



MEDIA RELEASE

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ASX commits to Code of Practice for cash equities clearing and settlement

ASX welcomes today's announcement by the Deputy Prime Minister and Treasurer, the Hon Wayne Swan, which retains the current market structure for clearing and settlement of cash equities, and requests ASX to put in place a *Code of Practice for Clearing and Settlement of Cash Equities in Australia*.

ASX Managing Director and CEO, Elmer Funke Kupper, said: "Australia's clearing and settlement infrastructure for cash equities is efficient, well-capitalised and well-regulated. ASX will work with industry stakeholders to develop a Code of Practice for its clearing and settlement services, and is committed to deliver a world-class financial infrastructure for Australia."

ASX is making substantial investments in its clearing and settlement infrastructure. The ASX investments will strengthen Australia's position in the Asian region and globally, and support Australia's G20 commitments. The innovations to be launched in calendar year 2013 include the clearing of OTC-traded derivatives and a new service that allows ASX clients to optimise the use of their available collateral.

ASX will work in consultation with industry stakeholders and Australia's regulators to put in place a Code of Practice for its cash equities clearing and settlement services within the next six months. In accordance with the Treasurer's announcement, the operation of the Code will be reviewed after two years.

ASX published a customer charter for the first time in its 2012 Annual Report. The Code of Practice for the ASX clearing and settlement services will be consistent with the customer charter and the principles set out by the Council of Financial Regulators in its recommendations to the Treasurer. The customer charter is available on the ASX website: <http://www.asxgroup.com.au/asx-customer-charter.htm>

ASX recognises the need to work with its clients to grow Australia's equity markets and share the benefits of growth. On 1 January 2013 ASX implemented a new revenue sharing arrangement in its equities trading, clearing and settlement businesses whereby ASX will share the revenue growth it creates with its clients. ASX already operates a similar revenue sharing scheme in its futures business.

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