



MEDIA RELEASE

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ASX launches Equity OTC Clear service for equity options

ASX today launched Equity OTC Clear, an efficient clearing service for ASX participants to anonymously report transactions in over-the-counter (OTC) equity options.

ASX's service does not require participants to lodge an International Swaps and Derivatives Association (ISDA) contract. It also provides investors with flexible expiry dates and strike prices.

David Stocken, ASX Senior Manager Institutional Sales, said Equity OTC Clear is a service that will provide investors with convenience and anonymity.

"Equity OTC Clear is a clearing service that offers institutional investors the ability to tailor their equity option strike and expiry needs. Transactions are registered anonymously with our clearing house and the contract is cleared in a similar way as a regular listed equity option.

"The OTC contract will portfolio-margin against listed equity option positions. Investors can also lodge stock as acceptable collateral against their OTC position in the same way they can lodge stock against their regular ASX-listed equity options," Mr Stocken said.

Other benefits of the service include:

- the creation of overnight settlement prices for OTC contracts by ASX;
- corporate action contract adjustments for the OTC contracts in consistent alignment with corporate action adjustments to regular listed equity option contracts; and
- the ability for investors to deal with multiple brokers to achieve netting-out efficiencies by closing back-to-back long/short OTC positions.

The ASX Equity OTC Clear service is initially available over the 19 most liquid equity options, which are AMP, ANZ, AWC, BHP, BSL, CBA, FMG, MQG, NAB, NCM, OZL, QBE, RIO, STO, TLS, WBC, WES, WOW and WPL, and also over the index XJO option contract.

For further information: <http://www.asx.com.au/professionals/asx-equity-otc-clear.htm>

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