



ASX Limited
ABN 98 008 624 691
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square
NSW 1215

Telephone 61 2 9227 0115
Facsimile 61 2 9227 0667
www.asx.com.au

4th May 2010

The purpose of this letter is to seek your company's commitment to participate in the ASX group's planned testing programme for the Trade Acceptance Service, expected to commence by 1 July 2010.

Clearing and settlement arrangements for potential operators of trade execution platforms for CHES-eligible ASX-quoted securities

In January 2010 the ASX group provided potential operators of trade execution platforms for CHES-eligible ASX-quoted securities (Potential Market Operators) with additional information in relation to the Trade Acceptance Service which the ASX Clearing and Settlement Facilities (ACH and ASTC) will make available to Approved Market Operators (AMOs). A copy of that communication is published as "Market Operator Letter – 28th January 2010" on asx.com.au at [Trade Acceptance Service – ASX – Australian Securities Exchange](#).

This letter is being sent to all Potential Market Operators who have been in contact with the ASX group in relation to the Trade Acceptance Service and will be published on asx.com.au at [Trade Acceptance Service - ASX - Australian Securities Exchange](#).

Trade Acceptance Service testing programme

The ASX group has planned a programme of testing in respect of the Trade Acceptance Service technical solution. This was foreshadowed in the ASX group's January 2010 communication to Potential Market Operators and reiterated in subsequent meetings. An overview of the testing programme and the applicable charges for access to the ASX group's External Technical Environment is contained in the schedule to this letter.

The Trade Acceptance Service testing programme is expected to commence by 1 July 2010. The ASX group needs to commence the testing programme by this date in order to be ready to provide the Trade Acceptance Service in accordance with the Government's announced timetable for its consideration of outstanding licence applications by Potential Market Operators. The Government has indicated that this will occur once ASIC has taken over the supervision of Australia's financial markets and following an appropriate period of settling in of the new supervision arrangements. The Government has also indicated that the transfer of supervision to ASIC is well advanced and remains on track to occur in the third quarter of this year.

The ASX group remains committed to making the Trade Acceptance Service available in accordance with the Government's announced timetable for its consideration of outstanding market licence applications, subject to regulatory clearance and participant readiness.

The ASX group invites Potential Market Operators to participate in the testing programme

The ASX group is now finalising the technical specification for the Trade Acceptance Service, a draft of which was published in January 2010 as the *AMO Trade Acceptance Service – Business and Technical Overview*. The ASX group intends to publish the final technical specification as soon as practicable, to allow clearing and settlement participants and software vendors sufficient time to undertake the required development work ahead of the commencement of the testing programme.

Australian Securities Exchange

Australian Stock Exchange
Sydney Futures Exchange

Australian Clearing House
SFE Clearing Corporation

ASX Settlement and Transfer Corporation
Austraclear

At the time at which it publishes the final technical specification for the Trade Acceptance Service, the ASX group intends to communicate to clearing and settlement participants and software vendors the extent to which it has received firm commitments from Potential Market Operators to participate in the testing programme. This is to enable clearing and settlement participants to prioritise the necessary development work against other unrelated development commitments.

Accordingly, the ASX group now seeks formal commitments by Potential Market Operators to participate in the testing programme which is expected to commence by 1 July 2010. While Potential Market Operators are under no obligation to participate in this testing programme, they should be aware that, given the lead time involved in setting up and accrediting Potential Market Operators' CHESS interfaces, and allowing for time which may be needed to resolve any unforeseen technical issues identified by the testing programme, a decision by a Potential Market Operator not to participate in the testing programme may affect the timing of the ability of the Potential Market Operator to take up the Trade Acceptance Service.

Participant readiness

The ASX group has been engaging with clearing and settlement participants in relation to their readiness to provide clearing and settlement services in respect of multiple trade execution platforms for CHESS-eligible ASX-quoted securities, and the ASX group will continue to do so.

Operating rule amendments

The ASX Clearing and Settlement Facilities are preparing to informally lodge with the Australian Securities and Investments Commission amendments to their respective operating rules to support the introduction of the Trade Acceptance Service.

I invite you to formally confirm your company's commitment to participate in the ASX group's planned testing programme for the Trade Acceptance Service, expected to commence by 1 July 2010, by countersigning where indicated and returning to me the enclosed copy of this letter **by 5:00pm on 14 May 2010**.

Yours sincerely

Rohan Delilkhan
General Manager, Clearing and Settlement Services
Australian Securities Exchange

Confirmation of intention to participate in Trade Acceptance Service testing programme

I confirm on behalf of ("the Company") that the Company intends to participate in the ASX group's planned testing programme for the Trade Acceptance Service, expected to commence by 1 July 2010.

.....
DULY AUTHORISED SIGNATORY

NAME:

POSITION:

DATE:

Schedule

Overview of Trade Acceptance Service testing programme

The Trade Acceptance Service testing programme will broadly comprise:

- technical accreditation of the CHES interfaces of Potential Market Operators which intend to seek approval as an "Approved Market Operator" (AMO) in respect of the suite of new CHES messages developed by the ASX group to support the Trade Acceptance Service; and
- testing by participants and software vendors of changes to existing CHES message fields which are being implemented in connection with the Trade Acceptance Service (specifically, the CHES MT 164 – Notified Trade message).

Details of the suite of new CHES messages and changes to existing CHES message fields are contained in the *AMO Trade Acceptance Service – Business and Technical Overview* which was attached to the ASX group's January 2010 communication. The ASX group will announce further details of the planned testing programme once it has ascertained the level of commitment among Potential Market Operators to participate in the testing programme.

Access by Potential Market Operators to the ASX group's External Technical Environment for accreditation purposes will be charged at the same rate that applies to all other users of that test environment, as published in ASTC Bulletin P2009/374 (copy attached), that is, a fixed fee of \$800 (excl. GST) per calendar month together with the applicable variable charges set out in the bulletin.

Attachment

[Charges applicable to ASX External Technical Environment \(ASTC Bulletin P2009/374\)](#)