



# CHES Replacement

**Tranche 2 Rule Amendments  
Response to Consultation Feedback**

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## 1. Response to Tranche 2 Consultation Paper

### 1.1. Tranche 2 consultation and response

On 21 February 2020, ASX released a Consultation Paper relating to tranche 2 rule amendments for the CHES replacement system.<sup>1</sup> These rule amendments addressed corporate actions, mFund and RTGS payment aspects for the new system. This paper:

- contains a summary of the feedback received in stakeholder submissions (see **Attachment A**);
- contains ASX's response to such feedback, including addressing respondents' requests for clarification and further information (see **Attachment A**); and
- includes the draft rule changes made to the ASX Settlement Operating Rules and Procedures, which take into account feedback received (see a summary of these rule changes in **Attachment B**, as well as the full set of tranche 2 rule amendments updated to incorporate these changes in **Attachment C**).

### 1.2. Submissions received

ASX received a total of 11 submissions from a range of stakeholders including registries, participants, payment providers, an industry body and an approved listing market operator. Eight of these submissions were confidential. ASX has published non-confidential submissions on the [ASX website](#).

ASX thanks all stakeholders who shared their views and provided submissions in response to the tranche 2 consultation paper.

## 2. Summary of the feedback received

### 2.1. Feedback received

Stakeholders provided both general and specific drafting feedback on the proposed tranche 2 rule amendments. This feedback is summarised on an anonymised basis in the table in **Attachment A**. Attachment A also contains ASX's response to feedback received, and indicates whether amendments to the rules have been made in response to this feedback.

### 2.2. Common themes raised

Some common themes were raised by stakeholders in relation to tranche 2, including:

- Concerns by two stakeholders with some aspects of the solution design for dividend and distribution reinvestment plan (DRP) and bonus share plan (BSP) elections, including having regard to anticipated use, complexity and issuer / share registry impacts.
- General support for other aspects of the tranche 2 rule amendments, subject to specific feedback received on some amendments set out in the high level summary in Section 2.3 below and Attachment A.
- Requests for clarification on the solution design, including in relation to the establishment and removal of corporate action records, and whether new functionality will be optional for participants and issuers.
- Requests for further detail on required revisions to plan rules for DRPs and BSPs.
- Requests for clarification as to the admission criteria and role for RTGS Participants and Corporate Action Payments Participants (CAPPs).
- Requests for further detail on use cases, process flows and fees for new services.
- Comments regarding the deferral of the implementation timeline and the overall rule amendment consultation process.

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<sup>1</sup> The Tranche 2 Consultation Paper is available here: <https://www.asx.com.au/images/settlement/Tranche2ConsultationPaperandAttachments.PDF>.

### 2.3. Specific feedback raised

More specific feedback was also received on particular rule amendments. A high level summary of the feedback received is set out below. Please refer to **Attachment A** for a more detailed summary of all feedback received.

- Two stakeholders opposed aspects of the solution design for DRPs and BSPs, including the requirement for issuers to use CHESSE to notify acceptance of elections made directly to the issuer outside CHESSE.
- Feedback was received from three stakeholders in relation to the applicability of the new election functionality to existing DRP and BSP plans and as to required changes to terms and conditions to facilitate DRP and BSP elections through CHESSE. Two stakeholders requested further guidance from ASX on whether and how amendments should be undertaken. Another stakeholder queried whether ASX will provide guidance on standardised language for core representations in DRP and BSP plan rules.
- Two stakeholders queried whether the requirement on issuers to immediately notify ASX of DRPs, BSPs, rights offers and shares purchase plan (SPPs) to support the establishment of corporate action records, or otherwise to notify ASX of a non-takeover offer event that elects to use ASX provided functionality for processing of acceptances, should be required only upon the release of a public market announcement on the platform of the approved market listing operator.
- Two stakeholders requested additional functionality to give issuers visibility of rights offers and SPPs that have been accepted by participants through CHESSE but are pending payment.
- One stakeholder indicated that a unique investor identifier should be entered for all entitlement acceptances while another stakeholder indicated that it should not be required to be entered for entitlement acceptances.
- Three stakeholders suggested changes to cut off times and notification deadlines. Two stakeholders suggested a hard 4pm cut off time for RTGS instructions in order to give RTGS payment providers time to authorise payment. One stakeholder suggested a time limit on when non-takeover offer events can be initiated, and a standardised cut off time for all application close dates with respect to rights offers and SPPs. Another stakeholder suggested participants should be required to notify issuers of DRP standing instructions from holders by a scheduled time.
- Feedback was received from two stakeholders in relation to the removal of corporate action records for rights offers and SPPs after the application close date, including that the records should be retained until the corporate action has concluded.
- Two stakeholders proposed that issuers should be required to use CHESSE to process refunds for rejections of accepted rights offers and SPPs that had been transmitted by controlling participants through CHESSE or to notify of a rejection of an accepted rights offer or SPP. One stakeholder suggested that existing share registry refund processes would remain the most expedient method for returning money.
- Four stakeholders requested clarification on the admission criteria for RTGS participants, and three stakeholders requested clarification on the admission criteria and role for corporate action payments participants.
- One stakeholder queried whether effecting an exchange of consideration under schemes of arrangement processed through the non-takeover offer event functionality would be more difficult due to the operation of subpositions and restrictions on holdings by specialist settlement participants.
- One stakeholder sought further information in relation to the solution design for non-takeover offer events, including whether processing is mandatory for all CHESSE holdings.
- Feedback was received from two stakeholders on the terms used to name certain participant messages. One stakeholder queried whether “election” should be used to describe participant applications to participate in DRPs and BSPs, given that the election remains subject to acceptance or rejection by the issuer. One stakeholder queried whether the term “acceptance” should be used to describe participant applications to participate in shortfall offers under a rights issue or an SPP, given that the acceptance is subject to scaleback. Two stakeholders queried whether the term “acceptance” should be used for participant responses to non-takeover offer events, given issuer discretion to authorise or reject the response.

- One stakeholder opposed changes to the operation of new and existing locks on holdings or existing subpositions and sought further information on the impact on corporate actions processing for holding adjustments (other than reconstructions), in particular for scheme of arrangements.

### 3. ASX response to feedback received

#### 3.1. ASX response to feedback

ASX is grateful for the feedback provided by stakeholders. **Attachment A** sets out ASX's response to each of the aspects raised in submissions, including:

- Providing further information (or links to further information) in relation to the proposed rule amendments, functionality design or consultation process where such information was requested.
- Responding to specific drafting comments on the rule amendments, adopting the drafting comments where appropriate or explaining why such drafting comments have not been adopted.
- Seeking to provide further clarification on the proposed rule amendments.

#### 3.2. Changes to draft rules in response to feedback

In response to stakeholder feedback received, ASX is making the following changes to the draft rules:

- Amend the rules for DRP and BSP elections to reflect a simplified solution design whereby elections and cancellations by controlling participants will be notified to issuers on a pass through basis. This includes the removal of several issuer obligations, including the requirement to notify ASX Settlement of elections made directly to the issuer outside CHES.
- Amend the rules to more clearly allow for the creation of the 'corporate action record' (renamed as 'plan record') in relation to existing DRPs and BSPs to facilitate processing of elections for such DRPs and BSPs.
- Amend the rules to replace the requirement for inclusion in the plan or offer terms for the relevant DRP, BSP, rights offer or SPP of certain representations from holders relating to an election or acceptance through the new functionality, with a:
  - representation, warranty and associated indemnity from issuers that holders can apply to participate and cancel their participation in the relevant DRP or BSP or accept into the rights offer or SPP through an election or acceptance under the new functionality; and
  - in the case of a rights offer subject to regulated disclosure documents, a representation and warranty from issuers relating to the application of more limited form of holder representations to an acceptance under the new functionality (supporting the relief referred to in 3.3 below).
- Amend the requirements on issuers to notify ASX Settlement of DRPs, BSPs, rights offers, SPPs and non-takeover offer events, to clarify that notification is required only after the public release of the relevant market announcement on the platform of the approved listing market operator.
- Amend the rules to require ASX Settlement to notify the relevant issuer when a controlling participant has used CHES to notify of an acceptance in respect of a rights offer or SPP. This will give issuers visibility of acceptances pending payment. ASX is considering whether such notifications can be provided on an opt-out basis.
- Remove rules which relate to requests by participants for ASX to cancel RTGS instructions, to reflect that RTGS instructions are set to occur in real time once the instruction enters the settling phase and cannot be cancelled unless the RTGS payments provider rejects the RTGS instruction outside CHES.
- Amend the admission criteria and roles for RTGS participants and corporate action payments participants, to provide greater clarity and more clearly delineate corporate action payments participants from other types of participants.

- Amend the rules to better reflect the mandatory processing by participants of holder instructions for non-takeover offer events for which an issuer opts to use the ASX provided facility for the processing of acceptances.
- Insert notes to clarify that the terms “election” and “acceptance” are used as general terms across the relevant functionality which provides for such notification for DRPs, BSPs, rights offers, SPPs and non-takeover offer events and to reflect that election or acceptance by controlling participants will be subject to processing and validation by the issuer in accordance with the relevant plan or offer terms.
- Permit holding adjustments and financial product transformations on holdings subject to a holding lock, holder record lock or subposition where the adjustment or transformation results in an increase to the number of financial products in the holding, or where the holding is subject to a holder record lock due to the death or bankruptcy of a holder.
- Make certain other changes to the tranche 2 rule amendments.

Each of the further changes to the tranche 2 rule amendments are identified in the last column in **Attachment A** within the relevant row which explains that change.

### 3.3. Other aspects

As indicated in the [Tranche 2 Consultation Paper](#)<sup>2</sup>, there is uncertainty as to an issuer’s compliance with section 723(a) and 1016A(2)(a) of the Corporations Act in relation to an acceptance by the purchaser of traded rights where the offer under the renounceable rights issue must be made under a regulated disclosure document. These provisions provide that certain financial products subject to regulated disclosure documents may be issued by issuers only “in response to” or “pursuant to” an application form which was included in or accompanied by a prospectus, PDS or other regulated disclosure document.

Where the relevant entitlement has been renounced and traded through an on-market transfer or otherwise received through an off-market transfer, offer documents are not provided to purchasers or recipients of the entitlement so the controlling participant will be unable to link the acceptance to the original application form by including a unique identifier from the offer document. This applies to acceptances notified through the new entitlement acceptance functionality as well as existing paper based acceptance notification (and payment) processes by the holder or their controlling participant (generally through a form referred to as an Appendix E to which a cheque is attached).

ASX has been engaging with ASIC on the whether there should be provision of additional relief to issuers to cover the issue of financial products in respect of acceptances by purchasers or recipients of rights (whether pursuant to an on-market transfer or off-market transfer). ASX has also suggested extensions to the scope of ASIC Instrument 2016/993 to provide greater certainty regarding the scope and application of the relevant relief for such purposes, e.g. to make clearer that paragraph 5(1) of that instrument relieves the listed body from its obligation to only issue securities to a transferee of rights on an application form that accompanied a disclosure document.

The changes proposed apply equally to the exercise of rights through the new functionality or through existing industry practice.

ASIC has indicated that it has no policy objections to amending the instrument so that it is clear that the issuer is relieved from the obligation to only issue securities to a transferee of rights on an application from that accompanies a disclosure document. ASX and its external legal advisors are currently progressing the form of such amendments to the Instrument with ASIC.

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<sup>2</sup> Refer to section 1.3 under heading “Potential need for disclosure relief or regulatory guidance for renounced and traded entitlements”

## 4. Further rule amendments

### 4.1. Other changes to draft rules

ASX has also made some additional rule changes relevant to the topics covered by the tranche 2 rule amendments that are not directly related to feedback received from stakeholders, but have been identified following further consideration of the proposed rule amendments.

- For holder elections under distribution reinvestment plans for mFund products, ASX intends that the election messaging under the new system will reflect the corresponding process under the current system. Consequently ASX proposes to remove the proposed addition of ASXSOR 18.13.1(c).
- The mFund initial application/investor data workflow is proposed to be amended such that the application will be required first followed by the investor data. ASX does not expect this change to have a material impact on participants, and notes that applicable business outcomes should not be affected by this change.
- Two defined terms will be amended to address the removal of mFund switch functionality referred to in the Tranche 2 Consultation paper: (i) the definition of “Fund Request Cut-Off” is amended; and (ii) the definition of “Switch” is deleted.

These changes will be consulted on as part of the consolidated rules package proposed for public consultation as referred to in section 5.1 below.

## 5. Further consultation process for rule amendments

### 5.1. Further public consultation on rule amendments

As set out in section 5 of ASX’s consultation paper on the [Revised Implementation Timetable](#) released on 30 June, ASX proposes to undertake a further rules consultation which will incorporate both the tranche 3 rule amendments (yet to be publicly consulted on) and a consolidated rules package across all the rule amendments for the new system (i.e. as covered by the three tranches).

The consultation paper proposed a 15 week consultation period (commencing in early November 2020 and concluding mid-February 2021) for providing feedback, with this timeframe subject to further consideration of feedback received through that consultation. The consolidated rules package will include the tranche 2 rule amendments as revised and reflected in section 3 and 4 above. The timing for the consultation on the consolidated rules package and tranche 3 rule amendments is subject to consideration, with the market to be updated in ASX’s response to consultation feedback (planned for release in late October / early November 2020).

As also indicated in ASX’s consultation paper on the revised implementation timetable, the tranche 3 rule amendments would include transitional rules addressing timing for enlivening rules for the following new features (supported through the tranche 2 rule amendments) that were contemplated to be made available in production after Day 1 of the new system as ‘release version 1.1’:

- Non-batch DVP bilateral settlement
- Electronic DRP and BSP elections, DRP enquiry
- Electronic acceptance of entitlement offers
- Electronic payment for entitlement offers.

The timing for implementation of the release 1.1 functionality and the timing for progressing the associated rules is subject to consideration, with the market to be updated in our response to consultation on the revised implementation timeline (planned for release in late October / early November 2020).

### 5.2. Response to consultation

This paper provides ASX’s response to consultation feedback received on the tranche 2 draft rule amendments.

ASX provided its response to consultation feedback received on the tranche 1 draft rule amendments on 22 May 2020.<sup>3</sup>

A response to consultation feedback received on both the tranche 3 draft rule amendments and the consolidated rules package will also be provided following consultation on those amendments. This will allow stakeholders to understand any changes made to the tranche 3 rule amendments and the consolidated rules package resulting from consultation. These changes will be reflected in the combined rules package that will be formally lodged with ASIC.

### **5.3. Regulatory clearance process**

All rule amendments, including any changes made through the public consultation process, will be subject to the usual regulatory clearance processes. Following the regulatory clearance process, a final set of rule changes will be released.

ASX's consultation paper on the revised implementation timetable contemplated that the regulatory clearance process would be completed by the end of September 2021, allowing for the release of the final rule changes at least six months prior to go-live of the new system. In the revised implementation timetable consultation paper, ASX sought feedback from CHES users on their ability to meet a new target live date of April 2022. The April 2022 target go-live date is subject to consultation feedback and finalisation by ASX, with the market to be updated on this and the associated rules regulatory clearance process timing in our response to consultation on the revised implementation timeline (planned for release in late October / early November 2020).

The final form of the rule amendments will become effective at the time of go-live of the new system.

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<sup>3</sup> The response to consultation is available here: <https://www.asx.com.au/documents/products/tranche-1-response-to-cp-may-2020-full-910959v1.PDF>

## Attachment A: Summary of Submissions received on draft ASX Settlement Operating Rules, ASX Clear Operating Rules and ASX Enforcement and Appeals Rulebook

This table summarises the feedback received from stakeholders in response to the tranche 2 consultation paper, and ASX’s response to that feedback.

Issue	Feedback	ASX response	Rule changes
<b>DRP and BSP elections</b> (see row 1 of the table in Attachment A of our Tranche 2 Consultation Paper)			
1. <b>Addressing of business requirement by solution</b>	<p>Supports the deployment of the new system permitting participants and issuers to transmit electronic notifications of elections (and cancellations of elections) directly to an issuer/registry.</p> <hr/> <p>DRP/BSP election solution reflected in proposed rules inserts ASX into corporate action administration, including complex and risky duplication of data management.</p> <p>While supportive of the establishment of CHES as optional channel for elections, proposed solution is disproportionate to the market need being addressed.</p> <hr/> <p>Solution design (and supporting rules flowing from that design) goes beyond problem statements generated by industry (through 2017 working groups) for issuers to collect instructions by participants and allowing participants to understand what DRP standing instructions are held for HINs transferred between participants. Problem statement for ASX to solve was</p>	<p>The rule amendments for DRP and BSP elections included as part of ASX’s Tranche 2 rule amendments consultation paper reflected the proposed solution design for the new business requirement of electronic elections for DRPs and BSPs, as determined following consultation with stakeholders through Focus Groups and the Technical Committee and as communicated publicly in the Technical Documentation released by ASX in respect of such electronic DRP and BSP election functionality solution design.</p> <p>This solution design sought to align the CHES functionality with the election status recorded by issuers to support consistency of message workflows (e.g. supporting concurrent DRP/BSP partial elections) and minimise inconsistent elections / cancellations being forwarded to registries.</p> <p>Refer to section 1.2 of the tranche 2 consultation paper<sup>1</sup> for further details on the engagement processes undertaken, including a summary of feedback received through those processes.</p> <p>However, ASX acknowledges the further feedback received through the tranche 2 rule consultation regarding the complexity and costs imposed on issuers to support the proposed solution design for DRP and BSP elections.</p>	<p>ASXSOR definitions of “Corporate Action Election Status Advice Message”, “Election Issuer Notification Message” and Election Participant Notification Message”.</p> <p>ASXSORs 5.19A.2, 5.19A.3, 5.19A.5, 5.19A.7 and 5.19A.9.<sup>4</sup></p>

<sup>1</sup> The tranche 2 consultation paper is available here: <https://www.asx.com.au/images/settlement/Tranche2ConsultationPaperandAttachments.PDF>

<sup>4</sup> To aid comparison with the rules as proposed in the tranche 2 consultation paper, the paragraph numbers in Rule 5.19A have been preserved and not updated to account for the proposed deletion of Rule 5.19A.3. This numbering will be updated in any subsequent version of these rules.

not for ASX to hold all DRP standing instructions for all CHESS holders.

Solution design will involve incurring additional costs to issuers without clear articulation of expected new transaction costs and whether benefits outweigh initial effort to align with new functionality. No foreseeable benefits will be seen from expansion beyond already cost effective investor self service solutions offered by share registries.

Solution design for the DRP / BSP solution is not balanced in the benefits to participants and issuers.

Does not consider the transaction processing responsibilities placed on issuers will provide benefits to issuers and the majority of retail-oriented participants or investors.

Accordingly, ASX has revised the proposed solution for DRP and BSP election functionality so as to:

- Remove the requirement for issuers to notify to CHESS any elections or cancellations of elections direct to the issuer from holders;
- Remove the requirement for issuers to notify to CHESS any cancellation instigated by the issuer, e.g. due to zero balance, plan suspended or plan eligibility rules, other than for HINs with an existing CHESS notified election;
- Replace the requirement for issuers to “accept” an election received through CHESS, with an “acknowledgment” by issuers of a receipt of an electronic notification of an election through CHESS. Issuers will continue to be able to “reject” an election.
- Introduce a requirement for issuers to “acknowledge” the receipt of an electronic notification of a cancellation of an election through CHESS. Issuers will also be able to “reject” a cancellation.
- Bring forward the timing for the issuer to provide such “acknowledgement” or “rejection” message to be by the end of the day an election or cancellation notification message is sent to them (unless an earlier time is specified in the relevant plan rules), instead of within one business day of an election notification message being sent to them (unless an earlier time is specified in the relevant plan rules) - reflecting the change in the nature of the issuer response message.
- Remove the requirement for issuers to be required to incorporate in plan documents an authority from holders for elections or cancellation of elections made directly to the issuer to be notified to their controlling participant<sup>2</sup>.

Appendix 1 as it relates to ASXSOR 5.19A.

ASXSOR Procedures 5.19A.2 and 5.19A.5.

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<sup>2</sup> This was to support the ability of issuers to provide that information to controlling participants in connection with the new electronic election process.

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- Replace the requirement for Issuers to incorporate in plan documents certain core representations and warranties from holders who instruct their controlling participant to use CHES to notify DRP or BSP elections, with a representation and warranty and associated indemnity from issuers that holders can apply to participate and cancel their participation in the relevant DRP and BSP through an election under the new functionality under the terms and conditions of the relevant plan.

ASX will retain the other aspects of the proposed new functionality for DRP and BSP elections, namely:

- Controlling participants may use CHES to provide, or cancel, an investor election. Multiple elections for CHES holdings are allowed.
  - Issuers will be required to notify controlling participants through CHES, for HINs with an existing CHES notified election (only), of a cancellation of that election instigated by the issuer, e.g. due to zero balance, plan suspended or plan eligibility rules.
  - CHES will check that a plan is in operation for the issuer on receipt of an election message (disclosed by the issuer to the listing market) prior to processing such messages e.g. sending them to the issuer. To support this process, issuers will be required to notify ASX of a DRP or BSP notified to the listing market.
  - The issuer will continue to be responsible for determining the validity of elections having regard to the relevant plan rules for the DRP or BSP and determining the sequence and priority for elections or cancellations received (within or outside CHES).
  - A new enquiry functionality will be provided via CHES for controlling participants to request details of existing DRP or BSP elections, with issuers to be required to process such requests. This will allow controlling participants to identify if an election is
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in place for a holding under an existing DRP or BSP of the issuer (whether established prior to or post the Day 1 implementation of the new DRP/BSP election functionality). As part of that functionality, controlling participants will warrant that they are legally entitled or authorised to request such details and issuers will warrant that election details provided accurately represent those recorded by the issuer and indemnify each other, the holder and ASX Settlement if this is not the case.

- Controlling participants and issuers submitting election or election cancellation notifications via CHES will warrant that they are legally entitled or authorised to do so (e.g. pursuant to an instruction by the holder or the plan terms) and indemnify each other, the holder and ASX Settlement if this is not the case. In the case of the warranty and indemnity from the issuer, this will be limited to a cancellation instigated by the issuer, given that as indicated above issuers will no longer be required to notify CHES of elections or cancellations of elections direct to the issuer from holders.

ASX considers that these changes strike the right balance in appropriately addressing the issues raised through the feedback received through the consultation on the rule amendments, including:

- duplication of data management as to election status recorded in CHES and by the issuer (generally through their registry as service provider); and
- related complexities and costs for issuers,

while also providing for new functionality which addresses the business requirement generated by industry in 2017 and 2018 of providing settlement participants the ability to electronically elect to participate in DRPs and BSPs for CHES holdings on behalf of their clients on an optional basis. It also addresses additional feedback received through focus group processes, including to allow

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participants to understand what DRP standing instructions are held for HINs transferred between participants.

Relevantly, ASX notes that the revised proposal continues to support the rationale for the business requirement of streamlining the DRP and BSP election process, including:

- reducing the amount of paper and manual processes; and
- providing holders with additional certainty that the issuer received their election by generating a real time electronic acknowledgment of receipt<sup>3</sup>.

As indicated above, issuers will remain responsible for validating elections notified through CHESSE, against the relevant plan terms for the DRP and BSP, in the same way as for elections currently notified to issuers (e.g. paper based or issuer registry portal), which we understand generally occurs upon the relevant record date under the plan terms for the DRP and BSP. The changed reference to “acknowledgment” by issuers of a receipt of an electronic notification of an election through CHESSE, rather than an “acceptance” of an election, better supports such process and timing.

Changes have been made to the tranche 2 rule amendments contained in this response to consultation to reflect the above revisions to the proposed DRP and BSP solution (refer Attachments B and C).

Further details on the revised proposal for DRP and BSP functionality will also be contained in updated Technical Documentation to be made available to reflect the revised solution.

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<sup>3</sup> Refer to section 2.2.16 of the consultation paper [CHESSE Replacement: New Scope and Implementation Plan](#) released by ASX in April 2018 for further details on this business requirement

2. <b>Usage</b>	<p>Solution design benefits a narrow band of professional asset administrators (very small actively involved target audience – about 50 CHESS holders).</p> <p>Concerned that minimal use of new DRP/BSP functionality by the broader participant community when there is substantial system development required by share registries on behalf of issuers to accommodate new solution and supporting rules.</p> <p>Only small percentage of active changes to DRP standing instructions are made by participants with wholesale holdings who are expected to be interested in using the new DRP/BSP election function in the new system. Only an even smaller percentage of passive changes to DRP standing instructions are made by such participants with wholesale holdings, the overwhelming majority of which relate to increases in holdings relating to a partial DRP.</p>	<p>Refer to changes to the solution design referred to in row [1] above.</p> <p>As indicated above, ASX considers that these changes strike the right balance in:</p> <ul style="list-style-type: none"> <li>• appropriately addressing the issues raised in feedback received through the consultation on the rule amendments, including complexities and costs for issuers;</li> </ul> <p>while also</p> <ul style="list-style-type: none"> <li>• providing for new functionality which addresses the business requirement generated by industry in 2017 and 2018 of providing settlement participants the ability to electronically elect to participate in DRPs and BSPs for CHESS holdings on behalf of their clients on an optional basis.</li> </ul> <p>ASX also notes that this business requirement and related DRP/BSP functionality responds to feedback from various industry participants including retail brokers, institutional brokers and custodians.</p>
3. <b>Different plan rules</b>	<p>As an issuer has different choices about their plan rules, a generic participation channel like CHESS replacement is problematic. For example, the treatment of nil holders in plan rules is not consistent across all active plans.</p>	<p>The solution design for DRP and BSP functionality in the new system has been designed to facilitate the electronic notification of elections across issuer DRPs and BSPs and is agnostic as to the specific plan rules that may apply to such DRP and BSP.</p> <p>Issuers will continue to be responsible for validating elections received through CHESS against the relevant plan rules for the DRP or BSP, in the same way as for elections currently notified to issuers (e.g. paper based or issuer registry portal), which we understand generally occurs upon the relevant record date under the plan terms for the DRP and BSP.</p> <p>As indicated in row [1], the changed reference to “acknowledgment” by issuers of a receipt of an electronic notification of an election through CHESS, rather than an “acceptance” of an election, is also considered by ASX to better support such process for issuers to</p>

		determine the validity of elections under their respective plan terms, and the timing for doing so.	
4. <b>Issuer sponsored holders</b>	No benefits are available for issuer sponsored holders from this functionality even though it could be feasible to have an ISO 20022 message relay DRP standing instructions for an issuer sponsored holder known to the participant.	<p>As identified through the Corporate Actions Focus Groups which considered this functionality, the application of the solution design is limited to facilitating electronic notification of elections for CHES holdings. The extension of this functionality to issuer sponsored holdings was not raised through this forum.</p> <p>ASX also notes that the extension of this functionality to issuer sponsored holdings raises additional matters that would need to be worked through with industry. This includes the ability for issuers to rely on such a notification by a participant for a SRN absent the validation by CHES, which is performed for CHES holdings, that the participant submitting an election notification message in respect of a HIN is the controlling participant for that holding.</p>	
5. <b>Sponsorship Agreement</b>	Will the sponsorship agreement include minimum terms of service for managing DRP standing instructions in CHES replacement for sponsored holders?	<p>ASX does not propose to incorporate the processing of DRP/BSP standing instructions into the ASX prescribed standard terms for sponsorship agreements (the minimum terms for which are prescribed in Appendix 3 to the ASXSORs) as this is an optional service offering by participants.</p> <p>However, participants will be expected to consider any necessary terms and conditions for inclusion in their client documentation to support any new service offerings they are planning to make connected with the replacement system (where made available to their clients).</p>	
6. <b>Revision to plan rules</b>	<p>For certain core representations expected to be incorporated into issuers' DRP / BSP terms (under proposed ASXSOR 5.19A.9), will ASX be providing guidance around language standardisation?</p> <hr/> <p>Does ASX have authority to require amendment to an issuer's DRP and BSP plan rules to support ASX requirements with respect to elections, or is this more</p>	<p>ASXSOR 5.19A.9 contemplated the incorporation of terms and conditions into plan terms:</p> <ul style="list-style-type: none"> <li>in order to recognise the ability of holders to apply to participate and cancel their participation in the relevant DRP or BSP where they notify their DRP/BSP election via their controlling participant under the new system, and</li> </ul>	ASXSOR 5.19A.1 and 5.19A.9

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appropriately considered in the relevant exchange's listing rules?

Is there potential for conflict between non-ASX ALMO Listing Rules and these proposed Rules?

No consideration given to how such plan amendments should (or could) be undertaken by issuers.

- Will the issuer need to communicate changes to plan terms to all current shareholders with an election? This would be a considerable cost for issuers.
- How will ASX monitor issuers' compliance?
- At what point will elections communicated via ASX become available (e.g. on implementation of new system or only following relevant changes to plan terms or their communication to shareholders)? How could this be coordinated across the market?

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Further guidance required to assist issuers review and re-write plan rules. New plan rules may also need to be communicated to investors, at the issuer's cost.

Issuer plan rules currently do not contemplate another external stakeholder and responsibilities to update ASX on CHES holder's participation. Will require issuers to make changes to their plan rules.

- where they do so, to expressly extend certain representations from holders to issuers concerning matters that would apply to elections notified directly by holders to issuers, e.g. by hard copy form. This includes that the investor has read and understood the terms and conditions of the relevant plan and that their election is made in accordance with those terms and conditions.

ASX however recognises that any changes required to give holders the ability to apply to participate and cancel their participation in the relevant DRP or BSP under the new functionality will be dependent on each issuer's plan terms.

ASX also recognises that the provision of representations from holders could be addressed in various ways, depending on the relevant plan documents. This could include by the plan documents extending existing representations from holders to issuers so as to apply irrespective of whether the holder notifies a DRP/BSP election using existing mechanisms or via their controlling participant through the new functionality.

Accordingly, ASX will be removing the proposed requirement for issuers to include in their plan documents certain term and conditions as specified in ASXSOR 5.19A.9. Instead, ASX will be seeking a representation and warranty from issuers that holders can apply to participate and cancel their participation in the relevant DRP or BSP using this new functionality. This will also be supported by an indemnity in favour of holders, controlling participants and ASX.

This leaves it to the issuer and their professional advisers to determine whether changes are required to their DRP or BSP plan terms to comply with that representation and warranty, and if so, as to the form of those changes. It also leaves it to the issuer and their professional advisers to determine whether any additional express representations are to be sought from holders in connection with the new functionality or if there is to be reliance on existing

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representations through their application to all mechanisms for providing such notification.

It also leaves it to the issuer and their professional advisers to determine (if a change to the issuer's plan terms is required), as to the relevant requirements for making such amendments.

On a sample of plans viewed by ASX, many DRP plan terms provide for notification of an amendment by a market announcement, while many BSP plan terms either provide for notification to the market or give Issuers discretion as to the method of notification. Some BSP plan terms provide for notification to be given to participating shareholders. ASX also notes that such a market announcement of an amendment to DRP or BSP plan terms is typically also required under the listing rules of an ALMO<sup>5</sup>.

The reframing of the relevant requirements also makes clearer the obligations on issuers in relation to their DRP and BSP plan terms as required to support functionality addressing the business requirement generated by industry in 2017 and 2018 of providing settlement participants the ability to electronically elect to participate in DRPs and BSPs for CHESS holdings on behalf of their clients on an optional basis.

The requirements for inclusion of such terms and conditions in plan terms apply to existing DRP and BSP plans (i.e. plans in place prior to the introduction of the new functionality) as well as plans notified after the commencement date of the new rules dealing with DRP and BSP elections. For existing plans, such provisions will need to be in place by the date of the introduction of such functionality.

This reflects that as from the date that the new functionality is introduced, the new system will be seeded with each of the existing DRPs and BSPs of which ASX is aware, with elections notified by

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<sup>5</sup> For example refer to ASX Listing Rule 3.10.8 and SSX Listing Rule 23.9.

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participants through CHESS being processed in CHESS and sent to issuers as from that time.

The CHESS Replacement: [Revised Implementation Timetable](#) consultation paper released in June 2020 contemplated that the new DRP/BSP election functionality would be released into production after the go-live date for the new system as ‘release version 1.1’. The timing for implementation of the release 1.1 functionality and the timing for progressing the associated rules is subject to consideration, with the market to be updated in our response to consultation on the revised implementation timeline (planned for release in late October / early November 2020).

Further amendments to ASXSOR 5.19A.1 to more clearly allow for the creation of a corporate action record (renamed as plan record) in relation to an existing DRP/BSP, to facilitate processing of elections for such DRPs and BSPs have also been introduced.

Where there is no DRP or BSP in place for an issuer at the time of commencement of the new functionality, but a new DRP or BSP is subsequently introduced, elections by participants notified through CHESS will only be processed as from the time of the subsequent recording in CHESS of the operation of a DRP or BSP for the issuer (i.e. following the subsequent disclosure of the DRP or BSP by the issuer to the listing market and notification of this to ASX Settlement).

ASX also notes that, by expressly addressing these aspects of the election process in the ASX Settlement Operating Rules, ASX is seeking to facilitate a degree of procedural standardisation in connection with this process across issuers on a transparent basis. This applies irrespective of the listing market for that issuer, reflecting the extension of this service offering across listing markets.

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<p>7. <b>Election data</b></p>	<p>On what legal basis will issuers be compelled to provide all election data to ASX to be stored?</p> <p>In what capacity is ASX acting in collating election data (e.g. is this within scope of limited agency role for issuers in administering the CHESSE subregister)? If so, burden placed on issuers disproportionate to ASX limited role to facilitate handling of corporate actions on CHESSE subregister.</p> <p>What are the privacy and authorisation impacts of passing through elections to controlling participants?</p> <p>Duplication of election data by storing it on ASX's systems creates operational risk and is an excessively complex approach to provide an optional election channel. For example - under ASXSOR 5.19A.3(c) an issuer can only process an update to an existing accepted or pending election for all of a CHESSE holding by first cancelling or rejecting the accepted/pending election (regardless of whether communicated by a channel other than ASX); and under ASXSOR 5.19A.3(d) an issuer can only process an update to an existing accepted election for part of a CHESSE holding by first cancelling the partial acceptance and then providing a new election for the whole holding.</p> <p>Issuer's registry (as agent for issuer) must manage elections received from all channels and all holders (including issuer sponsored) in accordance with the plan rules. ASX records (to extent needed at all) should be secondary to the registry data, e.g. should not involve rules mandated process that ASX records be updated before registry can process any amended elections on its record.</p>	<p>As indicated in row [1] above, the rule amendments for DRP and BSP elections included in the Tranche 2 consultation paper reflected the proposed solution design for the new business requirement for electronic elections of DRPs and BSP, as determined following consultation with stakeholders through Focus Groups and the Technical Committee.</p> <p>However, as also indicated in row [1] above, having regard to stakeholder feedback received through the tranche 2 consultation, ASX is revising its proposed solution design for DRP and BSP elections, including to:</p> <ul style="list-style-type: none"> <li>• Remove the requirement for issuers to notify to CHESSE any elections or cancellations of elections direct to the issuer from holders;</li> <li>• Remove the requirement for issuers to notify to CHESSE any cancellation instigated by the issuer, e.g. due to zero balance, plan suspended or plan eligibility rules, other than for HINs with an existing CHESSE notified election (only).</li> </ul> <p>These revisions to the proposed solution design for DRP and BSP elections address the issues raised in the tranche 2 consultation of:</p> <ul style="list-style-type: none"> <li>• duplication of data management as to election status recorded in CHESSE and by the issuer (generally through their registry as service provider); and</li> <li>• related complexities for issuers in the associated processing requirements to achieve alignment of the CHESSE functionality with the election status recorded by issuers.</li> </ul> <p>While addressing such issues, the revised proposal will still provide for new functionality delivering on the business requirement generated by industry in 2017 and 2018 of providing settlement participants the ability to electronically elect to participate in DRPs</p>
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		and BSPs for CHES holdings on behalf of their clients on an optional basis.
		Under both the proposed solution design and the revisions referred to in this response to consultation, issuers remain responsible for determining the validity of elections notified through CHES, against the relevant plan terms for the DRP and BSP, in the same way as for elections currently notified to issuers (e.g. paper based or issuer registry portal).
8.	<b>Opt-out for investors</b>	Is there a need to provide a function for an investor to opt-out of notifications to the controlling participant? Will issuers be required to provide an opt-out for shareholders and if so, how will this operate?
		ASX is revising its proposed solution design for DRP and BSP elections, including to remove the requirement for issuers to notify to CHES any elections or cancellations of elections direct to the issuer from holders (see row [1] above).
9.	<b>Enquiry facility</b>	Considered enquiry facility useful, subject to the appropriate warranty and indemnity protections for all stakeholders and confirmation that there are no privacy implications for shareholders. All stakeholders should be informed there has been a change in approach to the enquiry facility.
		The enquiry facility represents an industry generated function which arose during stakeholder discussion regarding the solution design for the DRP/BSP election functionality, particularly in the fourth Focus Group on Corporate Actions on 31 October 2019, with support for the enquiry facility across participant and registry representatives.
		Unlike other rule changes, this functionality hasn't had adequate consultation e.g. it was not part of the project scope that was subject to public consultation in 2018 and was not included as a formed proposal in any Focus Group presentation material.
		It provides a channel through which participants may seek information directly from the issuer registry (which continues to maintain the determinative record of election status across holdings for each issuer), about the current DRP/BSP election status for a particular holding.
		When raised in discussions in one of the ASX stakeholder engagement forums, this was in context of facilitating an enquiry by a participant for a specific holder's current standing instruction status as an alternative to a solution design for the new functionality
		Refer to section 1.2 of the tranche 2 consultation paper <sup>6</sup> for further details on such engagement processes, including a summary of feedback received.

<sup>6</sup> The tranche 2 consultation paper is available here: <https://www.asx.com.au/images/settlement/Tranche2ConsultationPaperandAttachments.PDF>

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which records all changes for every CHES holder's standing instructions direct to the issuer.

Will participants have to assess if they are legally entitled or authorised to request data from the issuer before making the request? If so, concerned that issuers and share registries need to support this function where participants are not intending to use.

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Does not recognise the benefit of the election enquiry process in the event that the issuer/registries also notify participants where prior elections have been cancelled.

As indicated in row [1] above, ASX will be revising the proposed solution for the new DRP/BSP election functionality to:

- Remove the requirement for issuers to notify to CHES any elections or cancellations of elections direct to the issuer from holders;
- Remove the requirement for issuers to notify to CHES any cancellation instigated by the issuer, e.g. due to zero balance, plan suspended or plan eligibility rules, other than for HINs with an existing CHES notified election;
- Replace the requirement for issuers to "accept" an election received through CHES, with an "acknowledgment" by issuers of a receipt of an electronic notification of an election through CHES. Issuers will continue to be able to "reject" a cancellation.

Accordingly, as ASX will no longer maintain a record of election status across all CHES holdings, the enquiry facility will perform a greater role in supporting participants being able to identify the current DRP/BSP election status for a particular CHES holding when:

- determining whether a new election (including an update to an election) is required; and
- notifying that election, whether through CHES or otherwise.

This includes, but is not limited to, where a controlling participant takes on a new client for a new CHES holding or on a change of controlling participant for an existing CHES holding.

ASX notes that under ASXSOR 5.19A.11 and 5.19A.12, controlling participants seeking details of the election status for a CHES holding in relation to a DRP or BSP, provide a warranty and indemnity (in favour of issuers, holders and ASX Settlement) that they were legally entitled or authorised to request such election status details. This is appropriate as the relevant controlling participant is in a position to determine that it has the relevant authorisations and approvals from

its investor client (e.g. to act on behalf of the client in this regard, and obtaining all required consents).

In relation to privacy matters for data provided through CHES, as is the case currently in CHES, data is provided in accordance with the operating rules and is used by ASX to provide clearing and settlement services. The operating rules specify what data needs to be provided and the purpose for which it is to be used. The supporting rule amendments for the DRP/BSP election functionality are set out in the tranche 2 rules consultation paper.

ASX notes that its data governance framework includes arrangements to ensure that ASX complies with applicable privacy laws across its organisation. ASX is preparing an information paper on its approach to data governance including privacy arrangements for personal information, which is planned for publication in November 2020.

In relation to ASXSOR 5.19A.10, what will be the “scheduled time” for the issuer to reply to the enquiry? If ASX purge the enquiry, will the controlling participant be advised?

The scheduled time for an issuer to respond to an election enquiry message is within 12 Business Hours of receiving the message from ASX. Refer to draft ASXSOR 5.19A.10(c) and Appendix 1 Scheduled Times as it relates to ASXSOR 5.19A.10(c).

ASXSOR  
5.19A.10(e)

A pending DRP or BSP election enquiry message will be house kept if it remains in a pending state (i.e. the issuer has not responded with the election status details requested) at the end of the business day after the enquiry was initiated: Draft ASXSOR 5.19A.10(d).

To better reflect that both the relevant participant and the Issuer are notified of house kept enquiry messages, this is to be expressly addressed in a further amendment to draft ASXSOR 5.19A.10.

10. **Drafting feedback**

ASXSOR 5.19A.10(e) contradicts 5.19A.10(c). If a participant has sent out a message to ASX Settlement within the relevant scheduled time, the issuer must

ASX acknowledges this feedback, but also notes that the settlement system must retain the ability for ASX to purge unactioned messages.

respond. Purging the ‘unactioned’ message is not the correct behaviour.

Issuers will be subject to rule based obligations to respond to an enquiry under the DRP/BSP enquiry functionality within the scheduled time, i.e. within 12 Business Hours of receiving the message from ASX. Refer to draft ASXSOR 5.19A.10(c) and Appendix 1 Scheduled Times as it relates to ASXSOR 5.19A.10(c).

Should an issuer (through its share registry) not respond within the required time, the relevant message will be house kept, and the issuer’s non-compliance can be addressed in accordance with existing enforcement processes. Relevantly, Rule 2.2.2 allows ASX to take certain action if it considers that an issuer has contravened the ASXSORs.

ASXSOR 5.19A.1(a), 5.19A.1(c) and 5.21A.1 require an issuer to “immediately notify” ASX Settlement of proposed corporate actions after notice has been provided to the Approved Listing Market Operator (ALMO). This should be amended to provide sufficient time for the issuer’s market notice regarding the corporate action to be verified and made public by the ALMO before notification to ASX Settlement is required.

To address this issue, ASX proposes to amend ASXSOR 5.19A.1(a), 5.19A.1(c), 5.21A.1(a) and 5.21A.1(c) to provide for immediate notification to ASX Settlement after public release of the relevant market announcement on the ALMO public announcement platform.

ASXSOR  
5.19A.1(a),  
5.19A.1(c),  
5.21A.1(a) and  
5.21A.1(c)

The notification contemplated under ASXSOR 5.19A.1 is an additional step to inform ASX Settlement of the announcement of the relevant DRP/BSP. Relevantly, this aspect of the Rules has been drafted so that it may apply to the relevant announcement via ASX’s MAP or the announcement platform of another ALMO.

In connection with ASXSOR 5.19A.1, the requirement to immediately notify ASX Settlement indicates it is simultaneous to the notification to the market operator but without the benefit of the announcement platform for that notification to be lodged. For issuers on ASX’s official list, is this an additional notification or is immediate notification managed internally by ASX? ASX Listing Rules 3.10.8 does not provide guidance.

ASX has also proposed clarificatory changes to ASXSORs 5.19A.1(a), 5.19A.1(c), 5.21A.1(a) and 5.21A.1(c) to recognise that an issuer’s financial products may be admitted to trading status under the operating rules of the ALMO rather than admitted to its official list under its listing rules, e.g. quoted exchange traded products.

Rules look acceptable, but will not be in a position to confirm that fully operational until testing is completed,

ASX acknowledges this feedback. Please refer to row [1] above for information as to revisions by ASX of the proposed solution for the new DRP/BSP election functionality, including to introduce a

<p>particularly in relation to 5.19A.5 (election cancellations).</p>	<p>requirement for issuers to acknowledge or reject an election cancellation.</p>
<p>There is no scheduled time for an issuer to consider how promptly to report the investor’s plan participation standing instruction change received directly through the channels they support.</p>	<p>Under the draft Tranche 2 rule amendments released for consultation (which supported the proposed solution design for DRP and BSP elections), an Issuer was required to transmit to ASX notification of an election provided directly to the issuer within 1 Business Day of the relevant election being accepted by the Issuer. Please refer to draft ASXSOR 5.19A.3(a) and Appendix 1 Scheduled Time as it relates to ASXSOR 5.19A.3(a).</p> <p>However, as indicated in row [1] above, having regard to the further feedback received through the tranche 2 consultation, ASX will be revising the proposed solution for the new DRP/BSP election functionality to remove the requirement for issuers to notify to CHES any elections or cancellations of elections direct to the issuer from holders.</p> <p>Accordingly, any timing requirements for issuers to provide such notification also fall away.</p>
<p>Reconsider use of the term “election” to describe application or changes to participation in connection with ASXSOR 5.19A.3. Most plan rules require the investor to “apply” to participate in a plan, with the issuer able to accept or reject the application.</p>	<p>While ASX acknowledges references to “application” in some DRP and BSP documentation for the purpose of notifying an intention to participate in the DRP or BSP, ASX also notes that alternative terminology is used for notifying such intention to participate in the DRP or BSP, including “elections” and “instructions”. As an example, the last day for holders to indicate an intention to participate in a DRP or BSP is commonly referred to as the “last election date”.</p> <p>Having regard to such existing alternative terminology, ASX has determined to refer to “elections” when describing the communication of a choice to participate in the DRP or BSP using the new DRP / BSP election functionality.</p> <p>ASX also notes that an election transmitted through CHES remains subject to processing and validation under the relevant plan terms</p>

		for the DRP or BSP.	
		To assist with interpretation, a note has been added to ASXSORs 5.19A.2(a) and the note to ASXSOR 5.19A.2(d) has been amended to clarify what is meant by the term “election”.	
11. <b>Timing for processing instructions</b>	<p>There is no scheduled time imposed on a participant to notify an issuer of a sponsored holder’s DRP standing instruction or cancellation, other than the period between dividend record dates.</p> <p>Participants could stockpile instructions. Issuers need comfort that the participant has to notify the investor of the timely processing of their instruction. Otherwise issuers have less certainty of how current the instructions are or whether they come to the share registry via the new system for processing in the correct order and represent the investor’s current instruction.</p> <p>Noted that issuers are obliged to notify DRP standing instruction changes within one business day after being accepted by the issuer.</p>	<p>ASX does not propose to introduce timing obligations on participants to process instructions based on the timing of receipt of client instructions.</p> <p>The introduction of such requirements for notification of DRP and BSP elections through CHES using the new DRP/BSP functionality would involve imposing additional timing obligations applying to participants using that new functionality which would not apply to participants involved in notifying DRP and BSP elections through other channels (e.g. paper based or issuer registry portal).</p> <p>For such other channels, the relevant timing for notifying elections is by the relevant election deadline (e.g. election date specified in the relevant plan rules). The timing for notifying an election through CHES using the new DRP/BSP functionality seeks to replicate such timing - refer to draft ASXSOR 5.19A.2(a) and Appendix 1 Scheduled Time as it relates to ASXSOR 5.19A.2(a).</p>	
12. <b>Cancellation</b>	<p>In relation to cancellations of elections by participants under ASXSOR 5.19A.5(b), ASX will process the cancellation on its records without provision for the issuer to require the election to remain on foot if required under the plan terms. This could result in a mis-match between ASX and registry records of entitlements, where the cancellation was not valid per plan terms.</p> <hr/> <p>Where there is a cancellation of a pending election request, it is preferable that such cancellation only be</p>	<p>Under the proposed solution design for DRP and BSP elections, certain updates to an election required the prior submission of a cancellation message in respect of an existing election and the provision of a new election notification through CHES – refer ASXSOR 5.19A.2(e) and 5.19A.2(f).</p> <p>ASX notes that a cancellation of an election by a participant under ASXSOR 5.19A.5(b), as reflected in ASX records, is subject to processing and validation of the cancellation by the issuer under the relevant plan rules - refer to draft Note to ASXSOR 5.19A.5(b) included in the tranche 2 rule amendments provided for consultation, as amended.</p>	<p>ASXSOR 2.13 definitions of “Corporate Action Election Status Advice Message” and “Election Cancellation Message”.</p>

	able to occur after the pending election request has first been accepted or rejected by the issuer.	As indicated in row [1] above, ASX will be revising the proposed solution for the new DRP/BSP election functionality.	ASXSOR 5.19A.5
		As a result of these changes, ASX will no longer maintain a record of election status across all CHESS holdings. DRP elections and cancellation of elections will be notified on a pass through basis as received by ASX from the controlling participant. This includes the introduction of a requirement for issuers to “acknowledge” the receipt of an electronic notification of a cancellation of an election through CHESS (other than for a cancellation of a pending election, i.e. an election for which the issuer is yet to provide an acknowledgment). Issuers will also be able to “reject” a cancellation.	ASXSOR Procedure 5.19A.5
		The cancellation of an election by a participant submitted under ASXSOR 5.19A.5(a), (as reflected in ASX records under ASXSOR 5.19A.5(b)), will also continue to be subject to acceptance or rejection of the cancellation by the issuer under the relevant plan rules - refer to draft Note to ASXSOR 5.19A.5(b).	
13. <b>Managing standing instructions</b>	Standing instructions are not accepted or rejected by issuer share registries. If the DRP/BSP plan participant fails a qualifying criteria (e.g. not from a qualifying country, holding less than minimum qualifying securities or the nominated shares exceed the cap established in the plan terms), the plan ignores them, it does not purge or reject the standing instructions.	As indicated in row [1] above, ASX will be revising the proposed solution for the new DRP/BSP election functionality, including to replace the requirement for issuers to “accept” or “reject” an election received through CHESS, with an “acknowledgment” by issuers of a receipt of an electronic notification of an election through CHESS or a “rejection” of that notified election.  Issuers will remain responsible for validating elections notified through CHESS, against the relevant plan terms for the DRP and BSP, in the same way as for elections currently notified to issuers (e.g. paper based or issuer registry portal), which we understand generally occurs upon the relevant record date under the plan terms for the DRP and BSP. The changed reference to “acknowledgment” by issuers of a receipt of an electronic notification of an election through CHESS, rather than an “acceptance” of an election, better supports such process.	Note to ASXSOR 5.19A.2(d)

		<p>The election for and issue of securities under a DRP or BSP election for which an acknowledgement of receipt is notified by an issuer also continues to be subject to the processing and validation of the election under the applicable plan rules – refer to updated Note to ASXSOR 5.19A.2(d).</p>
<p>14. <b>Enforcement regime</b></p>	<p>Recommends introducing an enforcement regime if issuers do not respond to messages under 5.19A.10(e) within the scheduled time to mitigate a poor investor experience and potential claims made against a controlling participant.</p>	<p>Issuers will be subject to rule based obligations to respond to requests for details of the election status for a holding within 12 business hours. Refer to draft ASXSOR 5.19A.10(c) and Appendix 1 Scheduled Times as it relates to ASXSOR 5.19A.10(c).</p> <p>Failure by an issuer to comply with such obligations can be addressed through the normal enforcement processes for non-compliance with the operating rules. Relevantly, Rule 2.2.2 of the ASX Enforcement and Appeals rulebook allows ASX to take certain action if it considers than an issuer has contravened the ASXSORs.</p>
<p>15. <b>Communications to holders</b></p>	<p>Will the e-Statements solution also provide notice of the new optional elections? If so, this will provide benefits to investors and also issuers (from the reduction of transaction confirmation by the share registry).</p> <p>Will issuers need to report changes to DRP standing instructions to investors, when a change is notified by a participant on behalf of investor through CHES? Currently, issuers can notify such update online (if online update by investor) or by post (if printed form submitted by investor). Providing for such notification in all instances (including where notified through CHES) will reduce system complexities but increase issuer’s cost of offering a DRP.</p>	<p>The proposed introduction of electronic CHES holding statements (replacing existing paper CHES holding statements at the election of the holder) does not extend to the provision of notice of new optional DRP/BSP elections.</p> <p>ASX notes that this was not identified by industry as a business requirement during processes to identify business requirements for the new system or as a requirement for the solution design for the new optional DRP/BSP elections during the stakeholder engagement processes.</p> <p>ASX notes that the provision of such additional information would likely lead to increased costs to issuers in connection with this new functionality. It would also lead to a difference in the information provided through CHES notifications to holders, depending on whether an election was notified through CHES (or not).</p>

ASX will not be requiring that issuers report changes to DRP standing instructions to investors when a DRP or BSP election has been notified by a participant on behalf of an investor through CHES.

Issuers can take their own view as to whether a DRP or BSP election or cancellation submitted on behalf of an investor through CHES should be separately notified to the investor by the issuer, including having regard to current processes of the issuer to notify investors of elections received through existing channels (e.g. paper based or issuer registry portal).

16. **Partial participation**

In connection with ASXSOR 5.19A.2, participants may look to simplify the processes for changing partial participation by first cancelling a partial instruction before replacing with a new partial instruction, even though such cancellation step is not technically required. This may lead to unnecessary messages being processed and potentially additional cost to issuers.

ASX acknowledges that participants may seek to design their operational processes in the manner described. ASX notes that the rationale behind allowing an update to a partial election was to minimise messages. However, should the participant decide to cancel partial elections and then send a message with the new election the rules supported this. This would be a decision for the participant.

As indicated in row [1] above, ASX will be revising the proposed solution for the new DRP/BSP election functionality.

As a result of these changes, ASX will no longer maintain a record of election status across all CHES holdings. DRP elections and cancellation of elections will be notified on a pass through basis as received by ASX from the controlling participant.

17. **Non acceptance**

Messages should inform the controlling participant and investor of the reasons for non-acceptance of a message.

As indicated in row [1] above, ASX will be revising the proposed solution for the new DRP/BSP election functionality, including to replace the requirement for issuers to “accept” or “reject” an election received through CHES, with an “acknowledgment” by issuers of a receipt of an electronic notification of an election through CHES or a “rejection” of a notified election.

ASX notes that if an issuer rejects an election there is a reason code on the relevant message. The current proposed reason codes are listed below:

- Ineligible to Participate (PARX)
- Percentage Elections Not Supported (PENS)
- Partial Elections Not Supported (PANS)
- Plan Suspended (SUSP)
- Other (OTHR)

18. <b>Corporate Action Record</b>	<p>Considered the rules relating to the Corporate Action Record are too generic. Requested clarity on the following:</p> <ul style="list-style-type: none"> <li>• How would an issuer identify the required details of the plan that need to be notified to ASX Settlement? Are they the same requirements of ASXLR 3.10.8?</li> <li>• If the Corporate Action Record is more than just on or off for a DRP or a BSP what information is expected of the issuer? If the Corporate Action Record is only on or off, why would any more detail be needed by ASX Settlement?</li> <li>• How does an issuer know the Corporate Action Record has been established and is open to transmit the required changes to DRP standing instructions from direct investor’s instructions (e.g. is it available in ASX’s ReferencePoint Master List and Master List increment (Signals E01 and E02)?</li> <li>• How will participants know the group of issuers that are carrying a Corporate Action Record of the DRP or BSP (e.g. is it available in ASX’s ReferencePoint</li> </ul>	<p>As noted in row [10] above, ASX proposes to amend ASXSORS 5.19A.1(a), 5.19A.1(c), 5.21A.1(a) and 5.21A.1(c) to provide for immediate notification to ASX Settlement after public release of the relevant market announcement on the ALMO public announcement platform.</p> <p>In the case of ASX as the relevant ALMO, this would be after the public release on ASX’s Market Announcement Platform (MAP) of the plan terms or any amendment of the plan terms provided to ASX under ASXLR 3.10.8<sup>7</sup>.</p> <p>The notification contemplated under ASXSOR 5.19A.1 is an additional step to inform ASX Settlement of the announcement of the relevant DRP/BSP. It does not require the provision of any additional detail beyond that provided to the ALMO and released on the ALMO’s announcement platform.</p> <p>Relevantly, the notification under ASXSOR 5.19A.1 applies whether the relevant announcement is on ASX’s MAP or the announcement platform of another ALMO.</p> <p>This notification supports ASX Settlement’s awareness of the announcement for the purpose of facilitating processing of DRP and BSP elections under the new functionality for new DRPs and BSPs</p>	<p>ASXSOR 2.13 new definition of “Plan Record”, amended definition of “Corporate Action Record”.</p> <p>ASXSORS 5.19A.1, 5.19A.2, 5.21A.1.</p> <p>ASXSOR Procedure 5.19A.2.</p>
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<sup>7</sup> ASXLR 3.10.8 requires that a copy of the relevant plan terms or any amendment to the plan terms be provided to ASX when a dividend or distribution plan is established, amended, deactivated or reactivated.

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Master List and Master List increment (Signals E01 and E02)?

The rules do not require ASX Settlement to disseminate the creation, update or removal of the Corporate Action Record, although it is mandatory for the issuer to report the information that permits this Corporate Action Record to be established or removed.

DRP standing instructions must be able to be processed at any time and in the absence of a live dividend announcement.

announced after the introduction of the new election functionality, across ALMOs. This is an important step to enable ASX Settlement to create the corporate action record for the relevant DRP or BSP announced after the introduction of the new functionality, which is a prerequisite for the processing of elections received through the new system for such DRP or BSP. Relevantly, the new system will validate against each election received that a plan is active (based on the existence of the corporate action record), and reject any elections for issuers without an active plan. Where a plan has been suspended (but not cancelled), the Plan Record will remain in place and accordingly, the new system will continue to process elections received in respect of that plan.

As indicated in row [6] above, the new functionality will also apply to existing DRP and BSP plans (i.e. plans in place prior to the introduction of the new functionality). This reflects that as from the date that the new functionality is introduced, the new system will be seeded with each of the existing DRP and BSP plans of which ASX is aware, with elections by participants notified through CHES being processed in CHES and sent to issuers as from that time. Further amendments to ASXSOR 5.19A.1 to more clearly allow for the creation of a corporate action record (renamed as plan record) in relation to an existing DRP/BSP to facilitate processing of elections for such DRPs and BSPs, have also been introduced.

Note that the above requirement for establishing a corporate action record relates to the announcement of the plan (e.g. the establishment of a DRP) and is not limited to a live dividend announcement (which can occur subsequent to the announcement of the plan). Accordingly, DRP and BSP elections will be able to be received through CHES under the new DRP/BSP functionality following the announcement of the plan, irrespective of whether a dividend has been announced to which the plan applies. In the context of the example provided, this would mean that where an issuer listed on ASX announces a dividend or distribution plan under

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ASXLR 3.10.8, ASX Settlement at that time establishes the corporate action record for that plan and begins accepting and processing elections received from participants, irrespective of whether there is a live dividend announcement under ASXLR 3.21 through an Appendix 3A.1.

To avoid potential confusion that a live dividend announcement is required for elections to be received through the new DRP/BSP functionality, ASX will rename the proposed “Corporate Action Record” as “Plan Record” in the draft ASXSORs relating to this functionality.

The new system will not generate a notification confirming the creation of a plan record, nor will the establishment of a plan record form part of the ReferencePoint Master List or Signals E01 or E02.

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19. **Participant obligations** Will there be a change in roles for participants maintaining elections, i.e. will additional obligations and requirements apply if assuming this role?

The proposed DRP/BSP functionality will be optional for participants to use, and does not replace other existing election communication channels.

Where a participant elects to use the new DRP/BSP functionality to transmit election messages, it will need to comply with ASXSOR 5.19A. In particular:

- ASXSOR 5.19A.2, which specifies the relevant messages that may be used to communicate elections (including changes to elections within permitted timeframes);
- ASXSOR 5.19A.5, which specifies the procedure for cancelling elections;
- ASXSOR 5.19A.7 and 5.19A.8, which specify certain core representations and warranties that are given by participants that transmit elections via the new system, and related indemnities;

- ASXSOR 5.19A.10, which specifies how a participant may submit an enquiry for details of the status of an election with an issuer; and
- Rule 5.19A.11 and 5.19A.12, which specify certain core representations and warranties (and associated indemnities) that are given by Participants that submit an enquiry request for election status details.

Participants who opt to make this new service for electronic notification of elections (and cancellation of elections) for DRPs and BSPs via CHES available to their clients will need to also consider systems and operational processes, and any relevant client documentation to support the new service.

20. **Optional vs mandatory functionality**

Will participants be able to opt into this functionality at a later date?

The proposed DRP/BSP functionality will be optional for participants to use, with participants able to continue to use current election communication channels if they so wish. Issuers will be obliged to support the new DRP/BSP election and enquiry functionality.

The [CHES Replacement: Revised Implementation Timetable](#) consultation paper released in June 2020 contemplated that the new DRP/BSP election functionality would be released into production after the go-live date for the new system as 'release version 1.1', with the associated technical accreditation and operational readiness processes for this functionality to occur subsequent to the technical accreditation and operational readiness processes for functionality with a Day 1 go-live. The timing for implementation of the release 1.1 functionality and the timing for progressing the associated rules is subject to consideration, with the market to be updated in our response to consultation on the revised implementation timeline (planned for release in late October / early November 2020).

As issuers are compelled to provide a new plan participation and reporting channel but participants may choose not to use this channel – a share registry

The new DRP/ BSP functionality addresses the business requirement generated by industry in 2017 and 2018 of providing settlement participants the ability to electronically elect to participate in DRPs and BSPs for CHES holdings on behalf of their clients on an optional

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must build this functionality even if no participants are ready to use it or ever plan to use it.

basis. Refer to 2.2.16 of the April 2018 consultation paper *CHES Replacement: New Scope and Implementation Plan*<sup>8</sup>.

The solution design for such functionality, which has been the subject of consultation with industry stakeholders, reflects the optional nature of the use by participants (on behalf of holders) of the new functionality as well as the need for it to be supported across issuers in order to deliver on the business requirement.

Given the industry driven demand for this functionality, ASX expects it be a competitive service offering across participants, which will drive the take-up of the functionality.

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Should be removed from Day-1 scope and de-scoped to facilitate an optional pass-through election channel (with confirmations back from the issuer), in conjunction with the enquiry facility for participants to confirm elections submitted by other channels with the issuer's registry.

The [CHES Replacement: Revised Implementation Timetable](#) consultation paper released in June 2020 contemplated that the new DRP/BSP election functionality would be released into production after the go-live date for the new system as 'release version 1.1'. The timing for implementation of the release 1.1 functionality and the timing for progressing the associated rules is subject to consideration, with the market to be updated in our response to consultation on the revised implementation timeline (planned for release in late October / early November 2020).

As also indicated in row [1] above, ASX will be revising the proposed solution for the new DRP/BSP election functionality.

As a result of these changes, ASX will no longer maintain a record of election status across all CHES holdings, with DRP elections and cancellation of elections to be notified on a pass through basis as received by ASX from the controlling participant, with confirmations as to "acknowledgment" or "rejection" back from the issuer.

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<sup>8</sup> The April 2018 consultation paper is available here: <https://www.asx.com.au/documents/public-consultations/ches-replacement-new-scope-and-implementation-plan.pdf>

		This will also be supported by a DRP/BSP enquiry function to allow participants to check the current election status for a holding with the issuer.
21. <b>Migration</b>	Understands that issuers will not be required to seed the replacement system with any current plan participation settings for CHES holders with live holdings and live DRP standing instructions at the point of migration from CHES to the replacement system. If there was a requirement to do so, it would be a significant undertaking to migrate the complete inventory of current standing instructions as at the migration date and would also require a review of the plan rules and associated documents.	<p>ASX confirms that this understanding is correct. Namely, under the proposed solution for DRP/BSP election functionality, issuers would not be required to migrate current plan participation settings to the new system at the time of migration.</p> <p>As indicated in row [1] above, having regard to the further feedback received through the tranche 2 consultation, ASX will also be revising the proposed solution for the new DRP/BSP election functionality to remove the requirement for issuers to notify to CHES any elections or cancellations of elections direct to the issuer from holders. Accordingly under the revisions to the proposed solution, live DRP standing instructions are no longer be required to be provided by issuers to CHES.</p>
22. <b>Signal E classification</b>	<p>How will securities be identified in Signal E (Reference Point)?</p> <hr/> <p>What data record and values should both participants and the share registry expect to see in ASX's Reference Point Master List and Master List increment (Signals E01 and E02)?</p>	<p>As indicated in row [18] above, the new system will not generate a notification confirming the creation of a plan record, nor will the establishment of a plan record form part of the ReferencePoint Master List or Signals E01 or E02.</p> <p>ReferencePoint will include information announced by issuers and made available for this service by the relevant AMO in relation to a specific corporate action, e.g. for a particular dividend, whether the DRP and/or BSP applies and details about the DRP and/or BSP<sup>9</sup>. The ISO 20022 output will confirm the event type based on whether the DRP applies or not, and include relevant details, e.g. a cash dividend is DVCA event type, a DRP dividend could be DRIP or DVOP event type.</p>

<sup>9</sup> Refer to questions 2A.11-2A.11c and Parts 4A to 4C in the Appendix 3A.1 form for completion by ASX listed issuers when announcing the relevant corporate action – word version of the online form available here: [https://www.asxonline.com/static/companies/files/Appendix\\_03A.01.doc](https://www.asxonline.com/static/companies/files/Appendix_03A.01.doc). This form is also available to issuers as an online form (requiring log-in) through the ASX Online Companies page.

23. **Cost of implementation**

Anticipates each issuer will need to incur significant legal and other costs to perform the revision to their plan terms and communicate those changes to each existing DRP participant (digitally or by post), in addition to other development and compliance costs.

Such costs stand in contrast to likely usage of functionality. Retail investors, who form largest group of DRP participants by number of holders, predominantly participate on a 'set and forget' election basis, and have access to other election channels, including digital methods. Even though institutional investors more actively manage their DRP elections, particularly around dividend time, it appears that the proposed solution derives benefits for a small subset of investors yet with costs and risks imposed disproportionately on issuers.

As noted in row [6] above, ASXSOR 5.19A.9 contemplated the incorporation of certain terms and conditions into plan terms in order to recognise the ability of holders to apply to participate and cancel their participation in the relevant DRP or BSP where they notify their DRP/BSP election via their controlling participant under the new system and to expressly extend certain representations from holders to issuers where they do so, in respect of the types of matters that would otherwise apply to elections notified directly by holders to issuers, e.g. hard copy documents.

However, as also indicated in row [6], ASX will be removing the proposed requirement for issuers to include in their plan documents certain terms and conditions as specified in ASXSOR 5.21A.9.

Instead, ASX will be seeking a representation and warranty from issuers that holders can apply to participate and cancel their participation in the relevant DRP or BSP through the new functionality. This will also be supported by an indemnity in favour of holders, controlling participants and ASX.

This leaves it to the issuer and their professional advisers to determine whether changes are required to their DRP or BSP plan terms to comply with that representation and warranty, and if so, the form of those changes. It also leave it to the issuer and their professional advisers to determine whether any additional express representations are to be sought from holders in connection with the new functionality or if there is to be reliance on existing representations through their application to all mechanisms for providing such notification (including through the new functionality).

It also leaves it to the issuer and their professional advisers to determine, if a change to the issuer's plan terms is required, as to the relevant requirements for making such amendments. On a sample of plans viewed by ASX, many DRP plan terms provide for notification of an amendment by a market announcement, while many BSP plan terms either provide for notification to the market or

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give Issuers discretion as to the method of notification. Some BSP plan terms provide for notification to be given to participating shareholders. ASX also notes that such a market announcement of an amendment to DRP or BSP plan terms is typically also required under the listing rules of an ALMO<sup>10</sup>.

The reframing of the relevant requirements also makes clearer the obligations on issuers in relation to their DRP and BSP plan terms as required to support functionality addressing the business requirement generated by industry in 2017 and 2018 of providing settlement participants the ability to electronically elect to participate in DRPs and BSPs for CHES holdings on behalf of their clients on an optional basis. Refer to 2.2.16 of the April 2018 consultation paper CHES Replacement: New Scope and Implementation Plan<sup>11</sup>.

The requirements for inclusion of such terms and conditions in plan terms apply to existing DRP and BSP plans (i.e. plans in place prior to the introduction of the new functionality) as well as plans notified after the commencement date of the new rules dealing with DRP and BSP elections. For existing plans, such provisions will need to be in place by the date of the introduction of such functionality.

This reflects that as from the date that the new functionality is introduced, the new system will be seeded with each of the existing DRP and BSP plans of which ASX is aware, with elections notified by participants through CHES being processed in CHES and sent to issuers as from that time.

The [CHES Replacement: Revised Implementation Timetable](#) consultation paper released in June 2020 contemplated that the new DRP/BSP election functionality would be released into

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<sup>10</sup> For example refer to ASX Listing Rule 3.10.8 and SSX Listing Rule 23.9.

<sup>11</sup> The April 2018 consultation paper is available here: <https://www.asx.com.au/documents/public-consultations/ches-replacement-new-scope-and-implementation-plan.pdf>

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production after the go-live date for the new system as ‘release version 1.1’. The timing for implementation of the release 1.1 functionality and the timing for progressing the associated rules is subject to consideration, with the market to be updated in our response to consultation on the revised implementation timeline (planned for release in late October / early November 2020).

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Requested further information to assess the financial merit or efficiency of the new system functions for issuers compared to the status quo.

Ongoing responsibilities of issuers to interpret which changes made in their records should be transmitted to new system will be more expensive and less efficient than current state. Provision of changes to DRP standing instructions by issuers to ASX does not appear beneficial to issuers in function or cost for vast majority of investors when compared to existing share registry managed solutions.

As indicated in row [1] above, the rule amendments for DRP and BSP elections included as part of ASX’s Tranche 2 consultation paper reflected the proposed solution design for the new business requirement for electronic elections of DRPs and BSPs, as determined following consultation with stakeholders through Focus Groups and the Technical Committee. Refer to section 1.2 of the tranche 2 consultation paper<sup>12</sup> for further details on such engagement processes, including a summary of feedback received through such process.

This business requirement for electronic elections of DRPs and BSP through CHESS was generated by industry through stakeholder engagement processes in 2017 and 2018. Refer to 2.2.16 of the April 2018 consultation paper CHESS Replacement: New Scope and Implementation Plan<sup>13</sup>

However, ASX acknowledges the further feedback received through the tranche 2 rule consultation regarding the complexity and costs imposed on issuers to support the proposed solution design for DRP and BSP elections.

Accordingly, ASX has revised the proposed solution for DRP and BSP election functionality, including so as to remove the requirement for

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<sup>12</sup> The tranche 2 consultation paper is available here: <https://www.asx.com.au/images/settlement/Tranche2ConsultationPaperandAttachments.PDF>

<sup>13</sup> The April 2018 consultation paper is available here: <https://www.asx.com.au/documents/public-consultations/chess-replacement-new-scope-and-implementation-plan.pdf>

		<p>issuers to notify to CHES any elections or cancellations of elections direct to the issuer from holders.</p> <p>As a result of the revisions to the proposed solution, DRP standing instructions are no longer be required to be provided by issuers to CHES (other than on a requested basis through the DRP/BSP enquiry function referred to in row [9] above).</p>	
24. <b>Fees</b>	<p>Will there be fees on issuers or participants to receive the report of DRP standing instructions? If there are fees on issuers to report changes about DRP standing instructions received directly from holders on CHES holdings, this may be a significant cost to issuers.</p> <p>Information on fees required to assess net positive or net negative impact on issuers and investors.</p>	<p>Pricing in relation to the new DRP/BSP services to be provided by the CHES replacement system will be made available at least 12 months prior to go-live of this functionality.</p> <p>The <a href="#">CHES Replacement: Revised Implementation Timetable</a> consultation paper released in June 2020 contemplated that the new DRP/BSP election functionality would be released into production after the go-live date for the new system as ‘release version 1.1’. The timing for implementation of the release 1.1 functionality and the timing for progressing the associated rules is subject to consideration, with the market to be updated in our response to consultation on the revised implementation timeline (planned for release in late October / early November 2020).</p> <p>As indicated in row [1] above, ASX has determined to revise the proposed solution for DRP and BSP election functionality, including so as to remove the requirement for issuers to notify to CHES any elections or cancellations of elections direct to the issuer from holders.</p>	
25. <b>Further information requested</b>	<p>Requested further detail and use cases.</p>	<p>Please refer to section 2.2.16 of the 2018 consultation paper and section 1.2 of the Tranche 2 consultation paper for information relating to the rationale for the business requirement for electronic elections for DRPs and BSPs and the operation and application of the DRP and BSP election functionality.</p>	
	<p>Requested guidance on the expected sequencing of acceptances, rejections or cancellations. Prescriptive measures should be provided to issuers to determine</p>	<p>As noted above, this new functionality offers an additional notification mechanism of investor elections and is not intended to</p>	<p>ASXSOR 5.19A.4</p>

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how such conflicts are managed and appropriate indemnities offered to participants.

Further clarification required in relation to ASXSOR 5.19A.4, detailing how an issuer will process instructions where a conflicting instruction may have been received (i.e. a duplication) or where there has been difficulty determining the time of receipt of an instruction.

CHESS messages should inform a controlling participant and investor of the reasons for non-acceptance of a message.

override existing election process and determination of elections by issuers in accordance with their DRP/BSP terms.

As indicated in row [1] above, having regard to the further feedback received through the tranche 2 rule amendments consultation, ASX will be revising the proposed solution for DRP and BSP election functionality. As a result of these changes, ASX will no longer maintain a record of election status across all CHESS holdings, with DRP and BSP elections to be notified on a pass through basis as received by ASX from the controlling participant.

To the extent that there are any conflicting or duplicated instructions transmitted to or received by issuers (including via different communication channels), issuers are expected to determine the relevant sequence of those messages, and determine their priority in accordance with their usual processes or the plan rules (if applicable), consistent with current practice: see proposed Rule 5.19A.4. ASX does not propose to prescribe how the processing of instructions by issuers is to occur across each of the issuer plans.

ASX however expects that the electronic transmission of elections through CHESS will assist issuers in determining any sequencing considerations given the electronic record available to the issuer of the timing of its receipt of the election through new DRP/BSP functionality in CHESS.

If an issuer rejects an election there is a reason code on the relevant message. The current proposed reason codes are listed below:

- Ineligible to Participate (PARX)
- Percentage Elections Not Supported (PENS)
- Partial Elections Not Supported (PANS)
- Plan Suspended (SUSP)

- Other (OTHR)

If both an instruction and its cancellation are withheld behind DvP Batch because ASX Settlement controls the flow of transactions and requests across the ledger, will ASX itself give effect to the cancellation and not pass the initial (now irrelevant) request and cancellation to the issuer or will they still be sent to the issuer to assess which had priority and to respond on that basis?

ASX will not hold back elections or cancellations received from participants in CHESSE through the new DRP/BSP election functionality while batch settlement is progressing.

Such elections and cancellations of elections will be provided to issuers on a pass through basis as received in CHESSE.

Is the expectation that the issuer must communicate to investors all DRP standing instruction changes that it and its share registry did not manage or did not have control over?

As indicated in row [1] above, issuers will be required to notify controlling participants through CHESSE, for HINs with an existing CHESSE notified election (only), of a cancellation of that election instigated by the issuer, e.g. due to zero balance, plan suspended or plan eligibility rules. ASX understands that this will align with current practices of issuers to notify investors of DRP changes to plan participation that are instigated by the issuer (e.g. in the case of a withdrawal, cancellation, or other change).

As indicated in row [15] above, ASX will not be requiring that issuers report changes to DRP standing instructions to investors when a DRP or BSP election has been notified by a participant on behalf of investor through CHESSE.

Issuers can take their own view as to whether a DRP or BSP election or cancellation submitted on behalf of an investor through CHESSE should be separately notified to the investor by the issuer, including having regard to current processes of the issuer to notify investors of elections received through existing channels (e.g. paper based or issuer registry portal).

User Technical Documentation does not adequately describe the solution, including:

- describing what a change of DRP participation means or how to deliver changes to DRP standing

ASX notes this feedback, and will give further consideration to these aspects when preparing the revised APGs (Operational Procedures and Guidelines) for the new DRP/BSP functionality.

The description in those documents will reflect the revised proposed solution for DRP/BSP election functionality as referred to in row [1]

	<p>instructions via ISO 20022 messages;</p> <ul style="list-style-type: none"> <li>describing how increases or decreases in holdings are addressed for partial plan standing instructions;</li> <li>issuer responsibilities to report updated or cancelled plan participation recorded in the issuer’s register to the controlling participant (including if the plan rules involve the removal of an investor’s standing instruction if the investor does not have an active holding or otherwise on the reactivation of a DRP standing instruction following an acquisition);</li> <li>application money flows into an issuer’s rights issue and share purchase plans;</li> <li>guidance on what an update of participation actually is (this requires login into the SWIFT MyStandard’s secure website).</li> </ul> <p>Use cases around DRP standing instruction changes need to be expanded and explained better, including partial participation nominating an amount of units in excess of current CHES subregister balance recorded by ASX or issuer’s share registry and management of rules concerning treatment of nil holders.</p> <p>Will it be clear from the User Technical Documentation whether a message that is used by ASX Settlement to transmit a participants DRP standing instruction (5.19A.2(b)(ii) or a cancellation 5.19A.5(b)(ii)) can be received by the issuer during the DvP batch?</p>	<p>above. Further details on the revised proposal for DRP and BSP election functionality will also be contained in updated Technical Documentation to be made available.</p> <p>As indicated above in this row [25], ASX will not hold back elections or cancellations received from participants in CHES through the new DRP/BSP election functionality while batch settlement is progressing. Accordingly, issuers may receive notification of such elections or cancellations during batch settlement.</p>
<p>26. <b>Further rule amendment</b></p>	<p>Noted that certain provisions relating to this functionality will be subject to further amendment in</p>	<p>The comment included in the tranche 2 consultation paper referencing further changes to be made in the tranche 3 rule amendments related to a limited additional aspect in respect of the</p>

<p><b>s in Tranche 3</b></p>	<p>Tranche 3. Why couldn't additional terms relating to payment be incorporated into Tranche 2?</p>	<p>provision of bank account details. This comment was provided in the Tranche 2 consultation paper for transparency.</p> <p>The provision of the rule amendments in tranches reflects the iterative solution design process for the new system (including stakeholder engagement as part of that process), with such bank account details aspects being addressed as part of the functionality for the provision of new foreign bank account and foreign currency details being addressed in tranche 3.</p> <p>The approach of consulting on the rule amendments in three tranches was to give industry early transparency to the rule amendments supporting the solution design for the new system (notwithstanding the ongoing solution design process for other parts of the new system) and responds to industry feedback. Refer to row [82] below for further information on the rule amendment consultation process.</p>
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**Entitlement acceptances** (see row 2 of the table in Attachment A of our Tranche 2 Consultation Paper)

<p>27. <b>Regulatory relief and compliance</b></p>	<p>It is unclear how a participant can comply with condition 8(2)(b) of ASIC Instrument 2019/547 where a controlling participant submits a valid electronic acceptance of a securities purchase plan for beneficial holdings within a custodian relationship.</p>	<p>The solution design for the new system functionality for entitlement acceptances does not extend participation through to beneficial holdings for the purpose of the ASIC Instrument. This would require additional written certification and information requirements (including for example the name and address of participating beneficiaries) to be addressed under condition 8(3) of ASIC Instrument 2019/547.</p> <p>The provision of the relevant beneficial owner details and certifications under the ASIC Instrument do not form part of the relevant SPP acceptance functionality. Accordingly, such details will need to continue to be provided to issuers outside of the new system as per current processes if it is sought to extend SPP participation through to beneficial holdings.</p>
<p>We understand that ASX has outstanding discussions with ASIC regarding potential relief in respect of traded</p>	<p>As indicated in the consultation paper on the tranche 2 rule amendments and subsequent updates through the ISO Technical</p>	

rights. The lack of regulatory certainty regarding the operation of ss. 723(a) and 1016A(2)(a) of the Corporations Act in respect of the new functionality has made it difficult to adequately comment on the regulatory and technical impact for issuers.

Committee, ASX commenced engagement with ASIC in March 2020 in relation to obligations under sections 723(a) and 1016A(2)(a) of the Corporations Act to only issue financial products 'in response to' / 'pursuant to' an application form (as applicable).

Further information on this issue for renounceable rights offers that are subject to regulated disclosure document requirements is contained in row [30] below.

While the premise for the engagement with ASIC has been the application of the above obligations to entitlement acceptances notified through the new functionality, similar issues apply for issuers under existing acceptance notification (and payment) processes. For example, through an Appendix E to which a cheque is attached.

An update on ASX's engagement is contained in section 3.3 of the cover paper to which this summary is attached.

<p>28. <b>Issuer visibility over pending acceptances</b></p>	<p>The rules relating to the submission of rights offers and SPP entitlement acceptances do not provide visibility to issuers of pending acceptances.</p>	<p>The rule amendments for entitlement acceptances included as part of ASX's Tranche 2 consultation paper reflected the proposed solution design for the new business requirement for electronic acceptance of entitlement offers, as determined following consultation with stakeholders through Focus Groups and the Technical Committee.</p>	<p>ASXSOR 5.21A.3 and 5.21A.5</p>
	<p>It is not evident how issuers will be informed of acceptances with respect to the entitlement acceptances prior to RTGS payment being made. As participants are not required to initiate the Corporate Actions RTGS Instruction in respect of an acceptance already notified to ASX until the later of closing time on the Applications Close Date or RTGS Instructions Cut-off (4.30pm) on that date, the issuer may not be notified of acceptances until the last possible moment.</p>	<p>Relevantly, ASX notes that it received feedback during the Corporate Action Focus Group process that:</p>	
	<p>This functionality is disproportionately more beneficial to participants than issuers, missing an opportunity to</p>	<ul style="list-style-type: none"> <li>Participants sought that notification of entitlement acceptances occur in two steps: (1) notification of acceptance for a holding (pending payment); (2) payment for acceptances (which can be on an aggregate basis across holdings);</li> </ul>	

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improve market efficiency by increasing visibility for issuers.

Noted ASX has not chosen to develop ISO 20022 messaging to convey this information to issuers via existing channels, and instead noted publicly that it will be available by node access. Requested further information, including associated costs and availability of data to registries.

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Pending applications should be made transparent to the issuer as a recorded pending application. This information, as to expected, though not certain, payment of application monies is important to issuers mounting capital raising activities. ASXSOR 5.21A.3(b) does not require ASX to report an application received or prospective application money, with issuers only informed after the payment of application moneys under ASXSOR 5.21A.3(d). As a result, issuers may get no extra benefits of information held in the new system ledger.

Data available to share registries regarding locked nil-paid rights holdings is not specific and unique to the lock applied on prospective take ups, and does not provide insights on unpaid applications for additional securities or applications into a share purchase plan. Additionally, such locked holding data does not extend to applications under shortfall offers or under share

- Issuers were not in favour of receiving notifications of pending acceptances in the absence of corresponding payments, rather, only paid up acceptances were to be provided to minimise the volume of messages being received.

This feedback was taken into account when designing this functionality in the new system.

Refer to section 1.3 of the tranche 2 consultation paper<sup>14</sup> for further details on such solution design engagement processes. As flagged in that section, ASX also subsequently made available on the ASX CHES Replacement website a summary of the feedback received from stakeholders from the relevant Focus Groups and ISO 20022 Technical Committee meetings on the solution design for electronic entitlement acceptance functionality<sup>15</sup>, together with Technical Documentation which communicates the details of the solution design<sup>16</sup>.

Under the proposed solution as reflected in the tranche 2 rule amendments, participants have until the earlier of closing time on the applications close date for the relevant rights offer or SPP or the RTGS Instructions Cut-off (4.25pm) on that date to initiate payment.

However, having regard to the further feedback received through the tranche 2 consultation, ASX has revised the proposed solution for entitlement acceptance functionality so as to provide notification to issuers of pending acceptances (i.e. prior to payment) and of the cancellation of such pending acceptances by the controlling participant.

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<sup>14</sup> The tranche 2 consultation paper is available here: <https://www.asx.com.au/images/settlement/Tranche2ConsultationPaperandAttachments.PDF>

<sup>15</sup> This information is available here:

<https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/245729478/Stakeholder+Feedback+and+ASX+Response+Electronic+Acceptance+and+Payments+for+Entitlement+Offers>

<sup>16</sup> This information is available here: <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/245466848/Entitlement+Elections+Overview>

	<p>purchase plans, as no entitlement is locked for these application types.</p> <p>Issuers should be able to choose to subscribe to aggregate intended application levels in the ledger managed by ASX Settlement and not rely on the impaired inference of unavailable rights entitlement holdings expected as a result of locked rights subject to pending application money remittances.</p>	<p>ASX will give further consideration as to whether reasonable steps could be taken to allow issuers to opt out of the receipt of such acceptance (pending payment) and cancellation information where they did not want to receive that information or whether this would require significant redesign.</p> <p>ASX notes that such acceptance (pending payment) information represents additional information to that available today given the need for payment to accompany the relevant acceptance under the rights offer or SPP, which can occur up to the closing time on the applications close date for the relevant rights offer or SPP.</p> <p>Pricing in relation to the new entitlement acceptance service to be provided by the replacement system, including for the additional pending payment information, will be made available at least 12 months prior to go-live of this service.</p> <p>Information relating to pending acceptances will be available to issuers irrespective of the connectivity channel they choose to access and interact with the system - whether Ledger API or “node”, ISO 20022 messaging (AMQP/SWIFT) or web browser.</p>	
29. <b>Unique reference number and investor consent</b>	<p>Concern that unique reference number only required for regulated offerings where rights have not been renounced. There is no mechanism to communicate to participants which offerings are subject to the unique reference number requirement. This will create market uncertainty.</p> <p>For non-regulated offers this identifier is important to validate investor consent to the terms of the offer. Relying on holder representations and warranties mandated under ASXSOR 5.21A.9 may create regulatory</p>	<p><i>Unique reference number in acceptance message</i></p> <p>In the case of rights offers subject to regulated disclosure document requirements, the proposed inclusion of a unique identifier in acceptance messages is to support compliance by issuers with their Corporations Act obligations that the issuer only issue financial products ‘in response to’ / ‘pursuant to’ an application form (included in, or accompanied by, a prospectus, PDS or other regulated disclosure document (as applicable)) under section 723(1) and 1016A(2)(a).</p>	<p>ASXSOR 5.21A.9A, 5.21A.9<sup>19</sup></p>

<sup>19</sup> To aid comparison with the rules as proposed in the tranche 2 consultation paper, the paragraph numbers in Rule 5.21A have been preserved and not updated to account for the proposed new 5.21A.9A. This numbering will be updated in any subsequent version of these rules.

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risk for issuers with respect to informed shareholder consent. Reliance under ASXSOR 5.21A.9(b) and (c) on a message from the controlling participant to affirm investor warranties under those rules may also be inconsistent with investor protection principles. Has ASX liaised with ASIC on this point, and if so can ASX please advise what ASIC’s position is on the point of investor understanding and consent?

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Concerned that participants do not have visibility to determine whether rights offers or securities purchase plans are subject to regulated disclosure documents given the entitlement offers are distributed by the issuer. Investors may also be unclear on the requirement to provide a unique reference number when accepting an entitlement offer (e.g. for rights offer subject to regulated disclosure document requirements).

Suggest functionality is built within the system to validate the conditional requirement for participants to include a unique reference number during acceptance of an entitlement.

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Application and acceptance forms have two unique reference numbers – the entitlement number and BPAY customer reference number. Suggest changing term “unique reference number” to “entitlement number”, which could utilise the “entitlement number” already disclosed on forms. This would be more easily called out

This is done by demonstrating that the relevant holder received the application form which contained such details (in accordance with ASIC Regulatory Guide 107).

Reliance alone on warranties from participants regarding investor receipt of the relevant disclosure documents and product disclosure statements does not conform to such regulatory expectations. Similarly, reliance on the HIN does not evidence compliance with such requirements. It is not unique to the application form and therefore does not evidence receipt of the application form in line with the regulatory expectations.

As indicated in the section 1.3 of the tranche 2 consultation paper, in the instance of rights that have been renounced and traded (i.e. where the acquirer was not an existing holder of the rights (through holding the parent financial products) on the record date), offer documents including entitlement acceptance forms (which contain the unique reference number) are not provided to the acquirer of those rights. Accordingly, the unique investor number is not available to that holder when accepting on such acquired rights.

This represents an existing limitation that applies in the context of existing paper based acceptance notification (and payment) processes by the holder or their controlling participant (generally through a form referred to as an Appendix E to which a cheque is attached).

As foreshadowed in footnote 4 to the tranche 2 consultation paper, Appendix 3B to the ASX Listing Rules and associated online forms<sup>17</sup> and messaging<sup>18</sup> have been updated as part of the Corporate

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<sup>17</sup> Refer to question 3F.8 of the online form (available to issuers (requiring log-in) through the ASX Online Companies page) and question 3G.8 of the word version of the online form (available on the ASX Online Companies page).

<sup>18</sup> A field to capture this information has also been included in the ISO 20022 message that notifies the rights offer event as part of the STP release 2 which came into effect on 18 July 2020 (available as an optional subscription service through ReferencePoint).

in the issuer's disclosure document. The BPAY customer reference number should not be used.

Offers which trigger the requirements to include the unique identifier (i.e. for offers under a disclosure document or product disclosure statement) should be specifically identifiable in offer announcements and in ReferencePoint notifications as updated through the Corporate Actions STP Phase 2 Project.

The incorporation of such details should also apply to share purchase plans, the vast majority of which are made under a light form of offer document.

Consideration should be given to a more pragmatic approach to bought and transferred rights, given that issuer's disclosure document or product disclosure statement will be announced before any on-market purchases. Participants should (as part of their trade management obligations and client warranties) confirm that the investor has received the relevant disclosure documents and product disclosure statements when taking a purchase order or instruction to transfer or convert the rights.

Additionally, purchasers of nil paid rights should be required to formally acknowledge that they have read and understood the terms of the offer (similar to additional trading terms introduced for partly paid securities).

The unique reference number should not be used and be optional due to it not always being available to the controlling participant because there is no guarantee of delivery when issuers send out this information via mail

Actions STP Phase 2 Project to support the notification by issuers as to whether the rights offer is being made under such regulated disclosure documents. This will assist participant visibility of the circumstances when the unique reference number is required (including through ReferencePoint as an optional subscription service).

ASX Settlement would encourage other ALMOs to incorporate similar requirements for their issuers.

In the case of share purchase plans, the obligations to include a unique identifier will be as prescribed in the relevant share purchase plan terms as contemplated under condition 8(2) of ASIC Instrument 2019/547. Importantly, the trigger for the requirement to include a unique identifier is not that the offer is under a disclosure document or product disclosure statement, which the Listing Rule and Corporate Action STP Phase 2 requirements address.

ASX does not propose to incorporate validation within the new system of when a unique reference number is required in accepting into a rights offer or SPP. Any such validation would need to have consideration to the individual circumstances of the holder of the right being accepted (i.e. whether the holder was an existing holder of the right on the record date (requiring the inclusion of such unique investor number)) or of the terms of the SPP.

#### *Representations and warranties under ASXSOR 5.21A.9*

ASXSOR 5.21A.9 contemplated the incorporation of terms and conditions into plan terms:

- in order to recognise the ability of holders to notify an acceptance under a rights offer or SPP where they notify their acceptance via their controlling participant under the new system, and
- where they do so, to expressly extend certain representations from holders to issuers concerning matters that would apply to

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and the timing of when renounceable rights are acquired.

This could be overcome if unique reference numbers were available electronically (e.g. in the new system) or if the HIN could be used instead.

acceptances notified directly by holders to issuers, e.g. by hard copy form. This includes that the investor has read and understood the terms and conditions of the relevant offer and that their acceptance is made in accordance with those terms and conditions.

ASX however recognises that any changes required to give holders the ability to accept into the relevant rights offer or SPP under the new functionality will be dependent on each issuer's offer terms.

ASX also recognises that the provision of representations from holders could be addressed in various ways, depending on the relevant offer documents. This could include by the offer documents extending existing representations from holders to issuers so as to apply irrespective of whether the holder notifies a rights offer/SPP acceptance using existing mechanisms or via their controlling participant through the new functionality.

Accordingly, ASX will be replacing the proposed requirement for issuers to include in their offer documents certain term and conditions as specified in ASXSOR 5.21A.9, with:

- a representation and warranty from issuers that holders can accept into the relevant rights offer or SPP using the new functionality. This will also be supported by an indemnity in favour of holders, controlling participants and ASX.
- a representation and warranty from issuers in relation to a rights offer subject to regulated disclosure document requirements as to the application under the offer terms and conditions of a more limited form of holder representation to an acceptance under the new functionality. The form of representation contemplated from holders supports relief for issuers in respect of acceptances by acquirers or recipients of transferred rights under a renounceable rights offer as referred to in row [30] below.

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This leaves it to the issuer and their professional advisers to determine whether changes are required to their rights offer or SPP terms to comply with those representations and warranties, and if so, as to the form of those changes.

It also leave it to the issuer and their professional advisers to determine whether any additional express representations are to be sought from holders in connection with the new functionality or if there is to be reliance on existing representations through their application to all mechanisms for providing such notification (including through the new functionality). For example, in relation to the types of holder representations that had been provided for by ASXSOR 5.21A.9.

ASX notes that such representations are also supported by warranties and indemnities from controlling participants (including in favour of issuers) that they were authorised by the holder to submit such acceptances through the system (refer ASXSORs 5.21A.7 and 5.21A.8).

The reframing of the relevant requirements also makes clearer the obligations on issuers in relation to their offer terms as required to support functionality addressing the business requirement generated by industry in 2017 and 2018 of providing settlement participants the ability to electronically accept into rights offers and SPPs for CHESS holdings on behalf of their clients on an optional basis.

ASX has engaged with ASIC in the usual course on the draft rule amendments for the replacement of CHESS (including the tranche 2 rule amendments incorporating the entitlement acceptance functionality and the associated holder representations and warranties under ASXSOR 5.21A.9) and will continue to do so as part of the regulatory clearance process across all the rule amendments.

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*Pre-trade aspects*

ASX is not otherwise proposing to introduce additional pre-trade obligations on participants and investors in connection with the purchase, transfer or conversion of the rights as part of the replacement of CHES (which does not affect such pre-trade aspects).

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30. **Renounceable rights issues – purchased and transferred rights**

The rules don't address how purchased and transferred rights from renounceable rights issues might be taken up by the buyer or transferee. The take up of bought and transferred rights have no unique reference number on a form produced by the issuer.

These rights are far more likely to be managed by the participant who settled the purchase than any retail investor on their own account, so clear expectations should be set about the capacity of the system to manage these.

As noted in section 1.3 of the consultation paper for the tranche 2 rule amendments, in the case of rights offers subject to regulated disclosure document requirements, there is existing uncertainty regarding compliance by issuers with obligations under section 723(a) and 1016A(2)(a) of the Corporations Act requirements that the issuer only issue financial products 'in response to' / 'pursuant to' an application form (included in, or accompanied by, a prospectus, PDS or other regulated disclosure document (as applicable)) for rights that have been renounced and traded.

This arises because for such transferred rights (i.e. where the acquirer was not an existing holder of the rights (through holding the parent financial products) on the record date), offer documents including entitlement acceptance forms (which contain a unique reference number) are not provided to the acquirer of those rights. Accordingly, the unique investor number is not available to that holder when accepting such acquired rights.

This represents an existing limitation that applies in the context of existing paper based acceptance notification (and payment) processes by the holder or their controlling participant (generally through a form referred to as an Appendix E to which a cheque is attached).

As also foreshadowed in section 1.3 of the consultation paper for the tranche 2 rule amendments, ASX has been engaging with ASIC regarding whether there is a need for relief from section 723(a) and 1016A(2)(a) of the Corporations Act or relevant regulatory guidance for issuers of rights under a regulated disclosure document that

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have been transferred to a third party. An update on such engagement is contained in section 3.3 of the cover paper to which this summary table is attached.

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31. **Scheduled times**

Suggest the cut-off time for a participant to transmit a valid corporate action RTGS message is hard coded to 4pm to provide participants sufficient time to facilitate and receive approvals from the payments provider. The current proposed timing for RTGS messages to be received in the new system from participants is by 4.25pm with the RTGS cut-off for payment provider authorisation for new queue items being 4.30pm.

ASX does not propose to bring forward the timing for participants to transmit a valid corporate action RTGS message.

Such a change would reduce the ability for participants to process acceptances through CHES, including in particular on the offer close date for instructions received from holders approaching or just after the relevant cut-off time, and therefore increase the need for participants to continue to use other processing channels for processing of such acceptances. This would reduce the effectiveness of the new entitlement acceptance functionality in delivering on the business requirement generated through industry engagement in 2017 and 2018.

ASX also notes that the 4:30pm cut-off for authorisation referred to represents an initial authorisation for the payments to progress to the settling phase, with additional credit management outside of CHES (using the AIF or proprietary systems) also contemplated to occur and the RTGS instruction to be settled by 5:15pm. This allows further time for payment providers to undertake such authorisation processes beyond the minimum 5 minutes in the example provided.

Each payment provider can have different processes and timeframes to approve RTGS payments, and develop their own system cut-offs consistent with relevant system capabilities. ASX expects that any such cut-offs applying to RTGS processing (including in relation to payments for entitlement acceptances) should be covered in the SLA between the payment provider and their clients.

It will be incumbent on participants that seek to make entitlement acceptances using the functionality in the new system to manage their receipt and processing of such entitlement acceptances and associated payments by a time that allows them to be processed by

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their payment provider in the new system and in RITS by the relevant cut-offs.

When the Application Close Date has a closing time earlier than RTGS Instruction Cut-Off, an operational period of ~75 minutes should apply before this cut-off to allow the payments provider sufficient time to facilitate and receive approvals using the payment service.

In relation to the Closing Time on the Application Close Date, any variation to cut-off times based on the financial product would introduce operational risk. Recommend a standard cut-off time for all application close dates should be introduced, being the same as the RTGS Instruction cut-off time.

Requested further detail regarding how the non-standard cut-off time will be communicated to the market and enforced in the system, as it is not clear from the technical documentation.

ASX does not propose to introduce a standard cut-off time for application close dates across all corporate actions processed through the RTGS service. This is a matter for each issuer and its advisors under the relevant rights offer or SPP.

All Participants will need to ensure that they accept corporate actions and make the corresponding payments by the closing time determined by each issuer under their offer documents.

To promote certainty, participants should consider applying (and making payments) early to facilitate the required processing under the RTGS service before the issuer's closing time on the final acceptance date.

Where an offer has a later closing time, participants may elect to use other methods outside the RTGS service to accept the offer in accordance with the terms of the Issuer's offer document.

As indicated above in this row [31], participants seeking to use the new functionality also need to manage their receipt and processing of entitlement acceptances and associated payments by a time that allows them to be processed by their payment provider in the new system and in RITS by the relevant cut-offs, having regard to their RTGS processing arrangements with their payment providers.

32. <b>Removal of corporate action record</b>	In relation to ASXSOR 5.21A.1(d)(ii) (" <i>ASX Settlement will remove that corporate action record on a date determined by ASX Settlement following applications close date</i> "), when will ASX be removing this? We would like the functionality to search on acceptance and would	The purpose of the corporate action record is to facilitate the notification of acceptances and the making of associated payments to issuers under rights offers and SPPs or to holders for refunds of such payments. To reflect the function performed by the corporate	ASXSOR 5.21B.1
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	<p>not want it removed before the corporate event is concluded.</p> <hr/> <p>Removal of the Corporate Actions Record under ASXSOR 5.21A.1(d)(ii) should be linked to the last date for these events in the ASX Listing Rules, as this is likely when new securities are due to be issued and any refunds of application money are due to be made. Applications Close Date is not the final date in the ASX Listing Rules timetables for these events.</p>	<p>action record in the processing of such refunds, ASX will amend 5.21B.1.</p> <p>To allow additional time for refunds after the applications close date, the relevant date to be determined by ASX under ASXSOR 5.21A.1(d)(ii) is contemplated to be 30 business days after the last date for issue of approved financial products under the ALMO's timetable applying to the entitlement offer.</p> <p>ASX also notes that participants are aware of the status of processing in the new system of entitlement acceptances and payments, with notification of the receipt of entitlement acceptance messages and the initiation and the making of associated payments (or of the fail of such initiated payments) as they occur – refer to ASXSOR 5.21A.3(b)(i)(B), 5.21A.3(d)(i)(C), 5.21A.3(d)(ii)(B) and 5.21A.3(d)(iii)(B). Participants are also notified of the housekeeping by ASX of acceptance messages pending payment (where payment did not occur by the applications close date).</p>
<p>33. <b>Optionality</b></p>	<p>Benefits <u>will</u> flow to a subset of the market, being professional asset administrators. It should be mandatory for controlling participants to use this entitlement acceptance functionality. A lack of use will limit the effectiveness of this function, given existing notification processes available to investors.</p> <p>While issuers are required to incorporate in their disclosure documents reference to the new entitlement acceptance service and to direct investors to their controlling participants regarding the new service, there is no equivalent requirement on participants to provide</p>	<p>The new entitlement acceptance functionality addresses the business requirement generated by industry in 2017 and 2018 of providing settlement participants the ability to electronically accept for entitlements for CHESS holdings, and make payments in respect of such acceptances, on behalf of their clients on an optional basis. Refer to 2.2.17 and 2.2.18 of the April 2018 consultation paper CHESS Replacement: New Scope and Implementation Plan<sup>20</sup>.</p> <p>In line with the above business requirements, the solution design as determined following consultation with stakeholders through Focus Groups and the Technical Committee (and supported by the rule amendments) operates on the basis that the functionality is optional for participants to use, in addition to other existing channels for notifying entitlement acceptances and making payments (e.g. paper</p>

<sup>20</sup> The April 2018 consultation paper is available here: <https://www.asx.com.au/documents/public-consultations/chess-replacement-new-scope-and-implementation-plan.pdf>

the service or inform their clients of whether they will support the new functionality.

Participants should share responsibility for actively informing their sponsored clients of their support for, or capabilities to manage the application and payment of application monies for rights issues or share purchase plans. Absent this, it could frustrate an investor planning on using a service referenced in the issuer's disclosure documentation, with such dissatisfaction being expressed to issuers.

Issuers will not be aware of the participants that will offer this service to their clients. If few participants sign up their clients to the required documentation to support the new service, including the required legal authority for the participant to make applications and payments on behalf of holders, the new service will not be broadly taken up.

based or BPAY) that take place directly with the issuer by holders or controlling participants (on behalf of holders).

Accordingly, ASX does not propose to mandate the use of this functionality for participants. Given the industry driven demand for this functionality, ASX expects it be a competitive service offering across participants which will drive the take-up of the functionality.

**34. Refunds**

The "may" in ASXSOR 5.21B.1(c) should be amended to a "must", requiring performance via the same channel as a refund.

If an entitlement acceptance notified through the new system is to be rejected then the RTGS participants for the issuer should be required to transmit a corporate action rejection message notifying of that rejection (and accordingly the reference to "may" in ASXSOR 5.21B.1(a) should be amended to a "must"). This will support greater transparency of the process within the system, providing participants with clarity when designing and executing client money movement processes.

The existing refund process provided by share registries is expected to continue to provide the most expedient

The ability for issuers to provide refunds through the new system (as supported in ASXSOR 5.21B) responds to industry requests to provide this functionality (on an optional basis by issuers), where considered appropriate for AML purposes to return monies through the same mechanism from which they were received.

Accordingly ASX does not propose to mandate that issuers use the refund functionality referred to in ASXSOR 5.21B in respect of entitlement acceptance payments received in the new system.

Participants will be able to determine if an acceptance has been fulfilled or rejected, in whole or in part, based on whether the relevant number of financial products subscribed for have been added to the holding.

method for returning moneys to holders, notwithstanding application moneys being received through the new system. The proposed refund process has no merit for issuers or retail investors including due to costs involved and complexity.

35. **Drafting comments**

Proposed ASXSOR 5.21B requires revision to account for the possibility of scale back offerings, in addition to acceptance rejections.

ASX notes that proposed ASXSOR 5.21B.1(a) currently addresses both:

- acceptance rejections as a result of the acceptance being invalid or the rights offers and SPPs being cancelled (refer ASXSOR 5.21B(a)(i)); and
- a scaleback in relation to an oversubscription offer and SPP (refer ASXSOR 5.21B(a)(ii)).

The generic term ‘acceptance’ is not suitable for ASXSOR 5.21A for all the applications of the new functionality. Acceptance indicates success is only in the hands of the investor to whom the offer has been made and for which the participant has remitted application money. Whereas:

- Many rights issues involve an option for eligible holders to make an application for any shortfall that is not taken up by other eligible holders (which is subject to scaleback and refund of application moneys);
- Share purchase plans present a general offer to apply for new shares limited by the terms of the plan (which is also subject to scaleback, including for aggregate limits on total number of new shares issued, aggregate limits on an individual’s investment set by ASIC’s class order and (where

References to “acceptance” in respect of the new entitlement acceptance functionality are used as a general term to apply across the various rights issues and SPPs to which the functionality applies. As referred to, different nomenclature is used across different offers to which the new functionality relates.

An attempt to reflect such different nomenclature in the rules on account of each offer would create unnecessary complexity in the drafting given the nature of the new functionality which is a mechanism to provide the relevant notification of the choice to participate under the offer and associated payment to the issuer using the new entitlement acceptance functionality.

ASX also notes that an acceptance transmitted through CHES remains subject to processing and validation under the relevant offer terms for the rights offer or SPP.

To assist with interpretation, notes have been added to ASXSOR’s 5.21A.3(a) and 5.21A.3(b) to clarify what is meant by the term “acceptance”.

Notes to ASXSORs 5.21A.3(a) and 5.21A.3(b)

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applicable) extension on a limited basis to beneficial holders using a nominee).

Acceptance is the correct term to use for rights accrued on an eligible holding (entitlement) and the rights acquired through a purchase or transfer. Acceptance is not however the correct term to use for the optional application permitted, but subject to scale back, in a rights issue or the application made into a share purchase plan.

The rules should differentiate between:

- acceptance of offer to take up the pro-rata entitlement;
- take up of rights purchased on market, or otherwise transferred;
- application to participate in an allocation of new securities arising from others' lapsed rights by way of oversubscription; and
- application for new securities under a share purchase plan offer.

It is also noted that in the scenario of an offer involving:

- a rights issue for any shortfall not taken up by other eligible holders (described as an Oversubscription Offer in the ASXSORs); or
- a share purchase plan,

they are expressly subject to rejection and scaleback, with a refund of application moneys, under ASXSOR 5.21B.

It is unclear from the rules how an issuer notifies ASX Settlement of a rights issue or share purchase plan or of changes to them.

Is 'Immediately' defined? After what period of time is it considered a breach? For issuers admitted to ASX's Official List, does the formal use of ASX's announcement platform and its smart forms fulfil the responsibility to inform ASX Settlement?

As indicated in row [10] above, ASX proposes to amend ASXSOR 5.19A.1(a), 5.19A.1(c), 5.21A.1(a) and 5.21A.1(c) to provide for immediate notification to ASX Settlement after public release of the relevant market announcement on the ALMO public announcement platform. The notification contemplated under ASXSOR 5.21A.1 is an additional step to inform ASX Settlement of the announcement of the relevant rights offer or securities purchase plan. It does not require the provision of any additional detail beyond that provided to the ALMO and released on the ALMO's announcement platform.

Relevantly, the notification under ASXSOR 5.21A.1(a) applies whether the relevant announcement is on ASX's MAP or the announcement platform of another ALMO.

This notification supports ASX Settlement awareness of the announcement for the purpose of facilitating processing of entitlement acceptances under the new functionality, across ALMOs.

Under the solution design for the functionality, ASX Settlement's awareness of the announcement of the offer is an important step to it creating the corporate action record for the relevant rights offer or SPP, which is a prerequisite for the processing of acceptances received through the new system for such rights offer or SPP. Relevantly, the new system will validate against each acceptance received that an offer is active (based on the existence of the corporate action record), and reject any acceptances for issuers for which there is not an active plan.

With respect to the intended meaning of "immediately", ASX refers to section 4.5 of Guidance Note 08 to the ASX Listing Rules. In particular:

"Judicial authority in analogous situations confirms that the word "immediately" should not be read as meaning "instantaneously", but rather as meaning "promptly and without delay":

ASXSOR  
5.21A.1(a) and  
5.21A.1(c)

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*“The words forthwith and immediately have the same meaning. They are stronger than the expression within a reasonable time, and imply prompt, vigorous action, without any delay, and whether there has been such action is a question of fact, having regard to the circumstances of the particular case.”*

Doing something “promptly and without delay” means doing it as quickly as it can be done in the circumstances (acting promptly) and not deferring, postponing or putting it off to a later time (acting without delay).”

For the order taking process for rights purchases, we propose that whenever any party buying nil-paid rights settles, transfers or converts nil-paid rights into the CHESSE subregister they be required to formally acknowledge they have read and understand the terms of the offer.

The new functionality seeks to provide an additional mechanism for notifying acceptances into entitlement offers.

ASX does not propose to introduce requirements for holding such rights (whether on the CHESSE subregister or the issuer sponsored subregister) as part of the replacement of CHESSE (which does not affect such holding aspects).

Introducing such a requirement goes beyond the scope of the business requirement to facilitate such electronic acceptances for entitlement offers which the new functionality addresses.

36. **Warranties and indemnities**

Why does the warranty by a controlling participant providing entitlement acceptance notifications to an issuer for clients under ASXSOR 5.21A.7 and 5.21A.8, require less from the participant than the proposed warranties for a participant passing DRP standing instructions to an issuer for clients?

The warranties provided for in ASXSOR 5.21A.7 and 5.21A.8 address the need for controlling participants to have the requisite client authorisation when submitting an acceptance or cancellation through the new system for rights offers and share purchase plans. These are equivalent to the warranties and indemnities under ASXSOR 5.19A.7 and 5.19A.8 in relation to DRP/BSP elections notified through the new system by controlling participants.

ASX notes that the draft ASXSOR 5.19A.7 and 5.19A.8 included in the tranche 2 rule amendments also provided for warranties from issuers when notifying an acceptance or cancellation through the new system for DRP/BSP elections. As indicated in row [1] above, under revisions to the proposed solution for DRP and BSP elections, ASX will be removing the requirement for issuers to notify to CHESSE any elections or cancellations of elections direct to the issuer (and the corresponding warranty and indemnity from the issuer under ASXSOR 5.21A.7 and 5.21A.8).

There is no equivalent warranty and indemnity provided from issuers under ASXSOR 5.21A.7 and 5.21A.8 for entitlement acceptances as there is no equivalent notification of such acceptance or cancellation by issuers in relation to rights offers and share purchase plans.

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37. **Sponsorship Agreements** ASX should clarify for investors and participants if ASX's expectations are that sponsorship agreements for CHESSE holders should be updated for any new service or feature in the replacement system that is not offered in CHESSE today.
- ASX does not propose to incorporate the processing of entitlement acceptances into the ASX prescribed terms for sponsorship agreements (the minimum terms for which are prescribed in Appendix 3 to the ASXSORS) as this is an optional service offering by participants.
- However, participants will be expected to consider any necessary terms and conditions for inclusion in their client documentation to support any new service offerings they are planning to make connected with the replacement system (where made available to their clients).
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38. **Handling of duplicate acceptances and payments** ASX should address how duplicate acceptances and payments for CHESSE holdings, where acceptances may in future be made via CHESSE as well as directly to the registry, will be handled.
- As the replacement system will lock the CHESSE holding, will the acceptance channelled through CHESSE always have priority over acceptances delivered directly to the registry? Issuers (and their registries) will only become aware of any duplicated acceptances (e.g. due to change of holder payment preference) on completion of the offering when the final CHESSE facilitated payments are received and the registry is able to fully reconcile. Governing principles to address this risk should be established, following appropriate consultation with all market stakeholders who may be exposed to this risk.
- It will continue to be a matter for the issuer to determine duplicate acceptances in accordance with their own processes and procedures: refer to proposed ASXSOR 5.21A.4. The locking of a CHESSE holding does not prevent the issuer/registry from processing applications that it has received.
- ASX notes that duplicate applications can occur today (e.g. for paper based and BPAY acceptances), and issuers have the requisite experience and operational expertise to deal with these issues. For example, an investor's position is determined at applications close date, and where paid up applications are received for more than an entitlement allows, it would be expected the surplus monies would be dealt with in accordance with existing procedures (e.g. by way of refund).
- ASX also notes that as at present, where an acceptance and accompanying payment is received by an issuer, they are required to remove such accepted rights from that holding within 1 business day of acceptance: see ASXSOR 5.21.2. This process will continue to apply to acceptances received by issuers.
- Where a holding lock has previously been applied by ASX to the relevant entitlements holding due to the receipt of an acceptance (pending payment) message for a rights offer in accordance with ASXSOR 5.21A.3(b)(ii), the issuer will need to engage with ASX in
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		relation to facilitating the removal of the lock. Refer to rows [75] and [76] below for further information on such manual removal of a lock.
39. <b>Differential handling imposed for Rights and SPP</b>	Issuers will not be required to establish CHESSE subregisters for SPPs (even though they will for rights offers). We understand that this is because permission from the Association of National Numbering Agencies to allocate an ISIN to SPP entitlements given their non-tradeable status has not been sought. As a result, issuers and their registries, and other users, will be required to continue with dual processing structures for handling administration of the securities balances, creating duplication of operational and systems requirements for forms of offers that are substantially similar in process.	<p>The allocation of an ISIN for non-renounceable rights issues was raised as a business requirements in industry engagement in 2017 and 2018 on the replacement of CHESSE. Refer to Appendix 1 Part C4 of the April 2018 consultation paper CHESSE Replacement: New Scope and Implementation Plan<sup>21</sup> for further information.</p> <p>This was progressed by ASX with the Association of National Numbering Agencies (ANNA) as part of the Corporate Actions STP Phase 2 Project, with ANNA confirming in September 2019 that an ISIN will be attributable to non-renounceable rights issues.</p> <p>ASX notes that the allocation of an ISINs for SPPs was not a business requirement generated by industry through those processes.</p> <p>ASX also notes that while an ISIN was contemplated in relation to entitlements under rights offers in guidelines issued by ANNA, there does not appear to be an equivalent contemplation of ISINs in relation to SPPs in guidelines issued by ANNA.</p>
40. <b>Cost of implementation</b>	<p>The risk of appreciable cost increases for issuers resulting from the requirement to establish CHESSE rights subregisters for all rights should be addressed, including non-renounceable rights which are not currently held on the CHESSE subregister.</p> <p>There should also be clarification of the cost impact of the tranche 1 rule amendment to ASXSOR 8.14.2 (requiring the closure of all CHESSE subregisters) in respect of such additional sub-register.</p>	<p>ASX notes that the establishment of a CHESSE subregister for non-renounceable rights, to assist in facilitating the entitlement acceptance functionality, will also assist in streamlining processing of acceptances across rights offers (renounceable and non-renounceable).</p> <p>As indicated in ASX's response to consultation on tranche 1, ASX will consider whether to suppress the production of CHESSE holding statements where the only transaction in the relevant month was the reduction of a holding to zero in the circumstances referred to in</p>

<sup>21</sup> The April 2018 consultation paper is available here: <https://www.asx.com.au/documents/public-consultations/chess-replacement-new-scope-and-implementation-plan.pdf>

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ASXSOR 8.14.2 (i.e. the archive of a CHESSE subregister as a result of a financial product that had lapsed, expired, matured, etc). Please refer to row 18 of Annexure A to the Tranche 1 Rule Amendments Response to Consultation Feedback<sup>22</sup> released in May 2020 for further details.

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41. **Fees**

Unable to assess financial merit or efficiency of new system functions (compared to status quo) without information on transaction costs for new and added responsibilities for issuers under the rules.

It is important for issuers to understand the likely fee structure associated with the new application process and attendant RTGS payments to understand whether there is a cost benefit to facilitating entitlement acceptances and payments through the new system.

Pricing in relation to the new entitlement acceptance functionality will be made available at least 12 months prior to go-live of the relevant functionality.

As indicated in the [CHESSE Replacement: Revised Implementation Timetable](#) consultation paper released in June 2020, the new entitlement acceptance functionality was contemplated to be released into production after the go-live date for the new system as 'release version 1.1'. The timing for implementation of the release 1.1 functionality and the timing for progressing the associated rules is subject to consideration, with the market to be updated in our response to consultation on the revised implementation timeline (planned for release in late October / early November 2020).

ASX also notes that the new entitlement acceptance functionality addresses the business requirement generated by industry in 2017 and 2018 of providing settlement participants the ability to electronically accept for entitlements for CHESSE holdings, and make payments in respect of such acceptances, on behalf of their clients on an optional basis. Refer to 2.2.17 and 2.2.18 of the April 2018 consultation paper CHESSE Replacement: New Scope and Implementation Plan<sup>23</sup>.

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<sup>22</sup> Available here: <https://www.asx.com.au/documents/products/tranche-1-response-to-cp-may-2020-full-910959v1.PDF>

<sup>23</sup> The April 2018 consultation paper is available here: <https://www.asx.com.au/documents/public-consultations/chess-replacement-new-scope-and-implementation-plan.pdf>

<p>42. <b>Operation of acceptances for custodians</b></p>	<p>Will an acceptance trigger a holding lock on a partial basis? For example, where a custodian is operating an omnibus account and client acceptances do not exist for the entire holding, how will this occur?</p>	<p>An entitlement acceptance for part of a holding will trigger a lock for the number of units in the acceptance. This will increment with each acceptance received.</p>
<p>43. <b>Further information requested</b></p>	<p>Requested further detail and use cases to determine downstream system impact.</p> <hr/> <p>Requested further detail on the operation of ASXSOR 5.21A.1(a) to assess whether this rule works to allow an issuer to make an announcement of a rights issue or share purchase plan having regard to:</p> <ul style="list-style-type: none"> <li>• the requirement to have an RTGS participant in place; and</li> <li>• satisfy ASX Settlement of all the qualifying criteria for application as an RTGS participant set out in ASXSOR 4.4B.1; and</li> </ul> <p>the related establishment of a payment facility capable only by way of paperwork signed by each party, including the bank providing the required RTGS payment provider services of receiving RTGS payments of application monies for corporate actions events.</p> <p>This raises particular uncertainty for corporate action events that straddle the go-live date for the new system. How will announcements of entitlement offers that predate the go-live date for the new system be treated?</p>	<p>Please refer to section 2.2.17 and 2.2.18 of the 2018 consultation paper and section 1.3 of the Tranche 2 consultation paper for information relating to the rationale for the business requirement for electronic acceptances and payments for rights offers and SPPs and the operation and application of this proposed entitlement acceptance functionality which addresses the business requirement.</p> <hr/> <p>When an issuer appoints an RTGS participant to facilitate payments relating to entitlement acceptances on its behalf through the RTGS Service, this appointment is a once-off event for all entitlement offers of the issuer.</p> <p>The RTGS participant must establish a payment facility referable to the issuer with ASX before monies can be received or paid with respect to an entitlements offer of the issuer. Once established the payment facility will apply to all entitlement offers of the issuer received or paid through the RTGS participant. Only one bank account can be linked to a payment facility at any time. However, it is feasible for the bank account linked to the payment facility to be updated for different corporate events if this is required by the issuer and those events do not occur concurrently.</p> <p>The requirements for notification of rights offers and SPPs under ASXSOR 5.21A apply only to offers notified to an ALMO after the commencement date of the new rules for this functionality. They do not apply to existing offers at the time of go-live of the new functionality.</p>

It is unclear from the User Technical Documentation how an issuer can give notice to ASX Settlement of the RTGS participant who will act as the appointed RTGS participant and Corporate Action Payments Participant to receive application monies for the issuer. This includes where the issuer appoints an entity in the share registry corporate group as the relevant RTGS Participant?

It is the RTGS participant appointed by the issuer (rather than the issuer itself) that will notify ASX Settlement of the appointment. At the time of establishing a payment facility for corporate actions with ASX, the RTGS participant will be required to identify the issuer referable to the payment facility. Once the payment facility is established there will be a three-way relationship between the RTGS participant, issuer and payment facility in the system. This information is expected to be provided on the 'Request to set up Payment Facility form'.

None of the Payment Facility creation, modification or cancellation forms have been published in the User Technical Documentation. The rules and User Technical Documentation they rely upon do not present a clear process and any set timeframes for each of the essential activities that will be required to bind rules 5.21A, 4.4B.1 and 11, so as to allow for 'elections' to be promoted by participants and application monies to be received from the opening of each offer.

ASX expects to make the payment facility set-up forms available in Q4 2020.

ASX will take this feedback into account when preparing the relevant operational procedures and guidelines (which replace the APGs) to cover this additional functionality. ASX has yet to publish the relevant operational and procedure guidelines for entitlement acceptances and related RTGS payments. ASX is releasing the operational and procedure guidelines in tranches, with ASX endeavouring to release the final tranche by the end of 2020.

Issuers and their share registries will need the timetable of events and each essential activity set out in a much clearer manner in the User Technical Documentation to consider if the current draft set out in tranche 2 is capable of being managed inside the current obligations of ASX Listing Rules. There should be a clear roadmap for the issuer in the key period around the announcement to the date the offer opens.

**Real time gross settlement** (see rows 3 to 16 of the table in Attachment A of our Tranche 2 Consultation Paper)

44. <b>RTGS Participants</b>	<p>Is it mandatory for a "Settlement Participant" to be accredited as a RTGS participant?</p> <p>It is unclear what types of "Settlement Participants" can apply for accreditation to be a RTGS participant (e.g. can</p>	<p>No, it is not mandatory for a "Settlement Participant" to be accredited as a RTGS participant. A settlement participant is only required to be accredited as an RTGS participant if it intends to use the RTGS service.</p>	<p>ASXSOR 2.13.1 definition of "RTGS Participant" and "RTGS</p>
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<p>a specialised settlement participant be accredited to be a RTGS participant?)</p> <p>It would be beneficial to provide clarity within the ASXSORs as to the type of “Settlement Participant” to which the RTGS provisions apply.</p> <p>Should the definition of “RTGS Participant” be more specific as to the type of participants allowed to be defined as an RTGS participant, e.g. to reflect that an account participant cannot be an RTGS participant.</p>	<p>The draft rules have been amended to clarify that a general settlement participant may seek accreditation as an RTGS participant to settle both bilateral demand settlement instructions and corporate action RTGS instructions. Entities who are account participants, specialist settlement participants or product issuer settlement participants and intend to provide or participate in RTGS services in relation to corporate actions will need to obtain separate admission as a CAPP and then, in turn, accreditation as an RTGS participant. An existing participant that seeks admission as a CAPP will be deemed to satisfy the majority of the general requirements applicable to a CAPP including business integrity, technical and performance requirements and organisational requirements.</p> <p>The RTGS provisions will apply to general settlement participants and CAPPs that seek accreditation as RTGS participants. For consistency and clarity, the definition of ‘RTGS Participant’ has been amended so that it applies to a general settlement participant or CAPP that satisfies the criteria for participation in RTGS set out in ASXSOR 11.5.</p>	<p>Participation Requirements ”.</p> <p>ASXSORs 4.4B.1 and 11.5.1</p>
<p>Concerned with lack of specificity of RTGS participation requirements.</p>	<p>An RTGS participant must:</p> <ul style="list-style-type: none"> <li>• be a general settlement participant or CAPP</li> <li>• set up at least one payment facility with an RTGS payments provider for the purpose of making or receiving payments related to bilateral demand settlements and/or corporate actions (as applicable)</li> <li>• notify ASXS of the bank account referable to each payment facility set up for RTGS purposes</li> <li>• be accredited to use the CHES messages relevant to its RTGS participation. Refer to the further amendments to draft ASXSOR 11.5.2 to clarify such requirements.</li> </ul>	<p>ASXSOR 11.5.2</p>

The ASX customer readiness team will confirm with the relevant general settlement participant or CAPP whether or not it has satisfied the requirements above and is therefore RTGS accredited.

Requested further clarity on process and obligations on becoming an RTGS participant.

A general settlement participant or CAPP must seek accreditation as an RTGS participant in accordance with the process outlined above in this row [44].

ASXSORs  
11.13.5 and  
11.29.1

On becoming an RTGS participant, an RTGS participant:

- Must ensure that at all times it has at least one payment facility (referable to a bank account) with an RTGS payments provider for the purposes of settling payment obligations in connection with RTGS instructions (ASXSOR 11.4.3).
- Must give notice to their RTGS payments provider if they go into external administration (ASXSOR 11.7.1).
- Must nominate a payments facility with another RTGS payments provider if their existing RTGS payments provider is suspended or terminated and ASXS requires them to do so (ASXSOR 11.8.15).
- Will owe an obligation as principal to pay or receive an amount, and, in the case of a bilateral demand settlement instruction, to deliver or receive financial products, to the RTGS participant that is the counterparty to the RTGS instruction (ASXSOR 11.13.5). We have amended ASXOR 11.13.5 to clarify that both payment and delivery obligations apply in the case of a bilateral demand settlement instruction.
- May be liable to pay a fee for a failed RTGS instruction that results from their failure to pay or provide sufficient financial products for delivery (ASXOR 11.29.1). However, we have amended ASXSOR 11.29.1 to clarify that an RTGS participant is no longer required to confirm that a transaction is 'ready to settle' under the new process flow.

	<p>Suggested the description of RTGS participant wasn't clear and further clarity was required, including:</p> <ul style="list-style-type: none"> <li>• whether this is referring to functions performed by the settlement participant or the payment provider; and</li> <li>• the application of restrictions under ASXSOR 4.1.3 to a RTGS participant who also participates in batch settlement.</li> </ul>	<p>The reference to RTGS participant refers to functions performed by the general settlement participant or CAPP. An RTGS payments provider (rather than an RTGS participant) performs the functions of a payments provider. We have clarified the ASXSORs that apply when ASXS suspends an RTGS payments provider.</p> <p>The restrictions under ASXSOR 4.1.3 and ASXSOR 4.4B.1 have been amended to clarify that a person admitted as a CAPP cannot participate in batch settlement or maintain participant sponsored holdings unless they are also admitted as a settlement participant or an account participant and are authorised to do so under the rules pursuant to that admission.</p>	<p>ASXSORs 4.1.3, 4.4B.1 and 11.7.4</p>
<p>45. <b>CAPP</b></p>	<p>Suggested the description of CAPP wasn't clear and further clarity was required, including:</p> <ul style="list-style-type: none"> <li>• whether this is referring to functions performed by the settlement participant or the payment provider; and</li> <li>• the application of restrictions under ASXSOR 4.1.3 to a RTGS participant who also participates in batch settlement.</li> </ul>	<p>A CAPP is a special type of participation to allow an entity that is not a general settlement participant to participate in the RTGS service in relation to the settlement of corporate actions if it wishes to do so. An RTGS payments provider (rather than a CAPP) performs the functions of a payments provider.</p> <p>The admission criteria for a CAPP is set out in Section 4 of the ASXSOR. This criteria aligns with existing admission processes, except that a CAPP will not need to provide a performance bond. An existing participant that seeks admission as a CAPP will be deemed to satisfy the majority of the general requirements applicable to a CAPP including business integrity, technical and performance requirements and organisational requirements. A CAPP will need to meet the additional criteria set out in ASXSOR 11.5.2 to be accredited as an RTGS participant.</p> <p>The restrictions under ASXSOR 4.1.3 and ASXSOR 4.4B.1 have been amended to clarify that a person admitted as a CAPP cannot participate in batch settlement or maintain participant sponsored holdings unless they are also admitted as a settlement participant or an account participant and are authorised to do so under the rules pursuant to that admission.</p>	<p>ASXSORs 4.1.3 and 4.4B.1</p>

Considered the ASXSOR requirements for eligibility of a CAPP difficult to follow, with the participation criteria being circular. No adequate explanation of CAPP structure and its role in administration of entitlements acceptances. Considers CAPP function should be descoped in light of dependency on ASXSOR 5.21A and 5.21B

The admission criteria for a CAPP is set out in Section 4 of the ASXSOR. This criteria aligns with existing admission processes, except that a CAPP will not need to provide a performance bond. A CAPP will need to meet the additional criteria in ASXSOR 11.5.2 to be accredited as an RTGS participant.

The role of the CAPP is to settle corporate action RTGS instructions by accepting payments relating to entitlement acceptances and making payments where there is an over-subscription to an entitlements offer in circumstances where the relevant issuer is not itself a general settlement participant.

The operation of rules dealing with functionality that will only become available after Day 1 of the new system (i.e. not available on Day 1) were contemplated to be addressed through transitional provisions to be part of the Tranche 3 rule amendments (as referred to in section 5.3 of the [CHESS Replacement: Revised Implementation Timetable](#) consultation paper released on 30 June 2020). This includes rules providing for CAPPs in connection with the functionality for electronic payment for entitlement offers which was contemplated to be released into production after the go-live date as 'release version 1.1' (as referred to in section 2.3 of that paper).

The tranche 3 rule amendments contemplated, would provide for the later commencement for those rules, from which date they become enlivened.

The timing for implementation of the release 1.1 functionality and the timing for progressing the associated rules is subject to consideration, with the market to be updated in our response to consultation on the revised implementation timeline (planned for release in late October / early November 2020).

Considered there was not enough explanation in the ASXSOR about CAPP admission process. User Technical

While Focus Groups dealt with the solution design for significant new or materially changed functionality in the new system, not all

ASXSOR 2.13.1 definition of

<p>Documentation does not have any explanation and was not adequately consulted on in Focus Groups.</p>	<p>related requirements were intended to be addressed through such a forum.</p>	<p>“RTGS Participant”</p>
<p>More detail sought on AFSL impacts for all participants processing applications for rights issues and share purchase plans and handling applications moneys, following consultation with ASIC.</p>	<p>For example, additional obligations are addressed through the operating rules for ASX Clear and ASX Settlement which establish the legal framework supporting the functionality and solution for the new system within the broader legal and regulatory framework in which ASX’s clearing and settlement facilities operate. This includes addressing through those operating rules, obligations or restrictions that are considered appropriate for that purpose.</p>	<p>ASXSOR 4.4B.1</p>
<p>Queried why CAPPs have to complete a full application for admission.</p>	<p>The rules consultation processes are specifically for the purpose of facilitating stakeholder feedback on such rules aspects, including any unintended consequences of the rule amendments.</p>	
<p>Are there bond requirements to establish the relevant participation to support the new functionality to process entitlement acceptances?</p>	<p>Participants processing applications and payments for corporate actions will need to form their own views on whether an AFSL is required to conduct their activities. The use of the RTGS service is not expected to materially impact this analysis as entities provide similar services outside of the CHES system already.</p>	
<p>Queried why an entity admitted as a CAPP can’t also perform other functions in the settlement facility (e.g. participate in DvP batch settlement). Not clear from the rules that CAPPs who perform other functions in CHES (e.g. DvP batch settlement and PISP) may still perform other activities if they are also acting as CAPP.</p>	<p>A CAPP is a new type of participant and therefore it is necessary to establish threshold criteria that applies to this participation type. This criteria aligns with existing admission processes, except that a CAPP will not need to provide a performance bond. An existing participant that seeks admission as a CAPP will be deemed to satisfy the majority of the general requirements applicable to a CAPP including business integrity, technical and performance requirements and organisational requirements.</p>	
<p>Queried why messages and account functionality couldn’t be limited to reflect the roles performed.</p>	<p>Entities will only be admitted as CAPPs to provide RTGS services in relation to corporate actions. Where they are admitted solely as a CAPP they will not be able to perform functions other than supporting RTGS payments for entitlement acceptances. Messages and account functionality will be limited.</p>	
<p>Considered that the number of corporate action events requiring action for issuers will be more if an application has to be raised to establish a CAPP for each corporate action that must carry a payment facility.</p>		
<p>Noted that the bank account into which applications moneys are paid (on behalf of issuers) may be in the name of another entity in that share registry corporate group, not the current settlement participant entity in that corporate group.</p>		
<p>Noted the application fees for admission and the period of time for assessing an application had not been</p>		

published. ASX had not detailed any technical or business integrity prerequisites to allow the CAPP to be coupled to the specific corporate action event. No SLAs for new participant type included in draft rules.

Suggested redrafting to Section 11 (background) to identify that CAPPs “must” (rather than “can”) act in respect of RTGS Settlement.

A general settlement participant will not need to be admitted as a CAPP in order to provide RTGS services in relation to corporate actions. Conversely, a participant (other than a general settlement participant) can be admitted as a CAPP and also hold other forms of participation, e.g. as a PISP, in order to perform functions beyond those of a CAPP. Entities who are account participants, specialist settlement participants or product issuer settlement participants and intend to provide or participate in RTGS services in relation to corporate actions will need to obtain separate admission as a CAPP.

A CAPP will be admitted by ASXS only once and may act for multiple issuers across multiple corporate action events. A CAPP (or general settlement participant) will need to establish a payment facility per Issuer for payments relating to acceptances for that issuer to be paid into. The bank account referable to the payment facility may be in the name of the CAPP (or general settlement participant) or their related body corporate (refer to ASXSOR 4.13.1(b)(i)).

ASX does not publish SLAs for admission of participants (whether new or existing types). The period of time for assessing an application generally depends on the quality of the application. As noted above, a CAPP will need to establish a payment facility per issuer, not specific corporate action events.

The background included at the start of each of the sections of the operating rules provides a general description of the matters addressed in that section and is not an operative provision establishing obligations under that section.

The operative provisions in section 11 establish the relevant obligations for that participant for such instructions to which it is a party.

46. **Pricing**

Noted the anticipated transaction costs for acceptances through the system had not been published.

RTGS for entitlement acceptances is a new service so like-for-like pricing does not apply.

	<p>How does the representation made by ASX that pricing for like-for-like services will not be increased apply in relation to new services issuers are compelled to contribute or must consume from ASX?</p> <p>Expect that issuers will want to know how fee structure will work for the new CAPP function (i.e. whether they are directly attributable to the number of applications processed, whether there will be high set up fees for repeatable processes for creating, modifying and closing payment facilities or whether they are based on the value of the application).</p>	<p>Pricing in relation to the new DvP bilateral settlement service and entitlement acceptance service will be made available at least 12 months prior to go-live of the relevant service.</p>
<p>47. <b>Alternatives to RTGS</b></p>	<p>Recommends reconsideration of RTGS as the only proposed payment option for entitlement acceptances and non-batch DvP bilateral settlements, e.g. facilitate payment through BPAY or NPP for entitlement acceptances notified through the new system.</p>	<p>Payment providers were consulted on alternatives to RTGS bilaterally and through the ESPPSC. The majority of respondents favoured RTGS for reasons including the cost burden associated with NPP access in order to support ASX only transactions.</p> <p>ASX also notes that in the case of entitlement acceptances, use of the new functionality in CHES to notify such elections and make associated payments is optional. Accordingly, participants and holders can choose to utilise other existing acceptances and payment methods, e.g. BPAY.</p>
<p>48. <b>Cut off times</b></p>	<p>Will the RTGS cut-off require a change of all issues from 5:00pm on the final acceptance date?</p>	<p>No. ASX does not propose to introduce a standard cut-off time for application close dates across all corporate actions processed through the RTGS service. This is a matter for each issuer and its advisors under the relevant rights offer or SPP.</p> <p>All participants will need to ensure that they accept corporate actions and make the corresponding payments by the closing time determined by each Issuer under their offer documents.</p> <p>To promote certainty, participants should consider applying (and making payments) early to facilitate the required processing under the RTGS service (including RTGS instructions cut-off (4.25pm)) before the issuer's closing time on the final acceptance date. Where an offer has a later closing time, participants may elect to use other</p>

		methods outside of the RTGS service to accept the offer in accordance with the terms of the Issuer’s offer document.	
49. <b>Cancellations</b>	<p>With the alignment of RTGS to RITS day session why can’t bilateral demand settlement instructions be cancelled?</p> <p>How will cancellation work if there is an error or incorrect details in the instruction? Further detail on the cancellation process flow requested.</p> <p>Requested further clarity on Rule 11.17.5, including why a bilateral demand settlement instruction cannot be cancelled.</p>	<p>ASX has amended ASXSOR 11.17.4-11.17.7 relating to cancellations on the basis that RTGS should be real time and that once an RTGS instruction hits RTGS processing, it is set to occur (unless the RTGS payments provider rejects the RTGS instruction outside of CHES).</p> <p>The effect of the amendments is that once ASX Settlement records an RTGS instruction (either a corporate action RTGS instruction or matched bilateral demand settlement messages) an RTGS participant cannot seek to cancel that RTGS instruction in the system. Instead, if there is an error or incorrect details in an RTGS instruction in respect of which an RTGS participant has a payment obligation, the RTGS participant may seek to cancel that RTGS instruction by contacting its RTGS payments provider and requesting that the RTGS payments provider reject the real time funds movement before it is processed in RITS. This will result in the RTGS instruction being failed and ASX will cancel its record of the RTGS instruction and notify the relevant counterparty or counterparties (refer ASXSOR 11.28.1).</p> <p>Where an RTGS instruction is performed which contained an error in the details entered by the participants, the affected participants could also seek to address the error bilaterally.</p>	ASXSORs 11.17.4, 11.17.5 and 11.17.7
50. <b>Mandatory use of functionality</b>	Will participants be obligated to use the RTGS functionality to settle bilateral transactions outside the daily batch process on a DvP basis?	No. However, after the RTGS service is live it will be the only way bilateral transactions will be able to be settled outside the daily batch process on a DVP basis. Existing alternatives to the bilateral demand settlement transfers will remain available after the implementation of the RTGS service, including bilateral batch settlement and bilateral demand transfers which involve transfers of securities occurring within CHES but settlement of payments outside CHES.	

51. <b>End to end processes</b>	Requested further detail and use cases regarding end to end process for bilateral transactions, including costings from ASX and the payments provider.	<p>ASX expects that the use case for bilateral demand settlements will be relatively broad depending on participant needs, but one example includes a situation where an instruction has not been received from a client by the time of batch processing to support settlement with that client on a DvP basis within batch, in relation to a client market transaction being settled on that day. In that example, a participant may elect to use the new bilateral demand transfer settlement functionality to still achieve DvP settlement with the client on that day in respect of that market transaction.</p> <p>Pricing in relation to the new bilateral DvP settlement functionality will be made available at least 12 months prior to go-live of the relevant functionality.</p>
52. <b>Switching between RTGS and batch settlement</b>	<p>Asked for clarification on removal of ability to switch between RTGS and batch settlement.</p> <p>Does this mean that “Market DVP” scheduled trades remain as part of the CHES batch, and while a covering late trade (post market cut off) could be settled via RTGS, it therefore would not cover the trades in batch (which maintains the 11.30 batch cut off) and any applicable fail fees will still apply?</p>	<p>Under the new RTGS service there will be no ability to switch between RTGS and batch settlement or vice versa. Accordingly, trades in batch cannot be switched out to RTGS.</p> <p>Yes, for trades scheduled for settlement in CHES batch, that are not settled in batch, applicable fail fees will still apply.</p>
53. <b>Payment facilities for RTGS</b>	<p>Noted that payment facility forms (e.g. in relation to setting up payment facility and provision of bank account details) were not yet available. Without access to the forms, it was unclear if an issuer’s payment facility needed to reference the specific corporate action event ID generated by ASX.</p> <p>Suggested ASX publishes a report of participants or share registries that have capability to settle using each type of payment (including RTGS payments).</p>	<p>ASX expects to make the payment facility set-up forms available in Q4 2020.</p> <p>For the purpose of corporate actions, payment facilities will be set up by an RTGS participant on a per Issuer basis and will therefore not need to reference the specific corporate action event ID. Only one bank account can be linked to a payment facility at any time. However, it is feasible for the bank account linked to the payment facility to be updated for different corporate events if this is required by the issuer and those events do not occur concurrently.</p> <p>ASX acknowledges the suggestion that participants accredited as an RTGS participant be able to be identified, and will give further</p>

	<p>Understanding the capabilities of controlling participants which manage holdings will assist issuers in the preparation of offer documents and share purchase plans.</p>	<p>consideration as to the publication of that information for general settlement participants and CAPPs who obtain that RTGS accreditation.</p> <p>Controlling participants who are not also RTGS participants will not be able to engage in bilateral demand settlement transfers or submit acceptance notifications and payments to issuers (or their RTGS participant).</p> <p>It is optional for participants to use and offer services to their clients for the new non-batch DvP bilateral settlement functionality and the entitlement acceptance and payment functionality.</p> <p>The reference in issuer offer documentation for rights issues and share purchase plans is expected to reflect this optionality, when identifying the mechanisms available to holders for accepting and paying into a rights issue and share purchase plan.</p> <p>Relevantly for issuers (and their share registries) in relation to entitlement acceptance processing, where a controlling participant is not an RTGS participant, that participant will not be able to submit acceptance notifications and payments to issuers (or their RTGS participant) in the new system.</p>
<p>54. <b>Payment provider cessation notice period</b></p>	<p>Considered that the 20 business days notice period under ASXSOR 11.6.6 for a payment provider to cease to participate in CHESS may not be sufficient for completion of processing of entitlement application moneys receipts and refunds.</p>	<p>ASXSOR 11.6.6 provides for a notice period of no less than 20 business days to be given to ASX where an RTGS payments provider ceases to participate in that function. This is existing ASXSOR timing for such notification which has not been amended through the draft changes proposed for the new system.</p> <p>ASX notes that it is open to all participants (including issuers and their share registries performing payment functions on their behalf) to put in place an additional termination notice period with their relevant payment provider as they feel appropriate for their arrangements or corporate action event.</p>

55. <b>Eligible Instructions</b>	There is no express cross reference in ASXSOR 11.1.1 to the corresponding ASXSOR Procedure containing the details for the eligible instructions relating to that rule.	<p>The relevant eligible instructions for the purpose of ASXSOR 11.1.1 are contained in ASXSOR Procedure 11.1.1.</p> <p>Generally, where a rule within the ASXSORs refers to a procedure, this relates to the procedure for that specific rule number (unless otherwise specified).</p>
56. <b>User Technical Documentation</b>	Requested that User Technical Documentation which covers new functions for rights issues and share purchase plans to be published as a matter of priority	<p>This documentation is available at:  <a href="https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/245466848/Entitlement+Elections+Overview">https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/245466848/Entitlement+Elections+Overview</a></p> <p>ASX has yet to publish the relevant operational and procedure guidelines for the entitlement acceptance functionality and related RTGS service. ASX is releasing the operational and procedure guidelines in tranches, with ASX planning to release the final tranche so as to be available by the end of 2020.</p> <p>As indicated in the <a href="#">CHESS Replacement: Revised Implementation Timetable</a> consultation paper released in June 2020, the new entitlement acceptance functionality and related RTGS service was contemplated to be released into production after the go-live date for the new system as 'release version 1.1'. The timing for implementation of the release 1.1 functionality and the timing for progressing the associated rules is subject to consideration, with the market to be updated in our response to consultation on the revised implementation timeline (planned for release in late October / early November 2020).</p>
57. <b>Settlement Reporting</b>	<p>Noted that ASX will not report to issuers the RTGS deposit into one daily amount, providing only reporting of separate lines of RTGS payments made by participants. Requested issuers receive same information as provided to payments provider.</p> <p>It is a design shortcoming that an RTGS participant can only have one payment facility per issuer when an issuer might have multiple corporate actions on foot</p>	<p>Under ASXSOR 11.30.2, ASX will notify RTGS participants acting on behalf of issuers of the "net" movement of funds paid or credited with respect to each RTGS bank account referable to that participant. Accordingly the reporting to issuers (through their RTGS participant) will be on an aggregate basis unless the Issuer has determined to utilise the repayment functionality for rejected entitlement acceptances under ASXSOR 5.21B (e.g. as a result of an invalid acceptance or a scaleback).</p>

	concurrently. Approach creates unnecessary work for an RTGS participant.	<p>The use of this repayment facility for rejected entitlement acceptances is optional and at the discretion of issuers (should they prefer to utilise that functionality, instead of existing repayment mechanisms to holders).</p> <p>An RTGS participant may only set up one payment facility referable to each Issuer for corporate actions. Where there are simultaneous corporate actions on foot for the same issuer, ASX Settlement will provide reporting to enable RTGS participants to reconcile payments for different corporate actions paid into the same payment facility.</p>
58. <b>Scheduled Times</b>	Suggested ASXS should apply RTGS instruction cut-off time as 4.00pm (earlier than 4.25pm proposed) to allow payment providers time to facilitate and receive approvals before the RTGS end of day (5:15pm).	<p>ASXS does not intend to apply an earlier RTGS instruction cut-off for RTGS entitlement acceptances.</p> <p>Although the existing RTGS instruction cut-off of 4:25pm only provides a short time for an RTGS payments provider to pre-authorise an RTGS entitlement acceptance payment in CHES before the RTGS cut-off of 4:30pm if the RTGS instruction is received close to the cut-off, the RTGS payments provider will have the opportunity to assess and approve the RTGS Instruction from a credit perspective outside CHES up until just before RTGS end of day (5:15pm).</p> <p>Such a change would impact the ability for participants to process entitlements acceptances or bilateral demand settlements through CHES, with a corresponding reduction in the effectiveness of the new entitlement acceptance functionality and bilateral demand settlements functionality in delivering on the business requirements generated through industry engagement in 2017 and 2018. Refer to row [31] for further information on such impact in relation to entitlement acceptances.</p>

**Takeovers and buybacks** (see rows 17 and 18 of the table in Attachment A of our Tranche 2 Consultation Paper)

59. <b>Overall feedback</b>	Broadly comfortable with the new draft rules, which largely codify and settle existing market practice.	ASX acknowledges this feedback.
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60. <b>Extensions of offers</b>	Where an offer is extended, is there the ability to re-open or extend the date?	Where the relevant offer period for a non-takeover offer event is extended, then the period allowed for submitting an acceptance in relation to that non-takeover offer event will similarly be extended.
61. <b>Scheduled Times</b>	<p>The proposed timeframe in which a participant is required to initiate acceptance under a non-takeover event in ASXSOR 14.24.1 or notify the holder of rejection (ASXSOR 14.24.10) places the participant under undue timing constraints where instructions are received/executed late in the day (just prior to closing time of the system).</p> <p>Participants should have a reasonable opportunity to comply with the rules. Consider incorporating a time limit when the event can be initiated.</p>	<p>The timing requirements for:</p> <ul style="list-style-type: none"> <li>initiating acceptances (by end of day on the day the holder instructs the participant to accept the offer, or if the offer period ends on that date, then before then end of the offer period); or</li> <li>notifying holders of rejections of participant offeror initiated acceptances (by end of day on the date that it is rejected, which can be up to end of the next business day after receipt of notification of the participant offeror initiated acceptance),</li> </ul> <p>replicate the equivalent requirements applying to takeovers under existing ASXSOR 14.14.1 and 14.14.10.</p> <p>By aligning with the timing of receipt of the participant sponsored holder instructions or notification of the participant offeror initiated acceptance, the rules seek to maximise the ability for investor acceptances to be effective under the terms of the relevant non-takeover offer event (as specified by the issuer).</p>
62. <b>Disclosure of SRN/HIN to an agent</b>	<p>For the purposes of ASXSOR 14.13.4, should the agent for a non-takeover offer event be included in the list of authorised parties allowed to access SRNs and HINs and have obligations for safely managing those SRNs and HINs?</p> <p>Is it feasible that schemes of arrangement with consideration choice and debt issue roll-over offers could have an agent other than the issuer, including the buyer, manage the collection and operational functions?</p>	<p>ASXSOR 14.13.4 is an existing rule and has not been amended under the draft Tranche 2 rule changes.</p> <p>ASXSOR 14.13.4 is limited to the provision of information by issuers in relation to a takeover bid and the undertakings required in that instance where the person to whom the information is provided is not a person otherwise bound to comply with the ASXSORs (and the restrictions on disclosures of HINs and SRNs prescribed therein).</p> <p>In particular, it:</p> <ul style="list-style-type: none"> <li>applies to information provided to a bidder or a participant bidder (as applicable) under a takeover bid pursuant to a request</li> </ul>

under section 173(3) or section 641(1) of the Corporations Act for information identifying holders (refer ASXSOR 14.13.1); and

- prescribes the written undertakings required from such persons (where not bound by the ASXSORs) or from any agent that the bidder or participant bidder engages to prepare and distribute offer documentation or process takeover offer acceptances (refer ASXSOR 14.13.2(b), 14.13.3(d)(iii) and 14.13.4).

The circumstances covered by ASXSOR 14.13.4 (involving the disclosure of information to third parties under a takeover) differs from the non-takeover offer event scenarios – each of which involve the issuer.

63. **Court and ASIC process for schemes**

Requiring an issuer in a scheme of arrangement to complete the full acceptance and transfer cycle used in a takeover bid will make engagement with the court and ASIC about what is permissible/prohibited more difficult. Namely, arising from impacts on effecting an exchange of consideration while securities are reserved in an offer accepted subposition and the requirements for specialist settlement participants relating to non-takeover transferee holdings operated by them to which transfers are to occur (referred to further in rows [64] and [65] below).

It is optional for issuers to use the ASX provided facility for processing of acceptances for non-takeover offer events.

As indicated in ASXSOR 14.22.1, the rules framework in ASXSOR 14.22 to 14.30 (supporting the ASX provided facility for non-takeover offer events) only applies to events for which the offeror seeks to use the ASX provided facility for processing of acceptances under the offer and has accordingly given a notice to ASX Settlement of the offer under ASXSOR 14.22.2.

Where issuers consider the processing of acceptances for election consideration under a scheme of arrangement (including subposition and transfer processes) are not appropriate for them, including having regard to the required court or ASIC approvals, they do not need to use the facility.

It is also noted that elections as to consideration under schemes of arrangement have previously been processed using the takeovers facility in CHESS, (supported by ASXSOR 14.12.1), with the processes and supporting rules proposed being based on such existing processes and rules for takeover offers.

Refer to rows [64] and [65] below in relation to the specific matters raised regarding impact of subposition and transfer processes under the ASX provided facility for processing of acceptances for non-takeover offer events.

64. <b>Subposition on holdings</b>	<p>Ordinarily, the master transfer of scheme holdings in the CHESSE subregister is managed by holding adjustment and executed under orders from the court. However holding adjustments will not be permitted on CHESSE holdings locked in offer acceptance subpositions.</p> <p>Scheme consideration is usually paid in exchange and synchronised with the transfer of holdings under a scheme. However this will be a more complicated process to achieve the required exchange of consideration for Non-Takeover Offer Event Transfers pursuant to the ASX provided facility for processing such acceptances and transfers.</p>	<p>As indicated in row [63] above, it is optional for issuers to use the ASX provided facility for processing of acceptances for non-takeover offer events.</p> <p>Where they seek to do so, the subposition supports processing of non-takeover offer events by restricting movements of financial products for which an acceptance has been notified through CHESSE<sup>24</sup> and giving effect to the transfer of those financial products to the Non-Takeover Offer Event Transferee Holding pursuant to a message transmitted by the participant offeror when legally entitled or authorised to complete that transfer (refer ASXSOR 14.27.1 and ASXSOR 14.27.2).</p> <p>An outcome of the process for the transfer of financial products to the Non-Takeover Offer Event Transferee Holding is the release of the financial products being transferred from the subposition<sup>25</sup>.</p> <p>Where offerors don't use the ASX provided facility for processing of acceptances for non-takeover offer events, such reservation of financial products through the subposition will not apply.</p> <p>To correct a typo, ASX will amend draft ASXSOR 14.27.2(e) to reflect that the relevant holding to which the transfer of the affected financial products is made to is the "<b>Non-Takeover Offer Event Transferee Holding</b>" (emphasis added). The existing draft amendments refer to the "Takeover Transferee Holding" which is the relevant holding applying to takeover events.</p>	ASXSOR 14.27.2(e)
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<sup>24</sup> Unless the subposition is otherwise released in accordance with the ASXSORs (e.g. pursuant to ASXSOR 14.24.6, 14.26.4, 14.26.6 or 14.30)

<sup>25</sup> Refer to draft ASXSOR 14.27.2(c)

65. <b>Specialist settlement participants</b>	<p>The ASXSORs limit specialist settlement participants to establishing direct holdings (owned by the participant or related body corporate), however the acquirer of shares under a scheme consideration election would not be expected to be the issuer or a related body corporate of the issuer, and therefore would not qualify as a direct holding.</p> <p>Where sponsored holdings are allowed for the specialist settlement participant, there needs to be consideration of suppressing holding statements issued to such a sponsored holder following the takeover transfer process.</p>	<p>The non-takeover event transferee holding into which securities are transferred as a result of an acceptance of a non-takeover offer event needs to be specified by the offeror under ASXSOR 14.23.3(b), together with details of the participant offeror.</p> <p>Under ASXSOR 14.23.4, the participant offeror needs to be the controlling participant for that non-takeover offer event transferee holding.</p> <p>Participant offerors can be specialist settlement participants, e.g. where admitted for the limited purpose of acting as a participant offeror (refer ASXSOR 4.4.2), or another type of participant, e.g. a general settlement participant.</p> <p>Specialist settlement participants are not permitted to establish a sponsored holding, and are limited to establishing a direct holding, being a holding of the Participant or a related body corporate of the Participant<sup>26</sup>. Accordingly in the scenario where it is sought that a transferee holding be a sponsored holding controlled by the participant offeror, that participant offeror should be a general settlement participant.</p>	
66. <b>Optionality</b>	<p>It is not clear whether issuers must use the new functionality in relation to <u>all</u> events that fall into the categories in ASXSOR 14.22 and therefore require:</p> <ul style="list-style-type: none"> <li>- the issuer (or acquirer) to give notice for all non-takeover offer events and make an application to become the participant offeror.</li> <li>- Use of the non-takeover offer acceptance process exclusively for all CHESS holdings (i.e. to the exclusion of other existing notification of acceptance processes).</li> </ul>	<p>It is optional for issuers to use the ASX provided facility for processing of acceptances for non-takeover offer events.</p> <p>As indicated in ASXSOR 14.22.1, the rules framework in ASXSOR 14.22 to 14.30 (supporting that ASX provided facility for non-takeover offer events) only applies to events for which the offeror seeks to use the ASX provided facility for processing of acceptances under the offer and has accordingly given a notice to ASX Settlement of the offer under ASXSOR 14.22.2.</p> <p>This is in contrast to takeover offers, with ASXSOR 14.11.1 requiring that the bidder “must” supply a copy of a notice of the making of a</p>	<p>ASXSOR 14.24.1 and 14.24.2</p>

<sup>26</sup> Refer to ASXSOR 4.4.1, 6.3 and 7.1.1

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takeover bid to ASX Settlement. That obligation to use the ASX provided facility for processing takeovers is supported by s653A of the Corporations Act and Corporations Regulation 6.8.01 that effectively require that acceptances of off-market takeover offers occur in accordance with the ASXSORs.

Similarly, obligations on offerors to ensure that a participant acts as participant offeror in connection with the non-takeover offer event only apply where the offeror chooses to use the ASX provided facility for processing of such events.

For a non-takeover offer event that chooses to use the ASX provided facility for the processing of that event, acceptances in a CHESS holding in respect of that offer must be made in accordance with the ASXSORs (refer draft ASXSOR 14.23.5) – in the same way as for off-market takeover offers. Namely:

- a CHESS holder can notify their acceptance under a non-takeover offer event through their controlling participant - which the participant transmits through the ASX provided facility, or
- notify their acceptance direct to the participant offeror (if the offeror allows for such other form of notification of acceptance) - which the participant transmits through the ASX provided facility.

Requiring that acceptances in a CHESS holding in respect of a non-takeover offer event must be made in accordance with the ASXSORs and processed through the ASX provided facility supports processing of non-takeover offer events through the subposition imposed on a holding upon an acceptance notified through the facility (restricting movements of those financial products<sup>27</sup>) and giving effect to the transfer of those financial products to the non-takeover offer event transferee holding pursuant to a message transmitted by the

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<sup>27</sup> Unless the subposition is otherwise released in accordance with the ASXSORs (e.g. pursuant to ASXSOR 14.24.6, 14.26.4, 14.26.6 or 14.30)

participant offeror when legally entitled or authorised to complete that transfer (refer ASXSOR 14.27.1 and ASXSOR 14.27.2).

To better reflect this mandatory processing through CHES, ASX will amend ASXSOR 14.24.1 and 14.24.2, to provide that where a controlling participant is instructed by a holder to accept an offer, the controlling participant “must” (rather than “may”) initiate the acceptance for the CHES holding within the time and via a message transmitted through the facility as specified under those Rules. This aligns the requirements for processing by controlling participants of holder instructions to accept an offer under a non-takeover offer event with requirements for off-market takeover offers under ASXSOR 14.14.1 and 14.14.2.

67. <b>Drafting comments</b>	Reference to ‘acceptance of an offer’ should also refer to making elections in respect of the offer.	Similar to row [35] above in relation to the new entitlement acceptance functionality, “acceptance” is used as a general term which applies to the use of the new functionality across the various non-takeover offer events to which the functionality applies.	Note to ASXSOR 14.24.1
	Is the term “acceptance” the appropriate term for use in the rules in relation to each use of the Non-Takeover Offer Events (e.g. given issuer discretion)?	ASX notes that, in relation to a non-takeover offer event that is an offer under a scheme of arrangement involving alternate forms of consideration, proposed ASXSOR 14.22.3 expressly identifies that the references to “acceptance” are to the “election” as to the form of consideration under the scheme of arrangement.  To assist with interpretation, a note has been added to ASXSOR 14.24.1 to clarify what is meant by the term “acceptance”.	
	Does the creation of new non-takeover offer categories under ASXSOR 14.22 make ASXSOR 14.12.1 redundant? ASXSOR 14.22 specifically lists the offer types that ASX Settlement uses its current rule 14.12.1 discretion for.	While the inclusion of new ASXSORs 14.22 to 14.30 will expressly address the processing framework for types of non-takeover offer events (as defined in ASXSOR 2.13) for which the takeover processing framework is currently used (under ASX’s exercise of discretion under Rule 14.12.1), ASX does not consider that the proposed changes render Rule 14.12.1 redundant.  For example, this provision may still be relied on to facilitate processing of a type of takeover offer, which for a technical reason,	

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does not fall within the definition of “takeover bid” under the Corporations Act.

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Noted in connection with the operation of ASXSOR 14.24.2(d) (which contemplates that the number of financial products to which an acceptance relates is to be specified in an acceptance message), that in the case of a non-takeover offer event that is a scheme involving different consideration options, it is usual for the scheme terms to specify the relevant election to be made by the investor is for all of the investor’s holding, not just a nominated portion of a holding.

This normally extends to any additions (by way of purchases) or reductions to a holding (by way of sales) that applies after an election, with no further action required.

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Under ASXSOR 14.24(d) messages initiating an acceptance under a takeover offer which are transmitted through the ASX provided facility will need to specify the number of financial products in the holding to which the acceptance relates.

This approach is required to support the processing of non-takeover offer events that is facilitated through the functionality, including the subposition imposed on the relevant number of financial products in the holding that were specified in the acceptance message<sup>28</sup> (restricting movements of those financial products<sup>29</sup>) and giving effect to the transfer of those financial products to the Non-Takeover Offer Event Transferee Holding pursuant to a message transmitted by the participant offeror when legally entitled or authorised to complete that transfer (refer ASXSOR 14.27.1 and ASXSOR 14.27.2).

Where additional financial products are subsequently acquired into the holding, a subsequent acceptance message will need to be initiated in order for those additional financial products to be processed in the same way. This can be managed by the controlling participant, or the participant offeror (where a holder has notified their acceptance to the participant offeror), through the initiation of the notification to CHES of the acceptance for the additional financial products, as required under the terms of the acceptance.

ASX notes that the imposition of a subposition as a result of such functionality will restrict a reduction in the holding occurring for a subsequent sale.

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<sup>28</sup> Refer to ASXSOR 14.24.4

<sup>29</sup> Unless the subposition is otherwise released in accordance with the ASXSORs (e.g. pursuant to ASXSOR 14.24.6, 14.26.4, 14.26.6 or 14.30)

<p>The rule for a non-takeover offeror under ASXOR 14.23.3(a)(iii) and the corresponding rule for a takeover bidder under ASXSOR 14.12.5(a)(iii), in relation to a participant offeror and participant bidder respectively, are subtly different. Will both the existing rule 14.12.5(a)(iii) and new rule ASXOR 14.23.3(a)(iii) carry the same responsibilities to give notice to ASX Settlement of the name and UIC of the participant?</p> <p>Does ASX need to be notified of the UIC in connection with ASXSOR 14.23.3(a), as it will already be aware of the UIC?</p> <p>Do the relevant notice requirements, including to specify the UIC, need to be provided for in the rules (ASXSOR 14.23.3(a)(iii) and 14.23.3(b)), why not just in the application form? The requirements for the equivalent notice to be provided in the case of a takeover offer are referenced in ASXSOR Procedure 14.12.5 (rather than the rules).</p>	<p>ASX notes that ASXSOR 14.12.5 was updated on 5 December 2019. The current drafting for ASXSOR 14.23.3 is based on the form of ASXSOR 14.12.5 prior to those amendments.</p> <p>ASX will update draft ASXSOR 14.23.3(a)(iii) and ASXSOR 14.23.3(b) so that the relevant information is as referred to in ASXSOR Procedure 14.23 and contained in the relevant application form – mirroring the equivalent updated ASXSOR 14.12.5 and ASXSOR Procedure 14.12.5 for takeover offers.</p> <p>The UIC is an identifier code used for identifying the source or destination of messages (including in relation to participants). A participant can have more than one UIC, and therefore its provision to ASX Settlement will assist in identifying the relevant source and destination for the participant’s messages.</p>	<p>ASXSOR 14.23.3(a)(iii) and 14.23.(b)</p> <p>ASXSOR Procedure 14.23</p>
<p>Why is ASXSOR 14.24.7 limited to participant sponsored holdings (refer to ASXSOR 14.24.7(b), (c), (d) and (f))?</p>	<p>ASXSOR 14.24.7 (for participant offeror initiated acceptances for non-takeover offer events) is modelled on existing ASXSOR 14.14.7 which similarly limits the operation of participant bidder initiated acceptances under takeover offers to participant sponsored holdings.</p> <p>In practice, acceptances directly to a participant offeror for non-takeover offer events (or participant bidder for takeover offers) are not expected to apply to direct holdings which are holdings owned by the relevant controlling participant or a related body corporate of the controlling participant. For direct holdings, the process by which acceptances in relation to such direct holdings are notified by the relevant holder are able to be managed by the controlling participant given the corporate connection to that participant of the relevant holder.</p>	

	<p>In relation to ASXSOR 14.29.1, it is not uncommon for a scheme of arrangement to be abandoned by either a defeating condition or being overbid by another acquirer.</p>	<p>Noted. ASXSOR 14.29.1 has been modelled on existing ASXSOR 14.19.1 in relation to takeover offers.</p> <p>It provides a general fallback at the end of the offer period where the defeating condition applies.</p> <p>It is also supplemented by an ability of a participant offeror to:</p> <ul style="list-style-type: none"> <li>• reject a reservation of financial products under a subposition pursuant to ASXSOR 14.24.5; and</li> <li>• release financial products from a subposition under 14.26.4 (where authorised by the holder who was legally entitled or authorised to do so),</li> </ul> <p>prior to the end of the offer period.</p> <p>A further amendment is also proposed to ASXSOR 14.29.1 to recognise its application to the offer period ending other than for a defeating condition (e.g. if a scheme of arrangement is abandoned).</p>	<p>ASXSOR 14.29.1</p> <p>Appendix 1 as it relates to ASXSOR 14.29.1</p>
<p>68. <b>Buybacks (ineligible holders)</b></p>	<p>Buybacks are not made to every holder in a class of financial products, with issuers only providing offer tender forms to holders who are eligible to participate (generally holders with cum buyback balances who are from eligible countries).</p> <p>The new system should preclude acceptances from ineligible holders. If the issuer receives invalid or ineligible tenders from participants, the issuer must exclude these tenders by either filtering them from the tender acceptance evaluation process or by rejecting them using a CHES message, both of which processes come at a cost to the issuer.</p> <p>Rules do not establish that an ‘acceptance’ can only come from eligible holders. ‘Acceptance’ should not be</p>	<p>CHES does not have an ability to confirm that an acceptance is received only from an eligible holding under the terms of the offer.</p> <p>While the system validates that the holding has sufficient financial products to account for the number of financial products specified under the acceptance message, eligibility under the terms of each offer is a matter specific to the offer terms.</p> <p>Accordingly, it would be inappropriate for the system to seek to preclude acceptances from ineligible holders, which is a matter for determination by the issuer and its advisors under those terms. Similarly, ASX does not propose to incorporate a rule that acceptances should only be initiated in relation to eligible holders to whom an offer is made by the offeror (i.e. the issuer) which would involve ASX opining on the eligibility of a holder under an issuer’s offer terms, which as indicated above is a matter for determination by the issuer and its advisors under those terms</p>	

	permitted or attempted if the holder is ineligible, e.g. by their jurisdiction, location or lack of a cum-balance.	As occurs today, the relevant participant offeror acting on behalf of the issuer can reject an acceptance within 2 business days of receiving notification of the acceptance <sup>30</sup> , which triggers the release of the subposition in respect of those financial products. Absent such rejection, the offer accepted subposition in respect of those financial products will persist.	
69. <b>Notices</b>	<p>New notices to CHES holders should be issued by ASX to support non-takeover offers informing them in more tailored terms why securities tendered into a non-takeover offer are recorded with a subposition and are not available.</p> <p>New and improved solution should also apply to takeover bid acceptances, rather than the generic use of sample “N” (offer acceptance) and sample “O” (reversal of an offer acceptance).</p>	ASX acknowledges this feedback and will take this under consideration when updating the notices for the relevant functionality.	
	<p>Requested clarity on how an issuer can give ASX Settlement immediate notice of non-takeover intentions or an announcement of an offer under ASXSOR 14.22.2, and if an issuer on ASX’s official list is deemed to have given ASX Settlement such notice, if it has given ASX such a notice.</p> <p>For schemes of arrangement, decisions as to the mechanisms to be used for effecting elections as to alternate consideration generally occur several weeks after formal announcement of the scheme to the ALMO. Will ASXSOR 14.22.2 mean that for scheme of arrangements that the issuer and/or prospective acquirer need to bring forward to the timing of the</p>	<p>ASX proposes to amend ASXSOR 14.22.2 to provide for immediate notification to ASX Settlement after public release of the relevant market announcement on the ALMO public announcement platform of the non-takeover offer event (rather than when the offeror gives notice to the ALMO of the making of, or of the intention to make, the offer).</p> <p>The notification contemplated under ASXSOR 14.22.1 is an additional step to inform ASX Settlement of the announcement of the relevant non-takeover offer event. It does not require the provision of any additional detail beyond that provided to the ALMO and released on the ALMO’s announcement platform.</p> <p>Relevantly, the notification under ASXS14.22.2 applies whether the relevant announcement is on ASX’s MAP or the announcement platform of another ALMO. Its purpose is to enable ASX Settlement</p>	ASXSOR 14.22.2

<sup>30</sup> Refer ASXOR 14.24.5

	<p>formal announcement of the scheme, decisions as to the mechanism(s) for managing consideration elections?</p>	<p>to set up for the processing of acceptances for the relevant non-takeover offer event as soon as practicable (and prior to the receipt of any acceptances under the offer).</p> <p>In the case of schemes of arrangement, the relevant notification to be provided to ASX Settlement under 14.22 would be the notice in relation to the scheme of arrangement that provides for the use of the functionality offered by ASX for the processing of acceptances for non-takeover offer events (i.e. where the offeror seeks to use that facility).</p>
70. <b>Late acceptances</b>	<p>Does not support an extension of the period for making acceptances under buybacks under ASXSOR 14.24.7(d)(ii). Sufficient time is allowed under buybacks for CHES holders to receive advice and act upon a buyback offer, including for their controlling participant to initiate an acceptance on their behalf.</p> <p>Buyback offers tend to close on the last business day prior to a weekend, with issuers requiring the weekend to manage acceptance processing (including for release of subpositions for unsuccessful acceptances and preparation for transfers and payment of consideration).</p>	<p>The purpose of permitting the additional time in the specified circumstances is to facilitate administrative functions that may need to be performed by issuer share registries to ensure that acceptances are recorded and processed accurately.</p> <p>The extension only applies to an acceptance by a participant offeror, i.e. where the relevant holder bypasses their controlling participant and notifies their acceptance directly to the offeror. Such notification of acceptance to the participant offeror from the CHES holder must have occurred before the end of the offer period.</p> <p>ASX notes that in relation to an acceptance initiated by the controlling participant, the timing for it to transmit such a notification message is by the end of the offer period (reflecting the existing timing provided for controlling participant initiated acceptances under takeover offers).</p>
71. <b>Additional warranty and indemnity</b>	<p>Why has an additional warranty and indemnity from participant offerors been added in ASXSOR 14.25.6 and 14.25.7(c) dealing with acceptances transmitted after the end of the offer period? These aren't in the equivalent rules for takeover bids.</p>	<p>The additional warranty and indemnity from participant offerors under ASXSOR 14.25.6 and 14.25.7(c) supports ASXSOR 14.24.7(d)(ii) (referred to in row [70] above).</p> <p>In particular, to limit acceptances submitted by participant offerors after the end of the offer period to the specific permitted scenarios prescribed under ASXSOR 14.24.7(d)(ii).</p>

If a participant offeror does not transmit an acceptance after the end of the offer period then the additional warranty and indemnity provisions under ASXSOR 14.25.6 and 14.25.7(c) will not apply.

ASX notes that there is no equivalent ability for participant bidders to submit acceptances after the end of the offer period for takeover offers and therefore no need to include an equivalent warranty and indemnity on participant bidders under the existing rules for takeover bids.

<p>72. <b>Further information requested</b></p>	<p>Requested further detail including process flow and use cases to determine impacts on operating procedures.</p>	<p>Please refer to section 1.5 of the Tranche 2 Consultation Paper for information relating to the rationale for the operation and application of this functionality for the processing of non-takeover offer events on an optional basis.</p>
	<p>The User Technical Documentation is too brief and generic. Requested further information on processes, including:</p> <ul style="list-style-type: none"> <li>• how ASX proposes to administer Non-Takeover Offer Events involving elections as to scheme consideration where additions or deductions are made to a holding after an election is made;</li> <li>• better distinguishing between takeover bids and non-takeover offer events (assisting professional advisers to update template documents to reference new stand-alone rules for non-takeover offer events); and</li> <li>• informing participants or systems developer’s engineering systems to manage acceptances by excluding from the acceptance process holdings of ineligible holders.</li> </ul>	<p>Please refer to the revised APG (renamed as operational procedures and guidelines) which was released on Friday, 1 August 2020.<sup>31</sup> ASX also notes the matters referred to below in relation to the first dot point:</p> <ul style="list-style-type: none"> <li>• for additional financial products acquired into the holding subsequent to an acceptance notified through the facility, a subsequent acceptance message will need to be initiated in order for those additional financial products to also be processed in the same way; and</li> <li>• the imposition of a subposition will restrict a reduction in the holding occurring for a sale subsequent to an acceptance notified through the facility.</li> </ul> <p>Refer to row [67] above for further information.</p>

<sup>31</sup> This information is available here: <https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/563774405/Section+12+-+Acquisitions+and+other+events>

**Diary adjustments** (see rows 19 to 22 of the table in Attachment A of our Tranche 2 Consultation Paper)

73. <b>Trusts</b>	Are there implications for trusts with the proposed functionality for refunds or scale backs to participants and their underlying clients?	<p>The changes proposed to diary adjustments are not considered to impact refunds or scalebacks.</p> <p>While this point was raised in the relevant submission in a section headed “diary adjustments” we assume it was intended to relate to entitlement acceptances. Please refer to row [34] for further information on the processing of refunds in relation to rejected acceptances or oversubscription offer scalebacks on an optional basis by issuers through the new functionality. Participants will need to take their own view on any implications to their systems, operational processes and relevant client documentation to support the new entitlement acceptance functionality, including in connection with applicable client money obligations under Part 7.8 Division 2 of the Corporations Act relating to the processing of payments and refunds for entitlement acceptances.</p>
74. <b>Further information requested</b>	Requested further detail including process flows and use cases.	<p>Please refer to section 1.6 of the Tranche 2 Consultation Paper for information relating to the rationale for the operation and application of the changes to diary adjustments.</p> <p>Please also see Section 10 (Corporate Actions) of the Operational Procedure and Guideline released in June 2020 which covers the relevant diary adjustments functionality - relevantly Section 10.2.1. This is available at:  <a href="https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/489489710/Section+10+-+Corporate+action+principles">https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/489489710/Section+10+-+Corporate+action+principles</a></p>

**Holding adjustments** (see rows 23 to 29 of the table in Attachment A of our Tranche 2 Consultation Paper)

75. <b>Prevention of corporate action processing</b>	Further changes (cumulative to Tranche 1) to restrict application of holding adjustments to any locked or subpositioned units (other than for reconstructions) do not take into account tranche 1 feedback. They also appear to be seeking a re-balancing of control of key issuer registry management with regard to corporate	The operating rules for ASX Clear and ASX Settlement establish the legal framework supporting the functionality and solution for existing CHES and the new system within the broader legal and regulatory framework in which ASX’s clearing and settlement facilities operate. This includes addressing through those operating
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actions from issuers to ASX (by preventing issuer processing), that had not been communicated.

rules, obligations or restrictions that are considered appropriate for that purpose.

The rules consultation processes are specifically for the purpose of facilitating stakeholder feedback on such rules aspects, including any unintended consequences of the rule amendments.

In the context of holding adjustments, additional information on the operation of holding adjustments on locked holdings was provided in our response to consultation on the tranche 1 rule amendments (see row 43 of Attachment A to that [consultation paper](#)).

Row [76] below also describes some further rule amendments ASX is making to clarify the relationship between holding adjustments and locked holdings.

ASX's overall principle in determining the appropriate relationship between holding adjustments and *holding locks* and *holder record locks*, has been to impose restrictions on the automatic processing of requests for the movement of financial products where this could contravene legal or regulatory restrictions (e.g. in the case of a court order preventing such movement which is given effect to through a holding lock), while also allowing for the lifting of those locks on a manual basis by the issuer, controlling participant or ASX if the outcome of discussions between an issuer and the relevant party determine that this is appropriate<sup>32</sup>.

ASX's overall principle in determining the appropriate relationship between holding adjustments and *settlement locks* and *demand locks* has been to impose restrictions on the automatic processing of requests for the movement of financial products which would

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<sup>32</sup> **Holder record locks:** Settlement participants have the power to request that holder record locks are removed at their request (see ASX Settlement Operating Rule 8.16.3A (Tranche 1 rule amendments)).

**Holding Locks:** An issuer may request that ASX Settlement remove a holding lock (see ASX Settlement Operating Rule 8.16.1 (Tranche 1 rule amendments)). Please note that settlement participants cannot impose holding locks.

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impact the operational certainty for transactions in the new system, while also allowing for the lifting of those locks:

- automatically on a suspension of securities<sup>33</sup>, which means that such locks will not restrict an issuer from initiating a holding adjustment giving effect to certain corporate action events while the securities are suspended (e.g. in connection with a merger event); and
- on a manual basis by the controlling participant or ASX if the outcome of discussions between an issuer and the relevant party determine that this is appropriate<sup>34</sup> (e.g. where a sale of securities by a holder for which a settlement lock has been applied conflicts with a divestment under a holding adjustment in connection with a sell down by the holder under a voluntary share sale facility operated by the issuer or with unilateral action taken by an issuer to divest the holder's securities under a constitutional power<sup>35</sup>).

ASX's overall principle in determining the appropriate relationship between holding adjustments and *subpositions* has been to impose restrictions on the automatic processing of requests for the movement of financial products where this could circumvent a subposition in favour of a third party (e.g. a security interest in favour of ASX Clear for securities provided as cover or a takeover subposition in favour of a bidder for securities accepted into the

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<sup>33</sup> Refer to further draft rule amendment to ASXSOR 8.5.1(ab) referred to in row 46 of Attachment A to Tranche 1 Rule Amendments Response to Consultation Feedback released in May 2020, available here: <https://www.asx.com.au/documents/products/tranche-1-response-to-cp-may-2020-full-910959v1.PDF>

<sup>34</sup> **Settlement locks:** Settlement participants have the power to request that settlement locks are removed at their request (see ASX Settlement Operating Rule 8.16.6 (Tranche 1 rule amendments)). ASX Settlement also has the power to remove a settlement lock at any time to maintain the orderly operation and integrity of the Settlement Facility. If an issuer or a participant requested ASX Settlement to remove a settlement lock in order to facilitate the processing of a holding adjustment or financial product transformation, ASX Settlement could consider relying on this power to give effect to that removal (see ASX Settlement Operating Rule 8.16.8 (Tranche 1 rule amendments))

**Demand Locks:** ASX Settlement has the power to remove a demand lock at any time to maintain the orderly operation and integrity of the Settlement Facility. If an issuer or a participant requested ASX Settlement to remove a demand lock in order to facilitate the processing of a holding adjustment or financial product transformation, ASX Settlement could consider relying on this power to give effect to that removal (see ASX Settlement Operating Rule 8.16.8 (Tranche 1 rule amendments)).

<sup>35</sup> For example, a power under an issuer's constitution to divest securities held by a holder which are less than a marketable parcel

		<p>offer) while also allowing for the lifting of those locks on a manual basis where approved by the party in whose favour financial products have been reserved in the subposition if the outcome of discussions between an issuer and the relevant party determine that this is appropriate<sup>36</sup>.</p> <p>Relevantly in relation to all locked holdings and subpositions, ASX has sought to continue to facilitate reconstructions which preserve the value of financial products and are not expected to impact the original purpose for imposing a lock or subposition on a holding.</p>	
<p>76. <b>Notices and reporting to issuers</b></p>	<p>Requested clarity on how ASX proposes that issuers will administer the benefit of the corporate action for locked holdings, and ultimately reconcile and adjust entitlements.</p> <p>There should be a mechanism to provide issuers with operational visibility of holdings with units that are not available for processing and to notify issuers of non-applied adjustments/transformations for those locked holdings. Failure to notify the issuer that an adjustment or transformation has not been applied creates risk for the administration of corporate actions, impacting reconciliation and management of entitlements of individual shareholders.</p> <p>Existing mechanism to view this information via a 'on demand' report is not effective for this purpose. If information on locked or 'unavailable units' is to be made available via a node, the cost to access a node and charges for accessing the data must be available.</p>	<p><i>Clarity on how issuers administer benefit of corporate action for locked holdings</i></p> <p>ASX has made further rule amendments to ASXSOR 8.15.19 and 14.1.7 to provide greater clarity on the circumstances in which holding adjustments will be permitted to be carried out on holdings subject to a holder record lock, holding lock, settlement lock, demand lock or subposition.</p> <p>These changes provide that holding adjustments in connection with holdings subject to a <i>holder record lock</i> or <i>holding lock</i> will be permitted in the following circumstances.</p> <ul style="list-style-type: none"> <li>• Holding adjustments initiated due to a reconstruction. The rationale for this is that a reconstruction (e.g. a share consolidation or share split) preserves the value of financial products.</li> <li>• Holding adjustments that increase the number of securities in a holding. The rationale for this is that an increase in the number of units (e.g. through a corporate action involving a voluntary top</li> </ul>	<p>ASXSOR 8.15.19 and 14.1.7</p>

<sup>36</sup> For example, where financial products have been provided as Cover for margin obligations of a clearing participant, the controlling participant for that holding can request their release from the subposition which is subject to approval by ASX Clear (and where the controlling participant is not the clearing participant in respect of whose margin obligations the financial products were reserved in a subposition as Cover, the clearing participant) – refer to ASXSOR 14.8 including as amended in the draft tranche 1 rule amendments

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Further discussion on appropriate protocols for handling the position of locked holdings is necessary.

ASX should review the types of corporate actions that may be impacted by the various types of locks and confirm the impact on issuers, to support effective engagement on the proper handling of locked holdings. In particular, it is unclear how a Scheme of Arrangement may be managed in the event of locked holdings. Will the lock be lifted to allow completion of the master transfer, which is the instrument used to transfer units from existing investors to the bidder, and give effect to the scheme?

up facility) does not affect the value of financial products subject to a holding lock or holder record lock.

- Holding adjustments initiated on a holding that is subject to a holder record lock due to bankruptcy or death of the holder. This is consistent with CHES today, which permits issuers to give effect to holding adjustments where the holder record lock has been applied due to the death or bankruptcy of a CHES holder.

Holding adjustments initiated in relation to financial products held in *subposition* will similarly be permitted to occur where the holding adjustment relates to a reconstruction, or the holding adjustment increases the number of securities in the holding.

In relation to *settlement locks* and *demand locks*, a note to ASXSOR 8.15.19 is being introduced to account for the lifting of such locks upon notification of the reconstruction from the listing market operator under proposed ASXSOR 8.26.1(d), prior to receipt of a message from the issuer initiating the holding adjustment.

Given the nature of settlement locks and demand locks - being to prevent a deduction from the holding of the relevant number of securities that are subject to a transfer, holding adjustments that increase the number of securities in a holding fall outside such concepts and are presently facilitated, without requiring any equivalent drafting changes. A note to ASXSOR 8.15.19 is also being introduced to reflect this.

*Mechanism to provide issuers with operational visibility of locked holdings*

As set out in our response to consultation on the tranche 1 rule amendments (see row 43 of Attachment A to that consultation paper), an issuer will have access to both a “total balance” and “available balance” for each HIN. The difference between these two balances will be securities that are subject to any type of lock (e.g. holding lock) or subposition (e.g. in favour of ASX Clear for securities

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provided as cover for margin obligations or in favour of a participant bidder for securities accepted into a takeover bid).

Using this information, an issuer will have visibility as to the number of available securities for performance of transactions or other processes in the system (e.g. a holding adjustment or financial products transformation). Tranche 3 rule amendments will address changes to reporting, but we note that the total security balance report will identify the “total balance” and “available balance” and will be sent to an issuer on an unsolicited basis, without requiring the issuer to separately request the report.

Issuers will also be notified if a holding adjustment has not been applied due to a lock or subposition. In the event an issuer sends a message requesting a holding adjustment that will decrease the number of securities in a HIN by more than the available balance, that holding adjustment message will be rejected and the issuer notified of that rejection.

#### *Protocols for handling locked holdings*

As set out in our response to consultation on the tranche 1 rule amendments (see row 43 of Attachment A to that consultation paper) and in row [75] above, if an issuer wishes to initiate a holding adjustment or financial product transformation that is not permitted, an issuer can discuss this with the relevant controlling participant, holder or ASX Settlement to establish an appropriate way forward. This discussion enables the purpose for which a lock was originally applied (e.g. the terms of any applicable court order) to be taken into consideration, rather than the system providing for the automatic processing of these requests which would not recognise the original purpose for which a lock was applied.

This is also the case for subpositions, with the issuer able to discuss a way forward with the party in whose favour the subposition has been imposed. This discussion enables the purpose for which the

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subposition was applied to be taken into consideration, e.g. so as not to circumvent a subposition in favour of the third party (e.g. a security interest in favour of ASX Clear for securities provided as Cover or a takeover subposition in favour of a bidder for securities accepted into an offer), rather than the system providing for the automatic processing of these requests which would not recognise the original purpose for which a subposition was applied.

*ASX should review the types of corporate actions that may be impacted by a lock or subposition, e.g. a scheme of arrangement*

ASX considers that the further rule amendments to ASXSOR 8.15.19 and 14.1.7 make it clearer as to the types of corporate actions that will not be impacted by a lock or subposition.

As also indicated in row [75] above, the amendments to ASXSOR 8.5.1(ab) included with the Tranche 1 Rule Amendments Response to Consultation Feedback<sup>37</sup> for the automatic lifting of a settlement lock or demand lock on a suspension of securities make it clearer that such locks will not restrict an issuer from initiating a holding adjustment giving effect to certain corporate action events while the securities are suspended.

In the case of a scheme of arrangement, we have summarised the position in the table below:

**Table 1:** Scheme of arrangement that results in an increase to the number of units in a holding

Type of lock/subposition	Is the holding adjustment permitted?
Holding lock	Permitted, as increasing the number of securities
Holder Record Lock	Permitted, as increasing the number of securities

<sup>37</sup> Available here: <https://www.asx.com.au/documents/products/tranche-1-response-to-cp-may-2020-full-910959v1.PDF>

Settlement lock	N/A - securities would generally be suspended and settlement lock removed under ASXSOR 8.5.1
Demand Lock	N/A – securities would generally be suspended and demand lock removed under ASXSOR 8.5.1
Subposition	Permitted, as increasing the number of securities.

**Table 2:** Scheme of arrangement that results in an decrease to the number of units in a holding

Type of lock/subposition	Is the holding adjustment permitted?
Holding lock	Not permitted
Holder Record Lock (other than for death/bankruptcy)	Not permitted
Holder Record Lock (due to death/bankruptcy)	Permitted
Settlement lock	N/A - securities would generally be suspended and settlement lock removed under ASXSOR 8.5.1
Demand Lock	N/A – securities would generally be suspended and demand lock removed under ASXSOR 8.5.1
Subposition	Not permitted

77. **Further information requested** Requested further detail and use cases to determine impacts on operating procedures.

Please refer to section 1.7 of the Tranche 2 Consultation Paper for information relating to the rationale for the operation and application of the changes to holding adjustments.

Please also refer to the Functional Specification for further information relating to holding adjustments. This is available at <https://asxchessreplacement>.

[atlassian.net/wiki/spaces/CSP/pages/112427568/Holding+Adjustments+Overview](https://atlassian.net/wiki/spaces/CSP/pages/112427568/Holding+Adjustments+Overview)

Refer also to use case in row [76] above.

**mFund** (see rows 30 to 44 of the table in Attachment A of our Tranche 2 Consultation Paper)

78. <b>Further Rule amendment by ASX</b>	N/A	While not responding to express feedback received in response to the Tranche 2 Consultation Paper, ASX notes that the following amendments have been made to the ASXSORs listed below:	
		<ul style="list-style-type: none"> <li>• <i>Distribution reinvestment plan elections</i>: As indicated in relation to the DRP/BSP election functionality changes referred to above, ASX is revising its design of the DRP/BSP election function in response to stakeholder feedback. In respect of Holder elections under distribution reinvestment plans for mFund products, ASX intends that the election messaging under the new system will reflect the corresponding process under the current system. Consequently ASX proposes to remove the proposed addition of ASXSOR 18.13.1(c).</li> </ul>	Delete ASXSOR 18.13.1(c)
		<ul style="list-style-type: none"> <li>• <i>Initial applications</i>: the mFund initial application/investor data workflow will be amended such that the application will be required first followed by the investor data. ASX does not expect this change to have a material impact on participants, and notes that applicable business outcomes are not affected by this change.</li> </ul>	ASXSOR Procedure 18.3.1
		<ul style="list-style-type: none"> <li>• <i>Defined terms</i>: the definition of “Fund Request Cut-Off” is amended to address the removal of Switch functionality. The definition of “Switch” is also deleted.</li> </ul>	ASXSOR 2.13.1

**Other**

79. <b>Optional vs mandatory</b>	Requested clarity that the electronic processing of the following elements of the new system will be optional functionality:	ASX had previously announced that certain new features would be made available on an ‘optional’ basis on Day 1, with technical accreditation and operational readiness required to be achieved by
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**functionality for Day 1**

- Dividend and distribution reinvestment plan (DRP) and bonus share plan (BSP) elections.
- Entitlement acceptances.
- Real time gross settlement.
- Takeovers and buybacks.
- Diary adjustments.
- Holding adjustments

Noted that their preference is for the above functionality to remain an optional feature for participants.

Requested clarification as to whether the proposed optional functionality outlined above is likely to be implemented as a mandatory service in the future and if so, any timeframes anticipated for this change.

a later date (which at the time was contemplated to be 31 December 2021).

As set out in section 2.3 of the [CHES Replacement: Revised Implementation Timetable](#) consultation paper released in June 2020, the functionality for:

- Non-batch DvP bilateral settlement (including related RTGS payment);
- DRP / BSP elections and DRP/BSP enquiries; and
- Entitlement acceptances of entitlement offers (including related RTGS payment),

was not contemplated to be available in production on Day 1 of the new system, with such functionality contemplated to become available after Day 1 as a 'release version 1.1'.

ASX has sought feedback from users through that consultation paper on when they would be ready (after planned Day 1 go live of April 2022) to commence the technical accreditation, operational readiness and go-live activities for the new system features that were contemplated to be implemented in release version 1.1. The timing for implementation of the release 1.1 functionality and the timing for progressing the associated rules is subject to consideration, with the market to be updated in our response to consultation on the revised implementation timeline (planned for release in late October / early November 2020).

It will be optional for participants to use the above new functionality, although issuers will be obliged to support the new DRP/BSP election and enquiry functionality and entitlement acceptance functionality. The other aspects referred to (takeovers and buybacks, diary adjustments and holding adjustments) – which represent existing functionality, will be part of the Day 1 of the new system. As such, participants will be subject to any obligations

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specified for that functionality, as specified in the existing rules and any draft rule amendments relating to that functionality.

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The following functionality should be descope from the Day 1 implementation pending a full review:

- Dividend and distribution reinvestment plan (DRP) and bonus share plan (BSP) elections (Rule 5.19A)
- Entitlement acceptances and related RTGS electronic payment for entitlement offers (Rules 5.21A, 5.21B, 4.1.3, 4.4B & 11.5),
- Specific changes relating to Holdings Adjustments (Rule 8.15).

The review should include considerations on burdens and benefits for issuers of proposed solutions, with scope for simplification of designs.

The new DRP and BSP election functionality and the entitlement acceptance and related payment functionality address business requirements generated through engagement with industry in 2017 and 2018.

The proposed solution design for such new functionality was also determined following consultation with stakeholders through Focus Groups and the Technical Committee and as communicated publicly in the Technical Documentation released by ASX in respect of such functionality.

Please refer to section 2.2.16, 2.2.17 and 2.2.18 of the 2018 consultation paper and sections 1.2 and 1.3 of the Tranche 2 Consultation Paper for information relating to such business requirements and solution design processes.

As set out in section 2.3 of the [CHESS Replacement: Revised Implementation Timetable](#) consultation paper released in June 2020, the functionality for:

- DRP / BSP elections and DRP/BSP enquiries;
- Entitlement acceptances and related RTGS electronic payment for entitlement offers,

was not contemplated to be available in production on Day 1 of the new system, with such functionality contemplated to become available after Day 1 as a 'release version 1.1'.

ASX has sought feedback from users through that consultation paper on when they would be ready (after planned Day 1 go live of April 2022) to commence the technical accreditation, operational readiness and go-live activities for the new system features that were contemplated to be implemented in release version 1.1. The timing

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for implementation of the release 1.1 functionality and the timing for progressing the associated rules is subject to consideration, with the market to be updated in our response to consultation on the revised implementation timeline (planned for release in late October / early November 2020).

As also indicated in rows [1] and [28], ASX is making amendments to the DRP/BSP election functionality and the entitlement acceptance functionality in response to the feedback received through this consultation, including to reduce complexity of the DRP / BSP functionality and provide greater visibility to issuers of pending entitlement acceptances as requested through the feedback.

Refer to rows [75] and [76] above in relation to holding adjustments. These changes are proposed to become effective for Day 1 of the new system.

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80. **Test environments**

Will there will be any mandatory requirement for all participants to test optional functionality in the Industry Test Environment (once available), and if so, supply any results of such testing to ASX?

ASX had previously announced that certain new features would be made available on an 'optional' basis on Day 1, with technical accreditation and operational readiness required to be achieved by a later date (which at the time was contemplated to be 31 December 2021).

As set out in section 2.3 of the [CHES Replacement: Revised Implementation Timetable](#) consultation paper released in June 2020, the functionality for:

- Non-batch DvP bilateral settlement (including related RTGS payment);
  - DRP / BSP elections and DRP/BSP enquiries; and
  - Entitlement acceptances of entitlement offers (including related RTGS payment),
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was not contemplated to be available in production on Day 1 of the new system, with such functionality contemplated to become available after Day 1 as a 'release version 1.1'.

ASX has sought feedback from users through that consultation paper on the when they would be ready (after planned Day 1 go live of April 2022) to commence the technical accreditation, operational readiness and go-live activities for the new system features that were contemplated to be implemented in release version 1.1. The timing for implementation of the release 1.1 functionality and the timing for progressing the associated rules is subject to consideration, with the market to be updated in our response to consultation on the revised implementation timeline (planned for release in late October / early November 2020).

The late and unexpected changes to specifications for investor data (including new address lines and TFN treatment) and delay in the specifications for reporting has resulted in registry-critical components being left out of "CDE 7". Release date for ITE for such items is also still be announced. This is an unacceptable delay for a key stakeholder group.

ASX continues to consult on cut-over related topics via the Implementation & Transition Working Group (I&TWG) webinars, from which a new requirement relating to holder type and 4th - 5th address lines was identified. This was subsequently presented to the Technical Committee for message ratification, prior to being included in the technical documentation and is scheduled for release as working code in code drop 9.

As communicated via the I&TWG webinars and ASX's consultation paper on the revised timetable, all message specifications relating to clearing and settlement functionality have been released to the technical documentation portal as at April 2020 to enable CHES users to develop to these features. The distribution of working code for certain features into code drops 8 and 9 (from previously advised code drop 7) will enable CHES users to develop and functionally test those features ahead of entry into any industry test environments (ITE), including entry into ITE1.

81. **Project timeline**

Concerned with the overall project timeline. The announcement of a pause in the project go-live date should have allowed stakeholders and ASX to have a

As set out in the [CHES Replacement: Revised Implementation Timetable](#) consultation paper released on 30 June 2020, ASX has proposed the deferral to April 2022 (i.e. for 12 months) of go –live

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measured and informed dialogue about the next phase of the project.

We expect the consultation on the revised timeline to address:

- project re-scoping, to focus on delivery of core elements of CHES replacement Day-1 (de-scoping of functionality that is not core to the role and responsibilities of a settlement facility);
- establishment of adequate cost-benefit analysis for all elements of the project that will proceed, and timely communication of this and of cost and fee impacts for all users;
- project governance, ensuring that stakeholders are given the opportunity for input on project scope, definition, and schedule on a timely and properly informed basis, and that ASX gives proper consideration to and appropriate incorporation of stakeholders' feedback, on an accountable basis;
- the role of ASIC and RBA, acting more directly in the project oversight and governance; and
- the role of ACCC, to more directly engage in the project scope to protect and guide competitive market outcomes.

The project timeline should realistically reflect the impact of COVID-19, the looming economic and social headwinds and the scale, risk and complexity of this project, and address the impending question, "What is the Plan B?"

for the new system, and sought feedback from users as to their ability to meet such revised timing.

Additionally, the functionality for:

- Non-batch DvP bilateral settlement (including related RTGS payment);
- DRP / BSP elections and DRP/BSP enquiries; and
- Entitlement acceptances of entitlement offers (including related RTGS payment),

was not contemplated to become available in production until after Day 1 as a 'release version 1.1'.

ASX sought feedback from users through that consultation paper on when they would be ready (after planned Day 1 go live of April 2022) to commence the technical accreditation, operational readiness and go-live activities for the new system features that were contemplated to be implemented in release version 1.1.

The consultation period under that paper closed on 28 July 2020. ASX is considering the consultation feedback and intends to release its response to consultation feedback in late October / early November 2020. The timing for implementation of the release 1.1 functionality and the timing for progressing the associated rules is subject to consideration, with the market to be updated in that response to consultation.

A summary of the consultation undertaken to date on the CHES Replacement Project to define the business requirements and solution design for the new system is set out in ASX's supplementary submission to the Senate Select Committee on Financial Technology

	<p>Supportive of ASX replanning the implementation of the replacement system. Recommend ASX consider a deferral of the project implementation timeline by a minimum of 12 months to allow industry participants and stakeholders to adapt and recover their business models in order to better manage the implementation of the technical and procedural regulatory changes associated with the new technology being delivered.</p>	<p>and Regulatory Technology<sup>38</sup>. This submission also sets out the engagement with the regulatory agencies on the project.</p>
<p>82. <b>Rules consultation process</b></p>	<p>Responses received by ASX on Tranche 1 consultation (12) shows lack of engagement on the rule changes and is due to scale and complexity of proposals and short response timeframe involving the holiday period.</p> <p>Timing of release of tranche 1 consultation paper response did not allow stakeholders to consider this response document and import comments relevant to tranche 2 before tranche 2 submissions were due to be provided to ASX. This makes it difficult for stakeholders to establish clarity and certainty on the regulatory changes being proposed.</p> <p>ASX should provide longer timeframes for consultation responses and formalise the provision of a consultation on the comprehensive rule package post-Tranche 3.</p>	<p>ASX has sought to make the rules for new system functionality available to the market at an early stage, rather than waiting until all rules were available for the new system following completion of the solution design process. This responded to industry feedback received, including through the Focus Group and ISO Technical Committee stakeholder engagement forums.</p> <p>Accordingly, ASX published a timetable in September 2019 which involved consulting on the required rule changes for the new system in three tranches. Each tranche would group related sets of rules reflecting the logical development of clearing and settlement aspects<sup>39</sup> – allowing for feedback on a stand-alone basis on each tranche.</p> <p>Consultation on the draft rule amendments follows an extensive consultation process with industry on the replacement of CHES. To date, there have been three formal public consultation processes and a significant number of stakeholder forums conducted throughout 2017 – 2019, which have provided stakeholders the opportunity to provide input into the evolution of the business requirements and solution design for the new system.</p>

<sup>38</sup> Refer to submission no. 44 available here:

[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Financial\\_Technology\\_and\\_Regulatory\\_Technology/FinancialRegulatoryTech/Submissions](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Financial_Technology_and_Regulatory_Technology/FinancialRegulatoryTech/Submissions)

<sup>39</sup> For example, tranche 1 covers off: accounts, participants and securities aspects - which are building blocks for other activities in the system; and pre-settlement activities - which are a pre-requisite to payments and settlements covered off in the second and third tranches

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Accordingly, the rule amendments support and reflect business requirements and solution design that have been subject to significant stakeholder engagement. Further information on the consultation processes undertaken to date (including through previous public consultation papers and Focus Groups and ISO 20022 Technical Committee meetings) is contained in the Consultation Paper for the Tranche 1 Rule Amendments.

Given the comprehensive nature of the consultation undertaken already, the objective of the tranche 1 consultation was to seek feedback on the proposed rule amendments and any unintended consequences of those rule amendments. The number of submissions received (12 submissions) is comparable with the number of submissions ASX has received in relation to previous public consultations on clearing and settlement rule amendments.

We also note that stakeholders will have the opportunity to provide feedback on the consolidated rules package across the three tranches of rule amendments (together with the tranche 3 rule amendments on a stand alone basis), as part of a further public consultation ASX intends to undertake (which was contemplated to commence early November 2020 in the [CHES Replacement: Revised Implementation Timetable](#) consultation paper released on 30 June 2020). This proposed a 15 week consultation period for that further consultation and sought feedback from users as to that timing.

The consultation period under that paper closed on 28 July 2020. ASX is considering the consultation feedback and intends to release its response to consultation feedback in late October / early November 2020. The timing for the consultation on the consolidated rules package and the tranche 3 rule amendments is subject to consideration, with the market to be updated in that response to consultation.

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The consultation and rule making process has not been structured in a way that provides full transparency to stakeholders and did not allow for adequate feedback to be provided by those stakeholders likely to be most impacted by the changes. The approach by ASX is not consistent with previous functional development undertaken, which included comprehensive explanatory material and supporting documentation which highlighted the impacts and benefits to consumers, providers and other participants.

ASX has mentioned that the proposed new rules and proposed rule amendments are required to support the operation of the system. However, there are key sections in the rules, particularly ASXSOR 5.19A and 5.21A and in Section 11, which oblige issuers and their service providers to undertake new responsibilities beyond the workings of settlement and safekeeping and without the expected benefits ASX describes will flow from CHES Replacement.

Consultation on the draft rule amendments follows an extensive consultation process with industry on the replacement of CHES. To date, there have been two formal public consultation processes and a significant number of stakeholder forums conducted throughout 2017 – 2019, which have provided stakeholders the opportunity to provide input into the evolution of the business requirements and solution design for the new system. The rule amendments support and reflect the business requirements and solution design that have been subject to significant stakeholder engagement.

Importantly, the new features to be delivered in the new system (e.g. DRP/BSP elections, entitlement acceptance and related payment functionality) respond to industry generated business requirements through working groups and formal consultation processes which called for such new features.

Further information on the consultation processes undertaken to date (including through:

- previous industry working groups and public consultation papers to determine the business requirements for the new system; and
- through Focus Groups and ISO 20022 Technical Committee meetings to determine the solution design and messaging for functional elements in the new system, including those new features),

is contained in the Consultation Paper for the Tranche 2 Rule Amendments.

Given the comprehensive nature of the consultation undertaken already, the objective of the rules consultation is to seek feedback on the proposed rule amendments and any unintended consequences of those rule amendments.

As also indicated in rows [1] and [28], ASX is making amendments to the DRP/BSP election functionality and the entitlement acceptance functionality in response to the feedback received through this

consultation, including to reduce complexity of the DRP / BSP functionality and provide greater visibility to issuers of pending entitlement acceptances as requested through the feedback.

We also note that stakeholders will have the opportunity to provide feedback on the consolidated rules package across the three tranches of rule amendments, as part of a further public consultation ASX intends to undertake (which was contemplated to commence early November 2020 in the [CHES Replacement: Revised Implementation Timetable](#) consultation paper released on 30 June 2020).

The consultation period under that paper closed on 28 July 2020. ASX is considering the consultation feedback and intends to release its response to consultation feedback in late October / early November 2020. The timing for the consultation on the consolidated rules package and the tranche 3 rule amendments is subject to consideration, with the market to be updated in that response to consultation.

83. <b>Overall project consultation process</b>	<p>There has been insufficient consultation with industry stakeholders in relation to the new functional elements of the new system and stakeholders are not yet in the position to fully understand their obligations, the financial risks and costs associated; and most importantly the benefits of the potential new features.</p> <p>Questions whether the presentation material, the time allocated to the Focus Groups, and disjointed engagement with the CHES user community has been extensive enough to create a foundation for the new functions for the market.</p>	<p>The CHES replacement project has involved a significant program of engagement with stakeholders over the last four years since 2016. Consultation with industry has included:</p> <ul style="list-style-type: none"> <li>• six formal public consultations, including consultations on rule amendments and on a revised implementation timetable;</li> <li>• Business Committee and Technical Committee meetings;</li> <li>• six working groups in 2017 to identify, define and prioritise stakeholder requirements;</li> <li>• focus groups throughout Q4 2018 and 2019 on detailed solution design;</li> <li>• a Connectivity and Integration Working Group and an Implementation and Transition Working Group;</li> </ul>
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- hundreds of demonstrations, workshops and bilateral meetings with stakeholders.

ASX been responsive to feedback, making further changes to the scope of 'day 1' implementation of the system and over 70 refinements to the detailed design.

ASX has also released two consultation papers on amendments to the relevant operating rules, containing over 140 pages of supporting explanatory information to help stakeholders understand and easily identify the changes that are relevant to them.

Information on the underlying stakeholder engagement processes specific to the functional elements covered in the tranche 1 and tranche 2 rule amendments is contained in the consultation papers for the tranche 1 rule amendments and tranche 2 rule amendments.

Given the comprehensive nature of the consultation undertaken already, the objective of the rules consultation process is to seek feedback on the proposed rule amendments and any unintended consequences of those rule amendments.

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There are unexpected operational and regulatory outcomes in the Rule amendments that cannot be found in technical documentation and/or were not readily apparent in the communications. The tranche 2 rule amendments include further changes (cumulative to tranche 1 rule amendments) restricting the application of holding adjustments to any locked units (other than for reconstructions).

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The operating rules for ASX Clear and ASX Settlement establish the legal framework supporting the functionality and solution for existing CHES and the new system within the broader legal and regulatory framework in which ASX's clearing and settlement facilities operate. This includes addressing through those operating rules, obligations or restrictions that are considered appropriate for that purpose.

The rules consultation processes are specifically for the purpose of facilitating stakeholder feedback on such rules aspects, including any unintended consequences of the rule amendments.

Please refer to rows [75] and [76] above regarding the application of holding adjustments in relation to locked holdings or holdings subject to a subposition.

84. <b>Migration of registration details</b>	<p>It is not clear how ASX intends to address the legal framework, including liability, relating to migration of existing registration details to the new ISO 20022 format. Will this form part of the ‘miscellaneous’ component of the Tranche 3 Rule Amendments Consultation?</p> <p>Does not support migration through a tool provided by ASX or other means provided by the user. Participants are currently responsible for all changes to registration details for sponsored holders, and indemnify ASX and/or issuers for the consequences of any error in changes to registration details. Migration should not disrupt this apportionment of responsibility.</p>	<p>ASX notes that migration aspects (including customer conversion tools to be made available for the purposes of migration) have been discussed in industry forums, including the Implementation and Transition Working Group. Presentation material and the webinar recording for each of these working group meetings is available on the CHES replacement website.<sup>40</sup></p> <p>As indicated in the <a href="#">CHES Replacement: Revised Implementation Timetable</a> consultation paper released in June 2020, migration aspects for the transition to the new system will be covered off as part of the tranche 3 rule amendments as part of the transitional rules for the new system (refer to section 5 of that paper). As part of this, ASX is giving further consideration as to whether any aspects of the migration of existing registration details to the new system should be supported by such transitional rule amendments.</p>
85. <b>Pricing and fees</b>	<p>Requested visibility of fees for new services that issuers are mandated to provide under the rules.</p> <p>Requested details on fees to allow industry to evaluate the value of new functionality and investment costs in upgrading systems, processes and operating models.</p> <p>Requested detail on the likely fee structure associated with the new application process for rights issues and share purchase plans and attendant RTGS payments.</p>	<p>Pricing in relation to the new system will be made available at least 12 months prior to go-live of the relevant functionality.</p>
86. <b>Cost-benefit analysis</b>	<p>Requested cost-benefit analysis for new services that issuers are mandated to provide under the rules.</p> <p>Requested ASX outline benefits of new system, including costs and outcomes for consumers, providers and other participants and outline the savings and quality improvements, to allow industry to evaluate the value of these new functions and making appropriate</p>	<p>The new features to be delivered in the new system (e.g. DRP/BSP elections, entitlement acceptance and related payment functionality) respond to industry generated business requirements through working groups and formal consultation processes which called for such new features.</p> <p>Further information on the consultation processes undertaken to date (including through previous industry working groups and public</p>

<sup>40</sup> See here: <https://www.asx.com.au/services/implementation-and-transition.htm>.

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investment in upgrading systems, processes and operating models.

consultation papers to determine the business requirements for the new system) and the enhancements being delivered through the new system is contained in the Consultation Paper for the Tranche 2 Rule Amendments.

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## Attachment B: Overview of further tranche 2 rule amendments following consultation feedback

Tables 1 to 2 below set out the changes ASX is making to the tranche 2 rule amendments following consultation feedback. Changes are proposed to the ASX Settlement Operating Rules (see Table 1) and ASX Settlement Operating Rule Procedures (see table 2). No further changes are proposed to the ASX Clear Operating Rules, ASX Clear Operating Rule Procedures or ASX Enforcement and Appeals Rulebook as a result of consultation feedback.

- The column “Change proposed in Tranche 2 Consultation Paper” shows the original rule amendments (marked up in [blue](#) against the existing rule).
- Where there is any text in [yellow](#) highlight, this reflects rule changes made as part of the Tranche 1 Consultation paper.
- The column “Revised change following Tranche 2 feedback” shows the revised mark-up proposed to the rule (also marked up against the existing rule). ASX has made these further changes clear in this column in [red](#) mark-up.

**Table 1: ASX Settlement Operating Rules**

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
2.13.1	<a href="#">“Corporate Action Election Status Advice Message” means a Message pursuant to Rule 5.19A.2(c) that enables the Issuer to communicate to the Controlling Participant whether an election in relation to a dividend or other distribution reinvestment plan or bonus share plan communicated by the Controlling Participant under Rule 5.19.2(a) has been accepted or rejected by the Issuer.</a>	<a href="#">“Corporate Action Election Status Advice Message” means a Message pursuant to Rule 5.19A.2(c) <del>or 5.19A.5(c)</del> that enables the Issuer to communicate to the Controlling Participant whether <del>an election or a cancellation of</del> an election in relation to a dividend or other distribution reinvestment plan or bonus share plan communicated by the Controlling Participant under Rule 5.19A.2(a) <del>or 5.19A.5(a)</del> has been <del>accepted</del><a href="#">acknowledged</a> or rejected by the Issuer.</a>	Rows 1, 12
2.13.1	<a href="#">“Corporate Action Record” means a CHES record of a Corporate Action created by ASX Settlement in accordance with Rule 5.19A.1 or Rule 5.21A.1.</a>	<a href="#">“Corporate Action Record” means a CHES record of a Corporate Action created by ASX Settlement in accordance with <del>Rule 5.19A.1 or</del> Rule 5.21A.1.</a>	Row 18
2.13.1	<a href="#">“Election Cancellation Message” means a Message pursuant to Rule 5.19A.5(a) or 5.19A.5(c) that enables the Controlling Participant or the Issuer to communicate to the Issuer or the Controlling Participant (as applicable) a cancellation of a pending election request or an accepted election recorded in relation to a dividend or other distribution reinvestment plan or bonus share plan for a CHES Holding.</a>	<a href="#">“Election Cancellation Message” means a Message pursuant to Rule 5.19A.5(a) or 5.19A.5(<del>cc</del>) that enables the Controlling Participant or the Issuer to communicate to the Issuer or the Controlling Participant (as applicable) a cancellation of a pending election request or an <del>accepted</del>-election <del>recorded in</del> relation to a dividend or other distribution reinvestment plan or bonus share plan for a CHES Holding.</a>	Row 12

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
2.13.1	<p><u>“Election Issuer Notification Message” means a Message pursuant to Rule 5.19A.3(a) that enables the Issuer to communicate to the Controlling Participant an election notified to the Issuer in relation to a dividend or other distribution reinvestment plan or bonus share plan for a CHES Holding (other than pursuant to an election notified to the Issuer under Rule 5.19A.2(b)(ii)), that has been accepted by the Issuer.</u></p>	<p><del>“Election Issuer Notification Message” means a Message pursuant to Rule 5.19A.3(a) that enables the Issuer to communicate to the Controlling Participant an election notified to the Issuer in relation to a dividend or other distribution reinvestment plan or bonus share plan for a CHES Holding (other than pursuant to an election notified to the Issuer under Rule 5.19A.2(b)(ii)), that has been accepted by the Issuer.</del></p>	Row 1
2.13.1	<p><u>“Election Participant Notification Message” means a Message pursuant to Rule 5.19A.2(a) that enables the Controlling Participant to communicate to the Issuer an election or an update to an election in relation to a dividend or other distribution reinvestment plan or bonus share plan for a CHES Holding.</u></p>	<p><u>“Election Participant Notification Message” means a Message pursuant to Rule 5.19A.2(a) that enables the Controlling Participant to communicate to the Issuer an election <del>or an update to an election</del> in relation to a dividend or other distribution reinvestment plan or bonus share plan for a CHES Holding.</u></p>	Row 1
2.13.1	<p><b>“Fund Request Cut-Off”</b> means, in relation to an application for issue or redemption of AQUA Products or an application to Switch between AQUA Products, on any Business Day, the time specified in the Scheduled Times.</p>	<p><b>“Fund Request Cut-Off”</b> means, in relation to an application for issue or redemption of AQUA Products <del>or an application to Switch between AQUA Products</del>, on any Business Day, the time specified in the Scheduled Times.</p>	Row 78
2.13.1		<p><u><b>“Plan Record”</b> means a CHES record of a dividend or other distribution reinvestment plan or bonus share plan created by ASX Settlement in accordance with Rule 5.19A.1.</u></p>	Row 18
2.13.1	<p><b>“RTGS Participant”</b> means a Participant:</p> <p>(a) <del>that satisfies the criteria for participation in Real Time Gross Settlement set out in Rule 11.5;</del> <del>and</del></p> <p>(b) <del>for which a Net Position Record has been established under the Rules that records the Net Position Record Status as active.</del></p>	<p><b>“RTGS Participant”</b> means a <u>General Settlement Participant</u> <del>or Corporate Action Payments Participant</del>:</p> <p>(a) <del>that satisfies the criteria for participation in Real Time Gross Settlement set out in Rule 11.5;</del> <del>and</del></p> <p>(b) <del>for which a Net Position Record has been established under the Rules that records the Net Position Record Status as</del></p>	Rows 44, 45

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
		<del>active.</del>	
2.13.1	<p>“RTGS Participation Requirements” in relation to a Participant, means any technical and performance requirements notified by ASX Settlement to the Participant to ensure that it is capable of operating in Real Time Gross Settlement.</p>	<p><del>“RTGS Participation Requirements” in relation to a Participant, means any technical and performance requirements notified by ASX Settlement to the Participant to ensure that it is capable of operating in Real Time Gross Settlement.</del></p>	Row 44
2.13.1	<p>“Switch” means, in respect of a Holding of AQUA Products, a process comprising the redemption by the Holder of a specified quantity of the AQUA Products followed by the investment by the Holder of the proceeds of redemption in AQUA Products of the same Product Issuer Settlement Participant.</p>	<p><del>“Switch” means, in respect of a Holding of AQUA Products, a process comprising the redemption by the Holder of a specified quantity of the AQUA Products followed by the investment by the Holder of the proceeds of redemption in AQUA Products of the same Product Issuer Settlement Participant.</del></p>	Row 78
4.1.3	<p><b><u>Corporate Action Payments Participants</u></b></p> <p><u>A Corporate Action Payments Participant is a person who is permitted (subject to satisfying the criteria in Section 11 applicable to an RTGS Participant) to participate in Real Time Gross Settlement by making or receiving payments relating to Corporate Action RTGS Instructions in accordance with these Rules but who is not permitted to participate in Batch Settlement or maintain Participant Sponsored Holdings.</u></p>	<p><b><u>Corporate Action Payments Participants</u></b></p> <p><u>A Corporate Action Payments Participant is a person who is permitted (subject to satisfying the criteria in Section 11 applicable to an RTGS Participant) to participate in Real Time Gross Settlement by making or receiving payments relating to Corporate Action RTGS Instructions in accordance with these Rules but who is not permitted to participate in Batch Settlement or maintain Participant Sponsored Holdings unless they are also admitted as a Settlement Participant or an Account Participant and are authorised to do so under the Rules pursuant to that admission.</u></p>	Rows 44, 45
4.4B.1	<p><b><u>Admission of Corporate Action Payments Participants</u></b></p> <p><u>Subject to Rule 4.2.3A, ASX Settlement will admit a person as a Corporate Action Payments Participant if ASX Settlement is satisfied that the person;</u></p> <p><u>(a) has applied for admission as a Participant in accordance</u></p>	<p><b><u>Admission of Corporate Action Payments Participants</u></b></p> <p><u>Subject to Rule 4.2.3A, ASX Settlement will admit a person as a Corporate Action Payments Participant if ASX Settlement is satisfied that the person;</u></p> <p><u>(a) has applied for admission as a Participant in accordance</u></p>	Rows 44, 45

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p>with Rule 4.2.1;</p> <p>(b) <u>meets the technical and performance requirements of this Section;</u></p> <p>(c) <u>meets the business integrity requirements of this Section;</u></p> <p>(d) <u>meets the location requirements of this Section;</u></p> <p>(e) <u>meets the payment facility requirements of this Section;</u></p> <p>(f) <u>meets the organisational requirements of this Section; and</u></p> <p>(g) <u>meets the additional requirements of Section 11 that apply to an RTGS Participant.</u></p> <p><i>Note: <u>a person admitted as a Corporate Action Payments Participant under this Rule 4.4B.1 may not act as a Sponsoring Participant or participate in Batch Settlement.</u></i></p>	<p>with Rule 4.2.1;</p> <p>(b) <u>meets the technical and performance requirements of this Section;</u></p> <p>(c) <u>meets the business integrity requirements of this Section;</u></p> <p>(d) <u>meets the location requirements of this Section;</u></p> <p>(e) <u>meets the payment facility requirements of this Section;</u></p> <p>(f) <u>meets the organisational requirements of this Section; and</u></p> <p>(g) <u>meets the additional requirements of Section 11 that apply to an RTGS Participant.</u></p> <p><i>A person that is already admitted as a Settlement Participant (other than a General Settlement Participant) or an Account Participant may apply for admission as a Corporate Action Payments Participant and will be deemed to satisfy the requirements in Rule 4.4B.1 (b)-(d) and (f) by virtue of their existing admission.</i></p> <p><i>Note: <u>a person admitted as a Corporate Action Payments Participant under this Rule 4.4B.1 may not act as a Sponsoring Participant or participate in Batch Settlement unless they are also admitted as a Settlement Participant or an Account Participant and are authorised to do so under the Rules pursuant to that admission.</u></i></p>	
5.19A.1	<p><b><u>Corporate Action Record creation and removal</u></b></p> <p>(a) <u>If an Issuer, in respect of Approved Financial Products,</u></p>	<p><b><u>Corporate Action Plan Record creation and removal</u></b></p> <p>(a) <u>If an Issuer, in respect of Approved Financial Products,</u></p>	Rows 6, 10, 18, 35

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><u>notifies the Approved Listing Market Operator in accordance with its Listing Rules of a dividend or other distribution reinvestment plan or bonus share plan, the Issuer must also immediately notify ASX Settlement of the details of that dividend or other distribution reinvestment plan or bonus share plan.</u></p>	<p><del>notifies the Approved Listing Market Operator in accordance with its Listing Rules</del> publicly releases a market announcement of a dividend or other distribution reinvestment plan or bonus share plan through the public announcement platform of the Approved Listing Market Operator in accordance with its:</p>	
	<p>(b) <u>ASX Settlement will create a Corporate Action Record in respect of the Issuer for the relevant dividend or other distribution reinvestment plan or bonus share plan notified to the Approved Listing Market Operator as referred to in Rule 5.19A.1(a) of which ASX Settlement is informed.</u></p>	<p>(i) <del>Listing Rules; or</del></p> <p>(ii) <del>operating rules under which the Issuer applied for admission of the class of Financial Products to trading status.</del></p>	
	<p>(c) <u>If the Issuer, in respect of Approved Financial Products, notifies the Approved Listing Market Operator in accordance with its Listing Rules of any change to, or cancellation of, a dividend or other distribution reinvestment plan or bonus share plan, the Issuer must also immediately notify ASX Settlement of the details of that change to or cancellation of the dividend or other distribution reinvestment plan or bonus share plan.</u></p>	<p><u>the Issuer must also immediately notify ASX Settlement of the details of that dividend or other distribution reinvestment plan or bonus share plan</u> <del>that announcement.</del></p>	
	<p>(d) <u>ASX Settlement will for a Corporate Action Record created under Rule 5.19A.1(b):</u></p>	<p>(b) <u>ASX Settlement will create a <del>Corporate Action Plan</del> Record in respect of the Issuer for the relevant dividend or other distribution reinvestment plan or bonus share plan notified to <del>announced through the public announcement platform of the Approved Listing Market Operator as referred to in Rule 5.19A.1(a) of which ASX Settlement is informed.</del></u></p>	
	<p>(i) <u>update or remove that Corporate Action Record for a change or cancellation notified to the Approved Listing Market Operator as referred to in Rule 5.19A.1(c) (as applicable) of which ASX Settlement is informed; and</u></p>	<p>(i) <del>on or after the commencement date of that Rule, of which ASX Settlement is aware, including where it has been notified of that announcement under Rule 5.19A.1(a); or</del></p>	
	<p>(ii) <u>remove that Corporate Action Record on a date determined by ASX Settlement following the Plan Election Date.</u></p>	<p>(ii) <del>prior to the commencement date of Rule 5.19A.1(a), of which ASX Settlement is aware (and is not otherwise aware of an announcement as to the cancellation of that plan).</del></p>	
		<p>(c) <u>If the Issuer, in respect of Approved Financial Products,</u></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
		<p><del>notifies the Approved Listing Market Operator in accordance with its Listing Rules publicly releases a market announcement of any change to, or cancellation of, a dividend or other distribution reinvestment plan or bonus share plan through the public announcement platform of the Approved Listing Market Operator in accordance with its:</del></p> <p><del>(i) Listing Rules; or</del></p> <p><del>(ii) operating rules under which the Issuer applied for admission of the class of Financial Products to trading status.</del></p> <p><del>the Issuer must also immediately notify ASX Settlement of the details of that change to or cancellation of the dividend or other distribution reinvestment plan or bonus share plan announcement.</del></p> <p><del>(d) ASX Settlement will for a Corporate Action Plan Record created under Rule 5.19A.1(b): (i) —, update or remove that Corporate Action Plan Record for a change or cancellation notified to announced through the public announcement platform of the Approved Listing Market Operator as referred to in Rule 5.19A.1(c) (as applicable) of which ASX Settlement is aware, including where it has been notified of that announcement under Rule 5.19A.1(c). informed; and</del></p> <p><del>— (ii) remove that Corporate Action Record on a date determined by ASX Settlement following the Plan Election Date.</del></p> <p><i>Note: For the purposes of this Rule 5.19A.1, Issuers are not required to notify ASX Settlement of dividend or other distribution</i></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
5.19A.2	<p><b><u>Corporate Action election – notification by Controlling Participant</u></b></p> <p>(a) <u>Subject to Rules 5.19A.2(e) and (f), a Controlling Participant may provide notification to an Issuer of:</u></p> <p>(i) <u>an election for all or part of a CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan; or</u></p> <p>(ii) <u>if there is an existing:</u></p> <p>(A) <u>accepted election for the same Election Option Type for part of the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii), an update to that election; or</u></p> <p>(B) <u>pending election request for an Election Option Type for the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(b)(i), an election for a different Election Option Type,</u></p> <p><u>by Transmitting to ASX Settlement a Valid Election</u></p>	<p><i>reinvestment plan or bonus share plan announcements prior to the commencement date of Rule 5.19A.1. For a dividend or other distribution reinvestment plan or bonus share plan announced prior to the prior to the commencement date of Rule 5.19A.1, ASX Settlement will look to create a Plan Record in respect of the Issuer based on available information.</i></p> <p><b><u>Corporate Action election – notification by Controlling Participant</u></b></p> <p>(a) <u>Subject to Rules 5.19A.2(e) and (f), a Controlling Participant may provide notification to an Issuer of:</u></p> <p>(i) <u>an election for all or part of a CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan; or</u></p> <p>(ii) <u>if there is an existing:</u></p> <p>(A) <u>accepted election for the same Election Option Type for part of the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii), an update to that election; or</u></p> <p>(B) <u>pending election request for an Election Option Type for the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(b)(i), an election for a different Election Option Type,</u></p> <p><u>by Transmitting to ASX Settlement a Valid Election</u></p>	Rows 1, 10, 13, 18,

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><u>Participant Notification Message within the Scheduled Time in accordance with the Procedures.</u></p>	<p><u>Participant Notification Message within the Scheduled Time in accordance with the Procedures.</u></p>	
	<p>(b) <u>If ASX Settlement receives a Valid Election Participant Notification Message under Rule 5.19A.2(a) and a Corporate Action Record for the relevant dividend or other distribution reinvestment plan or bonus share plan has been created in accordance with Rule 5.19A.1, ASX Settlement will:</u></p> <p>(i) <u>record a pending election request in relation to the election;</u></p> <p>(ii) <u>Transmit a Message to the Issuer notifying it of the election in accordance with the Originating Message; and</u></p> <p>(iii) <u>notify the Controlling Participant that initiated the election that a pending election request has been recorded in relation to the election.</u></p> <p>(c) <u>If an Issuer receives a Valid Message from ASX Settlement under Rule 5.19A.2(b)(ii), the Issuer must, unless the Issuer is notified of the cancellation of the pending election request under Rule 5.19A.5(b)(ii)(A), either accept or reject the relevant election and must Transmit a Corporate Action Election Status Advice Message to ASX Settlement within the Scheduled Time in accordance with the Procedures, notifying of the acceptance or rejection of the election by the Issuer.</u></p> <p>(d) <u>If ASX Settlement receives a Valid Corporate Action Election Status Advice Message under Rule 5.19A.2(c), ASX Settlement will:</u></p>	<p><i>Note: For the purposes of this Rule 5.19A, it is noted that the term “election” refers to the choice of the relevant Holder in response to the options available to that Holder under the terms of the relevant plan, and could include an application, instruction, acceptance, or other means of communicating the choice of the relevant Holder, howsoever described in the relevant plan terms.</i></p> <p>(b) <u>If ASX Settlement receives a Valid Election Participant Notification Message under Rule 5.19A.2(a) and a <del>Corporate Action Plan</del> Record for the relevant dividend or other distribution reinvestment plan or bonus share plan has been created <del>and has not been removed</del> in accordance with Rule 5.19A.1, ASX Settlement will:</u></p> <p>(i) <u>record a pending election request in relation to the election;</u></p> <p>(ii) <u>Transmit a Message to the Issuer notifying it of the election in accordance with the Originating Message; and</u></p> <p>(iii) <u>notify the Controlling Participant that initiated the election that a pending election request has been recorded in relation to the election.</u></p> <p>(c) <u>If an Issuer receives a Valid Message from ASX Settlement under Rule 5.19A.2(b)(ii), the Issuer must, unless the Issuer is notified of the cancellation of the pending election request under Rule 5.19A.5(b)(ii)(A), either <del>accept</del>acknowledge or reject the relevant election and must Transmit a Corporate Action Election Status Advice Message to ASX Settlement within the Scheduled Time in</u></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p>(i) <u>record the acceptance or rejection of the relevant pending election request (as applicable) and, if the Valid Corporate Action Election Status Advice Message communicates:</u></p> <p>(A) <u>a rejection, delete the pending election request recorded under 5.19A.2(b)(i); or</u></p> <p>(B) <u>an acceptance, and there is an existing accepted election for the same Election Option Type for part of the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii), update that existing recorded election accordingly.</u></p> <p>(ii) <u>Transmit a Message to the Controlling Participant that notified the relevant election under Rule 5.19A.2(a), notifying it of the acceptance or rejection of that election by the Issuer in accordance with the Corporate Action Election Status Advice Message; and</u></p> <p>(iii) <u>Transmit a Message to the Issuer acknowledging the receipt of the Corporate Action Election Status Advice Message under Rule 5.19A.2(c).</u></p>	<p><u>accordance with the Procedures, notifying of the <del>acceptance</del>acknowledgement or rejection of the election by the Issuer.</u></p> <p>(d) <u>If ASX Settlement receives a Valid Corporate Action Election Status Advice Message under Rule 5.19A.2(c), ASX Settlement will:</u></p> <p>(i) <del>record the acceptance or rejection of the relevant pending election request (as applicable) and, if the Valid Corporate Action Election Status Advice Message communicates:</del></p> <p>(A) <del>a rejection, delete</del><u>remove the pending election request recorded under 5.19A.2(b)(i); <del>or</del></u></p> <p>(B) <del>an acceptance, and there is an existing accepted election for the same Election Option Type for part of the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii), update that existing recorded election accordingly.</del></p> <p>(ii) <u>Transmit a Message to the Controlling Participant that notified the relevant election under Rule 5.19A.2(a), notifying it of the <del>acceptance</del>acknowledgement or rejection of that election by the Issuer in accordance with the Corporate Action Election Status Advice Message; and</u></p> <p>(iii) <u>Transmit a Message to the Issuer acknowledging the receipt of the Corporate Action Election Status</u></p>	
	<p>Note: The issue of Approved Financial Products under an election for which an acceptance has been notified by the Issuer under a Corporate Action Election Status Advice Message continues to be subject to the relevant plan rules.</p>		
	<p>(e) <u>If there is an existing:</u></p>		

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
(i)	<p><u>accepted election for all of the CHESS Holding (as specified in the Procedures) in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii); or</u></p>	<p><u>Advice Message under Rule 5.19A.2(c).</u></p>	<p><i>Note: The <u>election and issue of Approved Financial Products under an election, including for which an <del>acceptance</del> acknowledgement has been notified by the Issuer under a Corporate Action Election Status Advice Message, continues to be subject to processing and validation by the Issuer in accordance with the relevant plan rules.</u></i></p>
(ii)	<p><u>pending election for the same Election Option Type for the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(b)(i),</u></p>	<p><del>(e) If there is an existing:</del></p>	<p><del>(i) — <u>accepted election for all of the CHESS Holding (as specified in the Procedures) in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii); or</u></del></p>
	<p><u>an update to that election by the Controlling Participant may only be facilitated via a cancellation of the accepted election or pending election under Rule 5.19A.5(a) and the provision of a new notification under Rule 5.19A.2(a).</u></p>	<p><del>(ii) — <u>pending election for the same Election Option Type for the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(b)(i),</u></del></p>	<p><del>— <u>an update to that election Controlling Participant may only be facilitated via a cancellation of the accepted election or pending election under Rule 5.19A.5(a) and the provision of a new notification under Rule 5.19A.2(a).</u></del></p>
(f)	<p><u>If there is an existing accepted election for part of the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii), an update to that election by the Controlling Participant such that the new election is for all of the CHESS Holding (as specified in the Procedures) may only be facilitated via a cancellation of the accepted election under Rule 5.19A.5(a) and the provision of a new notification under Rule 5.19A.2(a).</u></p>	<p><del>(f) — <u>If there is an existing accepted election for part of the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii), an update to that election by the Controlling Participant such that the new election is for all of the CHESS Holding (as specified in the Procedures) may only be facilitated via a cancellation of the accepted election under Rule 5.19A.5(a) and the provision of a new</u></del></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
5.19A.3	<p><b><u>Corporate Action election – notification by Controlling Participant</u></b></p> <p>(a) Subject to Rules 5.19A.3(c) and (d), if:</p> <p>(i) <u>an election has been notified to the Issuer for all or part of a CHESS Holding in relation to a dividend or other distribution reinvestment plan or bonus share plan other than pursuant to Rule 5.19A.2(b)(ii); and</u></p> <p>(ii) <u>that election has been accepted by the Issuer,</u> <u>the Issuer must Transmit to ASX Settlement a Valid Election Issuer Notification Message within the Scheduled Time in accordance with the Procedures, notifying of that accepted election.</u></p> <p>(b) <u>If ASX Settlement receives a Valid Election Issuer Notification Message under Rule 5.19A.3(a) and a Corporate Action Record for the relevant dividend or other distribution reinvestment plan or bonus share plan has been created in accordance with Rule 5.19A.1, ASX Settlement will:</u></p> <p>(i) <u>record the accepted election for the CHESS Holding;</u></p> <p>(ii) <u>if in respect of the same CHESS Holding and dividend or other distribution reinvestment plan or bonus share plan there is already recorded:</u></p> <p>(A) <u>an accepted election for the same Election Option Type for part of the CHESS Holding under Rule 5.19A(2)(d)(i) or Rule 5.19A(3)(b)(i), update that existing recorded</u></p>	<p><del>notification under Rule 5.19A.2(a).</del></p> <p><b><u>Corporate Action election – notification by Controlling Participant</u></b></p> <p><del>(a) Subject to Rules 5.19A.3(c) and (d), if:</del></p> <p><del>(i) an election has been notified to the Issuer for all or part of a CHESS Holding in relation to a dividend or other distribution reinvestment plan or bonus share plan other than pursuant to Rule 5.19A.2(b)(ii); and</del></p> <p><del>(ii) that election has been accepted by the Issuer,</del> <del>the Issuer must Transmit to ASX Settlement a Valid Election Issuer Notification Message within the Scheduled Time in accordance with the Procedures, notifying of that accepted election.</del></p> <p><del>(b) If ASX Settlement receives a Valid Election Issuer Notification Message under Rule 5.19A.3(a) and a Corporate Action Record for the relevant dividend or other distribution reinvestment plan or bonus share plan has been created in accordance with Rule 5.19A.1, ASX Settlement will:</del></p> <p><del>(i) record the accepted election for the CHESS Holding;</del></p> <p><del>(ii) if in respect of the same CHESS Holding and dividend or other distribution reinvestment plan or bonus share plan there is already recorded:</del></p> <p><del>(A) an accepted election for the same Election Option Type for part of the CHESS Holding under Rule 5.19A(2)(d)(i) or Rule 5.19A(3)(b)(i), update that existing recorded</del></p>	Row 1

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><u>election accordingly; or</u></p> <p><u>(B) a pending election request for a different Election Option Type under Rule 5.19A.2(b), record the accepted election for the CHES Holding;</u></p> <p><u>(iii) Transmit a Message to the Controlling Participant for the CHES Holding notifying it of the accepted election in accordance with the Election Issuer Notification Message; and</u></p> <p><u>(iv) Transmit a Message to the Issuer acknowledging the receipt of the Election Issuer Notification Message.</u></p> <p><u>(c) If there is an existing:</u></p> <p><u>(i) accepted election for all of the CHES Holding (as specified in the Procedures) in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii); or</u></p> <p><u>(ii) pending election for the same Election Option Type for the CHES Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(b)(i),</u></p> <p><u>an update to that election by the Issuer may only be facilitated via a:</u></p> <p><u>(iii) cancellation of the accepted election under Rule 5.19A.5(c); or</u></p> <p><u>(iv) rejection of the pending election for the same Election Option Type under Rule 5.19A.2(c),</u></p>	<p><del>election accordingly; or</del></p> <p><del>(B) a pending election request for a different Election Option Type under Rule 5.19A.2(b), record the accepted election for the CHES Holding;</del></p> <p><del>(iii) Transmit a Message to the Controlling Participant for the CHES Holding notifying it of the accepted election in accordance with the Election Issuer Notification Message; and</del></p> <p><del>(iv) Transmit a Message to the Issuer acknowledging the receipt of the Election Issuer Notification Message.</del></p> <p><del>(c) If there is an existing:</del></p> <p><del>(i) accepted election for all of the CHES Holding (as specified in the Procedures) in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii); or</del></p> <p><del>(ii) pending election for the same Election Option Type for the CHES Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(b)(i),</del></p> <p><del>an update to that election by the Issuer may only be facilitated via a:</del></p> <p><del>(iii) cancellation of the accepted election under Rule 5.19A.5(c); or</del></p> <p><del>(iv) rejection of the pending election for the same Election Option Type under Rule 5.19A.2(c),</del></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><u>and the provision of a new notification under Rule 5.19A.3(a).</u></p> <p>(d) <u>If there is an existing accepted election for part of the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii), an update to that election by the Issuer such that the new election is for all of the CHESS Holding (as specified in the Procedures) may only be facilitated via a cancellation of the accepted election under Rule 5.19A.5(c) and the provision of a new notification under Rule 5.19A.3(a).</u></p>	<p><del>and the provision of a new notification under Rule 5.19A.3(a).</del></p> <p><del>(d) If there is an existing accepted election for part of the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii), an update to that election by the Issuer such that the new election is for all of the CHESS Holding (as specified in the Procedures) may only be facilitated via a cancellation of the accepted election under Rule 5.19A.5(c) and the provision of a new notification under Rule 5.19A.3(a).</del></p>	
5.19A.4	<p><b><u>Priority of elections</u></b></p> <p><u>For the avoidance of doubt, if in relation to a dividend or other distribution reinvestment plan or bonus share plan for all or part of a CHESS Holding, the Issuer is notified of multiple elections under Rule 5.19A.2(b)(ii) or otherwise, or is notified of a cancellation of an election under Rule 5.19A.5(b)(ii)(A) or otherwise, the Issuer may determine the sequence in which the notifications were received and which takes priority for the purpose of its acceptance or rejection of a notified election or cancellation.</u></p>	<p><b><u>Priority of elections</u></b></p> <p><u>For the avoidance of doubt, if in relation to a dividend or other distribution reinvestment plan or bonus share plan for all or part of a CHESS Holding, the Issuer is notified of multiple elections under Rule 5.19A.2(b)(ii) or otherwise, or is notified of a cancellation of an election under Rule 5.19A.5(b)(ii)(A) or otherwise, the Issuer may determine the sequence in which the notifications were received and which takes priority for the purpose of its <del>processing such elections or cancellations under its dividend or other distribution reinvestment plan or bonus share plan (including its acceptance or rejection of a notified election or cancellation).</del></u></p>	Row 25

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
5.19A.5	<p><b><u>Cancellation of election</u></b></p> <p>(a) If for:</p> <p>(i) <u>a pending election request recorded by ASX Settlement for all or part of a CHESS Holding under Rule 5.19A.2(b)(i); or</u></p> <p>(ii) <u>an accepted election recorded by ASX Settlement for all or part of a CHESS Holding under Rule 5.19A.2(d)(i), 5.19A.3(b)(i) or 5.19A.3(b)(ii),</u></p> <p><u>the Controlling Participant seeks to cancel that pending election request or accepted election, the Controlling Participant:</u></p> <p>(iii) <u>must (in the case of a pending election request referred to in Rule 5.19A.5(a)(i)); or</u></p> <p>(iv) <u>may (in the case of an accepted election referred to in Rule 5.19A.5(a)(ii)).</u></p> <p><u>Transmit to ASX Settlement a Valid Election Cancellation Message within the Scheduled Time in accordance with the Procedures, notifying of that cancellation.</u></p> <p>(b) <u>If ASX Settlement receives a Valid Election Cancellation Message under Rule 5.19A.5(a), ASX Settlement will:</u></p> <p>(i) <u>cancel and remove the pending election request record created under Rule 5.19A.2(b)(i) or the accepted election recorded by ASX Settlement under Rule 5.19A.2(d)(i), 5.19A.3(b)(i) or 5.19A.3(b)(ii) (as applicable); and</u></p> <p>(ii) <u>Transmit a Message to:</u></p>	<p><b><u>Cancellation of election</u></b></p> <p>(a) If for:</p> <p>(i) <u>a pending election request recorded by ASX Settlement for all or part of a CHESS Holding under Rule 5.19A.2(b)(i) <del>which has not been removed under Rule 5.19A.2(d)(i); or</del></u></p> <p>(ii) <u>an <del>accepted</del>-election recorded by <del>the Issuer for all or part of a CHESS Holding (including an election notified by ASX Settlement for all or part of a CHESS Holding under Rule 5.19A.2(d)(i),b)(ii) which the Issuer has acknowledged under Rule 5.19A.3(b)(i) or 5.19A.3(b)(ii),2(c)).</del></u></p> <p><u>the Controlling Participant seeks to cancel that pending election request or <del>accepted</del>-election, the Controlling Participant:</u></p> <p>(iii) <u>must (in the case of a pending election request referred to in Rule 5.19A.5(a)(i)); or</u></p> <p>(iv) <u>may (in the case of an <del>accepted</del>-election referred to in Rule 5.19A.5(a)(ii)).</u></p> <p><u>Transmit to ASX Settlement a Valid Election Cancellation Message within the Scheduled Time in accordance with the Procedures, notifying of that cancellation.</u></p> <p>(b) <u>If ASX Settlement receives a Valid Election Cancellation Message under Rule 5.19A.5(a), ASX Settlement will:</u></p> <p>(i) <u><del>in the case of a cancellation of:</del></u></p> <p>(A) <u>a pending election request recorded by ASX Settlement as referred to in Rule 5.19A.5(a)(i).</u></p>	Rows 1, 12

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p>(A) <u>the Issuer notifying of the cancellation of the pending election request or accepted election in accordance with the Election Cancellation Message; and</u></p> <p>(B) <u>the Controlling Participant for that Holding, notifying of the cancellation and removal of ASX Settlement’s record of the pending election request or accepted election (as applicable) in accordance with the Election Cancellation Message under Rule 5.19A.5(b)(i).</u></p> <p><u>Note: The cancellation of an election under Rule 5.19.5(a) which is notified to the Issuer under Rule 5.19A.5(b) continues to be subject to acceptance or rejection of that cancellation by the Issuer in accordance with the relevant plan rules.</u></p> <p>(c) <u>If for an accepted election recorded by ASX Settlement for all or part of a CHESS Holding under Rule 5.19A.2(d)(i), 5.19A.3(b)(i) or 5.19A.3(b)(ii), the Issuer cancels that election, the Issuer must Transmit to ASX Settlement a Valid Election Cancellation Message within the Scheduled Time in accordance with the Procedures, notifying of that cancellation.</u></p> <p>(d) <u>If ASX Settlement receives a Valid Election Cancellation Message under Rule 5.19A.5(c), ASX Settlement will:</u></p> <p>(i) <u>cancel and remove the accepted election recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or 5.19A.3(b)(ii) (as applicable); and</u></p> <p>(i) <u>Transmit a Message to the Issuer and the Controlling Participant for that CHESS Holding, notifying of the cancellation of the election in accordance with the</u></p>	<p><del>cancel and remove the pending election request <del>record created</del> recorded under Rule 5.19A.2(b)(i); or the accepted</del></p> <p>(B) <del>an election recorded by the Issuer as referred to in ASX Settlement under Rule 5.19A.2(d)(i), 5.19A.3(b)(i) or 5.19A.3(b)(ii) (as applicable); and 5(a)(ii), record a pending cancellation request in relation to the election;</del></p> <p>(ii) <u>Transmit a Message to:</u></p> <p>(A) <del>the Issuer notifying of the cancellation of the pending election request or accepted election in accordance with the Election Cancellation Message; and</del></p> <p>(B) <del>the Controlling Participant for that Holding initiated the cancellation, notifying in the case of a cancellation of:</del></p> <p>a. <del>a pending election request recorded by ASX Settlement as referred to in Rule 5.19A.5(a)(i), of the cancellation and removal of ASX Settlement’s record of the pending election request under Rule 5.19A.5(b)(i); or accepted election (as applicable) in accordance with the Election Cancellation Message under Rule 5.19A.5(b)(i).</del></p> <p>b. <u>an election recorded by the Issuer as referred to in Rule 5.19A.5(a)(ii), that a pending cancellation request has been</u></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><u>Election Cancellation Message.</u></p>	<p><u>recorded in relation to that election.</u></p>	
	<p>(e) <u>If an Issuer is notified of multiple elections or cancellations for all or part of a CHESS Holding in respect of a relevant dividend or other distribution reinvestment plan or bonus share plan and the Issuer is required to notify ASX Settlement of:</u></p> <p>(i) <u>the acceptance or rejection of an election under Rule 5.19A.2(c) or Rule 5.19A.3(a); or</u></p> <p>(ii) <u>the cancellation of an election under Rule 5.19A.5(c),</u></p> <p><u>(as applicable) and the Scheduled Times for the Issuer to provide such notifications overlap, the Issuer must notify ASX Settlement of the relevant acceptance, rejection or cancellation in the sequence as processed and recorded by the Issuer.</u></p>	<p><i>Note: The cancellation of an election under Rule 5.19.5(a) which is notified to the Issuer under Rule 5.19A.5(b) continues to be subject to <del>acceptance or rejection</del> <u>the processing and validation of that cancellation by the Issuer in accordance with the relevant plan rules.</u></i></p>	
	<p><u>Note: Rule 5.19A.5(e) seeks to support the record maintained by ASX Settlement under Rule 5.19A.2(b), 5.19A.2(d), 5.19A.3(b), 5.19A.5(b) and 5.19A.5(d) as to an election notified for all or part of a CHESS Holding in respect of a relevant dividend or other distribution reinvestment plan or bonus share plan being aligned with the election status as recorded by the Issuer for the purpose of ASX Settlement's processing of elections and cancellations of elections notified under Rules 5.19A.2, 5.19A.3 and 5.19A.5.</u></p>	<p>(c) <u>If an Issuer receives a Valid Message from ASX Settlement under Rule 5.19A.5(b)(ii)(A) (other than in relation to the cancellation of a pending election request recorded by ASX Settlement as referred to in Rule 5.19A.5(a)(i)), the Issuer must either acknowledge or reject the relevant cancellation, and must Transmit a Corporate Action Election Status Advice Message to ASX Settlement within the Scheduled Time in accordance with the Procedures, notifying of the acknowledgement or rejection of the cancellation by the Issuer.</u></p> <p>(d) <u>If ASX Settlement receives a Valid Corporate Action Election Status Advice Message under Rule 5.19A.5(c), ASX Settlement will:</u></p> <p>(i) <u>remove the pending cancellation request recorded under Rule 5.19A.5(b)(i)(B);</u></p> <p>(ii) <u>Transmit a Message to the Controlling Participant that notified the relevant cancellation under Rule 5.19A.5(a), notifying it of the acknowledgement or rejection of that cancellation by the Issuer in accordance with the Corporate Action Election Status Advice Message; and</u></p> <p>(iii) <u>Transmit a Message to the Issuer acknowledging the receipt of the Corporate Action Election Status</u></p>	

Advice Message under Rule 5.19A.5(c).

~~(ee) If for an accepted election notified to an Issuer recorded by ASX Settlement for all or part of a CHES Holding under Rule 5.19A.2(d)(i), 5.19A.3(b)(i) or 5.19A.3(b)(ii), b)(ii) which the Issuer has acknowledged under Rule 5.19A.2(c), the Issuer cancels that election at the Issuer's instigation, the Issuer must Transmit to ASX Settlement a Valid Election Cancellation Message within the Scheduled Time in accordance with the Procedures, notifying of that cancellation.~~

~~*Note: Rule 5.19A.5(e) is limited to issuer-instigated cancellations. The rule does not extend to cancellations notified to Issuers under Rule 5.19A.5(b)(ii)(A) or cancellations notified directly to the Issuer by Holders.*~~

~~(df) If ASX Settlement receives a Valid Election Cancellation Message under Rule 5.19A.5(ee), ASX Settlement will:~~

~~(i) cancel and remove the accepted election recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or 5.19A.3(b)(ii) (as applicable); and~~

~~(i) Transmit a Message to the Issuer and the Controlling Participant for that CHES Holding, notifying it of the cancellation of the election by the Issuer in accordance with the Election Cancellation Message; and~~

~~(ii) Transmit a Message to the Issuer acknowledging the receipt of the Election Cancellation Message under Rule 5.19A.5(e).~~

~~(e) If an Issuer is notified of multiple elections or cancellations~~

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
5.19A.6	<p><b><u>Housekeeping of pending elections</u></b></p> <p><u>If a pending election request has been recorded in accordance with Rule 5.19A.2(b)(i), and a Corporate Action Status Advice Message has not been received by ASX Settlement from the Issuer within the Scheduled Time, ASX Settlement will cancel the pending election request recorded under Rule 5.19A.2(b)(i) and notify the relevant Controlling Participant and Issuer of such cancellation.</u></p>	<p><del>for all or part of a CHESS Holding in respect of a relevant dividend or other distribution reinvestment plan or bonus share plan and the Issuer is required to notify ASX Settlement of:</del></p> <p><del>(i) — the acceptance or rejection of an election under Rule 5.19A.2(c) or Rule 5.19A.3(a); or</del></p> <p><del>(ii) — the cancellation of an election under Rule 5.19A.5(e),</del></p> <p><del>— (as applicable) and the Scheduled Times for the Issuer to provide such notifications overlap, the Issuer must notify ASX Settlement of the relevant acceptance, rejection or cancellation in the sequence as processed and recorded by the Issuer.</del></p> <p><del>Note: Rule 5.19A.5(e) seeks to support the record maintained by ASX Settlement under Rule 5.19A.2(b), 5.19A.2(d), 5.19A.3(b), 5.19A.5(b) and 5.19A.5(d) as to an election notified for all or part of a CHESS Holding in respect of a relevant dividend or other distribution reinvestment plan or bonus share plan being aligned with the election status as recorded by the Issuer for the purpose of ASX Settlement’s processing of elections and cancellations of elections notified under Rules 5.19A.2, 5.19A.3 and 5.19A.5.</del></p> <p><b><u>Housekeeping of pending elections</u></b></p> <p><u>If for:</u></p> <p><del>(a) a pending election request <del>has been</del> recorded in accordance with Rule 5.19A.2(b)(i), <del>and</del>; or</del></p> <p><del>(b) a pending cancellation request recorded in accordance with Rule 5.19A.5(b)(i).</del></p> <p><u>a Corporate Action Status Advice Message has not been received</u></p>	Row 12

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
5.19A.7	<p><b><u>Warranty by Controlling Participant or Issuer</u></b></p> <p><u>A:</u></p> <p>(a) <u>Controlling Participant that Transmits an Election Participant Notification Message under Rule 5.19A.2(a);</u></p> <p>(b) <u>Issuer that Transmits an Election Issuer Notification Message under Rule 5.19A.3(a);</u></p> <p>(c) <u>Controlling Participant that Transmits an Election Cancellation Message under Rule 5.19A.5(a); or</u></p> <p>(d) <u>Issuer that Transmits an Election Cancellation Message under Rule 5.19A.5(c).</u></p> <p><u>is taken to have warranted that the Controlling Participant was authorised or the Issuer was legally entitled or authorised (as applicable) to notify an election or cancellation of an election for all or part of a CHESS Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) pursuant to such Transmitted Message.</u></p> <p><u>Note: The legal entitlement or authority of a Controlling Participant or Issuer for the purpose of the warranty under Rule 5.19A.7 could for example be as a result of an instruction by the Holder of the CHESS Holding to the Controlling Participant or Issuer or due to a change in the plan terms or cancellation of the plan by the Issuer.</u></p>	<p><u>by ASX Settlement from the Issuer within the Scheduled Time, ASX Settlement will <del>cancel</del>remove the pending election request recorded under Rule 5.19A.2(b)(i) or pending cancellation request under Rule 5.19A.5(b)(i) (as applicable) and notify the relevant Controlling Participant and Issuer of such cancellation.</u></p> <p><b><u>Warranty by Controlling Participant or Issuer</u></b></p> <p><u>A:</u></p> <p>(a) <u>Controlling Participant that Transmits an Election Participant Notification Message under Rule 5.19A.2(a);</u></p> <p><del>(b) Issuer that Transmits an Election Issuer Notification Message under Rule 5.19A.3(a);</del></p> <p><del>(c)</del> <u>Controlling Participant that Transmits an Election Cancellation Message under Rule 5.19A.5(a); or</u></p> <p><del>(d)</del> <u>Issuer that Transmits an Election Cancellation Message under Rule 5.19A.5(ee).</u></p> <p><u>is taken to have warranted that the Controlling Participant was authorised or the Issuer was legally entitled <del>or authorised (as applicable)</del> to notify an election or cancellation of an election for all or part of a CHESS Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) pursuant to such Transmitted Message.</u></p> <p><u>Note: The legal entitlement or authority of a Controlling Participant or Issuer for the purpose of the warranty under Rule 5.19A.7 could for example be as a result of an instruction by the Holder of the CHESS Holding to the Controlling Participant or <del>Issuer or</del> due to a change in the plan terms or cancellation of the plan by the Issuer.</u></p>	Row 1

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
5.19A.9	<p><b><u>Plan terms to include Holder representations and warranties</u></b></p> <p><u>In respect of a dividend or other distribution reinvestment plan or bonus share plan notified to the relevant Approved Listing Market Operator as referred to in Rule 5.19A.1(a), the Issuer must ensure that the terms and conditions of the relevant plan include terms and conditions to the effect that by:</u></p> <p>(a) <u>instructing a Controlling Participant to notify the Issuer of an election for all or part of the relevant CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan by Transmitting an Election Participant Notification Message under Rule 5.19A.2(a), the Holder represents and warrants that they:</u></p> <p>(i) <u>are legally entitled to make the relevant election;</u></p> <p>(ii) <u>have read and understood, and agree to be bound by the by the terms and conditions of the relevant plan;</u></p> <p>(iii) <u>make the relevant election in accordance with the terms and conditions of the relevant plan and authorise the Issuer to register them as a Holder of Approved Financial Products issued under the relevant plan;</u></p> <p>(iv) <u>in the case of a dividend or other distribution reinvestment plan, authorise the application of the distribution or dividend amount with respect to the number of Approved Financial Products participating in the relevant plan to the allocation of additional Approved Financial Products at the price specified in, and subject to, the terms and conditions of the</u></p>	<p><b><del>Plan terms to include Holder representations and warranties</del></b></p> <p><del>In respect of a dividend or other distribution reinvestment plan or bonus share plan notified to the relevant Approved Listing Market Operator as referred to in Rule 5.19A.1(a), the Issuer must ensure that the terms and conditions of the relevant plan include terms and conditions to the effect that by:</del></p> <p><del>(a) instructing a Controlling Participant to notify the Issuer of an election for all or part of the relevant CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan by Transmitting an Election Participant Notification Message under Rule 5.19A.2(a), the Holder represents and warrants that they:</del></p> <p><del>(i) are legally entitled to make the relevant election;</del></p> <p><del>(ii) have read and understood, and agree to be bound by the by the terms and conditions of the relevant plan;</del></p> <p><del>(iii) make the relevant election in accordance with the terms and conditions of the relevant plan and authorise the Issuer to register them as a Holder of Approved Financial Products issued under the relevant plan;</del></p> <p><del>(iv) in the case of a dividend or other distribution reinvestment plan, authorise the application of the distribution or dividend amount with respect to the number of Approved Financial Products participating in the relevant plan to the allocation of additional Approved Financial Products at the price specified in, and subject to, the terms and conditions of the</del></p>	Rows 1, 5, 6

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><u>relevant plan; and</u></p> <p><u>(v) make all of the representations and warranties attributed to Holders as set out in the documentation setting out the terms of the relevant plan; and</u></p> <p><u>(b) notifying the Issuer of an election or cancellation of an election for all or part of the relevant CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan other than through their Controlling Participant, the holder authorises the Issuer to notify the Controlling Participant of that election or cancellation.</u></p>	<p><del>relevant plan; and</del></p> <p><del>(v) make all of the representations and warranties attributed to Holders as set out in the documentation setting out the terms of the relevant plan; and</del></p> <p><del>(b) notifying the Issuer of an election or cancellation of an election for all or part of the relevant CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan other than through their Controlling Participant, the holder authorises the Issuer to notify the Controlling Participant of that election or cancellation.</del></p> <p><b><u>Warranty and Indemnity by Issuer</u></b></p> <p><u>(a) In respect of a dividend or other distribution reinvestment plan or bonus share plan that has been announced through the public announcement platform of an Approved Listing Market Operator for which a Plan Record has been created and has not been removed in accordance with Rule 5.19A.1, the Issuer is taken to have warranted that a Holder that is eligible under the terms and conditions of the relevant dividend or other distribution reinvestment plan or bonus share plan to submit an election or to cancel an election for all or part of their CHESS Holding, can:</u></p> <p><u>(i) submit such an election by their Controlling Participant Transmitting a Valid Election Participant Notification Message under Rule 5.19A.2(a); and</u></p> <p><u>(ii) submit such a cancellation of an election by their Controlling Participant Transmitting a Valid Election Cancellation Message under Rule 5.19A.5(a).</u></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
5.19A.10	<p><b><u>Enquiry request for details of election status for dividend or other distribution reinvestment plan or bonus share plan</u></b></p> <p>(a) A Controlling Participant may initiate a request for the details of the existing election status recorded by the Issuer for a CHESS Holding in relation to a dividend or other distribution reinvestment plan or bonus share plan (as</p>	<p><u>under the terms and conditions of the relevant dividend or other distribution reinvestment plan or bonus share plan.</u></p> <p><u>(b) If an Issuer is taken under Rule 5.19A.9(a) to have warranted that a Holder can submit an election or cancellation of an election in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan by their Controlling Participant Transmitting a Valid Election Participant Notification Message under Rule 5.19A.2(a) or a Valid Election Cancellation Message under Rule 5.19A.5(a) (as applicable) under the terms and conditions of the relevant dividend or other distribution reinvestment plan or bonus share plan, and the Holder was not able to submit such election or cancellation in that manner under the terms and conditions of the relevant dividend or other distribution reinvestment plan or bonus share plan, the Issuer indemnifies:</u></p> <p><u>(i) the Controlling Participant;</u></p> <p><u>(ii) ASX Settlement; and</u></p> <p><u>(iii) the Holder,</u></p> <p><u>against all losses, damages, costs and expenses arising from the Holder not being able to submit the election or cancellation of the election in that manner.</u></p>	Row 9

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p>applicable) by Transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.</p> <p>(b) If an Originating Message Transmitted to ASX Settlement complies with Rule 5.19A.10(a), ASX Settlement will Transmit to the Issuer a Message requesting the Issuer to provide the details of the election status requested in the Originating Message.</p> <p>(c) If an Issuer receives a Valid Message under Rule 5.19A.10(b), the Issuer must, within the Scheduled Time, Transmit a Valid Message to ASX Settlement with the requested details of the election status.</p> <p>(d) If ASX Settlement receives a Valid Message under Rule 5.19A.10(c), it must send a Message to the Controlling Participant that initiated the request under Rule 5.19A.10(a), providing the election status details included in the Message from the Issuer under Rule 5.19A.10(c).</p> <p>(e) If an Issuer receives a Message from ASX Settlement under Rule 5.19A.10(b) and does not respond to ASX Settlement under Rule 5.19A.10(c) within the relevant Scheduled Time for response, ASX Settlement may purge the unactioned Message from the Settlement Facility.</p>	<p>applicable) by Transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.</p> <p>(b) If an Originating Message Transmitted to ASX Settlement complies with Rule 5.19A.10(a), ASX Settlement will Transmit to the Issuer a Message requesting the Issuer to provide the details of the election status requested in the Originating Message.</p> <p>(c) If an Issuer receives a Valid Message under Rule 5.19A.10(b), the Issuer must, within the Scheduled Time, Transmit a Valid Message to ASX Settlement with the requested details of the election status.</p> <p>(d) If ASX Settlement receives a Valid Message under Rule 5.19A.10(c), it must send a Message to the Controlling Participant that initiated the request under Rule 5.19A.10(a), providing the election status details included in the Message from the Issuer under Rule 5.19A.10(c).</p> <p>(e) If an Issuer receives a Message from ASX Settlement under Rule 5.19A.10(b) and does not respond to ASX Settlement under Rule 5.19A.10(c) within the relevant Scheduled Time for response, ASX Settlement may <del>purge the unactioned Message from the Settlement Facility</del> <b>remove the relevant request and notify the relevant Controlling Participant and Issuer of such cancellation.</b></p>	
5.21A.1	<b>Corporate Action Record creation and removal</b>	<b>Corporate Action Record creation and removal</b>	Rows 10, 35
	<p>(a) If an Issuer, in respect of Approved Financial Products, notifies the Approved Listing Market Operator in accordance with its Listing Rules of a Rights Offer or a Securities Purchase Plan, the Issuer must also immediately</p>	<p>(a) If an Issuer, in respect of Approved Financial Products, <del>notifies the publicly releases a market announcement of a Rights Offer or a Securities Purchase Plan through the public announcement platform of the Approved Listing</del></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><u>notify ASX Settlement of the details of that Corporate Action.</u></p> <p>(b) <u>ASX Settlement will create a Corporate Action Record in respect of the Issuer for the relevant Rights Offer or a Securities Purchase Plan notified to the Approved Listing Market Operator as referred to in Rule 5.21A.1(a) of which ASX Settlement is informed.</u></p> <p>(c) <u>If the Issuer, in respect of Approved Financial Products, notifies the Approved Listing Market Operator in accordance with its Listing Rules of any change to, or cancellation of, a Rights Offer or a Securities Purchase Plan, the Issuer must also immediately notify ASX Settlement of the details of that change or cancellation to the Corporate Action.</u></p> <p>(d) <u>ASX Settlement will for a Corporate Action Record created under Rule 5.21A.1(b):</u></p> <p>(i) <u>update or remove that Corporate Action Record for a change or cancellation notified to the Approved Listing Market Operator as referred to in Rule 5.21A.1(c) (as applicable) of which ASX Settlement is informed; and</u></p> <p>(ii) <u>remove that Corporate Action Record on a date determined by ASX Settlement following the Applications Close Date.</u></p>	<p><u>Market Operator in accordance with its:</u></p> <p>(i) <u>Listing Rules; or</u></p> <p>(ii) <u>operating rules under which the Issuer applied for admission of the class of Financial Products to trading status of a Rights Offer or a Securities Purchase Plan,</u></p> <p><u>the Issuer must also immediately notify ASX Settlement of the details of that Corporate Action that announcement.</u></p> <p>(b) <u>ASX Settlement will create a Corporate Action Record in respect of the Issuer for the relevant Rights Offer or a Securities Purchase Plan notified to announced through the public announcement platform of the Approved Listing Market Operator as referred to in Rule 5.21A.1(a) after the commencement date of that Rule of which ASX Settlement is informed aware, including where it has been notified of that announcement under Rule 5.21A.1(a).</u></p> <p>(c) <u>If the Issuer, in respect of Approved Financial Products, notifies the Approved Listing Market Operator in accordance with its Listing Rules publicly releases a market announcement of any change to, or cancellation of, a Rights Offer or a Securities Purchase Plan, the Issuer must also immediately notify ASX Settlement of through the details of that change or cancellation to the Corporate Action public announcement platform of the Approved Listing Market Operator in accordance with its:</u></p> <p>(i) <u>Listing Rules; or</u></p> <p>(ii) <u>operating rules under which the Issuer applied for admission of the class of Financial Products to</u></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
5.21A.3	<p><b><u>Corporate Action acceptance – notification by Controlling Participant</u></b></p> <p>(a) A Controlling Participant may provide notification to an Issuer of an offer acceptance for all or part of a CHES Holding in respect of the relevant Rights Offer or Securities Purchase Plan by Transmitting to ASX Settlement a Valid Acceptance Participant Notification Message within the Scheduled Time in accordance with the Procedures. If the relevant Acceptance Participant Notification Message</p>	<p><u>trading status.</u></p> <p><u>the Issuer must also immediately notify ASX Settlement of the details of that announcement.</u></p> <p>(d) ASX Settlement will for a Corporate Action Record created under Rule 5.21A.1(b):</p> <p>(i) <u>update or remove that Corporate Action Record for a change or cancellation announced through the public announcement platform of <del>notified to the</del> Approved Listing Market Operator as referred to in Rule 5.21A.1(c) (as applicable) of which ASX Settlement is <del>informed</del> aware, including where it has been notified of that announcement under Rule 5.21A.1(c); and</u></p> <p>(ii) <u>remove that Corporate Action Record on a date determined by ASX Settlement following the Applications Close Date.</u></p> <p><i>Note: For the purposes of this Rule 5.21A.1, Issuers are not required to notify ASX Settlement of Rights Offer or Securities Purchase Plan announcements prior to the commencement date of Rule 5.21A.1.</i></p>	Rows 28, 35
		<p><b><u>Corporate Action acceptance – notification by Controlling Participant</u></b></p> <p>(a) A Controlling Participant may provide notification to an Issuer of an offer acceptance for all or part of a CHES Holding in respect of the relevant Rights Offer or Securities Purchase Plan by Transmitting to ASX Settlement a Valid Acceptance Participant Notification Message within the Scheduled Time in accordance with the Procedures. If the relevant Acceptance Participant Notification Message</p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><u>relates to an acceptance of an Entitlement under a Rights Offer made under a disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act and the Entitlement has not been renounced and transferred to the relevant CHES Holding, the Message must include the unique reference number to identify the entitlement and acceptance form.</u></p> <p>(b) <u>If ASX Settlement receives a Valid Acceptance Participant Notification Message under Rule 5.21A.3(a) and a Corporate Action Record for the relevant Rights Offer or Securities Purchase Plan has been created in accordance with Rule 5.21A.1, ASX Settlement will:</u></p> <p>(i) <u>in respect of an acceptance in relation to a Rights Offer or Securities Payment Plan:</u></p> <p>(A) <u>record an acceptance pending payment; and</u></p> <p>(B) <u>notify the Controlling Participant that provided the acceptance notification that an acceptance pending payment has been recorded,</u></p> <p><u>in relation to the acceptance notified under Rule 5.21A.3(a); and</u></p> <p>(ii) <u>in respect of an acceptance in relation to a Rights Offer (other than an Oversubscription Offer):</u></p> <p>(A) <u>apply a Holding Lock to the relevant Holding on the applicable CHES Rights Subregister; and</u></p> <p>(B) <u>notify the Controlling Participant that the</u></p>	<p><u>relates to an acceptance of an Entitlement under a Rights Offer made under a disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act and the Entitlement has not been renounced and transferred to the relevant CHES Holding, the Message must include the unique reference number to identify the entitlement and acceptance form.</u></p> <p><i>Note: For the purposes of this Rule 5.21A, it is noted that the term “acceptance” refers to the choice of the relevant Holder in response to the options available to that Holder under the terms of the relevant offer, and could include an application, instruction, acceptance, or other means of communicating the choice of the relevant Holder, howsoever described in the relevant offer terms.</i></p> <p>(b) <u>If ASX Settlement receives a Valid Acceptance Participant Notification Message under Rule 5.21A.3(a) and a Corporate Action Record for the relevant Rights Offer or Securities Purchase Plan has been created and has not been removed in accordance with Rule 5.21A.1, ASX Settlement will:</u></p> <p>(i) <u>in respect of an acceptance in relation to a Rights Offer or Securities Payment Plan:</u></p> <p>(A) <u>record an acceptance pending payment; <del>and</del></u></p> <p>(B) <u>notify the Controlling Participant that provided the acceptance notification that an acceptance pending payment has been recorded, <del>;</del> and</u></p> <p>(C) <u>notify the Issuer that an acceptance pending payment has been recorded,</u></p> <p><u>in relation to the acceptance notified under Rule</u></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><u>Holding Lock has been applied,</u>  <u>in relation to the acceptance notified under Rule 5.21A.3(a).</u></p> <p>(c) <u>Within the Scheduled Time, the Controlling Participant may initiate a Corporate Action RTGS Instruction in respect of the acceptance notified to ASX Settlement under Rule 5.21A.3(a) by Transmitting to ASX Settlement a Valid Corporate Action RTGS Message in accordance with the Procedures.</u></p> <p>(d) <u>If ASX Settlement receives a Valid Corporate Action RTGS Message under Rule 5.21A.3(c), then:</u></p> <p>(i) <u>ASX Settlement will:</u></p> <p>(A) <u>treat the Message as an RTGS Instruction to be settled in Real Time Gross Settlement under Section 11;</u></p> <p>(B) <u>update the record created under Rule 5.21A.3(b)(i)(A) to indicate that a payment instruction in RTGS has been initiated;</u></p> <p>(C) <u>notify the Controlling Participant that the record created under Rule 5.21A.3(b)(i)(A) has been updated to payment initiated; and</u></p> <p>(ii) <u>if the Payment Obligation under that RTGS Instruction is settled, ASX Settlement will:</u></p> <p>(A) <u>update the record updated under Rule 5.21A.3(d)(i)(B) to indicate that a payment instruction in RTGS has been completed;</u></p> <p>(B) <u>notify the Controlling Participant that the</u></p>	<p><u>5.21A.3(a); and</u></p> <p>(ii) <u>in respect of an acceptance in relation to a Rights Offer (other than an Oversubscription Offer):</u></p> <p>(A) <u>apply a Holding Lock to the relevant Holding on the applicable CHES Rights Subregister; and</u></p> <p>(B) <u>notify the Controlling Participant that the Holding Lock has been applied,</u></p> <p><u>in relation to the acceptance notified under Rule 5.21A.3(a).</u></p> <p><i>Note: The acceptance and issue of Approved Financial Products under an acceptance which has been notified to the Issuer, including where payment has been made by the Controlling Participant with respect to the Rights Offer or Securities Purchase Plan, remains subject to processing and validation by the Issuer in accordance with the relevant offer terms.</i></p> <p>(c) <u>Within the Scheduled Time, the Controlling Participant may initiate a Corporate Action RTGS Instruction in respect of the acceptance notified to ASX Settlement under Rule 5.21A.3(a) by Transmitting to ASX Settlement a Valid Corporate Action RTGS Message in accordance with the Procedures.</u></p> <p>(d) <u>If ASX Settlement receives a Valid Corporate Action RTGS Message under Rule 5.21A.3(c), then:</u></p> <p>(i) <u>ASX Settlement will:</u></p> <p>(A) <u>treat the Message as an RTGS Instruction to be settled in Real Time Gross Settlement under</u></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><u>record updated under Rule 5.21A.3(d)(i)(B) has been updated to payment completed;</u></p> <p>(C) <u>Transmit a Message to the RTGS Participant for the Issuer notifying it of the offer acceptance in accordance with the Originating Message from the Controlling Participant under Rule 5.21A.3(a); and</u></p> <p>(D) <u>Transmit a Message to the RTGS Participant for the Issuer notifying it of settlement of the payment for the acceptance referred to in Rule 5.21A.3(d)(ii)(C) above.</u></p> <p>(iii) <u>if the RTGS Instruction initiated under Rule 5.21A.3(c) is rejected under Rule 11.18.8(c), or if the Payment Obligation under that RTGS Instruction otherwise Fails, ASX Settlement will:</u></p> <p>(A) <u>update the record updated under Rule 5.21A.3(d)(i)(B) to record an acceptance pending payment;</u></p> <p>(B) <u>notify the Controlling Participant that the record updated under Rule 5.21A.3(d)(i)(B) has been updated to acceptance pending payment.</u></p> <p>(e) <u>If, within the Scheduled Time, a Controlling Participant has not Transmitted to ASX Settlement a Valid Corporate Action RTGS Message that complies with Rule 5.21A.3(c), the acceptance notified to ASX Settlement under Rule 5.21A.3(a) will be cancelled by ASX Settlement under Rule 5.21A.6.</u></p>	<p><u>Section 11;</u></p> <p>(B) <u>update the record created under Rule 5.21A.3(b)(i)(A) to indicate that a payment instruction in RTGS has been initiated;</u></p> <p>(C) <u>notify the Controlling Participant that the record created under Rule 5.21A.3(b)(i)(A) has been updated to payment initiated; and</u></p> <p>(ii) <u>if the Payment Obligation under that RTGS Instruction is settled, ASX Settlement will:</u></p> <p>(A) <u>update the record updated under Rule 5.21A.3(d)(i)(B) to indicate that a payment instruction in RTGS has been completed;</u></p> <p>(B) <u>notify the Controlling Participant that the record updated under Rule 5.21A.3(d)(i)(B) has been updated to payment completed;</u></p> <p>(C) <u>Transmit a Message to the RTGS Participant for the Issuer notifying it of the offer acceptance in accordance with the Originating Message from the Controlling Participant under Rule 5.21A.3(a); and</u></p> <p>(D) <u>Transmit a Message to the RTGS Participant for the Issuer notifying it of settlement of the payment for the acceptance referred to in Rule 5.21A.3(d)(ii)(C) above.</u></p> <p>(iii) <u>if the RTGS Instruction initiated under Rule 5.21A.3(c) is rejected under Rule 11.18.8(c), or if the Payment Obligation under that RTGS Instruction</u></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
		<p><u>otherwise Fails, ASX Settlement will:</u></p> <p><u>(A) update the record updated under Rule 5.21A.3(d)(i)(B) to record an acceptance pending payment;</u></p> <p><u>(B) notify the Controlling Participant that the record updated under Rule 5.21A.3(d)(i)(B) has been updated to acceptance pending payment.</u></p> <p><u>(e) If, within the Scheduled Time, a Controlling Participant has not Transmitted to ASX Settlement a Valid Corporate Action RTGS Message that complies with Rule 5.21A.3(c), the acceptance notified to ASX Settlement under Rule 5.21A.3(a) will be cancelled by ASX Settlement under Rule 5.21A.6.</u></p>	
5.21A.5	<b><u>Cancellation of acceptance</u></b>	<b><u>Cancellation of acceptance</u></b>	Row 28
	<p><u>(a) If for an acceptance pending payment recorded by ASX Settlement under Rule 5.21A.3(b)(i)(A), the Controlling Participant seeks to cancel that acceptance, the Controlling Participant must Transmit to ASX Settlement a Valid Acceptance Cancellation Message within the Scheduled Time in accordance with the Procedures, notifying of that cancellation.</u></p> <p><u>(b) If ASX Settlement receives a Valid Acceptance Cancellation Message under Rule 5.21A.5(a), ASX Settlement will:</u></p> <p><u>(i) in respect of an acceptance notified in relation to a Rights Offer or a Securities Purchase Plan, cancel and remove the acceptance pending payment record created under Rule 5.21A.3(b)(i)(A);</u></p>	<p><u>(a) If for an acceptance pending payment recorded by ASX Settlement under Rule 5.21A.3(b)(i)(A), the Controlling Participant seeks to cancel that acceptance, the Controlling Participant must Transmit to ASX Settlement a Valid Acceptance Cancellation Message within the Scheduled Time in accordance with the Procedures, notifying of that cancellation.</u></p> <p><u>(b) If ASX Settlement receives a Valid Acceptance Cancellation Message under Rule 5.21A.5(a), ASX Settlement will:</u></p> <p><u>(i) in respect of an acceptance notified in relation to a Rights Offer or a Securities Purchase Plan, cancel and remove the acceptance pending payment record created under Rule 5.21A.3(b)(i)(A);</u></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
5.21A.9A	<p>(ii) <u>in respect of an acceptance notified in relation to a Rights Offer (other than an Oversubscription Offer), remove the Holding Lock applied under Rule 5.21A.3(b)(ii)(A); and</u></p> <p>(iii) <u>Transmit a Message to the Controlling Participant for that Holding, notifying of the cancellation of the acceptance pending payment recorded in accordance with the Acceptance Cancellation Message.</u></p> <p>(c) <u>If a Valid Acceptance Cancellation Message is Transmitted to ASX Settlement by the Controlling Participant after the Scheduled Time, ASX Settlement must reject the Acceptance Cancellation Message.</u></p>	<p>(ii) <u>in respect of an acceptance notified in relation to a Rights Offer (other than an Oversubscription Offer), remove the Holding Lock applied under Rule 5.21A.3(b)(ii)(A); <del>and</del></u></p> <p>(iii) <u>Transmit a Message to the Controlling Participant for that Holding, notifying of the cancellation of the acceptance pending payment recorded in accordance with the Acceptance Cancellation Message; <del>and-</del></u></p> <p>(iv) <u><del>notify the Issuer of the cancellation of the acceptance pending payment recorded.</del></u></p> <p>(c) <u>If a Valid Acceptance Cancellation Message is Transmitted to ASX Settlement by the Controlling Participant after the Scheduled Time, ASX Settlement must reject the Acceptance Cancellation Message.</u></p>	Row 29
		<p><b><u>Warranty and Indemnity by Issuer</u></b></p> <p>(a) <u>In respect of a Rights Offer or Securities Purchase Plan that has been announced through the public announcement platform of an Approved Listing Market Operator for which a Corporate Action Record has been created and has not been removed in accordance with Rule 5.21A.1, the Issuer is taken to have warranted that a Holder that is eligible under the terms and conditions of the relevant Rights Offer or Securities Purchase Plan to submit an acceptance for all or part of their CHESS Holding, can submit such an acceptance by:</u></p> <p>(i) <u>their Controlling Participant Transmitting a Valid Acceptance Participant Notification Message under Rule 5.21A.3(a); and</u></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
5.21A.9	<u>Offer terms to include Holder representations and</u>	<del>Offer terms to include Holder representations and</del>	Row 29

(ii) making payment in respect of that acceptance pursuant to their Controlling Participant Transmitting a Valid Corporate Action RTGS Message under Rule 5.21A.3(c),

under the terms and conditions of the relevant Rights Offer or Securities Purchase Plan.

(b) If an Issuer is taken under Rule 5.21A.9A(a) to have warranted that a Holder can submit an acceptance in relation to the relevant Rights Offer or Securities Purchase Plan by their Controlling Participant Transmitting a Valid Acceptance Participant Notification Message under Rule 5.21A.3(a) and the making of payment in respect of that acceptance pursuant to their Controlling Participant Transmitting a Valid Corporate Action RTGS Message under Rule 5.21A.3(c) under the terms and conditions of the relevant Rights Offer or Securities Purchase Plan, and the Holder was not able to submit such acceptance in that manner under the terms and conditions of the relevant Rights Offer or Securities Purchase Plan, the Issuer indemnifies:

(i) the Controlling Participant;

(ii) ASX Settlement; and

(iii) the Holder,

against all losses, damages, costs and expenses arising from the Holder not being able to submit the acceptance in that manner.

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><u>warranties</u></p> <p><u>In respect of a Rights Offer or Securities Purchase Plan notified to the relevant Approved Listing Market Operator as referred to in Rule 5.21A.1(a), the Issuer must ensure that the terms and conditions of the relevant offer include terms and conditions to the effect that by instructing a Controlling Participant to notify the Issuer of an offer acceptance for all or part of the relevant CHESS Holding in respect of the relevant Rights Offer or Securities Purchase Plan by Transmitting an Acceptance Participant Notification Message under Rule 5.21A.3(a), the Holder represents and warrants that they:</u></p> <p><u>(a) are legally entitled to accept the relevant offer;</u></p> <p><u>(b) either:</u></p> <p><u>(i) have been given a full copy of the current disclosure document, product disclosure statement, or any other offer documentation setting out the terms of the relevant offer (as applicable); or</u></p> <p><u>(ii) if the Rights Offer is a Renounceable Rights Offer, and the Entitlement has been renounced and transferred to the Holder, have had access to a full copy of the current disclosure document, product disclosure statement, or any other offer documentation setting out the terms of the relevant offer (as applicable);</u></p> <p><u>(c) have read and understood, and agree to be bound by the terms and conditions applicable to the relevant offer;</u></p> <p><u>(d) agree to be bound by the terms and conditions of the constitution of the Issuer or relevant managed investment</u></p>	<p><del>warranties</del></p> <p><del>In respect of a Rights Offer or Securities Purchase Plan notified to the relevant Approved Listing Market Operator as referred to in Rule 5.21A.1(a), the Issuer must ensure that the terms and conditions of the relevant offer include terms and conditions to the effect that by instructing a Controlling Participant to notify the Issuer of an offer acceptance for all or part of the relevant CHESS Holding in respect of the relevant Rights Offer or Securities Purchase Plan by Transmitting an Acceptance Participant Notification Message under Rule 5.21A.3(a), the Holder represents and warrants that they:</del></p> <p><del>(a) are legally entitled to accept the relevant offer;</del></p> <p><del>(b) either:</del></p> <p><del>(i) have been given a full copy of the current disclosure document, product disclosure statement, or any other offer documentation setting out the terms of the relevant offer (as applicable); or</del></p> <p><del>(ii) if the Rights Offer is a Renounceable Rights Offer, and the Entitlement has been renounced and transferred to the Holder, have had access to a full copy of the current disclosure document, product disclosure statement, or any other offer documentation setting out the terms of the relevant offer (as applicable);</del></p> <p><del>(c) have read and understood, and agree to be bound by the terms and conditions applicable to the relevant offer;</del></p> <p><del>(d) agree to be bound by the terms and conditions of the constitution of the Issuer or relevant managed investment</del></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><u>scheme (as applicable);</u></p> <p><u>(e) accept the offer of Approved Financial Products in accordance with the terms and conditions of the relevant offer and authorise the Issuer to register them as a Holder of Approved Financial Products issued under the relevant offer; and</u></p> <p><u>(f) make all of the representations and warranties attributed to Holders as set out in the documentation setting out the terms of the relevant offer.</u></p>	<p><del>scheme (as applicable);</del></p> <p><del>(e) accept the offer of Approved Financial Products in accordance with the terms and conditions of the relevant offer and authorise the Issuer to register them as a Holder of Approved Financial Products issued under the relevant offer; and</del></p> <p><del>(f) make all of the representations and warranties attributed to Holders as set out in the documentation setting out the terms of the relevant offer.</del></p> <p><b><u>Warranty by Issuer as to Holder representations and warranties under offer terms</u></b></p> <p><u>In respect of a Rights Offer:</u></p> <p><del>(a) made under a disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act; and</del></p> <p><del>(b) announced through the public announcement platform of an Approved Listing Market Operator for which a Corporate Action Record has been created and has not been removed in accordance with Rule 5.21A.1,</del></p> <p><del>the Issuer is taken to have warranted that the terms and conditions of the relevant offer provide that where:</del></p> <p><del>(c) the Entitlement under the Rights Offer has been renounced and transferred to the relevant CHESS Holding of a Holder; and</del></p> <p><del>(d) the Holder’s Controlling Participant notifies the Issuer through CHESS of an offer acceptance (and makes the associated payment) in accordance with Rule 5.21A for all or</del></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
		<p><u>part of the relevant CHES Holding of the Holder, the Holder represents and warrants to the Issuer that they have read and understood, and agree to be bound by the terms and conditions applicable to the relevant offer.</u></p>	
5.21B.1	<b>Issuer payment for rejected acceptances</b>	<b>Issuer payment for rejected acceptances</b>	Row 32
	<p>(a) <u>If an RTGS Participant for the Issuer has been notified of an offer acceptance for all or part of a CHES Holding in respect of the Rights Offer or Securities Purchase Plan in accordance with Rule 5.21A.3(a), and the Issuer determines that:</u></p> <p>(i) <u>it will reject the relevant acceptance as a result of it being invalid or the cancellation of the Rights Offer or Securities Purchase Plan; or</u></p> <p>(ii) <u>in respect of an Oversubscription Acceptance or a Securities Purchase Plan Acceptance, it will reject the relevant acceptance in whole or in part as a result of a scaleback in accordance with the terms of the relevant Oversubscription Offer or Securities Purchase Plan,</u></p> <p><u>the RTGS Participant for the Issuer may Transmit to ASX Settlement a Valid Corporate Action Rejection Message within the Scheduled Time in accordance with the Procedures, notifying ASX Settlement of that rejection.</u></p> <p>(b) <u>If ASX Settlement receives a Valid Corporate Action Rejection Message under Rule 5.21B.1(a), ASX Settlement will:</u></p> <p>(i) <u>create a rejection pending payment record in respect</u></p>	<p>(a) <u>If an RTGS Participant for the Issuer has been notified of an offer acceptance for all or part of a CHES Holding in respect of the Rights Offer or Securities Purchase Plan in accordance with Rule 5.21A.3(a), and the Issuer determines that:</u></p> <p>(i) <u>it will reject the relevant acceptance as a result of it being invalid or the cancellation of the Rights Offer or Securities Purchase Plan; or</u></p> <p>(ii) <u>in respect of an Oversubscription Acceptance or a Securities Purchase Plan Acceptance, it will reject the relevant acceptance in whole or in part as a result of a scaleback in accordance with the terms of the relevant Oversubscription Offer or Securities Purchase Plan,</u></p> <p><u>the RTGS Participant for the Issuer may Transmit to ASX Settlement a Valid Corporate Action Rejection Message within the Scheduled Time in accordance with the Procedures, notifying ASX Settlement of that rejection.</u></p> <p>(b) <u>If ASX Settlement receives a Valid Corporate Action Rejection Message under Rule 5.21B.1(a) and a Corporate Action Record for the relevant Rights Offer or Share Purchase Plan has been created and has not been removed</u></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><u>of the Issuer for the Corporate Action Rejection Message Transmitted to ASX Settlement under Rule 5.21B.1(a); and</u></p> <p><u>(ii) notify the RTGS Participant for the Issuer a rejection pending payment has been recorded.</u></p> <p><u>(c) Within the Scheduled Time, the RTGS Participant for the Issuer may initiate a Corporate Action RTGS Instruction in respect of the rejection notified to ASX Settlement under Rule 5.21B.1(a) by Transmitting to ASX Settlement a Valid Corporate Action RTGS Message in accordance with the Procedures.</u></p> <p><u>(d) If ASX Settlement receives a Valid Corporate Action RTGS Message under Rule 5.21B.1(c), then:</u></p> <p><u>(i) ASX Settlement will:</u></p> <p><u>(A) treat the Message as an RTGS Instruction to be settled in Real Time Gross Settlement under Section 11;</u></p> <p><u>(B) update the record created under Rule 5.21B.1(b)(i) to indicate that a payment instruction in RTGS has been initiated; and</u></p> <p><u>(C) notify the RTGS Participant for the Issuer that the record created under Rule 5.21B.1(b)(i) has been updated; and</u></p> <p><u>(ii) if the Payment Obligation under that RTGS Instruction is settled, ASX Settlement will:</u></p> <p><u>(A) update the record updated under Rule 5.21B.1(d)(i)(B) to indicate that a payment</u></p>	<p><u>in accordance with Rule 5.21A.1, ASX Settlement will:</u></p> <p><u>(i) create a rejection pending payment record in respect of the Issuer for the Corporate Action Rejection Message Transmitted to ASX Settlement under Rule 5.21B.1(a); and</u></p> <p><u>(ii) notify the RTGS Participant for the Issuer a rejection pending payment has been recorded.</u></p> <p><u>(c) Within the Scheduled Time, the RTGS Participant for the Issuer may initiate a Corporate Action RTGS Instruction in respect of the rejection notified to ASX Settlement under Rule 5.21B.1(a) by Transmitting to ASX Settlement a Valid Corporate Action RTGS Message in accordance with the Procedures.</u></p> <p><u>(d) If ASX Settlement receives a Valid Corporate Action RTGS Message under Rule 5.21B.1(c), then:</u></p> <p><u>(i) ASX Settlement will:</u></p> <p><u>(A) treat the Message as an RTGS Instruction to be settled in Real Time Gross Settlement under Section 11;</u></p> <p><u>(B) update the record created under Rule 5.21B.1(b)(i) to indicate that a payment instruction in RTGS has been initiated; and</u></p> <p><u>(C) notify the RTGS Participant for the Issuer that the record created under Rule 5.21B.1(b)(i) has been updated; and</u></p> <p><u>(ii) if the Payment Obligation under that RTGS Instruction is settled, ASX Settlement will:</u></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><u>instruction in RTGS has been completed; and</u></p> <p><u>(B) notify the RTGS Participant for the Issuer that the record updated under Rule 5.21B.1(d)(i)(B) has been updated to payment completed; and</u></p> <p><u>(C) Transmit a Message to the Controlling Participant notifying it of the acceptance rejection in accordance with the Originating Message from the RTGS Participant for the Issuer under Rule 5.21B.1(a); and</u></p> <p><u>(D) Transmit a Message to the Controlling Participant notifying it of settlement of the payment for the rejection referred to in Rule 5.21B.1(d)(ii)(C) above.</u></p> <p><u>(iii) if the RTGS Instruction initiated under Rule 5.21B.1(c) is rejected under Rule 11.18.8(c), or if the Payment Obligation under that RTGS Instruction otherwise Fails, ASX Settlement will:</u></p> <p><u>(A) update the record updated under Rule 5.21B.1(d)(i)(B) to record a rejection pending payment;</u></p> <p><u>(B) notify the RTGS Participant for the Issuer that the record updated under Rule 5.21B.1(d)(i)(B) has been updated to rejection pending payment.</u></p> <p><u>(e) If, within the Scheduled Time, a RTGS Participant for the Issuer has not Transmitted to ASX Settlement a Valid Corporate Action RTGS Message that complies with Rule 5.21B.1(c), the rejection notified to ASX Settlement under</u></p>	<p><u>(A) update the record updated under Rule 5.21B.1(d)(i)(B) to indicate that a payment instruction in RTGS has been completed; and</u></p> <p><u>(B) notify the RTGS Participant for the Issuer that the record updated under Rule 5.21B.1(d)(i)(B) has been updated to payment completed; and</u></p> <p><u>(C) Transmit a Message to the Controlling Participant notifying it of the acceptance rejection in accordance with the Originating Message from the RTGS Participant for the Issuer under Rule 5.21B.1(a); and</u></p> <p><u>(D) Transmit a Message to the Controlling Participant notifying it of settlement of the payment for the rejection referred to in Rule 5.21B.1(d)(ii)(C) above.</u></p> <p><u>(iii) if the RTGS Instruction initiated under Rule 5.21B.1(c) is rejected under Rule 11.18.8(c), or if the Payment Obligation under that RTGS Instruction otherwise Fails, ASX Settlement will:</u></p> <p><u>(A) update the record updated under Rule 5.21B.1(d)(i)(B) to record a rejection pending payment;</u></p> <p><u>(B) notify the RTGS Participant for the Issuer that the record updated under Rule 5.21B.1(d)(i)(B) has been updated to rejection pending payment.</u></p> <p><u>(e) If, within the Scheduled Time, a RTGS Participant for the Issuer has not Transmitted to ASX Settlement a Valid</u></p>	

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><u>Rule 5.21B.1(a) will be cancelled by ASX Settlement under Rule 5.21B.2.</u></p>	<p><u>Corporate Action RTGS Message that complies with Rule 5.21B.1(c), the rejection notified to ASX Settlement under Rule 5.21B.1(a) will be cancelled by ASX Settlement under Rule 5.21B.2.</u></p>	
8.15.19	<p><b>Giving Effect to Message</b></p> <p><u>Subject to the terms of any court order under which a Holding Lock or Holder Record Lock has been applied and Rule 8.15.20, if</u> <del>If</del> ASX Settlement receives a Valid Message from an Issuer that initiates a Holding Adjustment or a Financial Products Transformation in relation to Financial Products held or to be held in a <u>Holding subject to a Holding Lock or Holder Record Lock</u><del>Locked Holding where the Holding Adjustment or Financial Products Transformation is a Reconstruction (other than a Holding subject to a Settlement Lock or Demand Lock)</del>, ASX Settlement must give effect to that Message.</p> <p><u>ASX Settlement will not give effect to a Valid Message from an Issuer that initiates a Holding Adjustment or Financial Products Transformation that is not a Reconstruction in relation to Financial Products held in a Locked Holding.</u></p> <p>Introduced 11/03/04 Origin SCH 11.5.3</p>	<p><b>Giving Effect to Message</b></p> <p><u>(a) Subject to the terms of any court order under which a Holding Lock or Holder Record Lock has been applied and Rule 8.15.20, if</u> <del>If</del> ASX Settlement receives a Valid Message from an Issuer that initiates a Holding Adjustment or a Financial Products Transformation in relation to Financial Products held or to be held in a <u>Holding subject to a Holding Lock or Holder Record Lock</u><del>Locked Holding</del>, <u>ASX Settlement must give effect to that Message where:</u></p> <p><u>(i) the Holding Adjustment or Financial Products Transformation is a Reconstruction (other than a Holding subject to a Settlement Lock or Demand Lock); or</u></p> <p><u>(ii) the Holding Adjustment or Financial Products Transformation results in an increase to the number of Financial Products in the Holding; or</u></p> <p><u>(iii) the Holding is subject to a Holder Record Lock due to the death or bankruptcy of a Holder.</u></p> <p><del>ASX Settlement must give effect to that Message.</del></p> <p><u>(b) ASX Settlement will not give effect to a Valid Message from an Issuer that initiates a Holding Adjustment or Financial Products Transformation that is not a Reconstruction in relation to Financial Products held in a Locked Holding</u></p>	Row 76

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		<p><u>that is not of a type identified in Rule 8.15.19(a).</u></p> <p><u>Note: In the case of a Locked Holding that relates to a Demand Lock or a Settlement Lock:</u></p> <p><u>(a) Rule 8.26.1 provides the process for the removal of such lock (and therefore the Holding ceasing to be a Locked Holding) prior to the Issuer initiating a Holding Adjustment or Financial Product Transformation by way of a Valid Message in respect of a Reconstruction; and</u></p> <p><u>(b) a Holding Adjustment or Financial Product Transformation that increases the number of Financial Products in a Holding is not prevented, given that such locks only prevent the specified number of Financial Products that are subject to a transfer from being deducted.</u></p> <p>Introduced 11/03/04 Origin SCH 11.5.3</p>	
<b>Section 11 Introduction</b>	<p>A Settlement Participant may settle Instructions in the Settlement Facility in Batch Settlement or Real Time Gross Settlement. <a href="#">A Corporate Action Payments Participant may settle Instructions in the Settlement Facility in Real Time Gross Settlement only.</a> Real Time Gross Settlement is governed by Section 11 of these Rules. Batch Settlement is governed by Section 10.</p> <p>Real Time Gross Settlement involves the settlement of RTGS Instructions. RTGS Instructions <del>may include be CCP Gross Batch Instructions, Dual Entry Bilateral Demand Settlement Batch Instructions and/or Corporate Action RTGS Instructions or Direct Batch Instructions that are eligible to be switched to Real Time Gross Settlement.</del></p> <p>In addition to determining the eligibility of Instructions to be</p>	<p>A <b>General</b> Settlement Participant may settle Instructions in the Settlement Facility in Batch Settlement or Real Time Gross Settlement. <a href="#">A Corporate Action Payments Participant may settle Instructions in the Settlement Facility in that capacity in Real Time Gross Settlement only.</a> Real Time Gross Settlement is governed by Section 11 of these Rules. Batch Settlement is governed by Section 10.</p> <p>Real Time Gross Settlement involves the settlement of RTGS Instructions. RTGS Instructions <del>may include be CCP Gross Batch Instructions, Dual Entry Bilateral Demand Settlement Batch Instructions and/or Corporate Action RTGS Instructions or Direct Batch Instructions that are eligible to be switched to Real Time Gross Settlement.</del></p> <p>In addition to determining the eligibility of Instructions to be</p>	Rows 44, 45

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p>included in Real Time Gross Settlement the purpose of this Section is to set out Rules relating to the operation of Real Time Gross Settlement in the Settlement Facility including:</p> <ul style="list-style-type: none"> <li>(a) the basis on which Settlement Participants <u>and Corporate Action Payments Participants</u> can act in respect of RTGS Settlement;</li> <li>(b) payment arrangements for RTGS Settlement;</li> <li><del>(c) the transfer and switch of Instructions between RTGS Settlement and Batch Settlement;</del></li> <li><del>(c)</del> the requirements to be met for RTGS Instructions;</li> <li><del>(d)</del> the <del>change to or</del> suspension and cancellation of RTGS Instructions;</li> <li><del>(e)</del> RTGS Settlement processing;</li> <li><del>(g) testing criteria including in relation to Financial Products and Debit Caps;</del></li> <li><del>(f)</del> discharge of settlement obligations; and</li> <li><del>(g)</del> failing of RTGS Instructions.</li> </ul>	<p>included in Real Time Gross Settlement the purpose of this Section is to set out Rules relating to the operation of Real Time Gross Settlement in the Settlement Facility including:</p> <ul style="list-style-type: none"> <li>(a) the basis on which <u>General</u> Settlement Participants <u>and Corporate Action Payments Participants</u> can act in respect of RTGS Settlement;</li> <li>(b) payment arrangements for RTGS Settlement;</li> <li><del>(c) the transfer and switch of Instructions between RTGS Settlement and Batch Settlement;</del></li> <li><del>(c)</del> the requirements to be met for RTGS Instructions;</li> <li><del>(d)</del> the <del>change to or</del> suspension and cancellation of RTGS Instructions;</li> <li><del>(e)</del> RTGS Settlement processing;</li> <li><del>(g) testing criteria including in relation to Financial Products and Debit Caps;</del></li> <li><del>(f)</del> discharge of settlement obligations; and</li> <li><del>(g)</del> failing of RTGS Instructions.</li> </ul>	
11.5.1	<p><b><u>Requirements to become an RTGS Participant</u></b><del><b><u>Activating a Net Position Record</u></b></del></p> <p><u>A Participant may settle RTGS Instructions in the capacity of an RTGS Participant in Real Time Gross Settlement, if it</u><del>For each Participant that:</del></p> <ul style="list-style-type: none"> <li>(a) is a Settlement Participant <u>or a Corporate Action Payments Participant; and</u></li> <li><del>(b) has requested ASX Settlement to establish at least one Net</del></li> </ul>	<p><b><u>Requirements to become an RTGS Participant</u></b><del><b><u>Activating a Net Position Record</u></b></del></p> <p><u>A Participant may <u>participate in Real Time Gross Settlement settle RTGS Instructions</u> in the capacity of an RTGS Participant <u>in Real Time Gross Settlement</u>, if it</u><del>For each Participant that:</del></p> <ul style="list-style-type: none"> <li>(a) is a <u>General</u> Settlement Participant <u>or a Corporate Action Payments Participant; and</u></li> <li><del>(b) has requested ASX Settlement to establish at least one Net</del></li> </ul>	Row 44

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><del>Position Record to facilitate Real Time Gross Settlement; and</del></p> <p><del>(be) is RTGS Accredited,</del></p> <p><del><i>Note: A Corporate Action Payments Participant that is RTGS Accredited may only settle Corporate Action RTGS Instructions under Section 11.</i></del></p> <p><del>ASX Settlement must, on receipt of a Valid Message Transmitted by an RTGS Payments Provider in accordance with Rule 11.5.3:</del></p> <p><del>(d) activate a Net Position Record linked to at least one RTGS Account Identifier; and</del></p> <p><del>(e) allow that Participant to settle RTGS Instructions in the capacity of an RTGS Participant in Real Time Gross Settlement.</del></p> <p>Introduced 11/03/04 Origin SCH 7A.4.1</p>	<p><del>Position Record to facilitate Real Time Gross Settlement; and</del></p> <p><del>(be) is RTGS Accredited,</del></p> <p><del><i>Note: A Corporate Action Payments Participant that is RTGS Accredited may only settle Corporate Action RTGS Instructions under Section 11.</i></del></p> <p><del>ASX Settlement must, on receipt of a Valid Message Transmitted by an RTGS Payments Provider in accordance with Rule 11.5.3:</del></p> <p><del>(d) activate a Net Position Record linked to at least one RTGS Account Identifier; and</del></p> <p><del>(e) allow that Participant to settle RTGS Instructions in the capacity of an RTGS Participant in Real Time Gross Settlement.</del></p> <p>Introduced 11/03/04 Origin SCH 7A.4.1</p>	
<b>11.5.2</b>	<p><b>RTGS Accredited Participants</b></p> <p>To be RTGS Accredited, a Participant must, to the reasonable satisfaction of ASX Settlement, <del>as shown by RTGS Pre-commencement Testing,</del> meet the RTGS Participation Requirements <u>which include, but are not limited to, providing ASX Settlement with details of the Participant's RTGS Bank Account.</u></p>	<p><b>RTGS Accredited Participants</b></p> <p>To be RTGS Accredited, a Participant must, to the reasonable satisfaction of ASX Settlement, <del>as shown by RTGS Pre-commencement Testing,</del> <del>meet the RTGS Participation Requirements which include, but are not limited to, providing ASX Settlement with details of the Participant's RTGS Bank Account;</del></p> <p><u>(a) meet the requirements of Rule 11.4.3;</u></p> <p><u>(b) be accredited to use the Messages relating to Bilateral Demand Settlement Instructions or Corporate Action RTGS Instructions or both (as applicable) required to participate as an RTGS Participant; and</u></p>	Row 44

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
		(c) <u>meet any requirements set out in the Procedures.</u>	
11.7.4	<p><b>Suspension of RTGS Payments Provider</b></p> <p>Where ASX Settlement receives a Notice that relates to Rule 11.7.3(a) or it is otherwise satisfied that an RTGS Payments Provider has gone into external administration within the meaning of the Payment Systems and Netting Act, ASX Settlement may for a specified period of time suspend:</p> <p>(a) that RTGS Payments Provider; and</p> <p>(b) any RTGS Participant which holds its Payment Facilities for the purposes of Real Time Gross Settlement exclusively with that RTGS Payments Provider,</p> <p>from participation in Real Time Gross Settlement in CHES.</p> <p><i>Note: Rules 11.7.1, 11.7.3, 11.7.4 and 11.8.2 address the requirements of sections 9(1)(e) and (f) of the Payment Systems and Netting Act. Refer also to Rule 11.8.9.</i></p> <p>Introduced 11/03/04 Origin SCH 7A.2.12</p>	<p><b>Suspension of RTGS Payments Provider</b></p> <p>Where ASX Settlement receives a Notice that relates to Rule 11.7.3(a) or it is otherwise satisfied that an RTGS Payments Provider has gone into external administration within the meaning of the Payment Systems and Netting Act, ASX Settlement may for a specified period of time suspend:</p> <p>(a) that RTGS Payments Provider; and</p> <p>(b) any RTGS Participant which holds its Payment Facilities for the purposes of Real Time Gross Settlement exclusively with that RTGS Payments Provider,</p> <p>from participation in Real Time Gross Settlement in CHES.</p> <p><i>Note: Rules 11.7.1, 11.7.3, 11.7.4 and 11.8.2 address the requirements of sections 9(1)(e) and (f) of the Payment Systems and Netting Act. <del>Refer also to Rule 11.8.9.</del></i></p> <p>Introduced 11/03/04 Origin SCH 7A.2.12</p>	Row 44
11.13.5	<p><b>Obligations between counterparties to an RTGS Instruction</b></p> <p>As between the RTGS Participants that are the counterparties to a particular RTGS Instruction, the obligations of each of them:</p> <p>(a) to pay or receive an amount; or</p> <p>(b) in the case of a <a href="#">Bilateral Demand Settlement DvP RTGS</a> Instruction, to deliver or receive Financial Products,</p> <p>are taken to be owed to the other as principal, even if a Participant has a settlement obligation to another person in</p>	<p><b>Obligations between counterparties to an RTGS Instruction</b></p> <p>As between the RTGS Participants that are the counterparties to a particular RTGS Instruction, the obligations of each of them:</p> <p>(a) to pay or receive an amount; <del>and</del></p> <p>(b) in the case of a <a href="#">Bilateral Demand Settlement DvP RTGS</a> Instruction, to deliver or receive Financial Products,</p> <p>are taken to be owed to the other as principal, even if a Participant has a settlement obligation to another person in</p>	Row 44

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	relation to the underlying RTGS Instruction.	relation to the underlying RTGS Instruction.	
11.17.4	<p><b>Cancellation of RTGS Instructions by Participants</b></p> <p>Subject to this Rule 11.17.4, if within the Scheduled Time a Participant Transmits to ASX Settlement a Valid Message requesting cancellation of an RTGS Instruction to which that Participant is a counterparty <u>and in respect of which it has a <a href="#">Payment Obligation</a></u>, ASX Settlement will:</p> <ul style="list-style-type: none"> <li>(a) cancel its Recording of the RTGS Instruction and, if applicable, remove it from the Feeder System Queue; <u>and</u></li> <li>(b) within the Scheduled Time, notify the sender that the RTGS Instruction has been removed from Real Time Gross Settlement in CHESSE; <u>and</u></li> <li>(c) <u>if both counterparties are Settlement Participants that are Clearing Participants and the RTGS Instruction relates to an On-Market Transaction, include details of the change in a Surveillance Report.</u></li> </ul> <p>Introduced 11/03/04 Origin SCH 7A.14.4</p>	<p><b>Cancellation of RTGS Instructions by Participants</b> <del>[DELETED]</del></p> <p><del>Subject to this Rule 11.17.4, if within the Scheduled Time a Participant Transmits to ASX Settlement a Valid Message requesting cancellation of an RTGS Instruction to which that Participant is a counterparty and in respect of which it has a Payment Obligation, ASX Settlement will:</del></p> <ul style="list-style-type: none"> <li><del>(a) cancel its Recording of the RTGS Instruction and, if applicable, remove it from the Feeder System Queue; and</del></li> <li><del>(b) within the Scheduled Time, notify the sender that the RTGS Instruction has been removed from Real Time Gross Settlement in CHESSE; and</del></li> <li><del>(c) if both counterparties are Settlement Participants that are Clearing Participants and the RTGS Instruction relates to an On-Market Transaction, include details of the change in a Surveillance Report.</del></li> </ul> <p>Introduced 11/03/04 Origin SCH 7A.14.4</p>	Row 49
11.17.5	<p><del>No Messages to cancellation of Dual Entry Bilateral Demand Settlement RTGS Instructions</del></p> <p><u>A Participant to a Bilateral Demand Settlement Instruction may not Transmit a Message to ASX Settlement requesting cancellation of that Instruction.</u></p> <p><u>If a Message to cancel a Dual Entry RTGS Instruction:</u></p> <p><u>(a) is Transmitted to ASX Settlement by a Participant within</u></p>	<p><del>No Messages to cancellation of Dual Entry Bilateral Demand Settlement RTGS RTGS Instructions</del></p> <p><u>A Participant to an RTGS Instruction Bilateral Demand Settlement Instruction may not Transmit a Message to ASX Settlement requesting cancellation of that Instruction.</u></p> <p><u>If a Message to cancel a Dual Entry RTGS Instruction:</u></p> <p><u>(a) is Transmitted to ASX Settlement by a Participant within</u></p>	Row 49

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><del>Scheduled Time; and</del></p> <p><del>(b) specifies or implies the same mandatory details as the Message Transmitted by the counterparty Participant,</del></p> <p><del>ASX Settlement will Match the Messages.</del></p> <p>Introduced 11/03/04 Origin SCH 7A.14.6, 7A.14.7</p>	<p>the Scheduled Time; and</p> <p>(b) specifies or implies the same mandatory details as the Message Transmitted by the counterparty Participant,</p> <p>ASX Settlement will Match the Messages.</p> <p>Introduced 11/03/04 Origin SCH 7A.14.6, 7A.14.7</p>	
11.17.7	<p><b>Suspension or cancellation of an RTGS Instruction during RTGS Settling Phase</b></p> <p>Despite any other Rule, ASX Settlement has no obligation to suspend settlement processing of, or cancel, an RTGS Instruction that has entered the RTGS Settling Phase except to the extent that the Reserve Bank of Australia, as operator of RITS/RTGS, permits ASX Settlement to recall from, or otherwise inactivate in, RITS/RTGS funds transfer details relating to that RTGS Instruction.</p> <p>Introduced 11/03/04 Origin SCH 7A.14.8</p>	<p><b>Suspension <del>or cancellation</del> of an RTGS Instruction during RTGS Settling Phase</b></p> <p>Despite any other Rule, ASX Settlement has no obligation to suspend settlement processing of, <del>or cancel</del>, an RTGS Instruction that has entered the RTGS Settling Phase except to the extent that the Reserve Bank of Australia, as operator of RITS/RTGS, permits ASX Settlement to recall from, or otherwise inactivate in, RITS/RTGS funds transfer details relating to that RTGS Instruction.</p> <p>Introduced 11/03/04 Origin SCH 7A.14.8</p>	Row 49
11.29.1	<p><b>Fees payable to ASX Settlement</b></p> <p>If an Instruction relating to an On-Market Transaction is Failed under rule 11.28.1, the Participant that is:</p> <ul style="list-style-type: none"> <li>(a) in the case of a failed RTGS Instruction that results from insufficient Financial Products, the delivering Participant;</li> <li>(b) in the case of a Failed RTGS Instruction that results from insufficient funds, the Participant that is on settlement the payer of that Payment Obligation; or</li> <li>(c) in the case of a Failed RTGS Instruction that results from a failure to authorise settlement processing in terms of Rule</li> </ul>	<p><b>Fees payable to ASX Settlement</b></p> <p>If an Instruction relating to an On-Market Transaction is Failed under rule 11.28.1, the Participant that is:</p> <ul style="list-style-type: none"> <li>(a) in the case of a failed RTGS Instruction that results from insufficient Financial Products, the delivering Participant;</li> <li><del>or</del></li> <li>(b) in the case of a Failed RTGS Instruction that results from insufficient funds, the Participant that is on settlement the payer of that Payment Obligation. <del>;</del> <del>or</del></li> <li><del>(c) in the case of a Failed RTGS Instruction that results from a</del></li> </ul>	Row 44

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p>11.18.4, a Participant that has failed to supply authorisation, is liable to pay a fee to ASX Settlement, calculated in accordance with the Fees and Charges Schedule.</p> <p>Introduced 11/03/04 Origin SCH 7A.26.1</p>	<p><del>failure to authorise settlement processing in terms of Rule 11.18.4, a Participant that has failed to supply authorisation,</del></p> <p>is liable to pay a fee to ASX Settlement, calculated in accordance with the Fees and Charges Schedule.</p> <p>Introduced 11/03/04 Origin SCH 7A.26.1</p>	
14.1.7	<p><b><u>Holding Adjustments and Financial Products Transformations</u></b></p> <p><u>ASX Settlement will not give effect to a Message from an Issuer that initiates a Holding Adjustment or Financial Products Transformation that is not a Reconstruction in relation to Financial Products reserved in a Subposition.</u></p>	<p><b><u>Holding Adjustments and Financial Products Transformations</u></b></p> <p><del>ASX Settlement will not give effect to a Message from an Issuer that initiates a Holding Adjustment or Financial Products Transformation that is not a Reconstruction in relation to Financial Products reserved in a Subposition.</del></p> <p>(a) <del>If ASX Settlement receives a Valid Message from an Issuer that initiates a Holding Adjustment or a Financial Products Transformation in relation to Financial Products reserved in a Subposition, ASX Settlement must give effect to that Message where:</del></p> <p style="margin-left: 20px;">(i) <del>the Holding Adjustment or Financial Products Transformation is a Reconstruction; or</del></p> <p style="margin-left: 20px;">(ii) <del>the Holding Adjustment or Financial Products Transformation results in an increase to the number of Financial Products in the Holding.</del></p> <p>(b) <del>ASX Settlement will not give effect to a Message from an Issuer that initiates a Holding Adjustment or Financial Products Transformation in relation to Financial Products reserved in a Subposition that is not of a type identified in Rule 14.1.7(a).</del></p>	Row 76

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
14.22.2	<p><b><u>Offeror to supply copy of notice of Non-Takeover Offer Event</u></b></p> <p><u>If an offeror gives any notice of the making of, or of the intention to make, an offer under a Non-Takeover Offer Event in relation to Approved Financial Products and that offeror seeks to use the facility made available by ASX Settlement under these Rules 14.22 to 14.30 for the processing of acceptances under that offer, the offeror must immediately supply a copy of that notice to ASX Settlement.</u></p>	<p><b><u>Offeror to supply copy of notice of Non-Takeover Offer Event</u></b></p> <p><u>If an offeror gives any notice of the making of, or of the intention to make, an offer under a Non-Takeover Offer Event in relation to Approved Financial Products and that offeror seeks to use the facility made available by ASX Settlement under these Rules 14.22 to 14.30 for the processing of acceptances under that offer, the offeror must <del>immediately</del> supply a copy of that notice to ASX Settlement <b>immediately after a market announcement of the offer is publicly released through the public announcement platform of the Approved Market Listing Operator.</b></u></p>	Row 69
14.23.3	<p><b><u>Obligations of offeror</u></b></p> <p><u>Not less than 5 Business Days before the start of the offer period for a Non-Takeover Offer Event in relation to a class of Approved Financial Products, the offeror must:</u></p> <p>(a) <u>(i) if the offeror is a Participant, give Notice to ASX Settlement that the offeror will be the Participant Offeror;</u></p> <p><u>(ii) apply to become a Participant for the limited purpose of acting as Participant Offeror; or</u></p> <p><u>(iii) appoint a Participant to act as Participant Offeror (whether that Participant's status is limited to acting as the Participant Offeror or otherwise) and give Notice to ASX Settlement of the name and UIC of that Participant; and</u></p> <p><u>(b) give Notice to ASX Settlement of the name of the Holder and the HIN for the Non-Takeover Offer Event Transferee Holding.</u></p>	<p><b><u>Obligations of offeror</u></b></p> <p><u>Not less than 5 Business Days before the start of the offer period for a Non-Takeover Offer Event in relation to a class of Approved Financial Products, the offeror must:</u></p> <p>(a) <u>(i) if the offeror is a Participant, give Notice to ASX Settlement that the offeror will be the Participant Offeror;</u></p> <p><u>(ii) apply to become a Participant for the limited purpose of acting as Participant Offeror; or</u></p> <p><u>(iii) appoint a Participant to act as Participant Offeror (whether that Participant's status is limited to acting as the Participant Offeror or otherwise) and give Notice to ASX Settlement <del>of the name and UIC of that</del> <b>the appointed Participant; and will be the Participant Offeror.</b></u></p> <p><u><del>(b) give Notice to ASX Settlement of the name of the Holder and the HIN for the Non-Takeover Offer Event Transferee Holding</del>Any Notice provided by the offeror to ASX</u></p>	Row 67

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
		<u>Settlement pursuant to this Rule 14.23.3 shall be in the form and include the information prescribed in the Procedures.</u>	
14.24.1	<p><b><u>Controlling Participant to initiate acceptances</u></b></p> <p><u>If:</u></p> <p>(a) <u>an offer is made under a Non-Takeover Offer Event in relation to Financial Products in a class of Approved Financial Products;</u></p> <p>(b) <u>at any time during the offer period of the Non-Takeover Offer Event, the Financial Products are in a Participant Sponsored Holding;</u></p> <p>(c) <u>on or before the close date of the Non-Takeover Offer Event, the Participant Sponsored Holder instructs the Controlling Participant to accept the offer.</u></p> <p><u>the Controlling Participant may initiate the acceptance under this Rule 14.24:</u></p> <p>(d) <u>if the Participant Sponsored Holder specifies the time when or by which the offer must be accepted, in accordance with those instructions; or</u></p> <p>(e) <u>otherwise, within the Scheduled Time.</u></p>	<p><b><u>Controlling Participant to initiate acceptances</u></b></p> <p><u>If:</u></p> <p>(a) <u>an offer is made under a Non-Takeover Offer Event in relation to Financial Products in a class of Approved Financial Products;</u></p> <p>(b) <u>at any time during the offer period of the Non-Takeover Offer Event, the Financial Products are in a Participant Sponsored Holding;</u></p> <p>(c) <u>on or before the close date of the Non-Takeover Offer Event, the Participant Sponsored Holder instructs the Controlling Participant to accept the offer.</u></p> <p><u>the Controlling Participant <del>may</del>must initiate the acceptance under this Rule 14.24:</u></p> <p>(d) <u>if the Participant Sponsored Holder specifies the time when or by which the offer must be accepted, in accordance with those instructions; or</u></p> <p>(e) <u>otherwise, within the Scheduled Time.</u></p> <p><i><u>Note: For the purposes of Rules 14.24, 14.25, 14.26 and 14.29, it is noted that the term “acceptance” refers to the choice of the relevant Holder in response to the options available to that Holder under the terms of the relevant Non-Takeover Offer Event, and could include an application, election, instruction, acceptance, or any other means of communicating the choice of the relevant Holder, howsoever described in the terms of the relevant Non-Takeover Offer Event.</u></i></p>	Row 67

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
14.24.2	<p><u>Acceptances of offers under Non-Takeover Offer Event to be initiated by Valid Originating Message</u></p> <p>Acceptance of an offer under a Non-Takeover Offer Event for Financial Products that, at the time of acceptance, are held in a CHES Holding, may be initiated by a Valid Originating Message that:</p> <p>(a) is Transmitted to ASX Settlement by the Controlling Participant for the Holding;</p> <p>(b) is sent during the offer period for the relevant offer;</p> <p>(c) specifies a Non-Takeover Offer Event Consideration Code for that offer; and</p> <p>(d) specifies the number of Financial Products in the Holding to which the acceptance relates.</p>	<p><u>Acceptances of offers under Non-Takeover Offer Event to be initiated by Valid Originating Message</u></p> <p>Acceptance of an offer under a Non-Takeover Offer Event for Financial Products that, at the time of acceptance, are held in a CHES Holding, <del>may</del><b>must</b> be initiated by a Valid Originating Message that:</p> <p>(a) is Transmitted to ASX Settlement by the Controlling Participant for the Holding;</p> <p>(b) is sent during the offer period for the relevant offer;</p> <p>(c) specifies a Non-Takeover Offer Event Consideration Code for that offer; and</p> <p>(d) specifies the number of Financial Products in the Holding to which the acceptance relates.</p>	Row 66
14.27.2	<p><u>Actions by ASX Settlement</u></p> <p>If a Message Transmitted to ASX Settlement complies with Rule 14.27.1 and:</p> <p>(a) there are sufficient Financial Products in the Source Holding reserved in an Offer Accepted Subposition in favour of the Participant Offeror; and</p> <p>(b) there is no Holding Lock or Holder Record Lock on the Source Holding.</p> <p>ASX Settlement must:</p> <p>(c) release the number of Financial Products specified in the Message from the Subposition;</p> <p>(d) deduct that number of Financial Products from the Source</p>	<p><u>Actions by ASX Settlement</u></p> <p>If a Message Transmitted to ASX Settlement complies with Rule 14.27.1 and:</p> <p>(a) there are sufficient Financial Products in the Source Holding reserved in an Offer Accepted Subposition in favour of the Participant Offeror; and</p> <p>(b) there is no Holding Lock or Holder Record Lock on the Source Holding.</p> <p>ASX Settlement must:</p> <p>(c) release the number of Financial Products specified in the Message from the Subposition;</p> <p>(d) deduct that number of Financial Products from the Source</p>	Row 64

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p><u>Holding; and</u></p> <p>(e) <u>enter that number of Financial Products into the Takeover Transferee Holding.</u></p>	<p><u>Holding; and</u></p> <p>(e) <u>enter that number of Financial Products into the <b>Non-Takeover Offer Event</b> Transferee Holding.</u></p>	
14.29.1	<p><b><u>Participant Offeror to notify ASX Settlement of effect of defeating conditions</u></b></p> <p><u>After the end of the offer period for a Non-Takeover Offer Event in relation to a class of Approved Financial Products, the Participant Offeror must, within the Scheduled Time, notify ASX Settlement of:</u></p> <p><u>(a) any acceptances of offers under the offer; and</u></p> <p><u>(b) any binding contracts that have resulted from such acceptances,</u></p> <p><u>that are avoided because of the existence of a defeating condition, and, in respect of any such acceptances and contracts, ASX Settlement must release Financial Products in that class from Offer Accepted Subpositions in relation to that Non-Takeover Offer Event.</u></p>	<p><b><u>Participant Offeror to notify ASX Settlement of effect of defeating conditions</u></b></p> <p><u>After the end of the offer period for a Non-Takeover Offer Event in relation to a class of Approved Financial Products, the Participant Offeror must, within the Scheduled Time, notify ASX Settlement of:</u></p> <p><u>(a) any acceptances of offers under the offer; and</u></p> <p><u>(b) any binding contracts that have resulted from such acceptances,</u></p> <p><u>that are avoided <b>including</b> because of the existence of a defeating condition, and, in respect of any such acceptances and contracts, ASX Settlement must release Financial Products in that class from Offer Accepted Subpositions in relation to that Non-Takeover Offer Event.</u></p> <p><i><u>Note: The reference to the “end of the offer period” in this Rule is taken to include any date prior to the end date of the original offer period on which the relevant offer ends, including if the Non-Takeover Offer Event is abandoned, withdrawn or otherwise fails to proceed, including due to the existence of a defeating condition or being overbid.</u></i></p>	Row 67
18.13.1	<p><b>Modifications</b></p> <p>The following Rules apply in relation to AQUA Products and Issuers of AQUA Products subject to the modifications specified</p>	<p><b>Modifications</b></p> <p>The following Rules apply in relation to AQUA Products and Issuers of AQUA Products subject to the modifications specified</p>	Row 78

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<p>below:</p> <p>(a) Rules 5.12.2 and 5.12.3 apply as if references to “Issuer’s constitution” were references to the constitution or other governing document of the registered scheme under which the AQUA Products are constituted; <del>and</del></p> <p>(b) Rules 5.13.1 and 5.13.3 apply as if references to “total issued capital” for a class of Financial Products were references to the total number of issued Financial Products in a class of AQUA Products; <del>and</del></p> <p><u>(c) Rule 5.19A applies as if references to “the Issuer” were references to the relevant “Product Issuer Settlement Participant”.</u></p>	<p>below:</p> <p>(a) Rules 5.12.2 and 5.12.3 apply as if references to “Issuer’s constitution” were references to the constitution or other governing document of the registered scheme under which the AQUA Products are constituted; <del>and</del><u>and</u></p> <p>(b) Rules 5.13.1 and 5.13.3 apply as if references to “total issued capital” for a class of Financial Products were references to the total number of issued Financial Products in a class of AQUA Products; <del>and</del><u>.</u></p> <p><del>(c) Rule 5.19A applies as if references to “the Issuer” were references to the relevant “Product Issuer Settlement Participant”.</del></p>	

**Appendix 1 to ASXSOR** Scheduled Times

<p><u>Rule 5.19A.2(c)</u></p>	<p><u>Issuer to Transmit a Corporate Action Election Status Advice Message</u></p>	<p><u>by the earlier of:</u></p> <p><u>(i) the time specified in the plan rules (if applicable); or</u></p> <p><u>(ii) within 1 Business Day of a Valid Message being sent to the Issuer under Rule 5.19A.2(b)(ii).</u></p>
<p><u>Rule 5.19A.3(a)</u></p>	<p><u>Issuer to notify election in respect of all or part of the relevant dividend or</u></p>	<p><u>within 1 Business Day of the election being accepted by the Issuer.</u></p>

Scheduled Times

<p><u>Rule 5.19A.2(c)</u></p>	<p><u>Issuer to Transmit a Corporate Action Election Status Advice Message</u></p>	<p><u>by the earlier of:</u></p> <p><u>(i) the time specified in the plan rules (if applicable); or</u></p> <p><u>(ii) <del>within 1 Business Day of a Valid Message being sent to the Issuer</del> the End of Day on the day the Issuer receives the Message from ASX Settlement under Rule 5.19A.2(b)(ii).</u></p>
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Rule Change proposed in Tranche 2 Consultation Paper

Revised change following Tranche 2 feedback

Reference to Attachment A

	<a href="#">other distribution reinvestment plan or bonus share plan that has been accepted by the Issuer by Transmitting to ASX Settlement a Valid Election Issuer Notification Message</a>	
<a href="#">Rule 5.19A.5(a)</a>	<a href="#">Controlling Participant to Transmit to ASX Settlement a Valid Election Cancellation Message for a pending election request or accepted election (if applicable)</a>	<a href="#">by the closing time on the Plan Election Date specified in the relevant plan rules, or if an earlier time is specified in the plan rules for such cancellation, such earlier time.</a>
<a href="#">Rule 5.19A.5(c)</a>	<a href="#">Issuer to Transmit to ASX Settlement a Valid Election Cancellation Message for an election (if applicable)</a>	<a href="#">within 1 Business Day of cancelling the election.</a>
<a href="#">Rule 5.19A.6</a>	<a href="#">Issuer to transmit to ASX Settlement a Valid Corporate Action Status Advice Message</a>	<a href="#">within 1 Business Day of the relevant Valid Message being sent to the Issuer under Rule 5.19A.2(b)(ii).</a>

...

<a href="#">Rule 14.29.1</a>	<a href="#">Participant Offeror to notify ASX Settlement of acceptances that are</a>	<a href="#">within 1 Business Day of the non-takeover offer lapsing because of a</a>
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<a href="#">Rule 5.19A.3(a)</a>	<a href="#">Issuer to notify election in respect of all or part of the relevant dividend or other distribution reinvestment plan or bonus share plan that has been accepted by the Issuer by Transmitting to ASX Settlement a Valid Election Issuer Notification Message</a>	<a href="#">within 1 Business Day of the election being accepted by the Issuer.</a>
<a href="#">Rule 5.19A.5(a)</a>	<a href="#">Controlling Participant to Transmit to ASX Settlement a Valid Election Cancellation Message for a pending election request or <del>accepted</del> election (if applicable)</a>	<a href="#">by the closing time on the Plan Election Date specified in the relevant plan rules, or if an earlier time is specified in the plan rules for such cancellation, such earlier time.</a>
<a href="#">Rule 5.19A.5(c)</a>	<a href="#">Issuer to Transmit a Corporate Action Election Status Advice Message</a>	<a href="#">by the earlier of:</a> <a href="#">(i) the time specified in the plan rules (if applicable); or</a> <a href="#">(ii) the End of _____ Day on the day the Issuer receives the Message from ASX Settlement under Rule 5.19A.5(b).</a>

Rule	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
	<u>avoided because of a defeating condition</u>	<u>defeating condition.</u>	
Rule <u>5.19A.5</u> ( <del>ee</del> )	Issuer to Transmit to ASX Settlement a Valid Election Cancellation Message for an election (if applicable)	within 1 Business Day of <u>cancelling the election.</u>	
Rule <u>5.19A.6</u>	Issuer to transmit to ASX Settlement a Valid Corporate Action Status Advice Message	within 1 Business Day of the relevant Valid Message being sent to the Issuer under Rule <u>5.19A.2(b)(ii) or 5.19A.5(b)(ii).</u>	
...			
Rule <u>14.29.1</u>	Participant Offeror to notify ASX Settlement of acceptances that are <u>avoided because of a defeating condition</u>	within 1 Business Day of the non-takeover offer lapsing <u>because of a defeating condition.</u>	

Table 2: ASX Settlement Operating Rule Procedures

Procedure	Change proposed in Tranche 2 Consultation Paper	Revised change following Tranche 2 feedback	Reference to Attachment A
5.19A.2	<p><b><u>CORPORATE ACTION ELECTION – NOTIFICATION BY CONTROLLING PARTICIPANT</u></b></p> <p><u>For the purposes of Rule 5.19A.2(a), a Valid Election Participant Notification Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:</u></p> <ul style="list-style-type: none"> <li><u>(a) the Controlling Participant’s UIC;</u></li> <li><u>(b) the Transaction Identifier of the Message</u></li> <li><u>(c) the Corporate Action Record identifier (if applicable);</u></li> <li><u>(d) the type of Corporate Action that the election relates to;</u></li> <li><u>(e) the code for the relevant Approved Financial Product;</u></li> <li><u>(f) the HIN of the relevant CHES Holding;</u></li> <li><u>(g) the option number code;</u></li> <li><u>(h) the Election Option Type; and</u></li> <li><u>(i) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Election Participant Notification Message relates to.</u></li> </ul> <p><u>For the purposes of Rule 5.19A.2(c), a Valid Corporate Action Election Status Advice Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:</u></p> <ul style="list-style-type: none"> <li><u>(a) the Transaction Identifier of the related Message received</u></li> </ul>	<p><b><u>CORPORATE ACTION ELECTION – NOTIFICATION BY CONTROLLING PARTICIPANT</u></b></p> <p><u>For the purposes of Rule 5.19A.2(a), a Valid Election Participant Notification Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:</u></p> <ul style="list-style-type: none"> <li><u>(a) the Controlling Participant’s UIC;</u></li> <li><u>(b) the Transaction Identifier of the Message</u></li> <li><u>(c) the <del>Corporate Action</del>Plan Record identifier (if applicable);</u></li> <li><u>(d) the type of Corporate Action that the election relates to;</u></li> <li><u>(e) the code for the relevant Approved Financial Product;</u></li> <li><u>(f) the HIN of the relevant CHES Holding;</u></li> <li><u>(g) the option number code;</u></li> <li><u>(h) the Election Option Type; and</u></li> <li><u>(i) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Election Participant Notification Message relates to.</u></li> </ul> <p><u>For the purposes of Rule 5.19A.2(c), a Valid Corporate Action Election Status Advice Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:</u></p> <ul style="list-style-type: none"> <li><u>(a) the Transaction Identifier of the related Message received</u></li> </ul>	Rows 1, 18

by the Issuer under Rule 5.19A.2(b)(ii);

- (b) the Corporate Action Record identifier;
- (c) the type of Corporate Action that the election relates to;
- (d) the processing status of the election, i.e. if the election is accepted or rejected;
- (e) the code for the relevant Approved Financial Product;
- (f) the HIN of the relevant CHES Holding;
- (g) the option number code;
- (h) the Election Option Type;
- (i) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Corporate Action Election Status Advice Message relates to; and
- (j) if the election is rejected, the reason must be provided.

For the purposes of Rule 5.19A.2(e) and Rule 5.19A.2(f), an election for “all” of the relevant CHES Holding means an election that specifies for the purpose of paragraph (i) of Procedure 5.19A.2(a) above, a proportion of the relevant CHES Holding which is the whole of the relevant CHES Holding, but does not include an election in relation to a number of Approved Financial Products even if the number specified constitutes the total quantity of Approved Financial Products in that CHES Holding.

Note: a Message for “all” of the relevant CHES Holding is denoted by the proportion code “QALL”, or such other code as may be determined by ASX Settlement, from time to time.

by the Issuer under Rule 5.19A.2(b)(ii);

- (b) ~~the Corporate Action Plan~~ Record identifier;
- (c) the type of Corporate Action that the election relates to;
- (d) the processing status of the election, i.e. if the election is ~~accepted~~ acknowledged or rejected;
- (e) the code for the relevant Approved Financial Product;
- (f) the HIN of the relevant CHES Holding;
- (g) the option number code;
- (h) the Election Option Type;
- (i) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Corporate Action Election Status Advice Message relates to; and
- (j) if the election is rejected, the reason must be provided.

~~For the purposes of Rule 5.19A.2(e) and Rule 5.19A.2(f), an election for “all” of the relevant CHES Holding means an election that specifies for the purpose of paragraph (i) of Procedure 5.19A.2(a) above, a proportion of the relevant CHES Holding which is the whole of the relevant CHES Holding, but does not include an election in relation to a number of Approved Financial Products even if the number specified constitutes the total quantity of Approved Financial Products in that CHES Holding.~~

~~Note: a Message for “all” of the relevant CHES Holding is denoted by the proportion code “QALL”, or such other code as may be determined by ASX Settlement, from time to time.~~

For the purposes of Rule 5.19A.3(a), a Valid Election Issuer Notification Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Issuer's UIC;
- (b) the Corporate Action Record identifier (if applicable);
- (c) the type of Corporate Action that the election relates to;
- (d) the code for the relevant Approved Financial Product;
- (e) the HIN of the relevant CHES Holding;
- (f) the option number code;
- (g) the Election Option Type; and
- (h) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Election Issuer Notification Message relates to.

For the purposes of Rule 5.19A.3(c) and Rule 5.19A.3(d), an election for "all" of the relevant CHES Holding means an election that specifies for the purpose of paragraph (h) of Procedure 5.19A.3(a) above, a proportion of the relevant CHES Holding which is the whole of the relevant CHES Holding, but does not include an election in relation to a number of Approved Financial Products even if the number specified constitutes the total quantity of Approved Financial Products in that CHES Holding.

Note: a Message for "all" of the relevant CHES Holding is denoted by the proportion code "QALL", or such other code as may be determined by ASX Settlement, from time to time.

5.19A.5

**CANCELLATION OF ELECTION**

For the purposes of Rule 5.19A.5(a) and 5.19A.5(c), a Valid Election Cancellation Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Election

~~For the purposes of Rule 5.19A.3(a), a Valid Election Issuer Notification Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) the Issuer's UIC;~~
- ~~(b) the Corporate Action Record identifier (if applicable);~~
- ~~(c) the type of Corporate Action that the election relates to;~~
- ~~(d) the code for the relevant Approved Financial Product;~~
- ~~(e) the HIN of the relevant CHES Holding;~~
- ~~(f) the option number code;~~
- ~~(g) the Election Option Type; and~~
- ~~(h) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Election Issuer Notification Message relates to.~~

~~For the purposes of Rule 5.19A.3(c) and Rule 5.19A.3(d), an election for "all" of the relevant CHES Holding means an election that specifies for the purpose of paragraph (h) of Procedure 5.19A.3(a) above, a proportion of the relevant CHES Holding which is the whole of the relevant CHES Holding, but does not include an election in relation to a number of Approved Financial Products even if the number specified constitutes the total quantity of Approved Financial Products in that CHES Holding.~~

~~Note: a Message for "all" of the relevant CHES Holding is denoted by the proportion code "QALL", or such other code as may be determined by ASX Settlement, from time to time.~~

**CANCELLATION OF ELECTION**

For the purposes of Rule 5.19A.5(a) and 5.19A.5(e), a Valid Election Cancellation Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Election

Rows 1, 12

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Cancellation Message includes:

- (a) the Participant's UIC or Issuer's UIC (as applicable);
- (b) the Corporate Action Record identifier;
- (c) the type of Corporate Action that the election relates to;
- (d) the code for the relevant Approved Financial Product;
- (e) the HIN of the relevant CHES Holding;
- (f) the option number code;
- (g) the Election Option Type;
- (h) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Election Cancellation Message relates to.

Cancellation Message includes:

- (a) the Participant's UIC or Issuer's UIC (as applicable);
- (b) the Corporate Action Record identifier;
- (c) the type of Corporate Action that the election relates to;
- (d) the code for the relevant Approved Financial Product;
- (e) the HIN of the relevant CHES Holding;
- (f) the option number code;
- (g) the Election Option Type;
- (h) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Election Cancellation Message relates to.

For the purposes of Rule 5.19A.5(c), a Valid Corporate Action Election Status Advice Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (i) the Transaction Identifier of the related Message received by the Issuer under Rule 5.19A.5(b)(ii);
  - (j) the Plan Record identifier;
  - (k) the type of Corporate Action that the election relates to;
  - (l) the processing status of the cancellation, i.e. if the cancellation is acknowledged or rejected;
  - (m) the code for the relevant Approved Financial Product;
  - (n) the HIN of the relevant CHES Holding;
  - (o) the option number code;
  - (p) the Election Option Type;
  - (q) the number of Approved Financial Products, or the
-

		<p><u>proportion of the relevant CHES Holding, to which the Corporate Action Election Status Advice Message relates to; and</u></p> <p><u>(r) if the election is rejected, the reason must be provided.</u></p>	
14.23.3		<p><b><u>OBLIGATIONS OF OFFEROR</u></b></p> <p><u>For the purposes of Rule 14.23.3, a notice must be in the form and include the information specified in the Participant Offeror Notice as determined by ASX Settlement from time to time.</u></p>	Row 67
18.3.1 (Initial Application)	<p><b>VALID ORIGINATING MESSAGE FOR AQUA PRODUCTS – INITIATION OF REQUEST</b></p> <p><b>Initial Application for issue</b></p> <p>“<b>Initial Application</b>” means an application for units in a Financial Product where the investor does not have a Holding in that Financial Product at the time the application is made.</p> <p>For the purposes of Rule 18.3.1, a Valid Originating Message in respect of an Initial Application for issue of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:</p> <ul style="list-style-type: none"> <li>(a) the code for the AQUA Product;</li> <li>(b) the HIN;</li> <li>(c) the amount to be invested;</li> <li>(d) the identification number for the request transaction;</li> <li>(e) all required account type details;</li> <li>(f) all required investor details;</li> <li>(g) all required tax residency details;</li> <li>(h) all required details of the investor’s advisor; and</li> </ul>	<p><b>VALID ORIGINATING MESSAGE FOR AQUA PRODUCTS – INITIATION OF REQUEST</b></p> <p><b>Initial Application for issue</b></p> <p>“<b>Initial Application</b>” means an application for units in a Financial Product where the investor does not have a Holding in that Financial Product at the time the application is made.</p> <p>For the purposes of Rule 18.3.1, a Valid Originating Message in respect of an Initial Application for issue of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message <del>includes</del><u>comprises:</u></p> <ul style="list-style-type: none"> <li><u>(a) a Valid AQUA Product applicant Message; followed by</u></li> <li><u>(b) a Valid Initial AQUA Product application Message.</u></li> </ul> <p><u>If the matters specified in respect of both Messages above are not received by ASX Settlement within 5 Business Days of the Originating Message being sent, ASX Settlement will cancel the Originating Message and notify the Settlement Participant of such cancellation.</u></p> <p><u>For the purposes of Procedure 18.3.1(a) above, a “Valid AQUA Product applicant Message” will be Transmitted to ASX Settlement in accordance with the Procedures if the Message</u></p>	Row 78

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- (i) the distribution preference of the investor (full distribution reinvestment plan, partial distribution reinvestment plan or cash); and where a partial distribution reinvestment plan or cash is nominated; the bank account details of the investor.

If the matters specified above are not received by ASX Settlement within 5 Business Days of the Originating Message being sent, ASX Settlement will cancel the Originating Message and notify the Settlement Participant of such cancellation.

includes:

- (c) all required account type details;  
(d) all required investor details;  
(e) all required tax residency details;  
(f) all required details of the investor's advisor;  
(g) the distribution preference of the investor (full distribution reinvestment plan, partial distribution reinvestment plan or cash); and where a partial distribution reinvestment plan or cash is nominated; and  
(h) the bank account details of the investor.

For the purposes of Procedure 18.3.1(b) above, a "Valid Initial AQUA Product Application Message" will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (i) the code for the AQUA Product;  
(b) the HIN;  
(e) the amount to be invested; and  
(d) the identification number for the request transaction;  
~~(e) all required account type details;~~  
~~(f) all required investor details;~~  
~~(g) all required tax residency details;~~  
~~(h) all required details of the investor's advisor; and~~  
~~(i) the distribution preference of the investor (full distribution reinvestment plan, partial distribution reinvestment plan or cash); and where a partial distribution reinvestment plan or cash is nominated;~~
-



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~~(j) the bank account details of the investor.~~

~~If the matters specified above are not received by ASX Settlement within 5 Business Days of the Originating Message being sent, ASX Settlement will cancel the Originating Message and notify the Settlement Participant of such cancellation.~~

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## SECTION 2 DEFINITIONS AND INTERPRETATION

This Section contains the definitions and sets out a number of general principles by which these Rules are to be interpreted.

### 2.1 GENERAL PRINCIPLES OF INTERPRETATION

In these Rules, unless the context otherwise requires:

- (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any regulation or statutory instrument issued under, that legislation or legislative provision;
- (b) a reference to the operating rules of an Approved Clearing Facility, the operating rules of an Approved Market Operator, the Listing Rules, the ASX Enforcement and Appeals Rulebook, these Rules, the Procedures or the Fees and Charges Schedule is a reference to the operating rules, the Listing Rules, that rulebook, these Rules, the Procedures or the Schedule as modified or amended from time to time;
- (c) the singular includes the plural and vice-versa;
- (d) a reference to person, body, corporation, trust, partnership, unincorporated body, firm, association, authority or government includes any of them;
- (e) a word denoting any gender includes all genders;
- (f) if a word or expression is given a particular meaning, another part of speech or grammatical form of that word or expression has a corresponding meaning;
- (g) a reference to power includes a reference to authority and discretion;
- (h) a reference to a Rule (eg Rule 2.4) includes a reference to all sub-Rules included under that Rule (eg Rule 2.5.4);
- (i) a reference to a Section (eg Section 2) includes a reference to all Rules and sub-Rules within that Section;
- (j) a reference to any Rule or Procedure is a reference to that Rule or Procedure as amended from time to time;
- (k) a reference to time is to the time in Sydney, Australia;
- (l) a reference to currency is a reference to Australian currency;

- (m) a reference to writing includes typing, printing, lithography, photography, telex, facsimile or any other mode of representing or reproducing words in a visible form;
- (n) where there is a reference to the power of ASX Settlement to make, demand or impose a requirement there is a corresponding obligation of the relevant Participant to comply with that demand or requirement in all respects;
- (o) a reference to ASX Settlement notifying or giving notice to a Participant or vice-versa is a reference to notifying or giving notice in accordance with Rule 1.10; ~~and~~
- (p) a reference to records includes any documents and any electronic records which ASX Settlement considers are relevant for the purposes of performing its functions under the Rules; and
- (q) a reference to a document includes any record of information including when in electronic form.

Introduced 11/03/04 Origin SCH 21.1 Amended 01/08/10, 01/01/12

...

## 2.13 DEFINITIONS

### 2.13.1 Definitions used in the Rules

In these Rules, unless the context otherwise requires:

...

“Accelerated Rights Offer” means an offer of a renounceable or non-renounceable right to subscribe for Approved Financial Products pursuant to a rights issue under which:

- (a) some or all persons who are offered Approved Financial Products may:
  - (i) receive the offer before other persons to whom offers are made; or
  - (ii) be given a period of time to accept the offer which is less than the period of time given to other persons to whom offers are made; or
- (b) the Approved Financial Products may be issued to a person before Approved Financial Products are issued to other persons under the offer.

“Acceptance Cancellation Message” means a Message pursuant to Rule 5.21A.5(a) that enables the Controlling Participant to cancel an acceptance pending payment recorded in relation to a Rights Offer or Securities Purchase Plan for a CHES Holding.

**“Acceptance Form”** means a document that enables a person to communicate to an Issuer an election in relation to a Corporate Action, including (without limitation):

- (a) an entitlement & acceptance form;

- (b) a provisional letter of issue; ~~and~~
- (c) an application form (whether or not attached to a ~~prospectus disclosure document~~);
- (d) a Valid Election Participant Notification Message; and
- (e) a Valid Acceptance Participant Notification Message.

Amended 04/03/1.

“Acceptance Participant Notification Message” means a Message pursuant to Rule 5.21A.3(a) that enables the Controlling Participant to communicate to the Issuer an acceptance in relation to a Rights Offer or Securities Purchase Plan for a CHES Holding.

...

~~“Accrued RTGS Instruction” mean an RTGS Instruction generated by ASX Settlement to effect a distribution of Financial Products arising from a Corporate Action.~~

...

~~“Cash Sub-record” means a CHES record:~~

- (a) ~~ancillary to a Participant’s Net Position Record; and~~
- (b) ~~tagged with an RTGS Account Identifier,~~

~~that tracks amounts to be debited or credited, on settlement of an RTGS Instruction, to the account of the Participant linked to that RTGS Account Identifier.~~

...

~~“CCP Gross RTGS Instruction” means an RTGS Instruction to give effect to a transaction that has been novated to CCP but that has not been netted in accordance with the operating rules of the Approved Clearing Facility.~~

...

“CHES Renounceable Rights Subregister” means the Subregister administered by ASX Settlement that records Holdings of renounceable rights or non-renounceable rights (as applicable).

...

“Corporate Action Election Status Advice Message” means a Message pursuant to Rule 5.19A.2(c) or 5.19A.5(c) that enables the Issuer to communicate to the Controlling Participant whether an election or a cancellation of an election in relation to a dividend or other distribution reinvestment plan or bonus share plan communicated by the Controlling Participant under Rule 5.19A.2(a) or 5.19A.5(a) has been acknowledged ~~accepted~~ or rejected by the Issuer.

“Corporate Action Payments Participant” means a Participant admitted to participate in the Settlement Facility under Rule 4.4B.

“Corporate Action Record” means a CHES record of a Corporate Action created by ASX Settlement in accordance with ~~Rule 5.19A.1 or~~ Rule 5.21A.1.

“Corporate Action RTGS Message” means a Message that instructs ASX Settlement to settle:

- (a) an acceptance of an offer, Transmitted by a Controlling Participant pursuant to Rule 5.21A.3(c); or
- (b) a rejection of an acceptance, Transmitted by an RTGS Participant for the Issuer pursuant to Rule 5.21B.1(c),

in Real Time Gross Settlement.

“Corporate Action RTGS Instruction” means an RTGS Instruction generated as a result of a Corporate Action RTGS Message which ASX Settlement treats as a RTGS Instruction under Rule 5.21A.3(d) or Rule 5.21B.1(d).

“Corporate Action Rejection Message” means a Message pursuant to Rule 5.21B.1(a) that enables the Issuer to communicate to ASX Settlement a rejection (in whole or in part) of an acceptance in relation to a Rights Offer or Securities Purchase Plan for a CHES Holding.

...

~~“Debit Cap” in relation to a Net Position Record for an RTGS Participant, means a facility within the Feeder System that, if activated, enables the Participant’s Net Position Record to go into debit up to the Debit Limit, at any time when the relevant RTGS Payments Provider is deemed to have made the election set out in Rule 11.9.2.~~

~~“Debit Cap Compliant” in Section 11, has the meaning given in Rule 11.20.2.~~

~~“Debit Cap Status” means at any time the status of a Debit Cap as authorised at that time by the RTGS Payments Provider for the relevant RTGS Participant, being either:~~

- ~~(a) — active; or~~
- ~~(b) — null (inactive).~~

~~“Debit Limit” in relation to a Debit Cap at any time, means the dollar amount:~~

- ~~(a) — most recently notified in accordance with Rules 11.9.1(c) and 11.9.3(c); and~~
- ~~(b) — recorded by ASX Settlement against the Net Position Record to which that Debit Cap applies.~~

~~“Delivery Obligation” in relation to a DvP RTGS Instruction, means an obligation on the part of one party to deliver certain Financial Products to the other on settlement.~~

...

~~“Dual Entry RTGS Instruction” means an RTGS Instruction that results from Matched Dual Entry RTGS Messages.~~

~~“Dual Entry RTGS Message” means an RTGS Message that relates to a DvP RTGS Transaction.~~

~~“Dual Entry Switch to Batch Settlement Message” in relation to a Dual Entry RTGS Instruction, means a Message that, in accordance with the requirements of the EIS, requests that an RTGS Instruction be removed from Real Time Gross Settlement and included in Batch Settlement under Section 10.~~

~~“Dual Entry Switch to RTGS Message” means a Message that, in accordance with the requirements of the EIS, requests that an Batch Instruction be removed from DvP Batch Settlement and included in Real Time Gross Settlement under Section 11.~~

...

~~“DvP RTGS Instruction” means a [Bilateral Demand Settlement Instruction](#) n RTGS Instruction that identifies a Payment Obligation and a Delivery Obligation.~~

....

~~“Election Cancellation Message” means a Message pursuant to [Rule 5.19A.5\(a\)](#) or [5.19A.5\(ee\)](#) that enables the Controlling Participant or the Issuer to communicate to the Issuer or the Controlling Participant (as applicable) a cancellation of a pending election request or an ~~accepted~~ election ~~recorded~~ in relation to a dividend or other distribution reinvestment plan or bonus share plan for a CHES Holding.~~

...

~~“Election Issuer Notification Message” means a Message pursuant to [Rule 5.19A.3\(a\)](#) that enables the Issuer to communicate to the Controlling Participant an election notified to the Issuer in relation to a dividend or other distribution reinvestment plan or bonus share plan for a CHES Holding (other than pursuant to an election notified to the Issuer under [Rule 5.19A.2\(b\)\(ii\)](#)), that has been accepted by the Issuer.~~

~~“Election Option Type” means an election for cash or for the issue of Financial Products under a dividend or other distribution reinvestment plan or bonus share plan.~~

~~“Election Participant Notification Message” means a Message pursuant to [Rule 5.19A.2\(a\)](#) that enables the Controlling Participant to communicate to the Issuer an election ~~or an update to an election~~ in relation to a dividend or other distribution reinvestment plan or bonus share plan for a CHES Holding.~~

...

“Entitlement” means:

- (a) property (other than Financial Products) or money transferred or paid to a person because the person is or was the holder of a Financial Product; or
- (b) a right that a person has because the person is or was the holder of a Financial Product, including, for example:
  - (i) A right to be paid an amount or to be issued with additional Financial Products; or

- (ii) A right that arises out of a reduction in share capital, a scheme of arrangement or compromise or a takeover bid;

and includes a reference to a right, whether existing or future, and whether contingent or not. It includes (without limitation):

- (c) rights;
- (d) bonus issues;
- (e) dividend, interest and trust distribution payments;
- (f) priority issues;
- (g) offers under an equal access scheme;

(ga) offers under a Securities Purchase Plan;

- (h) in relation to Participating International Financial Products, any equivalent or similar benefit (however described) provided or offered by the issuer of the Participating International Financial Products; and

- (i) interest, principal and any other payments arising in respect of a Government Bond.

....

~~“Excluded Cash Sub-record” means a Cash Sub-record so designated by an RTGS Participant for the purposes of Rule 11.20.~~

....

“Feeder System Queue” means the facility within the Feeder System to:

- (a) enable an RTGS Payments Provider to authorise within CHES a Payment Obligation it is required to perform in respect of an RTGS Instruction ~~test RTGS Instructions within CHES~~ in the manner contemplated by Rules ~~11.22, 11.18, 11.19 and 11.20~~; and
- (b) hold and allow ASX Settlement to monitor unsettled RTGS Instructions during the RTGS Settling Phase.

....

“Fund Request Cut-Off” means, in relation to an application for issue or redemption of AQUA Products ~~or an application to Switch between AQUA Products~~, on any Business Day, the time specified in the Scheduled Times.

...

“Matched Messages” means:

- ~~(a) in relation to Dual Entry RTGS Messages, Messages that are Matched under Rule 9.5A.4 or 11.13.3;~~
- (a**b**) in relation to **Dual Entry Bilateral** Batch Messages, Messages that are Matched under Rule **9.5.2 or** 10.9.3;
- ~~(c) in relation to Dual Entry Switch to Batch Settlement Messages, Messages that are Matched under Rule 11.12.3;~~
- ~~(d) in relation to Dual Entry Switch to RTGS Messages, Messages that are Matched under Rule 10.6.1 or 10.11.8; and~~
- (b**e**) **in relation to Bilateral Demand Messages, Messages that are Matched under Rule 9.5.2; in relation to Dual Entry Payment Batch Messages, Messages that are Matched under Rule 10.8.3, and**
- (c**f**) **in relation to Bilateral Demand Settlement Messages, Messages that are Matched under Rule 9.5A.4.**

and in any other case means Valid Messages that are Matched.

...

~~“**Net Position Record**” in relation to an RTGS Participant, means a facility established within CHESSE through which ASX Settlement tracks and records the outcome of RTGS Instructions due for settlement on any RTGS Business Day, that relate to a particular Payment Facility of that Participant.~~

~~“**Net Position Record Status**” means at any time the status of a Net Position Record as authorised at that time by the RTGS Payments Provider that maintains the Payment Facility to which that Net Position Record is linked, being either:~~

- ~~(a) active; or~~
- ~~(b) inactive.~~

...

“**Non-Renounceable Rights Offer**” means an offer of a non-renounceable right to subscribe for Approved Financial Products pursuant to a rights issue.

...

“**Non-Takeover Offer Event**” in relation to a Financial Product in a class of Approved Financial Products means:

- (a) a buy back offer;
- (b) a reinvestment offer; or
- (c) an offer under a scheme of arrangement under Part 5.1 of the Corporations Act involving alternate forms of consideration for which an election can be made.

“Non-Takeover Offer Event Consideration Code” in relation to a Non-Takeover Offer Event means a unique code allocated by the Approved Listing Market Operator in respect of each alternate form of consideration offered under the relevant Non-Takeover Offer Event.

“Non-Takeover Offer Event Transfer” means a Transfer of Financial Products from a CHESS Holding pursuant to an acceptance of an offer for the Financial Products made under a Non-Takeover Offer Event.

“Non-Takeover Offer Event Transferee Holding” means a CHESS Holding to which Financial Products are to be Transferred pursuant to acceptances of offers made under a Non-Takeover Offer Event.

...

**“Offer Accepted Subposition”** means a Subposition for the reservation of Financial Products in a CHESS Holding which are the subject of an acceptance under a takeover bid or a Non-Takeover Offer Event.

...

“Oversubscription Acceptance” means an acceptance of an Oversubscription Offer.

“Oversubscription Offer” means an offer made to persons to whom offers were made under a Renounceable Rights Offer or a Non-Renounceable Rights Offer to subscribe for Approved Financial Products that either:

- (a) had first been offered to, but not accepted by, another person under the rights issue; or
- (b) was made on the condition that the Approved Financial Products to which the offer relates may only be issued to the person where an offer of the Approved Financial Products has first been made to, but not accepted by, another person under the rights issue.

...

**“Parent Batch Instruction”** means a Batch Instruction that gives rise to an Accrued Batch Instruction, Settlement Adjustment, transfer, payment or other adjustment, compensation or redress mechanism pursuant to Rules 10.17 to 10.23 as a result of a Corporate Action.

...

~~“Parent DvP RTGS Instruction” means a Parent RTGS Instruction with a Settlement Amount scheduled to settle in DvP Real Time Gross Settlement.~~

...

~~“Parent RTGS Instruction” means an RTGS Instruction that gives rise to an Accrued RTGS Instruction as a result of a Corporate Action.~~

“**Participant**” means an Account Participant, a Specialist Settlement Participant, a General Settlement Participant, ~~or a Product Issuer Settlement Participant~~ or a Corporate Action Payments Participant.

Amended 21/03/14

...

~~“**Participant Managed**” in relation to the attributes of a Net Position Record, means any of the matters set out in Rule 11.9.11.~~

...

“**Participant Offeror**” means a Participant entitled or authorised (whether as the offeror or on behalf of the offeror) to receive acceptances of offers made under a Non-Takeover Offer Event in accordance with these Rules.

...

“**Payment Facility**” means a ~~f~~Facility operated for a Participant at a Payments Provider for the purposes of paying and receiving payments in Batch Settlement or Real Time Gross Settlement.

....

~~“**Payments Provider Managed**” in relation to the attributes of a Net Position Record, means any of the matters set out in Rule 11.9.3(a) to (f).~~

....

“**Plan Election Date**” means the date by which a person must submit an Acceptance Form to an Issuer if the person wishes to subscribe for new or additional Financial Products or to receive cash instead of new or additional Financial Products (as applicable) in respect of a dividend or other distribution reinvestment plan or bonus share plan.

...

“**Plan Record**” means a CHES record of a dividend or other distribution reinvestment plan or bonus share plan created by ASX Settlement in accordance with Rule 5.19A.1.

...

“**Real Time Gross Settlement**” means the processing and settling of:

(a) \_\_\_\_\_ payment and delivery obligations; or

(b) \_\_\_\_\_ payment obligations only.

in real time and on a gross, not net, basis, the fundamental characteristic of which is that the payment and delivery components (as applicable) of an ~~Instruction~~ ~~transaction~~ become irrevocable at the time of settlement and, in relation to CHES, is effected in accordance with systems and procedures contained in Section 11.

....

~~“Reserve” in Section 11 in relation to Financial Products, has the meaning given in Rule 11.19.1(d).~~

...

“Renounceable Rights Offer” means an offer of a renounceable right to subscribe for Approved Financial Products pursuant to a rights issue.

~~“Renounceable Rights Record” means the record maintained by an Issuer of Holders of renounceable rights or non-renounceable rights not held on the CHESSE Rights Subregister.~~

...

“Rights Offer” means:

(a) a Non-Renounceable Rights Offer;

(b) a Renounceable Rights Offer; or

(c) an Oversubscription Offer,

but does not include an Accelerated Rights Offer made to an exempt investor.

Note: A Rights Offer includes an Accelerated Rights Offer made to persons other than an exempt investor.

...

~~“RTGS Account Identifier” means a numeric identifier (that may, but need not, be an account number) agreed between an RTGS Participant and an RTGS Payments Provider to uniquely identify the Participant's account that is to be debited, or credited, with the amount of any Payment Obligation, on settlement of an RTGS Instruction in accordance with Rule 11.25.~~

.....

“RTGS Bank Account” means, in relation to an RTGS Participant at any time, a bank account with an RTGS Payments Provider opened by the RTGS Participant, and subject to a current notification by that RTGS Participant in accordance with Rule 11.4.3.

....

~~“RTGS Delivery Shortfall” in relation to Financial Products of a particular class in a Holding at any time on the RTGS Settlement Date for a particular RTGS Instruction, means that the sum of:~~

~~(a) the number of Financial Products of that class required to be delivered from that Holding in Real Time Gross Settlement under that RTGS Instruction on that day;~~

~~(b) the number of Financial Products of that class Reserved against that Holding in relation to RTGS Instructions at that time in the RTGS Settling Phase, and~~

~~(c) — prior to ASX Settlement recording under Rule 10.12.1(f)(ii) a movement of Financial Products of that class against that Holding to effect DvP Net Settlement on that day, the number of Financial Products of that class that ASX Settlement has determined at Settlement Cut-off will be so recorded as a movement against that holding at DvP Notification on that day,~~

~~is greater than:~~

~~(d) — the total number of Available Financial Products at that time in the Holding.~~

~~“RTGS Eligible” in relation to Financial Products, has the meaning set out in Rule 11.1.1.~~

~~“RTGS End of Day” means on any RTGS Business Day, 5.00pm-5.15pm Sydney time or such other time as ASX Settlement may from time to time determine.~~

~~“RTGS Instruction” means an instruction to ASX Settlement to effect a payment in Real Time Gross Settlement through the CHESSE Feeder System (including in connection with a Settlement Transfer that occurs in CHESSE), and includes a Bilateral Demand Settlement Instruction and a Corporate Action RTGS Instruction to settle an RTGS Transaction in Real Time Gross Settlement through the CHESSE Feeder System, and includes a DvP RTGS Instruction, a CCP Gross RTGS Instruction and a Dual Entry RTGS Instruction.~~

...

~~“RTGS Mandatory” in relation to an RTGS Transaction, has the meaning set out in Rule 11.3.1.~~

~~“RTGS Message” means a Bilateral Demand Settlement Message or Corporate Action RTGS Message Message that, in accordance with the requirements of the EIS, instructs ASX Settlement to settle an RTGS Transaction in Real Time Gross Settlement.~~

~~“RTGS Participant” means a General Settlement Participant or Corporate Action Payments Participant:~~

~~(a) — that satisfies the criteria for participation in Real Time Gross Settlement set out in Rule 11.5.1, and~~

~~(b) — for which a Net Position Record has been established under the Rules that records the Net Position Record Status as active.~~

~~“RTGS Participation Requirements” in relation to a Participant, means any technical and performance requirements notified by ASX Settlement to the Participant to ensure that it is capable of operating in Real Time Gross Settlement.~~

.....

~~“RTGS Pre-commencement Testing” means testing at the direction of ASX Settlement to establish whether a prospective RTGS Participant meets the RTGS Participation Requirements.~~

~~“RTGS Settlement Date” means the RTGS Business Day specified, or taken to be specified, in an “RTGS Instruction as the date on which the counterparties intend that RTGS Instruction to settle in Real Time Gross Settlement.~~

...

“Securities Purchase Plan” means an arrangement under which:

- (a) an offer of Approved Financial Products is made to each eligible Holder of Approved Financial Products in the relevant class (as applicable) on a date determined by the Issuer;
- (b) each offer is made on:
  - (i) the same terms and conditions; and
  - (ii) a non-renounceable basis; and
- (c) the issue price of the Approved Financial Products may be less than the market price of the Approved Financial Products during a specified period before either the date of the offer or the date of the issue.

but does not include a Rights Offer or a bonus share plan.

“Securities Purchase Plan Acceptance” means an acceptance of an offer under a Securities Purchase Plan.

...

~~“Settlement Adjustment” means an adjustment to the Settlement Amount of a DvP Batch Instruction or a DvP RTGS Instruction.~~

...

~~“Standing Buy Account Identifier” means an RTGS Account Identifier that is notified to ASX Settlement under Rule 11.9.11 or Rule 11.9.15 for the purposes of an RTGS Instruction where the Participant will, on settlement, be the payer of the Payment Obligation identified in that RTGS Instruction.~~

....

~~“Standing Sell Account Identifier” means an RTGS Sell Account Identifier that is notified to ASX Settlement under Rule 11.9.11 or Rule 11.9.15 for the purposes of an RTGS Instruction where the Participant will, on settlement, be the payee of the Payment Obligation identified in that RTGS Instruction.~~

....

~~“Switch” means, in respect of a Holding of AQUA Products, a process comprising the redemption by the Holder of a specified quantity of the AQUA Products followed by the investment by the Holder of the proceeds of redemption in AQUA Products of the same Product Issuer Settlement Participant.~~

....

~~“Switch to Batch Settlement Message” means a Message that, in accordance with the requirements of the EIS, requests that an RTGS Instruction be removed from Real Time Gross Settlement in CHES and settled in Batch Settlement.~~

...

“UIC” stands for User Identification Code and means a unique numeric code allocated [or attributed](#) by ASX Settlement to ASX Settlement and each Facility User for the purpose of identifying the source and destination of Messages and which may be:

- (a) the UIC of an Issuer;
- (b) a PID; or
- (c) such other numeric code allocated [or attributed](#) by ASX Settlement.

## SECTION 3 FUNCTIONS, POWERS, RIGHTS AND OBLIGATIONS OF ASX SETTLEMENT

...

### 3.6 LIABILITY AND INDEMNITY PROVISIONS

...

#### 3.6.17 Acknowledgments by Facility Users and others

Each Facility User and ASX Settlement acknowledges that the Reserve Bank of Australia, as operator of RITS, provides a facility for the simultaneous settlement of interbank obligations arising from DvP Batch Settlement in CHES.

Each Facility User and each RTGS Payments Provider acknowledges that:

- (a) to facilitate Real Time Gross Settlement in CHES, the Reserve Bank of Australia has approved CHES as a feeder system to RITS/RTGS under the RITS Regulations and has agreed to provide a feeder interface process in RITS/RTGS;
- (b) for so long as CHES remains such a feeder system, the Reserve Bank of Australia will deal with all requests for settlement, recall or other messages sent by ASX Settlement across the Feeder System interface to RITS/RTGS in accordance with, and subject to, RITS Regulations; and
- (c) the Reserve Bank of Australia expressly disclaims liability to any person, to the full extent permitted by law, in the following circumstances:
  - (i) liability in respect of any other aspect of the administration of CHES than set out in this Rule 3.6.17~~8~~; and

- (ii) liability which arises or might otherwise have arisen in circumstances where a provision of the RITS Regulations excluded liability of the Reserve Bank to any person, ~~including without limitation any applicable circumstances referred to in RITS Regulation 2.4, 2.6, 2.7, 2.8 or 2.9.~~

*Note: The arrangements between the Reserve Bank of Australia and ASX Settlement for the CHESSE Feeder System interface with RITS/RTGS include exclusions of liability on the part of the Reserve Bank in substantially similar terms to the RITS Regulations. ~~referred to in this Rule.~~*

Introduced 11/03/04 Origin SCH 1.13.4

### **3.6.18 Exclusion of ASX Settlement liability**

ASX Settlement will not be liable to compensate, indemnify or pay any liquidated sum to any Facility User, RTGS Payments Provider or other person:

- (a) for loss suffered in consequence of a circumstance arising in respect of which the Reserve Bank of Australia has excluded its liability; or
- (b) for any loss suffered in consequence of an RTGS Participant Payments Provider failing to authorise an RTGS Instruction in respect of which it is required to perform a Payment Obligation in accordance with ~~settlement processing in terms of~~ Rule 11.18.84.

Introduced 11/03/04 Origin SCH 1.13.4(c), 1.13.5

....

## SECTION 4 PARTICIPATION IN THE SETTLEMENT FACILITY

The purpose of this Section 4 is to set out the basis on which persons may participate in the Settlement Facility or be provided with a Settlement Facilitation Service.

Without limiting in any way what a person who participates in the Settlement Facility may do or be permitted to do under these Rules, participation in the Settlement Facility is broadly divided into the following classes:

- (a) **General Settlement Participants** - being those persons who are admitted for purposes including the holding, transfer and settlement in Batch Settlement of Approved Financial Products in the Settlement Facility. A General Settlement Participant may also act in the Settlement Facility as a settlement agent on behalf of a Clearing Participant. A General Settlement Participant may also establish and maintain Participant Sponsored Holdings;
- (b) **Account Participants** – being those persons who participate in certain aspects of the holding and transfer of Approved Financial Products but who do not participate in Batch Settlement in the Settlement Facility. An Account Participant may also establish and maintain Participant Sponsored Holdings;
- (c) **Specialist Settlement Participants** – being those persons who are admitted for limited purposes including acting as Offeror in relation to a takeover [bid scheme or Participant Offeror in relation to a Non-Takeover Offer Event](#) or for processing an Allocation Component in DvP Batch Settlement; ~~and~~
- ~~(d)~~ **Product Issuer Settlement Participants** – being those persons who are admitted for limited purposes including facilitating the settlement in Batch Settlement of transactions relating to requests for issue and redemption of AQUA Products. A Product Issuer Settlement Participant may not establish or maintain Participant Sponsored Holdings; ~~and~~
- ~~(d)~~(e) **Corporate Action Payments Participants** – being those persons who are admitted [for limited purposes including facilitating payments relating to corporate action entitlements in Real Time Gross Settlement. A Corporate Action Payments Participant may not establish or maintain Participant Sponsored Holdings or participate in Batch Settlement.](#)

ASX Settlement may also provide a service to an Approved Listing Market Operator for the holding, transfer and settlement of Approved Financial Products that are quoted or admitted to trading status on the market of that Approved Listing Market Operator.

### 4.1 CLASSES OF PARTICIPATION IN THE SETTLEMENT FACILITY

#### 4.1.1 Settlement Participants

A Settlement Participant:

- (a) is a person who is permitted to participate in Batch Settlement and establish CHES Holdings in accordance with these Rules;
- (b) may be either:
  - (i) a person admitted as a General Settlement Participant under Rule 4.3.1; or
  - (ii) a person admitted as a Specialist Settlement Participant under Rule 4.4.1; or
  - (iii) a person admitted as a Product Issuer Settlement Participant under Rule 4.4A;
- (c) is not permitted to participate in RTGS unless it is also an RTGS Participant.

*Note: A Settlement Participant must meet the additional technical and payment facility requirements of Section 11 before it will be permitted to settle transactions in Real Time Gross Settlement.*

*Any reference in these Rules to a Settlement Participant includes a reference to a Settlement Agent. See Rule 4.3.3*

Introduced 11/03/04 Amended 21/03/14

#### **4.1.2 Account Participants**

An Account Participant is a person who is permitted to establish CHES Holdings in accordance with these Rules but who is not permitted to participate in Batch Settlement.

Introduced 11/03/04

#### **4.1.3 Corporate Action Payments Participants**

A Corporate Action Payments Participant is a person who is permitted (subject to satisfying the criteria in Section 11 applicable to an RTGS Participant) to participate in Real Time Gross Settlement by making or receiving payments relating to Corporate Action RTGS Instructions in accordance with these Rules but who is not permitted to participate in Batch Settlement or maintain Participant Sponsored Holdings unless they are also admitted as a Settlement Participant or an Account Participant and are authorised to do so under the Rules pursuant to that admission.

...

### **4.4 ADMISSION OF SPECIALIST SETTLEMENT PARTICIPANTS**

#### **4.4.1 Admission of Specialist Settlement Participants**

Subject to Rules 4.2.3A and 4.4.2, ASX Settlement will admit a person as a Specialist Settlement Participant if ASX Settlement is satisfied that the person;

- (a) has applied for admission as a Participant in accordance with Rule 4.2.1;
- (b) meets the technical and performance requirements of this Section;
- (c) meets the performance bond requirements of this Section;
- (d) meets the capacity requirements of this Section;
- (e) meets the location requirements of this Section (subject to Rule 4.4.2);
- (f) meets the payment facility requirements of this Section; and
- (g) meets the organisational requirements of this Section.

*Note: a person admitted as a Specialist Settlement Participant under this Rule 4.4.1 may not act as a Sponsoring Participant.*

Introduced 11/03/04 Origin SCH 2.3.2 Amended 23/10/09, 15/06/15, 05/12/19

**4.4.2 Specialist Settlement Participant acting only as a Participant Bidder or Participant Offeror**

If a Specialist Settlement Participant will be admitted for the limited purpose of acting as a Participant Bidder or Participant Offeror, requirements in Rule 4.4.1(c) and (f) will not apply.

Introduced 23/10/09 Amended 05/12/19

...

**4.4B ADMISSION OF CORPORATE ACTION PAYMENTS PARTICIPANTS**

**4.4B.1 Admission of Corporate Action Payments Participants**

Subject to Rule 4.2.3A, ASX Settlement will admit a person as a Corporate Action Payments Participant if ASX Settlement is satisfied that the person:

- (a) has applied for admission as a Participant in accordance with Rule 4.2.1;
- (b) meets the technical and performance requirements of this Section;
- (c) meets the business integrity requirements of this Section;
- (d) meets the location requirements of this Section;
- (e) meets the payment facility requirements of this Section;
- (f) meets the organisational requirements of this Section; and
- (g) meets the additional requirements of Section 11 that apply to an RTGS Participant.

A person that is already admitted as a Settlement Participant (other than a General Settlement Participant) or an Account Participant may apply for admission as a Corporate Action Payments Participant and will be deemed to satisfy the requirements in Rule 4.4B.1 (b)-(d) and (f) by virtue of their existing admission.

Note: a person admitted as a Corporate Action Payments Participant under this Rule 4.4B.1 may not act as a Sponsoring Participant or participate in Batch Settlement unless they are also admitted as a Settlement Participant or an Account Participant and are authorised to do so under the Rules pursuant to that admission.

...

## 4.7 TECHNICAL AND PERFORMANCE REQUIREMENTS

### 4.7.1 When a person meets the technical and performance requirements

A person will meet technical and performance requirements to the reasonable satisfaction of ASX Settlement if:

- (a) as shown by Pre-commencement Testing, the person has the capacity to communicate reliably with CHESS in accordance with the [User Technical Documentation](#)~~EIS~~;
- (b) the person has such accounting, settlement, recording and reporting systems as are necessary for the purposes of the person's existing and anticipated operations;
- (c) the person employs or retains such personnel familiar with the Rules and the Procedures as are necessary to allow the person to generate, receive and process Messages in accordance with the Rules and Procedures;
- (d) the person has the necessary organisational and technical resources to ensure that Messages submitted to ASX Settlement by the Participant do not interfere with the efficiency, integrity or proper functioning of the Settlement Facility;
- (e) the person observes and gives effect to any advice or directions given by ASX Settlement to it in order to ensure that the person meets or continues to meet the requirements of paragraphs (a) to (d); and
- (f) the person has appointed a person to be responsible for communication with ASX Settlement in connection with CHESS and has communicated the name of that person to ASX Settlement, both upon admission to participation and where there are any subsequent changes made.

Introduced 11/03/04 Origin SCH 2.6

...

## 4.9 PERFORMANCE BONDS

### 4.9.1 Settlement Participant to lodge Settlement Bond

A Settlement Participant, other than a Participant that:

- (a) is prudentially supervised;
- (b) is a CS Facility that complies with the Reserve Bank of Australia's financial stability standards; or
- (c) acts only as a Participant Bidder [or Participant Offeror](#),

must ensure that at all times while the Participant remains a Settlement Participant there is lodged with ASX Settlement a valid Settlement Bond.

For the purposes of this Rule 4.9, a Participant is prudentially supervised if it is:

- (d) required to comply with the operating rules of an:
  - (i) Approved Market Operator specified in the Procedures; or
  - (ii) Approved Clearing Facility;

that relate to NTA or risk based financial requirements; or

- (e) regulated by APRA.

Introduced 11/03/04 Origin SCH 10.19.1, 10.19.1A, 10.19.1B Amended 04/04/05, 18/12/06, 27/06/11

...

## 4.13 PAYMENT FACILITY REQUIREMENTS

### 4.13.1 Person to have a Payment Facility

The payment facility requirements of this Section are that:

- (a) for the purposes of making and receiving payments in respect of payment obligations and entitlements under Section 10 [or Section 11](#) of these Rules, the person has in place at all times at least the number of Payment Facilities specified in the Procedures with one or more Payments Providers; and
- (b) each Payment Facility is either:
  - (i) held in the name of, and operated for the benefit of, the person or a Related Body Corporate of the person;
  - (ii) held in the name of a party unrelated to the person but operated for the benefit of the person, where the party operating the Payment Facility has agreed to be bound by the Rules which relate

to the operation and suspension of Payment Facilities as if it was an ASX Settlement Participant.

Introduced 11/03/04 Origin SCH 2.12.1 Amended 21/03/14

...

## **4.16 INACTIVE PARTICIPANTS**

### **4.16.1 ASX Settlement may give notice**

Where ASX Settlement considers that a Participant has not settled any Instructions under these Rules, for a continuous period of 6 months, ASX Settlement may notify the Participant that it intends to terminate the Participant's recognition as a Participant.

Introduced 11/03/04 Origin ASX 5.4.1, OCH 2.5A.1

### **4.16.2 Participant may make submissions**

On receipt of a notice given under Rule 4.16.1, the Participant may make written submissions to ASX Settlement explaining why, in its view, the Participant's participation in the Settlement Facility should not be terminated. Any written submission must be received by ASX Settlement within 10 Business Days following receipt of the notice from ASX Settlement, unless ASX Settlement grants an extension in writing.

Introduced 11/03/04 Origin ASX 5.4.2, OCH 2.5A.2

### **4.16.3 Termination of participation if no submission received**

Where no submission is received by ASX Settlement under Rule 4.16.2, ASX Settlement may terminate the Participant's participation in the Settlement Facility following the end of the 10 Business Day period, or any extension referred to in that Rule.

Introduced 11/03/04 Origin ASX 5.4.3, OCH 2.5A.3

### **4.16.4 Termination of participation if submission received**

Where a submission is received by ASX Settlement under Rule 4.16.2, if:

- (a) ASX Settlement is not satisfied that the Participant will settle any Instructions under these Rules within a further 20 Business Days following the receipt of the submission; or
- (b) the Participant fails to settle such a transaction in that period,

ASX Settlement may terminate the Participant's participation as a Participant.

Introduced 11/03/04 Origin ASX 5.4.4, OCH 2.5A.4 Amended 18/12/06

### **4.16.4A Termination of participation as a Specialist Settlement Participant**

In addition to any other rights or powers ASX Settlement may have under this Rule 4.16, where a Specialist Settlement Participant has been admitted for the limited purpose of

acting as a Participant Bidder in relation to a takeover bid [or a Participant Offeror in relation to a Non-Takeover Offer Event](#) and ASX Settlement is satisfied that the takeover bid [or Non-Takeover Offer Event \(as applicable\)](#) is complete or has been withdrawn, ASX Settlement may by written notice to the Specialist Settlement Participant terminate its participation as a Specialist Settlement Participant.

Introduced 05/12/19

#### **4.16.5 Ceasing to be a Participant**

For the avoidance of doubt, a Participant who is no longer recognised in any category has ceased to be a Participant.

Introduced 11/03/04

...

## SECTION 5 RIGHTS AND OBLIGATIONS OF ISSUERS

This Section sets out the rights and obligations of Issuers to, amongst other things:

- (a) observe the Rules;
- (b) authorise ASX Settlement to establish and administer, on behalf of Issuers, CHES and Issuer Operated Subregisters;
- (c) reconcile and report errors and anomalies including the auditing of registry functions and the giving of notice to ASX Settlement of changed circumstances; and
- (d) in relation to the collection of Messages, access to CHES and Issuer Sponsored Holdings, Corporate Actions, Financial Products subject to foreign ownership restrictions, the determining of voting entitlements and the divestment or forfeiture of Financial Products.

The Section also deals with Issuer's liabilities for Holding Locks, Holding Adjustments and Financial Products Transformations.

[This Section also sets out the framework for the electronic transmission and processing of:](#)

- (a) [elections in relation to dividend or other distribution reinvestment plans and bonus share plans; and](#)
- (b) [acceptances of offers under Rights Offers and Securities Purchase Plans.](#)

...

### 5.3 ESTABLISHING A CHES SUBREGISTER IN RESPECT OF AN OFFER OF APPROVED FINANCIAL PRODUCTS

#### 5.3.1 Initiating a Holding Adjustment

If:

- (a) an Issuer makes available forms of application for an Offer of Approved Financial Products; and
- (b) the Approved Listing Market Operator gives that Issuer approval for quotation of those Financial Products,

the Issuer must, other than where it is bound by the provisions of Rules 15.27 or 15.28, not later than End of Day on the Issue Date for the Financial Products, Transmit to ASX Settlement a Message that initiates a Holding Adjustment to establish a CHES Holding in respect of each person who has:

- (c) lodged an application with, and been allocated Financial Products pursuant to the Offer by, the Issuer; and
- (d) instructed the Issuer that any Financial Products so allocated be held in a CHES Holding by specifying a HIN on the application.

Introduced 11/03/04 Origin SCH 5.4A.1 Amended 27/06/11, 04/03/13

### 5.3.2 Establishing of CHES Holding

If:

- (a) ASX Settlement receives a Valid Message from an Issuer under Rule 5.3.1; and
- (b) a Holder Record for the HIN specified in that Message has been established under Rule 8.7.2,

ASX Settlement will, within the Scheduled Time:

- (c) enter the number of Financial Products into the CHES Holding specified in that Message;
- (d) notify the Issuer:
  - (i) that the CHES Holding has been established; and
  - (ii) of the **relevant** Holder Record details for the CHES Holding; and
- (e) notify the Controlling Participant that the CHES Holding has been established.

Introduced 11/03/04 Origin SCH 5.4A.2

### 5.3.3 Rejection of Messages initiating a Holding Adjustment

If:

- (a) ASX Settlement receives a Valid Message from an Issuer under Rule 5.3.1; and
- (b) a Holder Record for the HIN specified in that Message has not been established under Rule 8.7.2,

ASX Settlement must, within the Scheduled Time:

- (c) reject the Message; and
- (d) notify the Issuer that the Message has been rejected.

Introduced 11/03/04 Origin SCH 5.4A.3

### 5.3.4 Transmission of further Messages

If:

- (a) an Issuer receives notification that a CHESS Holding has been established under Rule 5.3.2(d)(i); and
- (b) the Registration Details ~~and, where applicable, the Residency Indicator~~ specified in that notification do not match the Registration Details ~~and Residency Indicator~~ specified in the application form lodged with the Issuer by the person to whom the Financial Products have been allocated,

the Issuer must, within the Scheduled Time, Transmit to ASX Settlement a further Message that initiates a Holding Adjustment to deduct the Financial Products from that CHESS Holding.

Introduced 11/03/04 Origin SCH 5.4A.4

### **5.3.5 Deduction of Financial Products from a CHESS Holding**

If ASX Settlement receives a Valid Message that initiates a Holding Adjustment from an Issuer under Rule 5.3.4, ASX Settlement will, within the Scheduled Time;

- (a) deduct the number of Financial Products from the CHESS Holding specified in the Message; and
- (b) notify:
  - (i) the Issuer; and
  - (ii) the Controlling Participant for the CHESS Holding,

that the Financial Products have been deducted from that Holding.

Introduced 11/03/04 Origin SCH 5.4A.5

### **5.3.6 Entering Financial Products into a Holding**

If an Issuer receives notification from ASX Settlement under Rule 5.3.3 ~~or 5.3.5~~, the Issuer must immediately enter the Financial Products specified in that Message into a Holding with Registration Details that match the Registration Details specified in the application form lodged with the Issuer by the person to whom the Financial Products have been allocated on the Issuer Sponsored Subregister.

Introduced 11/03/04 Origin SCH 5.4A.6

### **5.3.7 Issuer's Obligations**

If an Issuer is required to enter Financial Products into an Issuer Sponsored Holding under Rule 5.3.6, the Issuer must, if the Financial Products are entered into an Issuer Sponsored Holding:

- (a) issue a Transaction Statement to the Holder; or
- (b) send to the Holder a Notice that sets out the SRN, the Registration Details and the Holding Balance for the Issuer Sponsored Holding,

within the time specified in the Listing Rules.

Introduced 11/03/04 Origin SCH 5.4A.7

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## 5.19A CORPORATE ACTIONS – DIVIDEND REINVESTMENT PLAN AND BONUS SHARE PLAN ELECTION MESSAGING

### 5.19A.1 ~~Corporate Action~~ Plan Record creation and removal

(a) If an Issuer, in respect of Approved Financial Products, ~~notifies the Approved Listing Market Operator in accordance with its Listing Rules~~ publicly releases a market announcement of a dividend or other distribution reinvestment plan or bonus share plan through the public announcement platform of the Approved Listing Market Operator in accordance with its:

(i) Listing Rules; or

(ii) operating rules under which the Issuer applied for admission of the class of Financial Products to trading status.

the Issuer must also immediately notify ASX Settlement of ~~the details of that dividend or other distribution reinvestment plan or bonus share plan~~ that announcement.

(b) ASX Settlement will create a ~~Corporate Action~~ Plan Record in respect of the Issuer for the relevant dividend or other distribution reinvestment plan or bonus share plan ~~notified to~~ announced through the public announcement platform of the Approved Listing Market Operator as referred to in Rule 5.19A.1(a) ~~of which ASX Settlement is informed~~:

(i) on or after the commencement date of that Rule, of which ASX Settlement is aware, including where it has been notified of that announcement under Rule 5.19A.1(a); or

(ii) prior to the commencement date of Rule 5.19A.1(a), of which ASX Settlement is aware (and is not otherwise aware of an announcement as to the cancellation of that plan).

(c) If the Issuer, in respect of Approved Financial Products, ~~notifies the Approved Listing Market Operator in accordance with its Listing Rules~~ publicly releases a market announcement of any change to, or cancellation of, a dividend or other distribution reinvestment plan or bonus share plan through the public announcement platform of the Approved Listing Market Operator in accordance with its:

(i) Listing Rules; or

(ii) operating rules under which the Issuer applied for admission of the class of Financial Products to trading status.

the Issuer must also immediately notify ASX Settlement of the details of that

~~change to or cancellation of the dividend or other distribution reinvestment plan or bonus share plan announcement.~~

- (d) ASX Settlement will for a ~~Corporate Action Plan Record~~ created under Rule 5.19A.1(b); ~~(i) —~~, update or remove that ~~Corporate Action Plan Record~~ for a change or cancellation ~~notified to~~ announced through the public announcement platform of the Approved Listing Market Operator as referred to in Rule 5.19A.1(c) (as applicable) of which ASX Settlement is aware, including where it has been notified of that announcement under Rule 5.19A.1(c). ~~informed; and~~
- ~~(ii) — remove that Corporate Action Record on a date determined by ASX Settlement following the Plan Election Date.~~

*Note:* For the purposes of this Rule 5.19A.1, Issuers are not required to notify ASX Settlement of dividend or other distribution reinvestment plan or bonus share plan announcements prior to the commencement date of Rule 5.19A.1. For a dividend or other distribution reinvestment plan or bonus share plan announced prior to the prior to the commencement date of Rule 5.19A.1, ASX Settlement will look to create a Plan Record in respect of the Issuer based on available information.

#### 5.19A.2 Corporate Action election – notification by Controlling Participant

- (a) ~~Subject to Rules 5.19A.2(e) and (f), a~~ Controlling Participant may provide notification to an Issuer of:
- ~~(i) — an election for all or part of a CHES Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan; or~~
- ~~(ii) — if there is an existing:~~
- ~~— accepted election for the same Election Option Type for part of the CHES Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii), an update to that election; or~~
  - ~~— pending election request for an Election Option Type for the CHES Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(b)(i), an election for a different Election Option Type,~~
- ~~by Transmitting to ASX Settlement a Valid Election Participant Notification Message within the Scheduled Time in accordance with the Procedures.~~

*Note:* For the purposes of this Rule 5.19A, it is noted that the term “election” refers to the choice of the relevant Holder in response to the options available to that Holder under the terms of the relevant plan, and could include an application, instruction, acceptance, or other means of communicating the choice of the relevant Holder, howsoever described in the relevant plan terms.

- (b) If ASX Settlement receives a Valid Election Participant Notification Message under Rule 5.19A.2(a) and a ~~Corporate Action Plan Record~~ for the relevant

dividend or other distribution reinvestment plan or bonus share plan has been created and has not been removed in accordance with Rule 5.19A.1, ASX Settlement will:

- (i) record a pending election request in relation to the election;
- (ii) Transmit a Message to the Issuer notifying it of the election in accordance with the Originating Message; and
- (iii) notify the Controlling Participant that initiated the election that a pending election request has been recorded in relation to the election.

(c) If an Issuer receives a Valid Message from ASX Settlement under Rule 5.19A.2(b)(ii), the Issuer must, unless the Issuer is notified of the cancellation of the pending election request under Rule 5.19A.5(b)(ii)(A), either ~~accept~~ acknowledge or reject the relevant election and must Transmit a Corporate Action Election Status Advice Message to ASX Settlement within the Scheduled Time in accordance with the Procedures, notifying of the ~~acceptance~~ acknowledgement or rejection of the election by the Issuer.

(d) If ASX Settlement receives a Valid Corporate Action Election Status Advice Message under Rule 5.19A.2(c), ASX Settlement will:

- (i) ~~record the acceptance or rejection of the relevant pending election request (as applicable) and, if the Valid Corporate Action Election Status Advice Message communicates:~~

~~(A) a rejection, delete~~ remove the pending election request recorded under 5.19A.2(b)(i); ~~or~~

~~(B) an acceptance, and there is an existing accepted election for the same Election Option Type for part of the CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii), update that existing recorded election accordingly.~~

- (ii) Transmit a Message to the Controlling Participant that notified the relevant election under Rule 5.19A.2(a), notifying it of the ~~acceptance~~ acknowledgement or rejection of that election by the Issuer in accordance with the Corporate Action Election Status Advice Message; and

- (iii) Transmit a Message to the Issuer acknowledging the receipt of the Corporate Action Election Status Advice Message under Rule 5.19A.2(c).

Note: The election and issue of Approved Financial Products under an election, including for which an ~~acceptance~~ acknowledgement has been notified by the Issuer under a Corporate Action Election Status Advice Message, continues to be subject to processing and validation by the Issuer in accordance with the relevant plan rules.

~~(e) If there is an existing:~~

- ~~(i) accepted election for all of the CHESSE Holding (as specified in the Procedures) in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii); or~~
- ~~(ii) pending election for the same Election Option Type for the CHESSE Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(b)(i);~~
- ~~an update to that election by the Controlling Participant may only be facilitated via a cancellation of the accepted election or pending election under Rule 5.19A.5(a) and the provision of a new notification under Rule 5.19A.2(a);~~
- ~~(f) If there is an existing accepted election for part of the CHESSE Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii), an update to that election by the Controlling Participant such that the new election is for all of the CHESSE Holding (as specified in the Procedures) may only be facilitated via a cancellation of the accepted election under Rule 5.19A.5(a) and the provision of a new notification under Rule 5.19A.2(a);~~

**5.19A.3 — Corporate Action election — notification by Issuer**

- ~~(a) Subject to Rules 5.19A.3(c) and (d), if:~~
  - ~~(i) an election has been notified to the Issuer for all or part of a CHESSE Holding in relation to a dividend or other distribution reinvestment plan or bonus share plan other than pursuant to Rule 5.19A.2(b)(ii); and~~
  - ~~(ii) that election has been accepted by the Issuer;~~

~~the Issuer must Transmit to ASX Settlement a Valid Election Issuer Notification Message within the Scheduled Time in accordance with the Procedures, notifying of that accepted election.~~
- ~~(b) If ASX Settlement receives a Valid Election Issuer Notification Message under Rule 5.19A.3(a) and a Corporate Action Record for the relevant dividend or other distribution reinvestment plan or bonus share plan has been created in accordance with Rule 5.19A.1, ASX Settlement will:~~
  - ~~(i) record the accepted election for the CHESSE Holding;~~
  - ~~(ii) if in respect of the same CHESSE Holding and dividend or other distribution reinvestment plan or bonus share plan there is already recorded:~~
    - ~~an accepted election for the same Election Option Type for part of the CHESSE Holding under Rule 5.19A(2)(d)(i) or Rule 5.19A(3)(b)(i), update that existing recorded election accordingly; or~~

~~(B) a pending election request for a different Election Option Type under Rule 5.19A.2(b), record the accepted election for the CHES Holding;~~

~~(iii) Transmit a Message to the Controlling Participant for the CHES Holding notifying it of the accepted election in accordance with the Election Issuer Notification Message; and~~

~~(iv) Transmit a Message to the Issuer acknowledging the receipt of the Election Issuer Notification Message.~~

~~(c) If there is an existing:~~

~~(i) accepted election for all of the CHES Holding (as specified in the Procedures) in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii); or~~

~~(ii) pending election for the same Election Option Type for the CHES Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(b)(i).~~

~~an update to that election by the Issuer may only be facilitated via a:~~

~~(iii) cancellation of the accepted election under Rule 5.19A.5(c); or~~

~~(iv) rejection of the pending election for the same Election Option Type under Rule 5.19A.2(c),~~

~~and the provision of a new notification under Rule 5.19A.3(a).~~

~~(d) If there is an existing accepted election for part of the CHES Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or Rule 5.19A.3(b)(ii), an update to that election by the Issuer such that the new election is for all of the CHES Holding (as specified in the Procedures) may only be facilitated via a cancellation of the accepted election under Rule 5.19A.5(c) and the provision of a new notification under Rule 5.19A.3(a).~~

#### 5.19A.4 Priority of elections

For the avoidance of doubt, if in relation to a dividend or other distribution reinvestment plan or bonus share plan for all or part of a CHES Holding, the Issuer is notified of multiple elections under Rule 5.19A.2(b)(ii) or otherwise, or is notified of a cancellation of an election under Rule 5.19A.5(b)(ii)(A) or otherwise, the Issuer may determine the sequence in which the notifications were received and which takes priority for the purpose of its processing such elections or cancellations under its dividend or other distribution reinvestment plan or bonus share plan (including its acceptance or rejection of a notified election or cancellation).

## 5.19A.5 Cancellation of election

(a) If for:

- (i) a pending election request recorded by ASX Settlement for all or part of a CHESS Holding under Rule 5.19A.2(b)(i) which has not been removed under Rule 5.19A.2(d)(i); or
- (ii) an ~~accepted~~ election recorded by the Issuer for all or part of a CHESS Holding (including an election notified by ASX Settlement for all or part of a CHESS Holding under Rule 5.19A.2(d)(i), b)(ii) which the Issuer has acknowledged under Rule 5.19A.3(b)(i) or 5.19A.3(b)(ii)-2(c)).

the Controlling Participant seeks to cancel that pending election request or ~~accepted~~ election, the Controlling Participant:

- (iii) must (in the case of a pending election request referred to in Rule 5.19A.5(a)(i)); or
- (iv) may (in the case of an ~~accepted~~ election referred to in Rule 5.19A.5(a)(ii)).

Transmit to ASX Settlement a Valid Election Cancellation Message within the Scheduled Time in accordance with the Procedures, notifying of that cancellation.

(b) If ASX Settlement receives a Valid Election Cancellation Message under Rule 5.19A.5(a), ASX Settlement will:

(i) in the case of a cancellation of:

- (A) a pending election request recorded by ASX Settlement as referred to in Rule 5.19A.5(a)(i), ~~cancel and~~ remove the pending election request ~~record created~~ recorded under Rule 5.19A.2(b)(i); or ~~the accepted~~
- (B) an election recorded by the Issuer as referred to in ~~ASX Settlement under Rule 5.19A.2(d)(i), 5.19A.3(b)(i) or 5.19A.3(b)(ii) (as applicable); and~~ 5(a)(ii), record a pending cancellation request in relation to the election;

(ii) Transmit a Message to:

- (A) the Issuer notifying of the cancellation ~~of the pending election request or accepted election~~ in accordance with the Election Cancellation Message; and
- (B) the Controlling Participant ~~for that Holding~~ initiated the cancellation, notifying in the case of a cancellation of:
  - a. a pending election request recorded by ASX Settlement as referred to in Rule 5.19A.5(a)(i), of the cancellation and removal of ASX Settlement's record of the pending election

~~request under Rule 5.19A.5(b)(i)(A); or accepted election (as applicable) in accordance with the Election Cancellation Message under Rule 5.19A.5(b)(i).~~

b. an election recorded by the Issuer as referred to in Rule 5.19A.5(a)(ii), that a pending cancellation request has been recorded in relation to that election.

*Note: The cancellation of an election under Rule 5.19.5(a) which is notified to the Issuer under Rule 5.19A.5(b) continues to be subject to ~~acceptance or rejection~~ the processing and validation of that cancellation by the Issuer in accordance with the relevant plan rules.*

(c) If an Issuer receives a Valid Message from ASX Settlement under Rule 5.19A.5(b)(ii)(A) (other than in relation to the cancellation of a pending election request recorded by ASX Settlement as referred to in Rule 5.19A.5(a)(i)), the Issuer must either acknowledge or reject the relevant cancellation, and must Transmit a Corporate Action Election Status Advice Message to ASX Settlement within the Scheduled Time in accordance with the Procedures, notifying of the acknowledgement or rejection of the cancellation by the Issuer.

(d) If ASX Settlement receives a Valid Corporate Action Election Status Advice Message under Rule 5.19A.5(c), ASX Settlement will:

(i) remove the pending cancellation request recorded under Rule 5.19A.5(b)(i)(B);

(ii) Transmit a Message to the Controlling Participant that notified the relevant cancellation under Rule 5.19A.5(a), notifying it of the acknowledgement or rejection of that cancellation by the Issuer in accordance with the Corporate Action Election Status Advice Message; and

(iii) Transmit a Message to the Issuer acknowledging the receipt of the Corporate Action Election Status Advice Message under Rule 5.19A.5(c).

~~(ee)~~ If for an ~~accepted~~ election notified to an Issuer ~~recorded by ASX Settlement~~ for all or part of a CHESS Holding under Rule 5.19A.2(b)(ii) which the Issuer has acknowledged under Rule 5.19A.2(c) ~~d)(i), 5.19A.3(b)(i) or 5.19A.3(b)(ii)~~, the Issuer cancels that election at the Issuer's instigation, the Issuer must Transmit to ASX Settlement a Valid Election Cancellation Message within the Scheduled Time in accordance with the Procedures, notifying of that cancellation.

*Note: Rule 5.19A.5(e) is limited to issuer-instigated cancellations. The rule does not extend to cancellations notified to Issuers under Rule 5.19A.5(b)(ii)(A) or cancellations notified directly to the Issuer by Holders.*

~~(d)~~ If ASX Settlement receives a Valid Election Cancellation Message under Rule 5.19A.5 ~~(ee)~~, ASX Settlement will:

~~(i)~~ cancel and remove the ~~accepted~~ election recorded under Rule 5.19A.2(d)(i), Rule 5.19A.3(b)(i) or 5.19A.3(b)(ii) (as applicable); and

~~(i) Transmit a Message to the Issuer and the Controlling Participant for that CHESS Holding, notifying it of the cancellation of the election by the Issuer in accordance with the Election Cancellation Message; and~~

~~(ii) Transmit a Message to the Issuer acknowledging the receipt of the Election Cancellation Message under Rule 5.19A.5(e).~~

~~(e) If an Issuer is notified of multiple elections or cancellations for all or part of a CHESS Holding in respect of a relevant dividend or other distribution reinvestment plan or bonus share plan and the Issuer is required to notify ASX Settlement of:~~

~~(i) the acceptance or rejection of an election under Rule 5.19A.2(c) or Rule 5.19A.3(a); or~~

~~(ii) the cancellation of an election under Rule 5.19A.5(c);~~

~~(as applicable) and the Scheduled Times for the Issuer to provide such notifications overlap, the Issuer must notify ASX Settlement of the relevant acceptance, rejection or cancellation in the sequence as processed and recorded by the Issuer.~~

~~Note: Rule 5.19A.5(e) seeks to support the record maintained by ASX Settlement under Rule 5.19A.2(b), 5.19A.2(d), 5.19A.3(b), 5.19A.5(b) and 5.19A.5(d) as to an election notified for all or part of a CHESS Holding in respect of a relevant dividend or other distribution reinvestment plan or bonus share plan being aligned with the election status as recorded by the Issuer for the purpose of ASX Settlement's processing of elections and cancellations of elections notified under Rules 5.19A.2, 5.19A.3 and 5.19A.5.~~

#### 5.19A.6 Housekeeping of pending elections

If for:

~~(a) a pending election request has been recorded in accordance with Rule 5.19A.2(b)(i), and, or~~

~~(b) a pending cancellation request recorded in accordance with Rule 5.19A.5(b)(i),~~

~~a Corporate Action Status Advice Message has not been received by ASX Settlement from the Issuer within the Scheduled Time, ASX Settlement will cancel remove the pending election request recorded under Rule 5.19A.2(b)(i) or pending cancellation request under Rule 5.19A.5(b)(i) (as applicable) and notify the relevant Controlling Participant and Issuer of such cancellation.~~

#### 5.19A.7 Warranty by Controlling Participant or Issuer

A:

~~(a) Controlling Participant that Transmits an Election Participant Notification Message under Rule 5.19A.2(a);~~

~~(b) Issuer that Transmits an Election Issuer Notification Message under Rule 5.19A.3(a);~~

~~(e)~~ Controlling Participant that Transmits an Election Cancellation Message under Rule 5.19A.5(a); or

~~(d)~~ Issuer that Transmits an Election Cancellation Message under Rule 5.19A.5(e).

is taken to have warranted that the Controlling Participant was authorised or the Issuer was legally entitled ~~or authorised (as applicable)~~ to notify an election or cancellation of an election for all or part of a CHESS Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) pursuant to such Transmitted Message.

*Note: The legal entitlement or authority of a Controlling Participant or Issuer for the purpose of the warranty under Rule 5.19A.7 could for example be as a result of an instruction by the Holder of the CHESS Holding to the Controlling Participant or ~~Issuer or~~ due to a change in the plan terms or cancellation of the plan by the Issuer.*

#### **5.19A.8 Controlling Participant or Issuer Indemnity**

If a Controlling Participant or Issuer is taken under Rule 5.19A.7 to have warranted that it was legally entitled or authorised (as applicable) to notify an election or cancellation of an election for all or part of a CHESS Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) and the Controlling Participant or Issuer was not so legally entitled or authorised, the Controlling Participant or Issuer (as applicable) indemnifies:

- (a) the Issuer or Controlling Participant (as applicable);
- (b) ASX Settlement; and
- (c) the Holder.

against all losses, damages, costs and expenses arising from the Controlling Participant or Issuer (as applicable) not having been so legally entitled or authorised.

#### **~~5.19A.9 — Plan terms to include Holder representations and warranties~~**

~~In respect of a dividend or other distribution reinvestment plan or bonus share plan notified to the relevant Approved Listing Market Operator as referred to in Rule 5.19A.1(a), the Issuer must ensure that the terms and conditions of the relevant plan include terms and conditions to the effect that by:~~

- ~~(a) instructing a Controlling Participant to notify the Issuer of an election for all or part of the relevant CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan by Transmitting an~~

Election Participant Notification Message under Rule 5.19A.2(a), the Holder represents and warrants that they:

- (i) are legally entitled to make the relevant election;
- (ii) have read and understood, and agree to be bound by the terms and conditions of the relevant plan;
- (iii) make the relevant election in accordance with the terms and conditions of the relevant plan and authorise the Issuer to register them as a Holder of Approved Financial Products issued under the relevant plan;
- (iv) in the case of a dividend or other distribution reinvestment plan, authorise the application of the distribution or dividend amount with respect to the number of Approved Financial Products participating in the relevant plan to the allocation of additional Approved Financial Products at the price specified in, and subject to, the terms and conditions of the relevant plan; and
- (v) make all of the representations and warranties attributed to Holders as set out in the documentation setting out the terms of the relevant plan; and

- (b) notifying the Issuer of an election or cancellation of an election for all or part of the relevant CHESS Holding in respect of the relevant dividend or other distribution reinvestment plan or bonus share plan other than through their Controlling Participant, the holder authorises the Issuer to notify the Controlling Participant of that election or cancellation.

*Drafting note: Rules for the provision of bank account details, including but not limited to an acceptance election under a DRP and BSP via a separate bank account notification Message will be provided in Tranche 3.*

#### 5.19A.9 Warranty and Indemnity by Issuer

- (a) In respect of a dividend or other distribution reinvestment plan or bonus share plan that has been announced through the public announcement platform of an Approved Listing Market Operator for which a Plan Record has been created and has not been removed in accordance with Rule 5.19A.1, the Issuer is taken to have warranted that a Holder that is eligible under the terms and conditions of the relevant dividend or other distribution reinvestment plan or bonus share plan to submit an election or to cancel an election for all or part of their CHESS Holding, can:
  - (i) submit such an election by their Controlling Participant Transmitting a Valid Election Participant Notification Message under Rule 5.19A.2(a); and
  - (ii) submit such a cancellation of an election by their Controlling Participant Transmitting a Valid Election Cancellation Message under Rule 5.19A.5(a).

under the terms and conditions of the relevant dividend or other distribution reinvestment plan or bonus share plan.

(b) If an Issuer is taken under Rule 5.19A.9(a) to have warranted that a Holder can submit an election or cancellation of an election in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan by their Controlling Participant Transmitting a Valid Election Participant Notification Message under Rule 5.19A.2(a) or a Valid Election Cancellation Message under Rule 5.19A.5(a) (as applicable) under the terms and conditions of the relevant dividend or other distribution reinvestment plan or bonus share plan, and the Holder was not able to submit such election or cancellation in that manner under the terms and conditions of the relevant dividend or other distribution reinvestment plan or bonus share plan, the Issuer indemnifies:

(i) the Controlling Participant;

(ii) ASX Settlement; and

(iii) the Holder,

against all losses, damages, costs and expenses arising from the Holder not being able to submit the election or cancellation of the election in that manner.

#### **5.19A.10 Enquiry request for details of election status for dividend or other distribution reinvestment plan or bonus share plan**

- (a) A Controlling Participant may initiate a request for the details of the existing election status recorded by the Issuer for a CHESS Holding in relation to a dividend or other distribution reinvestment plan or bonus share plan (as applicable) by Transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.
- (b) If an Originating Message Transmitted to ASX Settlement complies with Rule 5.19A.10(a), ASX Settlement will Transmit to the Issuer a Message requesting the Issuer to provide the details of the election status requested in the Originating Message.
- (c) If an Issuer receives a Valid Message under Rule 5.19A.10(b), the Issuer must, within the Scheduled Time, Transmit a Valid Message to ASX Settlement with the requested details of the election status.
- (d) If ASX Settlement receives a Valid Message under Rule 5.19A.10(c), it must send a Message to the Controlling Participant that initiated the request under Rule 5.19A.10(a), providing the election status details included in the Message from the Issuer under Rule 5.19A.10(c).
- (e) If an Issuer receives a Message from ASX Settlement under Rule 5.19A.10(b) and does not respond to ASX Settlement under Rule 5.19A.10(c) within the relevant Scheduled Time for response, ASX Settlement may remove the relevant request

and notify the relevant Controlling Participant and Issuer of such cancellation~~purge the unactioned Message from the Settlement Facility.~~

#### 5.19A.11 Warranty by Controlling Participant and Issuer

- (a) A Controlling Participant that Transmits a Message under Rule 5.19A.10(a) is taken to have warranted that the Controlling Participant was legally entitled or authorised to request the details of the election status for the CHESS Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) pursuant to such Transmitted Message;
- (b) An Issuer that Transmits a Message under Rule 5.19A.10(c) is taken to have warranted that the details of the election status notified in such Message accurately represent the details of the existing election status recorded by the Issuer for the CHESS Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) at the time such Message was Transmitted.

#### 5.19A.12 Controlling Participant and Issuer Indemnities

- (a) If a Controlling Participant is taken under Rule 5.19A.11(a) to have warranted that it was legally entitled or authorised to request the details of the election status for a CHESS Holding in relation to a dividend or other distribution reinvestment plan or bonus share plan (as applicable) and the Controlling Participant was not so legally entitled or authorised, the Controlling Participant indemnifies:
  - (i) the Issuer;
  - (ii) ASX Settlement; and
  - (iii) the Holder,

against all losses, damages, costs and expenses arising from the Controlling Participant not having been so legally entitled or authorised.
- (b) If an Issuer is taken under Rule 5.19A.11(b) to have warranted that the details of the election status notified in a Message Transmitted under Rule 5.19A.10(c) represent the details of the existing election status recorded by the Issuer for the CHESS Holding in relation to the relevant dividend or other distribution reinvestment plan or bonus share plan (as applicable) at the time such Message was Transmitted and the details of the election status notified did not represent the details of the relevant existing election status recorded by the Issuer at that time, the Issuer indemnifies:
  - (i) the Controlling Participant;
  - (ii) ASX Settlement; and
  - (iii) the Holder,

against all losses, damages, costs and expenses arising from the details of the election status notified by the Issuer not accurately representing the details of the relevant existing election status recorded by the Issuer at that time.

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## 5.21A CORPORATE ACTIONS - RIGHTS OFFERS AND SECURITIES PURCHASE PLANS ACCEPTANCE MESSAGING

### 5.21A.1 Corporate Action Record creation and removal

(a) If an Issuer, in respect of Approved Financial Products, ~~notifies the~~ publicly releases a market announcement of a Rights Offer or a Securities Purchase Plan through the public announcement platform of the Approved Listing Market Operator in accordance with its:

(i) Listing Rules; or

(ii) operating rules under which the Issuer applied for admission of the class of Financial Products to trading status ~~of a Rights Offer or a Securities Purchase Plan.~~

the Issuer must also immediately notify ASX Settlement of ~~the details of that Corporate Action~~ that announcement.

(b) ASX Settlement will create a Corporate Action Record in respect of the Issuer for the relevant Rights Offer or a Securities Purchase Plan ~~announced through the public announcement platform of notified to~~ the Approved Listing Market Operator as referred to in Rule 5.21A.1(a) after the commencement date of that Rule of which ASX Settlement is aware, including where it has been notified of that announcement under Rule 5.21A.1(a) ~~informed.~~

(c) If the Issuer, in respect of Approved Financial Products, ~~notifies the Approved Listing Market Operator in accordance with its Listing Rules~~ publicly releases a market announcement of any change to, or cancellation of, a Rights Offer or a Securities Purchase Plan, ~~the Issuer must also immediately notify ASX Settlement of~~ through the ~~details of that change or cancellation to the Corporate Action~~ public announcement platform of the Approved Listing Market Operator in accordance with its:

(i) Listing Rules; or

(ii) operating rules under which the Issuer applied for admission of the class of Financial Products to trading status.

the Issuer must also immediately notify ASX Settlement of the details of that announcement.

(d) ASX Settlement will for a Corporate Action Record created under Rule 5.21A.1(b):

(i) update or remove that Corporate Action Record for a change or cancellation ~~announced through the public announcement platform of~~

~~notified to~~ the Approved Listing Market Operator as referred to in Rule 5.21A.1(c) (as applicable) of which ASX Settlement is ~~informed~~ aware, including where it has been notified of that announcement under Rule 5.21A.1(c); and

- (ii) remove that Corporate Action Record on a date determined by ASX Settlement following the Applications Close Date.

*Note:* For the purposes of this Rule 5.21A.1, Issuers are not required to notify ASX Settlement of Rights Offer or Securities Purchase Plan announcements prior to the commencement date of Rule 5.21A.1.

### **5.21A.2 Corporate Actions - RTGS Participants**

- (a) An Issuer that notifies ASX Settlement of the details of a Corporate Action pursuant to Rule 5.21A.1(a) must either:
  - (i) be an RTGS Participant; or
  - (ii) have appointed an RTGS Participant to settle RTGS Instructions in relation to that Corporate Action in Real Time Gross Settlement.

References in Rule 5.21A and 5.21B to an RTGS Participant for the Issuer relate to the Issuer as an RTGS Participant or the RTGS Participant so appointed (as applicable).

- (b) A Controlling Participant may only provide notification to an Issuer of an offer acceptance for all or part of a CHESS Holding in respect of a Rights Offer or Securities Purchase Plan in respect of a CHESS Holding under Rule 5.21A.3(a) if it is an RTGS Participant.

### **5.21A.3 Corporate Action acceptance – notification by Controlling Participant**

- (a) A Controlling Participant may provide notification to an Issuer of an offer acceptance for all or part of a CHESS Holding in respect of the relevant Rights Offer or Securities Purchase Plan by Transmitting to ASX Settlement a Valid Acceptance Participant Notification Message within the Scheduled Time in accordance with the Procedures. If the relevant Acceptance Participant Notification Message relates to an acceptance of an Entitlement under a Rights Offer made under a disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act and the Entitlement has not been renounced and transferred to the relevant CHESS Holding, the Message must include the unique reference number to identify the entitlement and acceptance form.

*Note:* For the purposes of this Rule 5.21A, it is noted that the term “acceptance” refers to the choice of the relevant Holder in response to the options available to that Holder under the terms of the relevant offer, and could include an application, instruction, acceptance, or other means of communicating the choice of the relevant Holder, howsoever described in the relevant offer terms.

- (b) If ASX Settlement receives a Valid Acceptance Participant Notification Message under Rule 5.21A.3(a) and a Corporate Action Record for the relevant Rights

Offer or Securities Purchase Plan has been created and has not been removed in accordance with Rule 5.21A.1, ASX Settlement will:

(i) in respect of an acceptance in relation to a Rights Offer or Securities Payment Plan:

(A) record an acceptance pending payment: ~~and~~

(B) notify the Controlling Participant that provided the acceptance notification that an acceptance pending payment has been recorded, ~~and~~

(C) notify the Issuer that an acceptance pending payment has been recorded,

in relation to the acceptance notified under Rule 5.21A.3(a); and

(ii) in respect of an acceptance in relation to a Rights Offer (other than an Oversubscription Offer):

(A) apply a Holding Lock to the relevant Holding on the applicable CHESS Rights Subregister; and

(B) notify the Controlling Participant that the Holding Lock has been applied,

in relation to the acceptance notified under Rule 5.21A.3(a).:

Note: *The acceptance and issue of Approved Financial Products under an acceptance which has been notified to the Issuer, including where payment has been made by the Controlling Participant with respect to the Rights Offer or Securities Purchase Plan, remains subject to processing and validation by the Issuer in accordance with the relevant offer terms.*

(c) Within the Scheduled Time, the Controlling Participant may initiate a Corporate Action RTGS Instruction in respect of the acceptance notified to ASX Settlement under Rule 5.21A.3(a) by Transmitting to ASX Settlement a Valid Corporate Action RTGS Message in accordance with the Procedures.

(d) If ASX Settlement receives a Valid Corporate Action RTGS Message under Rule 5.21A.3(c), then:

(i) ASX Settlement will:

(A) treat the Message as an RTGS Instruction to be settled in Real Time Gross Settlement under Section 11;

(B) update the record created under Rule 5.21A.3(b)(i)(A) to indicate that a payment instruction in RTGS has been initiated;

- (C) notify the Controlling Participant that the record created under Rule 5.21A.3(b)(i)(A) has been updated to payment initiated; and
- (ii) if the Payment Obligation under that RTGS Instruction is settled, ASX Settlement will:
  - (A) update the record updated under Rule 5.21A.3(d)(i)(B) to indicate that a payment instruction in RTGS has been completed;
  - (B) notify the Controlling Participant that the record updated under Rule 5.21A.3(d)(i)(B) has been updated to payment completed;
  - (C) Transmit a Message to the RTGS Participant for the Issuer notifying it of the offer acceptance in accordance with the Originating Message from the Controlling Participant under Rule 5.21A.3(a); and
  - (D) Transmit a Message to the RTGS Participant for the Issuer notifying it of settlement of the payment for the acceptance referred to in Rule 5.21A.3(d)(ii)(C) above.
- (iii) if the RTGS Instruction initiated under Rule 5.21A.3(c) is rejected under Rule 11.18.8(c), or if the Payment Obligation under that RTGS Instruction otherwise Fails, ASX Settlement will:
  - (A) update the record updated under Rule 5.21A.3(d)(i)(B) to record an acceptance pending payment;
  - (B) notify the Controlling Participant that the record updated under Rule 5.21A.3(d)(i)(B) has been updated to acceptance pending payment.
- (e) If, within the Scheduled Time, a Controlling Participant has not Transmitted to ASX Settlement a Valid Corporate Action RTGS Message that complies with Rule 5.21A.3(c), the acceptance notified to ASX Settlement under Rule 5.21A.3(a) will be cancelled by ASX Settlement under Rule 5.21A.6.

#### **5.21A.4 Priority of acceptances**

For the avoidance of doubt, if in relation to a Rights Offer or a Securities Purchase Plan for a CHESS Holding, the Issuer is notified of an acceptance under Rule 5.21A.3 and is also notified of an acceptance other than pursuant to 5.21A.3, or is notified of a cancellation of an acceptance, the Issuer may determine the sequence in which the notifications were received and which takes priority for the purpose of its acceptance or rejection of a notified acceptance or cancellation.

#### **5.21A.5 Cancellation of acceptance**

- (a) If for an acceptance pending payment recorded by ASX Settlement under Rule 5.21A.3(b)(i)(A), the Controlling Participant seeks to cancel that acceptance, the

Controlling Participant must Transmit to ASX Settlement a Valid Acceptance Cancellation Message within the Scheduled Time in accordance with the Procedures, notifying of that cancellation.

- (b) If ASX Settlement receives a Valid Acceptance Cancellation Message under Rule 5.21A.5(a), ASX Settlement will:
- (i) in respect of an acceptance notified in relation to a Rights Offer or a Securities Purchase Plan, cancel and remove the acceptance pending payment record created under Rule 5.21A.3(b)(i)(A);
  - (ii) in respect of an acceptance notified in relation to a Rights Offer (other than an Oversubscription Offer), remove the Holding Lock applied under Rule 5.21A.3(b)(ii)(A); ~~and~~
  - (iii) Transmit a Message to the Controlling Participant for that Holding, notifying of the cancellation of the acceptance pending payment recorded in accordance with the Acceptance Cancellation Message; ~~and~~
  - (iv) notify the Issuer of the cancellation of the acceptance pending payment recorded.
- (c) If a Valid Acceptance Cancellation Message is Transmitted to ASX Settlement by the Controlling Participant after the Scheduled Time, ASX Settlement must reject the Acceptance Cancellation Message.

#### **5.21A.6 Housekeeping of pending acceptances**

If an acceptance pending payment has been recorded in accordance with Rule 5.21A.3(b)(i)(A) or 5.21A.3(d)(iii)(A) (or updated to payment initiated under Rule 5.21A.3(d)(i)(B)) and Real Time Gross Settlement has not been completed within the Scheduled Time, ASX Settlement will:

- (a) cancel the acceptance pending payment record created under Rule 5.21A.3(b)(i)(A) or 5.21A.3(d)(iii)(A) (or payment initiated record under Rule 5.21A.3(d)(i)(B)) and notify the relevant Controlling Participant of such cancellation; and
- (b) remove the Holding Lock applied under Rule 5.21A.3(b)(ii)(A).

#### **5.21A.7 Warranty by Controlling Participant**

A Controlling Participant that Transmits an:

- (a) Acceptance Participant Notification Message under Rule 5.21A.3(a); or
- (b) Acceptance Cancellation Message under Rule 5.21A.5(a),

is taken to have warranted that the Controlling Participant was authorised to notify an acceptance or cancellation of an acceptance for all or part of a CHES Holding in relation to the relevant Rights Offer or Securities Purchase Plan (as applicable) pursuant to such Transmitted Message.

#### 5.21A.8 Controlling Participant Indemnity

If a Controlling Participant is taken under Rule 5.21A.7 to have warranted that it was authorised to notify an acceptance or cancellation of an acceptance for all or part of a CHES Holding in relation to the relevant Rights Offer or Securities Purchase Plan (as applicable) and the Controlling Participant was not so authorised, the Controlling Participant indemnifies:

- (a) \_\_\_\_\_ the Issuer;
- (b) \_\_\_\_\_ ASX Settlement; and
- (c) \_\_\_\_\_ the Holder,

against all losses, damages, costs and expenses arising from the Controlling Participant not having been so authorised.

#### 5.21A.9A Warranty and Indemnity by Issuer

(a) \_\_\_\_\_ In respect of a Rights Offer or Securities Purchase Plan that has been announced through the public announcement platform of an Approved Listing Market Operator for which a Corporate Action Record has been created and has not been removed in accordance with Rule 5.21A.1, the Issuer is taken to have warranted that a Holder that is eligible under the terms and conditions of the relevant Rights Offer or Securities Purchase Plan to submit an acceptance for all or part of their CHES Holding, can submit such an acceptance by:

- (i) \_\_\_\_\_ their Controlling Participant Transmitting a Valid Acceptance Participant Notification Message under Rule 5.21A.3(a); and
- (ii) \_\_\_\_\_ making payment in respect of that acceptance pursuant to their Controlling Participant Transmitting a Valid Corporate Action RTGS Message under Rule 5.21A.3(c).

under the terms and conditions of the relevant Rights Offer or Securities Purchase Plan.

(b) \_\_\_\_\_ If an Issuer is taken under Rule 5.21A.9A(a) to have warranted that a Holder can submit an acceptance in relation to the relevant Rights Offer or Securities Purchase Plan by their Controlling Participant Transmitting a Valid Acceptance Participant Notification Message under Rule 5.21A.3(a) and the making of payment in respect of that acceptance pursuant to their Controlling Participant Transmitting a Valid Corporate Action RTGS Message under Rule 5.21A.3(c) under the terms and conditions of the relevant Rights Offer or Securities Purchase Plan, and the Holder was not able to submit such acceptance in that manner under the terms and conditions of the relevant Rights Offer or Securities Purchase Plan, the Issuer indemnifies:

- (i) \_\_\_\_\_ the Controlling Participant;
- (ii) \_\_\_\_\_ ASX Settlement; and

(iii) the Holder,

against all losses, damages, costs and expenses arising from the Holder not being able to submit the acceptance in that manner.

**5.21A.9 Offer terms to include Holder representations and warranties-Warranty by Issuer as to Holder representations and warranties under offer terms**

In respect of a Rights Offer or Securities Purchase Plan notified to the relevant Approved Listing Market Operator as referred to in Rule 5.21A.1(a), the Issuer must ensure that the terms and conditions of the relevant offer include terms and conditions to the effect that by instructing a Controlling Participant to notify the Issuer of an offer acceptance for all or part of the relevant CHESS Holding in respect of the relevant Rights Offer or Securities Purchase Plan by Transmitting an Acceptance Participant Notification Message under Rule 5.21A.3(a), the Holder represents and warrants that they:

(a) are legally entitled to accept the relevant offer;

(b) either:

(i) have been given a full copy of the current disclosure document, product disclosure statement, or any other offer documentation setting out the terms of the relevant offer (as applicable); or

(ii) if the Rights Offer is a Renounceable Rights Offer, and the Entitlement has been renounced and transferred to the Holder, have had access to a full copy of the current disclosure document, product disclosure statement, or any other offer documentation setting out the terms of the relevant offer (as applicable);

(c) have read and understood, and agree to be bound by the terms and conditions applicable to the relevant offer;

(d) agree to be bound by the terms and conditions of the constitution of the Issuer or relevant managed investment scheme (as applicable);

(e) accept the offer of Approved Financial Products in accordance with the terms and conditions of the relevant offer and authorise the Issuer to register them as a Holder of Approved Financial Products issued under the relevant offer; and

(f) make all of the representations and warranties attributed to Holders as set out in the documentation setting out the terms of the relevant offer.

In respect of a Rights Offer:

(a) made under a disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act; and

(b) announced through the public announcement platform of an Approved Listing Market Operator for which a Corporate Action Record has been created and has not been removed in accordance with Rule 5.21A.1.

the Issuer is taken to have warranted that the terms and conditions of the relevant offer provide that where:

(c) the Entitlement under the Rights Offer has been renounced and transferred to the relevant CHES Holding of a Holder; and

(d) the Holder's Controlling Participant notifies the Issuer through CHES of an offer acceptance (and makes the associated payment) in accordance with Rule 5.21A for all or part of the relevant CHES Holding of the Holder.

the Holder represents and warrants to the Issuer that they have read and understood, and agree to be bound by the terms and conditions applicable to the relevant offer.

## 5.21 CORPORATE ACTIONS – RIGHTS ISSUES

### 5.21.1 ~~Renounceable~~ Rights Record and Issue of Rights

In implementing an Issue of Approved Financial Products that are rights the Issuer must:

- (a) between the Record Date and the Issue Date for the rights, issue rights in respect of a CHES Holding of Parent Financial Products by Transmitting a Message to ASX Settlement to effect an appropriate Holding Adjustment to a Holding on the CHES ~~Renounceable~~ Rights Subregister;
- (b) before Start of Day on the Issue Date for the rights, establish a ~~Renounceable~~ Rights Record for each Holder of an Issuer Sponsored Holding of Parent Financial Products that is entitled to the rights;
- (c) during the Rights Period, maintain a ~~Renounceable~~ Rights Record for each Holder of rights that does not hold rights on the CHES ~~Renounceable~~ Rights Subregister; and
- (d) note each ~~Renounceable~~ Rights Record established as a result of a CHES to Issuer Sponsored Transfer or Conversion as "pending acceptance".

ASX Settlement must reject an Instruction or Message that would Transfer or Convert rights after End of Day on the Applications Close Date for that issue of rights.

Introduced 11/03/04 Origin SCH 12.4.2, 13.5.1 Amended 04/03/13

### 5.21.2 Acceptance of Financial Products pursuant to an offer of rights ~~offer~~

If, in accordance with the terms of an offer of rights to Financial Products, a Holder of rights in a Holding on the CHES ~~Renounceable~~ Rights Subregister accepts the Issuer's offer, the Issuer must within 1 Business Day Transmit to ASX Settlement a valid Message to effect either:

- (a) a Holding Adjustment; or
- (b) a Financial Products Transformation,

to remove the rights from that Holding.

Introduced 11/03/04 Origin SCH 13.6.1

### 5.21.3 Reservation of Rights Following Acceptance

If, during the Rights Period for an issue of rights, ASX Settlement receives a Valid Message from the Issuer under Rule 5.21.2(a) to effect a Holding Adjustment to deduct rights from a Holding, ASX Settlement must:

- (a) deduct the number of rights specified in the Message from that Holding; and
- (b) notify:
  - (i) the Issuer; and
  - (ii) the Controlling Participant,

that the rights have been deducted from the Holding and the reason for the deduction.

Introduced 11/03/04 Origin SCH 12.5.1

### 5.21.4 Removal of rights from a Holding

If an Issuer removes rights from a Holding on the CHES ~~Renounceable~~ Rights Subregister by effecting a Holding Adjustment in accordance with Rule 5.21.2(a), the Issuer must:

- (a) maintain proper records in respect of that Holder's HIN and the rights that were removed; and
- (b) Issue the Financial Products to which that Holder is entitled to a CHES Holding of that Holder in accordance with Rule 5.22.1.

Introduced 11/03/04 Origin SCH 13.6.2 Amended 04/03/13

### 5.21.5 Issue of Financial Products

If an Issuer removes rights from a Holding on the CHES ~~Renounceable~~ Rights Subregister by effecting a Financial Products Transformation in accordance with Rule 5.21.2(b), the Message which initiates the Financial Products Transformation must also Issue the Financial Products to which that Holder is entitled to a CHES Holding of that Holder.

Introduced 11/03/04 Origin SCH 13.6.3 Amended 04/03/13

## 5.21B CORPORATE ACTIONS – RIGHTS OFFERS AND SECURITIES PURCHASE PLAN REJECTIONS

### 5.21B.1 Issuer payment for rejected acceptances

- (a) If an RTGS Participant for the Issuer has been notified of an offer acceptance for all or part of a CHES Holding in respect of the Rights Offer or Securities Purchase Plan in accordance with Rule 5.21A.3(a), and the Issuer determines that:

- (i) it will reject the relevant acceptance as a result of it being invalid or the cancellation of the Rights Offer or Securities Purchase Plan; or
- (ii) in respect of an Oversubscription Acceptance or a Securities Purchase Plan Acceptance, it will reject the relevant acceptance in whole or in part as a result of a scaleback in accordance with the terms of the relevant Oversubscription Offer or Securities Purchase Plan.

the RTGS Participant for the Issuer may Transmit to ASX Settlement a Valid Corporate Action Rejection Message within the Scheduled Time in accordance with the Procedures, notifying ASX Settlement of that rejection.

- (b) If ASX Settlement receives a Valid Corporate Action Rejection Message under Rule 5.21B.1(a) and a Corporate Action Record for the relevant Rights Offer or Share Purchase Plan has been created and has not been removed in accordance with Rule 5.21A.1, ASX Settlement will:
  - (i) create a rejection pending payment record in respect of the Issuer for the Corporate Action Rejection Message Transmitted to ASX Settlement under Rule 5.21B.1(a); and
  - (ii) notify the RTGS Participant for the Issuer a rejection pending payment has been recorded.
- (c) Within the Scheduled Time, the RTGS Participant for the Issuer may initiate a Corporate Action RTGS Instruction in respect of the rejection notified to ASX Settlement under Rule 5.21B.1(a) by Transmitting to ASX Settlement a Valid Corporate Action RTGS Message in accordance with the Procedures.
- (d) If ASX Settlement receives a Valid Corporate Action RTGS Message under Rule 5.21B.1(c), then:
  - (i) ASX Settlement will:
    - (A) treat the Message as an RTGS Instruction to be settled in Real Time Gross Settlement under Section 11;
    - (B) update the record created under Rule 5.21B.1(b)(i) to indicate that a payment instruction in RTGS has been initiated; and
    - (C) notify the RTGS Participant for the Issuer that the record created under Rule 5.21B.1(b)(i) has been updated; and
  - (ii) if the Payment Obligation under that RTGS Instruction is settled, ASX Settlement will:
    - (A) update the record updated under Rule 5.21B.1(d)(i)(B) to indicate that a payment instruction in RTGS has been completed; and

- (B) notify the RTGS Participant for the Issuer that the record updated under Rule 5.21B.1(d)(i)(B) has been updated to payment completed; and
  - (C) Transmit a Message to the Controlling Participant notifying it of the acceptance rejection in accordance with the Originating Message from the RTGS Participant for the Issuer under Rule 5.21B.1(a); and
  - (D) Transmit a Message to the Controlling Participant notifying it of settlement of the payment for the rejection referred to in Rule 5.21B.1(d)(ii)(C) above.
- (iii) if the RTGS Instruction initiated under Rule 5.21B.1(c) is rejected under Rule 11.18.8(c), or if the Payment Obligation under that RTGS Instruction otherwise Fails, ASX Settlement will:
- (A) update the record updated under Rule 5.21B.1(d)(i)(B) to record a rejection pending payment;
  - (B) notify the RTGS Participant for the Issuer that the record updated under Rule 5.21B.1(d)(i)(B) has been updated to rejection pending payment.
- (e) If, within the Scheduled Time, a RTGS Participant for the Issuer has not Transmitted to ASX Settlement a Valid Corporate Action RTGS Message that complies with Rule 5.21B.1(c), the rejection notified to ASX Settlement under Rule 5.21B.1(a) will be cancelled by ASX Settlement under Rule 5.21B.2.

## **5.21B.2 Housekeeping of pending rejection**

If a rejection pending payment has been recorded in accordance with Rule 5.21B.1(b)(i) or 5.21B.1(d)(iii)(A) (or updated to payment initiated under Rule 5.21B.1(d)(i)(B)) and Real Time Gross Settlement has not been completed within the Scheduled Time, ASX Settlement will cancel the rejection pending payment record created under Rule 5.21B.1(b)(i) or 5.21B.1(d)(iii)(A) (or payment initiated record under Rule 5.21B.1(d)(i)(B)) and notify the relevant RTGS Participant for the Issuer of such cancellation.

## **5.22 CORPORATE ACTIONS – CHANGES TO HOLDINGS**

### **5.22.1 Issue of Financial Products to a CHESS Holding**

If an Issuer receives a duly completed Acceptance Form, Standard Conversion Form or Standard Exercise Form and that ~~document~~~~form~~ includes:

- (a) other than in relation to an Election Participant Notification Message or Acceptance Participant Notification Message, instructions or a notation to the effect that the applicant or Holder wishes to hold the Financial Products on the CHESS Subregister; and
- (b) the HIN of that applicant or Holder,

the Issuer must Issue the relevant Financial Products to the HIN specified on the [document form](#).

Introduced 11/03/04 Origin SCH 13.7 Amended 18/12/06, 04/03/13

#### 5.22.2 Issuer to send ~~valid~~ Valid Message

If as a result of a Corporate Action, an Issuer is required to Issue Approved Financial Products to a CHESS Holding and neither Rule 5.21.1(a) or 5.21.5 applies, the Issuer must do so by Transmitting a Valid Message to ASX Settlement before the End of Day on the Issue Date for that Corporate Action that :

- (a) ~~initiates a Holding Adjustment if the Issue does not require an adjustment to a CHESS Holding of another class of the Issuer's Financial Products;~~ or
- (b) ~~initiates a Financial Products Transformation if the Issue requires an adjustment to a CHESS Holding of another class of the Issuer's Financial Products.~~

Introduced 11/03/04 Amended 10/06/04, 04/03/13

#### 5.22.3 Removal of Financial Products by Holding Adjustment

If an Issuer, in accordance with the terms of a Corporate Action, may reduce the Holding Balance of a CHESS Holding affected by the Corporate Action, the Issuer may Transmit a Message to ASX Settlement to initiate a Holding Adjustment to effect that reduction.

Introduced 11/03/04 Origin SCH 13.8.1

## 5.26 RECONSTRUCTIONS – CHANGES TO HOLDINGS

### 5.26.1 Issuer to send Valid Message

If as a result of a Reconstruction, an Issuer is required to initiate a Holding Adjustment or Financial Products Transformation, the Issuer must do so by Transmitting a Valid Message to ASX Settlement.

## SECTION 6 RIGHTS AND OBLIGATIONS OF PARTICIPANTS

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### 6.11 CORPORATE ACTIONS

#### 6.11.1 Cum Entitlement Financial Products

A Participant must not designate a Message to Transfer or Convert Financial Products as Cum Entitlement after End of Day on the Record Date for that entitlement.

Introduced 11/03/04 Origin SCH 9.15.1, 10.14.1

#### 6.11.2 Exercise of conversion or other rights

A Participant must use:

- (a) a Standard Conversion Form to give Notice of exercise of a right to convert convertible Financial Products;
- (b) a Standard Exercise Form to apply for shares on exercise of a company option; and

(c) a:

(i) \_\_\_\_\_ Standard Acceptance Form; or

(ii) \_\_\_\_\_ a Valid Participant Acceptance Notification Message,

to give Notice of acceptance in respect of an issue of renounceable rights under a Rights Offer, unless an entitlement and acceptance form has been issued to the Holder of those rights.

Introduced 11/03/04 Origin SCH 9.15.2, 10.14.2

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### 6.15 ESTABLISHING A PAYMENT FACILITY

#### 6.15.1 Payment Facilities

A Settlement Participant and a Corporate Action Payments Participant must have in place at all times at least the number of Payment Facilities required under Rule 4.13 to facilitate settlement of Instructions and, in relation to those Payment Facilities:

- (a) the Settlement Participant or Corporate Action Payments Participant must give Notice to ASX Settlement in the form prescribed by ASX Settlement from time to time. Without limitation, such Notice must identify in respect of each Payment Facility the relevant facility subtype as specified in the User Technical Documentation;

- (b) a Payment Facility will not be available to facilitate settlement of Instructions until a Payments Provider acknowledges to ASX Settlement that it will operate the Payment Facility on behalf of the Settlement Participant [or Corporate Action Payments Participant](#);
- (c) a separate Payment Facility must be established for each PID allocated by ASX Settlement to the Settlement Participant [or Corporate Action Payments Participant](#);
- (ca) a Payment Facility may be used to facilitate settlement of both Batch Instructions and RTGS Instructions;
- (d) in relation to DvP Settlement:
  - (i) each Payment Facility must be linked to at least one CHES Holding;
  - (ii) ~~a~~ CHES Holding must not be linked to more than one Payment Facility; and
  - (iii) a Settlement Participant which is a Clearing Participant must use the same Payment Facility to facilitate settlement of all CCP Batch Instructions in respect of a PID. A Settlement Participant that acts for more than one Clearing Participant may use multiple Payment Facilities, but must only maintain one Payment Facility per Clearing Participant on whose behalf it acts; ~~and~~
- (e) in relation to Payment Batch Instructions:
  - (i) each payment type as determined by ASX Settlement must be linked to a separate Payment Facility; and
  - (ii) unless otherwise agreed in writing by ASX Settlement, a payment type must not be linked to more than one Payment Facility; [and](#)
- (f) in relation to Real Time Gross Settlement, a Settlement Participant or Corporate Action Payments Participant which is an RTGS Participant must give ASX Settlement Notice of the RTGS Bank Account referable to each Payment Facility used to settle RTGS Instructions in accordance with Rule 11.4.3.

Introduced 11/03/04 Origin SCH 9.20, 10.21 Amended 08/08/13, 21/03/14

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### 6.15.3 ASX Settlement to reject Messages if no Payment Facility

If a Settlement Participant Transmits a Valid Message in relation to:

- (a) an Instruction that specifies a HIN or incorporates a Standing Settlement HIN for a CHES Holding and a Payment Facility for that Holding has not been established; ~~or~~
- (b) a Payment Batch Instruction and a Payment Facility for the relevant payment type has not been established; or
- (c) an RTGS Instruction and a Payment Facility for the relevant payment type has not been established.

ASX Settlement must reject the Message.

Introduced 11/03/04 Origin SCH 9.20.8, 10.21.7

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## 6.17 AUTHORITY TO EFFECT SETTLEMENT AND TO INCLUDE A SETTLEMENT PARTICIPANT'S PID IN AN INSTRUCTION

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### 6.17.2 Participant authority to include PID

Each Settlement Participant irrevocably authorises ASX Settlement to include its PID or the PID of a Clearing Participant for which it acts as Settlement Agent in each:

- (a) CCP Batch Instruction; and
- (b) Accrued Batch Instruction; ~~and~~
- ~~(c) Accrued RTGS Instruction;~~

as the PID of the delivering Participant or receiving Participant, as the case requires.

Introduced 11/03/04 Origin SCH 9.22.2, 10.25.2

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## 6.20 REMOVAL OF INSTRUCTION FROM BATCH SETTLEMENT BY ASX SETTLEMENT

### 6.20.1 Giving notice to ASX Settlement

If:

- (a) a Settlement Participant (the first Settlement Participant) is a counterparty to an Instruction with a Settlement Participant that owes obligations to the CCP (the second Settlement Participant);
- (b) the first Settlement Participant is acting as an agent for a non Participant in relation to that Instruction;
- (c) the non Participant is a client of the second Settlement Participant; and

- (d) the non Participant becomes externally administered before the Settlement Date of the Instruction,

the first Settlement Participant may by providing to ASX Settlement within the Scheduled Time a Notice in the prescribed form and adequate documentation to evidence the external administration of the non Participant, request ASX Settlement to remove the Instruction to which it is counterparty from Batch Settlement ~~or Real Time Gross Settlement, as the case may be.~~

Introduced 11/03/04 Origin SCH 9.24.1, 10.24.1

#### 6.20.2 Action by ASX Settlement

If ASX Settlement:

- (a) receives a Notice under Rule 6.20.1; and
- (b) is satisfied that the documentation referred to in that Rule is adequate to evidence the external administration of the non Participant,

ASX Settlement must, subject to the Rules, within the Scheduled Time:

- (c) remove the Instruction from Batch Settlement ~~or, if applicable, Real Time Gross Settlement;~~ and
- (d) give Notice to the Settlement Participant providing the Notice and the counterparty Settlement Participant that the Instruction has been so removed.

Introduced 11/03/04 Origin SCH 10.24.3

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## SECTION 8 HOLDING FINANCIAL PRODUCTS IN THE SETTLEMENT FACILITY

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### 8.15 HOLDING LOCKS AND HOLDER RECORD LOCKS

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#### 8.15.19 Giving Effect to Message

~~(a) Subject to the terms of any court order under which a Holding Lock or Holder Record Lock has been applied and Rule 8.15.19, if~~ ASX Settlement receives a Valid Message from an Issuer that initiates a Holding Adjustment or a Financial Products Transformation in relation to Financial Products held or to be held in a ~~Holding subject to a Holding Lock or Holder Record Lock~~ Locked Holding, ASX Settlement must give effect to that Message where:

~~(i) the Holding Adjustment or Financial Products Transformation is a Reconstruction (other than a Holding subject to a Settlement Lock or Demand Lock), or~~

~~(ii) the Holding Adjustment or Financial Products Transformation results in an increase to the number of Financial Products in the Holding; or~~

~~(iii) the Holding is subject to a Holder Record Lock due to the death or bankruptcy of a Holder.~~

~~, ASX Settlement must give effect to that Message.~~

~~(b) ASX Settlement will not give effect to a Valid Message from an Issuer that initiates a Holding Adjustment or Financial Products Transformation that is not a Reconstruction in relation to Financial Products held in a Locked Holding that is not of a type identified in Rule 8.15.19(a).~~

~~Note: In the case of a Locked Holding that relates to a Demand Lock or a Settlement Lock:~~

~~(a) Rule 8.26.1 provides the process for the removal of such lock (and therefore the Holding ceasing to be a Locked Holding) prior to the Issuer initiating a Holding Adjustment or Financial Product Transformation by way of a Valid Message in respect of a Reconstruction; and~~

~~(b) a Holding Adjustment or Financial Product Transformation that increases the number of Financial Products in a Holding is not prevented, given that such locks only prevent the specified number of Financial Products that are subject to a transfer from being deducted.~~

Introduced 11/03/04 Origin SCH 11.5.3

#### 8.15.20 Ratio between Financial Products after Reconstruction subject to a Holding Lock

If:

- (a) a Reconstruction occurs in relation to a class of Approved Financial Products which is given effect to through a Valid Message in accordance with Rule 5.26;
- (b) the Financial Product Code for that class will continue following the Reconstruction; and
- (c) the Reconstruction affects Financial Products in a CHESS Holding that are subject to a Holding Lock that applies to some, but not all, Financial Products in a CHESS Holding.

at the time ASX Settlement enters Financial Products into, or deducts Financial Products from, that Holding, ASX Settlement must also apply the Holding Lock to, or remove the Holding Lock from, Financial Products in that Holding, so that the ratio between:

- (d) the number of Financial Products in that Holding subject to the Holding Lock; and
- (e) the total number of Financial Products in that Holding.

is, as far as possible having regard to fractional entitlements, the same before and after the Reconstruction.

#### 8.15.20 — Giving Effect to Message (Settlement Locks and Demand Locks)

If ASX Settlement receives a Valid Message from an Issuer that initiates a Holding Adjustment or a Financial Products Transformation in relation to Financial Products subject to a Settlement Lock or a Demand Lock where the Holding Adjustment or Financial Products Transformation is a Reconstruction, ASX Settlement must give effect to that Message and promptly remove the Settlement Lock or Demand Lock (as applicable).

ASX Settlement will not give effect to a Valid Message from an Issuer that initiates a Holding Adjustment or Financial Products Transformation that is not a Reconstruction in relation to Financial Products subject to a Settlement Lock or a Demand Lock.

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## **8.24 CHESS ~~RENOUNCEABLE~~ RIGHTS SUBREGISTER**

### **8.24.1 Entering rights into a Holding**

If ASX Settlement has established a CHESS ~~Renounceable~~-Rights Subregister under Rule 8.23, ASX Settlement must:

- (a) on receipt of a Valid Message from the Issuer to effect a Holding Adjustment to enter rights into a Holding on the Subregister, enter the rights into that Holding; and

- (b) during the Rights Period:
  - (i) process Demand Transfers and Conversions in respect of the rights in accordance with Section 9 of these Rules [\(as applicable\)](#); and
  - (ii) process Settlement Transfers in respect of the rights in accordance with Section 10 of these Rules [\(as applicable\)](#).

Introduced 11/03/04 Origin SCH 12.4.1

#### 8.24.2 Rejection of Instruction

ASX Settlement must reject an Instruction or Message that would Transfer or Convert rights after End of Day on the Applications Close Date for that [rights](#) issue ~~of rights~~.

Introduced 11/03/04 Origin SCH 12.4.2 Amended 18/12/06

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## 8.26 SUSPENSION OF PROCESSING ON A CHESS SUBREGISTER FOR A RECONSTRUCTION

### 8.26.1 Where ASX Settlement receives notification of a Reconstruction

If:

- (a) ASX Settlement receives notification from an Approved Listing Market Operator of:
  - (i) a Reconstruction that affects a class of Approved Financial Products;
  - (ii) the effective date and the Issue Date for that Reconstruction; and
- (b) the Financial Product Code for that class will continue following the Reconstruction;

ASX Settlement must:

- (c) [as the case requires:](#)
  - (i) reschedule an Instruction that is received before End of Day on the second Business Day after the effective date that would Transfer Financial Products in that class between End of Day on the effective date and End of Day on the Issue Date; or
  - (ii) reject an Instruction or Message that is received after End of Day on the effective date that would Transfer or Convert Financial Products in that class between End of Day on the second Business Day after the effective date and End of Day on the Issue Date; [and](#)

(d) remove any Settlement Locks or Demand Locks (as applicable) that have been applied to Holdings in the class of Financial Product subject to the Reconstruction and give notice of the removal to the Participant controlling the Holding that the Settlement Lock or Demand Lock has been removed from; and

~~as the case requires, and~~

(e) give notice regarding the suspension of processing under this Rule 8.26.1 to:

(i) the Issuer;

(ii) the relevant Approved Market Operator; and

(iii) to the extent ASX Settlement considers reasonably necessary, other Facility Users.

Introduced 11/03/04 Origin SCH 12.7 Amended 18/12/06, 27/06/11, 04/03/13, 14/04/14, 07/03/16

## SECTION 9 TRANSFERS OF FINANCIAL PRODUCTS

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### 9.5A BILATERAL DEMAND SETTLEMENT TRANSFERS

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#### 9.5A.6 Action by ASX Settlement following Matching of Bilateral Demand Settlement Messages

If a Valid Bilateral Demand Settlement Message is Matched by ASX Settlement with another Valid Bilateral Demand Settlement Message Transmitted by the counterparty Participant then:

- (a) ASX Settlement will treat the Matched Messages as a Bilateral Demand Settlement Instruction to be settled in Real Time Gross Settlement under Section 11.
- (b) for the purposes of determining the Settlement Amount in a Bilateral Demand Settlement Instruction, ASX Settlement will:
  - (i) if the amount to be included as the Settlement Amount specified by each Participant differs by no more than the Settlement Amount Tolerance, apply the lower of the two amounts as the Settlement Amount for the Bilateral Demand Settlement Instruction scheduled for settlement;
  - (ii) if only one Participant has specified an Override Tolerance Amount and the amount to be included as the Settlement Amount specified by each Participant differs by no more than the Override Tolerance Amount, apply the Settlement Amount specified by the Participant which did not submit an Override Tolerance Amount as the Settlement Amount for the Bilateral Demand Settlement Instruction scheduled for settlement;
  - (iii) if both Participants specify different Override Tolerance Amounts and the amount to be included as the Settlement Amount specified by each differs by no more than the higher of the Override Tolerance Amounts specified by the Participants, apply the Settlement Amount submitted by the Participant with the lowest Override Tolerance Amount as the Settlement Amount for the Bilateral Demand Settlement Instruction scheduled for settlement; or
  - (iv) if both Participants specify the same Override Tolerance Amount and the amount to be included as the Settlement Amount by each Participant differs by no more than the Override Tolerance Amount specified by the Participants, apply the lower of the two Settlement Amounts submitted by the Participants as the Settlement Amount for

~~the Bilateral Demand Settlement Instruction scheduled for settlement;  
and~~

~~(c) ASX Settlement will notify each Participant that the Bilateral Demand Settlement Instruction will be settled in Real Time Gross Settlement under Section 11.1.1 has been scheduled for demand settlement.~~

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#### SECTION 10 BATCH SETTLEMENT

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### 10.6 REAL TIME GROSS SETTLEMENT - REMOVAL OF DUAL ENTRY BATCH INSTRUCTIONS FROM DVP BATCH SETTLEMENT ~~[DELETED]~~

#### 10.6.1 Removal of Dual Entry Batch Instructions from DvP Batch Settlement ~~[Deleted]~~

~~If, within the Scheduled Time:~~

~~(a) — the parties to a Dual Entry Batch Instruction that has been scheduled for settlement under Rule 10.9.3 and is eligible for Real Time Gross Settlement under Rule 11.1.1, Transmit a Valid Dual Entry Switch to RTGS Message to ASX Settlement; and~~

~~(b) — the Messages are Matched,~~

~~ASX Settlement will remove the Dual Entry Batch Instruction from DvP Batch Settlement and process it in Real Time Gross Settlement under Rule 11.1.1 and 11.1.2.~~

~~Introduced 11/03/04 Origin SCH 7.12A.1, 7.16A.1~~

#### 10.6.2 Limit on ASX Settlement's obligation to remove Dual Entry Batch Instructions from DvP Batch Settlement ~~[Deleted]~~

~~Each Settlement Participant acknowledges that ASX Settlement's ability to process a Dual Entry Switch to RTGS Message that requests removal of a Dual Entry Batch Instruction from DvP Batch Settlement on the Business Day on which the Message is Transmitted to ASX Settlement will depend on system processing demands in the Settlement Facility between Start of Day and Settlement Cut Off on that day. Despite any other Rule, while ASX Settlement will use reasonable endeavours to process any such request, it will not be liable for any failure to remove any such Dual Entry Batch Instruction from DvP Batch Settlement on that day.~~

~~Note: — CHESSE queuing processes for preparation of the daily batch settlement will in the ordinary course have priority over messages requesting switches that are received close to Settlement Cut off.~~

~~Introduced 11/03/04 Origin SCH 7.16A.3~~

10.6.3  **labelling a request to remove Dual Entry Batch Instructions to Real Time Gross Settlement [\[Deleted\]](#)**

~~If a Message Transmitted under Rule 10.6.1 has not been Matched, the Settlement Participant that Transmitted the Message may cancel the request by Transmitting a further Valid Message to ASX Settlement revoking the initial request.~~

Introduced 11/03/04 Origin SCH 7.12A.3, 7.16A.2

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10.11  **FAILING BATCH INSTRUCTIONS**

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10.11.8  **Removing a re-scheduled Batch Instruction to RTGS [\[Deleted\]](#)**

~~If, within the Scheduled Time:~~

~~(a) — the parties to a Failed Batch Instruction (other than a CCP Net Batch Instruction) that has been rescheduled for settlement under Rule 10.11.7 and relates to a Batch Instruction that is eligible for Real Time Gross Settlement under Rule 11.1.1, Transmit a Valid Dual Entry Switch to RTGS Message to ASX Settlement; and~~

~~(b) — the Messages are Matched,~~

~~ASX Settlement will remove the Batch Instruction from DvP Batch Settlement and process it in Real Time Gross Settlement under Rule 11.11, however:~~

~~(c) — Each Settlement Participant acknowledges that ASX Settlement's ability to process a Dual Entry Switch to RTGS Message that requests removal of a Batch Instruction from DvP Batch Settlement on the Business Day on which the Message is Transmitted to ASX Settlement will depend on system processing demands in the Settlement Facility between Start of Day and Settlement Cut-off on that day.~~

~~(d) — Despite any other Rule, while ASX Settlement will use reasonable endeavours to process any Message received in terms of this Rule 10.11.8, it will not be responsible for any failure to remove any such Batch Instruction from DvP Batch Settlement on that day.~~

~~Note: — It is not possible to switch a CCP Net Batch Instruction, once included in netting pursuant to the operating rules of an Approved Clearing Facility, to line-by-line settlement in RTGS.~~

~~Note: — CHESS queuing processes for preparation of the daily net batch settlement will in the ordinary course have priority over messages requesting switches that are received close to Settlement Cut-off.~~

Introduced 11/03/04 Origin SCH 7.28.5, 7.28.6

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## **10.17 SETTLEMENT SUBJECT TO ENTITLEMENTS AND ADJUSTMENTS**

### **10.17.1 Financial Products Distributions**

If a Parent Batch Instruction:

- (a) is scheduled to settle on a Cum Entitlement basis;
- (b) has an Entitlement to:
  - (i) a bonus issue;
  - (ii) a non-renounceable entitlement;
  - (iii) a renounceable rights issue; or
  - (iv) a distribution in specie,
- (c) does not settle in full by End of Day on the Record Date for the Corporate Action,

ASX Settlement will within the Scheduled Time:

- (d) generate an Accrued Batch Instruction; and
- (e) notify the Accrued Batch Instruction to each affected Settlement Participant.

Introduced 11/03/04 Origin SCH 7.34.1

### **10.17.2 Accrued Batch Instructions**

A Settlement Transfer may be initiated by an Accrued Batch Instruction which contains the details specified in the Procedures.

Introduced 11/03/04 Origin SCH 7.34.2, 7.34.3

### **10.17.3 Authority to ASX Settlement**

The delivering Settlement Participant under an Accrued Batch Instruction authorises ASX Settlement to initiate a Settlement Transfer in accordance with the Accrued Batch Instruction and these Rules.

Introduced 11/03/04 Origin SCH 7.34.4

### **10.17.4 Number of Financial Products to be Transferred**

The number of Financial Products to be Transferred by an Accrued Batch Instruction must be equal to the number of Entitlements that relate to the number of outstanding Financial Products specified in the Parent Batch Instruction at End Of Day on the Record Date for the Corporate Action.

Introduced 11/03/04 Origin SCH 7.34.5 Amended 18/12/06

### 10.17.5 Calculation of Settlement Amount

The Settlement Amount of an Accrued DvP Batch Instruction ~~will be zero. must be calculated by multiplying the adjustment per unit of Financial Product notified by the Approved Listing Market Operator by the number of Financial Products to be Transferred by the Accrued DvP Batch Instruction.~~

Introduced 11/03/04 Origin SCH 7.34.6 Amended 27/06/11

### 10.17.6 ASX Settlement to reduce Settlement Amount ~~[Deleted]~~

~~ASX Settlement will reduce the Settlement Amount of a Parent DvP Batch Instruction by an amount equal to the Settlement Amount of the related Accrued DvP Batch Instruction.~~

Introduced 11/03/04 Origin SCH 7.34.7

### 10.17.7 Calculation of Settlement Date

ASX Settlement will calculate the Settlement Date for an Accrued Batch Instruction in accordance with the relevant operating rules of the Approved Listing Market Operator.

Introduced 11/03/04 Origin SCH 7.34.8 Amended 27/06/11

## 10.18 CASH DISTRIBUTIONS

### 10.18.1 Cash distributions for Parent DvP Batch Instructions

If a Parent DvP Batch Instruction:

- (a) is scheduled to settle on a Cum Entitlement basis;
- (b) has an Entitlement to:
  - (i) a dividend;
  - (ii) interest; or
  - (iii) a capital return; and
- (c) does not settle in full by End of Day on the Record Date for the Corporate Action,

ASX Settlement will within the Scheduled Time:

- (d) calculate a Settlement Adjustment by multiplying the adjustment per unit of Financial Product notified by the Approved Listing Market Operator by the number of outstanding Financial Products specified in the Parent DvP Batch Instruction at End of Day on the Record Date for the Corporate Action;
- (e) reduce the Settlement Amount of the Parent Batch Instruction by ~~a~~ the Settlement Adjustment; and
- (f) notify the Settlement Adjustment to each Settlement Participant.

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## 10.21 CASH ADJUSTMENTS FOR NO LIABILITY CALLS, OPTIONS AND CONVERTIBLE NOTES

### 10.21.1 Parent Batch Instruction

If a Parent Batch Instruction:

- (a) is scheduled to settle before End of Day on the last Business Day that ASX Settlement will process Transfers before:
  - (i) a call for no liability company falls due;
  - (ii) the final date for the exercise of company issued options; or
  - (iii) the final date for the conversion of convertible Financial Products;
- (b) does not settle in full by End of Day on that Business Day; and
- (c) both Settlement Participants have agreed that settlement will be effected by a Transfer of the Financial Products that result from the:
  - (i) call;
  - (ii) exercise; or
  - (iii) conversion,

then each Settlement Participant must Transmit ~~a~~ Valid Messages to ASX Settlement by the Scheduled Time ~~requesting which in effect a change to~~ the Parent Batch Instruction through the cancellation of the Parent Batch Instruction and the generation of a new Batch Instruction with the revised details to reflect the number and class of Financial Products that are to be Transferred as a result of the call, exercise or conversion.

*Note: Depending upon the nature of the Corporate Action, it may be necessary to change the number and class of Financial Products, the Settlement Amount and the Settlement Date. In the case of a call or an exercise of an option, the delivering Settlement Participant is entitled to be paid the relevant call or exercise money by the receiving Settlement Participant before making an application to the Issuer to take up the resulting Financial Products.*

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## SECTION 11 REAL TIME GROSS SETTLEMENT

A [General](#) Settlement Participant may settle Instructions in the Settlement Facility in Batch Settlement or Real Time Gross Settlement. [A Corporate Action Payments Participant may settle Instructions in the Settlement Facility in that capacity in Real Time Gross Settlement only.](#) Real Time Gross Settlement is governed by Section 11 of these Rules. Batch Settlement is governed by Section 10.

Real Time Gross Settlement involves the settlement of RTGS Instructions. RTGS Instructions ~~may include be CCP Gross Batch Instructions, Dual Entry~~ [Bilateral Demand Settlement](#) Batch Instructions ~~and/or Corporate Action RTGS Instructions or Direct Batch Instructions that are eligible to be switched to Real Time Gross Settlement.~~

In addition to determining the eligibility of Instructions to be included in Real Time Gross Settlement the purpose of this Section is to set out Rules relating to the operation of Real Time Gross Settlement in the Settlement Facility including:

- (a) the basis on which [General](#) Settlement Participants [and Corporate Action Payments Participants](#) can act in respect of RTGS Settlement;
- (b) payment arrangements for RTGS Settlement;
- ~~(c) the transfer and switch of Instructions between RTGS Settlement and Batch Settlement;~~
- ~~(c)~~ the requirements to be met for RTGS Instructions;
- ~~(d)~~ the ~~change to or~~ suspension and cancellation of RTGS Instructions;
- ~~(e)~~ RTGS Settlement processing;
- ~~(g) testing criteria including in relation to Financial Products and Debit Caps;~~
- ~~(h)~~ discharge of settlement obligations; and
- ~~(g)~~ failing of RTGS Instructions.

### 11.1 ELIGIBILITY OF INSTRUCTIONS FOR RTGS SETTLEMENT

#### 11.1.1 Eligible Instructions

An Instruction is eligible for Real Time Gross Settlement under Section 11 if [it is within a class of Instructions specified by ASX Settlement in the Procedures from time to time.](#) ~~in accordance with the EIS, it may be processed for Real Time Gross Settlement and:~~

~~(a) it is not within a class of Instruction that has been determined as ineligible for, or has been removed from, Real Time Gross Settlement under Rule 11.1.2; and~~

~~(b) in the case of a DvP RTGS Instruction, it relates to RTGS Eligible Financial Products.~~

Introduced 11/03/04 Origin SCH 7A.1.1A

### 11.1.2 Non eligible classes of Instructions

ASX Settlement may at any time ~~determine that a class of Instructions is not eligible for Real Time Gross Settlement in CHES~~, or may at any time remove a class of Instructions from Real Time Gross Settlement if:

- (a) ASX Settlement forms the reasonable opinion that Real Time Gross Settlement of the class of Instructions is unlikely to be commercially viable for ASX Settlement;
- (b) ASX Settlement reasonably considers it necessary in order to maintain the orderly operation or integrity of the Settlement Facility or the efficiency of Real Time Gross Settlement in CHES;
- (c) it is requested to do so by an Approved Market Operator in accordance with the Terms of Trade Acceptance Service, or by an Approved Clearing Facility, in order to ensure the efficiency, integrity or proper functioning of that market or facility; or
- (d) it is requested to do so by the Reserve Bank of Australia in order to ensure the proper functioning of RITS/RTGS.

Introduced 11/03/04 Origin SCH 7A.1.2 Amended 27/06/11

### 11.1.3 Notice given in relation to non eligible classes of Instructions

If ASX Settlement ~~makes a determination or~~ removes a class of Instructions from Real Time Gross Settlement under Rule 11.1.2, ASX Settlement must give Notice of the ~~determination or~~ removal to [RTGS Participants](#):

- ~~(a) — the person that applied for admission of the relevant Approved Financial Products, giving reasons for the determination or removal; and~~
- ~~(b) — Participants.~~

Introduced 11/03/04 Origin SCH 7A.1.3

## 11.2 APPEALS AGAINST RTGS DETERMINATIONS [\[DELETED\]](#)

### 11.2.1 Appeal Notices [\[Deleted\]](#)

~~The relevant person or any Participant (as applicable) may appeal against the decision of ASX Settlement to:~~

- ~~(a) — not admit a class of Instructions into Real Time Gross Settlement; or~~
  - ~~(b) — remove a class of Instructions from Real Time Gross Settlement,~~
- ~~in accordance with the provisions of the ASX Enforcement and Appeals Rulebook.~~

Introduced 11/03/04 Origin SCH 7A.1.4 Amended 31/03/08, 01/08/10

**11.2.2 Appeal Notice given to Appeal Tribunal – [Deleted]**

Introduced 11/03/04 Origin SCH 7A.1.5 Deleted 31/03/08

**11.2.3 Convening and conduct of Appeal Tribunal – [Deleted]**

Introduced 11/03/04 Origin SCH 7A.1.6 Deleted 31/03/08

**11.2.4 Decisions of Appeal Tribunal – [Deleted]**

Introduced 11/03/04 Origin SCH 7A.1.7 Deleted 31/03/08

**11.2.5 Appeal Tribunal decisions binding – [Deleted]**

Introduced 11/03/04 Origin SCH 7A.1.8 Deleted 31/03/08

**11.3 RTGS MANDATORY INSTRUCTIONS [\[DELETED\]](#)**

**11.3.1 Consultation with the Reserve Bank of Australia [\[Deleted\]](#)**

~~After consultation with the Reserve Bank of Australia, ASX Settlement may determine that, in order to address settlement risk in the Settlement Facility reasonably and appropriately, a particular class of Instruction (which may, but need not, be classified in terms of value) will, to the extent it settles in the Settlement Facility after a date specified by ASX Settlement, settle on a Real Time Gross Settlement basis.~~

Introduced 11/03/04 Origin SCH 7A.1.9

**11.3.2 Delivering Financial Products in RTGS [\[Deleted\]](#)**

~~Subject to Rule 11.3.3, each Participant that is obliged to deliver or receive Financial Products that are RTGS Eligible, and the obligation is in respect of an Instruction that is RTGS Mandatory, must deliver or receive those Financial Products in Real Time Gross Settlement in accordance with this Section 11.~~

~~Note: — the effect of Rule 11.3 is that Real Time Gross Settlement is optional in CHESSE except for any class of Instruction that ASX Settlement declares to be RTGS Mandatory.~~

Introduced 11/03/04 Origin SCH 7A.1.10

**11.3.3 Alternative Settlement Facility [\[Deleted\]](#)**

~~If a Participant that is obliged to deliver or receive Financial Products:~~

~~(a) — wishes to use a facility provided by an Alternative Settlement Facility other than the Settlement Facility to settle an Instruction that is RTGS Mandatory; and~~

~~(b) — obtains the consent of the counterparty to the Instruction,~~

~~the Participant may:~~

~~(c) — deliver or receive the Financial Products using a Demand Transfer in accordance with Section 9 of these Rules; and~~

~~(d) use the Alternative Settlement Facility to settle that Instruction.~~

Introduced 11/03/04 Origin SCH 7A.1.11 Amended 18/12/06

## 11.4 RTGS ADMINISTRATION OF AND PARTICIPATION IN REAL TIME GROSS SETTLEMENT

### 11.4.1 ASX Settlement as administrator

ASX Settlement is the administrator of Real Time Gross Settlement in CHESSE.

Introduced 11/03/04 Origin SCH 7A.2.1

### 11.4.2 Participants eligible to participate in Real Time Gross Settlement in CHESSE

A Participant is only eligible to participate in the Real Time Gross Settlement of Instructions in CHESSE if it is an RTGS Participant.

Introduced 11/03/04 Origin SCH 7A.2.2

### 11.4.3 RTGS Participants must have an RTGS Payments Provider

An RTGS Participant must ensure that, for the purposes of irrevocably settling Payment Obligations in connection with RTGS Instructions, it has at all times:

- (a) an RTGS Payments Provider (which may, but need not, be the same Payments Provider it utilises for the purposes of DvP Batch Settlement); ~~and~~
- (b) at least one Payment Facility with an RTGS Payments Provider; ~~and,~~
- (c) a bank account, referable to that Payment Facility, with the RTGS Payments Provider which is available for use by the RTGS Participant to settle RTGS Instructions and the RTGS Participant:
  - (i) must give ASX Settlement notice of the prescribed particulars of that bank account; and
  - (ii) may by giving ASX Settlement notice, amend any of those prescribed particulars.

Introduced 11/03/04 Origin SCH 7A.2.4

### 11.4.4 RTGS Payments Provider

An RTGS Payments Provider:

- (a) participates in that capacity in the Real Time Gross Settlement of Instructions in CHESSE to the extent it performs, in accordance with Section 11, any Payment Obligation owed by an RTGS Participant; and
- (b) may also be a Participant and may participate in Real Time Gross Settlement in CHESSE in either capacity.

A Payments Provider is not permitted to participate in RTGS, unless it is also an RTGS Payments Provider.

Introduced 11/03/04 Origin SCH 7A.2.3, 7A.2.5

## 11.5 RTGS PARTICIPANTS ~~ESTABLISHING AND MODIFYING NET POSITION RECORDS~~

### 11.5.1 Requirements to become an RTGS Participant ~~Activating a Net Position Record~~

A Participant may participate in Real Time Gross Settlement ~~settle RTGS Instructions in the capacity of an RTGS Participant in Real Time Gross Settlement, if it~~ For each Participant that:

- (a) is a General Settlement Participant or a Corporate Action Payments Participant; and
- ~~(b) has requested ASX Settlement to establish at least one Net Position Record to facilitate Real Time Gross Settlement; and~~
- ~~(be) is RTGS Accredited.~~

Note: A Corporate Action Payments Participant that is RTGS Accredited may only settle Corporate Action RTGS Instructions under Section 11.

~~ASX Settlement must, on receipt of a Valid Message Transmitted by an RTGS Payments Provider in accordance with Rule 11.5.3:~~

- ~~(d) activate a Net Position Record linked to at least one RTGS Account Identifier; and~~
- ~~(e) allow that Participant to settle RTGS Instructions in the capacity of an RTGS Participant in Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.4.1

### 11.5.2 **RTGS Accredited Participants**

To be RTGS Accredited, a Participant must, to the reasonable satisfaction of ASX Settlement, ~~as shown by RTGS Pre-commencement Testing, meet the RTGS Participation Requirements which include, but are not limited to, providing ASX Settlement with details of the Participant's RTGS Bank Account.;~~

- (a) meet the requirements of Rule 11.4.3;
- (b) be accredited to use the Messages relating to Bilateral Demand Settlement Instructions or Corporate Action RTGS Instructions or both (as applicable) required to participate as an RTGS Participant; and
- (c) meet any requirements set out in the Procedures.

Introduced 11/03/04 Origin SCH 7A.4.2

### 11.5.3 Authorisation by RTGS Payments Providers required for activation of a Net Position Record ~~[Deleted]~~

~~ASX Settlement will not activate a Net Position Record for a Participant until an RTGS Payments Provider has confirmed to ASX Settlement, in the form prescribed by ASX Settlement, that that Payments Provider authorises:~~

- ~~(a) — a Net Position Record being:
  - ~~(i) — activated with the attributes requested by the Participant under Rule 11.9.1; and~~
  - ~~(ii) — linked to a Payment Facility maintained or to be maintained by it for that Participant~~~~
- ~~(b) — a Cash Sub-record being established under that Net Position Record, linked to an account designated by the RTGS Account Identifier nominated by that Participant; and~~
- ~~(c) — the Payment Facility linked to the activated Net Position Record being available to settle any payment obligation identified in an Accrued RTGS Instruction that ASX Settlement generates in accordance with Rule 11.31.1 in connection with a Parent RTGS Instruction:
  - ~~(i) — to which the Participant is a counterparty; and~~
  - ~~(ii) — which is Recorded for Real Time Gross Settlement.~~~~

~~Note: — An Accrued RTGS Instruction usually involves a low value payment and in the normal course will be settled in DvP Batch Settlement under Section 10, but using the Payment Facility used in RTGS to settle the Parent RTGS Instruction.~~

Introduced 11/03/04 Origin SCH 7A.4.3

### 11.5.4 Requirements for an active Net Position Record ~~[Deleted]~~

~~An active Net Position Record must be:~~

- ~~(a) — linked to one, but not more than one without ASX Settlement's permission, Payment Facility; and~~
- ~~(b) — linked to at least one Cash Sub-record which is linked to an RTGS Account Identifier.~~

Introduced 11/03/04 Origin SCH 7A.4.4, 7A.4.5, 7A.4.6, 7A.4.7

## **11.6 RTGS PAYMENTS PROVIDERS**

### **11.6.1 Requirements for RTGS Payments Providers**

A person may participate in Real Time Gross Settlement in CHESS in the capacity of an RTGS Payments Provider, if it:

- (a) is a Payments Provider;
- (b) is able to comply with the obligations of an RTGS Payments Provider as contemplated by the Rules;
- (c) does not adversely affect the integrity or orderly operation of, or introduce significant new risk into, the Settlement Facility;
- (d) is able to meet any technical and performance requirements prescribed by ASX Settlement to ensure that an RTGS Payments Provider maintains effective and efficient communications with ASX Settlement for the purposes of Real Time Gross Settlement;
- (e) has applied to participate in the capacity of an RTGS Payments Provider in the form prescribed by ASX Settlement from time to time; and
- (f) provides such information as ASX Settlement requires to demonstrate the applicant satisfies the criteria specified in the Rules.

Introduced 11/03/04 Origin SCH 7A.3.1, 7A.3.1A

### **11.6.2 Liability of RTGS Payments Provider**

An RTGS Payments Provider assumes rights and incurs obligations in that capacity under the Rules in its own right and not as trustee for, or agent on behalf of, any other person.

Introduced 11/03/04 Origin SCH 7A.3.1

### **11.6.3 Applications to participate as an RTGS Payments Provider**

In respect of an application to participate in Real Time Gross Settlement in CHESS in the capacity of an RTGS Payments Provider under Rule 11.6.1:

- (a) ASX Settlement may assume the correctness of any representation or warranty made by any applicant and is not required to conduct independent enquiries or verification;
- (b) if the applicant satisfies all applicable participation criteria (including execution and delivery of the application in a manner satisfactory to ASX Settlement), ASX Settlement will admit a person to Real Time Gross Settlement in CHESS in the capacity of an RTGS Payments Provider; and
- (c) if ASX Settlement rejects an application, it must notify the applicant within 30 days of determining not to accept an application, including the reasons for rejection of the application.

Introduced 11/03/04 Origin SCH 7A.3.1A, 7A.3.1B, 7A.3.1C

#### 11.6.4 Covenants by RTGS Payments Providers

Each RTGS Payments Provider covenants with ASX Settlement, each Facility User and each other RTGS Payments Provider for the time being:

- (a) to observe the Rules and the requirements of the [User Technical Documentation](#)~~EIS~~, to the extent and in the manner provided;
- (b) in the capacity of a member of RITS/RTGS, to comply with the RITS Regulations, to the extent they apply or purport to apply to Instructions initiated in, and sent to RITS/RTGS from, CHESSE; and
- (c) as regards ASX Settlement and each RTGS Participant for which it maintains a Payment Facility, to bear risk of loss to the RTGS Payments Provider arising in connection with any breach of the RITS Regulations by any financial institution (including the RTGS Payments Provider) that is a member of RITS/RTGS or the Reserve Bank of Australia as operator of RITS/RTGS, relating to the settlement of a Payment Obligation, and

each RTGS Payments Provider acknowledges that its participation in Real Time Gross Settlement in CHESSE constitutes its acceptance of the matters set out in paragraphs (a)-(c) inclusive.

Introduced 11/03/04 Origin SCH 7A.3.2

#### 11.6.5 Communications between ASX Settlement and an RTGS Payments Provider

For the purposes of the operation of Real Time Gross Settlement in CHESSE, ~~the Procedures in relation to Rule 4.7 and~~ each of Rules 1.10.1, 1.10.4, 16.1, 16.3, 16.11, 16.12, 16.14, 16.15, 16.16, 16.17, 16.21(b), 16.22 (last paragraph) and 16.23 apply to communications between ASX Settlement and an RTGS Payments Provider as if incorporated in this Section 11, on the basis that:

- (a) (except in the case of Rules 16.1(a), ~~and~~ 16.1(b) ~~and paragraphs (a) and (c) of the Procedures in relation to Rule 4.7~~) that RTGS Payments Provider was a Facility User;
- (b) in the case of Rules 16.1(a), 16.1(b) ~~and paragraphs (a) and (c) of the Procedures in relation to Rule 4.7~~, each reference to the [User Technical Documentation](#)~~EIS~~ was a reference to so much of the [User Technical Documentation](#)~~EIS~~ as relates to Payments Providers and is applicable in connection with Real Time Gross Settlement, and each reference to a Facility User was a reference to an RTGS Payments Provider;
- (c) for the purposes of Rules 16.15 (last paragraph) and 16.16(a) and (b) only, that RTGS Payments Provider was an Issuer; and
- (d) references generally to the [User Technical Documentation](#)~~EIS~~ were references to those parts of the [User Technical Documentation](#) ~~EIS~~ that are applicable to communications between ASX Settlement and the Payments Provider in connection with Real Time Gross Settlement.

Introduced 11/03/04 Origin SCH 7A.3.12

### **11.6.6 Notice given when ceasing to act as RTGS Payments Provider**

An RTGS Payments Provider may give not less than 20 Business Days Notice to ASX Settlement stating that it will cease to participate in CHESS in that capacity and, if it does:

- (a) the RTGS Payments Provider must give not less than 20 Business Days Notice to each RTGS Participant for which it maintains a Payment Facility for the purposes of Real Time Gross Settlement, stating that it will cease to participate as an RTGS Payments Provider in CHESS;
- (b) each RTGS Participant that receives a Notice under paragraph (a) must ensure it has a Payment Facility for purposes of Real Time Gross Settlement in place with another RTGS Payments Provider by the Scheduled Time; and
- (c) Notices given by an RTGS Payments Provider under this Rule 11.6.6 are irrevocable.

Introduced 11/03/04 Origin SCH 7A.3.13, 7A.3.14, 7A.3.15

### **11.6.7 Continuing liability of RTGS Payments Provider**

Any cessation or termination of participation in Real Time Gross Settlement in CHESS of an RTGS Payments Provider will not affect any right or liability arising:

- (a) under these Rules; or
- (b) in respect of any act, matter or thing occurring,

before that resignation or termination takes effect.

Introduced 11/03/04 Origin SCH 7A.3.16

## **11.7 EXTERNAL ADMINISTRATION OF RTGS PARTICIPANTS AND RTGS PAYMENTS PROVIDERS**

### **11.7.1 External administration of an RTGS Participant**

An RTGS Participant that goes into external administration within the meaning of the Payment Systems and Netting Act must, without in any way limiting its obligation to give Notice to ASX Settlement in accordance with Rule 12.18.1, give Notice to any RTGS Payments Provider with which it maintains a Payment Facility for the purposes of Real Time Gross Settlement in CHESS, as soon as practicable after it becomes aware of the external administration.

For the avoidance of doubt, an obligation to give Notice arises under this Rule 11.7.1 when a Participant is a partnership or consists of 2 or more trustees, and a partner or a trustee goes into external administration within the meaning of the Payment Systems and Netting Act.

Introduced 11/03/04 Origin SCH 7A.2.7, 7A.2.8

### **11.7.2 Assumption of obligations by RTGS Payments Provider**

If an RTGS Participant that has settled a Payment Obligation under the Rules through an RTGS Payments Provider:

- (a) goes into external administration within the meaning of the Payment Systems and Netting Act; and
- (b) fails to fulfil obligations outstanding in relation to the Payment Obligation, the RTGS Payments Provider must assume those obligations.

*Note: Rule 11.7.2 addresses the requirements of section 9(1)(g) of the Payment Systems and Netting Act.*

Introduced 11/03/04 Origin SCH 7A.2.6

### **11.7.3 External administration of an RTGS Payments Provider**

If an RTGS Payments Provider:

- (a) goes into external administration within the meaning of the Payment Systems and Netting Act;
- (b) becomes aware that an RTGS Participant for which it maintains a Payment Facility for the purposes of Real Time Gross Settlement has gone into external administration within the meaning of the Payment Systems and Netting Act; or
- (c) receives a Notice given by an RTGS Participant under Rule 11.7.1,

it must give Notice to ASX Settlement, in accordance with the Rules and addressed to the Prescribed Person, as soon as practicable after becoming aware of the relevant external administration.

Introduced 11/03/04 Origin SCH 7A.2.9, 7A.2.10

### **11.7.4 Suspension of RTGS Payments Provider**

Where ASX Settlement receives a Notice that relates to Rule 11.7.3(a) or it is otherwise satisfied that an RTGS Payments Provider has gone into external administration within the meaning of the Payment Systems and Netting Act, ASX Settlement may for a specified period of time suspend:

- (a) that RTGS Payments Provider; and
- (b) any RTGS Participant which holds its Payment Facilities for the purposes of Real Time Gross Settlement exclusively with that RTGS Payments Provider,

from participation in Real Time Gross Settlement in CHESSE.

*Note: Rules 11.7.1, 11.7.3, 11.7.4 and 11.8.2 address the requirements of sections 9(1)(e) and (f) of the Payment Systems and Netting Act. ~~Refer also to Rule 11.8.9.~~*

Introduced 11/03/04 Origin SCH 7A.2.12

### **11.7.5 ASX Settlement not obliged to monitor**

ASX Settlement has no obligation to keep itself informed about the status, financial condition or creditworthiness of any RTGS Participant or RTGS Payments Provider.

Introduced 11/03/04 Origin SCH 7A.2.13

## **11.8 SUSPENSION OF RTGS PARTICIPANTS AND RTGS PAYMENTS PROVIDERS**

### **11.8.1 Penalties imposed on RTGS Payments Providers**

Without in any way limiting Rule 11.7.4, if an RTGS Payments Provider:

- (a) in the reasonable opinion of ASX Settlement:
  - (i) ceases to satisfy any of the applicable criteria for participation set out in Rule 11.6.1; or
  - (ii) fails to comply with any of its undertakings in Rule 11.6.4 in a manner which has a material adverse effect on its ability to comply with its obligations in that capacity under the Rules;
- (b) breaches the Rules and fails to rectify the breach, or provide an explanation satisfactory to ASX Settlement within 10 Business Days after receiving Notice from ASX Settlement to remedy the breach; or
- (c) has been suspended from participation as a Payments Provider in the arrangements established for DvP Batch Settlement under the Standard Payments Provider Deed,

ASX Settlement may:

- (d) suspend the RTGS Payments Provider from participation in that capacity in Real Time Gross Settlement in CHES for a specified period of time; or
- (e) in lieu of suspending the RTGS Payments Provider, impose conditions on its participation in Real Time Gross Settlement in CHES or its provision of services in that capacity to Participants.

Introduced 11/03/04 Origin SCH 7A.3.3

### **11.8.2 Restrictions on participation in Real Time Gross Settlement**

For the avoidance of doubt, where ASX Settlement exercises its right under Rule 12.19 to impose Restrictions on, suspend or terminate the participation of a Participant that is an RTGS Participant, any such Restriction, suspension or termination applies to Restrict (except to the extent ASX Settlement otherwise specifies), suspend or terminate, as the case may be, the ability of that Participant to participate in Real Time Gross Settlement.

Introduced 11/03/04 Origin SCH 7A.2.11

### **11.8.3 Suspension of RTGS Payments Providers**

If an RTGS Payments Provider is suspended:

- (a) under Rule 11.7.4; or
- (b) under Rule 11.8.1,

it is not entitled, from the date that suspension takes effect until the suspension is revoked, to:

- (c) provide services to Participants in the capacity of an RTGS Payments Provider;  
or
- (d) participate in Real Time Gross Settlement in CHESSE,

except (without imposing an obligation on the RTGS Payments Provider to do so) to the extent, and on such conditions, as ASX Settlement may, at its discretion, permit.

Nothing in this Rule 11.8.3 excuses an RTGS Payments Provider to which Rule 11.8.1(d) or (e) applies from meeting its other obligations in that capacity under the Rules, except as expressly provided.

*Note: Refer to Rule 11.17.5 for the consequences for Instructions affecting Payment Facilities maintained for Participant customers of that RTGS Payments Provider.*

Introduced 11/03/04 Origin SCH 7A.3.4

### **11.8.4 Termination of suspension of RTGS Payments Provider**

At any time while a RTGS Payments Provider is suspended from participation in Real Time Gross Settlement in CHESSE, ASX Settlement may:

- (a) terminate the suspension; or
- (b) change the period of suspension,

by Notice to that RTGS Payments Provider.

Introduced 11/03/04 Origin SCH 7A.3.5

### **11.8.5 Immediate termination for RTGS Payments Providers**

If:

- (a) an RTGS Payments Provider is suspended from participation in Real Time Gross Settlement in CHESSE for a period or periods totalling in aggregate 15 Business Days in any period of 12 months; or
- (b) ASX Settlement terminates the Standard Payments Provider Deed in force with a Payments Provider that is also an RTGS Payments Provider,

ASX Settlement may by giving notice to that RTGS Payments Provider terminate the participation of that RTGS Payments Provider in Real Time Gross Settlement in CHESSE with immediate effect.

Introduced 11/03/04 Origin SCH 7A.3.6

### 11.8.6 Appeals by RTGS Payments Providers

If an RTGS Payments Provider:

- (a) has its participation in Real Time Gross Settlement in CHESSE suspended for a continuous period of 15 Business Days on grounds set out in Rule 11.8.1(a) or (b);
- (b) has conditions imposed on its participation in Real Time Gross Settlement in CHESSE pursuant to Rule 11.8.1(e); or
- (c) has its participation in Real Time Gross Settlement in CHESSE terminated on the grounds set out in Rule 11.8.5(a),

it may appeal to [an Appeal Tribunal in accordance with the provisions of the ASX Enforcement and Appeals Rulebook](#), ~~an independent tribunal appointed by ASX Settlement which may, but need not, be the independent tribunal appointed for the purposes of the Standard Payments Provider Deed, and Rules 11.8.7 to 11.8.13 apply.~~

Introduced 11/03/04 Origin SCH 7A.3.7

### 11.8.7 Appeals ~~[Deleted]~~

~~An appeal initiated under Rule 11.8.6 by an RTGS Payments Provider will be conducted in accordance with Rules 11.8.8 to 11.8.13.~~

Introduced 11/03/04 Origin SCH 7A.3.8

### 11.8.8 ~~Time for making appeal~~ [Ability to take action pending appeal](#)

~~An appeal may only be made within 10 Business Days of the event appealed from by Notice in writing to ASX Settlement setting out the grounds of the appeal.~~ Pending the [expiry of the notice period to appeal or the](#) determination of the appeal, ~~the suspension,~~ condition or termination is fully effective in accordance with these Rules.

Introduced 11/03/04

### 11.8.9 ~~Right of parties to be heard~~ [\[Deleted\]](#)

~~ASX Settlement and the RTGS Payments Provider are entitled to be heard on the appeal and the appeal is to be conducted in private. Otherwise the procedure to be adopted on the appeal may be determined by the tribunal provided that the appeal must be:~~

- (a) ~~commenced as soon as practicable after Notice in writing to ASX Settlement under Rule 11.8.8; and~~
- (b) ~~conducted expeditiously and without unnecessary delays or adjournments.~~

Introduced 11/03/04

**11.8.10**      **Qualified Privilege [\[Deleted\]](#)**

~~Each of the RTGS Payments Provider and ASX Settlement and their respective officers and employees has qualified privilege as regards each other in respect of any statement made for the purposes of, or in connection with, the appeal.~~

~~Introduced 11/03/04~~

**11.8.11**      **Determination of the appeal [\[Deleted\]](#)**

~~In determining the appeal, the tribunal may:~~

~~(a) — dismiss the appeal; or~~

~~(b) — either:~~

~~(i) — in the case of an appeal under Rule 11.8.6(a) or (b):~~

~~A. — terminate a suspension;~~

~~B. — change the period of suspension to a new specified period or time; or~~

~~C. — vary or revoke any conditions imposed under Rule 11.8.1(e); or~~

~~(ii) — in the case of an appeal under Rule 11.8.6(c), direct ASX Settlement to re-admit the RTGS Payments Provider to participation in Real Time Gross Settlement in CHES.~~

~~As soon as practicable after the hearing of the appeal, the tribunal must notify ASX Settlement and the RTGS Payments Provider of its determination in writing.~~

~~Introduced 11/03/04~~

**11.8.12**      **Costs of appeal [\[Deleted\]](#)**

~~Each party must bear its own costs in relation to an appeal.~~

~~Introduced 11/03/04~~

**11.8.13**      **Appeal proceedings confidential [\[Deleted\]](#)**

~~Appeal proceedings (but not the written determination of an appeal) are confidential and may not be disclosed to any person except:~~

~~(a) — with the consent of the RTGS Payments Provider, ASX Settlement and the tribunal;~~

~~(b) — if required by law;~~

~~(c) — in connection with legal proceedings relating to these Rules or the appeal;~~

~~(d) if the information is generally and publicly available other than because of a breach of this Rule 11.8.13; or~~

~~(e) to a Related Body Corporate of the party, provided the Related Body Corporate undertakes to observe this Rule.~~

~~Nothing in this Rule 11.8.13 prevents disclosure by the RTGS Payments Provider to any client of the RTGS Payments Provider of the fact that the RTGS Payments Provider has appealed, or intends to appeal, under these Rules with respect to the suspension or termination of the RTGS Payments Provider.~~

Introduced 11/03/04

#### **11.8.14 Actions by ASX Settlement after tribunal determination [\[Deleted\]](#)**

~~If:~~

~~(a) an RTGS Payments Provider has had its participation in Real Time Gross Settlement in CHESS:~~

~~(i) suspended on the grounds set out in Rule 11.8.1(c); or~~

~~(ii) terminated on the grounds set out in Rule 11.8.5(b); and~~

~~(b) the independent tribunal directs ASX Settlement:~~

~~(i) to terminate the Payments Provider's suspension from DvP Batch Settlement; or~~

~~(ii) to enter into a fresh Standard Payment Provider Deed with the Payments Provider,~~

~~ASX Settlement will be taken to have been further directed by the independent tribunal:~~

~~(c) to revoke the Payments Provider's suspension from participation in Real Time Gross Settlement in CHESS; or~~

~~(d) to re-admit the Payments Provider as an RTGS Payments Provider, on the terms and conditions of these Rules,~~

~~as applicable.~~

Introduced 11/03/04 Origin SCH 7A.3.9

#### **11.8.15 RTGS Participant to nominate replacement RTGS Payments Provider**

Without in any way limiting the exercise of ASX Settlement's discretion under Rule 11.7.4(b), where ASX Settlement determines to suspend or terminate the participation of an RTGS Payments Provider in Real Time Gross Settlement in CHESS, ASX Settlement may elect to require each RTGS Participant on whose behalf the RTGS Payments Provider operates a Payment Facility for the purposes of Real Time Gross Settlement, to

nominate a Payment Facility with another RTGS Payments Provider (in the case of suspension of the first-mentioned Payments Provider, for the period of the suspension) and, if it so elects:

- (a) ASX Settlement must give Notice to that effect to each such RTGS Participant; and
- (b) that Participant must nominate a Payment Facility with another RTGS Payments Provider within the Scheduled Time.

Introduced 11/03/04 Origin SCH 7A.3.10, 7A.3.11

## 11.9 RTGS CREDIT CONTROLS ~~[DELETED]~~

### 11.9.1 Creation of Net Position Records ~~[Deleted]~~

~~Each request by a Participant to ASX Settlement to create and activate a Net Position Record under Rule 11.5.1(b), must:~~

- ~~(a) — be in the form prescribed by ASX Settlement from time to time;~~
- ~~(b) — indicate whether or not the nominated RTGS Payments Provider will utilise a Debit Cap to set its credit exposure in relation to the Payment Obligations to be recorded for that Participant against that Net Position Record; and~~
- ~~(c) — if a Debit Cap is to be utilised, specify a maximum dollar limit (which may be zero) for its operation.~~

~~If a Debit Cap is not to be activated on creation of the Net Position Record, the Participant has the option to specify a maximum dollar limit (which may be zero) for its operation.~~

Introduced 11/03/04 Origin SCH 7A.5.1

### 11.9.2 RTGS Payments Provider's authorisations in relation to a Debit Cap status ~~[Deleted]~~

~~An RTGS Payments Provider that in accordance with the Rules authorises a Participant's request to ASX Settlement to activate a Net Position Record with a Debit Cap Status recorded as:~~

- ~~(a) — active will, on creation of that Net Position Record, be taken to have:
  - ~~(i) — elected to set its credit exposure, in relation to the Payment Obligations to be recorded against that Net Position Record, by means of a Debit Cap; and~~
  - ~~(ii) — authorised ASX Settlement to allow the Participant's Net Position Record to go into debit up to the Debit Limit, at any time on any RTGS Business Day when the Debit Cap Status assigned to that Net Position Record is recorded as active; and~~~~
- ~~(b) — inactive will, on creation of that Net Position Record, be taken to have elected to determine credit decisions, in respect of any Payment Obligations to be~~

~~recorded against that Net Position Record, on a case by case basis via its AIF interface.~~

Introduced 11/03/04 Origin SCH 7A.5.2, 7A.5.3

### 11.9.3 Notification by RTGS Payments Providers regarding active Net Position Records [Deleted]

~~An RTGS Payments Provider may Transmit to ASX Settlement a Valid Message notifying that, for a Net Position Record that is active in relation to a Payment Facility maintained by it for a particular RTGS Participant, it requires ASX Settlement to:~~

- ~~(a) — change the Net Position Record Status to inactive;~~
- ~~(b) — determine credit decisions through:
  - ~~(i) — its AIF interface; or~~
  - ~~(ii) — use of an active Debit Cap;~~~~
- ~~(c) — increase or decrease the Debit Limit;~~
- ~~(d) — in relation to a linked Cash Sub-record, receive, or not receive, RITS Presettlement Advices of RTGS Instructions that specify a particular RTGS Account Identifier;~~
- ~~(e) — in relation to a linked Cash Sub-record, receive, or not receive, RITS Post-settlement Advices of RTGS Instructions that specify a particular RTGS Account Identifier; or~~
- ~~(f) — alter or add any other attributes, as permitted by ASX Settlement from time to time;~~

~~and ASX Settlement is entitled to rely on that Valid Message to:~~

- ~~(g) — change any relevant Payments Provider Managed attribute of a Net Position Record; and~~
- ~~(h) — (i) — adjust Feeder System records in accordance with the Message; and
  - ~~(ii) — within the Scheduled Time, advise each of RTGS Payments Provider and the relevant RTGS Participant of the change, and the time it was made.~~~~

~~*Note: — The status of a Net Position Record cannot be changed with intra-day effect, but an RTGS Payments Provider may, in respect of a Net Position Record having an active Debit Cap, effect an intra-day reduction to zero in the Debit Limit, with the effect set out in Rule 11.9.10.*~~

Introduced 11/03/04 Origin SCH 7A.5.4, 7A.5.5

**11.9.4 Obligations of RTGS Payments Provider not affected [\[Deleted\]](#)**

~~A change made by ASX Settlement to any of the Payments Provider Managed attributes of a Participant's Net Position Record in accordance with this Rule 11.9 does not in any way affect any liability or obligation on the part of the relevant RTGS Payments Provider assumed:~~

- ~~(a) — before the change; and~~
- ~~(b) — in connection with the Real Time Gross Settlement under the Rules of any Payment Obligation of that Participant.~~

~~Introduced 11/03/04 Origin SCH 7A.5.6~~

**11.9.5 Net Position Record attributes cannot be changed during RTGS Settling Phase [\[Deleted\]](#)**

~~For the avoidance of doubt, where:~~

- ~~(a) — an RTGS Payments Provider requests ASX Settlement to make a change to a Payments Provider Managed attribute of a Participant's Net Position Record under Rule 11.9.3;~~
- ~~(b) — before ASX Settlement processes that request, an RTGS Instruction that affects that Net Position Record has entered the RTGS Settling Phase; and~~
- ~~(c) — that RTGS Instruction settles under the Rules,~~

~~the Payments Provider will be taken, in respect of that RTGS Instruction:~~

- ~~(d) — to be bound by the Payments Provider Managed attributes of that Net Position Record in force before it made that request; and~~
- ~~(e) — to have assumed all relevant obligations and liability on that basis.~~

~~Note: — Rule 11.9.5 acknowledges that a Payments Provider cannot change a Net Position Record attribute for an RTGS Instruction in the RTGS Settling Phase, and it recognises ASX Settlement's limited ability to recall funds transfer instructions from RITS/RTGS. However a Payments Provider that determines its credit exposure to that Participant via the AIF will retain discretion to decline funding for that instruction.~~

~~Introduced 11/03/04 Origin SCH 7A.5.6A~~

**11.9.6 Net Position Records with an inactive status [\[Deleted\]](#)**

~~Where, in accordance with Rule 11.9.3, ASX Settlement records as inactive the status of a Net Position Record, ASX Settlement will:~~

- ~~(a) — reject any RTGS Message received by it after the time of that recording; and~~
- ~~(b) — within the Scheduled Time, remove any RTGS Instruction that has been Recorded,~~

~~that in each case identifies a Cash Sub-record linked to that Net Position Record.~~

~~Note: — The status of a Net Position Record cannot be changed intra-day. The effect of Rule 11.9.3 and this Rule 11.9.6 is to ensure that ASX Settlement will not process any Instruction Recorded for settlement, or Message received, on any day subsequent to receipt of such an instruction from the relevant RTGS Payments Provider.~~

Introduced 11/03/04 Origin SCH 7A.5.7

**11.9.7 Elections of RTGS Payments Providers where Net Position Record is recorded as active [\[Deleted\]](#)**

~~During any period in which the Debit Cap Status of a Net Position Record is recorded as active, the RTGS Payment Provider that maintains the Payment Facility to which that Net Position Record is linked is taken, for that period, to have made the election and authorisation set out in Rule 11.9.2(a).~~

Introduced 11/03/04 Origin SCH 7A.5.8

**11.9.8 Elections of RTGS Payments Providers where Net Position Record is recorded as inactive [\[Deleted\]](#)**

~~During any period in which the Debit Cap Status of a Net Position Record is recorded as inactive, the RTGS Payments Provider that maintains the Payment Facility to which that Net Position Record is linked is taken, for that period, to have made the election set out in Rule 11.9.2(b).~~

Introduced 11/03/04 Origin SCH 7A.5.9

**11.9.9 Change in Debit Cap Status [\[Deleted\]](#)**

~~If, at any time in respect of a Net Position Record for which the Debit Cap Status has been changed to active, no Debit Limit is recorded in the CHESSE Feeder System, the Debit Limit will at that time be taken to be zero.~~

Introduced 11/03/04 Origin SCH 7A.5.10

**11.9.10 Circumstances in which ASX Settlement will not permit Real Time Gross Settlement [\[Deleted\]](#)**

~~Except in the circumstances contemplated by Rule 11.9.5, where an RTGS Payments Provider has elected to determine its credit exposure to an RTGS Participant by means of an active Debit Cap, ASX Settlement will not permit an RTGS Instruction to which that Participant is a counterparty to settle in Real Time Gross Settlement if:~~

- ~~(a) — the Debit Limit assigned to the Net Position Record against which the relevant Payment Obligation is to be recorded is reduced;~~
- ~~(b) — the debit balance recorded against that Net Position Record at the time of the reduction is equal to or greater than the reduced Debit Limit; and~~
- ~~(c) — if the RTGS Instruction were to be settled under these Rules, the result would be to increase the debit balance of that Net Position Record.~~

~~Note: — Refer to Rule 11.20.3(b) in connection with the determination of a debit balance for a Net Position Record and to Rules 11.9.4 and 11.9.5 in connection with instructions already in the RTGS Settling Phase at the time ASX Settlement receives a request to reduce an operative Debit Limit.~~

Introduced 11/03/04 Origin SCH 7A.5.11

#### **11.9.11 Notifications by RTGS Participants to ASX Settlement [\[Deleted\]](#)**

~~An RTGS Participant may at any time notify ASX Settlement that it requires ASX Settlement to:~~

- ~~(a) — cancel any previously nominated, and substitute a replacement, Standing Buy Account Identifier or Standing Sell Account Identifier;~~
- ~~(b) — cancel any previously nominated, or nominate a new, RTGS Account Identifier;~~
- ~~(c) — nominate, or cancel any nomination of, a Cash Sub-record as an Excluded Cash Sub-record; or~~
- ~~(d) — alter or add to any other attributes, as permitted by ASX Settlement from time to time,~~

~~that relate to a Net Position Record, or associated Cash Sub-record, maintained in its name.~~

~~Note: — The facility to nominate a Cash Sub-record as an Excluded Cash Sub-record is directed to accommodating trust account obligations in connection with the calculation of available funds within any applicable Debit Limit.~~

Introduced 11/03/04 Origin SCH 7A.5.12

#### **11.9.12 Change of details of Participant Managed attributes [\[Deleted\]](#)**

~~On receipt of a Valid Message Transmitted by an RTGS Participant requesting a change to any of the Participant Managed attributes of an active Net Position Record, ASX Settlement must, but if and only if the relevant RTGS Payments Provider has Transmitted a Valid Message acknowledging to ASX Settlement that it has authorised the requested change:~~

- ~~(a) — adjust the Feeder System records; and~~
- ~~(b) — within the Scheduled Time, advise each of the RTGS Participant and RTGS Payments Provider of the change and the time it was made.~~

Introduced 11/03/04 Origin SCH 7A.5.13

#### **11.9.13 Obligations of RTGS Participants not affected [\[Deleted\]](#)**

~~A change made by ASX Settlement to any of the Participant Managed attributes of a Participant's Net Position Record in accordance with this Rule 11.9 does not in any way affect any liability or obligation on the part of that Participant, or the relevant RTGS Payments Provider, assumed:~~

- ~~(a) — before the change; and~~
- ~~(b) — in connection with the Real Time Gross Settlement under the Rules of any relevant obligation of that Participant.~~

Introduced 11/03/04 Origin SCH 7A.5.14

**11.9.14 Participant and the Payments Provider to be bound by the Participant Managed attributes [\[Deleted\]](#)**

~~For the avoidance of doubt, where:~~

- ~~(a) — an RTGS Participant requests ASX Settlement to make a change to a Participant Managed attribute of a Net Position Record of that Participant under Rule 11.9.11;~~
- ~~(b) — before ASX Settlement processes that request, an RTGS Instruction that affects that Net Position Record has entered the RTGS Settling Phase; and~~
- ~~(c) — that RTGS Instruction settles under the Rules,~~

~~the Participant and the Payments Provider will be taken, in respect of that RTGS Instruction:~~

- ~~(d) — to be bound by the Participant Managed attributes of that Net Position Record in force before the Participant made that request; and~~
- ~~(e) — to have assumed their respective obligations and liabilities on that basis.~~

Introduced 11/03/04 Origin SCH 7A.5.14A

**11.9.15 Standing RTGS Account Identifiers [\[Deleted\]](#)**

~~A Participant may, in connection with any request to ASX Settlement to create a Net Position Record under these Rules, nominate no more than:~~

- ~~(a) — one Standing Buy Account Identifier; and~~
- ~~(b) — one Standing Sell Account Identifier,~~

~~to be linked to that Net Position Record.~~

Introduced 11/03/04 Origin SCH 7A.6.1

**11.9.16 Participant election [\[Deleted\]](#)**

~~A Participant may elect to specify the same details for the Standing Buy Account Identifier and the Standing Sell Account Identifier.~~

Introduced 11/03/04 Origin SCH 7A.6.2

## 11.10 RTGS PART SETTLEMENT NOT AVAILABLE

### 11.10.1 ASX Settlement will not treat an instruction as available for settlement in part

ASX Settlement is not entitled to treat an Instruction processed for Real Time Gross Settlement in CHES as available for settlement in part.

Introduced 11/03/04 Origin SCH 7A.7.1

## 11.11 DVP RTGS INSTRUCTIONS TRANSFERRED FROM DVP BATCH SETTLEMENT ~~[DELETED]~~

### 11.11.1 Matched Dual Entry Switch to RTGS Messages ~~[Deleted]~~

~~ASX Settlement will treat Matched Dual Entry Switch to RTGS Messages notified to it in accordance with Rule 10.6.1, 10.6.2, 10.6.3 or 10.11.8(a) and (b) as collectively constituting an RTGS Instruction.~~

Introduced 11/03/04 Origin SCH 7A.8.1

### 11.11.2 Unspecified Settlement ~~[Deleted]~~

~~If a deemed RTGS Instruction under Rule 11.11.1 does not specify an RTGS Settlement Date:~~

- ~~(a) — the counterparties will be taken to have instructed ASX Settlement to settle that Instruction in Real Time Gross Settlement on the scheduled Settlement Date, determined in accordance with Section 10; and~~
- ~~(b) — ASX Settlement will Record each such RTGS Instruction for Real Time Gross Settlement and within the Scheduled Time, notify each counterparty and advise the applicable RTGS Settlement Date.~~

Introduced 11/03/04 Origin SCH 7A.8.2, 7A.8.3

## 11.12 RTGS SWITCH TO BATCH SETTLEMENT ~~[DELETED]~~

### 11.12.1 Valid Switch to Batch Settlement Messages ~~[Deleted]~~

~~Subject to this Rule 11.12, ASX Settlement will:~~

- ~~(a) — treat a Valid Switch to Batch Settlement Message that:
  - ~~(i) — is Transmitted within the Scheduled Time on any RTGS Business Day to ASX Settlement by an RTGS Participant, in connection with an RTGS Instruction;~~
  - ~~(ii) — relates to a DvP Instruction;~~
  - ~~(iii) — if the DvP Instruction has been admitted under Rule 10.4.5 identifies it, if applicable, as one to which NGF coverage does not apply; and~~~~

~~(iv) — does not relate to an Instruction that is RTGS Mandatory,~~

~~as constituting a Batch Instruction, and~~

~~(b) — remove the RTGS Instruction from Real Time Gross Settlement; and~~

~~(c) — within the Scheduled Time, notify each counterparty that the Instruction has been removed from Real Time Gross Settlement and will be settled in Batch Settlement,~~

~~and Section 10 will apply.~~

Introduced 11/03/04 Origin SCH 7A.9.1

**11.12.2 Messages relating to a Dual Entry RTGS Instruction must be Matched [\[Deleted\]](#)**

~~ASX Settlement has no obligation to act in accordance with a Valid Switch to Batch Settlement Message that relates to a Dual Entry RTGS Instruction, unless it has Matched that Message.~~

Introduced 11/03/04 Origin SCH 7A.9.2

**11.12.3 When ASX Settlement will Match Dual Entry Switch to Batch Settlement Messages [\[Deleted\]](#)**

~~ASX Settlement will:~~

~~(a) — Match a Valid Dual Entry Switch to Batch Settlement Message that:~~

~~(i) — is Transmitted by a Participant to ASX Settlement within the Scheduled Time; and~~

~~(ii) — specifies or implies the same mandatory details as the Message Transmitted by the counterparty Participant; and~~

~~(b) — treat the Matched Dual Entry Switch to Batch Settlement Message as collectively constituting a Batch Instruction.~~

Introduced 11/03/04 Origin SCH 7A.9.3, 7A.9.4, 7A.9.5

**11.12.4 Batch Instructions to be settled on the Settlement Date [\[Deleted\]](#)**

~~Subject to this Rule 11.12, ASX Settlement will schedule each such Batch Instruction for inclusion in Batch Settlement on the requested Settlement Date.~~

~~Note: — An Instruction transferred to Batch Settlement under Rule 11.12 will not be novated to CCP and will only be netted on an administrative basis.~~

Introduced 11/03/04 Origin SCH 7A.9.6

### 11.12.5 No Settlement Date specified [\[Deleted\]](#)

~~If a Batch Instruction constituted in accordance with this Rule 11.12 does not specify a Settlement Date, ASX Settlement will be taken to have been instructed to settle the Instruction in Batch Settlement:~~

- ~~(a) — if the Instruction is constituted within the Scheduled Time, on the Business Day Recorded as the RTGS Settlement Date; or~~
- ~~(b) — if the Instruction is not constituted within the Scheduled Time on the Business Day Recorded as the RTGS Settlement Date, on the next Business Day.~~

~~Introduced 11/03/04 Origin SCH 7A.9.7~~

### 11.12.6 Requests for change in HIN [\[Deleted\]](#)

~~If, within the Scheduled Time, an RTGS Participant Transmits to ASX Settlement a Valid Message that requests a change in the HIN to apply for the Source Holding or the Target Holding, as applicable, in connection with a Batch Instruction constituted under this Rule 11.12 ASX Settlement will:~~

- ~~(a) — record a change to the Instruction in accordance with the Message; and~~
- ~~(b) — within the Scheduled Time, notify the Participant that Transmitted the Message.~~

~~Note: — Changes of the kind specified in this Rule are only notified to the Participant that Transmitted the Message: refer to Rules 16.18 and 16.19.~~

~~— Rule 11.12.6 provides the mechanism by which a Participant may switch between Payment Facilities (and Payment Providers) when switching between settlement modes.~~

~~Introduced 11/03/04 Origin SCH 7A.9.8~~

### 11.12.7 Processing of Instructions by ASX Settlement [\[Deleted\]](#)

- ~~(a) — Each RTGS Participant acknowledges that ASX Settlement's ability to process a Switch to Batch Settlement Message that requests settlement of a Instruction (or related HIN change) on the Business Day on which the Message is Transmitted to ASX Settlement will depend on system processing demands in CHESSE between Start of Day and Settlement Cut-off on that day.~~
- ~~(b) — Despite any other Rule, while ASX Settlement will use reasonable endeavours to process any Message received in terms of Rule 11.12.7(a), it will have no liability for any failure to process any such Instruction as requested in that day's Settlement Processing Phase.~~

~~Note: — CHESSE queuing processes for preparation of the daily net batch settlement under Section 10 will in the ordinary course have priority over Messages requesting switches that are received close to Settlement Cut-off.~~

~~Introduced 11/03/04 Origin SCH 7A.9.9~~

## 11.13 RTGS INSTRUCTIONS

### 11.13.1 Requirements of RTGS Instructions

Subject to this Rule 11.13, ASX Settlement will:

- (a) ~~\_\_\_\_\_~~ treat a Valid RTGS Message Transmitted to it within the Scheduled Time on any RTGS Business Day as constituting an RTGS Instruction; ~~and~~
- (b) Record an RTGS Instruction for Real Time Gross Settlement on that RTGS Business Day.

Introduced 11/03/04 Origin SCH 7A.10.1

### 11.13.2 ~~Messages relating to Bilateral Demand Settlement DvP RTGS Instructions~~ Messages must be Matched

ASX Settlement has no obligation to Record or act in accordance with a Valid Bilateral Demand Settlement Message ~~Valid RTGS Message that relates to a DvP RTGS Instruction~~, unless it has Matched that Message.

Introduced 11/03/04 Origin SCH 7A.10.2

### 11.13.3 ~~When ASX Settlement will Match Dual Entry Bilateral Demand Settlement~~ Messages RTGS

ASX Settlement will Match ~~a Dual Entry~~ Valid Bilateral Demand Settlement RTGS Messages received on any RTGS Business Day in accordance with Rule 9.5A.4.

~~that:~~

- (a) ~~\_\_\_\_\_~~ is Transmitted to ASX Settlement by a Participant within the Scheduled Time; ~~and~~
- (b) ~~\_\_\_\_\_~~ (i) ~~\_\_\_\_\_~~ specifies or implies the same mandatory details; and  
(ii) ~~\_\_\_\_\_~~ specifies or implies the same Settlement Amount or a Settlement Amount that differs by no more than the Settlement Amount Tolerance; and

~~treat the Matched Dual Entry RTGS Message as the RTGS Message Transmitted to ASX Settlement by the counterparty Participant.~~

Introduced 11/03/04 Origin SCH 7A.10.3, 7A.10.4

### 11.13.4 Treatment of Matched Message

~~If, within the Scheduled Time, ASX Settlement Matches Valid Dual Entry RTGS Messages, it will:~~ If ASX Settlement Matches Valid Bilateral Demand Settlement Messages on an RTGS Business Day, it will take action, including determining the Settlement Amount for the relevant RTGS Instruction, in accordance with Rule 9.5A.6. For the purposes of Section 11, the Settlement Amount will equal the Payment Obligation in relation to that RTGS Instruction.

- ~~(a) — treat the Matched Messages as constituting an RTGS Instruction; and~~
- ~~(b) — if the amount to be included as the Settlement Amount specified in each such Message differs by no more than the Settlement Amount Tolerance, apply the lower of the two amounts as the Settlement Amount for the relevant RTGS Instruction; and~~
- ~~(c) — for each RTGS Instruction:
  - ~~(i) — Record it for Real Time Gross Settlement; and~~
  - ~~(ii) — within the Scheduled Time, notify each counterparty and advise the applicable RTGS Settlement Date.~~~~

Introduced 11/03/04 Origin SCH 7A.10.4, 7A.10.5, 7A.10.6

### 11.13.5 Obligations between counterparties to an RTGS Instruction

As between the RTGS Participants that are the counterparties to a particular RTGS Instruction, the obligations of each of them:

- (a) to pay or receive an amount; ~~and or~~
- (b) in the case of a [Bilateral Demand Settlement](#) ~~DvP RTGS~~ Instruction, to deliver or receive Financial Products,

are taken to be owed to the other as principal, even if a Participant has a settlement obligation to another person in relation to the underlying RTGS Instruction.

Introduced 11/03/04 Origin SCH 7A.10.7

## 11.14 RTGS STANDING INSTRUCTIONS [\[DELETED\]](#)

### 11.14.1 Standing Buy Accounts [\[Deleted\]](#)

~~If a Valid RTGS Message Transmitted to ASX Settlement by the RTGS Participant that is the payer on settlement of the relevant Payment Obligation:~~

- ~~(a) — does not specify an RTGS Account Identifier for the purpose of making the payment required to discharge that Payment Obligation on settlement; and~~
- ~~(b) — the Participant has notified ASX Settlement of its Standing Buy Account Identifier,~~

~~the Message will be taken to specify that Participant's Standing Buy Account Identifier as the RTGS Account Identifier.~~

Introduced 11/03/04 Origin SCH 7A.11.1

### 11.14.2 Standing Sell Accounts [\[Deleted\]](#)

~~If a Valid RTGS Message Transmitted to ASX Settlement:~~

~~(a) — does not specify an RTGS Account Identifier for the purpose of the RTGS Participant that is the payee on settlement of the relevant Payment Obligation receiving payment of that Payment Obligation; and~~

~~(b) — the Participant has notified ASX Settlement of its Standing Sell Account Identifier;~~

~~the Message will be taken to specify that Participant's Standing Sell Account Identifier as the RTGS Account Identifier.~~

~~Note: — ASX Settlement will reject a Message that does not specify, or cannot be taken to specify, an RTGS Account Identifier.~~

Introduced 11/03/04 Origin SCH 7A.11.2

### 11.14.3 Standing Settlement HIN for Source Holding [\[Deleted\]](#)

~~If a Valid Dual Entry RTGS Message Transmitted to ASX Settlement by the Participant that is the delivering Participant on settlement:~~

~~(a) — does not specify a HIN for the Source Holding from which the Financial Products are required to be delivered; and~~

~~(b) — the Participant has notified ASX Settlement of a Standing Settlement HIN pursuant to Section 10 of the Rules,~~

~~the Message will be taken to specify that Standing Settlement HIN as the HIN for the Source Holding.~~

Introduced 11/03/04 Origin SCH 7A.11.3

### 11.14.4 Standing Settlement HIN for Target Holding [\[Deleted\]](#)

~~If a Valid Dual Entry RTGS Message Transmitted to ASX Settlement by the Participant that is the receiving Participant on settlement:~~

~~(a) — does not specify a HIN for the Target Holding to which the Financial Products are required to be delivered; and~~

~~(b) — the Participant has notified ASX Settlement of a Standing Settlement HIN pursuant to Section 10 of the Rules,~~

~~the Message will be taken to specify that Standing Settlement HIN as the HIN for the Target Holding.~~

~~Note: — ASX Settlement will reject a Message that does not specify, or cannot be taken to specify, a HIN.~~

Introduced 11/03/04 Origin SCH 7A.11.4

## 11.15 RECORDING RTGS INSTRUCTIONS

### 11.15.1 ASX Settlement to store details of each RTGS Instruction

ASX Settlement will store electronically in CHES details of each RTGS Instruction, ~~or change to an RTGS Instruction,~~ notified to it in accordance with the Rules, for RTGS processing through the Feeder System ~~on the RTGS Settlement Date specified, or taken to be specified, in that RTGS Instruction.~~

For the avoidance of doubt, Feeder System records constitute confirmation, as between relevant Participants, of the settlement details for an RTGS Instruction, but its formation is determined in accordance with the applicable law.

Introduced 11/03/04 Origin SCH 7A.12

## 11.16 CHANGE TO RTGS INSTRUCTIONS

### 11.16.1 ~~Complying with a Valid Message~~ Change to RTGS Instructions

An RTGS Participant cannot request ASX Settlement to change any of the details Recorded for an RTGS Instruction to which that Participant is counterparty.

~~Subject to this Rule 11.16, ASX Settlement will:~~

~~(a) — comply with a Valid Message:~~

~~(i) — Transmitted to it by an RTGS Participant within the Scheduled Time on any RTGS Business Day; and~~

~~(ii) — requesting ASX Settlement to change any of the details Recorded for an RTGS Instruction to which that Participant is counterparty;~~

~~(b) — within the Scheduled Time, notify the sender that the change has been made; and~~

~~(c) — if both counterparties are Settlement Participants that are Clearing Participants and the RTGS Instruction relates to an On-Market Transaction, include details of the change in a Surveillance Report of changed On-Market Transactions.~~

Introduced 11/03/04 Origin SCH 7A.13.1

### 11.16.2 No obligation to act unless Message Matched [Deleted]

~~ASX Settlement has no obligation to act in accordance with a Valid Message requesting ASX Settlement to change any of the details of a Dual Entry RTGS Instruction, unless it has Matched the Message.~~

Introduced 11/03/04 Origin SCH 7A.13.2

### 11.16.3 Message to change the details of a Dual Entry RTGS Instruction [Deleted]

~~A Message to change the details of a Dual Entry RTGS Instruction must:~~

- ~~(a) be Transmitted to ASX Settlement by a Participant within the Scheduled Time; and~~
- ~~(b) specify or imply the same mandatory details as the Message Transmitted by the counterparty Participant, and~~

~~ASX Settlement will match such Messages.~~

Introduced 11/03/04 Origin SCH 7A.13.3, 7A.13.4

#### 11.16.4 **Changing an RTGS instruction** ~~[Deleted]~~

~~If within the Scheduled Time, a counterparty to a Dual Entry RTGS Instruction Transmits a Valid Message that requests a change to:~~

- ~~(a) if the Participant is the delivering Participant, the Source Holding; and~~
- ~~(b) if the Participant is the receiving Participant:
  - ~~(i) the Target Holding; or~~
  - ~~(ii) in the case of an RTGS Instruction designated as Off Market, any stamp duty details required under the Rules,~~~~

~~ASX Settlement will:~~

- ~~(c) change the RTGS Instruction in accordance with the Message; and~~
- ~~(d) notify the Participant that Transmitted the Message within the Scheduled Time.~~

~~Note: Changes of the kind specified in this Rule are only notified to the Participant that Transmitted the Message. Refer to Rule 16.18 and 16.19 for general rules regarding notifications by ASX Settlement.~~

Introduced 11/03/04 Origin SCH 7A.13.5

## 11.17 **RTGS SUSPENSION AND CANCELLATION OF RTGS INSTRUCTIONS**

### 11.17.1 **Suspension or termination of RTGS Payments Provider**

If ASX Settlement suspends or terminates the participation of an RTGS Payments Provider in Real Time Gross Settlement in CHES, ASX Settlement may:

- (a) suspend any RTGS Instruction which at that time is:
  - (i) Recorded for Real Time Gross Settlement; or
  - (ii) under processing in the Feeder System Queue;
- (b) cancel any RTGS Message that at that time has not been Matched; or

- (c) reject any RTGS Message subsequently received from a Participant, if that RTGS Instruction or RTGS Message would affect a Payment Facility maintained by that Payments Provider for the benefit of any RTGS Participant.

Introduced 11/03/04 Origin SCH 7A.14.1

#### 11.17.2 Suspension of RTGS Participant

If, under Rule 12.19.1, ASX Settlement suspends the participation of any RTGS Participant, ASX Settlement will, subject to Rules 11.17.7 ~~and Rule 12.14.9~~:

- (a) suspend any RTGS Instruction to which that Participant is a counterparty and which at that time is:
- (i) Recorded for Real Time Gross Settlement; or
  - (ii) under processing in the Feeder System Queue; and
- (b) cancel any ~~Dual Entry~~ Bilateral Demand Settlement RTGS Message Transmitted by the Participant that has not at that time been Matched and reject any RTGS Message subsequently received from that Participant.

*Note: Refer to Rule 12.20.1 in relation to the consequences of termination of a Participant.*

Introduced 11/03/04 Origin SCH 7A.14.2

#### 11.17.3 Suspended RTGS Instructions

ASX Settlement ~~will may cancel any RTGS Instruction that remains suspended, for whatever reason, at RTGS End of Day.~~

- ~~(a) on each RTGS Business Day on which any RTGS Instruction remains suspended, Record the RTGS Instruction for Real Time Gross Settlement on the next RTGS Business Day; and~~
- ~~(b) cancel any RTGS Instruction that remains suspended at RTGS End of Day on the 10th consecutive RTGS Business Day after the commencement of suspension.~~

Introduced 11/03/04 Origin SCH 7A.14.3

#### 11.17.4 Cancellation of RTGS Instructions by Participants **[DELETED]**

~~Subject to this Rule 11.17.4, if within the Scheduled Time a Participant Transmits to ASX Settlement a Valid Message requesting cancellation of an RTGS Instruction to which that Participant is a counterparty and in respect of which it has a Payment Obligation, ASX Settlement will:~~

- ~~(a) cancel its Recording of the RTGS Instruction and, if applicable, remove it from the Feeder System Queue; and~~

~~(b) — within the Scheduled Time, notify the sender that the RTGS Instruction has been removed from Real Time Gross Settlement in CHESSE; and~~

~~(c) — if both counterparties are Settlement Participants that are Clearing Participants and the RTGS Instruction relates to an On-Market Transaction, include details of the change in a Surveillance Report.~~

Introduced 11/03/04 Origin SCH 7A.14.4

#### 11.17.5 ~~No Messages to cancellation of Dual Entry Bilateral Demand Settlement RTGS RTGS Instructions~~

~~A Participant to an RTGS Instruction Bilateral Demand Settlement Instruction may not Transmit a Message to ASX Settlement requesting cancellation of that Instruction.~~

~~If a Message to cancel a Dual Entry RTGS Instruction:~~

~~(a) — is Transmitted to ASX Settlement by a Participant within the Scheduled Time; and~~

~~(b) — specifies or implies the same mandatory details as the Message Transmitted by the counterparty Participant,~~

~~ASX Settlement will Match the Messages.~~

Introduced 11/03/04 Origin SCH 7A.14.6, 7A.14.7

#### 11.17.6 Cancellation of Dual Entry RTGS Instructions ~~[Deleted]~~

~~ASX Settlement has no obligation to act in accordance with a Valid Message requesting cancellation of a Dual Entry RTGS Instruction, unless it has Matched the Message.~~

Introduced 11/03/04 Origin SCH 7A.14.5

#### 11.17.7 Suspension ~~or cancellation~~ of an RTGS Instruction during RTGS Settling Phase

Despite any other Rule, ASX Settlement has no obligation to suspend settlement processing of, ~~or cancel,~~ an RTGS Instruction that has entered the RTGS Settling Phase except to the extent that the Reserve Bank of Australia, as operator of RITS/RTGS, permits ASX Settlement to recall from, or otherwise inactivate in, RITS/RTGS funds transfer details relating to that RTGS Instruction.

Introduced 11/03/04 Origin SCH 7A.14.8

## 11.17A RTGS FINANCIAL PRODUCTS SUBJECT TO DEMAND LOCK

### 11.17A.1 Application of Demand Lock to Financial Products the subject of a Bilateral Demand Settlement Transfer

ASX Settlement will apply a Demand Lock to Financial Products that are the subject of a Bilateral Demand Settlement Transfer in accordance with Rule 9.5A.2.

### 11.17A.2 Cancellation of Demand Lock applied to Financial Products

ASX Settlement will cancel any Demand Lock applied to Financial Products that are the subject of a Bilateral Demand Settlement Instruction if:

- (a) the Bilateral Demand Settlement Instruction to which the Demand Lock relates is Failed or suspended in accordance with the Rules;
- (b) the Financial Products subject to the Demand Lock are no longer Available Financial Products; or
- (c) the Financial Products subject to the Demand Lock are subject to a Reconstruction and ASX Settlement has received a Valid Message from an Issuer under Rule 8.15.19.

however ASX Settlement has no obligation to cancel a Demand Lock applied to Financial Products in connection with a Bilateral Demand Settlement Instruction, the funds transfer details of which have been sent across the Feeder System interface to RITS, unless the Reserve Bank of Australia, as operator of RITS, permits ASX Settlement to recall the RTGS Instruction from, or otherwise inactivate it in, RITS.

Note: Rule 11.17A.2(b) acknowledges that ASX Settlement may be compelled by order of a court of competent jurisdiction to apply a Holding Lock to the Holding from which the relevant Financial Products are to be delivered in Real Time Gross Settlement.

### 11.17A.3 Cancellation of Bilateral Demand Settlement Instruction if Financial Products unavailable

Where ASX Settlement has cancelled a Demand Lock applied to Financial Products that are the subject of a Bilateral Demand Settlement Instruction pursuant to Rule 11.17A.2(b), that Bilateral Demand Settlement Instruction will be cancelled.

## **11.18 RTGS SETTLEMENT PROCESSING**

### **11.18.1 ASX Settlement to process for Real Time Gross Settlement**

On each RTGS Business Day, ASX Settlement must process for Real Time Gross Settlement in accordance with the Rules, RTGS Instructions that have been Recorded for Real Time Gross Settlement on that day. ASX Settlement will send an RTGS Instruction Recorded for Real Time Gross Settlement to the Feeder System Queue.

Introduced 11/03/04 Origin SCH 7A.15.1

### **11.18.2 Real Time Gross Settlement of RTGS Instructions**

For any RTGS Instruction that identifies a Payment Obligation, the details of which are required to be sent across the Feeder System interface with RITS/RTGS for any purpose whatsoever in the course of the RTGS Settling Phase, ASX Settlement assumes obligations under Rule 11.18.1 subject to and conditional on:

- (a) the availability of RITS/RTGS, its feeder interface process with CHES and any supporting communications infrastructure;

- (b) the availability of the AIF; and
- (c) without limiting the foregoing, the Reserve Bank of Australia not exercising any discretion, right or duty in accordance with the RITS Regulations to suspend, or vary the operational timetable for, RITS/RTGS operations.

Introduced 11/03/04 Origin SCH 7A.15.2

### 11.18.3 ASX Settlement entitled to rely on messages and reports

ASX Settlement is entitled:

- (a) to assume (without independently verifying) the authenticity and correctness of:
  - (i) any electronic message received across the Feeder System interface with RITS/RTGS that meets required specifications; or
  - (ii) any RTGS Contingency Report,

in either case that is sent or purports to be sent to it by the Reserve Bank of Australia as operator of RITS/RTGS; and

- (b) to act under the Rules (which may include, but is not limited to, settling any RTGS Instruction) in reliance, in good faith, on any such message or report.

Introduced 11/03/04 Origin SCH 7A.15.3

### 11.18.4 RTGS Instructions must be 'ready to settle' ~~[Deleted]~~

~~ASX Settlement has no authority to process an RTGS Instruction Recorded for settlement on a particular RTGS Settlement Date until each of:~~

- ~~(a) the RTGS Participant that is required to perform the relevant Payment Obligation; and~~
- ~~(b) in relation to a DvP RTGS Instruction, the RTGS Participant that is required to perform the relevant Delivery Obligation,~~

~~Has, by the Scheduled Time on that day, separately Transmitted a Valid Message to ASX Settlement to confirm that the RTGS Instruction is 'ready to settle'.~~

Introduced 11/03/04 Origin SCH 7A.15.4

### 11.18.5 RTGS Instructions to be sent to Feeder System Queue ~~[Deleted]~~

~~An RTGS Instruction that, in accordance with Rule 11.18.4, has been confirmed as 'ready to settle' on the applicable RTGS Settlement Date, will be sent to the Feeder System Queue for testing in CHES.~~

Introduced 11/03/04 Origin SCH 7A.15.5

### 11.18.6 Processing by ASX Settlement of RTGS Instructions

ASX Settlement is entitled to:

~~(a) determine the operation of the testing procedures in the Feeder System Queue from time to time at its discretion; and~~

~~(b) progress the RTGS Settling Phase for RTGS Instructions held in the Feeder System Queue from time to time, in the order determined by it and notified to Participants from time to time, in each case having regard to the efficiency and integrity of the Feeder System, and CHESS generally.~~

Introduced 11/03/04 Origin SCH 7A.15.6

### 11.18.7 Correction by ASX Settlement of Net Position Record [Deleted]

~~ASX Settlement may at any time correct any error or omission in a Net Position Record or any Cash Sub-record linked to it, with effect from the time at which the correct, or nil, entry ought to have been made, and in respect of such action:~~

~~(a) ASX Settlement may when practicable consult with the affected RTGS Participant and its RTGS Payments Provider before making such corrections;~~

~~(b) ASX Settlement must notify each of them before reversing or correcting any such entry;~~

~~(c) ASX Settlement will provide to the relevant Payments Provider, details of the adjustment (if any) that that Payment Provider must make to its records for any corresponding account; and~~

~~(d) any failure by ASX Settlement to give such notification will not invalidate the relevant correction.~~

Introduced 11/03/04 Origin SCH 7A.15.7, 7A.15.8

### 11.18.8 Authorisation of RTGS Instruction by RTGS Payments Provider

(a) ASX Settlement will send a message to the RTGS Payments Provider that is required to perform a Payment Obligation in relation to an RTGS Instruction for authorisation by that RTGS Payments Provider by the Scheduled Time.

(b) ASX Settlement will not progress an RTGS Instruction to the RTGS Settling Phase until the RTGS Payments Provider that is required to perform the relevant Payment Obligation has separately Transmitted a Valid Message to ASX Settlement to authorise that Payment Obligation.

(c) If the RTGS Payments Provider Transmits a Valid Message to ASX Settlement rejecting that Payment Obligation then that RTGS Instruction will be Failed and ASX Settlement will cancel its Record of the RTGS Instruction (and notify the counterparty or counterparties (as applicable) within the Scheduled Time).

## 11.19 RTGS FINANCIAL PRODUCTS TESTING ~~[DELETED]~~

### 11.19.1 ~~Reservation of Financial Products for settlement of Delivery Obligations~~ ~~[Deleted]~~

~~If within the Scheduled Time, ASX Settlement determines, in relation to a Delivery Obligation identified in a particular RTGS Instruction held in the Feeder System Queue, that:~~

- ~~(a) the Financial Products specified are Available Financial Products;~~
- ~~(b) (i) the Source Holding; or~~
  - ~~(ii) during an Ex Period, a Cum Entitlement Balance for the Source Holding,~~

~~specified in the RTGS Instruction will not give rise to an RTGS Delivery Shortfall; and~~

- ~~(c) if Rule 11.20.1 applies to the related Payment Obligation, the payment is Debit Cap Compliant,~~

~~then in respect of that RTGS Instruction:~~

- ~~(d) ASX Settlement will generate an electronic communication to reserve the number of Financial Products required to be delivered from that Holding in Real Time Gross Settlement on that day in order to settle the relevant Delivery Obligation;~~
- ~~(e) ASX Settlement will within the Scheduled Time, notify each counterparty to the RTGS Instruction; and~~
- ~~(f) any Reservation of Financial Products made by ASX Settlement under Rule 11.19.1 may only be cancelled by ASX Settlement in accordance with the Rules.~~

~~Introduced 11/03/04 Origin SCH 7A.16.1, 7A.16.2~~

### 11.19.2 ~~Cancellation of Reservation of Financial Products~~ ~~[Deleted]~~

~~ASX Settlement will cancel any Reservation of Financial Products if:~~

- ~~(a) the RTGS Instruction to which the Reservation relates is Failed, cancelled or suspended in accordance with the Rules; or~~
- ~~(b) the Financial Products so Reserved are no longer Available Financial Products,~~

~~however ASX Settlement has no obligation to cancel a Reservation of Financial Products in connection with an RTGS Instruction, the funds transfer details of which have been sent across the Feeder System interface to RITS/RTGS, unless the Reserve Bank of Australia, as operator of RITS/RTGS, permits ASX Settlement to recall the Instruction from, or otherwise inactivate it in, RITS/RTGS.~~

~~Note: Rule 11.19.2(b) acknowledges that ASX Settlement may be compelled by order of a court of competent jurisdiction to apply a Holding Lock to the Holding from which the Reserved Financial Products are to be delivered in Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.16.3, 7A.16.4

### **11.19.3 Cancellation of Reserved Financial Products which are no longer Available Financial Products [\[Deleted\]](#)**

~~Where ASX Settlement has cancelled a Reservation of Financial Products in relation to an RTGS Instruction pursuant to Rule 11.19.2(b), that RTGS Instruction will, to the extent legally permissible, remain in the Feeder System Queue and be recycled for testing under this Rule 11.19.~~

Introduced 11/03/04 Origin SCH 7A.16.5

## **11.20 RTGS DEBIT CAP TESTING [\[DELETED\]](#)**

### **11.20.1 Net Position Records with an active Debit Cap [\[Deleted\]](#)**

~~This Rule 11.20.1 applies at any time when a Participant's Net Position Record records an active Debit Cap.~~

Introduced 11/03/04 Origin SCH 7A.17.1

### **11.20.2 Debit Cap Compliant payments [\[Deleted\]](#)**

~~Payment of the amount of a Payment Obligation identified in an RTGS Instruction will be Debit Cap Compliant only if the Available Credit at that time recorded against the applicable Net Position Record exceeds the amount of the Payment Obligation.~~

Introduced 11/03/04 Origin SCH 7A.17.2

### **11.20.3 Available Credit and debit balances in relation to a Net Position Record [\[Deleted\]](#)**

~~For the purposes of this Section 11:~~

~~(a) Available Credit in relation to a Net Position Record will:~~

~~(i) be determined by deducting from the Debit Limit at the relevant time, the sum of:~~

~~A. the amount of the balance recorded as a debit against the Net Position Record at that time; and~~

~~B. the amount of the balance recorded as a credit against any linked Cash Sub-record that at that time is designated as an Excluded Cash Sub-record; and~~

~~(ii) not take account of any Payment Obligation identified in an RTGS Instruction that is in the RTGS Settling Phase at that time, where the relevant Participant is the payee on settlement; and~~

~~(b) — the debit balance recorded against a Net Position Record at any time will be taken to include the amount of any Payment Obligation:~~

~~(i) — at that time in the RTGS Settling Phase;~~

~~(ii) — where the relevant Participant is the payer on settlement; and~~

~~(iii) — that is indicatively recorded as an unsettled debit against that Net Position Record.~~

Introduced 11/03/04 Origin SCH 7A.17.3

#### **11.20.4** **Generation of an electronic communication [\[Deleted\]](#)**

~~If Rule 11.20.1 applies and, within the Scheduled Time, ASX Settlement determines that:~~

~~(a) — payment of the amount of any Payment Obligation identified in an RTGS Instruction is Debit Cap Compliant; and~~

~~(b) — if that RTGS Instruction is a DvP RTGS Instruction, Rules 11.19.1(a) and (b) are satisfied,~~

~~ASX Settlement will cause an electronic communication to be generated to record indicatively as an unsettled debit against the Net Position Record of the Participant that is the payer on settlement, an amount of funds equal to the amount of that Payment Obligation.~~

Introduced 11/03/04 Origin SCH 7A.17.4

### **11.21** **RTGS RETESTING IN FEEDER SYSTEM QUEUE [\[DELETED\]](#)**

#### **11.21.1** **RTGS Instruction to remain in Feeder System Queue [\[Deleted\]](#)**

~~An RTGS Instruction that:~~

~~(a) — is held in the Feeder System Queue; and~~

~~(b) — fails to meet any applicable testing criteria within CHES, including but not limited to those set out in Rules 11.19 and 11.20,~~

~~will:~~

~~(c) — not progress to the RTGS Settling Phase as contemplated by Rule 11.22; and~~

~~(d) — remain in the Feeder System Queue, awaiting retesting in CHES.~~

Introduced 11/03/04 Origin SCH 7A.18

## 11.22 RTGS SETTLING PHASE

### 11.22.1 Commencement of RTGS Settling Phase

The RTGS Settling Phase, in relation to an RTGS Instruction held in the Feeder System Queue, ~~follows the satisfactory completion of testing in CHESSE and~~ will be taken to have commenced immediately ASX Settlement has:

- (a) received a Valid Message from the RTGS Payments Provider that is required to perform the Payment Obligation identified in that RTGS Instruction, authorising that Payment Obligation; and
- (b) in the case of a Bilateral Demand Settlement DvP RTGS Instruction, applied a Demand Lock over~~Reserved~~ the number of Financial Products identified in that RTGS Instruction; ~~or~~
- ~~(b) in any other case, recorded as an unsettled debit against the affected Net Position Record of the RTGS Participant that is the payer, an amount equal to the amount of the Payment Obligation,~~

~~identified in that RTGS Instruction.~~

~~Note: A Net Position Record cannot be marked as contemplated by Rule 11.22.1(b), when Rule 11.20 applies, unless ASX Settlement has determined the payment to be Debit Cap Compliant: see Rules 11.20.2 and 11.20.4. ASX Settlement will, in the ordinary course, indicatively mark the payment against the payer's Net Position Record after completing all relevant aspects of intra-CHESSE testing for any RTGS Instruction.~~

Introduced 11/03/04 Origin SCH 7A.19.1

### 11.22.2 Completion of RTGS Settling Phase

Completion of the RTGS Settling Phase for an RTGS Instruction is conditional on the performance, by the RTGS Payments Provider for the RTGS Participant that is the payer on settlement, of the Payment Obligation owed by that Participant.

Introduced 11/03/04 Origin SCH 7A.19.2

### 11.22.3 Undertakings by RTGS Payments Providers

Each RTGS Payments Provider irrevocably and severally undertakes, where:

- (a) it maintains the affected Payment Facility for each of the payer and payee RTGS Participants in relation to a Payment Obligation identified in an RTGS Instruction; and
- (b) the RTGS Instruction settles in accordance with the Rules under Rule 11.25.

to give effect to the irrevocable settlement between the Participants of that Payment Obligation:

- (c) for the benefit of each of them; and

(d) as contemplated in the Rules, including without limitation Rule 11.27.

Introduced 11/03/04 Origin SCH 7A.19.3

## 11.23 RTGS PAYMENT WITHOUT AIF ~~CHES~~ CONTROLLED AUTHORISATION OF PAYMENT

### 11.23.1 Application of Rule

~~The procedures in~~ This Rule 11.23 ~~apply~~ applies to any RTGS Instruction that has entered the RTGS Settling Phase where the relevant RTGS Payments Provider does not determine credit decisions for the RTGS Participant that is identified as the payer of the Payment Obligation through the AIF.

- ~~(a) a Debit Cap has been, and remains, activated for the Net Position Record of the RTGS Participant that is identified as the payer of the Payment Obligation; and~~
- ~~(b) ASX Settlement has determined, within the Scheduled Time, that the payment is Debit Cap Compliant.~~

Introduced 11/03/04 Origin SCH 7A.20.1

### 11.23.2 RTGS Payments Providers of RTGS Participants

Where an RTGS Instruction has entered the RTGS Settling Phase, ASX Settlement will send a message across the Feeder System interface to RITS that:

- (a) reports to RITS on behalf of the relevant RTGS Payments Provider, a request to settle a funds transfer, in an amount equal to the amount of the Payment Obligation identified in that RTGS Instruction, from the RTGS Payments Provider for the payer Participant to the RTGS Payments Provider for the payee Participant; and
- (b) requests RITS to generate a settlement message to the Feeder System if that is done; and

if ASX Settlement receives, within the Scheduled Time, a message in terms of Rule 11.23.2(b), the condition in Rule 11.22.2 is satisfied.

~~When the RTGS Participant that is the payer, and the RTGS Participant that is the payee, of a Payment Obligation identified in an RTGS Instruction have, in relation to their respective affected Payments Facilities:~~

- ~~(a) the same Payments Provider and Rule 11.23.1 applies, then the condition in Rule 11.22.2 is, without more, taken to be satisfied; or~~
- ~~(b) different Payment Providers; then~~
  - ~~(i) ASX Settlement will send a message across the Feeder System interface to RITS/RTGS that:~~

~~A. reports to RITS/RTGS on behalf of the relevant RTGS Payments Providers, a request to settle a funds transfer, in an amount equal to the amount of the Payment Obligation identified in that RTGS Instruction, from the RTGS Payments Provider for the payer Participant to the RTGS Payments Provider for the payee Participant; and~~

~~B. requests RITS/RTGS to generate a settlement message to the Feeder System if that is done; and~~

~~(ii) if ASX Settlement receives, within the Scheduled Time, a message in terms of Rule 11.23.2(b)(i)(B), the condition in Rule 11.22.2 is satisfied.~~

Introduced 11/03/04 Origin SCH 7A.20.2, 7A.20.3

### 11.23.3 RTGS Contingency Reports

If, on any RTGS Business Day:

- (a) RITS/RTGS, or its interface with the Feeder System, fails; or
- (b) the RITS/RTGS database is corrupted,

the Reserve Bank of Australia has advised that it will provide an RTGS Contingency Report to ASX Settlement before RTGS End of Day on that day; and

- (c) if an RTGS Contingency Report advises ASX Settlement that a request for a funds transfer requested under Rule 11.23.2(~~ab~~)(i)(A) is accepted, that advice is taken to:
  - (i) be final; and
  - (ii) satisfy the condition in Rule 11.22.2 in relation to the relevant RTGS Instruction.

Introduced 11/03/04 Origin SCH 7A.20.4

## 11.24 RTGS PAYMENT WITH AIF CONTROLLED AUTHORISATION ~~OF PAYMENT~~

### 11.24.1 Application of Rule

~~The procedures in this~~ This Rule 11.24 ~~apply~~ applies to any RTGS Instruction that, within the Scheduled Time, has entered the RTGS Settling Phase, where the relevant RTGS Payments Provider determines credit decisions for the RTGS Participant that is identified as the payer of the Payment Obligation through the AIF.

Introduced 11/03/04 Origin SCH 7A.21.1

#### 11.24.2 RTGS Payments Providers of RTGS Participants

Where the RTGS Participant that is the payer, and the RTGS Participant that is the payee, of a Payment Obligation identified in an RTGS Instruction have, in relation to their respective affected Payment Facilities:

- (a) the same RTGS Payments Provider:
  - (i) ASX Settlement will send a message across the Feeder System interface with RITS/RTGS to reach the RTGS Payments Provider through the AIF that:
    - A. notifies the funds transfer details of the Payment Obligation identified in the RTGS Instruction;
    - B. requests the RTGS Payments Provider to perform the Payment Obligation; and
    - C. requests RITS/RTGS, if so instructed by that RTGS Payments Provider, to generate a settlement message to the Feeder System; and
  - (ii) if ASX Settlement receives, within the Scheduled Time, a message in terms of Rule 11.24.2(a)(i)(C), the condition in Rule 11.22.2 is taken to be satisfied; or
- (b) different RTGS Payments Providers:
  - (i) ASX Settlement must send a message across the Feeder System interface with RITS/RTGS that:
    - A. requests, if applicable, a RITS Presettlement Advice to be generated in respect of the Payment Obligation identified in that RTGS Instruction and sent through the AIF to the RTGS Payments Provider for the payer Participant;
    - B. reports to RITS/RTGS on behalf of the relevant RTGS Payments Providers, a request to settle a funds transfer in an amount equal to the amount of the Payment Obligation, from the RTGS Payments Provider for the payer Participant to the RTGS Payments Provider for the payee Participant; ~~and~~
    - C. requests RITS/RTGS to generate a settlement message to the Feeder System if that is done; and
    - D. requests, if applicable, a RITS Postsettlement Advice to be generated in respect of the Payment Obligation settled in respect of that RTGS Instruction and sent through the AIF to the RTGS Payments Provider for the payer Participant; and
  - (ii) if ASX Settlement receives, within the Scheduled Time, a message in terms of Rule 11.24.2(b)(i)(C), the condition in Rule 11.22.2 is satisfied.

### 11.24.3 RTGS Contingency Reports

- (a) If, on any RTGS Business Day:
- (i) RITS/RTGS, or its interface with the Feeder System, fails; or
  - (ii) the RITS/RTGS database is corrupted,
- the Reserve Bank of Australia has advised that it will provide an RTGS Contingency Report to ASX Settlement before RTGS End of Day on that day; and
- (b) If an RTGS Contingency Report advises ASX Settlement that a request for a funds transfer requested under Rule 11.24.2(a)(i)(B) or Rule 11.24.2(b)(i)(B) is accepted, that advice is taken to:
- (i) be final; and
  - (ii) satisfy the condition in Rule 11.22.2 in relation to the relevant RTGS Instruction.

## 11.25 REAL TIME GROSS SETTLEMENT

### 11.25.1 Settlement of Payment and Delivery Obligations

If and only if ASX Settlement has, in relation to an RTGS Instruction, satisfied itself within the Scheduled Time:

- (a) in terms of Rule 11.22.2; and
- (b) if that RTGS Instruction is a [Bilateral Demand Settlement Instruction](#) ~~DvP RTGS Instruction~~, that Financial Products will be delivered in performance of the relevant Delivery Obligation,

ASX Settlement will cause to be generated:

- (c) [an](#) electronic communications within CHESS that [records that](#) ~~simultaneously:~~
  - ~~(i) adjust the Net Position Record for the RTGS Participant that is the payer by debiting an amount equal to the amount of that Payment Obligation; and~~
  - ~~(ii) adjust the Net Position Record for the RTGS Participant that is the payee by crediting an amount equal to the amount of that Payment Obligation,~~

~~and~~ the Payment Obligation under that RTGS Instruction is settled; and

- (d) at the same time as (c), in the case of a [Bilateral Demand Settlement](#) ~~DvP RTGS~~ Instruction, Communications that simultaneously:
- (i) deduct the number of Financial Products specified in the relevant RTGS Instruction from the Source Holding specified in that RTGS Instruction; and
  - (ii) enter the number of Financial Products specified in the relevant RTGS Instruction into the Target Holding specified in that RTGS Instruction,

and [record that](#) the Delivery Obligation under that RTGS Instruction is settled,

with the result that, as between the counterparties, the RTGS Settling Phase for the RTGS Instruction is completed:

- (e) in CHES at the time of ~~generating those~~ [the record in paragraph \(c\) or in the case of a Bilateral Demand Settlement Instruction, the record in paragraph \(d\)-adjustments](#); and
- (f) with the effect set out in Rule 11.26.

Introduced 11/03/04 Origin SCH 7A.22.1

#### **11.25.2 Partly effecting Settlement Transfers**

A Settlement Transfer in accordance with Rule 11.25.4 is taken to be effected:

- (a) in the case of an RTGS Instruction designated as On-Market where only one Participant is a Clearing Participant, by the Clearing Participant; and
- (b) in any other case, by the delivering Participant.

Introduced 11/03/04 Origin SCH 7A.22.3

#### **11.25.3 Confirmed FOR Financial Products**

If ASX Settlement, in accordance with an Instruction which initiates a Foreign to Foreign Allocation, Transfers Financial Products to a Target Holding pursuant to Rule 11.25 and the Target Holding has a Residency Indicator of "F", those Financial Products have the status of Confirmed FOR Financial Products.

Introduced 11/03/04 Origin SCH 7A.22.4

#### **11.25.4 Proper ASTC transfers under the Corporations Act**

A Communication generated under Rule 11.25.1(d) in relation to an RTGS Instruction effects a Settlement Transfer by ASX Settlement in accordance with that RTGS Instruction that is taken to be a proper ASTC transfer for the purposes of the Corporations Act.

Introduced 11/03/04 Origin SCH 7A.22.2

## 11.26 RTGS FINAL DISCHARGE OF OBLIGATIONS

### 11.26.1 Settlement of Payment Obligations

On settlement under Rule 11.25 of the Payment Obligation identified in an RTGS Instruction:

- (a) each obligation of a Participant to make payment under that RTGS Instruction is discharged irrevocably in full; and
- (b) each entitlement of a Participant to receive payment under that RTGS Instruction is satisfied irrevocably in full.

Introduced 11/03/04 Origin SCH 7A.23.1

### 11.26.2 Settlement of Delivery Obligations

On settlement under Rule 11.25 of the Delivery Obligation identified in an RTGS Instruction:

- (a) each obligation of a Participant to deliver Financial Products or Entitlements under that RTGS Instruction is discharged irrevocably in full; and
- (b) each entitlement of a Participant to receive Financial Products or Entitlements under that RTGS Instruction is satisfied irrevocably in full.

Introduced 11/03/04 Origin SCH 7A.23.2

## 11.27 OBLIGATIONS OF RTGS PAYMENTS PROVIDERS

### 11.27.1 RTGS Payments Provider to make available the gross amount of a Payment obligation

An RTGS Payments Provider must make available to each RTGS Participant that:

- (a) is the payee of a Payment Obligation that has settled in accordance with the Rules on a particular RTGS Business Day; and
- (b) operates a Payment Facility with the RTGS Payments Provider ~~that is linked to the Net Position Record against which that Payment Obligation has been recorded as a credit on settlement,~~

~~for value~~ on that RTGS Business Day (at times agreed between them), the gross amount of that Payment Obligation:

- (c) in clear funds; and
- (d) in the RTGS Bank ~~a~~Account ~~designated by the RTGS Account Identifier~~ specified, or taken to be specified, for that Participant in that RTGS Instruction,

but nothing in this Rule 11.27 will be construed to negate or exclude any right of set-off or other right that may arise, other than under the Rules, as between a Participant and its RTGS Payments Provider.

## 11.28 FAILED RTGS INSTRUCTIONS

### 11.28.1 RTGS Instructions which are Failed ~~or rescheduled~~

All RTGS Instructions that are Recorded for Real Time Gross Settlement on ~~an particular~~ RTGS Business Day and that:

- (a) are held unsettled, for whatever reason, in the Feeder System Queue at RTGS End of Day on that day; or
- (b) have not been sent to the Feeder System Queue by RTGS End of Day,

will be:

~~(c) Failed on in respect of that RTGS Business Day and ASX Settlement will cancel its Record of the RTGS Instructions (and notify the counterparty or counterparties (as applicable) notified within the Scheduled Time); and~~

~~(d) — unless Rule 11.28.2 applies, rescheduled for Real Time Gross Settlement on the next RTGS Business Day, recorded as 'ready to settle'.~~

### 11.28.2 Switching RTGS Instruction to Batch Settlement ~~[Deleted]~~

~~If:~~

- ~~(a) — within the Scheduled Time, ASX Settlement receives from a Participant a Valid Switch to Batch Settlement Message that relates to a Failed RTGS Instruction; and~~
- ~~(b) — the requirements of Rule 11.12 are otherwise satisfied,~~

~~ASX Settlement will, subject to and in accordance with Rule 11.12, switch that RTGS Instruction to Batch Settlement.~~

~~Note: — Refer to Rule 11.12.7 in relation to processing constraints applicable to switches.~~

## 11.29 CONSEQUENCES OF FAILED RTGS INSTRUCTIONS

### 11.29.1 Fees payable to ASX Settlement

If an Instruction relating to an On-Market Transaction is Failed under rule 11.28.1, the Participant that is:

- (a) in the case of a failed RTGS Instruction that results from insufficient Financial Products, the delivering Participant; ~~or~~

(b) in the case of a Failed RTGS Instruction that results from insufficient funds, the Participant that is on settlement the payer of that Payment Obligation, ~~or~~

~~(c) in the case of a Failed RTGS Instruction that results from a failure to authorise settlement processing in terms of Rule 11.18.4, a Participant that has failed to supply authorisation,~~

is liable to pay a fee to ASX Settlement, calculated in accordance with the Fees and Charges Schedule.

Introduced 11/03/04 Origin SCH 7A.26.1

#### 11.29.2 No fail administration fees in certain cases

Despite Rule 11.29.1, Fail administration fees will not be levied where the Failed RTGS Instruction is due solely to the operation of the CHESSE Feeder System, including partial or total failure, malfunction, overload or the unavailability at any relevant time of RITS/RTGS, the AIF or communications with the relevant RTGS Payments Provider.

Introduced 11/03/04 Origin SCH 7A.26.2

### 11.30 RTGS SETTLEMENT REPORTING BY ASX SETTLEMENT

#### 11.30.1 RTGS Settlement Reporting to [RTGS](#) Payments Providers

Within the Scheduled Time on each RTGS Business Day, ASX Settlement must:

(a) [Notify each RTGS Payments Provider of each RTGS Instruction that has been settled in respect of which the RTGS Payments Provider made or received payment; and](#)

~~(a)(b)~~ make available to each RTGS Payments Provider an RTGS Settlement Report for that day in respect of each RTGS Participant for which it maintains a Payment Facility ~~linked to an active Net Position Record.~~

Introduced 11/03/04 Origin SCH 7A.27.1

#### 11.30.2 RTGS Settlement Reporting to Participants

Within the Scheduled Time, ASX Settlement must Notify a Participant of:

(a) each RTGS Instruction that has been settled to which the Participant is a counterparty;

(b) on each RTGS Business Day, the net movement of funds [paid or credited with respect to](#) ~~for~~ each [RTGS Bank Account Net Position Record and linked Cash-Sub-record that is active in referable relation](#) to that Participant's [settled RTGS Instructions](#); and

(c) on each RTGS Business Day, the net movement of Financial Products for each Holding controlled by the Participant, from or to which Financial Products have been delivered in Real Time Gross Settlement.

Introduced 11/03/04 Origin SCH 7A.28.1

## 11.31 RTGS SETTLEMENT REPORTING BY ASX SETTLEMENT [\[DELETED\]](#)

### 11.31.1 RTGS Financial Products Distributions [\[Deleted\]](#)

~~If a Parent RTGS Instruction Recorded in the CHESS Feeder System:~~

- ~~(a) — is to settle in Real Time Gross Settlement on a Cum Entitlement basis;~~
- ~~(b) — has an Entitlement to:
  - ~~(i) — a bonus issue;~~
  - ~~(ii) — a non-renounceable entitlement;~~
  - ~~(iii) — a renounceable rights issue; or~~
  - ~~(iv) — a distribution in specie, and~~~~
- ~~(c) — has not settled under this Section 11 by End of Day on the Record Date for the Corporate Action,~~

~~ASX Settlement will, within the Scheduled Time:~~

- ~~(d) — generate an Accrued RTGS Instruction to initiate a Settlement Transfer under section 10; and,~~
- ~~(e) — notify the Instruction to each counterparty Participant.~~

~~Introduced 11/03/04 Origin SCH 7A.29.1, 7A.29.2~~

### 11.31.2 Instructions processed in Batch Settlement [\[Deleted\]](#)

~~An Instruction generated under Rule 11.31.1 will be processed for settlement in Batch Settlement utilising the Payment Facility referred to in Rule 11.5.3(c) and otherwise in accordance with Rule 10.17 and Section 10 generally.~~

~~Note: — Refer to Rule 11.5.3 in relation to use of the same Payment Facility maintained for the Participant by the RTGS Payments Provider for settlement of both the Parent RTGS Instruction and the Accrued RTGS Instruction.~~

~~Introduced 11/03/04 Origin SCH 7A.29.2~~

### 11.31.3 RTGS Cash Distributions [\[Deleted\]](#)

~~Rule 10.17 applies, as if incorporated in full in this Section 11, to a Parent RTGS Instruction that:~~

- ~~(a) — is Recorded to settle in Real Time Gross Settlement on a Cum Entitlement basis;~~
- ~~(b) — has an Entitlement to:
  - ~~(i) — a dividend;~~~~

~~(ii) interest; or~~

~~(iii) a capital return; and~~

~~(c) has not settled in full by End of Day on the Record Date for the Corporate Action,~~

~~except that references in Rule 10.17 to Batch Settlement are to be construed as if they were references to Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.30.1

**11.31.4 RTGS Cash Adjustments for limited liability calls and renounceable rights**  
[\[Deleted\]](#)

~~Rules 10.19 and 10.20 apply, as if incorporated in full in this Section 11, to a Parent RTGS Instruction that:~~

~~(a) is Recorded to settle in Real Time Gross Settlement on or before End of Day on the last Business Day on which ASX Settlement will process Transfers before:~~

~~(i) a call for a limited liability company falls due; or~~

~~(ii) application money for a renounceable rights issue falls due; and~~

~~(b) does not settle in full by End of Day on that Business Day,~~

~~except that references in Rule 10.20 to Batch Settlement are to be construed as if they were references to Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.31.1

**11.31.5 RTGS cash adjustments for no liability calls, options and convertible notes**  
[\[Deleted\]](#)

~~Rule 10.21 applies, as if incorporated in full in this Section 11, to a Parent RTGS Instruction that:~~

~~(a) is Recorded to settle in Real Time Gross Settlement before End of Day on the last Business Day that ASX Settlement will process Transfers before:~~

~~(i) a call for no liability company falls due;~~

~~(ii) the final date for the exercise of company issued options; or~~

~~(iii) the final date for the conversion of convertible Financial Products;~~

~~(b) does not settle in full by End of Day on that Business Day; and~~

~~(c) — both Participants have agreed that settlement will be effected by a Transfer of the Financial Products that result from the:~~

~~(i) — call;~~

~~(ii) — exercise; or~~

~~(iii) — conversion;~~

~~except that references in Rule 10.21 to Batch Settlement are to be construed as if they were references to Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.32.1

### 11.31.6 RTGS Reconstructions ~~[Deleted]~~

~~Rule 10.22 applies, as if incorporated in full in this Section 11, to a Parent RTGS Instruction Recorded for Real Time Gross Settlement where:~~

~~(a) — ASX Settlement receives notification from an Approved Listing Market Operator of:~~

~~(i) — a Reconstruction that affects a class of Approved Financial Products; and~~

~~(ii) — the effective date and the Issue Date for that Reconstruction;~~

~~(b) — the Financial Products Code for that class will continue following the Reconstruction; and~~

~~(c) — the Parent RTGS Instruction does not settle in Real Time Gross Settlement by End of Day on the second Business Day after the effective date,~~

~~except that references in Rule 10.22 to Batch Settlement are to be construed as if they were references to Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.33.1 Amended 27/06/11, 04/03/13, 14/04/14, 07/03/16

### 11.31.7 RTGS buyer's right to entitlement ~~[Deleted]~~

~~Rule 10.23 applies, as if incorporated in full in this Section 11, to a Parent RTGS Instruction Recorded in the CHESSE Feeder System that:~~

~~(a) — is Recorded to settle in Real Time Gross Settlement on a Cum Entitlement basis;~~

~~(b) — has an Entitlement in respect of which no adjustment is prescribed by the Rules in the event of failure to settle in full; and~~

~~(c) — does not settle in full by End of Day on the Record Date for the Corporate Action;~~

~~except that references in Rule 10.23 to Batch Settlement are to be construed as if they were references to Real Time Gross Settlement.~~

Introduced 11/03/04 Origin SCH 7A.34.1

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## SECTION 12 COMPLIANCE, ENFORCEMENT ACTIONS AND APPEALS

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### 12.19 RESTRICTION OR SUSPENSION OF PARTICIPATION

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#### 12.19.8 Effects of Suspension on Participation

If ASX Settlement suspends the participation of a non-compliant Participant, subject to Rules 12.19.9 and 12.19.10 and, in the case of suspension of an Instruction from Real Time Gross Settlement pursuant to Rule 12.19.8(c), subject to Section 11, ASX Settlement must:

- (a) reject any Message initiated by the non-compliant Participant or another Participant that refers to a CHESSE Holding under the control of the non-compliant Participant;
- (b) reject any Message initiated by the non-compliant Participant to establish a new Participant Sponsored Holding;
- (c) suspend from Batch Settlement or Real Time Gross Settlement, as the case may be, any Instruction that is outstanding at the time of the suspension; and
- (d) cancel any ~~bilateral~~~~Dual Entry~~ Message Transmitted by the Participant that has not been Matched at the time of the suspension.

*Note: Refer to Rule 11.17.7 in relation to RTGS Instructions the funds transfer details of which are held in the RTGS system queue, which ASX Settlement may not be able to recall or inactivate.*

Introduced 11/03/04 Origin SCH 19.5.1

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## SECTION 14 SUBPOSITIONS

This Section deals with the reserving of Financial Products in and the releasing of Financial Products from a subposition including:

- (a) the legal effect of subpositions;
- (b) the legal relationship between ASX Settlement, Issuers, Participants and Holders;
- (c) the reporting on subpositions to Participants and Participant Sponsored Holders;
- (d) the reservation of Financial Products as Cover, the giving of warranties and indemnities in respect of such cover by Participants and Approved Clearing Facilities and the release and transfer of such Financial Products; ~~and~~
- (e) the creation of takeover Offer Accepted subpositions including the provision of information by bidders and Target Issuers, the giving of warranties and indemnities by Participants in respect of such subpositions and the release and transfer of Financial Products from an Offer Accepted subposition; and
- (f) the creation of Non-Takeover Offer Event related subpositions including the provision of information by offerors and Issuers, the giving of warranties and indemnities by Participants in respect of such subpositions and the release and transfer of Financial Products from a Non-Takeover Offer Accepted subposition.

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### 14.1 LEGAL RELATIONSHIPS & LEGAL EFFECT OF SUBPOSITIONS

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#### 14.1.7 Holding Adjustments and Financial Products Transformations

~~ASX Settlement will not give effect to a Message from an Issuer that initiates a Holding Adjustment or Financial Products Transformation that is not a Reconstruction in relation to Financial Products reserved in a Subposition.~~

(a) If ASX Settlement receives a Valid Message from an Issuer that initiates a Holding Adjustment or a Financial Products Transformation in relation to Financial Products reserved in a Subposition, ASX Settlement must give effect to that Message where:

(i) the Holding Adjustment or Financial Products Transformation is a Reconstruction; or

(ii) the Holding Adjustment or Financial Products Transformation results in an increase to the number of Financial Products in the Holding.

[\(b\) ASX Settlement will not give effect to a Message from an Issuer that initiates a Holding Adjustment or Financial Products Transformation in relation to Financial Products reserved in a Subposition that is not of a type identified in Rule 14.1.7\(a\).](#)

## 14.2 EFFECT OF ISSUER INITIATED ACTIONS ON SUB-POSITIONS

### 14.2.1 Ratio between Financial Products after Reconstruction where Financial Product Code continues

If:

- (a) a Reconstruction occurs in relation to a class of Approved Financial Products [which is given effect to through a Valid Message in accordance with Rule 5.26](#);
- (b) the Financial Product Code for that class will continue following the Reconstruction; and
- (c) the Reconstruction affects Financial Products in a CHESS Holding that are reserved in a Subposition,

at the time ASX Settlement enters Financial Products into, or deducts Financial Products from, that Holding, ASX Settlement must also reserve Financial Products in, or release Financial Products from, the Subposition so that the ratio between:

- (d) the number of Financial Products in that Holding reserved in the Subposition; and
- (e) the total number of Financial Products in that Holding,

is, as far as possible having regard to fractional entitlements, the same before and after the Reconstruction.

Introduced 11/03/04 Origin SCH 14.2.1

### 14.2.2 Ratio between Financial Products after Reconstruction where Financial Product Code is replaced

If:

- (a) a Reconstruction occurs in relation to a class of Approved Financial Products [which is given effect to through a Valid Message in accordance with Rule 5.26](#);
- (b) a replacement Financial Product Code is to be used for that class following the Reconstruction; and
- (c) the Reconstruction affects Financial Products held in a CHESS Holding that are reserved in a Subposition in favour of a particular person,

at the time ASX Settlement processes a Message in relation to the Reconstruction in accordance with Rule 8.29, ASX Settlement must release the Financial Products reserved in the Subposition and reserve the Financial Products arising from the Reconstruction in a Subposition in favour of the same person so that the ratio between:

- (d) the number of Financial Products in that Holding reserved in the Subposition; and
- (e) the total number of Financial Products in that Holding,

is, as far as possible having regard to fractional entitlements, the same before and after the Reconstruction.

Introduced 11/03/04 Origin SCH 14.2.2

#### 14.2.3 Release of Financial Products from Subposition ~~[Deleted]~~

~~If:~~

- ~~(a) an Issuer initiates a Holding Adjustment or a Financial Products Transformation that will reduce the Holding Balance of a CHESS Holding;~~
- ~~(b) Financial Products in that CHESS Holding are reserved in a Subposition; and~~
- ~~(c) Rules 14.2.1 and 14.2.2 do not apply,~~

~~immediately after ASX Settlement gives effect to that Holding Adjustment or Financial Products Transformation in accordance with these Rules, ASX Settlement may, if necessary, release Financial Products from the Subposition so that the number of Financial Products in that Holding reserved in that Subposition does not exceed the Holding Balance of the Holding.~~

Introduced 11/03/04 Origin SCH 14.2.3

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#### 14.12.4 Participant to act as Participant Bidder

Throughout the bid period and for such subsequent period as ASX Settlement may specify, the bidder must ensure that a Participant acts as Participant Bidder in relation to the takeover bid.

Introduced 11/03/04 Origin SCH 16.2.2

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#### 14.13.4 Disclosure of HIN or SRN to agent under Rule 14.13.3(d)

A person must not, under Rule 14.13.3(d), disclose a HIN or SRN to an agent that is not otherwise bound by these Rules unless that person has:

- (a) obtained from the agent a written undertaking to the Issuer that, if a HIN or SRN is disclosed to the agent in its capacity as agent of the person, the agent will not disclose that HIN or SRN other than to:
  - (i) the Holder of the Holding;
  - (ii) the Controlling Participant for the Holding;

- (iii) ASX Settlement; or
  - (iv) the bidder or the Participant Bidder in relation to the takeover bid, as the case requires; and
- (b) provided the agent's written undertaking to the Issuer prior to disclosing any HIN or SRN to the agent under Rule 14.13.3.

Introduced 11/03/04 Origin SCH 16.2A.4

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#### **14.14.7 Participant Bidder may submit takeover acceptance**

If:

- (a) [a](#) bid is made under a takeover bid in relation to Financial Products in a class of Approved Financial Products;
- (b) at any time during the period of the bid, the Financial Products are in a Participant Sponsored Holding; [and](#)
- (c) before the end of the period of the bid, the Participant Sponsored Holder of those Financial Products instructs the Participant Bidder that they accept the bid,

the Participant Bidder may effect the acceptance by Transmitting a Valid Message to ASX Settlement that:

- ~~(d)~~ is sent during the offer period for takeover bid;
- ~~(e)~~ specifies a Takeover Consideration Code for that takeover bid;
- ~~(f)~~ specifies the HIN for the Participant Sponsored Holding of Financial Products to which the acceptance relates; and
- ~~(g)~~ specifies the number of Financial Products in the Holding to which the acceptance relates.

Introduced 09/05/05

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#### **14.15.5 Application of Rules**

Rules 14.15.6 and 14.15.7 apply if Financial Products in a CHES Holding are reserved in an Offer Accepted Subposition in accordance with a Message Transmitted by the Participant Bidder under Rules ~~14.14.7~~.

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## **14.22 NOTIFICATION OF A NON-TAKEOVER OFFER EVENT IN RESPECT OF A CLASS OF APPROVED FINANCIAL PRODUCTS AND PROVISION OF INFORMATION**

### **14.22.1 Rules 14.22 to 14.30 only apply if offeror uses facility for Non-Takeover Offer Event**

These Rules 14.22 to 14.30 only apply to a Non-Takeover Offer Event for which the offeror has supplied a notice to ASX Settlement under Rule 14.22.2 in connection with the offeror seeking to use the facility made available by ASX Settlement under those Rules for the processing of acceptances under that offer.

### **14.22.2 Offeror to supply copy of notice of Non-Takeover Offer Event**

If an offeror gives any notice of the making of, or of the intention to make, an offer under a Non-Takeover Offer Event in relation to Approved Financial Products and that offeror seeks to use the facility made available by ASX Settlement under these Rules 14.22 to 14.30 for the processing of acceptances under that offer, the offeror must ~~immediately~~ supply a copy of that notice to ASX Settlement immediately after a market announcement of the offer is publicly released through the public announcement platform of the Approved Market Listing Operator.

### **14.22.3 Application of Rules 14.22 to 14.30 to scheme of arrangement**

Where a Non-Takeover Offer Event is an offer under a scheme of arrangement under Part 5.1 of the Corporations Act involving alternate forms of consideration for which an election can be made, Rules 14.22 to 14.30 will apply to such offer on the basis that the relevant:

- (a) offer is the offer of alternate forms of consideration under the scheme of arrangement for which an election can be made; and
- (b) acceptance is the election as to the form of consideration under the scheme of arrangement.

## **14.23 NON-TAKEOVER OFFER EVENTS – OFFER ACCEPTED SUBPOSITIONS**

### **14.23.1 ASX Settlement to act as agent of the offeror**

Throughout the offer period and for such subsequent period as ASX Settlement may specify, ASX Settlement will act as the agent of the offeror in relation to acceptances by Holders on the CHESSE Subregister.

### **14.23.2 Participant to act as Participant Offeror**

Throughout the offer period and for such subsequent period as ASX Settlement may specify, the offeror must ensure that a Participant acts as Participant Offeror in relation to the Non-Takeover Offer Event.

### **14.23.3 Obligations of offeror**

Not less than 5 Business Days before the start of the offer period for a Non-Takeover Offer Event in relation to a class of Approved Financial Products, the offeror must:

- (a) (i) if the offeror is a Participant, give Notice to ASX Settlement that the offeror will be the Participant Offeror;
  - (ii) apply to become a Participant for the limited purpose of acting as Participant Offeror; or
  - (iii) appoint a Participant to act as Participant Offeror (whether that Participant's status is limited to acting as the Participant Offeror or otherwise) and give Notice to ASX Settlement ~~of the name and UIC of that the appointed Participant; and~~ will be the Participant Offeror.
- (b) ~~give Notice to ASX Settlement of the name of the Holder and the HIN for the Non-Takeover Offer Event Transferee Holding~~Any Notice provided by the offeror to ASX Settlement pursuant to this Rule 14.23.3 shall be in the form and include the information prescribed in the Procedures.

#### 14.23.4 Participant Offeror to be Controlling Participant

The Participant Offeror will be the Controlling Participant for the Non-Takeover Offer Event Transferee Holding.

#### 14.23.5 Acceptances must be in accordance with the Rules

The offeror must ensure that each offer under a Non-Takeover Offer Event in relation to a class of Approved Financial Products specifies that an acceptance of that offer in respect of Financial Products that are, at the time of acceptance, in a CHESS Holding, must be made in accordance with these Rules.

#### 14.23.6 Financial Products as consideration

If:

- (a) an offer under a Non-Takeover Offer Event is accepted for Financial Products in a CHESS Holding; and
- (b) the consideration to be provided under the acceptance of the offer includes Financial Products in a class of Approved Financial Products,

the offeror must ensure that any Financial Products provided as consideration for the acceptance are issued to a CHESS Holding in accordance with these Rules.

### 14.24 NON-TAKEOVER OFFER EVENT ACCEPTANCES

#### 14.24.1 Controlling Participant to initiate acceptances

If:

- (a) an offer is made under a Non-Takeover Offer Event in relation to Financial Products in a class of Approved Financial Products;

- (b) at any time during the offer period of the Non-Takeover Offer Event, the Financial Products are in a Participant Sponsored Holding;
- (c) on or before the close date of the Non-Takeover Offer Event, the Participant Sponsored Holder instructs the Controlling Participant to accept the offer, the Controlling Participant ~~may~~ must initiate the acceptance under this Rule 14.24;
- (d) if the Participant Sponsored Holder specifies the time when or by which the offer must be accepted, in accordance with those instructions; or
- (e) otherwise, within the Scheduled Time.

Note: For the purposes of Rules 14.24, 14.25, 14.26 and 14.29, it is noted that the term "acceptance" refers to the choice of the relevant Holder in response to the options available to that Holder under the terms of the relevant Non-Takeover Offer Event, and could include an application, election, instruction, acceptance, or any other means of communicating the choice of the relevant Holder, howsoever described in the terms of the relevant Non-Takeover Offer Event.

#### **14.24.2 Acceptances of offers under Non-Takeover Offer Event to be initiated by Valid Originating Message**

Acceptance of an offer under a Non-Takeover Offer Event for Financial Products that, at the time of acceptance, are held in a CHESS Holding, ~~may~~ must be initiated by a Valid Originating Message that:

- (a) is Transmitted to ASX Settlement by the Controlling Participant for the Holding;
- (b) is sent during the offer period for the relevant offer;
- (c) specifies a Non-Takeover Offer Event Consideration Code for that offer; and
- (d) specifies the number of Financial Products in the Holding to which the acceptance relates.

#### **14.24.3 Non-Takeover Offer Event Transfers**

A Message that complies with Rule 14.24.2 also initiates a Non-Takeover Offer Event Transfer of the Financial Products specified in the Message.

#### **14.24.4 Reservation of Financial Products in an Offer Accepted Subposition**

If a Message complies with Rule 14.24.2 and there are sufficient Available Financial Products in the Holding specified in the Message, ASX Settlement will reserve the number of Financial Products specified in the Message in an Offer Accepted Subposition in favour of the Participant Offeror for the Non-Takeover Offer Event.

#### **14.24.5 Rejection of reservation of Financial Products in Offer Accepted Subposition**

If, on receipt of notification from ASX Settlement under Rule 14.5.1, the Participant Offeror rejects the reservation of Financial Products in an Offer Accepted Subposition,

the Participant Offeror must, within the Scheduled Time, Transmit a Message to ASX Settlement rejecting the reservation.

#### **14.24.6 Release of Financial Products from Offer Accepted Position**

If ASX Settlement receives a Valid Message under Rule 14.24.5, ASX Settlement will release the number of Financial Products from the Offer Accepted Subposition in accordance with the Originating Message.

#### **14.24.7 Participant Offeror may submit acceptance**

If:

- (a) an offer is made under a Non-Takeover Offer Event in relation to Financial Products in a class of Approved Financial Products;
- (b) at any time during the period of the relevant offer, the Financial Products are in a Participant Sponsored Holding;
- (c) on or before the close date of the Non-Takeover Offer Event, the Participant Sponsored Holder of those Financial Products instructs the Participant Offeror that they accept the offer,

the Participant Offeror may effect the acceptance by Transmitting a Valid Message to ASX Settlement that:

(d) is sent either:

- (i) during the offer period for the relevant Non-Takeover Offer Event; or
- (ii) within one Business Day of the close of the offer period for the relevant Non-Takeover Offer Event, if either:

(A) the Participant Sponsored Holder of those Financial Products has instructed the Participant Offeror that they accept the offer on or before the close date of the Non-Takeover Offer Event in accordance with Rule 14.24.7, but a Message to effect the acceptance is unable to be Transmitted to ASX Settlement before the end of the relevant offer period for genuine operational or administrative reasons; or

(B) the Participant Sponsored Holder of the relevant Financial Products has instructed the Participant Offeror that they accept the offer on or before the close date of the Non-Takeover Offer Event in accordance with Rule 14.24.7, but for the purposes of correctly finalising the Non-Takeover Offer Event, re-balancing or administrative corrections are required to be performed;

(e) specifies a Non-Takeover Offer Event Consideration Code for that Non-Takeover Offer Event;

(f) specifies the HIN for the Participant Sponsored Holding of Financial Products to which the acceptance relates; and

(g) specifies the number of Financial Products in the Holding to which the acceptance relates.

#### **14.24.8 Action by ASX Settlement**

If a Message complies with Rule 14.24.7 and there are sufficient Available Financial Products in the Holding specified in that Message, ASX Settlement will send a Message to the Controlling Participant for that Holding providing the details relating to the relevant offer acceptance included in the Message under Rule 14.24.7.

#### **14.24.9 Controlling Participant to respond to Message**

If a Controlling Participant receives a Message under Rule 14.24.8 it must Transmit a Message to ASX Settlement within the Scheduled Time and include a Target Transaction Identifier that matches the Transaction Identifier of the Message under Rule 14.24.7 and either:

(a) accepts the offer acceptance, or

(b) rejects the offer acceptance.

#### **14.24.10 Controlling Participant to notify Holder of Rejection**

If a Controlling Participant rejects an offer acceptance under Rule 14.24.9(b) the Controlling Participant must, within the Scheduled Time, notify the Holder that the relevant offer acceptance has been rejected.

#### **14.24.11 Non-Takeover Offer Event Transfers**

A Valid Message that complies with Rule 14.24.9(a) initiates a Non-Takeover Offer Event Transfer of the Financial Products.

#### **14.24.12 Reservation of Financial Products in an Offer Accepted Subposition**

If a Message complies with Rule 14.24.9(a), ASX Settlement will reserve the number of Financial Products specified in the relevant offer acceptance in an Offer Accepted Subposition in favour of the Participant Offeror for the Non-Takeover Offer Event.

### **14.25 WARRANTIES AND INDEMNITIES**

#### **14.25.1 Application of Rules**

Rules 14.25.2 to 14.25.4 apply if Financial Products in a CHES Holding are reserved in an Offer Accepted Subposition in accordance with an Originating Message Transmitted by the Controlling Participant for that Holding under Rule 14.24.2.

#### **14.25.2 Participants as Holder of Financial Products**

If the Participant is the Holder of the Financial Products, the Participant is taken to have warranted that the Holder was legally entitled or authorised to accept the offer to which the acceptance relates, and to effect a Transfer of the Financial Products.

#### **14.25.3 If Participant is not Holder of Financial Products**

If the Participant is not the Holder of the Financial Products, the Participant is taken to have warranted that:

- (a) the Holder was legally entitled or authorised; and
- (b) the Participant was authorised by the Holder,

to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products.

#### **14.25.4 Participant to indemnify**

If a Participant is taken under Rule 14.25.2 or 14.25.3 to have warranted that:

- (a) the Holder was legally entitled or authorised to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products; or
- (b) the Participant was authorised by the Holder to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products,

and the Holder was not so legally entitled or authorised, or the Participant was not so authorised by the Holder, the Participant indemnifies:

- (c) the offeror;
- (d) the Participant Offeror;
- (e) the Issuer;
- (f) ASX Settlement; and
- (g) the Holder (in the case of paragraph (b)).

against all losses, damages, costs and expenses arising from that Holder or the Participant not having been so legally entitled or authorised.

#### **14.25.5 Application of Rules**

Rules 14.25.6 and 14.25.7 apply if Financial Products in a CHESS Holding are reserved in an Offer Accepted Subposition in accordance with a Message Transmitted by the Participant Offeror under Rule 14.24.7.

#### **14.25.6 Warranty by Participant Offeror**

The Participant Offeror is taken to have warranted that:

- (a) the Holder was legally entitled or authorised; and
- (b) the Participant Offeror was authorised by the Holder,

to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products.

If a Message is transmitted after the end of the offer period the Participant Offeror is also taken to have warranted under Rule 14.24.7(d)(ii), that one or more of the circumstances in that Rule apply in relation to the Message.

#### **14.25.7 Participant Offeror to Indemnify**

If a Participant Offeror is taken under Rule 14.25.6 to have warranted that:

- (a) the Holder was legally entitled or authorised to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products; or
- (b) the Participant Offeror was authorised by the Holder to accept the offer to which the acceptance relates and to effect a Transfer of the Financial Products,

and the Holder was not legally entitled or authorised, or the Participant Offeror was not so authorised by the Holder; or

- (c) one or more of the circumstances in Rule 14.24.7(d)(ii) apply in relation to the Message transmitted after the end of the offer period under that Rule, and those circumstances did not apply;

the Participant Offeror indemnifies:

- (d) the offeror;
- (e) the Issuer;
- (f) the Controlling Participant;
- (g) ASX Settlement; and
- (h) the Holder (in the case of paragraph (b) or (c)).

against all losses, damages, costs and expenses arising from the Holder or the Participant Offeror not having been so legally entitled or authorised or the circumstances in Rule 14.24.7(d)(ii) not applying.

#### **14.25.8 Controlling Participant to Indemnify**

If a Controlling Participant:

- (a) rejects an offer acceptance under Rule 14.24.9(b) without adequate justification; or
- (b) receives a Valid Message under Rule 14.24.8 and does not Transmit a Message to ASX Settlement that complies with Rule 14.24.9 within the Scheduled Time under Rule 14.24.9;

the Controlling Participant indemnifies:

- (c) the offeror;
- (d) the Issuer;

(e) the Participant Offeror;

(f) ASX Settlement; and

(g) the Holder,

against all losses, damages, costs and expenses arising from that rejection or failure to Transmit a Message.

## **14.26 CANCELLATION OF NON-TAKEOVER OFFER EVENT ACCEPTANCES**

### **14.26.1 Release of Financial Products from an Offer Accepted Subposition**

If Financial Products in a CHES Holding have been reserved by ASX Settlement in an Offer Accepted Subposition in connection with a Non-Takeover Offer Event, a release of the Financial Products from that Subposition may be initiated by a Valid Originating Message that:

(a) is Transmitted to ASX Settlement by the Controlling Participant for that Holding; and

(b) specifies the number of Financial Products to be released from the Subposition.

### **14.26.2 Authorisation for release of Financial Products from an Offer Accepted Subposition**

If an Originating Message Transmitted to ASX Settlement complies with Rule 14.26.1, ASX Settlement must Transmit a Message to the Participant Offeror seeking authorisation for the release from the Offer Accepted Subposition of the Financial Products specified in the Originating Message.

### **14.26.3 Participant Offeror to authorise or reject the release of Financial Products**

If a Participant Offeror receives a Valid Message from ASX Settlement under Rule 14.26.2:

(a) the Participant Offeror must, subject to paragraph (b), Transmit a Message to ASX Settlement, within the Scheduled Time, authorising or rejecting the release of Financial Products from the Offer Accepted Subposition; and

(b) if the Holder of the Financial Products to which the acceptance relates is legally entitled to withdraw the acceptance, the Participant Offeror must Transmit, and the offeror must ensure that the Participant Offeror Transmits, to ASX Settlement a Valid Message under Rule 14.26.2 that authorises the release of those Financial Products.

### **14.26.4 ASX Settlement to release Financial Products**

If ASX Settlement receives a Valid Message from a Participant Offeror under Rule 14.26.3 authorising the release of Financial Products from an Offer Accepted Subposition, ASX Settlement must release Financial Products from the Offer Accepted Subposition in accordance with the Originating Message.

**14.26.5 Release of Financial Products from an Offeror Accepted Subposition initiated by Participant Offeror on behalf of a Holder**

If Financial Products in a CHES Holding have been reserved by ASX Settlement in an Offer Accepted Subposition, a release of the Financial Products from that Subposition by a Participant Offeror on behalf of a Participant Sponsored Holder may be initiated by a Valid Message that:

- (a) is Transmitted to ASX Settlement by the Participant Offeror;
- (b) specifies a Non-Takeover Offer Event Consideration Code for the Non-Takeover Offer Event;
- (c) specifies the HIN for the Participant Sponsored Holding to be released from the Subposition; and
- (d) specifies the number of Financial Products to be released from the Subposition.

**14.26.6 ASX Settlement to release Financial Products**

If ASX Settlement receives a Valid Message from a Participant Offeror under Rule 14.26.5 requesting the release of Financial Products from an Offer Accepted Subposition, ASX Settlement must release Financial Products from the Offer Accepted Subposition in accordance with the Originating Message.

**14.26.7 Application of Rules**

Rules 14.26.8 to 14.26.9 apply if Financial Products in a CHES Holding are released from an Offer Accepted Subposition in accordance with a Message Transmitted by the Participant Offeror under Rule 14.26.5

**14.26.8 Warranty by Participant Offeror**

The Participant Offeror is taken to have warranted that:

- (a) the Holder was legally entitled or authorised; and
  - (b) the Participant Offeror was authorised by the Holder,
- to initiate the release of Financial Products from the Subposition.

**14.26.9 Participant Offeror to Indemnify**

If a Participant Offeror is taken under Rule 14.26.8 to have warranted that:

- (a) the Holder was legally entitled or authorised to initiate the release of Financial Products from the Subposition; or
- (b) the Participant Offeror was authorised by the Holder to initiate the release of Financial Products from the Subposition,

and the Holder was not legally entitled or authorised, or the Participant Offeror was not so authorised by the Holder, the Participant Offeror indemnifies;

- (c) the offeror;
- (d) the Issuer;
- (e) the Controlling Participant;
- (f) ASX Settlement; and
- (g) the Holder (in the case of paragraph (b)).

against all losses, damages, costs and expenses arising from that Holder or the Participant Offeror not having been so legally entitled or authorised.

## **14.27 TRANSFERS PURSUANT TO NON-TAKEOVER OFFER EVENT ACCEPTANCES**

### **14.27.1 Non-Takeover Offer Event Transfers of Financial Products completed by Valid Message**

A Non-Takeover Offer Event Transfer of Financial Products in relation to a Non-Takeover Offer Event may be completed by a Valid Message that:

- (a) is Transmitted to ASX Settlement by the Participant Offeror for the Non-Takeover Offer Event;
- (b) specifies a Source Holding that contains Financial Products reserved in a Subposition in favour of the Participant Offeror;
- (c) specifies the Non-Takeover Offer Event Transferee Holding as the Target Holding; and
- (d) specifies the number of Financial Products in the Source Holding to be Transferred.

### **14.27.2 Actions by ASX Settlement**

If a Message Transmitted to ASX Settlement complies with Rule 14.27.1 and:

- (a) there are sufficient Financial Products in the Source Holding reserved in an Offer Accepted Subposition in favour of the Participant Offeror; and
- (b) there is no Holding Lock or Holder Record Lock on the Source Holding.

ASX Settlement must:

- (c) release the number of Financial Products specified in the Message from the Subposition;
- (d) deduct that number of Financial Products from the Source Holding; and
- (e) enter that number of Financial Products into the **Non-Takeover Offer Event** Transferee Holding.

### 14.27.3 Time at which Non-Takeover Offer Event Transfer takes effect

If a Non-Takeover Offer Event Transfer is:

- (a) initiated by a Message under Rule 14.24.2; and
- (b) completed by a Message under Rule 14.27.1,

the Non-Takeover Offer Event Transfer:

- (c) takes effect when, under Rule 14.27.2, ASX Settlement deducts the Financial Products from the Source Holding; and
- (d) is taken to be effected by:
  - (i) the Message under Rule 14.24.2; and
  - (ii) the Participant that Transmits the Message.

## 14.28 WARRANTIES AND INDEMNITIES BY A PARTICIPANT OFFEROR

### 14.28.1 Application of Rules

Rules 14.28.2 to 14.28.4 apply to the completion of a Non-Takeover Offer Event Transfer by the Participant Offeror under Rule 14.27.1.

### 14.28.2 Participant Offeror as offeror

If the Participant Offeror is the offeror under the Non-Takeover Offer Event, the Participant Offeror is taken to have warranted that the offeror was legally entitled or authorised to complete the Non-Takeover Offer Event Transfer.

### 14.28.3 If Participant Offeror is not the offeror

If the Participant Offeror is not the offeror under the Non-Takeover Offer Event, the Participant Offeror is taken to have warranted that:

- (a) the offeror was legally entitled and authorised; and
- (b) the Participant Offeror was authorised by the offeror,

to complete the Non-Takeover Offer Event Transfer.

### 14.28.4 Participant Offeror to indemnify

If the Participant Offeror is taken, under Rule 14.28.2 or 14.28.3, to have warranted that:

- (a) the offeror was legally entitled or authorised to complete the Non-Takeover Offer Event Transfer; or
- (b) the Participant Offeror was authorised by the offeror to complete the Non-Takeover Offer Event Transfer, and

the offeror was not so legally entitled or authorised, or the Participant Offeror was not so authorised, the Participant Offeror indemnifies:

- (c) the Holder;
- (d) the Controlling Participant for the Source Holding;
- (e) the Issuer;
- (f) ASX Settlement; and
- (g) the offeror (in the case of paragraph (b)).

against all losses, damages, costs and expenses arising from that offeror or Participant Offeror not having been so legally entitled or authorised.

## **14.29 LAPSE OF OFFERS UNDER A NON-TAKEOVER OFFER EVENT**

### **14.29.1 Participant Offeror to notify ASX Settlement of effect of defeating conditions**

After the end of the offer period for a Non-Takeover Offer Event in relation to a class of Approved Financial Products, the Participant Offeror must, within the Scheduled Time, notify ASX Settlement of:

- (a) any acceptances of offers under the offer; and
- (b) any binding contracts that have resulted from such acceptances,

that are avoided including because of the existence of a defeating condition, and, in respect of any such acceptances and contracts, ASX Settlement must release Financial Products in that class from Offer Accepted Subpositions in relation to that Non-Takeover Offer Event.

*Note: The reference to the “end of the offer period” in this Rule is taken to include any date prior to the end date of the original offer period on which the relevant offer ends, including if the Non-Takeover Offer Event is abandoned, withdrawn or otherwise fails to proceed, including due to the existence of a defeating condition or being overbid.*

### **14.29.2 Participant Offeror to indemnify ASX Settlement**

The Participant Offeror indemnifies ASX Settlement in respect of all losses, damages, costs and expenses that ASX Settlement may suffer or incur as a result of ASX Settlement acting in accordance with the instructions of the Participant Offeror.

## **14.30 FINALISATION OF OFFERS UNDER A NON-TAKEOVER OFFER EVENT**

### **14.30.1 ASX Settlement to release Financial Products**

After the end of the offer period for a Non-Takeover Offer Event in relation to a class of Approved Financial Products, ASX Settlement must, if Rule 14.29.1 does not apply, release Financial Products from any remaining Offer Accepted Subpositions in relation

to that Non-Takeover Offer Event at the request of the Participant Offeror, subject to agreement by ASX Settlement.

## SECTION 15 DVP [Batch](#) SETTLEMENT OF ALLOCATIONS IN RESPECT OF INITIAL PUBLIC OFFERINGS

This Section is concerned with the processing of Allocation Components for an Offer of Approved Financial Products and the processing of Allocation Interests in DvP [Batch](#) Settlement including:

- (a) the pre-requisites that must be met by an Issuer before an Allocation Component may be processed in DvP [Batch](#) Settlement;
- (b) the establishment of Records and Holdings of Allocation Interests and access to these Holdings by Participants and Issuers;
- (c) the legal relationship between Issuers, Participants and applicants and the responsibilities of Participants and Issuers in relation to the transfer of Allocation Interests including the giving of warranties and indemnities;
- (d) the requirements that must be met by Participants and Issuers in respect of the processing of Allocation Interests in DvP [Batch](#) Settlement and the Issue of Financial Products; and
- (e) the limitation of ASX Settlement's liability with respect to the processing of applications and application monies, the Transfer of Allocation Interests to applicants and the Issue of Financial Products.

### 15.1 APPLICATION OF SECTION 15

#### 15.1.1 Effect of Section 15

This Section 15 regulates:

- (a) the processing of an Allocation Component as a class of transactions in DvP [Batch](#) Settlement;
- (b) the Transfer of Allocation Interests by Participants to applicants; and
- (c) the Issue of Approved Financial Products in respect of those Allocation Interests,

and the Rules apply to an Issuer and Participants who process an Allocation Component in DvP [Batch](#) Settlement other than as specifically modified by this Section.

Introduced 11/03/04 Origin SCH 5A.1 Amended 04/03/13

## 15.2 ISSUER REQUEST TO PROCESS ALLOCATION COMPONENT IN DVP BATCH SETTLEMENT

### 15.2.1 Issuer to give Notice

If:

- (a) an Issuer makes available forms of application for an Offer of Approved Financial Products; and
- (b) the Approved Listing Market Operator gives that Issuer approval for quotation of those Financial Products,

the Issuer may give Notice to ASX Settlement that it wishes to process an Allocation Component of that Offer as a class of transactions in DvP Batch Settlement.

Introduced 11/03/04 Origin SCH 5A.2.1 Amended 27/06/11

## 15.3 PREREQUISITES FOR PROCESSING ALLOCATION COMPONENT IN DVP BATCH SETTLEMENT

### 15.3.1 Issuer's conditions for processing Allocation Component

For an Allocation Component to be processed in DvP Batch Settlement, the Issuer must meet the following conditions:

- (a) the Allocation Component must be admitted to DvP Batch Settlement as a class of transactions under Rule 10.4.1;
- (b) the Issuer must be admitted as a Participant or appoint a Participant as an agent to act on its behalf;
- (c) the Issuer must establish a Payment Facility for the purpose of receiving application monies in DvP Batch Settlement and give Notice to ASX Settlement in respect of that Payment Facility; and
- (d) the Issuer must establish a Settlement Account and enter into it the number of Allocation Interests that represent the Allocation Component. ~~and~~
- ~~(e) — if the Issuer intends to process the Allocation Component in DvP Real Time Gross Settlement, the additional requirements for Real Time Gross Settlement of a transaction that are set out in Section 11 must be complied with.~~

*Note: An Issuer may appoint an agent to operate a Payment Facility on its behalf, in the name of the Issuer. The Payment Facility may only be used for the receipt of application monies.*

Introduced 11/03/04 Amended 05/12/19 Origin SCH 5A.3.1

## **15.4 ADMISSION OF ALLOCATION COMPONENT AS BATCH INSTRUCTION**

### **15.4.1 Allocation Component processed in DvP [Batch](#) Settlement**

If ASX Settlement is satisfied that the conditions in Rule 15.3 have been met, the Allocation Component may be processed in DvP [Batch](#) Settlement, and transactions in the Allocation Interests are Batch Instructions under Rule 10.4.1(c), subject to the provisions of this Section 15.

Introduced 11/03/04 Origin SCH 5A.4.1

## **15.5 RECORD OF ALLOCATION INTERESTS**

### **15.5.1 Establishment of records of Allocation Interests**

When ASX Settlement admits an Allocation Component as a class of transactions to DvP [Batch](#) Settlement under this Section 15, the Issuer:

- (a) irrevocably authorises ASX Settlement to establish and administer a CHESS record of Allocation Interests;
- (b) acknowledges that ASX Settlement acts as its agent in administering that CHESS record in accordance with this Section 15; and
- (c) must establish an Issuer operated record of Allocation Interests.

Notwithstanding anything else in the Rules or the Corporations Act, a record of Allocation Interests established under this Rule 15.5 does not form part of an Issuer's principal register of Financial Products.

Introduced 11/03/04 Origin SCH 5A.5.1, 5A.5.2

## **15.6 RECORD OF APPLICATIONS**

### **15.6.1 ASX Settlement entitled to assume adequate records kept**

ASX Settlement is entitled to assume that an Issuer that processes an Allocation Component as a class of transactions in DvP [Batch](#) Settlement has made arrangements with each relevant Participant to keep adequate records in respect of:

- (a) applications;
- (b) application monies; and
- (c) Holdings of Allocation Interests established under this Section.

Introduced 11/03/04 Origin SCH 5A.6.1

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## 15.9 TRANSFERS OF ALLOCATION INTERESTS BOUND BY THE RULES

### 15.9.1 Transfer of Allocation Interests not a proper ASTC Transfer

Notwithstanding that a Transfer of Allocation Interests does not constitute a proper ASTC Transfer, an Issuer and Participants that process an Allocation Component in DvP [Batch](#) Settlement agree to be bound by these Rules as if Allocation Interests were “financial products” under the Corporations Act.

Introduced 11/03/04 Origin SCH 5A.7.1 Amended 18/12/06

## 15.10 HOLDINGS OF ALLOCATION INTERESTS

### 15.10.1 Participants bound by the Rules

Notwithstanding that a record of Allocation Interests does not form part of an Issuer’s principal register of Financial Products, an Issuer and Participants that process an Allocation Component in DvP [Batch](#) Settlement agree to be bound by these Rules as if a record of Allocation Interests were a CHESS Subregister or an Issuer Operated Subregister, as the case requires.

Introduced 11/03/04 Origin SCH 5A.7.2

## 15.11 PROCESSING OF ALLOCATION COMPONENT IN DVP [BATCH](#) SETTLEMENT

### 15.11.1 Sections 10 ~~and 11~~ [applies](#) to an Allocation Component

The provisions of Section 10 ~~and, if applicable, Section 11~~ apply to the processing of an Allocation Component in Batch Settlement ~~or Real Time Gross Settlement, as the case requires~~, as if a reference to “Financial Products” were a reference to “Allocation Interests”, other than as specifically modified by this Section.

Introduced 11/03/04 Origin SCH 5A.8.1

## 15.12 PROCESSING OF ALLOCATION INTERESTS IN DVP [BATCH](#) SETTLEMENT

### 15.12.1 Participant’s agreement with Issuer

A Participant that processes Allocation Interests in DvP [Batch](#) Settlement is taken to have agreed with the Issuer that in consideration of receiving an Allocation Component it will:

- (a) process applications and enter applicant registration details in respect of that Offer on the Issuer’s behalf; and
- (b) submit application monies to the Issuer in DvP [Batch](#) Settlement for relevant applicants.

Introduced 11/03/04 Origin SCH 5A.9.1

## 15.13 REQUIREMENT TO SPECIFY SOURCE HOLDING

### 15.13.1 Issuer to specify Source Holding

An Issuer that processes Allocation Interests in DvP [Batch](#) Settlement may only enter:

- (a) a [Bilateral Dual Entry](#) Batch Message under Rule 10.9.2 which specifies a Source Holding controlled by the delivering Settlement Participant, or a Target Holding controlled by the receiving Settlement Participant, as the case requires;
- ~~(b) a Dual Entry RTGS Message under Rule 11.13.3, that specifies a Source Holding.~~

Introduced 11/03/04 Origin SCH 5A.9.2

## 15.14 AUTHORITY TO ASX SETTLEMENT TO EFFECT MOVEMENTS AND PAYMENT OF ALLOCATION INTERESTS

### 15.14.1 Issuer and each Participant to authorise ASX Settlement

An Issuer and each Participant that processes Allocation Interests in DvP [Batch](#) Settlement irrevocably authorises ASX Settlement to:

- (a) effect a movement of Allocation Interests in respect of each [Bilateral Dual Entry](#) Batch Instruction ~~or Dual Entry RTGS Instruction, as applicable~~, entered by the Participant; and
- (b) effect payment in respect of that Instruction.

Introduced 11/03/04 Origin SCH 5A.9.3

## 15.15 TRANSFER OF ALLOCATION INTERESTS AND ISSUE OF FINANCIAL PRODUCTS

### 15.15.1 Participants to transfer Allocation Interests in sufficient time

A Participant that processes Allocation Interests in DvP [Batch](#) Settlement must Transfer Allocation Interests to applicants in sufficient time to enable the Issuer to Issue Financial Products to the relevant applicants in accordance with Rules 15.27 and 15.28.

Introduced 11/03/04 Origin SCH 5A.9.4 Amended 04/03/13

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## 15.18 IDENTIFICATION OF [BILATERAL DUAL ENTRY](#) BATCH MESSAGES AND TRANSFERS OF ALLOCATION INTERESTS

### 15.18.1 Issuer or Participant to specify the transaction

In every:

- (a) [Bilateral Dual Entry](#) Batch Message ~~or, if applicable, Dual Entry RTGS Message~~ entered by an Issuer or Participant; and

- (b) Message to Transfer Allocation Interests Transmitted by a Participant, the Issuer or Participant, as the case requires, must specify the transaction in accordance with the Procedures as advised by ASX Settlement from time to time.

Introduced 11/03/04 Origin SCH 5A.10.1, 5A.10.2

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## 15.21 PARTICIPANT AS PRINCIPAL OR AS AGENT OF APPLICANT

### 15.21.1 Where a Participant pays an amount to an Issuer

A Participant who pays an amount to an Issuer and receives Allocation Interests in DvP [Batch](#) Settlement makes that payment and receives those Allocation Interests:

- (a) as principal; or
- (b) where the Participant is in receipt of application monies, as agent for the relevant applicant.

Introduced 11/03/04 Origin SCH 5A.12.1

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## 15.30 INABILITY TO PROCESS ALLOCATION COMPONENT IN DVP SETTLEMENT

### 15.30.1 Participant to forward application and application monies

If:

- (a) ASX Settlement removes an Allocation Component from DvP [Batch](#) Settlement under Rule 10.4.7-~~10.4.7~~; or
- (b) ASX Settlement imposes Restrictions on the participation of a non-compliant Participant under Rule 12.19.1(a),

and as a result a Participant is unable to process an Allocation Component in DvP [Batch](#) Settlement, the Participant must immediately forward any applications and application monies to the relevant Issuer in order that the Issuer may process those applications prior to the Issue Date for the relevant Approved Financial Products.

Introduced 11/03/04 Origin SCH 5A.19.1 Amended 04/03/13

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## SECTION 16 COMMUNICATIONS WITH ASX SETTLEMENT

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### 16.18 ASX SETTLEMENT-INITIATED REPORTING IN RELATION TO MATCHING

#### 16.18.1 ASX Settlement to notify Participants of Messages

If ASX Settlement:

- (a) receives either:
  - (i) a Valid ~~Dual Entry~~ Bilateral Demand Message;
  - (ii) a Valid ~~Dual Entry~~ Bilateral Batch Message; ~~or~~
  - ~~(iii) a Valid Dual Entry RTGS Message;~~
  - ~~(iv) a Valid Dual Entry Switch to RTGS Message; or~~
  - ~~(v) a Valid Dual Entry Switch to Batch Settlement Message; or~~
  - ~~(iii) a Valid Bilateral Demand Settlement Message; or~~
  - ~~(vi) a Valid Dual Entry Payment Batch Message; or~~
- (b) Matches a ~~Valid Dual Entry~~ Bilateral Batch Message; ~~or Valid Bilateral Demand Settlement Message or a Valid Dual Entry RTGS Message or a Valid Dual Entry Payment Batch Message~~ with another Transmitted by the counterparty Participant,

ASX Settlement must notify:

- (c) the Participant that Transmitted the Message; and
- (d) the counterparty Participant.

of the fact.

Introduced 11/03/04 Origin SCH 4.6.1, 4.6.2

### 16.19 CANCELLATION OR CHANGE OF A VALID MESSAGE OR INSTRUCTION

#### 16.19.1 ASX Settlement to notify of changed or cancelled Messages and Instructions

Except as provided by Rules 10.9.5, ~~11.12.6 and 11.16.4~~, if in accordance with these Rules:

- (a) a Participant; or
- (b) ASX Settlement,

Cancels or changes either:

- (c) a Valid Message; or
- (d) an Instruction,

ASX Settlement must notify:

- (e) the delivering Participant; and
- (f) the receiving Participant

of that fact.

Introduced 11/03/04 Origin SCH 4.22.19, 4.6.3

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## 16.22 PROCESSING MESSAGES DURING THE SETTLEMENT PROCESSING PHASE

### 16.22.1 ASX Settlement will not process Messages

ASX Settlement will not process during the Settlement Processing Phase:

- (a) a Message requesting a Demand Report or a Standing Report; or
- (b) a Message that will effect a change to the Holding Balance of any CHES Holding other than a Message that initiates a Settlement Transfer,

Messages that initiate Settlement Transfers in connection with Batch Settlement will only be processed by ASX Settlement during the Settlement Processing Phase.

If, on any Business Day, ASX Settlement receives between Start of Day and Settlement Cut-off:

~~(c) a Valid Message Transmitted by an Issuer to effect a Financial Products Transformation or a Holding Adjustment; or~~

~~(d) a Valid Message Transmitted by ASX Clear or a CHES Offeror to effect a Transfer of Financial Products reserved in a Subposition from a CHES Holding.~~

ASX Settlement will not process the Message until after that day's Settlement Processing Phase has been completed.

If ASX Settlement receives a Valid Message Transmitted by a Facility User after End of Day on a Trading Day, ASX Settlement will not process that Message until after Start of Day on the following Trading Day.

Introduced 11/03/04 Origin SCH 4.9.3, 4.9.4, 4.9.5, 4.9.6 Amended 19/08/09

## SECTION 18 SETTLEMENT OF AQUA PRODUCTS

This Section contains rules relating specifically to the settlement of AQUA Products including:

- (a) processing of requests for issue and redemption of AQUA Products ~~and requests to Switch between AQUA Products;~~
- (b) cancellation of requests for issue or redemption ~~of AQUA Products or Switch;~~
- (c) notification of changes to details for requests for issue or redemption ~~or Switch~~ of AQUA Products; and
- (d) actions that ASX Settlement may take in the event of failure by a Product Issuer Settlement Participant to settle issues and redemptions of AQUA Products; ~~and~~
- ~~(e) the provision of distribution and re-investment advices to Holders of AQUA Products.~~

### 18.1 APPLICATION OF RULES TO AQUA PRODUCTS

#### 18.1.1 Application of Section 18

This Section 18 applies to the processing of requests for issue and redemption of AQUA Products as a class of transaction in Batch Settlement. AQUA Products must be settled in accordance with this Section 18. This Section 18 does not apply in relation to Financial Products which are not AQUA Products.

#### 18.1.2 Compliance with Rules other than Section 18

Subject to the modifications specified in Rule 18.13, a Facility User must, in respect of AQUA Products, comply with all Rules to the extent those Rules apply to AQUA Products.

#### 18.1.3 Conflict between Rules

If there is a conflict between a provision of this Section 18 and any other provision of these Rules, the provision of this Section 18 will prevail to the extent of the conflict.

### 18.2 SETTLEMENT PROCESS

#### 18.2.1 Transactions

Transactions in relation to AQUA Products which may be settled through the Settlement Facility in Batch Settlement are payments in respect of the issue or redemption of AQUA Products.

#### 18.2.2 Process

Payments in respect of the issue or redemption of AQUA Products are to be settled in Batch Settlement as follows:

- (a) for issue of AQUA Products, on a 'payment then delivery' basis; and
- (b) for redemption of AQUA Products, on a 'delivery then payment' basis,

in accordance with the provisions of this Section 18 and all other applicable provisions of these Rules.

## **18.3 REQUESTS FOR ISSUE OR REDEMPTION OF AQUA PRODUCTS**

### **18.3.1 Initiation of request**

A Settlement Participant may initiate a request for issue or redemption of AQUA Products by Transmitting to ASX Settlement a Valid Originating Message before Fund Request Cut-Off in accordance with the Procedures. In addition to the matters specified in the Procedures the Valid Originating Message in respect of an application for issue of AQUA Products must include:

- (a) confirmation that the requirements of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) have been satisfied; and
- (b) confirmation that the Holder has received a copy of the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) for the AQUA Products referred to in Rule [4652] of the ASX Operating Rules and the date of that Product Disclosure Statement or Combined Product Disclosure Statement (as applicable).

Amended 06/02/17

### **18.3.2 Initiating Settlement Participant to be Controlling Participant**

A Settlement Participant may only initiate a request for [issue or](#) redemption of AQUA Products ~~in for~~ a CHESS Holding in respect of which it is the Controlling Participant.

### **18.3.3 Product Issuer Settlement Participant to accept or reject request**

If a Valid Originating Message Transmitted to ASX Settlement complies with Rule 18.3.1:

- (a) ASX Settlement must, within the Scheduled Time, Transmit a Message to the relevant Product Issuer Settlement Participant to notify it of the details of the request specified in the Valid Originating Message;
- (b) the Product Issuer Settlement Participant must, subject to Rule 18.3.3(c) and within the Scheduled Time, Transmit a Valid Message to ASX Settlement accepting or rejecting ~~(or, in the case of requests for redemption only, deferring)~~ the request and specifying the information required by the Procedures; and
- (c) the Product Issuer Settlement Participant must reject a request for issue of AQUA Products pursuant to Rule 18.3.3(b) where the AQUA Product Issuer must not issue the AQUA Products pursuant to Rule 10A.4.5(e) of the ASX Operating Rules.

Amended 15/08/16, 06/02/17

#### 18.3.4 ASX Settlement to notify Settlement Participant

If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.3.3(b), ASX Settlement must Transmit a Message to the Settlement Participant that initiated the request notifying it that the request has been accepted or rejected ~~(or, in the case of requests for redemption only, deferred)~~, as the case requires.

Amended 15/08/16

#### 18.3.5 ~~Deemed rejection~~ Removal of requests ~~—[Deleted]~~

Without limiting Rule 18.3.3(b), if the Product Issuer Settlement Participant has not Transmitted a Valid Message to ASX Settlement pursuant to Rule 18.3.3(b) by the Scheduled Time, ASX Settlement may:

- (a) cancel and remove any requests for the issue or redemption for AQUA Products that have not been accepted or rejected in accordance with Rule 18.3.3(b); and
- (b) notify the Settlement Participant that initiated the request for issue or redemption of AQUA Products that the request has been cancelled.

~~Deleted 15/08/16~~

#### 18.3.6 Accepted request to result in AQUA Payment Batch Instruction and Holding Adjustment

If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.3.3(b) accepting a request for issue or redemption of AQUA Products:

- (a) ASX Settlement must:
  - (i) schedule an AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, for settlement in Batch Settlement on the Settlement Date as determined by ASX Settlement (in the case of an AQUA Application Payment Batch Instruction) or as specified in the Valid Message Transmitted by the Product Issuer Settlement Participant in accordance with Rule 18.3.3(b) (in the case of an AQUA Redemption Payment Batch Instruction); and
  - (ii) Transmit a Message to the Settlement Participant that initiated the request and the Product Issuer Settlement Participant notifying them that an AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, has been scheduled for settlement; and
- (b) the Product Issuer Settlement Participant must, within the Scheduled Time (or, in the case of a request for issue only, by the rescheduled date (if any) notified in accordance with Rule 18.7), Transmit to ASX Settlement a Valid Message in accordance with the Procedures that initiates a Holding Adjustment to increase or decrease, by the number of AQUA Products determined by the Product

Issuer Settlement Participant in respect of the request for issue or redemption, as the case requires, the Holding Balance of the CHES Holding specified in the Originating Message.

Amended 15/08/16

#### **18.3.6A Product Issuer Settlement Participant to provide certain information prior to issue or redemption of AQUA Products**

If the Product Issuer Settlement Participant accepts a request for issue or redemption of AQUA Products in accordance with Rule 18.3.3(b):

- (a) the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Valid Message to ASX Settlement notifying it of the information specified in the Procedures; and
- (b) ASX Settlement must, within the Scheduled Time, Transmit a Message to the Settlement Participant that initiated the request for issue or redemption of AQUA Products notifying it of the information received from the Product Issuer Settlement Participant in accordance with Rule 18.3.6A(a).

Introduced 15/08/16

#### **18.3.7 Notifications to prospective investor clients**

If a Settlement Participant receives a Message under Rules 18.3.6(a)(ii), 18.3.6A(b), 18.4.4(a), 18.5.1, or 18.7.2(a), it must:

- (a) where the Settlement Participant is also the Trading Participant through which the request for issue or redemption of AQUA Products was initiated on behalf of the client investor, promptly communicate the relevant information to the client; or
- (b) where the Settlement Participant is acting as Settlement Agent for the Trading Participant through which the request for issue or redemption of AQUA Products was initiated on behalf of the client investor, promptly communicate the relevant information to that Trading Participant.

Amended 15/08/16

#### **18.3.8 Obligations of Participants in relation to AQUA Payment Batch Instructions**

The obligation or entitlement, as the case requires, of a Settlement Participant that initiates a request for issue or redemption of AQUA Products and the Product Issuer Settlement Participant that accepts the request for issue or redemption, to pay or receive an amount in accordance with the AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction scheduled in accordance with Rule 18.3.6(a)(i), are owed to each other as principals, even if one or both of the Participants is acting on behalf of another person in relation to the instruction.

*Note: [A Settlement Participant that initiates a request for issue or redemption of AQUA Products will be liable for any failure or inability by a Third Party Provider to comply with the Rules. Refer also to Rule 2.4 and Rule 16.17.](#)*

### 18.3.9 Representation by Settlement Participants

Where a Settlement Participant Transmits a Valid Originating Message to ASX Settlement under Rule 18.3.1, the Settlement Participant is taken to represent for the benefit of the relevant AQUA Product Issuer that:

- (a) where the Settlement Participant is also the Trading Participant through which the request for issue of AQUA Products was initiated on behalf of the client investor:
  - i. the Settlement Participant gave the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) referred to in Rule 18.3.1(b) to the client;
  - ii. the requirements of Part 2 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) in relation to the client investor have been satisfied; and
  - iii. the Settlement Participant has complied with any other matters as set out in the Procedures,

prior to accepting the client's instruction to initiate the request; or

- (b) where the Settlement Participant is acting as Settlement Agent for the Trading Participant through which the request for issue of AQUA Products was initiated on behalf of the client investor, the Settlement Participant has received confirmation from the Trading Participant that:
  - i. the Trading Participant gave the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) referred to in Rule 18.3.1(b) to the client;
  - ii. the requirements of Part 2 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) in relation to the client investor have been satisfied; and
  - iii. the Trading Participant has complied with any other matters as set out in the Procedures,

prior to accepting the client's instruction to initiate the request.

Amended 06/02/17

## 18.4 REQUESTS TO SWITCH BETWEEN AQUA PRODUCTS – ~~[DELETED]~~

### 18.4.1 Initiation of request – ~~[Deleted]~~

~~A Settlement Participant may initiate a request to Switch between AQUA Products by Transmitting to ASX Settlement a Valid Originating Message before Fund Request Cut-Off in accordance with the Procedures. In addition to the matters specified in the~~

~~Procedures the Valid Originating Message must include confirmation that the Holder has received a copy of the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) for the AQUA Products referred to in Rule [4652] of the ASX Operating Rules and the date of that Product Disclosure Statement or Combined Product Disclosure Statement (as applicable).~~

~~Amended 06/02/17~~

**18.4.2 Initiating Settlement Participant to be Controlling Participant – ~~[Deleted]~~**

~~A Settlement Participant may only initiate a request to Switch between AQUA Products in CHESS Holdings which are referable to the same Holder and in respect of which it is the Controlling Participant.~~

**18.4.3 Product Issuer Settlement Participant to accept or reject request – ~~[Deleted]~~**

~~If a Valid Originating Message Transmitted to ASX Settlement complies with Rule 18.4.1:~~

- ~~(a) — ASX Settlement must, within the Scheduled Time, Transmit a Message to the relevant Product Issuer Settlement Participant to notify it of the details of the request specified in the Valid Originating Message;~~
- ~~(b) — the Product Issuer Settlement Participant must, subject to Rule 18.4.3(c) and within the Scheduled Time, Transmit a Valid Message to ASX Settlement accepting, rejecting or deferring the request and specifying the information required by the Procedures; and~~
- ~~(c) — the Product Issuer Settlement Participant must reject a request for Switch between AQUA Products pursuant to Rule 18.4.3(b) where the AQUA Product Issuer must not issue the AQUA Products pursuant to Rule 10A.4.5(e) of the ASX Operating Rules.~~

~~Amended 15/08/16, 06/02/17~~

**18.4.4 ASX Settlement to notify Settlement Participant – ~~[Deleted]~~**

~~If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.4.3(b):~~

- ~~(a) — ASX Settlement must Transmit a Message to the Settlement Participant that initiated the request notifying it that the request has been accepted, rejected or deferred, as the case requires; and~~
- ~~(b) — if the request has been accepted, the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit to ASX Settlement Valid Messages in accordance with the Procedures that initiate Holding Adjustments to increase and decrease, by the number of AQUA Products determined by the Product Issuer Settlement Participant in respect of the request to Switch between AQUA Products, as the case requires, the Holding Balance of each CHESS Holding specified in the Valid Originating Message.~~

~~Amended 15/08/16~~

#### 18.4.5 Deemed rejection of request – [Deleted]

Deleted 15/08/16

#### 18.4.6 Representation by Settlement Participants– [Deleted]

~~Where a Settlement Participant Transmits a Valid Originating Message to ASX Settlement under Rule 18.4.1, the Settlement Participant is taken to represent for the benefit of the relevant AQUA Product Issuer that:~~

~~(a) — where the Settlement Participant is also the Trading Participant through which the request to switch between AQUA Products was initiated on behalf of the client investor:~~

~~i. — the Settlement Participant gave the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) referred to in Rule 18.4.1 to the client; and~~

~~ii. — the Settlement Participant has complied with any other matters as set out in the Procedures,~~

~~— prior to accepting the client’s instruction to initiate the request; or~~

~~(b) — where the Settlement Participant is acting as Settlement Agent for the Trading Participant through which the request to switch between AQUA Products was initiated on behalf of the client investor, the Settlement Participant has received confirmation from the Trading Participant that:~~

~~i. — the Trading Participant gave the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) referred to in Rule 18.4.1 to the client; and~~

~~ii. — the Trading Participant has complied with any other matters as set out in the Procedures,~~

~~— prior to accepting the client’s instruction to initiate the request.~~

Amended 06/02/17

### 18.5 CANCELLATION OF REQUESTS BY PRODUCT ISSUER SETTLEMENT PARTICIPANT

#### 18.5.1 Cancellation of accepted issue or redemption requests

If, within the Scheduled Time, a Product Issuer Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request for issue or redemption of AQUA Products that the Product Issuer Settlement Participant accepted ~~(or, in the case of requests for redemption only, deferred)~~ in accordance with Rule 18.3.3(b), ASX Settlement will:

- (a) cancel and remove from Batch Settlement any unsettled AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction scheduled in accordance with Rule 18.3.6(a)(i) or rescheduled in accordance with Rule 18.7.2(b)(i) that relates to the request; and
- (b) notify the Settlement Participant that initiated the request for issue or redemption of AQUA Products that the request has been cancelled and that any unsettled AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction that relates to the request has been removed from Batch Settlement.

Amended 15/08/16

**18.5.2 Cancellation of accepted request to Switch – ~~[Deleted]~~**

~~If, within the Scheduled Time, a Product Issuer Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request to Switch between AQUA Products that the Product Issuer Settlement Participant accepted or deferred in accordance with Rule 18.4.3(b), ASX Settlement will~~

~~notify the Settlement Participant that initiated the request to Switch between AQUA Products that the request has been cancelled.~~

~~Amended 15/08/16~~

## **18.6 CANCELLATION OF REQUEST BY APPLICANT**

### **18.6.1 Cancellation request to be accepted or rejected by Product Issuer Settlement Participant**

If, within the Scheduled Time, a Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of:

- ~~(a) a request for redemption of AQUA Products, or~~
- ~~(b) a request to Switch between AQUA Products,~~

~~then at the Settlement Participant initiated and the Product Issuer Settlement Participant deferred in accordance with Rule 18.3.3(b) or Rule 18.4.3(b):~~

- ~~(e~~a) ASX Settlement must, within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation request; and
- ~~(b~~d) the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Valid Message in accordance with the Procedures to ASX Settlement accepting or rejecting the cancellation request and specifying the information required by the Procedures.

~~Amended 15/08/16~~

#### 18.6.1A Cancellation of request for issue

If, within the Scheduled Time, a Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request for the issue of AQUA Products, ASX Settlement must:

- (a) within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation of the request; and
- (b) Transmit a Message to the Settlement Participant notifying it of the cancellation of the request for issue.

### **18.6.2 ASX Settlement to notify Settlement Participant**

If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.6.1(d), ASX Settlement must Transmit a Message to the Settlement Participant that initiated the cancellation request notifying it that the request has been accepted or rejected.

### **18.6.3 Deemed rejection of request – [Deleted]**

~~Deleted 15/08/16~~

## 18.7 NOTIFICATION OF CHANGE OF ISSUE OR REDEMPTION DETAILS BY PRODUCT ISSUER SETTLEMENT PARTICIPANT

### 18.7.1 Product Issuer Settlement Participant to notify change of details

A Product Issuer Settlement Participant that has accepted:

~~(a)~~ a request for issue or redemption of AQUA Products in accordance with Rule 18.3.3(b); ~~or~~

~~(b) a request to Switch between AQUA Products in accordance with Rule 18.4.3(b),~~

may notify the Settlement Participant that initiated the request of changes to details of matters relating to the request, as specified in the Procedures, by Transmitting to ASX Settlement, within the Scheduled Time, a Valid Message in accordance with the Procedures.

[If ASX Settlement receives a Valid Message in accordance with this Rule 18.7.1, it will notify the Settlement Participant that initiated the request for issue or redemption of AQUA Products of the changes to those details.](#)

Amended 15/08/16.

### 18.7.2 ASX Settlement to notify applicant and reschedule payment instructions

If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.7.1, ASX Settlement must:

- (a) Transmit a Message to the Settlement Participant that initiated the request notifying it of the changed details advised by the Product Issuer Settlement Participant; and
- (b) if the Product Issuer Settlement Participant has notified a change to the Settlement Date for payment in respect of a request for issue or redemption of AQUA Products:
  - (i) reschedule the AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, for settlement in Batch Settlement on the Settlement Date specified in the Message Transmitted by the Product Issuer Settlement Participant in accordance with Rule 18.7.1; and
  - (ii) Transmit a Message to the Settlement Participant that initiated the request and the Product Issuer Settlement Participant notifying them that the AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, has been rescheduled.

## **18.8 FAILURE TO SETTLE**

### **18.8.1 Reminder notices – Holding Adjustment in respect of request for issue**

If a Product Issuer Settlement Participant fails to initiate a Holding Adjustment in respect of a request for issue of AQUA Products in accordance with Rule 18.3.6(b) ~~or a request for to Switch under Rule 18.4.4(b)~~, ASX will, on each Business Day until the Product Issuer Settlement Participant initiates a Holding Adjustment in respect of the request in accordance with Rule 18.3.6(b) or Rule 18.4.4(b), Transmit a Message to the Product Issuer Settlement Participant reminding it of its obligation to initiate a Holding Adjustment.

### **18.8.2 Fee payable for reminder notice**

A Product Issuer Settlement Participant is liable to pay a fee, as specified in the Fees and Charges Schedule, in respect of each Message Transmitted to it by ASX Settlement in accordance with Rule 18.8.1.

### **18.8.3 Failure to settle – action by ASX Settlement**

If a Product Issuer Settlement Participant:

- (a) reschedules in accordance with Rule 18.7:
  - (i) the date for delivery of AQUA Products to an applicant for issue of AQUA Products; or
  - (ii) the Settlement Date for payment in respect of a request for redemption of AQUA Products,  
  
on three or more occasions; or
- (b) fails to:
  - (i) initiate a Holding Adjustment in respect of a request for issue of AQUA Products in accordance with Rule 18.3.6(b); or
  - (ii) settle an AQUA Redemption Payment Batch Instruction in Batch Settlement when scheduled for settlement in accordance with Rule 18.3.6(a)(i) or Rule 18.7.2(b)(i),

ASX Settlement may:

- (c) impose Restrictions on;
- (d) suspend for a period; or
- (e) terminate,

the participation of the Product Issuer Settlement Participant in accordance with Rule 10.15 and Section 12 of these Rules (as applicable). ASX Settlement may, in its absolute

discretion, impose Restrictions on or suspend the participation of a Product Issuer Settlement Participant generally (that is, in respect of all classes of AQUA Products in relation to which it is authorised) or in respect of one or more classes of AQUA Products in relation to which it is authorised (as specified by ASX Settlement in a Notice to the Product Issuer Settlement Participant).

#### **18.8.4 Inability to process AQUA Products in Batch Settlement**

If:

- (a) ASX Settlement removes one or more AQUA Products, or AQUA Payment Batch Instructions in relation to one or more AQUA Products, from Batch Settlement under Rule 10.4.7; or
- (b) ASX Settlement imposes Restrictions on the participation of a Settlement Participant under Section 12,

and as a result a Settlement Participant is unable to process requests for issue of AQUA Products in Batch Settlement, the Settlement Participant must, subject to applicable law and the instructions of the person entitled to any moneys held or payable by the Settlement Participant in connection with the request for issue, immediately forward any requests and moneys to the relevant Product Issuer Settlement Participant in order that the Product Issuer Settlement Participant may process those requests.

#### **18.8.5 No interference with Transfer of AQUA Products**

Issuers of AQUA Products and Product Issuer Settlement Participants must not prevent, delay or in any way interfere with the Transfer of AQUA Products.

### **18.9 REQUEST FOR INCOME ADVICE – ~~[DELETED]~~**

#### **18.9.1 Initiation of request – ~~[Deleted]~~**

~~A Settlement Participant may initiate a request for income advice for AQUA Products in a CHES Holding for which it is the Controlling Participant by Transmitting to ASX Settlement a Valid Originating Message in accordance with the Procedures.~~

~~Introduced 15/08/16~~

#### **18.9.2 Product Issuer Settlement Participant to accept or reject request – ~~[Deleted]~~**

~~If a Valid Originating Message Transmitted to ASX Settlement complies with Rule 18.9.1:~~

- ~~(a) ASX Settlement must, within the Scheduled Time, Transmit a Message to the relevant Product Issuer Settlement Participant to notify it of the details of the request specified in the Valid Originating Message; and~~
- ~~(b) the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Valid Message to ASX Settlement accepting or rejecting the request and specifying the information required by the Procedures.~~

~~Introduced 15/08/16~~

**18.9.3 ASX Settlement to notify Settlement Participant – [\[Deleted\]](#)**

~~If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.9.2(b), ASX Settlement must Transmit a Message to the Settlement Participant that initiated the request notifying it that the request has been accepted or rejected, as the case requires.~~

~~Introduced 15/08/16~~

**18.9.4 Accepted request to result in Product Issuer Settlement Participant providing income advice for each Holding – [\[Deleted\]](#)**

~~A Product Issuer Settlement Participant that has accepted a request for income advice in accordance with Rule 18.9.2(b) must advise, for each class of AQUA Products in relation to which it is authorised, details of:~~

- ~~(a) — income distribution entitlements in respect of each CHESS Holding of the AQUA Products where applicable; and~~
- ~~(b) — reinvestment of income distribution entitlements in respect of each CHESS Holding of the AQUA Products where applicable,~~

~~by Transmitting to ASX Settlement, within the Scheduled Time after each date for determining distribution entitlements in respect of the AQUA Products, a Valid Message that contains the details specified in the Procedures.~~

~~Amended 15/08/16~~

**18.9.5 ASX Settlement to notify Controlling Participant – [\[Deleted\]](#)**

~~If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant in accordance with Rule 18.9.4, ASX Settlement must Transmit a Message to the Controlling Participant for each CHESS Holding of the AQUA Products notifying it of the distribution entitlement and reinvestment details advised by the Product Issuer Settlement Participant in accordance with Rule 18.9.4.~~

~~Amended 15/08/16~~

**18.9.6 Cancellation of accepted request – [\[Deleted\]](#)**

~~If a Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request for income advice that the Settlement Participant initiated and the Product Issuer Settlement Participant accepted in accordance with Rule 18.9.2(b):~~

- ~~(a) — ASX Settlement must, within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation request; and~~
- ~~(b) — the Product Issuer Settlement Participant must, within the Scheduled Time, implement the cancellation request.~~

~~Introduced 15/08/16~~

.....

## 18.12 GENERAL

### 18.12.1 Participant warrants that it holds properly documented instructions

A Settlement Participant that:

- (a) initiates a request for issue or redemption ~~or Switch~~ of AQUA Products;
- (b) requests cancellation of a request for redemption ~~or Switch~~ of AQUA Products;
- (c) initiates a request for income advice for AQUA Products or requests cancellation of a request for income advice for AQUA Products; or
- (d) initiates a request for a change to details of a Holder's standing instructions for the issue or redemption of AQUA Products,

on behalf of another person:

- (e) warrants to the Issuer that the Settlement Participant holds a properly documented instruction from that other person; and
- (f) must retain and produce on request by ASX Settlement copies of such instructions.

Amended 15/08/16

### 18.12.2 Processing of AQUA Products in Batch Settlement

A Settlement Participant that initiates on behalf of another person a request for issue or redemption ~~or Switch~~ of AQUA Products is taken to have agreed with the Product Issuer Settlement Participant that it will pay application moneys to the Product Issuer Settlement Participant and receive redemption moneys from the Product Issuer Settlement Participant in Batch Settlement on behalf of that other person.

### 18.12.3 Failure to respond to request

- (a) If a Product Issuer Settlement Participant fails to Transmit a Valid Message to ASX Settlement within the Scheduled Time in accordance with Rules 18.3.3(b), 18.4.3(b), 18.6.1(d), 18.9.2(b) or 18.9A.2(b), ASX Settlement may direct the Product Issuer Settlement Participant to Transmit the relevant Valid Message in accordance with Rule 18.3.3(b), 18.4.3(b), 18.6.1(d), 18.9.2(b) or 18.9A.2(b) (as applicable) within the time specified in the direction.
- (b) The Product Issuer Settlement Participant must comply with any direction received from ASX Settlement pursuant to Rule 18.12.3(a) within the time specified in the direction.

Introduced 15/08/16

## 18.13 SPECIFIC MODIFICATIONS TO RULES

### 18.13.1 Modifications

The following Rules apply in relation to AQUA Products and Issuers of AQUA Products subject to the modifications specified below:

- (a) Rules 5.12.2 and 5.12.3 apply as if references to “Issuer’s constitution” were references to the constitution or other governing document of the registered scheme under which the AQUA Products are constituted; ~~and~~ and
- (b) Rules 5.13.1 and 5.13.3 apply as if references to “total issued capital” for a class of Financial Products were references to the total number of issued Financial Products in a class of AQUA Products; ~~and~~ and
- ~~(c) Rule 5.19A applies as if references to “the Issuer” were references to the relevant “Product Issuer Settlement Participant”.~~

## 18.14 LIMITATION OF LIABILITY

### 18.14.1 ASX Settlement not in control of issue or redemption

Each Settlement Participant acknowledges that ASX Settlement does not control and cannot procure:

- (a) the issue or redemption of AQUA Products by Issuers;
- (b) the processing of requests for issue or redemption of AQUA Products, ~~or requests to Switch between AQUA Products,~~ by Product Issuer Settlement Participants;
- (c) the processing of requests for cancellation of requests for redemption of AQUA Products ~~or a Switch between AQUA Products,~~ by Product Issuer Settlement Participants;
- (d) the processing of requests for income advice for AQUA Products, or the accuracy or completeness of any such income advice for AQUA Products provided by Product Issuer Settlement Participants; or
- (e) the processing of requests for a change to details of a Holder’s standing instructions for the issue or redemption of AQUA Products.

Amended 15/08/16

### 18.14.2 Limitation of ASX Settlement liability

ASX Settlement has no liability to:

- (a) Issuers;
- (b) Settlement Participants;

- (c) any client of a Settlement Participant that has lodged a request for issue or redemption ~~or Switch~~ of AQUA Products;
- (d) Holders of AQUA Products; or
- (e) any other person claiming an interest in AQUA Products,

with respect to any action or failure to take action by an Issuer, Product Issuer Settlement Participant or other Settlement Participant in connection with a request for issue or redemption ~~or Switch~~ of AQUA Products, including (without limitation):

- (f) an Issuer's failure to issue or redeem AQUA Products or to make available redemption moneys;
- (g) failure by a Product Issuer Settlement Participant or other Settlement Participant to deliver AQUA Products or to settle an AQUA Payment Batch Instruction;
- (h) failure by the Product Issuer Settlement Participant to provide an income advice for AQUA Products or the accuracy or completeness of any such income advice for AQUA Products provided by the Product Issuer Settlement Participant; or
- (i) failure by the Product Issuer to process a request for a change to details of a Holder's standing instructions for the issue or redemption of AQUA Products.

Amended 15/08/16

### **18.14.3 Product Issuer Settlement Participant to indemnify ASX Settlement**

Each Issuer, Product Issuer Settlement Participant and other Settlement Participant indemnifies ASX Settlement against all expenses, losses, damages and costs that ASX Settlement may sustain or incur in connection with any action or failure to take action by the Issuer, Product Issuer Settlement Participant or other Settlement Participant, as the case requires, in connection with a request for issue or redemption ~~or Switch~~ of AQUA Products.

# APPENDIX 1 SCHEDULED TIMES

Rule Number	Requirement	Sydney Time
..... <a href="#">Rule 5.19A.2(a)</a>	<a href="#">Controlling Participant to notify election in respect of all or part of the relevant dividend or other distribution reinvestment plan or bonus share plan by Transmitting to ASX Settlement a Valid Election Participant Notification Message.</a>	<a href="#">by the closing time on the Plan Election Date specified in the relevant plan rules.</a>
<a href="#">Rule 5.19A.2(c)</a>	<a href="#">Issuer to Transmit a Corporate Action Election Status Advice Message</a>	by the earlier of: (i) <a href="#">the time specified in the plan rules (if applicable);</a> or (ii) <del><a href="#">within 1 Business Day of a Valid Message being sent to the Issuer</a></del> <a href="#">the End of Day on the day the Issuer receives the Message from ASX Settlement under Rule 5.19A.2(b)(ii).</a>
<del><a href="#">Rule 5.19A.3(a)</a></del>	<del><a href="#">Issuer to notify election in respect of all or part of the relevant dividend or other distribution reinvestment plan or bonus share plan that has been accepted by the Issuer by Transmitting to ASX Settlement a Valid Election Issuer Notification Message.</a></del>	<del><a href="#">within 1 Business Day of the election being accepted by the Issuer.</a></del>
<a href="#">Rule 5.19A.5(a)</a>	<a href="#">Controlling Participant to Transmit to ASX Settlement a Valid Election Cancellation Message for a pending election request or <del>accepted election</del> (if applicable)</a>	<a href="#">by the closing time on the Plan Election Date specified in the relevant plan rules, or if an earlier time is specified in the plan rules for such cancellation, such earlier time.</a>
<del><a href="#">Rule 5.19A.5(c)</a></del>	<del><a href="#">Issuer to Transmit a Corporate Action Election Status Advice Message</a></del>	<del>by the earlier of: (i) <a href="#">the time specified in the plan rules (if applicable);</a> or (ii) <a href="#">the End of Day on the day the Issuer receives the Message from ASX Settlement under Rule 5.19A.5(b).</a></del>
<a href="#">Rule 5.19A.5(e)</a>	<a href="#">Issuer to Transmit to ASX Settlement a Valid Election Cancellation Message for an election (if applicable)</a>	<a href="#">within 1 Business Day of cancelling the election.</a>
<a href="#">Rule 5.19A.6</a>	<a href="#">Issuer to transmit to ASX Settlement a Valid Corporate Action Status Advice Message</a>	<a href="#">within 1 Business Day of the relevant Valid Message being sent to the Issuer under Rule 5.19A.2(b)(ii) or 5.19A.5(b)(ii).</a>
<a href="#">Rule 5.19A.10(c)</a>	<a href="#">Action by Issuer following receipt of Message from ASX Settlement regarding details of DRP or BSP election.</a>	<a href="#">Within 12 Business Hours of receiving the Message from ASX Settlement under Rule 5.19A.10(b).</a>
*** <a href="#">Rule 5.21A.3(a)</a>	<a href="#">Controlling Participant to notify election in respect of all or part of the relevant Rights Offer by Transmitting to ASX Settlement a Valid Acceptance Participant Notification Message.</a>	<a href="#">By the closing time on the Applications Close Date for the relevant Rights Offer or Securities Purchase Plan.</a>

<a href="#">Rule 5.21A.3(c)</a>	<a href="#">Controlling Participant to Transmit to ASX Settlement a Valid Corporate Action RTGS Message</a>	By the earlier of: - <a href="#">closing time on the Applications Close Date for the relevant Rights Offer or Securities Purchase Plan.</a> - <a href="#">RTGS Instruction Cut-Off on the Applications Close Date.</a>
<a href="#">Rule 5.21A.3(e)</a>	<a href="#">Controlling Participant to Transmit to ASX Settlement a Valid Corporate Action RTGS Message</a>	By the earlier of: - <a href="#">closing time on the Applications Close Date for the relevant Rights Offer or Securities Purchase Plan.</a> - <a href="#">RTGS Instruction Cut-Off on the Applications Close Date.</a>
<a href="#">Rule 5.21A.5(a)</a>	<a href="#">Controlling Participant to Transmit to ASX Settlement a Valid Acceptance Cancellation Message for an acceptance pending payment</a>	Before the earlier of: - <a href="#">a Corporate Action RTGS Instruction has been initiated in relation to the relevant acceptance; or</a> - <a href="#">the closing time on the Applications Close Date for the relevant Rights Offer or Securities Purchase Plan.</a>
<a href="#">Rule 5.21A.5(c)</a>	<a href="#">Controlling Participant to Transmit to ASX Settlement a Valid Acceptance Cancellation Message</a>	Before the earlier of: - <a href="#">a Corporate Action RTGS Instruction has been initiated in relation to the relevant acceptance or</a> - <a href="#">the closing time on the Applications Close Date for the relevant Rights Offer or Securities Purchase Plan.</a>
<a href="#">Rule 5.21A.6</a>	<a href="#">If an acceptance pending payment has been recorded (or updated to payment initiated) and Real Time Gross Settlement has not been completed</a>	By the earlier of: - <a href="#">closing time on the Applications Close Date for the relevant Rights Offer or Securities Purchase Plan;</a> <a href="#">and</a> - <a href="#">RTGS End of Day on the Applications Close Date.</a>
<a href="#">Rule 5.21B.1(a)</a>	<a href="#">The Issuer may Transmit to ASX Settlement a Valid Corporate Action Rejection Message</a>	<a href="#">Within 30 Business Days after the Applications Close Date.</a>
<a href="#">Rule 5.21B.1(c)</a>	<a href="#">The RTGS Participant for the Issuer may Transmit to ASX Settlement a Valid Corporate Action RTGS Message</a>	<a href="#">Within 30 Business Days after the Applications Close Date.</a>
<a href="#">Rule 5.21B.1(e)</a>	<a href="#">RTGS Participant for the Issuer to Transmit to ASX Settlement a Valid Corporate Action RTGS Message</a>	<a href="#">Within 30 Business Days after the Applications Close Date.</a>
<a href="#">Rule 5.21B.2</a>	<a href="#">If a rejection pending payment has been recorded (or updated to payment initiated) and Real Time Gross Settlement has not been completed</a>	<a href="#">Within 30 Business Days after the Applications Close Date.</a>
...		
Rule 6.20.2	ASX Settlement to remove Instruction from Batch Settlement <del>or Real Time Gross Settlement</del>	by Settlement Cut-Off on the Settlement Day on which the Instruction falls due for Batch Settlement <del>or Real Time Gross Settlement.</del>
...		

Rule 10.6.1	Participants to Match request to switch to RTGS.	before End of Day on the second Business Day before the Settlement Date.
...		
Rule 10.11.8	Participants to Match request to switch Failed Batch Settlement Instruction to RTGS.	by Settlement Cut-off on the Business Day to which the Batch Instruction has been rescheduled.
...		
<u>Rule 9.5A.8</u>	<u>Bilateral Demand Settlement Message to be Matched.</u>	<u>Before RTGS Instruction Cut-Off by End of Day on the Business Day on which the Message is Transmitted to ASX Settlement by the Participant.</u>
.....		
Rule 11.8.15 <sup>9</sup> (b)	Participant to nominate new Payment Facility.	within 5 Business Days of ASX Settlement giving Notice to the Participant or such longer period as ASX Settlement determines.
Rule 11.9.3(b)(ii)	ASX Settlement to notify change to Payments Provider Managed attributes of a Net Position Record to Payments Provider and Participant.	in the case of inactivation of Net Position Record: by Start of Day on next RTGS Business Day after receipt of request to inactivate;  in the case of all other changes: within 60 minutes of ASX Settlement effecting the change.
Rule 11.9.6(b)	ASX Settlement to remove Recorded RTGS Instruction from Feeder System following inactivation of Net Position Record.	by Start of Day on next RTGS Business Day after receipt of request to inactivate.
Rule 11.9.12(b)	ASX Settlement to notify change to Participant Managed attributes of a Net Position Record to Payments Provider and Participant.	within 60 minutes of ASX Settlement effecting the change.
Rule 11.11.2(b)	ASX Settlement to advise Participants that it has Recorded RTGS Instruction switched from Scheduled Settlement.	within 60 minutes of ASX Settlement Recording the RTGS Instruction.
Rule 11.12.1(a)(i)	Participant to Transmit Valid Switch to Batch Settlement Message to ASX Settlement.	before the commencement of the RTGS Settling Phase for that RTGS Instruction; and  by Settlement Cut-off on the Business Day on which settlement is required.

<sup>9</sup>Note: as normal net batch processing has priority, whether an instruction to switch settlement modes received shortly before Settlement Cut-off can be actioned necessarily depends on processing volumes and other applicable system constraints: refer Rule 10.11.8.

<sup>9</sup>Note: as normal net batch processing has priority, whether an instruction to switch received shortly before Settlement Cut-off can be actioned necessarily depends on processing volumes and other applicable system constraints: refer Rule 11.12.7.

Rule 11.12.1(c)	ASX Settlement to advise removal of RTGS Instruction from RTGS.	within 60 minutes of ASX Settlement effecting the removal.
Rule 11.12.3(a)(i)	Participant to Transmit Dual Entry Switch to Batch Settlement Message to ASX Settlement	before the commencement of the RTGS Settling Phase for that RTGS Instruction; and  by Settlement Cut-off on the Business Day on which settlement is required.
Rule 11.12.5	Batch Instruction to be constituted for settlement to occur on recorded RTGS Settlement Date.	before commencement of the RTGS Settling Phase for that RTGS Instruction; and by Settlement Cut-off on the Business Day Recorded as the RTGS Settlement Date.
Rule 11.12.6	Participant to Transmit to ASX Settlement request for HIN change.	before commencement of the RTGS Settling Phase for that RTGS Instruction, and by Settlement Cut-off* on the Business Day on which settlement is required.
Rule 11.12.6(b)	ASX Settlement to advise Participant of HIN change.	within 60 minutes of ASX Settlement effecting the change.
Rule 11.13.1(a)	Participant to Transmit RTGS Messages to ASX Settlement.	before RTGS Instruction Cut-off on the RTGS <a href="#">Business Day</a> Settlement Date.
Rule 11.13.3	Dual Entry RTGS Message to be Transmitted to ASX Settlement.	before RTGS Instruction Cut-off on the RTGS Settlement Date.
Rule 11.13.4	RTGS Messages to be Matched.	before RTGS Cut-off on the RTGS Settlement Date.
Rule 11.13.4(c)(ii)	ASX Settlement to notify Recording of RTGS Instruction.	within 60 minutes of ASX Settlement Recording the RTGS Instruction.
Rule 11.16.1(a)(i)	Participant to request ASX Settlement to change RTGS Instruction.	before commencement of the RTGS Settling Phase for that RTGS Instruction or RTGS Instruction Cut-off on the RTGS Settlement Date, whichever is earlier.
Rule 11.16.1(b)	ASX Settlement to advise Participant of changed RTGS Instruction.	within 60 minutes of ASX Settlement effecting the change.
Rule 11.16.3(a)	Participants to Transmit Dual Entry Messages requesting changes to Dual Entry RTGS Instruction to ASX Settlement.	before commencement of RTGS Settling Phase for that RTGS Instruction or RTGS Instruction Cut-off on the RTGS Settlement Date, whichever is earlier.

\*Note:— as normal net batch processing has priority, whether an instruction to switch received shortly before Settlement Cut-off can be actioned necessarily depends on processing volumes and other applicable system constraints: refer Rule 11.12.7.

Rule 11.16.4	Participant to Transmit single entry change to ASX Settlement	before commencement of RTGS Settling Phase for that RTGS Instruction or RTGS Instruction Cut-off on the RTGS Settlement Date, whichever is earlier.
Rule 11.16.4(d)	ASX Settlement to advise Participant of change	within 60 minutes of ASX Settlement effecting the change.
Rule 11.17.4	Participant to request ASX Settlement to cancel RTGS Instruction	before RTGS Instruction Cut-off on the RTGS <u>Business Day</u> Settlement Date or before completion of the RTGS Settling Phase for that RTGS Instruction, whichever is earlier.
...		
Rule 11.17.5(a)	Participants to Match cancellation request for Dual Entry RTGS Instruction	before RTGS Instruction Cut-off on the RTGS Settlement Date or before completion of the RTGS Settling Phase for that RTGS Instruction, whichever is earlier.
Rule 11.18.4	Participant to notify ASX Settlement that RTGS Instruction is 'ready to settle'	before RTGS Instruction Cut-off on the RTGS Settlement Date.
<u>Rule 11.18.8(a)</u>	<u>RTGS Payments Provider performing a Payment Obligation to notify ASX Settlement of authorisation</u>	<u>before RTGS Cut-off on the RTGS Business Day</u>
<u>Rule 11.18.8(c)</u>	<u>ASX Settlement to notify counterparty or counterparties (as applicable) of Failed RTGS Instruction</u>	<u>as soon as practicable after ASX Settlement receives a rejection Message from the relevant RTGS Payments Provider</u>
Rule 11.19.1	ASX Settlement to determine Financial Products will not give rise to RTGS Delivery Shortfall	before RTGS Cut-off on the RTGS Settlement Date.
Rule 11.19.1(e)	ASX Settlement to notify counterparties of Reservation of Financial Products	within 60 minutes of ASX Settlement effecting the Reservation.
Rule 11.20.4	ASX Settlement to determine Debit Cap Compliance	before RTGS Cut-off on the RTGS Settlement Date.
Rule 11.23.1(b)	ASX Settlement to determine Debit Cap Compliance	before RTGS Cut-off on the RTGS Settlement Date.
Rule 11.23.2(b)(iii)	ASX Settlement to have received settlement response from RITS/RTGS	before RTGS End of Day on the RTGS <u>Business Day</u> Settlement Date.
Rule 11.24.1	RTGS Instruction to have entered RTGS Settling Phase	before RTGS Cut-off on the RTGS <u>Business Day</u> Settlement Date.
<u>Rule 11.24.2(a)(ii)</u>	<u>ASX Settlement to have received settlement response from RITS</u>	<u>before RTGS End of Day on the RTGS Business Day.</u>
Rule 11.24.2(b)(ii)	ASX Settlement to have received settlement response from RITS/RTGS	before RTGS End of Day on the RTGS <u>Business Day</u> Settlement Date.
Rule 11.25.1	ASX Settlement to be satisfied that RTGS Settling Phase can complete on the RTGS <u>Business Day</u> Settlement Date	before RTGS End of Day on the RTGS <u>Business Day</u> Settlement Date.
Rule 11.28.1(e)	ASX Settlement to notify counterparties of Failed RTGS Instruction	as soon as practicable after RTGS End of Day.

<del>Rule 11.28.2(a)</del>	<del>Participant to request ASX Settlement to switch Failed RTGS Instruction to Batch Settlement</del>	<del>before Settlement Cut-off* on the next RTGS Business Day.</del>
<a href="#">Rule 11.30.1(a)</a>	<a href="#">ASX Settlement to notify RTGS Payments Provider of settled RTGS Instruction</a>	<a href="#">as soon as practicable after ASX Settlement receives notification from RITS that the Payment Obligation has been settled.</a>
<a href="#">Rule 11.30.1(b)</a>	ASX Settlement to make available RTGS Settlement Report to RTGS Payments Provider	as soon as practicable after RTGS End of Day and completion of End of Day Processing Phase.
<a href="#">Rule 11.30.2</a>	ASX Settlement settlement reporting to RTGS Participants	as soon as practicable after RTGS End of Day and completion of End of Day Processing Phase.
<del>Rule 11.31.1</del>	<del>ASX Settlement to generate Accrued RTGS Instruction</del>	<del>by Start of Day on the Business Day immediately after the Record Date for the Corporate Action.</del>
...		
<a href="#">Rule 14.14.9</a>	Controlling Participant to notify ASX Settlement of acceptance or rejection of a <del>T</del> akeover <del>O</del> ffer <del>a</del> Acceptance  Introduced 09/05/05 Amended 30/09/19	by End of Day on the Business Day following the Business Day on which the Controlling Participant receives a Valid Message under Rule 14.14.8.
.....		
<a href="#">Rule 14.24.1</a>	<a href="#">Participant to initiate acceptance under a Non-Takeover Offer Event.</a>	(i) <a href="#">by End of Day on the date the Participant Sponsored Holder instructs the Participant to accept the offer; or</a> (ii) <a href="#">if the offer period ends on the date that the Participant Sponsored Holder instructs the Participant, before the end of the offer period.</a>
<a href="#">Rule 14.24.5</a>	<a href="#">Participant Offeror to notify ASX Settlement of a rejection of an Offer Accepted Subposition</a>	<a href="#">within 2 Business Days of receiving notification from ASX Settlement under Rule 14.5.1.</a>
<a href="#">Rule 14.24.9</a>	<a href="#">Controlling Participant to notify ASX Settlement of acceptance or rejection of a non-takeover offer acceptance</a>	<a href="#">by End of Day on the Business Day following the Business Day on which a Valid Message is received under Rule 14.24.8.</a>

*\*Note:— as normal net batch processing has priority, whether an instruction to switch received shortly before Settlement Cut-off can be actioned necessarily depends on processing volumes and other applicable system constraints: refer Rule 11.12.7.*

<a href="#">Rule 14.24.10</a>	<a href="#">Controlling Participant to notify Holder of rejection of Non-Takeover Offer Event acceptance</a>	<a href="#">by End of Day on the Business Day on which the Controlling Participant rejects the Non-Takeover Offer Event acceptance under Rule 14.24.9(b).</a>
<a href="#">Rule 14.26.3</a>	<a href="#">Participant Offeror to authorise or reject a request for Financial Products to be released from an Offer Accepted Subposition</a>	<a href="#">within 2 Business Days of receiving a Valid Message from ASX Settlement under Rule 14.27.2.</a>
<a href="#">Rule 14.29.1</a>	<a href="#">Participant Offeror to notify ASX Settlement of acceptances that are avoided <del>because of a defeating condition</del></a>	<a href="#">within 1 Business Day of the non-takeover offer lapsing <del>because of a defeating condition</del>.</a>
....		
Rule 18.3.3(b)	If an Originating Message Transmitted to ASX Settlement complies with Rule 18.3.1, Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Message to ASX Settlement accepting or rejecting <del>(or, in the case of requests for redemption only, deferring)</del> the request and specifying the information required by the Procedures.  Introduced 21/03/14	As set out in the Procedures.
<a href="#">Rule 18.3.5</a>	<a href="#">If the Product Issuer Settlement Participant has not Transmitted a Valid Message to ASX Settlement pursuant to Rule 18.3.3(b) by the Scheduled Time, ASX Settlement may cancel the relevant request initiated under Rule 18.3.1.</a>	<a href="#">As set out in the Procedures.</a>
.....		
Rule 18.4.3(a)	<del>If an Originating Message Transmitted to ASX Settlement complies with Rule 18.4.1, ASX Settlement must, within the Scheduled Time, Transmit a Message to the relevant Product Issuer Settlement Participant to notify it of the details of the request specified in the Originating Message.</del>  <del>Introduced 21/03/14</del>	<del>As set out in the Procedures.</del>
Rule 18.4.3(b)	<del>If an Originating Message Transmitted to ASX Settlement complies with Rule 18.4.1, the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Message to ASX Settlement accepting, rejecting or deferring the request and specifying the information required by the Procedures.</del>  <del>Introduced 21/03/14</del>	<del>As set out in the Procedures.</del>
Rule 18.4.4(b)	<del>If ASX Settlement receives a Valid Message from a Product Issuer Settlement Participant under Rule 18.4.3(b), and if the request has been accepted, the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit to ASX Settlement Messages that initiate Holding Adjustments to increase or decrease, by the number of AQUA Products determined by the Product Issuer Settlement Participant in respect of the request to Switch between AQUA Products, as the case requires, the Holding Balance of each CHESS Holding specified in the Originating Message.</del>  <del>Introduced 21/03/14</del>	<del>As set out in the Procedures.</del>

.....		
Rule 18.5.2	<p><del>A Product Issuer Settlement Participant may Transmit a Valid Message that requests cancellation of a request to Switch between AQUA Products that the Product Issuer Settlement Participant accepted in accordance with Rule 18.4.3(b).</del></p> <p>Introduced 21/03/14</p>	As set out in the Procedures.
Rule 18.6.1	<p>A Settlement Participant may Transmit a Valid Message that requests cancellation of:</p> <p><del>(a) — a request for redemption of AQUA Products; or</del>  <del>(b) — a request to Switch between AQUA Products,</del>  that the Settlement Participant initiated <del>and the Product Issuer Settlement Participant deferred in accordance with Rule 18.3.3(b).</del></p> <p>Introduced 21/03/14</p>	As set out in the Procedures.
Rule 18.6.1(ae)	<p>If within the Scheduled Time a Settlement Participant Transmits a Valid Message that requests cancellation of:</p> <p><del>(a) — a request for redemption of AQUA Products; or</del>  <del>(b) — a request to Switch between AQUA Products,</del>  that the Settlement Participant initiated, <del>and the Product Issuer Settlement Participant deferred in accordance with Rule 18.3.3(b):</del>  <del>(c) — ASX Settlement must, within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation request.</del></p> <p>Introduced 21/03/14</p>	As set out in the Procedures.
Rule 18.6.1(bd)	<p>If within the Scheduled Time a Settlement Participant Transmits a Valid Message that requests cancellation of :</p> <p><del>(a) — a request for redemption of AQUA Products; or</del>  <del>(b) — a request to Switch between AQUA Products,</del>  that the Settlement Participant initiated, <del>and the Product Issuer Settlement Participant deferred in accordance with Rule 18.3.3(b):</del>  <del>(c) — the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Message to ASX Settlement accepting or rejecting the cancellation request and specifying the information required by the Procedures.</del></p> <p>Introduced 21/03/14</p>	As set out in the Procedures.
<a href="#">Rule 18.6.1A</a>	<a href="#">A Settlement Participant may Transmit a Valid Message that requests cancellation of a request for issue of AQUA Products that the Settlement Participant initiated.</a>	<a href="#">As set out in the Procedures</a>
<a href="#">Rule 18.6.1A(a)</a>	<a href="#">If within the Scheduled Time a Settlement Participant Transmits a Valid Message that requests cancellation of a request for issue of AQUA Products; or that the Settlement Participant initiated, ASX Settlement must, within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation of the request.</a>	<a href="#">As set out in the Procedures</a>
Rule 18.7.1	<p>An Product Issuer Settlement Participant that has accepted:</p> <p><del>(a) — a request for issue or redemption of AQUA Products in accordance with Rule 18.3.3(b); or</del>  <del>(b) — a request to Switch AQUA Products in accordance with Rule 18.4.3(b);</del>  may notify the Settlement Participant that initiated the request of changes to details of the matters relating to the request, as specified in the Procedures, by Transmitting, within the Scheduled Time, a Valid Message to ASX Settlement in accordance with the Procedures.</p> <p>Introduced 21/03/14</p>	As set out in the Procedures.

Rule 18.9.2(a)	<p>If a Valid Originating Message Transmitted to ASX Settlement complies with Rule 18.9.1, ASX Settlement must, within the Scheduled Time, Transmit a Message to the relevant Product Issuer Settlement Participant to notify it of the details of the request specified in the Valid Originating Message.</p> <p>Introduced 15/08/16</p>	As set out in the Procedures.
Rule 18.9.2(b)	<p>If a Valid Originating Message Transmitted to ASX Settlement complies with Rule 18.9.1, the Product Issuer Settlement Participant must, within the Scheduled Time, Transmit a Valid Message to ASX Settlement accepting or rejecting the request and specifying the information required by the Procedures.</p> <p>Introduced 15/08/16</p>	As set out in the Procedures.
Rule 18.9.4	<p>A Product Issuer Settlement Participant that has accepted a request for income advice in accordance with Rule 18.9.2(b) must advise, for each class of AQUA Products in relation to which it is authorised, details of:</p> <p>(a) ——— income distribution entitlements in respect of each CHESS Holding of the AQUA Products where applicable; and</p> <p>(b) ——— reinvestment of income distribution entitlements in respect of each CHESS Holding of the AQUA Products where applicable,</p> <p>by Transmitting to ASX Settlement, within the Scheduled Time after each date for determining distribution entitlements in respect of the AQUA Products, a Valid Message that contains the details specified in the Procedures.</p> <p>Introduced 15/08/16</p>	As set out in the Procedures.
Rule 18.9.6(a)	<p>If a Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request for income advice that the Settlement Participant initiated and the Product Issuer Settlement Participant accepted in accordance with Rule 18.9.2(b), ASX Settlement must, within the Scheduled Time, Transmit a Message to the Product Issuer Settlement Participant to notify it of the cancellation request.</p> <p>Introduced 15/08/16</p>	As set out in the Procedures.
Rule 18.9.6(b)	<p>If a Settlement Participant Transmits to ASX Settlement a Valid Message in accordance with the Procedures that requests cancellation of a request for income advice that the Settlement Participant initiated and the Product Issuer Settlement Participant accepted in accordance with Rule 18.9.2(b), the Product Issuer Settlement Participant must, within the Scheduled Time, implement the cancellation request.</p> <p>Introduced 15/08/16</p>	As set out in the Procedures.

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## SECTION 4      ADMISSION OF OTHER SETTLEMENT PARTICIPANTS

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### PROCEDURE 4.13.1    PERSON TO HAVE A PAYMENT FACILITY

For the purposes of Rule 4.13.1(a), the person must have the following number of Payment Facilities with a Payments Provider:

- (a) if the person is making and receiving payments in respect of AQUA Payment Batch Instructions, at least two Payment Facilities;
- (b) if the person is making and receiving payments in respect of any other payment obligations and entitlements under Section 10 or Section 11 of these Rules, at least one Payment Facility.

Introduced 21/03/14

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## SECTION 5      RIGHTS AND OBLIGATIONS OF ISSUERS

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### PROCEDURE 5.19A.2 CORPORATE ACTION ELECTION – NOTIFICATION BY CONTROLLING PARTICIPANT

For the purposes of Rule 5.19A.2(a), a Valid Election Participant Notification Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Controlling Participant's UIC;
- (b) the Transaction Identifier of the Message
- (c) the ~~Plan~~Corporate Action Record identifier (if applicable);
- (d) the type of Corporate Action that the election relates to;
- (e) the code for the relevant Approved Financial Product;
- (f) the HIN of the relevant CHES Holding;
- (g) the option number code;
- (h) the Election Option Type; and
- (i) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Election Participant Notification Message relates to.

For the purposes of Rule 5.19A.2(c), a Valid Corporate Action Election Status Advice Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Transaction Identifier of the related Message received by the Issuer under Rule 5.19A.2(b)(ii);
- (b) the ~~Plan~~Corporate Action Record identifier;
- (c) the type of Corporate Action that the election relates to;
- (d) the processing status of the election, i.e. if the election is ~~accepted~~acknowledged or rejected;
- (e) the code for the relevant Approved Financial Product;
- (f) the HIN of the relevant CHES Holding;
- (g) the option number code;
- (h) the Election Option Type;
- (i) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Corporate Action Election Status Advice Message relates to; and
- (j) if the election is rejected, the reason must be provided.

~~For the purposes of Rule 5.19A.2(e) and Rule 5.19A.2(f), an election for “all” of the relevant CHES Holding means an election that specifies for the purpose of paragraph (i) of Procedure 5.19A.2(a) above, a proportion of the relevant CHES Holding which is the whole of the relevant CHES Holding, but does not include an election in relation to a number of Approved Financial Products even if the number specified constitutes the total quantity of Approved Financial Products in that CHES Holding.~~

~~Note: a Message for “all” of the relevant CHES Holding is denoted by the proportion code “QALL”, or such other code as may be determined by ASX Settlement, from time to time.~~

### **PROCEDURE 5.19A.3 CORPORATE ACTION ELECTION – NOTIFICATION BY ISSUER**

~~For the purposes of Rule 5.19A.3(a), a Valid Election Issuer Notification Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~the Issuer’s UIC;~~
- ~~the Corporate Action Record identifier (if applicable);~~
- ~~the type of Corporate Action that the election relates to;~~
- ~~the code for the relevant Approved Financial Product;~~
- ~~the HIN of the relevant CHES Holding;~~
- ~~the option number code;~~
- ~~the Election Option Type; and~~

~~the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Election Issuer Notification Message relates to.~~

~~For the purposes of Rule 5.19A.3(c) and Rule 5.19A.3(d), an election for “all” of the relevant CHES Holding means an election that specifies for the purpose of paragraph (h) of Procedure 5.19A.3(a) above, a proportion of the relevant CHES Holding which is the whole of the relevant CHES Holding, but does not include an election in relation to a number of Approved Financial Products even if the number specified constitutes the total quantity of Approved Financial Products in that CHES Holding.~~

~~Note: a Message for “all” of the relevant CHES Holding is denoted by the proportion code “QALL”, or such other code as may be determined by ASX Settlement, from time to time.~~

## **PROCEDURE 5.19A.5 CANCELLATION OF ELECTION**

For the purposes of Rule 5.19A.5(a) and 5.19A.5(e), a Valid Election Cancellation Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Election Cancellation Message includes:

- (a) the Participant’s UIC or Issuer’s UIC (as applicable);
- (b) the Corporate Action Record identifier;
- (c) the type of Corporate Action that the election relates to;
- (d) the code for the relevant Approved Financial Product;
- (e) the HIN of the relevant CHES Holding;
- (f) the option number code;
- (g) the Election Option Type;
- (h) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Election Cancellation Message relates to.

For the purposes of Rule 5.19A.5(c), a Valid Corporate Action Election Status Advice Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (i) the Transaction Identifier of the related Message received by the Issuer under Rule 5.19A.5(b)(ii);
- (j) the Plan Record identifier;
- (k) the type of Corporate Action that the election relates to;
- (l) the processing status of the cancellation, i.e. if the cancellation is acknowledged or rejected;
- (m) the code for the relevant Approved Financial Product;
- (n) the HIN of the relevant CHES Holding;
- (o) the option number code;

(p) the Election Option Type;

(q) the number of Approved Financial Products, or the proportion of the relevant CHES Holding, to which the Corporate Action Election Status Advice Message relates to; and

(r) if the election is rejected, the reason must be provided.

### **PROCEDURE 5.19A.10 REQUEST FOR DETAILS OF ELECTION STATUS FOR DIVIDEND OR OTHER DISTRIBUTION REINVESTMENT PLAN OR BONUS SHARE PLAN**

#### **Request for election status**

A Valid Originating Message requesting details of the existing election status recorded by the Issuer will be Transmitted to ASX Settlement in accordance with the Procedures if the Message:

(a) includes a Participant's PID as that of the Participant Transmitting the Message;

(b) specifies the HIN of the relevant CHES Holding; and

(c) specifies the code for the relevant Approved Financial Product.

### **PROCEDURE 5.21A.3 CORPORATE ACTION ACCEPTANCE – NOTIFICATION BY CONTROLLING PARTICIPANT**

For the purposes of Rule 5.21A.3(a), a Valid Acceptance Participant Notification Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

(a) the Participant's UIC;

(b) the Corporate Action Record identifier;

(c) the type of Corporate Action that the election relates to;

(d) the code for the relevant Approved Financial Product;

(e) the HIN of the relevant CHES Holding;

(f) the option number code; and

(g) the acceptance option type; and

(h) in respect of:

(i) an acceptance of an offer under a Rights Offer, the number of Approved Financial Products which the Acceptance Participant Notification Message relates to; or

- (ii) an acceptance of an offer under a Securities Purchase Plan, the number of Approved Financial Products or the dollar amount which the Issuer will use to determine the number of Approved Financial Products, which the Acceptance Participant Notification Message relates to.

For the purposes of Rule 5.21A.3(c), a Valid Corporate Action RTGS Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Participant's UIC;
- (b) the Transaction Identifier of the related Acceptance Participant Notification Message from the Controlling Participant under Rule 5.21A.3(a);
- (c) the Transaction Identifier for the Message;
- (d) a timestamp to show the date and time of processing;
- (e) the number of payments to which the Message relates;
- (f) the aggregate dollar amount of all related Participant Acceptance Notification Messages to which the Corporate Action RTGS Message relates;
- (g) the payment reference number;
- (h) the payment method type;
- (i) the transaction type;
- (j) the requested execution date;
- (k) the account name of the payor Controlling Participant;
- (l) the identification number of the relevant payment facility of the payor Controlling Participant;
- (m) the account name and HIN of the of the payee RTGS Participant for the Issuer; and
- (n) the Corporate Action Record identifier.

#### **PROCEDURE 5.21A.5 CANCELLATION OF ACCEPTANCE**

For the purposes of Rule 5.21A.5(a), a Valid Acceptance Cancellation Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Participant's UIC;
- (b) the Transaction Identifier of the related message sent by the Controlling Participant under Rule 5.21A.3(a);
- (c) the Corporate Action Record identifier;
- (d) the type of Corporate Action that the election relates to;

- (e) the HIN of the relevant CHES Holding;
- (f) the option number code;
- (g) the cancellation option type
- (h) the number of Approved Financial Products which the Acceptance Cancellation Message relates to.

#### **PROCEDURE 5.21B.1 ISSUER PAYMENT FOR REJECTION OF APPLICATIONS**

For the purposes of Rule 5.21B.1(a), a Valid Corporate Action Rejection Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Participant's UIC;
- (b) the Transaction Identifier for the Message;
- (c) the Target Transaction Identifier for the related payment Message received by the RTGS Participant for the Issuer under Rule 5.21A.3;
- (d) the Corporate Action Record identifier;
- (e) the type of Corporate Action that the acceptance relates to;
- (f) the code for the relevant Approved Financial Product;
- (g) the HIN of the receiving Controlling Participant for relevant CHES Holding;
- (h) the number of allotted Approved Financial Products which the Corporate Action Rejection Message relates to;
- (i) the option number code;
- (j) the rejection option type;
- (k) the currency and amount applied against the allotment of Approved Financial Products to which the Corporate Action Rejection Message relates;
- (l) the currency and amount of money being refunded from the related offer acceptance; and
- (m) the reason code for the Corporate Action Rejection Message.

For the purposes of Rule 5.21B.1(c), a Valid Corporate Action RTGS Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Participant's UIC;
- (b) the Transaction Identifier of the related Corporate Action Rejection Message from the RTGS Participant for the Issuer under Rule 5.21B.1(a);
- (c) the Transaction Identifier for the Message;

- (d) a timestamp to show the date and time of processing;
- (e) the number of payments to which the Message relates;
- (f) the aggregate dollar amount of all related Corporate Action Rejection Messages to which the Corporate Action RTGS Message relates;
- (g) the payment reference number;
- (h) the payment method type;
- (i) the transaction type;
- (j) the requested execution date;
- (k) the account name of the payor RTGS Participant for the Issuer;
- (l) the identification number of the relevant payment facility of the payor RTGS Participant for the Issuer;
- (m) the account name and HIN of the of the payee Controlling Participant; and
- (n) the Corporate Action Record identifier.

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## **SECTION 11**

### **PROCEDURE 11.1.1 ELIGIBLE INSTRUCTIONS**

For the purpose of Rule 11.1.1, the following Instructions are specified:

- (a) Bilateral Demand Settlement Instructions; and
- (b) Corporate Action RTGS Instructions.

### **PROCEDURE 11.4.3 BANK ACCOUNT DETAILS**

For the purpose of Rule 11.4.3(c), the prescribed particulars of each bank account to be given by an RTGS Participant are as follows:

- (a) Name of the Payments Provider;
- (b) BSB number; and
- (c) Account number.

...

### PROCEDURE 14.23.3 OBLIGATIONS OF OFFEROR

For the purposes of Rule 14.23.3, a notice must be in the form and include the information specified in the Participant Offeror Notice as determined by ASX Settlement from time to time.

## **SECTION 18**

### **PROCEDURE 18.3.1 VALID ORIGINATING MESSAGE FOR AQUA PRODUCTS – INITIATION OF REQUEST**

#### **Initial Application for issue**

“**Initial Application**” means an application for units in a Financial Product where the investor does not have a Holding in that Financial Product at the time the application is made.

For the purposes of Rule 18.3.1, a Valid Originating Message in respect of an Initial Application for issue of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes comprises:

(a) a Valid AQUA Product applicant Message; followed by

(b) a Valid Initial AQUA Product application Message.

If the matters specified in respect of both Messages above are not received by ASX Settlement within 5 Business Days of the Originating Message being sent, ASX Settlement will cancel the Originating Message and notify the Settlement Participant of such cancellation.

For the purposes of Procedure 18.3.1(a) above, a “Valid AQUA Product applicant Message” will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

(c) all required account type details;

(d) all required investor details;

(e) all required tax residency details;

(f) all required details of the investor’s advisor;

(g) the distribution preference of the investor (full distribution reinvestment plan, partial distribution reinvestment plan or cash); and where a partial distribution reinvestment plan or cash is nominated; and

(h) the bank account details of the investor.

For the purposes of Procedure 18.3.1(b) above, a “Valid Initial AQUA Product Application Message” will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

(a.i) the code for the AQUA Product;

- (b) the HIN;
- (ek) the amount to be invested; and
- (dl) the identification number for the request transaction;
- ~~(e) all required account type details;~~
- ~~(f) all required investor details;~~
- ~~(g) all required tax residency details;~~
- ~~(h) all required details of the investor's advisor; and~~
- ~~(i) the distribution preference of the investor (full distribution reinvestment plan, partial distribution reinvestment plan or cash); and~~
- ~~(j) where a partial distribution reinvestment plan or cash is nominated; the bank account details of the investor.~~

~~If the matters specified above are not received by ASX Settlement within 5 Business Days of the Originating Message being sent, ASX Settlement will cancel the Originating Message and notify the Settlement Participant of such cancellation.~~

### **Subsequent Application for issue**

“**Subsequent Application**” means an application for units in a Financial Product where the Holding Balance of that Financial Product of a Holder is greater than zero at the time the application is made.

For the purposes of Rule 18.3.1, a Valid Originating Message in respect of a Subsequent Application for issue of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the code for the AQUA Product;
- (b) the HIN;
- (c) the amount to be invested; and
- (d) the identification number for the request transaction.

### **Application for redemption**

For the purposes of Rule 18.3.1, a Valid Originating Message in respect of an application for redemption of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the code for the AQUA Product;
- (b) the number of AQUA Products to be redeemed;
- (c) the identification number for the request transaction;
- (d) the HIN;

~~(e)~~ a statement as to whether the redemption is to be net or gross; and

~~(f)~~ indication if a full or partial redemption is requested; and

(f) either:

(i) if the application for redemption relates to the exercise of cooling-off rights, the redemption request reason “Cooling-Off” must be provided; or

(ii) otherwise the redemption request reason “Fund Redemption” must be provided.

### Applications for issue or redemption

For the purposes of Rule 18.3.1, a Valid Originating Message in respect of an Initial Application, a Subsequent Application, or application for redemption of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures only if:

(a) in respect of an Initial Application, or a Subsequent Application, the relevant AQUA Products are open for applications (in the case) of the kind contemplated by the relevant request; and

(b) and in respect of an application for a redemption of AQUA Products only, if:

(i) the relevant AQUA Products are open for redemptions of the kind contemplated by the relevant request;

(ii) the relevant Holding is not Locked,

(iii) either:

(A) the available balance in relation to the Holding is greater than or equal to the total number of AQUA Products to which the application relates; or

(B) in the case of a request for a “Full Redemption” of a particular Holding of an AQUA Product, the total balance in relation to the Holding is equal to the total number of AQUA Products to which the application relates;

(iv) the total number of AQUA Products to which the application relates are available at the time that the Settlement Participant seeks to Transmit the relevant Message; and

(v) the current Payment Facility established by the Product Issuer Settlement Participant in relation to the relevant AQUA Product is active.

Introduced 21/03/14 Amended 01/07/14, 15/08/16, 12/11/18

### **PROCEDURE 18.3.3 VALID MESSAGE FOR AQUA PRODUCTS – ACCEPTING OR, REJECTING ~~OR DEFERRING~~ A REQUEST**

#### **Issue**

For the purposes of Rule 18.3.3(b), a Valid Message in respect of an acceptance or rejection of an application for issue of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

(a) a timestamp to show the time of processing;

- (b) the identification number for the acceptance or rejection transaction (as applicable);
- (c) the identification number of the originating request transaction;
- (d) a statement as to whether the request under Rule 18.3.1 is accepted or rejected ;
- (e) if the request under Rule 18.3.1 is accepted, the day on which the price of the AQUA Product units will be determined and the day for delivery of AQUA Products to an applicant for issue of AQUA Products; and
- (f) if the request under Rule 18.3.1 is rejected, the reason must be provided.

### Redemption

For the purposes of Rule 18.3.3(b), a Valid Message in respect of an acceptance or, rejection ~~or deferral~~ of an application for redemption of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) a timestamp to show the time of processing;
- (b) the identification number for the acceptance or, rejection ~~or deferral~~ transaction (as applicable);
- (c) the identification number of the originating request transaction;
- (d) a statement as to whether the request under Rule 18.3.1 is accepted or, rejected ~~or deferred~~;
- (e) if the request under Rule 18.3.1 is accepted, the day on which the price of the AQUA Product units will be determined and the Settlement Date; and
- ~~(f) if the request under Rule 18.3.1 is deferred, the reason must be provided; and~~
- ~~(f)~~ if the request under Rule 18.3.1 is rejected, the reason must be provided.

Introduced 21/03/14 Amended 15/08/16, 12/11/18

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## PROCEDURE 18.3.6A VALID MESSAGE FOR AQUA PRODUCTS – INFORMATION TO BE PROVIDED PRIOR TO ISSUE OR REDEMPTION

### Issue

For the purposes of Rule 18.3.6A(a), a Valid Message in respect of an application for issue of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) a timestamp to show the time of processing;
- (b) the Controlling Participant's UIC;
- (c) the identification number for the transaction;

- (d) the identification number for the originating request transaction;
- (e) the number of AQUA Product units for issue;
- (f) the price per AQUA Product unit for issue;
- ~~(g) the settlement amount; and~~
- ~~(hg) the transaction status; and~~
- ~~(h) the order type.~~

### Redemption

For the purposes of Rule 18.3.6A(a), a Valid Message in respect of an application for redemption of AQUA Products will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) a timestamp to show the time of processing;
- (b) the Controlling Participant's UIC;
- (c) the identification number for the transaction;
- (d) the identification number for the originating request transaction;
- (e) the price per AQUA Product unit for redemption;
- ~~(f) the settlement amount;~~
- ~~(gf) any change to the day on which the price of the AQUA Product units will be determined or the Settlement Date (as applicable); and~~
- ~~(hg) the transaction status; and~~
- ~~(h) the order type.~~

Introduced 15/08/16

### PROCEDURE 18.4.1 VALID ORIGINATING MESSAGE FOR AQUA PRODUCTS – INITIATION OF REQUEST TO SWITCH – ~~[DELETED]~~

~~For the purposes of Rule 18.4.1, a Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) the code for the AQUA Product that is to be redeemed;~~
- ~~(b) the code for the AQUA Product that is to be issued;~~
- ~~(c) the identification number for the switch request transaction;~~
- ~~(d) the HIN; and~~

~~(e) — indication if a full or partial switch is requested. If a partial switch is requested, the number of AQUA Products that are to be switched.~~

~~Introduced 21/03/14 Amended 01/07/14, 15/08/16, 12/11/18~~

#### **PROCEDURE 18.4.3 VALID MESSAGE FOR AQUA PRODUCTS – ACCEPTING OR, REJECTING ~~OR DEFERRING~~ THE SWITCH REQUEST – DELETED**

~~For the purposes of Rule 18.4.3(b), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) — the code for the AQUA Product that is to be redeemed;~~
- ~~(b) — the code for the AQUA Product that is to be issued;~~
- ~~(c) — the identification number for the acceptance, rejection or deferral transaction (as applicable);~~
- ~~(d) — the identification number for the originating switch request transaction;~~
- ~~(e) — the HIN;~~
- ~~(f) — a timestamp to show the time of processing; and~~
- ~~(g) — the transaction status.~~

~~Introduced 21/03/14 Amended 15/08/16, 12/11/18~~

#### **PROCEDURE 18.4.4 VALID MESSAGE FOR AQUA PRODUCTS – HOLDING ADJUSTMENT REQUEST – DELETED**

~~For the purposes of Rule 18.4.4(b), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) — the code for the AQUA Product;~~
- ~~(b) — the HIN;~~
- ~~(c) — the identification number for the transaction;~~
- ~~(d) — the identification number for the originating request transaction;~~
- ~~(e) — the number of AQUA Product units to be increased or decreased (as applicable); and~~
- ~~(f) — the reason for the transaction type.~~

~~Introduced 15/08/16~~

## **PROCEDURE 18.5.1 VALID MESSAGE FOR AQUA PRODUCTS – CANCELLATION OF ACCEPTED ISSUER OR REDEMPTION REQUESTS BY PRODUCT ISSUER SETTLEMENT PARTICIPANT**

For the purposes of Rule 18.5.1, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Product Issuer Settlement Participant Transmits the Message to ASX Settlement prior to:

- (a) settlement of the AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, that relates to the request; and
- (b) initiation of the Holding Adjustment to increase or decrease the Holding Balance of the CHESS Holding, as the case requires, that relates to the request; and

the Message includes the following:

- (c) a timestamp to show the time of processing;
- (d) the Controlling Participant's UIC;
- (e) the identification number for the cancellation transaction;
- (f) the identification number for the originating transaction;
- (g) the transaction status; and
- (h) a reason for the cancellation must be provided~~the order type.~~

~~For the purposes of Rule 18.5.2, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) a timestamp to show the time of processing;~~
- ~~(b) the Controlling Participant's UIC;~~
- ~~(c) the identification number for the cancellation transaction;~~
- ~~(d) the identification number for the originating transaction;~~
- ~~(e) the transaction status; and~~
- ~~(f) the order type.~~

Introduced 15/08/16

## **PROCEDURE 18.6.1 VALID MESSAGE FOR AQUA PRODUCTS – CANCELLATION OF REQUEST FOR REDEMPTION BY APPLICANT**

For the purposes of Rule 18.6.1, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Settlement Participant Transmits the Message to ASX Settlement prior to:

- (a) settlement of the AQUA Application Payment Batch Instruction or AQUA Redemption Payment Batch Instruction, as the case requires, that relates to the request; and

- (b) initiation of the Holding Adjustment to increase or decrease the Holding Balance of the CHESS Holding, as the case requires, that relates to the request; and

the Message includes the following:

- (a) the identification number for the cancellation request transaction; and
- (b) the identification number for the originating transaction.

For the purposes of Rule 18.6.1(d), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) a timestamp to show the time of processing;
- (b) the Controlling Participant's UIC;
- (c) the identification number for the cancellation transaction;
- (d) the identification number for the originating cancellation request transaction; and
- ~~(e) the transaction status; and~~
- ~~(f) the order type.~~

Introduced 21/03/14 Amended 15/08/16

#### **PROCEDURE 18.6.1A VALID MESSAGE FOR AQUA PRODUCTS – CANCELLATION OF REQUEST FOR ISSUE BY APPLICANT**

For the purposes of Rule 18.6.1A, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes the following:

- (a) the identification number for the cancellation request transaction;
- (b) the identification number for the originating transaction;
- (c) a timestamp to show the time of processing; and
- (d) a reason for the cancellation must be provided.

#### **PROCEDURE 18.7.1 VALID MESSAGE FOR AQUA PRODUCTS – CHANGE OF DETAILS NOTIFIED BY PRODUCT ISSUER SETTLEMENT PARTICIPANT**

For the purposes of Rule 18.7.1, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if:

- (a) for the issue of AQUA Products ~~or the issue component of a switch between AQUA Products,~~ the Message relates to a change of details for the day for delivery of AQUA Products to an applicant for issue of AQUA Products; or
- (b) for the redemption of AQUA Products ~~or the redemption component of a switch between AQUA Products,~~ the Message relates to a change of details for the Settlement Date, and

includes the following:

- (c) a timestamp to show the time of processing;
- (d) the status of the transaction;
- (e) the identification number of the change request transaction;
- (f) the identification number of the originating transaction; [and](#)
- ~~(g) the order type; and~~
- ~~(g)~~ a reason for the change request must be provided.

Introduced 21/03/14 Amended 15/08/16

#### **PROCEDURE 18.9.1 VALID ORIGINATING MESSAGE FOR AQUA PRODUCTS – INITIATION OF REQUEST FOR INCOME ADVICE – [\[DELETED\]](#)**

~~For the purposes of Rule 18.9.1, a Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) the code for the AQUA Product;~~
- ~~(b) the HIN;~~
- ~~(c) the identification number for the income advice request transaction; and~~
- ~~(d) the income advice preference of the investor; and where income advice is nominated; the preference of the investor for an annual income advice or a periodic income advice.~~

~~Introduced 15/08/16~~

#### **PROCEDURE 18.9.2 VALID MESSAGE FOR AQUA PRODUCTS – ACCEPTING OR REJECTING REQUEST FOR INCOME ADVICE – [\[DELETED\]](#)**

~~For the purposes of Rule 18.9.2(b), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:~~

- ~~(a) the identification number for the acceptance or rejection transaction (as applicable);~~
- ~~(b) the identification number for the originating income advice request transaction; and~~
- ~~(c) a statement as to whether the request under Rule 18.9.1 is accepted or rejected. If the request is rejected, a reason must be provided.~~

~~Introduced 15/08/16~~

#### **PROCEDURE 18.9.4 VALID MESSAGE FOR AQUA PRODUCTS – INCOME ADVICE DETAILS – [\[DELETED\]](#)**

##### **~~Periodic Income Advice~~**

Where the preference of the investor is for a periodic income advice, for the purposes of Rule 18.9.4(a), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) — a timestamp to show time of processing;
- (b) — the code for the AQUA Product;
- (c) — the HIN;
- (d) — the identification number for the income advice transaction;
- (e) — the identification number for the originating income advice request transaction;
- (f) — the gross amount of the income distribution entitlement;
- (g) — the net amount of the income distribution entitlement;
- (h) — a statement as to whether the income advice is an initial income advice or an amended income advice;
- (i) — the payment date; and
- (j) — the record date.

Where the preference of the investor is for a periodic income advice, for the purposes of Rule 18.9.4(b), a Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) — the code for the relevant AQUA Product;
- (b) — the gross amount of the income distribution entitlement;
- (c) — the identification number of the income advice transaction;
- (d) — the HIN;
- (e) — the PID;
- (f) — the income distribution entitlement amount per AQUA Product unit;
- (g) — the number of AQUA Product units participating;
- (h) — the payment date; and
- (i) — the record date.

### **Annual Income Advice**

Where the preference of the investor is for an annual income advice, for the purposes of Rule 18.9.4(a), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) — a timestamp to show time of processing;

- ~~(b) — the code for the AQUA Product;~~
- ~~(c) — the HIN;~~
- ~~(d) — the identification number for the income advice transaction;~~
- ~~(e) — the identification number for the originating income advice request transaction;~~
- ~~(f) — the net amount of the income distribution entitlement;~~
- ~~(g) — the identification number of the set transaction for the income advice;~~
- ~~(h) — the period that the income advice relates to; and~~
- ~~(i) — a statement as to whether the income advice is an initial income advice or an amended income advice.~~

~~The information included in a Valid Message must be provided in accordance with the tax reporting requirements of the relevant AQUA Product.~~

~~Where a Product Issuer Settlement Participant provides details of the relevant income distribution entitlement in a series Valid Messages, it must also provide a Valid Message with consolidated details of the relevant income distribution entitlement.~~

~~Where the preference of the investor is for an annual income advice, for the purposes of Rule 18.9.4(b), no details for the reinvestment of income distribution entitlements in respect of each CHESS Holding of AQUA Products are prescribed in the Procedures.~~

~~Introduced 21/03/14 Amended 15/08/16~~

#### **PROCEDURE 18.9.6 VALID MESSAGE FOR AQUA PRODUCTS – CANCELLATION OF ACCEPTED REQUEST FOR INCOME ADVICE**

For the purposes of Rule 18.9.6, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the Controlling Participant's UIC;
- (b) the identification number for the cancellation request transaction; and
- (c) the identification number for the originating income advice request transaction.

Introduced 15/08/16

#### **PROCEDURE 18.9A.1 VALID ORIGINATING MESSAGE FOR AQUA PRODUCTS – INITIATION OF REQUEST TO CHANGE HOLDER'S STANDING INSTRUCTIONS**

The details specified in Procedure 18.3.1(f) may only be changed by a Settlement Participant initiating a request in accordance with Rule 18.9A.1.

For the purposes of Rule 18.9A.1, a Valid Originating Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message relates to the details specified in Procedure 18.3.1(f) and includes the following:

- (a) the code for the AQUA Product;
- (b) the HIN;
- (c) the Controlling Participant's [UIC](#);
- (~~d~~e) the identification number for the change request transaction;
- (~~e~~d) the distribution preference of the investor; and where cash or a partial distribution reinvestment plan is nominated; the Bank Account details of the investor; and
- (~~f~~e) confirmation that the Holder has received a copy of the current version of the Product Disclosure Statement specified by date required to be given in connection with issue of the AQUA Product to a person as a retail client under the Corporations Act [\(if applicable\)](#).

Introduced 15/08/16

### **PROCEDURE 18.9A.2 VALID MESSAGE FOR AQUA PRODUCTS – ACCEPTING OR REJECTING REQUEST TO CHANGE DETAILS**

For the purposes of Rule 18.9A.2(b), a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the identification number for the acceptance or rejection transaction (as applicable);
- (b) the identification number for the originating change request transaction; and
- (c) a statement as [to](#) whether the request under Rule 18.9A.1 is accepted or rejected. If the request is rejected a reason must be provided.

Introduced 15/08/16

### **PROCEDURE 18.10.1 VALID MESSAGE FOR AQUA PRODUCTS – HOLDING ADJUSTMENT REQUEST**

For the purposes of Rule 18.10.1, a Valid Message will be Transmitted to ASX Settlement in accordance with the Procedures if the Message includes:

- (a) the code for the AQUA Product;
- (b) the HIN;
- (c) [the Controlling Participant's UIC](#);
- (~~e~~d) the identification number for the transaction;
- ~~(d) the identification number for the originating request transaction;~~
- (e) the number of AQUA Product units to be increased or decreased (as applicable); and
- (f) the reason for the transaction type.

Introduced 15/08/16

## PROCEDURE18.11.1 TECHNICAL ACCREDITATION

A prospective Product Issuer Settlement Participant seeking technical accreditation must contact ASX Settlement to arrange for access to the CHES external test environment for AQUA Products. ASX Settlement will provide each prospective Product Issuer Settlement Participant with a CHES test kit and an accreditation script.

A Product Issuer Settlement Participant obtains technical accreditation when it has, to the reasonable satisfaction of ASX Settlement:

- (a) demonstrated the capacity to communicate reliably with CHES using Messages required for the issue, redemption ~~and switch~~ of AQUA Products; and
- (b) adhered to and successfully completed each of the testing scenarios outlined in the accreditation script.

Introduced 21/03/14

## APPENDIX 1 SCHEDULED TIMES

ASX Settlement will provide 30 days' notice of any amendments to the Scheduled Times in this appendix, other than in exceptional circumstances where an urgent amendment is required.

Rule Number	Sydney Time
<b>Rule 2.13.1</b> (Fund Request Cut-Off)	11:00am on any Business Day.
<b>Rule 18.3.1</b>	A Message Transmitted by a Settlement Participant under Rule 18.3.1 will be cancelled if all relevant information is not provided within 5 Business Days of the Message being sent.
<b>Rule 18.3.3(a)</b>	<p>Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted before Fund Request Cut-Off: Settlement Cut-Off on the same Business Day.</p> <p>Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted after Fund Request Cut-Off: Settlement Cut-Off on the next Business Day.</p>
<b>Rule 18.3.3(b)</b>	<p>Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted before Fund Request Cut-Off: Settlement Cut-Off on the same Business Day.</p> <p>Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted after Fund Request Cut-Off: Settlement Cut-Off on the next Business Day.</p>
<a href="#"><u>Rule 18.3.5</u></a>	<p><a href="#"><u>Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted before Fund Request Cut-Off: 31 days after Settlement Cut-Off on the same Business Day.</u></a></p> <p><a href="#"><u>Where the Message Transmitted by a Settlement Participant under Rule 18.3.1 was Transmitted after Fund Request Cut-Off: 31 days after Settlement Cut-Off on the next Business Day.</u></a></p>
<b>Rule 18.3.6(b)</b>	Prior to CHESSE End of Day on the day on which the issue is to occur, as specified by the Product Issuer Settlement Participant in the Message Transmitted under Rule 18.3.3(b) or Rule 18.7.

<b>Rule 18.3.6A(a)</b>	In relation to a request for issue of AQUA Products: as soon as reasonably practicable prior to the issue of AQUA Product units on the day on which the issue is to occur.  In relation to a request for redemption of AQUA Products: as soon as reasonably practicable prior to settlement on the Settlement Date.
<b>Rule 18.3.6A(b)</b>	Within 4 Business Hours of receipt of a Message from a Product Issuer Settlement Participant Transmitted under Rule 18.3.6A(a).
<del>Rule 18.4.3(a)</del>	<del>Within 4 Business Hours of receipt of a Message from a Settlement Participant Transmitted under Rule 18.4.1.</del>
<del>Rule 18.4.3(b)</del>	<del>Within 12 Business Hours of receipt of a Message from ASX Settlement Transmitted under Rule 18.4.3(a).</del>
<del>Rule 18.4.4(b)</del>	<del>Prior to CHESS End of Day on the day on which the Switch is to occur, as specified by the Product Issuer Settlement Participant in the Message Transmitted under Rule 18.4.3(b).</del>
<b>Rule 18.5.1</b>	<del>Within 90 calendar days of the day on which the Message under Rule 18.3.1 was Transmitted</del> <u>Prior to the Product Issuer Settlement Participant accepting the relevant application for issue or redemption.</u>
<b>Rule 18.5.2</b>	Within 90 calendar days of the day on which the Message under Rule 18.4.1 was Transmitted.
<b>Rule 18.6.1</b>	Within 90 calendar days of the day on which the Message under Rule 18.3.1 or 18.4.1 was Transmitted.
<b>Rule 18.6.1(ae)</b>	Within 4 Business Hours of receipt of a Message from a Settlement Participant under Rule 18.6.1 (a) or (b).
<b>Rule 18.6.1(bd)</b>	Within 12 Business Hours of receipt of a Message in accordance with Rule 18.6.1(c).
<u>Rule 18.6.1A</u>	<u>Before the acceptance of the relevant request for issue by the Product Issuer Settlement Participant under Rule 18.3.3(b).</u>
<u>Rule 18.6.1A(a)</u>	<u>Within 4 Business Hours of receipt of a Message from the Settlement Participant under Rule 18.6.1A.</u>

<b>Rule 18.7.1</b>	<p>In relation to a request for issue of AQUA Products, <del>or a Switch between AQUA Products</del>: prior to CHES End of Day on the day on which the issue is to occur, as specified by the Product Issuer Settlement Participant in the Message Transmitted under Rule 18.3.3(b) or 18.4.3(b), as the case may be.</p> <p>In relation to a request for redemption of AQUA Products: prior to Settlement Cut-Off on the day specified as the payment date by the Product Issuer Settlement Participant in a Message Transmitted under Rule 18.3.3(b).</p>
<del><b>Rule 18.9.2(a)</b></del>	<del>Within 4 Business Hours of receipt of a Message from a Settlement Participant Transmitted under Rule 18.9.1.</del>
<del><b>Rule 18.9.2(b)</b></del>	<del>Within 12 Business Hours of receipt of a Message from ASX Settlement Transmitted under Rule 18.9.2(a).</del>
<del><b>Rule 18.9.4</b></del>	<p><del>Where the Message Transmitted by a Product Issuer Settlement Participant under Rule 18.9.4 relates to a periodic income advice: no later than five (5) Business Days after each periodic income distribution or reinvestment of income distribution (as applicable) occurs.</del></p> <p><del>Where the Message Transmitted by a Product Issuer Settlement Participant under Rule 18.9.4 relates to an annual income advice: no later than five (5) Business Days after details of the annual income distribution entitlements or reinvestment of income distribution entitlements (as applicable) is sent or made available to that investor.</del></p>
<del><b>Rule 18.9.6(a)</b></del>	<del>Within 4 Business Hours of receipt of a Message from a Settlement Participant Transmitted under Rule 18.9.6.</del>
<del><b>Rule 18.9.6(b)</b></del>	<del>Within 12 Business Hours of receipt of a Message from ASX Settlement Transmitted under Rule 18.9.6(a).</del>
<b>Rule 18.9A.2(a)</b>	Within 4 Business Hours of receipt of a Message from a Settlement Participant Transmitted under Rule 18.9A.1.
<b>Rule 18.9A.2(b)</b>	Within 12 Business Hours of receipt of a Message from ASX Settlement Transmitted under Rule 18.9A.2(a).
<b>Rule 18.9A.4</b>	Within 12 Business Hours of Transmitting a Valid Message to ASX Settlement accepting the request under Rule 18.9A.2(b).

Introduced 21/03/14 Amended 07/03/16, 15/08/16, 12/11/18