

## **SECTION 14 MARKET SUSPENSIONS, TECHNICAL FAILURE AND OTHER ORDERLY MARKET POWERS**

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## **SECTION 14 MARKET SUSPENSIONS, TECHNICAL FAILURE AND OTHER ORDERLY MARKET POWERS**

Section 14 sets out provisions for the maintenance of a fair and orderly market, including:

- (a) prohibiting Market Participants doing anything which would result in a market for a Product not being fair and orderly and from taking advantage of market break-down;
- (b) requiring Market Participants to comply with the instructions of Market Control;
- (c) requiring Trading Participants to make a DTR available to receive communications when the market is operating;

The section also provides ASX with powers to ensure that its market is fair, orderly and transparent and to deal with emergencies, such as powers to suspend or halt trading in Products or a Trading Platform and to cancel or amend Market Transactions ASX considers contrary to the maintenance of a fair and orderly market.

Provision is also made to deal with and prevent technical and communications failures and to support the integrity of a Trading Platform.

Section 15 sets out the powers of ASX in relation to the cancellation of transactions.

### **14.1 FAIR AND ORDERLY MARKETS POWER**

#### **14.1.1 Market must remain fair and orderly**

A Market Participant must not do anything which results in a market for a Product not being both fair and orderly, or fail to do anything where that failure has that effect.

Introduced 11/03/04 Origin ASX 2.2.3(1), 7.9.3.1, ASXF 13.4.1

#### **14.1.2 Market Participant must comply with instructions of Market Control**

A Market Participant must comply with instructions and directions issued by Market Control.

Introduced 11/03/04 Origin ASX 2.2.3(1)(a), 7.9.3.1(a), ASXF 13.4.1(a)

#### **14.1.3 DTR must be available**

A Trading Participant must ensure that a DTR of the Trading Participant is available to receive communications from other Trading Participants or from ASX during the times set out in the Procedures.

Introduced 11/03/04 Origin ASX 2.2.3(1)(c), 7.9.3.1(b), ASXF 13.4.1(b)

#### **14.1.4 Must not take advantage of breakdown or malfunction**

A Market Participant must not take advantage of a situation arising as a result of a breakdown or malfunction in ASX's procedures or systems or an error in any Trading Message submitted by ASX.

Introduced 11/03/04 Origin ASX 2.2.3(1)(d), 7.9.3.1(c), ASXF 13.4.1(c)

### **14.1.5 ASX orderly markets powers**

ASX may take any action it considers necessary to ensure that a market for one or more Products is fair, orderly and transparent, including, without limitation:

- (a) suspending or halting trading in one or more Products for any period of time;
- (b) cancelling or amending any Market Transaction pursuant to Section 15;
- (c) directing any Market Participant to take, or not to take, a specified action in connection with the affected markets;
- (d) modifying or restricting access to a Trading Platform by one or more Market Participants;
- (e) taking, or refraining from taking, any other action which ASX considers is appropriate having regard to Rule 1.13; and
- (f) requesting any relevant Approved Clearing Facility (or any relevant Alternative Clearing Facility) to exercise its powers relating to the situation or practice.

Introduced 11/03/04 Origin ASXF 13.5 Amended 28/11/05

## **14.2 TECHNICAL FAILURE**

### **14.2.1 Suspension or restriction of trading for technical failure**

Without limiting ASX's powers under Rule 14.1.5, ASX may suspend or restrict trading in one or more Products if access to a Trading Platform is affected because of a systems or communications failure.

Introduced 11/03/04 Origin ASX 2.3.2(4), 7.9.2.1, ASXF 13.2.1 Amended 28/11/05

### **14.2.2 Consequences of suspension or restriction of trading for technical failure**

If trading is suspended or restricted under Rule 14.2.1, ASX may:

- (a) impose such Session States it considers appropriate in relation to a Product or Products; or
- (b) take any other steps which it considers appropriate having regard to Rule 1.13.

The Procedures may set out further consequences of a suspension or restriction under Rule 14.2.1.

Introduced 11/03/04 Origin ASX 2.3.2(4), 7.9.2.2, ASXF 13.2.2 Amended 28/11/05

### **14.2.3 Resumption of trading following suspension or restriction of trading for technical failure**

Following a suspension or restriction of trading under Rule 14.2.1, ASX will notify Trading Participants of the time at which trading will resume and if it will be possible to restore the Trading Platform to how it appeared prior to the suspension or restriction taking effect. The Procedures may set out further steps prior to the resumption of trading.

Introduced 11/03/04 Origin ASX 2.3.2(4), 7.9.2.3, ASXF 13.2.3 Amended 28/11/05

#### **14.2.4 Notification of Trading Participant connection failure**

A Trading Participant must notify ASX as soon as practicable if it is unable to transmit or receive Trading Messages because of a systems or communications failure other than due to an action taken by ASX pursuant to these Rules. The Procedures may set out further steps to be taken by the Trading Participant following the receipt by ASX of a notice under this Rule 14.2.4.

Introduced 11/03/04 Origin ASX 2.3.2(6), 7.9.2.4, ASXF 13.2.4 Amended 28/11/05

#### **14.2.5 Application of Rules 14.2.6 and 14.2.7**

Rules 14.2.6 and 14.2.7 apply when:

- (a) a Trading Platform registers that a Trading Participant is no longer able to transmit Trading Messages because of a systems or communications failure; or
- (b) a Trading Participant has notified ASX under Rule 14.2.4,

whichever occurs earlier.

Introduced 11/03/04. Origin ASX 7.9.2.5, ASXF 13.2.5

#### **14.2.6 Consequences of Trading Participant connection failure**

After the period and in the manner set out in the Procedures, ASX may cancel in the Trading Platform all Orders of a Trading Participant unless, before the cancellation is effected, the Trading Participant has requested ASX not to effect the cancellation.

Introduced 11/03/04 Origin ASX 7.9.2.6, ASXF 13.2.6 Amended 28/11/05, 07/07/06

#### **14.2.7 Emergency facilities**

The Trading Participant may request ASX, on a reasonable endeavours basis, to enter, amend and cancel orders in a Trading Platform on the Trading Participant's behalf and make available emergency facilities in accordance with the Procedures. The Trading Participant agrees that ASX has no liability for activities conducted on behalf of a Trading Participant under this Rule 14.2.7.

Introduced 11/03/04 Origin ASX 7.9.2.7, ASXF 13.2.7

#### **14.2.8 Indemnity for emergency assistance**

The Trading Participant indemnifies and will keep indemnified ASX against all actions, proceedings, claims, demands, damages, costs, expenses and any other amounts against or incurred by ASX arising out of or in connection with any action taken or any inaction by any of ASX, or its officers, employees, agents, delegates or contractors under Rule 14.2.7.

Introduced 11/03/04 Origin ASXF 13.2.8

## **14.3 COMMUNICATIONS WITH A TRADING PLATFORM**

### **14.3.1 Testing**

If ASX reasonably believes there is some fact or matter which may impair the ability of a Trading Participant to communicate Trading Messages reliably with a Trading Platform or to correctly process those Trading Messages, ASX may on reasonable notice require a Trading Participant to undertake testing as specified by ASX.

Introduced 11/03/04 Origin ASX 2.3.2A(1), 7.9.2A.1, ASXF 13.3.1

### **14.3.2 ASX powers**

If:

- (a) after the Trading Participant has undertaken the testing referred to in Rule 14.3.1, ASX reasonably believes that the ability of the Trading Participant to communicate Trading Messages reliably with a Trading Platform or to correctly process those Trading Messages is or will be impaired; or
- (b) the Trading Participant has not, within the time specified by ASX, complied with ASX's requirement to undertake the testing referred to in Rule 14.3.1,

ASX may immediately, and before the Trading Participant has exercised its right to appear or make submissions under Rule 14.3.5, take any steps which it considers appropriate having regard to Rule 1.13, including, without limitation:

- (c) giving instructions or directions to the Trading Participant to prevent or minimise impairment to those communications of Trading Messages with a Trading Platform or the correct processing of those Trading Messages;
- (d) suspending the Trading Permission of the Trading Participant until ASX is satisfied that the ability of the Trading Participant to communicate Trading Messages reliably with a Trading Platform or to correctly process those Trading Messages is or will no longer be impaired; or
- (e) suspending the connection to a Trading Platform of any Open Interface Device of the Trading Participant until ASX is satisfied that the ability of the Trading Participant to communicate Trading Messages reliably with a Trading Platform, or to correctly process those Trading Messages is or will no longer be impaired.

Introduced 11/03/04 Origin ASX 2.3.2A(2), 7.9.2A.2, ASXF 13.3.2 Amended 23/10/09

### **14.3.3 Trading Participant's obligations**

A Trading Participant must observe and give effect to any instructions or directions given by ASX under Rule 14.3.2(c).

Introduced 11/03/04 Origin ASX 2.3.2A(3), 7.9.2A.3, ASXF 13.3.3

### **14.3.4 Notification to Trading Participant**

If ASX takes steps under Rule 14.3.2, ASX must immediately notify the Trading Participant concerned.

Introduced 11/03/04 Origin ASX 2.3.2A(4), 7.9.2A.4, ASXF 13.3.4

### 14.3.5 Trading Participant's right to hearing

If requested by a Trading Participant referred to in Rule 14.3.2, ASX will give the Trading Participant an opportunity to either, at the option of the Trading Participant:

- (a) appear in person or be represented before ASX; or
- (b) lodge a written submission for consideration by ASX,

to explain why:

- (c) the ability of the Trading Participant to communicate Trading Messages reliably with a Trading Platform or to correctly process those Trading Messages is, or will not, or will no longer, be impaired; or
- (d) the Trading Participant should not be required to undertake the testing referred to in Rule 14.3.1.

ASX must determine the matter without bias and give the Trading Participant a fair hearing and otherwise observe the rules of procedural fairness. For the avoidance of doubt, ASX may exercise its powers under Rule 14.3.2 before giving the Trading Participant an opportunity to appear or make submissions under this Rule 14.3.5.

Introduced 11/03/04 Origin ASX 2.3.2A(5), 7.9.2A.5, ASXF 13.3.5 Amended 23/10/09

## 14.4 EFFICIENCY AND INTEGRITY OF MARKET

### 14.4.1 ASX powers

ASX may take any action it considers appropriate, having regard to Rule 1.13, to maintain the efficiency and integrity of a market or the proper functioning of a Trading Platform. That action may include, without limitation:

- (a) suspending Trading Permission of a Trading Participant whose actions have, in the opinion of ASX, adversely impacted on the efficiency or integrity of a market in one or more Products or the proper functioning of a Trading Platform;
- (b) modifying the access to, or the functioning of, a Trading Platform in respect of that Trading Participant; or
- (c) suspending or modifying the operation of a Trading Platform generally.

Introduced 11/03/04 Origin ASX 2.3.3(1), 7.9.3.3, ASXF 13.4.3 Amended 28/11/05

### 14.4.2 Notification to Trading Participant

If ASX takes action under Rule 14.4.1 in relation to:

- (a) a Trading Participant referred to in Rule 14.4.1(a); or
- (b) Trading Participants generally,

ASX must immediately notify the Trading Participant concerned or Trading Participants generally, as applicable.

Introduced 11/03/04 Origin ASX 2.3.3(2), 7.9.3.4, ASXF 13.4.4

#### **14.4.3 Trading Participant right to hearing**

If requested by a Trading Participant referred to in Rule 14.4.1(a), ASX must give the Trading Participant an opportunity to either, at the option of the Trading Participant:

- (a) appear in person or be represented before ASX; or
- (b) lodge a written submission for consideration by ASX,

to explain why it is not or is no longer appropriate for ASX to exercise or continue to exercise its powers under Rule 14.4.1 in relation to the Trading Participant. ASX must determine the matter without bias and give the Trading Participant a fair hearing and otherwise observe the rules of procedural fairness. For the avoidance of doubt, ASX may exercise its powers under Rule 14.4.1 before giving the Trading Participant an opportunity to appear or make submissions under this Rule 14.4.3.

Introduced 11/03/04 Origin ASX 2.3.2(3), 7.9.3.5, ASXF 13.4.5

### **14.5 STATE OF EMERGENCY**

#### **14.5.1 Action ASX may take in a State of Emergency**

If ASX determines that a State of Emergency exists, it may do any or all of the following:

- (a) suspend trading in one or more Products or a Trading Platform;
- (b) direct Market Participants to take, or refrain from taking, a specified action in connection with the affected Products or a Trading Platform;
- (c) take, or refrain from taking, any other action which ASX considers is appropriate having regard to Rule 1.13; and
- (d) request an Approved Clearing Facility (or any relevant Alternative Clearing Facility) to exercise its powers relating to emergencies.

Introduced 11/03/04 Origin ASX 2.3.2(7), 7.10.4, ASXF 13.6 Amended 28/11/05

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