



ASX Investment Products

ETP Update - June 2019

1. ASX Operating Rules – Schedule 10 (Warrants) and 10A (AQUA Products) Amendments

ASX is introducing the [first tranche of changes to ASX Operating Rule Schedule 10A](#), known as the “AQUA Rules”, to address regulatory commentary and guidance under ASIC Information Sheet 230 (INFO 230) and ASIC Report 583 - Review of exchange traded products for licensed exchanges that admit or consider admitting and facilitate trading of exchange traded products (ETPs).

The amendments to the AQUA Rules provide further clarity in relation to an AQUA product issuer’s obligations to disclose certain matters to ASX via an ASX market announcement and the timeframe to do so. The introduction of formal procedures will enhance the transparency of the admission requirements of AQUA Products for issuers and investors. The changes also facilitate other matters contemplated under INFO 230, including compliance with the proposed naming convention framework proposed by ASIC, more specific market making requirements for AQUA Product issuers, and index selection principles.

What's changing?

- Greater transparency through additional notification requirements in respect of AQUA Product Issuers;
- Naming requirements for AQUA Products*;
- Drafting refinements in relation to AQUA Product Issuers’ liquidity and market making obligations;
- Formal requirements relating to index selection principles for underlying instruments; and
- Additional requirements in relation to OTC derivative exposure and disclosures.

The following rule books will be amended:

- ASX Operating Rules
- ASX Operating Rules Procedures

These changes become effective from 1 July 2019. Product issuers should read the ASX Operating Rule and Procedure amendments to familiarise themselves with the new requirements and implement processes or procedures necessary to comply with the amended Rules and Procedures on 1 July 2019.

*Changes to the Procedures relating to the naming convention of AQUA Products will be available in a subsequent Rule update. In the meantime ASX expects that AQUA Product Issuers will familiarise themselves with ASIC's guidance contained in INFO 230.

If you have any queries, please contact the Investment Products team by email at andrew.weaver@asx.com.au.

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