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SECTION 22 CROSSINGS - DERIVATIVES MARKET PRODUCTS

Section 22 defines “Crossings” in respect of Derivatives Market Transactions and Derivatives Combinations and sets out the circumstances in which they may occur

22.1 GENERAL CROSSINGS RULES

22.1.1 Crossings permitted

Subject to Rule 22.4, a Crossing may be effected in accordance with Rule 22.2 or, if it constitutes a Special Crossing, in accordance with Rule 22.3. A Crossing must not be effected other than in accordance with this Rule 22.1.1.

Introduced 11/03/04

22.1.2 Application of Section

This Section 22 only applies to Derivatives Market Transactions and transactions in Derivatives Combinations.

Introduced 28/11/05

22.2 CROSSINGS

22.2.1 Crossing Orders in a single Contract Series

A Trading Participant may effect a Crossing of Orders in a single Contract Series by using:

- (a) the Cross Single Series Function; or
- (b) the Cross with Central Orderbook Function.

Introduced 11/03/04. Origin ASX 7.8.2.1, ASXF 11.7.1

22.2.2 Cross Single Series Function

A Trading Participant may only effect a Crossing of Orders in a single Contract Series using the Cross Single Series Function in the Central Orderbook if:

- (a) the price at which the Crossing is sought to be transacted is at or within the Established Market (if any) and at or within the best current Bid and Offer for the single Contract Series after initiating the Crossing in accordance with the Procedures and waiting the period set out in the Procedures;
- (b) the Trading Participant first offers to sell and then buy (or to buy and then sell) 50% of the number of contracts which the Trading Participant wishes to cross and enters into any Derivatives Market Transactions arising from acceptance of those offers to sell and buy; and

- (c) the Crossing is transacted in accordance with the Procedures.

Introduced 11/03/04. Origin ASX 7.8.2.2, ASXF 11.7.2

22.2.3 Cross with Central Orderbook Function

A Trading Participant may only effect a Crossing of Orders in a single Contract Series using the Cross with Central Orderbook Function in the Central Orderbook if:

- (a) one of the Orders sought to be crossed has been in the Central Orderbook for the period set out in the Procedures; and
- (b) the Crossing is transacted in accordance with the Procedures.

Introduced 11/03/04. Origin ASX 7.8.2.3, ASXF 11.7.3

22.2.4 Crossing of Derivatives Only Combinations that are Standard Combinations in the Central Orderbook

A Trading Participant may only effect a Crossing of Orders for a Standard Combination in the Central Orderbook if:

- (a) the Trading Participant issues a Quote Request for the Standard Combination;
- (b) the net price at which the Crossing is sought to be transacted is at or within the best current Bid and Offer for the Standard Combination and at or within the market for the combination, calculated by reference to the best current Bid and Offer (if any) for the component single Contract Series after issuing the Quote Request and waiting the period set out in the Procedures;
- (c) the Trading Participant first offers to sell and then buy (or to buy and then sell) 50% of the combination which the Trading Participant wishes to cross and enters into any Derivatives Market Transactions arising from acceptance of those offers to sell and buy; and
- (d) the Crossing is transacted in accordance with the Procedures.

Introduced 11/03/04. Origin ASX 7.8.2.4, ASXF 11.7.4 Amended 28/11/05

22.2.5 Crossing of other Derivatives Only Combinations

A Trading Participant may only effect a Crossing of Orders for a Derivative Only Combination which is not a Standard Combination in the Central Orderbook or in the Bulletin Board if:

- (a) the Trading Participant issues Quote Requests for the component single Contract Series;
- (b) the net price at which the Crossing is sought to be transacted is at or within the best current Bid and Offer for the combination and at or within the market for the combination, calculated by reference to the best current Bid and Offer (if any) for the component single Contract Series after issuing Quote Requests under (a) and waiting the period set out in the Procedures;
- (c) the Trading Participant enters an Order in the Central Orderbook or in the Bulletin Board (as applicable) to sell and then buy (or to buy and then sell) 50%

of the combination which the Trading Participant wishes to cross and enters into any Derivatives Market Transactions arising from acceptance of those offers to sell and buy; and(d) the Crossing is transacted in accordance with the Procedures.

Introduced 11/03/04. Origin ASX 7.8.2.5, ASXF 11.7.5 Amended 28/11/05

22.2.6 Crossing of Derivative/Cash Combinations

A Trading Participant may only effect a Crossing of Orders for a Derivative/Cash Combination in the Central Orderbook or in the Bulletin Board if:

- (a) the relevant client (or clients in the case of a Crossing referred to in paragraph (a) of the definition of “Crossing”) for each component Market Transaction is (or are) the same;
- (b) the Trading Participant issues Quote Requests for the component single Contract Series;
- (c) the net price at which the Crossing is sought to be transacted is at or within the best current Bid and Offer for the combination and at or within the market for the combination, calculated by reference to:
 - (i) the best current Bid and Offer (if any) for the component single Contract Series after issuing Quote Requests for those Contract Series and waiting the period set out in the Procedures; and
 - (ii) the then current Bid and Offer for the component Cash Market Products as displayed in a Trading Platform ;
- (d) the Trading Participant enters an Order in the Central Orderbook or Bulletin Board (as applicable) to sell and then to buy (or to buy and then sell) 50% of the Combination which the Trading Participant wishes to cross; and
- (e) the Crossing is transacted in accordance with the Procedures.

Introduced 11/03/04. Origin ASX 7.8.2.6, ASXF 11.7.6 Amended 28/11/05

22.2.7 Crossing of Cross-Market Combinations

A Trading Participant may only effect a Crossing of Orders for a Cross-Market Combination in the Central Orderbook or in the Bulletin Board if:

- (a) the relevant client (or clients in the case of a Crossing referred to in paragraph (a) of the definition of “Crossing”) for the transaction in the Non-ASX Contracts and the Market Transactions is (or are) the same;
- (b) the Trading Participant issues Quote Requests for the component single Contract Series and where applicable the Non-ASX Contract comprising the Cross-Market Combination;
- (c) the net price at which the Crossing is sought to be transacted is at or within the best current Bid and Offer for the Cross-Market Combination and at or within the market for the Cross-Market Combination, calculated by reference to:

- (i) the best current Bid and Offer (if any) for the component single Contract Series after issuing Quote Requests for those Contract Series and waiting the period set out in the Procedures; and
- (ii) the then current Bid and Offer for the Non-ASX Contracts as displayed in the relevant trading system identified in the Procedures;
- (d) the Trading Participant enters an Order in the Central Orderbook or Bulletin Board (as applicable) to sell and then to buy (or to buy and then sell) 50% of the Cross-Market Combination which the Trading Participant wishes to cross;
- (e) the Trading Participant complies with any operating rules and other requirements of the relevant Non-ASX Market applicable to Cross-Market Combinations in relation to the transaction in the Non-ASX Contract; and
- (f) the Crossing is transacted in accordance with the Procedures.

Introduced 11/03/04. Origin ASXF 11.7.6 Amended 28/11/05

22.2.8 Reporting to ASX

The Trading Participant must report a Crossing under Rule 21.5 and must report each component Market Transaction pursuant to Rule 21.5 or 16.12 (as applicable) simultaneously. In relation to a Cross-Market Combination the transaction in each Non-ASX Contract and each Market Transaction must be reported to ASX and the Non-ASX Market simultaneously.

Introduced 11/03/04. Origin ASX 7.8.2.7, ASXF 11.7.7 Amended 28/11/05

22.2.9 Crossings using Automated Order Processing

A Crossing can be effected by matching in a Trading Platform a Bid or Offer entered or amended using Automated Order Processing with a pre-existing or simultaneously entered or amended Bid or Offer of the Trading Participant, if:

- (a) the Trading Participant has made the disclosure required under Rule 7.7;
- (b) the Trading Participant has not pre-arranged the entry of the Bids or Offers; and
- (c) the same Authorised Person does not enter both sides of the Crossing.

Introduced 28/11/05

22.3 SPECIAL CROSSINGS

22.3.1 Special Crossings permitted

Subject to Rule 22.4, a Special Crossing can be effected at any time by a Trading Participant at a price:

- (a) if the Trading Participant is acting on behalf of two clients, negotiated on account of the clients; or

- (b) if the Trading Participant enters into the transaction as Principal (within the meaning of Rule 7.3.5), agreed between the client and the Trading Participant.

Introduced 11/03/04.

22.3.2 Special Crossing of single Contract Series

Subject to Rules 22.3.6 and 22.4, a Trading Participant may effect a Crossing of orders in a single Contract Series as a Special Crossing, without complying with Rule 22.2, if at least one side of the Derivatives Market Transaction:

- (a) is greater than or equal to the Special Size; and
- (b) is entered into by the Trading Participant for a single client.

Introduced 11/03/04 Origin ASX 7.8.3.1, ASXF 11.8.1 Amended 27/05/05, 28/11/05

22.3.3 Special Crossing of Derivatives Only Combinations

Subject to Rule 22.4, a Trading Participant may effect a Crossing of Orders for a Derivatives Only Combination as a Special Crossing, without complying with Rule 22.2, if:

- (a) the number of components of the combination which are greater than or equal to the Special Size is equal to at least the number set out in the Procedures;
- (b) the components which are not greater than or equal to the Special Size are transacted at or within the best current Bid and Offer for the relevant Contract Series after issuing Quote Requests for those Contract Series and waiting the period set out in the Procedures;
- (c) the relevant client (or clients in the case of a Crossing referred to in paragraph (a) of the definition of “Crossing”) for the Derivatives Market Transactions comprising the combination is (or are) the same; and
- (d) the Special Crossing is transacted in accordance with the Procedures.

Introduced 11/03/04. Origin ASX 7.8.3.2, ASXF 11.8.2 Amended 28/11/05

22.3.4 Special Crossing of Derivative/Cash Combinations

Subject to Rule 22.4, a Trading Participant may effect a Crossing of orders for a Derivative/Cash Combination as a Special Crossing, without complying with Rule 22.2, if:

- (a) each component Cash Market Transaction in the combination constitutes a Block Special Crossing under Rule 18.2;
- (b) the number of component Derivative Market Transactions of the combination which are greater than or equal to the Special Size is equal to at least the number set out in the Procedures;
- (c) the component Derivative Market Transactions which are not greater than or equal to the Special Size are transacted at or within the best current Bid and Offer for the relevant Contract Series after issuing Quote Requests for those Contract Series and waiting the period set out in the Procedures;

- (d) the relevant client (or clients in the case of a Crossing referred to in paragraph (a) of the definition of “Crossing”) for the transaction in each component Market Transaction is (or are) the same; and
- (e) the Special Crossing is effected in accordance with the Procedures.

Introduced 11/03/04. Origin ASX 7.8.3.3, ASXF 11.8.3 Amended 28/11/05

22.3.5 Special Crossing of Cross-Market Combinations

Subject to Rule 22.4, a Trading Participant may effect a Crossing of orders for a Cross-Market Combination as a Special Crossing, without complying with Rule 22.2, if:

- (a) the transaction in the Non-ASX Contract which forms part of the combination complies with the operating rules and other requirements of the relevant Non-ASX Market relating to large crossings;
- (b) the number of component Derivatives Market Transactions of the combination which are greater than or equal to the Special Size is equal to at least the number set out in the Procedures;
- (c) the component Derivatives Market Transactions which are not greater than or equal to the Special Size are transacted at or within the best current Bid and Offer for the relevant Contract Series after issuing Quote Requests for those Contract Series and waiting the period set out in the Procedures;
- (d) the relevant client (or clients in the case of a Crossing referred to in Rule 22.1.1(a)) for the transaction in each component Non-ASX Contract and Market Transaction is (or are) the same; and
- (e) the Special Crossing is effected in accordance with the Procedures.

Introduced 11/03/04. Origin ASX 7.8.3.3, ASXF 11.8.3 Amended 28/11/05

22.3.6 Aggregation of orders

Provided that one side of a Derivatives Market Transaction (or a Derivatives Combination, as the case may be) meets the requirements of Rule 22.3.1, a Trading Participant may effect the Derivatives Market Transaction (or combination) as a Special Crossing where it has combined:

- (a) for a single Contract Series, orders of more than one client or on their own account on the other side of the Derivatives Market Transaction; or
- (b) for a combination, orders of more than one client or orders on their own account on the other side of the combination, but only provided that the orders for each of the components are combined in the same proportions.

Introduced 11/03/04 Origin ASX 7.8.3.4 ASXF 11.8.4 Amended 27/05/05, 28/11/05

22.3.7 Reporting of Special Crossings

- (a) A Trading Participant must report a Special Crossing of orders for single Contract Series under Rule 21.5.

- (b) In relation to Special Crossings of Derivatives Only Combinations under Rule 22.3.3, each component Market Transaction must be reported to ASX simultaneously.
- (c) In relation to Special Crossings of a Derivative/Cash Combination under Rule 22.3.4, each component Market Transaction must be reported to ASX simultaneously.
- (d) In relation to Special Crossings of a Cross-Market Combination under Rule 22.3.5, each component Market Transaction and each component transaction for a Non-ASX Contract must be reported to ASX and the Non-ASX Market simultaneously.

Introduced 11/03/04. Origin ASX 7.8.3.5, ASXF 11.8.5 Amended 28/11/05

22.4 RESTRICTIONS ON CROSSINGS IN CERTAIN CIRCUMSTANCES

22.4.1 Crossing while transacting another Crossing

A Trading Participant must not commence a Crossing in any single Contract Series or Combination until any previous Crossing by that Trading Participant in that Contract Series or Combination has been effected.

Introduced 11/03/04. Origin ASX 7.8.4.1, ASXF 11.9.1

22.4.2 Crossings after Trading Close

Unless Rules 22.4.3 or 20.6.3 apply, a Trading Participant may effect a Crossing (even though it is not a Special Crossing) within the period after Trading Close referred to in Rule 21.6.1, provided that the Trading Participant complies with Rule 21.6. If the Trading Participant obtains a market quote from Market Makers contacted under Rule 21.6.2(a), the Crossing must be effected within the market established by those quotes.

Introduced 11/03/04. Origin ASX 7.8.4.2, ASXF 11.9.2 Amended 28/11/05

22.4.3 Crossings during Offer Period or buy-back

Crossings of Derivative Market Transactions over Cash Market Products or Derivatives Combinations which include Cash Market Transactions or Derivatives Market Transactions over Cash Market Products, during an Offer Period or during the currency of a buy-back offer, in each case, over such Cash Market Products are subject to the restrictions set out in Section 20.

Introduced 11/03/04. Origin ASX 7.8.4.3, ASXF 11.9.3 Amended 28/11/05

22.4.4 Crossings during On-market buy-back - deleted

Introduced 11/03/04. Origin ASX 7.8.4.4, ASXF 11.9.4 Deleted 28/11/05