



ACH Clearing Rules

Guidance Note No. 8

KEY TOPICS

1. Reliance on APRA requirements

ACH Clearing Rules

1. 3.4
2. 4.22.1

Cross-reference

1. APRA Guidelines on Authorisation of ADI's

Guidance Note History

Re-issued:

11 March 2004 –
Introduction of New
Rule Book

Previously:

28 May 2003-
OCH Derivatives
Clearing Rule Guidance
Note 1/03

RESPONSIBLE EXECUTIVES AND DIRECTORS – Good Fame & Character

Introduction

To be admitted as a Clearing Participant with the Australian Clearing House (“Clearing House”) a body corporate is required to satisfy the Clearing House Recognition Requirements. These recognition requirements include the requirement for Directors and Responsible Executives of a Participant of ACH (“Participant”) to be of “of good fame and character and of high business integrity”.

Requirements

When appointing a Director or a Responsible Executive, the Participant is required to complete and lodge with the Clearing House a “Notification of Appointment”, which contains a section regarding the “good fame and character” of the Director/Responsible Executive.

APRA requires senior Management and Directors within an ADI, to satisfy its “Guidelines on Authorisation of ADI’s” which include fit and proper requirements.

On the basis that a Director or member of Senior Management of an ADI has satisfied, and continues to satisfy APRA’s fit and proper requirements, the Clearing House will recognise their continued recognition by APRA as satisfaction of the obligations of the Good Fame and Character and High business Integrity requirement under the Rules for that Director/Responsible Executive. The Participant must undertake to immediately notify the Clearing House in the event they receive notice from APRA to the effect that APRA may consider a person to not be of good fame and character

24 June 2005



Qualification

The Clearing House has published this note to promote commercial certainty, and assist market participants. Nothing in this note necessarily binds the Clearing House in the application of the Rules in a particular case. In issuing this note the Clearing House is not providing legal advice and market Participants should obtain their own advice from a qualified professional person in respect of their obligations. The Clearing House may replace this Guidance Note at any time. Readers may contact the Clearing House to ensure they have the latest version.

24 June 2005