making as the agent is not entitled to have non-publicly available information about the ETF's portfolio.

- RG 282.62 For internal market making and delayed disclosure of portfolio holdings, responsible entities must also ensure that:
- (a) the iNAV is as accurate and frequently disseminated as practicably possible;
 - (b) full portfolio holdings disclosure is delayed only to the extent necessary to protect the fund's intellectual property;
 - (c) internal market making arrangements support incoming and exiting investors to transact at fair and orderly prices;
 - (d) if the execution agent also provides other services for the issuer (e.g. transaction hedging), the issuer should not provide the execution agent with material non-public information about the ETF's portfolio holdings in connection with that service unless appropriate information barriers are established to segregate this information from the market making service; and
 - (e) they refrain from using 'treasury stock' in the course of conducting internal market making.

Note: For more information on market operator requirements for internal market making, see RG 282.151–RG 282.156.

- RG 282.63 At the end of the trading day, a net creation or redemption in the ETF units is performed by the responsible entity, or their appointed third party, and any profit or loss based on the market making activity is attributed to the ETF.

Creation/redemption basket information

- RG 282.64 Creation/redemption basket information refers to information made available about the securities and/or cash that must be delivered to or received from the ETF issuer in order to create or redeem ETF units. This information assists with the primary market arbitrage activities of authorised participants and market makers: see RG 282.20–RG 282.25. The information is disclosed publicly on a daily basis.

Conflicts of interest and material non-public information

- RG 282.65 As with all registered schemes, ETF issuers are subject to a number of duties relating to conflicts, including the following obligations:
- (a) If a conflict arises between the interests of the members of the ETF and the responsible entity's interests, the interests of members must be prioritised under s601FC(1) of the Corporations Act, and there is a similar duty for officers of a responsible entity under s601FD(1).
 - (b) ETF issuers must have adequate arrangements to manage conflicts of interest under s912A(1)(aa): see Regulatory Guide 181 *Licensing: Managing conflicts of interest* ([RG 181](#)).

- RG 282.66 A conflict of interest could arise where the ETF uses an index provided by associates of the ETF issuer. Some ETFs are based on indices designed specifically for a particular ETF. In some cases, the providers that compile and revise these indices may be related parties of the particular ETF issuer. There is a risk that the affiliated index provider changes the index to disguise poor tracking performance figures for the ETF.

Indicative NAV (iNAV)

- RG 282.67 iNAV refers to an indicative NAV that is continually updated during the trading day (as opposed to NAV, which is often updated at the end of the day). An iNAV is only required in certain circumstances, although some ETF issuers may elect to voluntarily publish it. Publication of an iNAV throughout the trading day may assist accurate ‘price discovery’. Many ETF issuers provide an iNAV on their websites as a matter of course to support confidence in their product. iNAV is typically calculated by an external index provider, rather than the ETF issuer itself. The iNAV is generally calculated by adjusting the previous day’s NAV by intraday movements in the prices of the underlying holdings, as an approximation of the current NAV. Typically, ETF issuers can elect to provide to the market a near-continuous iNAV (at least every 15 seconds). The iNAV should be the issuer’s best estimate of the ETP’s value per unit throughout the trading day. The issuer is generally expected to monitor the iNAV during local trading hours.
- RG 282.68 As noted in RG 282.50 and Table 2, issuers of some ETFs must provide an iNAV regularly to rely on either the equal treatment relief in [ASIC Instrument 2024/147](#), an internal market making arrangement or the MPI disclosure model. The instrument provides a methodology for calculating iNAV. While an iNAV is indicative, publication of the correct NAV close in time to trading on the following days is important to maintain an informed market. ETF issuers should review the relevant rules and procedures in relation to any iNAV and NAV requirements. For further information on the expectations for market operators in relation to iNAVs, see RG 282.142.

Note 1: The timing of publication of the NAV may vary, depending on agreement with the relevant market operator and the circumstances. For example, in the case of international equities funds, the NAV may be published *after* the commencement of the next trading day.

Note 2: Some market operators may also require an iNAV to be provided for crypto-assets.

Underlying assets

Pricing

- RG 282.69 Issuers need to satisfy the market operator that the underlying assets of ETPs have robust and transparent pricing mechanisms. For further information on the pricing of the underlying assets of ETPs, including ETFs, see RG 282.121–RG 282.125.

Derivatives

- RG 282.70 Issuers of ETFs with underlying holdings including derivatives should satisfy certain conditions with the market operator: see RG 282.126–RG 282.130.

Crypto-assets

- RG 282.71 ETPs (including ETFs) are permitted to hold certain crypto-assets, provided the following requirements are met to the satisfaction of the market operator:
- (a) there is a high level of institutional support and acceptance of the crypto-asset being used for investment purposes;
 - (b) reputable and experienced service providers (including custodians, fund administrators, market makers and index providers) are available and willing to support ETPs that invest in, or provide exposure to, the crypto-asset;
 - (c) there is a mature spot market for the crypto-asset;
 - (d) there is a regulated futures market for trading derivatives linked to the crypto-asset; and
 - (e) robust and transparent pricing mechanisms for the crypto-asset are available, both throughout the trading day and to strike a NAV price.

For further information on what we expect market operators to assess in relation to ETPs that hold crypto-assets, see RG 282.131–RG 282.140.

Note 1: These factors are intended to help support the maintenance of a fair, orderly and transparent market by ensuring that only crypto-assets that are sufficiently well regarded, capable of being supported within the ETF structure and less susceptible to price manipulation may be permissible underlying assets.

Note 2: At the date this guide was issued, bitcoin (BTC) and ether (ETH) have been assessed as satisfying the requirements above: see the note at RG 282.134.

- RG 282.72 When applying for or varying an AFS licence to operate a registered scheme (see RG 282.35–RG 282.38), the applicant must select what kind(s) of assets the scheme will hold. We have established a new asset kind that covers crypto-assets so responsible entities with the appropriate authorisation can

hold crypto-assets *directly*. Responsible entities that hold crypto-assets indirectly through feeder funds can rely on the ‘financial assets’ authorisation.

Note: Issuers of crypto-asset ETFs should also review and implement the good practice guidance in [INFO 225](#) and review Section F of RG 133 *Funds management and custodial services: Holding assets* ([RG 133](#)) in relation to holding crypto-assets.

Securities lending

- RG 282.73 Issuers of ETPs (including ETFs) that engage in securities lending practices, either directly or via an intermediary such as a custodian or prime broker, should disclose this to investors in the PDS. They should make adequate disclosures, to the satisfaction of the market operators as part of the admission process, about:
- (a) the reasons for the issuer engaging in securities lending;
 - (b) the percentage of ETP assets that can be lent to third parties;
 - (c) the potential risks to investors as a result of securities lending, including the potential impact on returns due to short selling by the borrower of those securities;
 - (d) any fees earned by the issuer (or a related company of the issuer) from the securities lending arrangements. Where this applies, there should be relevant disclosures of any conflict of interest—in particular, there should be disclosure about how the revenues are shared between the issuer (acting as agent) and the ETP investors;
 - (e) the types of collateral issuers will accept when undertaking securities lending; and
 - (f) the risk that collateralisation may not always prevent investors from losses.
- RG 282.74 The issuer should also ensure it has appropriate collateral standards governing what types of assets may be obtained by the issuer as collateral under a securities lending arrangement, to the satisfaction of the market operator.

Other issuer obligations relevant to retail investors

Disclosure

- RG 282.75 ETF issuers must comply with their disclosure obligations under Ch 7 of the Corporations Act. These obligations include:

- (a) where the ETF issuer first issues the product to an authorised participant before the units in the ETF are sold on-market (including to retail clients), a PDS is required to enable the on-sale of the units;
- (b) where the product is issued or offered directly to a retail client off-market, the issuer is required to give a PDS to the client; and
- (c) the obligation to provide periodic statements.

Note 1: ASIC has provided relief for periodic statements: see RG 282.105–RG 282.111.

Note 2: PDS issuers generally maintain a current PDS for all funds where the units remain quoted so that purchasers of the units can sell them on-market without a PDS being separately required under the secondary sale provisions of Pt 7.9 of the Corporations Act.

RG 282.76 ETF issuers must also disclose information about dividends or distributions paid in relation to the ETF, information about the ETF's relevant index, PDSs and periodic statements.

RG 282.77 Under s1013E of the Corporations Act, the PDS should contain all information that might reasonably be expected to have a material influence on whether a reasonable person as a retail client would decide to acquire the product. This includes, for example, information about the particular characteristics of ETFs versus unlisted shares, use of derivatives (noting relevancy to ETP naming conventions), securities lending, portfolio holdings disclosure and, where relevant, the features of dual access/exit, including disclosure around differences in prices of units on-market versus off-market and the registry differences.

Note: Responsible entities of ETFs are unable to take advantage of the shorter PDS regime because an ETF will be unable to satisfy the definition of a *simple managed investment scheme*: see the definition in reg 1.0.02 and reg 7.9.11S of the Corporations Regulations. Also, where an ETF is traded on a licensed market, the shorter PDS provisions don't apply to interests in a scheme that are, or are intended to be, traded on a declared financial market: reg 7.9.11S(2) of the Corporations Regulations.

Design and distribution

RG 282.78 ETF issuers must comply with the design and distribution obligations in Pt 7.8A of the Corporations Act. This includes the requirement for issuers to make a TMD. For our guidance to issuers and distributors generally on these obligations, see Regulatory Guide 274 *Product design and distribution obligations* ([RG 274](#)) including the appendix which relates specifically to ETPs.

Note: Also see Report 795 *Design and distribution obligations: Compliance with the reasonable steps obligation* ([REP 795](#)) in relation to best practices for distribution.

RG 282.79 Regulation 7.8A.09 clarifies that an ETF issuer must make a TMD for an ETF that is designed to be sold to a retail client, even if it is first issued to a regulated person.

- RG 282.80 Under our relief in [*ASIC Corporations \(Design and Distribution Obligations—Exchange Traded Products\) Instrument 2020/1090*](#):
- (a) an issuer must prepare a new TMD within 10 business days of becoming aware that the TMD is no longer appropriate. However, it is not required to cease on-market distribution during this time; and
 - (b) distributors are only required to comply with the obligation to keep records of complaint information and information that an issuer specifies in the TMD, and report this to the issuer.

D What relief is available?

Key points

ASIC has provided class relief for ETF issuers, including:

- conditional relief to facilitate the operation of ETFs by addressing practical difficulties that ETF issuers face in strictly complying with the Corporations Act (see RG 282.81–RG 282.104);
- relief modifying the content requirements for periodic statements to address practical difficulties for ETF issuers when preparing such statements (see RG 282.105–RG 282.107); and
- relief for certain financial providers (including ETF issuers) to facilitate the delivery of disclosure documents electronically (see RG 282.108–RG 282.111).

ETF issuers can also consider applying to ASIC for other relief on an individual basis: see RG 282.112–RG 282.115.

Relief to facilitate the operation of ETFs

- RG 282.81 ASIC has granted conditional relief under ASIC Instrument 2024/147 to facilitate the quotation and trading of certain ETFs on the AQUA and Cboe markets, and address the practical difficulties that ETF issuers face in strictly complying with the Corporations Act.

Note: ASIC considers that relief from s1013H and s1016D is unnecessary. As long as the issuers have made the required application to the market operator for the ETF interests to be traded on the relevant market when the PDS and the interests are first issued, the issuer need not make an application again to continue to issue new interests under the PDS from time to time.

- RG 282.82 The relief applies to ETFs where all of the following are satisfied:
- (a) the ETFs are interests in a registered scheme or shares in a CCIV sub-fund that are able to be traded on the AQUA market or Cboe;
 - (b) applications for or redemptions of interests or shares in the ETF are allowed on any trading day; and
 - (c) the responsible entity or CCIV does not make a market for those interests or shares—noting that internal market making funds are required to apply to ASIC for individual relief.

Note: [ASIC Instrument 2024/147](#) largely replicates the pre-existing relief in Class Order [\[CO 13/721\]](#) *Relief to facilitate quotation of exchange traded funds on the AQUA Market*, which was due to expire in 2024 and was remade following consultation. The relief in ASIC Instrument 2024/147 extends the relief in [\[CO 13/721\]](#) to a broader class of quoted funds, not limited to those that track an index.

- RG 282.83 Different aspects of this relief are summarised below.

Equal treatment relief for withdrawals from an ETF

- RG 282.84 Section 601FC(1)(d) requires a responsible entity of a registered scheme, in exercising its powers and carrying out its duties, to treat the members who hold interests of the same class equally and members who hold interests of different classes fairly. Under [ASIC Instrument 2024/147](#), ETF issuers may treat retail investors and authorised participants who hold interests of the same class unequally by allowing only the authorised participants to apply for and redeem ETF interests. As noted in RG 282.20–RG 282.25, ETF issuers generally allow ongoing application for and withdrawal of ETF interests at a price based on the NAV of the ETF, by authorised participants who have entered an arrangement with the issuer.
- RG 282.85 This process seeks to ensure that the market price will generally reflect the current NAV of the fund through arbitrage. Except in the case of dual access funds, retail investors are generally excluded from withdrawing or being issued with units directly. Instead, retail investors can trade their units in the ETF by buying or selling on the secondary market.
- RG 282.86 The relief is subject to the following conditions:
- (a) interests or shares in the ETF must maintain admitted to trading status on the AQUA market or Cboe;
 - (b) the PDS for the ETF lodged with ASIC must contain statements to the effect that:
 - (i) the responsible entity will not treat members of the same class equally to the extent it restricts withdrawals by authorised participants;
 - (ii) except in exceptional circumstances, only authorised participants may withdraw from the ETF, but other members may sell their interests or shares on the relevant licensed market;
 - (iii) if the interests or shares in the ETF are suspended from trading for more than five consecutive trading days, members have a right to redeem their interests or shares and receive payment within a reasonable time of their redemption request unless:
 - (A) the ETF is being wound up;
 - (B) the ETF is not liquid; or
 - (C) the responsible entity suspends withdrawals in accordance with the ETF's constitution; and
 - (c) the constitution cannot allow a withdrawal fee per security to be payable by a member who is not an authorised participant, where the fee is greater than the fee that would be payable by an authorised participant to withdraw and receive proceeds in cash to withdraw the minimum parcel while the interests or shares are quoted.

Equal treatment relief for the provision of information to authorised participants

RG 282.87 Equal treatment relief is available under [ASIC Instrument 2024/147](#) to permit ETF issuers to disclose certain information to authorised participants ahead of other members. This includes information about the portfolio or assets that are required for an ‘in specie’ issue or redemption. The delay may be until the commencement of the next trading day after the disclosure was made to authorised participants.

RG 282.88 To rely on the relief:

- (a) the PDS must state that the responsible entity will provide the information to authorised participants before other members;
- (b) an iNAV per security in the ETF (or per security for each class of interests or shares) must be publicly available and updated every 15 minutes during each trading day; and

Note: In practice, issuers generally disseminate iNAV much more frequently, than every 15 minutes, noting the exact frequency may vary between issuers and depend on the market-making model adopted.

- (c) the ETF issuer must publicly disclose any information which has been disclosed to authorised participants before the commencement of the next trading day after the disclosure was made to the authorised participants.

RG 282.89 Relief is provided in relation to the disclosure of index or portfolio information to members who are not authorised participants on a delayed basis to reduce the risk of ‘front running’. This may occur if the responsible entity of an ETF is required to disclose information that would enable particular trading to be predicted or enable real-time calculation by the public of an index that may be sold under subscription. Despite the relief, we expect a high level of transparency about how indices underlying ETFs are constituted.

RG 282.90 Retail investors are generally restricted from applying for new ETF interests directly with the ETF issuer on the primary market (except in the case of dual access funds) and have lesser need for knowledge of the composition and weightings of the index the ETF seeks to track compared to an authorised participant. Authorised participants are generally able to apply directly for new interests in an ETF by transferring to the responsible entity a basket of securities consisting of the same composition and weightings of securities comprised in the index that the ETF seeks to track.

RG 282.91 Retail investors will be informed about the holdings of the ETF and the value of such holdings through iNAV disclosure, which requires responsible entities to disclose the estimated NAV of the ETF continuously during the day and update such disclosure every 15 minutes (although in practice,

issuers disseminate iNAV much more frequently, generally every 15 seconds).

Material change and significant event disclosure relief

- RG 282.92 [ASIC Instrument 2024/147](#) provides ETF issuers with relief from the obligation in s1017B to give members information about material changes and significant events if:
- (a) the issuer complies with the continuous disclosure obligations for unlisted entities under s675 of the Corporations Act; and
 - (b) the PDS contains statements to that effect.
- This instrument does not differentiate between different investment strategies.
- RG 282.93 Section 1017B requires an issuer of a financial product, when the product is acquired by a retail investor, to notify the holder of the product of:
- (a) any material change to, or significant event that affects, a matter that would have been required to be specified in the financial product's PDS, had the PDS been prepared the day before the change or event occurred; and
 - (b) any other change, event or other matter of a kind specified in regulations made for the purposes of s1017B(1A)(b).
- RG 282.94 However, a s1017B notice is not required to be given to an investor if the financial product is a managed investment that is an enhanced disclosure (ED) security under s111AFA. Due to uncertainty regarding the classification of certain ETF products as ED securities, we have provided relief from s1017B to remove ETF issuers' obligation to provide notifications to each retail investor of any material changes and significant events. The relief is subject to the ETF issuer complying with the continuous disclosure obligations under s675 as if the scheme were an unlisted disclosing entity and including statements in the PDS that it will so comply.
- RG 282.95 A responsible entity will normally prepare a PDS for the issue of ETF interests to authorised participants to enable sales of the interests by the authorised participants without triggering the requirement, under s1012C, that a PDS be given to retail investors. A copy of the PDS is normally made available on the responsible entity's website, for review by all investors, as part of the responsible entity's continuous disclosure obligations under the relevant rules and procedures of ASX or Cboe.
- RG 282.96 As ETFs are able to be traded during trading days, retail investors would expect to receive disclosure about significant changes through immediate disclosure to the market, rather than being given a notification within the timeframes in s1017B. Individual notification to retail investors, about their

holdings of managed investment products admitted to trading on the AQUA or Cboe market, may be burdensome to responsible entities and meeting the disclosure requirements that apply to disclosing entities is more appropriate.

- RG 282.97 Section 675 applies to unlisted disclosing entities and essentially requires the disclosure of information that:
- (a) is not included in a PDS or publicly available; and
 - (b) if it were available, would have a material effect on the price or value of the ED security.
- RG 282.98 The relevant rules and procedures of the market operators impose continuous disclosure obligations on ETF issuers, which include the disclosure of information that must be disclosed to ASIC under s675. Compliance with the requirements that apply to unlisted disclosing entities would not be an additional burden.

Relevant interest, substantial holding and beneficial ownership tracing relief

- RG 282.99 Section 606 prohibits the acquisition of a relevant interest in issued voting shares in a listed company, an unlisted company with more than 50 members or a listed scheme, unless acquired under one of the exceptions in s611. An ETF member's ability to lodge a redemption request under the redemption facility offered by a scheme, in the circumstances where redemption will be satisfied by an in-specie transfer of the securities held by the ETF, may trigger this prohibition.
- RG 282.100 Relief is provided in [ASIC Instrument 2024/147](#) to ensure that this ability to redeem does not by itself give the members a relevant interest in any securities held by the ETF. We provide relief from s606 because the rights attaching to interests in the ETF in relation to the underlying securities of the ETF are considered to be sufficiently remote or tenuous that they are unlikely to be used as a means of gaining control.
- RG 282.101 Relief is provided to members of ETFs who have a right to request an in-specie redemption, to allow them to assume that the composition and weightings of the index securities (that the ETF seeks to track) match the creation basket disclosed on that day by the issuer when assessing their obligations (under s671B) to give a substantial holding notice for the securities held by the ETF.
- RG 282.102 Broadly, s671B requires a person who has a substantial holding in a listed company or listed registered scheme to give specified information about that holding to the company or responsible entity for the scheme.
- RG 282.103 The relief from the substantial holding requirements for ETF issuers aims to help the relevant members assess whether an obligation under s671B has

arisen by removing the uncertainty that may result from any fluctuations in the composition of the index that occur during the day. Under the relief, a member will assess its obligations in s671B assuming that the composition of the index is the same as the creation basket disclosed by the issuer at the beginning of the day. That is, the composition and the number of each of the underlying securities of the ETF that correspond to each interest or share in the ETF remains the same as represented in the creation basket.

RG 282.104 Relief applies:

- (a) to the facility offered by the responsible entity or CCIV to redeem interests or shares in the ETF;
- (b) where the member has no power to control the voting or disposal of the security arising from holdings in the ETF except if the interest or share in the ETF is redeemed; and
- (c) until a redemption request in relation to the member's interests or shares in the scheme or sub-fund is made.

Relief for periodic statements

RG 282.105 ASIC has provided relief under [ASIC Instrument 2024/14](#) to ETP issuers (including ETF issuers) in relation to the content requirements of periodic statements.

RG 282.106 Under s1017D and the Corporations Regulations, issuers of certain financial products (including quoted securities) must give periodic statements to retail clients that contain certain information. This includes opening and closing balances, details of transactions, and fees, charges and expenses paid. Relief is provided because it is difficult for such issuers to prepare periodic statements to comply with s1017D of the Corporations Act. For example, issuers generally do not have access to the price at which investors trade on ASX or Cboe, or the volume of each trade.

RG 282.107 Further, periodic statements do not need to include fund performance information relative to the fund's investment objectives. Instead, issuers must provide the address of a website that contains the information about the performance of the ETP in the periodic statements.

Relief for digital disclosure

RG 282.108 ASIC has provided relief under [ASIC Instrument 2025/447](#) to certain financial providers to facilitate the delivery of disclosure documents electronically (if the provider chooses to do so) subject to certain conditions.

RG 282.109 ETF issuers may seek to rely on this relief to make relevant communications (a document, information, statement or notification such as periodic statements and exit statements), available electronically to investors.

RG 282.110 The relief applies where:

- (a) the client and the ETF issuer have agreed that the communication can be made available to the client by ‘electronic means’. The issuer must contact the client each time the relevant communication is made available with details on how to access it;
- (b) the ETF issuer has given a notice (which may be a standing notice) (in printed or electronic form) to the client that the relevant communication will be made available by electronic means, unless the client elects not to receive the relevant communication electronically (the ‘publish and notify’ method). The issuer must contact the client each time the relevant communication is made available with details on how to access it; or
- (c) if the relevant communication is a periodic statement, the ETF issuer has given a notice (which may be a standing notice) (in printed or electronic form) to the client explaining that clients can access future periodic statements electronically on the relevant website (i.e. via the website for market announcements operated by ASX or Cboe, the ETF issuer’s website, or the website of the registry service provider of the ETF issuer). The issuer must include a notice on one of these nominated websites each time a periodic statement becomes available to access, but the issuer does not need to notify each client separately.

Note: ‘Electronic means’ is defined in [ASIC Corporations \(Electronic Disclosure\) Instrument 2025/447](#). The third option in relation to standing notices was introduced in July 2024. Existing arrangements for investors who opted out of electronic delivery of periodic statements before 30 November 2024 will continue to be preserved, unless the investors subsequently notify the issuer that they wish to change to electronic delivery.

RG 282.111 The digital disclosure relief is available to dual access ETFs, to the extent needed for the ETF units traded on-market.

Other types of relief

RG 282.112 If an ETF is not eligible for class relief under the relevant instruments and a contravention of the Corporations Act would otherwise occur, the ETF issuer should consider applying to ASIC for relief on an individual basis.

RG 282.113 For example, ASIC has granted relief from the seven-day exposure period for ETFs in particular circumstances. Under s1016B, the responsible person must not issue or sell the financial product within seven days of lodging a copy of a PDS with ASIC if the product cannot be traded on a financial market at the time the PDS was lodged. We have granted relief for ETFs that invested in bonds where settlement of the underlying bond transaction

occurred at around the same time as bonds started to trade on a licensed market, and where ASIC and ASX or Cboe have considered the PDS and the proposed structure of the ETF.

- RG 282.114 Where relief from s1016B has been granted for an ETF, a significant proportion of the PDS was generic in nature, with information about the underlying bonds being based on public information. We will consider granting individual relief from s1016B in similar circumstances where strict compliance with the exposure period would not achieve a significant regulatory benefit.
- RG 282.115 When applying for relief on an individual basis, an applicant should consider the policy principles in this guide and ASIC's guidance in Regulatory Guide 51 *Applications for relief* ([RG 51](#)).

E Guidance for market operators that admit ETPs (including ETFs)

Key points

This section outlines guidance to market operators that admit ETPs. It sets out ASIC's existing and current exchange market practice relating to:

- approving ETP issuers (see RG 282.117);
- ongoing supervision of ETPs and issuers (see RG 282.118–RG 282.120);
- pricing underlying assets of ETPs and other conditions for underlying assets (including where derivatives are involved) (see RG 282.121–RG 282.140);
- disclosure of portfolio holdings (see RG 282.141–RG 282.143);
- liquidity provision and market making (see RG 282.144–RG 282.159);
- securities lending (see RG 282.160–RG 282.161);
- waivers (see RG 282.162);
- product labels and naming considerations (see RG 282.163–RG 282.168); and
- other types of ETPs (see RG 282.169–RG 282.173).

RG 282.116 The guidance in this section is for market operators that admit ETPs, including ETFs and structured products. It sets out good practices to help ensure that admission and monitoring standards for ETPs continue to support fair, orderly and transparent markets, particularly in the context of ETPs that have unique or novel features. These admission guidelines largely reflect current market practice.

Note 1: Some of the good practices outlined in this section may need to change over time as the market continues to grow and innovate. As this document changes, licensed Australian exchanges may need to adjust their operating rules accordingly.

Note 2: Some parts of this section may overlap with earlier parts of this guidance in relation to ETF issuers as there is duplicative content that may extend across both ETFs and other types of ETPs. We have added cross-references in instances where this occurs.

Approving ETP issuers

RG 282.117 For each new ETP application received, irrespective of whether an issuer has previously issued other products, market operators need to assess whether the issuer is able to fulfil its obligations in relation to that product. As gatekeepers for Australian financial markets, market operators have responsibility to set

and monitor continuing compliance with admission requirements for ETP issuers to ensure, to the extent that it is reasonably practicable to do so, their ETP market is fair, orderly and transparent. In doing so, market operators should assess whether an issuer has adequate expertise, procedures, risk management, and human, technological and financial resources for the ongoing quotation of a particular product. This includes:

- (a) confirming that the issuer holds and complies with all relevant AFS licence authorisations and obligations under Ch 7 of the Corporations Act, including the relevant financial requirements;
- (b) reviewing the issuer's business, including:
 - (i) the countries it operates in;
 - (ii) information about funds managed (including over-the-counter (OTC) and exchange traded, number of ETPs, value of funds under management, number of investors); and
 - (iii) information about the parent company, such as its financial position and experience with ETPs;
- (c) confirming that the issuer has:
 - (i) registry, portfolio calculation agent, market making and custodian agreements in place with third-party service providers, and that these arrangements include appropriate information barriers where required. If the issuer seeks to perform any of these functions itself, it should have the resources, systems and controls necessary to enable it to reliably do so and in a manner that adequately manages conflicts;
 - (ii) appropriate technology systems in place; and
 - (iii) internal policies, procedures, systems and controls established, particularly related to information barriers where required, for both it and their third-party service providers;
- (d) assessing the skills and experience of key personnel (including the CEO, CFO, CIO, portfolio manager), number of staff and identity of third-party providers like investment managers;
- (e) reviewing the financial position of the issuer to verify that its financial resources are sufficient to support the product on admission and on an ongoing basis. The market operator should have rules requiring the issuer to notify it if this situation changes; and
- (f) assessing the level of exposure and any counterparty risk that a product with derivative exposure (both OTC and exchange traded) may contain or an issuer is exposed to.

Note: While this section seeks to provide guidance around certain novel or unique features of ETPs recently admitted to quotation, there will undoubtedly be other novel features or products (not currently captured) as the market continues to evolve. If a new ETP application has unique or new attributes for the Australian market, market

operators should make a detailed assessment of these features and their application against the current regulatory framework, including ASIC guidance that may be relevant to issuers of ETPs. They should then discuss the application with ASIC before making an admission decision as part of the novel product referral process.

Ongoing supervision of ETPs and issuers

RG 282.118 Market operators are required to monitor the ETPs and issuers admitted to their market on an ongoing basis to ensure, among other things:

- (a) a fair, orderly and transparent market; and
- (b) compliance with the operating rules.

RG 282.119 The market operator also needs to ensure that its own arrangements and resourcing remain adequate as the market and range of products traded on it evolve (e.g. experienced staff, IT systems).

Note: See s792A of the Corporations Act which sets out the general obligations of market operators.

RG 282.120 This will include proactive and frequent monitoring to check whether:

- (a) the issuer continues to meet the conditions of admission for the ETP;
- (b) issuers meet continuous disclosure and other disclosure obligations, including disclosure about tracking performance for ETPs that follow an index;
- (c) market makers comply with the agreed liquidity/spreads. For example, market operators should engage with issuers and market makers where there is insufficient liquidity or spreads are becoming too wide;
- (d) incentive schemes (e.g. rebates) for each product do not produce unnecessary intermediation;
- (e) issuers adhere to the ETP's intended derivative limits. Market operators may impose conditions requiring issuers to notify them when derivative exposures exceed permitted levels. In such cases, the market operator should monitor the frequency of reporting and take appropriate action if the extent to which derivative exposures exceed permitted levels is unreasonable or greater than anticipated;
- (f) there are adequate procedures for managing situations where it may not be possible to sell close to the NAV (e.g. low liquidity ETPs, orderly wind-downs of ETPs or fund suspensions); and
- (g) the ETP market has sufficient integrity and is adequately protecting retail investors.

Note: Section C of this Regulatory Guide provides information about ETF issuer responsibilities.

Underlying assets

Pricing of underlying assets

- RG 282.121 Market operators should be satisfied that the underlying assets of ETPs have robust and transparent pricing mechanisms. This supports market liquidity and gives retail investors confidence that they can transact in the ETP units at a price at, or closely resembling, the NAV of the underlying investment portfolio.
- RG 282.122 Where products have more complex or less liquid constituents, market operators should be satisfied and be able to demonstrate that there is a robust and transparent pricing mechanism in a range of market conditions, including those with a degree of market stress. If this pricing mechanism is compromised then the price may not be correct, leading to a lack of confidence in pricing which undermines orderly trading in the product. We would also expect market operators to consider whether any additional retail investor protections are appropriate where the underlying assets are considered illiquid, high risk or complex.
- RG 282.123 Where the underlying securities are fixed income instruments (e.g. debentures and bonds), they should generally be constituents of an index that is widely regarded by industry as having robust and transparent governance arrangements (such as the eligibility criteria for inclusion and transparent methodology for construction and maintenance of the index). Market operators should also be satisfied that the authorised participants in these products have access to sufficient information to reliably (and in a timely manner) determine the price at which the relevant debentures or bonds can be bought or sold.
- RG 282.124 Market operators may require, as part of eligibility for quotation, that fixed-income or debt-based ETPs only invest in debt instruments that meet certain criteria, specifically known as an ‘eligible debt portfolio’ or ‘eligible portfolio’. Refer to the relevant rules and procedures for the exact conditions. An eligible portfolio generally refers to a portfolio of fixed income securities that includes investment grade debt, high-yield corporate debt, or mortgage/asset-backed securities—that is subject to a reliable pricing framework (i.e. a specified entity that provides reliable and independent pricing, or a trading platform subject to a regulatory framework that covers pricing quality and transparency as specified in the relevant rules and procedures). The portfolio may also be subject to diversification requirements.
- RG 282.125 Market operators should also consider the robustness and transparency of the index (where the ETP relies on an index), particularly in the case of a related party index provider. Market operators should verify where necessary that their arrangements with the benchmark/index administrator comply with

recognised benchmark selection principles such as the International Organization of Securities Commissions (IOSCO) [Principles for financial benchmarks](#) (PDF 388 KB), the [EU Benchmarks Regulation](#) or other internationally recognised benchmark selection principles for any index relied on by the ETP. These principles relate to governance, quality of the benchmark and methodology, and accountability.

Note: See IOSCO 2013, [Principles for financial benchmarks](#) (PDF 388 KB), final report, July 2013.

Derivatives

- RG 282.126 Issuers of ETPs with underlying holdings including derivatives should satisfy the market operator that they are able to reliably measure the value of these derivative positions daily on a mark-to-market basis.
- RG 282.127 Where an issuer seeks to admit a product with a strategy that would rely on the use of derivatives (both exchange traded and OTC) on an ongoing basis for more than an immaterial extent (i.e. total notional value of more than 5% of the ETP's NAV but excluding derivatives used solely to hedge foreign exchange risk, other than in exceptional circumstances), the market operator should impose regular disclosure obligations (at least monthly) to the market in relation to the total percentage of notional derivative exposure to the ETP's NAV.
- RG 282.128 Where an issuer intends to rely on using derivatives with total notional value of less than 5% of the ETP's NAV, the market operator should have rules in place requiring the issuer to notify the market as soon as practicable when exceptional circumstances occur resulting in the use of derivatives with total notional value exceeding 5% of the ETP's NAV.
- RG 282.129 Where an issuer seeks to admit a product with a strategy that would rely on the use of OTC derivatives on an ongoing basis for more than an immaterial extent (other than in exceptional circumstances), the market operator should impose additional requirements on the issuer in relation to:
- (a) acceptable counterparties;
 - (b) acceptable collateral;
 - (c) direct access to collateral in the event of a counterparty default; and
 - (d) regular disclosure obligations (at least monthly) to the market in relation to:
 - (i) the maximum percentage of OTC derivative exposure relative to the ETP's NAV on a mark-to-market basis;
 - (ii) breakdown of collateral by security type, country, sector, currency and credit rating; and
 - (iii) swap costs.

- RG 282.130 This disclosure should include any reduction in the NAV of the ETP attributable to discounting the OTC derivative, reflecting any concerns the issuer has around the ability to recover the value of the OTC derivative.

Crypto-assets

- RG 282.131 Market operators may determine that crypto-assets can be permissible underlying assets for ETPs admitted to their market. Given the unique characteristics and risks of crypto-assets, we expect market operators to carefully assess, on an individual basis, whether it is appropriate for a particular crypto-asset to be a permissible underlying asset for ETPs admitted to their market. In conducting this assessment for crypto-assets that are not financial products, we expect market operators to be satisfied that the requirements at RG 282.71 are met.
- RG 282.132 In relation to assessing a high level of institutional support and acceptance, we suggest that the presence of the following may be relevant considerations for market operators:
- (a) ETPs that hold the crypto-asset in comparable jurisdictions;
 - (b) listed companies that deal in, or provide services in connection to, that crypto-asset in Australia or comparable jurisdictions;
 - (c) large and well-regarded traditional financial institutions, in Australia or comparable jurisdictions, that provide services in relation to that crypto-asset to institutional clients; and
 - (d) unlisted investment products available to retail investors in Australia (e.g. registered managed investment schemes) that hold the crypto-asset and have a proven track record of operations consistent with the crypto-asset being able to meet the requirements for being held by an ETP.
- RG 282.133 In relation to assessing a mature spot market, we suggest a holistic assessment of the state of the spot market for the crypto-asset and its ability to support ETPs, considering factors such as:
- (a) the number of major platforms dealing in the crypto-asset;
 - (b) the value and frequency of trading activity across platforms;
 - (c) the level of trading fees and bid–offer spreads;
 - (d) the diversity of buyers and sellers;
 - (e) the extent to which trading activity takes place on platforms that have policies and procedures to promote fair, orderly and transparent trading activity and address manipulation and other market integrity risks; and
 - (f) the effectiveness of arbitrage activity between major platforms and consistency of pricing across major platforms.

- RG 282.134 In relation to the presence of a regulated futures market, the standard of regulation we refer to is that of a licensed derivatives market which is required to maintain a fair, orderly and transparent market for trading in crypto-asset futures. For overseas markets in comparable jurisdictions, there should be standards that achieve equivalent regulatory outcomes. The futures market should be subject to oversight by a body empowered by law to supervise it.

Note: The crypto-asset, bitcoin, and the network it trades on are both referred to by the same term. For clarity we use the term 'bitcoin' with a lower case 'b' to refer to the crypto-asset.

- RG 282.135 For crypto-assets that are also financial products, market operators may determine that a particular crypto-asset is a permissible underlying asset on the basis that the relevant class of financial product is a permissible underlying asset. The market operator must still be satisfied that the crypto-asset is an acceptable underlying asset for ETPs admitted to its market and is consistent with maintaining a fair, orderly and transparent market.

Categorisation

- RG 282.136 For crypto-assets that are not financial products, it is good practice for market operators to establish a separate category of permissible underlying asset for these crypto-assets and use this as the basis to assess the ETP for admission—for example, by way of an 'eligible crypto-asset' category. This category could be defined by reference to the five factors at RG 282.71, or it could set out the specific crypto-assets which are considered to satisfy the factors.
- RG 282.137 For crypto-assets that are also financial products, market operators should rely on the relevant class of financial product being a permissible underlying asset as the basis to assess the ETP for admission.

Pricing

- RG 282.138 There are unique challenges when pricing crypto-assets. To achieve a robust and transparent pricing mechanism for non-financial product crypto-assets, we consider it is good practice for market operators to verify that:
- (a) the basis of the pricing mechanism for crypto-assets held by an ETP is a benchmark price or index published by a widely regarded provider that:
 - (i) reflects a substantial proportion of trading activity in the relevant pair(s), in a representative and unbiased manner;
 - (ii) is designed to be resistant to manipulation; and
 - (iii) complies with recognised benchmark selection principles such as the IOSCO [Principles for financial benchmarks](#) (PDF 388 KB), the [EU Benchmarks Regulation](#), or other internationally recognised benchmark selection principles; and
 - (b) pricing mechanisms which rely on a single crypto-asset spot market are avoided.

- RG 282.139 For crypto-assets that are also financial products, market operators should be satisfied that there is a pricing mechanism for those crypto-assets which is as robust and transparent as those used by non-crypto-assets of that class of financial product.

Admission and monitoring standards

- RG 282.140 For all crypto-asset ETPs, we expect market operators to be satisfied that the structure and operation of the product appropriately account for the unique characteristics and risks of crypto-assets. We expect market operators to consider the good practices for crypto-asset investment products set out in [INFO 225](#) and verify, as part of the admission process, that the structure and operation of the product seeking admission are consistent with the good practices outlined in INFO 225. It is also good practice for market operators to periodically assess whether admitted crypto-asset ETPs are maintaining an appropriate structure and operation.

Disclosure of portfolio holdings

- RG 282.141 We expect that market operators will generally require ETFs to publish, on a daily basis, the full portfolio of the ETF's holdings (or a creation/redemption basket which should generally closely reflect the portfolio of the ETP's holdings) along with the NAV per unit on each trading day: see RG 282.48.
- RG 282.142 Where an iNAV is provided, it is important that market operators are satisfied that it is calculated through systems that can be independently verified or by an independent third party with reasonably reliable and robust systems. The iNAV should be updated to reflect live market prices for underlying assets that are traded during Australian trading hours. Where the assets underlying the ETP are not traded during Australian trading hours, the iNAV could be based on the closing price adjusted for foreign exchange movements, with an additional adjustment for after-hours trading conditions where appropriate (e.g. by looking at moves in derivative markets, if they provide a reasonable proxy). In some circumstances, market operators may form the view that investors' interests are better served by not requiring the publication of an iNAV where it is unable to consistently and accurately reflect the ETF's fair value. The issuer is generally expected to monitor the iNAV during local trading hours. For more information on iNAV expectations for ETF issuers see RG 282.67–RG 282.68.

Delayed disclosure of portfolio holdings

- RG 282.143 In some circumstances, ETP issuers may disclose full portfolio holdings on a delayed basis, rather than on a daily basis. Two circumstances relate to:
- (a) the MPI model (see RG 282.51–RG 282.63); and
- Note: Treat the reference to those paragraphs as if the information in those paragraphs applies to ETP issuers (including issuers of structured products), and not just ETF issuers.
- (b) internal market making (see RG 282.151–RG 282.156).

Liquidity provision and market making

- RG 282.144 Market operators should consider whether there is likely to be investor demand for a new product. They should also have rules requiring product issuers to provide adequate product liquidity in their ETP so that investors can consistently trade at a price that is close to the NAV of the ETP. Product issuers can choose to appoint a lead market maker or, in very specific circumstances, product issuers may adopt the role themselves. In addition, other market makers may be encouraged to provide liquidity by trading fee rebates and technology or technical services fee incentives offered by market operators: see further details at RG 282.157–RG 282.159.
- RG 282.145 Irrespective of the method adopted by product issuers, market operators should proactively monitor product liquidity on a regular basis (ideally daily) to satisfy themselves that:
- (a) they have mechanisms in place to alert them when a market maker is absent from the market for an unacceptable period; and
 - (b) the agreed liquidity parameters for the ETP are being complied with by market makers.
- RG 282.146 If either of these factors is not being achieved, market operators will need to consider what action may be appropriate (e.g. suspension of trading, revoking admission or additional market making obligations).
- RG 282.147 Market operators and issuers should consider whether the price at which an ETP is admitted, and the resulting minimum bid–offer spread in relative terms, is appropriate for the ETP’s strategy. Higher ETP prices can facilitate narrower bid–offer spreads as a percentage of traded prices because the minimum tick size is \$0.01 for all traded prices above \$2.
- RG 282.148 Market operators should make average bid–offer spreads for all ETPs available on a regular basis so investors can assess the cost of entering and exiting their investments.

Market makers appointed by product issuers

- RG 282.149 As noted in RG 282.27, ETP issuers (including ETF issuers) may engage external market makers to provide liquidity, so that the ETF’s market price per unit closely tracks the value of the ETF’s NAV per unit, subject to an appropriate spread between the bid and offer. The spread may in part reflect transaction costs in the underlying assets. Ensuring that investors can trade at a price close to the NAV is critical to investor confidence in the market. The market operator should closely monitor whether this is achieved consistently.

- RG 282.150 Additionally, exchanges should verify that ETP issuers:
- (a) have entered into appropriate contractual arrangements to require their lead market maker to provide quotes that are tight and two-sided, sufficiently large in order size and available for most of the trading day; and
 - (b) have processes in place to monitor their lead market maker's quoting performance on an ongoing basis.

Internal market making

- RG 282.151 Internal market making arrangements are described at RG 282.56.
- RG 282.152 Market operators should only allow internal market making and delayed portfolio holdings disclosure when there is a genuine need to protect the issuer's intellectual property. While we acknowledge there are concerns for some issuers arising from daily portfolio holdings disclosure, timely transparency, which is ordinarily considered to be daily disclosure, is important, and we expect this to be the normal practice.
- RG 282.153 Factors that market operators should consider in assessing internal market making arrangements include whether:
- (a) the issuer and the trading participant appointed as execution agent have the appropriate competencies, resources, policies, procedures, systems and controls necessary to carry out their role in relation to the internal market making;
 - (b) the internal market making arrangement complies with the Corporations Act, including the prohibitions on market manipulation and insider trading, and the duties to act in the best interest of members, manage conflicts of interest and maintain withdrawal provisions that are compliant with s601GA(4). Issuers are encouraged to seek legal advice explaining how their proposed arrangements will comply with the Corporations Act;
 - (c) the input for market making quotes is limited to publicly available information—for example, the iNAV, publicly available portfolio holdings disclosures, general market conditions and trading activity. Market operators should review internal compliance and supervision arrangements to verify that effective information barriers have been established at the issuer and its execution agent so that bids and offers are not submitted to the market by persons or systems with knowledge of the current portfolio holdings (or in rare and isolated scenarios where such a person must be involved, the bids and offers must not deviate from their standing instructions until the non-public information is disclosed to the public). If the execution agent also provides other services for the issuer (e.g. transaction hedging), the issuer should not provide the execution agent with material non-public information about the fund's portfolio holdings in connection with that service unless appropriate information barriers are established to segregate this information from the market making service;

- (d) the iNAV is as accurate and is disseminated as frequently as practicable, given the nature of the fund. For example, for some funds, it may be better practice to incorporate adjustments (such as index futures) to reflect market movements in underlying assets that are not traded during Australian market hours. The market operator should also be satisfied that the issuer has robust processes in place to maintain the integrity and continued distribution of the iNAV. For example, this could include the responsible entity undertaking its own monitoring and integrity checks or contracting with a second iNAV provider as a backup. Both a higher quality iNAV and more frequent publication of the iNAV can help to manage market integrity risks and enable investors to trade at prices that reflect the fund's current value;
- (e) the extent of the delayed disclosure is appropriate, given the nature of the fund. Market operators should work with issuers so that full portfolio holdings disclosure is delayed only to the extent necessary to protect the ETP's intellectual property. For example, it may be better practice for funds with higher portfolio turnover rates to provide full portfolio holdings disclosure more frequently than ones with lower portfolio turnover, as the risk of intellectual property being replicated is lower;
- (f) the arrangements regarding the bid–offer spread, minimum order size and time in market each trading day support exiting investors and incoming investors being able to transact at fair and orderly prices;
- (g) risk management processes (including processes to identify and respond to instances of heightened volatility, illiquidity events, large market movements and substantial information asymmetry in the market) are robust;
- (h) the contracts which underpin the internal market making arrangement are appropriate, including confirming that any discretion afforded to the issuer to override the standing market making instructions does not result in the arrangement being at risk of non-compliance with the insider trading prohibition; and
- (i) there is adequate disclosure in the PDS about the additional risks of the product. For example:
 - (i) the ETP may not always be able to make a market in times of uncertainty about values, due to its duty to act in the best interests of members; and
 - (ii) the fund will bear the risk of market making activities, which may result in a profit or loss to unitholders.

RG 282.154 We consider that it is not appropriate to offer a market making incentive scheme (e.g. trading fee rebates) for internal market makers. We also consider it is not appropriate for issuers to use 'treasury stock' in the course of conducting internal market making (i.e. units in the ETP that are part of the scheme property and held for market making inventory purposes).

Market operators should require that any units bought by the ETP must be cancelled before the next trading session.

- RG 282.155 There may be periods of time where there are substantial information asymmetries in the market—for example, where publication of the iNAV has ceased, the iNAV is no longer an accurate reflection of the fund’s current value (due to technical malfunctions or stale data inputs) or when the responsible entity seeks to change the parameters of its market making operations. In these circumstances, we consider it is better practice for the issuer to inform the market by announcement and cease market making until the information asymmetry is resolved. A further step may be to request a trading halt of units of the fund. It is up to the issuer, in conjunction with the market operator, to decide whether this action is in the best interests of unitholders, taking into account the type of event and how long it may take to be resolved.
- RG 282.156 Market operators should provide investor education about the differences between products with internal market making and other ETPs, including the risks unique to these arrangements.

Other market makers operating under a market operator’s fee rebate incentive scheme

- RG 282.157 Market operators may offer rebate agreements by which market makers that are independent of the product issuer receive a rebate on trading fees where they meet the required metrics (maximum spread, minimum size and time in market) for the product type in order to further promote liquidity.
- RG 282.158 However, as discussed in Regulatory Guide 172 *Financial markets: Domestic and overseas operators* ([RG 172](#)) in relation to ‘Notifying ASIC of material change to procedures’, we have concerns where market operator trading fees or other incentive-based models may influence behaviour in a way that is not in the best interests of clients, and the integrity and quality of the Australian market. We do not support pricing models where the market operator makes a net payment to a market maker, because they do not promote fair, orderly and transparent financial markets, or the integrity and quality of the wider Australian market. This includes both trade-by-trade and aggregate models. We do not support such pricing models in the Australian market.
- RG 282.159 Trading fee rebates should also be designed to promote liquidity levels, while ensuring fair and orderly trading. Market operators may offer technology or technical services fee incentives to registered market makers. Note that market makers are able to qualify for trading fee rebates without providing liquidity for the full trading day, and traded prices may occur at unfavourable prices during periods when market makers are absent. Market operators should monitor the presence of market makers and overall quote quality on an ongoing basis.

Securities lending

- RG 282.160 Market operators, as part of the admission process, should verify that issuers of ETPs that engage in securities lending practices make adequate disclosures in the PDS about certain matters listed at RG 282.73.
- RG 282.161 Market operators should also satisfy themselves that the issuer has appropriate collateral standards governing what types of assets may be obtained by the issuer as collateral under a securities lending arrangement.

Development of market rule frameworks and innovation

- RG 282.162 We recognise that there are significant innovations and global developments occurring in ETPs. Where market operators consider that their operating rules need to be amended for policy reasons to accommodate such innovations or developments, the market operators are encouraged to discuss these with ASIC. While there may be instances where minor issues can be dealt with by way of a waiver (e.g. minor technical changes or temporary changes), market operators should not grant waivers from their operating rules to accommodate significant new ETP features.

Product labels and naming considerations

- RG 282.163 Retail investors frequently trade ETPs through execution-only brokers and may not receive a PDS before trading. As a result, we consider that product names that clearly reflect the nature of the product, combined with the use of defined labels, can help alert retail investors to the type of product and associated investment strategies and risks.
- RG 282.164 Market operators must be satisfied that issuers have adopted appropriate product trading names and descriptions for their ETPs. These can help retail investors clearly differentiate between investment strategies and risks associated with the different types of ETPs—in particular, between:
- (a) ETPs that are structured as collective investment vehicles (CIV) (such as managed investment schemes and CCIV sub-funds) and other ETPs;
 - (b) passive and active investment strategies; and
 - (c) ETPs that are more complex than products that have direct long-only exposure to the ultimate underlying assets (e.g. where the fund employs leveraged or inverse positions, has payoffs that are not one-for-one with the underlying assets, or where the exposure is obtained through derivatives).
- RG 282.165 The ‘Complex’ label is intended to help investors identify products that involve investment strategies that may be more difficult for retail investors to understand. The ‘Complex’ label is not a proxy for, or an indicator of, an

ETP's risk profile, although it will often be the case that a product involving complex investment strategies also involves increased risk.

RG 282.166 Market operators should satisfy themselves that the product's trading name is generally true to label and supports the labelling conventions in Table 3 and Table 4 below. This includes:

- (a) applying the labels to the trading name of the ETP (the name that appears on the market operator's website, in marketing materials and the PDS);
- (b) where other terms are used in the product's name—satisfying themselves that this is appropriate as part of their assessment that the name is 'true to label';
- (c) taking steps to ensure that relevant labels are included whenever the product's trading name is used by the exchange; and
- (d) adopting a 'look through' approach to the underlying asset to determine appropriate naming and labels, such as when an ETP gains exposure to those assets via underlying fund(s).

Note: Issuers should also take steps to ensure that relevant labels are used consistently. Where market operators become aware of inconsistent labelling or marketing by an issuer, they should take action with the issuer to resolve it.

RG 282.167 We expect that market operators will have rules that implement the primary and secondary labels. If a market operator has any concerns about potential misleading and deceptive conduct or disclosure defects, including in relation to the name of the product, those concerns should be referred to ASIC for review.

RG 282.168 All labels should appear at the end of the product trading name. If a secondary label is applied:

- (a) it should appear immediately before the primary label (e.g. 'ABC ETF', 'XYZ Active ETF', 'LMN Structured');
- (b) only one secondary label should be applied to an ETP, noting that where an ETP meets the requirements to apply the 'Active' and the 'Complex' labels, only the 'Complex' label should be applied; and
- (c) the ETP must be marketed as having an investment strategy consistent with that label.

Table 3: Primary labels (product structures)

Product labels (product structures)	When to be used
Exchange Traded Fund or ETF	An ETP that is a CIV (such as registered managed investment schemes and CCIV sub-funds)
Structured Product or Structured	An ETP that is a security or derivative that gives financial exposure to the performance of underlying instruments

Table 4: Secondary labels (ETP investment strategies and risks)

Product labels	When to be used
Active	<p>The term 'Active' should be used immediately before the primary label of any ETP that is structured and marketed as employing an active investment objective. This is where underlying investments are held or traded in a way that does not track or replicate the returns of a robust and transparent index or benchmark (i.e. the objective is to outperform an index, or is benchmark unaware) or track the performance of a specific security</p> <p>Note: Consistent with earlier parts of this section, we consider that an index is robust and transparent if it complies with recognised benchmark selection principles (such as the IOSCO Principles for financial benchmarks (PDF 388 KB), the EU Benchmarks Regulation, or other internationally recognised benchmark selection principles)</p>
Complex	<p>The term 'Complex' should be used immediately before the primary label of any ETP where the investment strategy:</p> <ul style="list-style-type: none"> • uses debt or leverage to make a financial investment; • uses short selling; • uses derivatives, other than disclosed hedging of exchange rate or interest rate risks, to: <ul style="list-style-type: none"> – gain non-temporary material economic exposure to implement the underlying investment strategy; or – create a net leveraged or net inverse position for the portfolio; or • otherwise meets the hedge fund criteria in Regulatory Guide 240 <i>Hedge funds: Improving disclosure</i> (RG 240) <p>Where the 'Complex' label is applied, it is good practice for the full product trading name to indicate the specific risks, strategies or features that gave rise to the application of this label (e.g. leveraged, inverse, synthetic, hedge fund, long-short, covered call)</p> <p>Note on derivatives use: In assessing materiality of the exposure under the derivatives use limb, market operators should consider, among other things, whether the investment strategy of the ETP would permit it to hold notional derivative exposures that in aggregate relate to underlying assets valued at 10% or more of the NAV of the ETP (disclosed hedging of exchange rate or interest rate risks can be excluded from the 10%). This 10% threshold should be used as a guide only. An exposure of less than 10% could still be considered 'material' depending on other circumstances (e.g. if the exposure is fundamental to the implementation of the investment strategy). Similarly, exposure above 10% may not be considered 'material' to the strategy of the ETP—though we expect that, in this case, the issuer should provide the market operator with clear reasons and relevant analysis explaining why the exposure should not be considered material to the strategy of the ETP</p> <p>In considering materiality and whether the derivatives use limb applies, market operators should focus on the likely effect or outcome for investors in not using the derivatives to attain the strategy. The 'Complex' label must be applied if the derivatives use:</p> <ul style="list-style-type: none"> • is likely to have the overall effect of increasing the risk profile of the ETP on an ongoing basis from an investor perspective; or • is fundamental to the implementation of the investment, of a nature that investors should be alerted to the term 'Complex', to differentiate the ETP from more standard physically replicating products <p>We do not expect that derivatives used to more efficiently gain an economic exposure to underlying assets on a temporary basis will be captured by this definition</p>

Other types of ETPs

Smart beta or rules-based products

- RG 282.169 Smart beta, factor, multi-asset and quantitative or rules-based ETPs seek to provide additional diversification or return enhancements relative to traditional market capitalisation benchmarks. These types of strategies are often considered to contain elements of both passive or index tracking, and active investment strategies.
- RG 282.170 Where the ETP uses one of these types of investment strategies, the ETP should be labelled:
- (a) 'ETF' or 'Structured' without secondary labels where the product seeks to track a robust and transparent index or benchmark; or
 - (b) with the 'Active' secondary label if the product does not seek to track a robust and transparent index or benchmark. For example, the 'Active' label may apply to products that rely on an issuer's own quantitative models to select investments.

Leveraged or inverse ETPs

- RG 282.171 The use of leveraged or inverse ETPs (1X, 2X, 3X) with daily resets has not currently been permitted. This is because:
- (a) these products are unable to exactly replicate the specified multiples of an index's returns over more than one day (because of the compounding effect of the daily reset function); and
 - (b) there were concerns that retail investors would fail to understand the implications of the product being held for a period longer than one day.
- RG 282.172 Other types of ETPs that provide material leveraged or inverse exposure to an underlying reference asset are able to be considered for admission. However, the target range for the leveraged or inverse performance of the ETP must be clearly identified in its PDS. The exposure of these ETPs is reset where its exposure deviates from its prescribed range. These types of ETPs must be labelled 'Complex ETF' or 'Complex Structured', as appropriate.

Dual access ETPs

- RG 282.173 The labelling guidelines in Table 3 and Table 4 should be applied to these products in the same way they apply to other ETPs. When existing unlisted products are admitted to quotation by a market operator, investors should be informed that the product is now an ETP and made aware that on-market and off-market entry and exit mechanisms are available for the product. The marketing of these products should also consistently reflect the ETP naming and labelling guidelines.

Key terms

Term	Meaning in this document
AFS licence	<p>An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries on a financial services business to provide financial services</p> <p>Note: This is a definition in s9 of the Corporations Act.</p>
AFS licensee	<p>A person who holds an AFS licence under s913B of the Corporations Act</p> <p>Note: This is a definition in s761A of the Corporations Act.</p>
AQUA market	<p>ASX Quoted Assets market—the market segment or rule framework created by ASX to specifically manage the admission of ETF securities, managed fund products, and structured products (collectively referred to as 'AQUA products') on the market operated by ASX and to provide access for AQUA product issuers to clearing and settlement services provided by ASX Group</p>
ASIC Act	<p><i>Australian Securities and Investments Commission Act 2001</i></p>
ASIC Instrument 2024/14 (for example)	<p>An ASIC instrument (in this example numbered 2024/14)</p>
ASX	<p>ASX Limited ACN 008 624 691 or the exchange market operated by ASX Limited</p>
ASX Group	<p>The ASX group of companies including:</p> <ul style="list-style-type: none"> • ASX; • ASX 24—the licensed derivatives exchange market operated by Australian Securities Exchange Limited; • ASX Clear—the licensed clearing and settlement facility operated by ASX Clear Pty Limited; • ASX Clear (Futures)—the licensed clearing and settlement facility operated by ASX Clear (Futures) Pty Limited; • ASX Settlement—the licensed clearing and settlement facility operated by ASX Settlement Pty Limited; and • Austraclear—the licensed clearing and settlement facility operated by Austraclear Limited

Term	Meaning in this document
authorised participant	<p>means, in relation to an ETF, a person who:</p> <ul style="list-style-type: none"> • has an agreement with: <ul style="list-style-type: none"> – in the case of an ETF that is a registered scheme—the responsible entity of the scheme; – in the case of an ETF that is a sub-fund of a CCIV—the CCIV (in respect of the sub-fund); and – in relation to making applications to acquire and withdraw interests in the scheme or shares in the sub-fund; and • is, or has engaged to act on its behalf, a participant in relation to a financial market, to acquire and dispose of interests in the scheme or shares in the sub-fund <p>Note: This is a definition in ASIC Instrument 2024/147.</p>
Cboe	The exchange market operated by Cboe Australia Pty Ltd ACN 129 584 667
CCIV	<p>A corporate collective investment vehicle—a company that is registered as a corporate collective investment vehicle under the Corporations Act</p> <p>Note: This is a definition in s9 of the Corporations Act.</p>
Ch 8B (for example)	A chapter of the Corporations Act (in this example numbered 8B), unless otherwise specified
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
[CO 05/26] (for example)	An ASIC class order (in this example numbered 05/26)
dual access ETF	An ETF in which retail investors can apply for, or redeem, interests directly with the ETF issuer (primary market) or buy or sell interests on the ASX or Cboe financial markets (secondary market)
ED security	An ‘enhanced disclosure’ security as defined in s111AD of the Corporations Act
ETF	An exchange traded registered scheme (or a class of interests of the scheme) or an exchange traded sub-fund of a CCIV
ETF issuer	The responsible entity of a scheme (where an ETF is a registered scheme), or the CCIV (where an ETF is a sub-fund of a CCIV)
ETP	An exchange traded product, including ETFs and structured products
exchange	A licensed market that enables trading in listed and quoted products

Term	Meaning in this document
iNAV	An indicative estimate of NAV, calculated continually throughout the trading day, rather than at the close of the trading day
interest	An interest in an ETF means a unit in a registered scheme or a share in a sub-fund of a CCIV
market integrity rules	Rules made by ASIC, under s798G of the Corporations Act, for trading on domestic licensed markets
market maker	A person who has entered into an agreement with the issuer or market operator to make a market for an ETP
market operator	A person who holds an Australian market licence and operates a market that enables trading in quoted products
MPI	Material portfolio information
NAV	Net asset value of an ETP (including an ETF)
operating rules	Has the meaning given in s9 of the Corporations Act, as it applies to financial markets
PDS	A Product Disclosure Statement—a document that must be given to a retail client for the offer or issue of a financial product in accordance with Div 2 of Pt 7.9 of the Corporations Act Note: See s761A for the exact definition.
periodic statement	A statement required to be sent to certain persons who acquired financial products as a retail client under s1017D on at least an annual basis while holding the product (ongoing) and on ceasing to hold the financial product (exit)
Pt 7.7 (for example)	A part of the Corporations Act (in this example numbered 7.7), unless otherwise specified
reg 7.9.75A (for example)	A regulation of the Corporations Regulations (in this example numbered 7.9.75A), unless otherwise specified
registered scheme	A managed investment scheme that is registered under s601EB of the Corporations Act
REIT	Real estate investment trust, a closed-ended investment vehicle that provides exposure to property assets listed on exchange
relevant market operator	Any market operator currently permitted to admit the quotation of ETPs (including ETFs), including Cboe and ASX

Term	Meaning in this document
relevant rules and procedures	The operating rules, procedures and any applicable guidance notes of the relevant market operator that relate to the admission and ongoing quotation of ETPs on the market
responsible entity	A responsible entity of a registered scheme as defined in s9 of the Corporations Act
retail client	A client as defined in s761G of the Corporations Act and Div 2 of Pt 7.1 of the Corporations Regulations
RG 274 (for example)	An ASIC regulatory guide (in this example numbered 274)
s601 (for example)	A section of the Corporations Act (in this example numbered 601), unless otherwise specified
scheme	A managed investment scheme within the meaning of s9 of the Corporations Act
structured product	A financial product where the investment strategy is embedded in it (the investment strategy may be based on a single security, a basket of securities, debt, indices, commodities or derivatives)
TMD	A target market determination, required under the design and distribution obligations in Ch 7.8A of the Corporations Act

Related information

Headnotes

ETF issuers, ETF securities, ETFs, exchange traded funds, managed fund products, managed funds, PDS, Product Disclosure Statement, TMD, target market determination

Regulatory guides

[RG 1](#) *Applying for and varying an AFS licence*

[RG 36](#) *Licensing: Financial product advice and dealing*

[RG 51](#) *Applications for relief*

[RG 97](#) *Disclosing fees and costs in PDSs and periodic statements*

[RG 168](#) *Disclosure: Product Disclosure Statements (and other disclosure obligations)*

[RG 104](#) *AFS licensing: Meeting the general obligations*

[RG 105](#) *AFS licensing: Organisational competence*

[RG 131](#) *Funds management: Establishing and registering a fund*

[RG 132](#) *Funds management: Compliance and oversight*

[RG 133](#) *Funds management and custodial services: Holding assets*

[RG 134](#) *Funds management: Constitutions*

[RG 166](#) *AFS licensing: Financial requirements*

[RG 172](#) *Financial markets: Domestic and overseas operator*

[RG 181](#) *Licensing: Managing conflicts of interest*

[RG 221](#) *Facilitating digital financial service disclosure*

[RG 240](#) *Hedge funds: Improving disclosure*

[RG 265](#) *Guidance on ASIC market integrity rules for participants of securities markets*

[RG 274](#) *Product design and distribution obligations*

Information sheets

[INFO 225](#) *Crypto-assets*

[INFO 230](#) *Exchange traded products: Admission guidelines*

[INFO 271](#) *How to avoid greenwashing when offering or promoting sustainability-related products*

Consultation papers

[CP 356](#) *ETP naming conventions: Updates to INFO 230*

Reports

[REP 282](#): *Regulation of exchange traded funds*

[REP 583](#): *Review of exchange traded products*

Legislative instruments and pro formas

[\[CO 13/721\]](#) *Relief to facilitate quotation of exchange traded funds on the AQUA Market*

[\[CO 13/1200\]](#) *Periodic statements relief for AQUA quoted and listed managed investment scheme managers*

[ASIC Corporations \(Design and Distribution Obligations—Exchange Traded Products\) Instrument 2020/1090](#)

[ASIC Corporations \(Periodic Statement Relief for Quoted Securities\) Instrument 2024/14](#)

[ASIC Corporations \(Relief to Facilitate Admission of Exchange Traded Funds\) Instrument 2024/147](#)

[ASIC Corporations \(Electronic Disclosure\) Instrument 2025/447](#)

Legislation

Corporations Act 2001, Pt 5C, 7, 7.8A, 7.7, 7.9, 7.9A, s9, 111AD, 111AC, 111AFA, 601FA, 601FB, 601FC(1), 601FD(1), 601EB, 675, 606, 671B, 761G, 910A, 761A, 912A, 912D, 961B, 994A, 994A, 994B, 994C, 994D, 994E, 994F, 1013A, 1013D, 1013E, 1013I, 1013IA, 1017A, 1017B, 1017D, 1224D, 1012C, 1016B

Corporations Regulations 2001, Pt 7.9, Div 8, reg 7.9.75

Other ASIC guidance

[Exchange traded products](#)

[Running a registered scheme](#)

Market operator rules

[ASX Operating Rules and procedures](#)

[Cboe Operating Rules and procedures](#)