

SECTION 29 TRANSITIONAL ARRANGEMENTS FOR EXISTING ASX PARTICIPANTS AND ASXF PARTICIPANTS

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SECTION 29 TRANSITIONAL ARRANGEMENTS FOR EXISTING ASX PARTICIPANTS AND ASXF PARTICIPANTS

Section 29 sets out transitional arrangements governing the transition from the Old ASX Rules and the Old ASXF Rules (as defined below) to these Rules, including:

- (a) the grandfathering of Existing ASX and ASXF Participants, Responsible Executives, Designated Trading Representatives, Accredited Futures Advisers and Market Makers and the effect of grandfathering on conditions previously imposed or rights and obligations previously accrued;
- (b) the requirement for grandfathered Existing ASXF Participants to send revised agreement terms to their clients in certain circumstances; and
- (c) the effect of grandfathering on certain Clearing Agreements and Nominating Broker Agreements.

29.1 INTERPRETATION AND APPLICATION OF THIS RULE

29.1.1 Interpretation

In this Section 29:

"Effective Time" means the commencement of 11 March 2004.

"Existing ASX Participant" means a person that, immediately before the Effective Time, was approved by ASX as a Participating Organisation or as a RIOT under the Old ASX Rules.

"Existing ASXF Participant" means a person that, immediately before the Effective Time, was approved by ASXF as a Broker Participant or as a Local Participant under the Old ASXF Rules.

"Old ASX Rules" means the business rules of ASX in force immediately before the Effective Time.

"Old ASXF Rules" means the business rules of ASXF in force immediately before the Effective Time.

Introduced 11/03/04

29.2 TRANSITION – EXISTING ASXF PARTICIPANTS

29.2.1 Transition

From the Effective Time:

- (a) each Existing ASXF Participant is taken to be approved as a Market Participant under these Rules and, in the case of a Local Participant recognised under the Old ASXF Rules, the Local Participant is taken to be approved as a Principal Trader under these Rules;

- (b) each person approved under the Old ASXF Rules as a "Responsible Executive" of an Existing ASXF Participant (now a Market Participant under paragraph (a)) at the Effective Time, is taken to be approved as a Responsible Executive of that Market Participant under these Rules;
- (c) each person registered under the Old ASXF Rules as a "Designated Trading Representative" of an Existing ASXF Participant (now a Market Participant under paragraph (a)) at the Effective Time, is taken to be registered as a DTR of that Market Participant under these Rules;
- (d) each person accredited under the Old ASXF Rules as an "Accredited Futures Adviser" of an Existing ASXF Participant (now a Market Participant under paragraph (a)) at the Effective Time, is taken to be accredited as an Accredited Futures Adviser of that Market Participant under these Rules;
- (e) each person registered under the Old ASXF Rules as a Market Maker at the Effective Time, is taken to be registered as a Market Maker under these Rules in respect of the same Classes of Products;
- (f) to the extent of any inconsistency between the terms of an agreement between an Existing ASXF Participant and a client under Old ASXF Rule 7.1.1 and the terms required by Rule 7.1.2, the terms required by Rule 7.1.2 prevail. The Existing ASXF Participant must send to the client a copy of the terms required by Rule 7.1.2 as soon as practicable following the Effective Time;
- (g) where an Existing ASXF Participant and a Clearing Participant are party to a Clearing Agreement under Old ASXF Rule 6.1 at the Effective Time, the terms of that agreement are replaced by the terms required by Rule 5.6; and
- (h) where two Existing ASXF Participants (one being a Local Participant and the other being a Broker Participant under the Old ASXF Rules) are party to a Nominating Broker Agreement under Old ASXF Rule 6.1 at the Effective Time, the terms of that agreement are replaced by the terms required by Rule 5.3 and:
 - (i) the "Nominating Broker Participant" under the Old ASXF Rules becomes the "Nominating Trading Participant" under these Rules; and
 - (ii) the "Nominating Broker Agreement" under the Old ASXF Rules becomes the "Nominating Trading Participant Agreement" under these Rules.
- (i) each Existing ASXF Participant is automatically granted Trading Permission with respect to the Products in respect of which it was authorised to enter Trading Messages as an Existing ASXF Participant pursuant to the old ASXF Rules and subject to the same conditions to which such authorisation was subject (if any).

Introduced 11/03/04 Amended 28/11/05

29.2.2 Conditions continue

Where ASXF imposed any condition on the accreditation, registration or admission of a person in one of the categories described in paragraphs (a) to (e) of Rule 29.2.1, ASX is taken to have imposed the same condition on the continued accreditation, registration or admission of that person in the relevant categories under these Rules.

Introduced 11/03/04

29.2.3 Effect of transition on existing rights and obligations

Rule 29.2.1 does not affect any accrued rights which ASXF or any other person has against an Existing ASXF Participant or any other person under the Old ASXF Rules or any accrued obligations which the Existing ASXF Participant or any other person has under the Old ASXF Rules to ASXF or to any other person. Without limiting this Rule 29.2.2, following the Effective Time:

- (a) ASXF will continue to have jurisdiction in respect of an Existing ASXF Participant and any Responsible Executive concerning any conduct or any failure to comply with the Old ASXF Rules which occurred before the Effective Time;
- (b) the Existing ASXF Participant continues to be bound by any warranty undertaking or indemnity given by the Existing ASXF Participant under the Old ASXF Rules to ASXF or any other person;
- (c) other old ASXF Rules continue to apply in respect of the Existing ASXF Participant and any Responsible Executive to the extent required to give effect to paragraphs (a) and (b); and
- (d) any condition, restriction or limitation imposed on an Existing ASXF Participant or any waiver granted to an Existing ASXF Participant under the Old ASXF Rules to the extent that they are applicable under these Rules are taken to be imposed or granted under these Rules.
- (e) either ASX or ASXF may commence disciplinary proceedings after the Effective Date in respect of any Existing ASXF Participant or any other person concerning any conduct, any failure to comply with the old ASXF Rules, or any engagement in Unprofessional Conduct under those Rules which occurred before the Effective Time.

Introduced 11/03/04 Amended 24/05/04

29.2.4 NTA Requirements for Existing ASXF Participants

An Existing ASXF Participant which was a Broker Participant as at 10 March 2004 which was obliged to comply with the equivalent of the NTA Requirements under the Old ASXF Rules must, from the Effective Time, comply with the NTA Requirements, unless the Existing ASXF Participant changes to the Risk Based Capital Requirements under Rule 6.2.3.

An existing ASXF Participant which was a Broker Participant as at 10 March 2004 which was obliged to comply with the equivalent of the Risk Based Capital Requirements under the Old ASXF Rules must, from the Effective Time, comply with the Risk Based Capital

Requirements, unless the Existing ASXF Participant changes to the NTA Requirements under Rule 6.2.3.

Introduced 11/03/04 Amended 28/11/05, 19/08/09

29.3 TRANSITION – EXISTING ASX PARTICIPANTS

29.3.1 Change of Title – Existing ASX Participants

From the Effective Time, each Existing ASX Participant is taken to be approved as a Market Participant under these Rules and, in the case of a RIOT approved under the Old ASX Rules, the RIOT is taken to be approved as a Principal Trader under these Rules.

Introduced 11/03/04

29.3.2 Effect of transition on Trading Permission

From the Effective Time each Existing ASX Participant is automatically granted Trading Permission with respect to the Products in respect of which it was authorised to enter Trading Messages as an Existing ASX Participant pursuant to the old ASX Rules and subject to the same conditions to which such authorisation was subject (if any).

Amended 28/11/05

29.3.3 Effect of transition on existing rights and obligations

Nothing in these Rules affects any accrued rights which ASX or any other person has against any Existing ASX Participant, Affiliate, Responsible Executive or any other person or any accrued obligations which an Existing ASX Participant, Affiliate, Responsible Executive or any other person has to ASX or to any other person. Without limiting this Rule 29.3.3, following the Effective Time:

- (a) ASX will continue to have jurisdiction in respect of any Existing ASX Participant, Affiliate, Responsible Executive or any other person concerning any conduct or any failure to comply with the Rules or any engagement in Unprofessional Conduct or Prohibited Conduct (as defined in the Rules from time to time) which occurred before the Effective Time;
- (b) each Existing ASX Participant, Affiliate, Responsible Executive and any other person continues to be bound by any warranty undertaking or indemnity given prior to the Effective Date by such person under the Rules to ASX or any other person;
- (c) ASX Rules in effect prior to the Effective Date continue to apply in respect of any Existing ASX Participant, Affiliate, Responsible Executive and any other person to the extent required to give effect to paragraphs (a) and (b);
- (d) any condition, restriction or limitation imposed on an Existing ASX Participant or any waiver granted to an Existing ASX Participant under the Rules in effect before the Effective Time to the extent that they are applicable under these Rules are taken to be imposed or granted under these Rules.
- (e) ASX may commence disciplinary proceedings after the Effective Date in respect of any Existing ASX Participant, Affiliate, Responsible Executive or any other

person concerning any conduct, any failure to comply with the Rules, or any engagement in Unprofessional Conduct or Prohibited Conduct (as defined in the Rules from time to time) which occurred before the Effective Time; and

- (f) any wholesale client agreement entered into between an Existing ASX Participant and a client under Old ASX Rule 7.3.1.5 continues in effect and is deemed to have been provided to ACH under Rule 7.1.4.

Introduced 11/03/04 Amended 01/08/05

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