



Register of ASX Operating Warrant and AQUA Rule Waivers

16 to 31 March 2012

The purpose of this register is to record when ASX has exercised its discretion and granted a waiver from the ASX Operating Warrant and AQUA rules. Waivers are published bi-monthly and include information such as:

- Organisation**
- Rule Number**
- Decision Details**
- Basis for Decision**

**For all product enquiries, please contact:
- Customer Service Centre on 131 279**

ASX Limited ABN 98 008 624 691 and its related bodies corporate reserve all rights in the material incorporated in this publication. No part of this publication may be photocopied, reproduced, transcribed into or stored in a retrieval system or any other form of electronic medium, nor may it be transmitted in any form or by any means whether electronic, mechanical or otherwise without the prior written approval of the General Manager, Market Information, ASX Limited. NO RESPONSIBILITY IS ACCEPTED FOR ANY INACCURACIES IN THE MATTER PUBLISHED



Rule Number	7100 ETF
Date	28/02/2012
Participant	Participants (All)
Waiver Number	WPA120002-001
Decision	<p>ASX has considered Russell's request for relief from the definition of "ETF" under ASX Operating Rule 7100 to allow the proposed ETFs to be "ETFs" and therefore "ETF Securities" for the purpose of the definition of an AQUA Product.</p> <p>In reviewing Russell's application for relief ASX has only considered the application of ASX Operating Rule 7100 in relation to the definitions of AQUA Product, ETF and ETF Security to allow for the issue of new securities in return for the subscriber transferring cash into the scheme instead of a portfolio of Securities.</p> <p>Based solely on the information provided, and subject to the qualifications below, ASX grants a waiver pursuant to ASX Operating Rule 6030 as follows:</p> <p>ASX grants relief from the definition of "ETF" under ASX Operating Rule 7100 to allow the Proposed ETFs to each be an "ETF" and therefore an "ETF Security" for the purpose of the definition of AQUA Products. Noting that this is in spite of the fact that the Proposed ETFs do not meet the requirement under the definition by providing for the issue of new Equity Securities in return for the subscriber transferring to the scheme a portfolio of Securities.</p> <p>The waiver applies to all Market Participants. The effect of the relief is that for the purposes of the ASX Operating Rules:</p> <ul style="list-style-type: none"> * Russell Australian Government Bond ETF * Russell Australian Semi-Government Bond ETF * Russell Australian Select Corporate Bond ETF <p>are ETFs and ETF Securities for the purpose of Schedule 10A and ASX Operating Rules 3310 and Procedure 3310 will apply to the reporting of Special Trades of the Proposed ETFs.</p> <p>ASX's decision is solely related to its consideration of the application of ASX Operating Rule 7100, specifically the definitions of AQUA Product, ETF and ETF Security.</p>
Basis For Decision	<p>Underlying Policy</p> <p>ASX is aware that there is growing demand for access to opportunities for Australian exposure to foreign assets. Mechanisms for satisfying this demand are now under consideration by government and its industry advisers. The demand may be satisfied by way of direct investor investment through an overseas exchange or it may be satisfied by the listing and trading on ASX of foreign companies, entities or funds in the style of managed investment schemes or ETFs.</p> <p>There is also growing demand for the use of ETFs as an investment vehicle which is now being reflected in both market demand and</p>

ASX Limited ABN 98 008 624 691 and its related bodies corporate reserve all rights in the material incorporated in this publication. No part of this publication may be photocopied, reproduced, transcribed into or stored in a retrieval system or any other form of electronic medium, nor may it be transmitted in any form or by any means whether electronic, mechanical or otherwise without the prior written approval of the General Manager, Market Information, ASX Limited. NO RESPONSIBILITY IS ACCEPTED FOR ANY INACCURACIES IN THE MATTER PUBLISHED

Register of ASX Operating Warrant and AQUA Rule Waivers

public policy considerations.

ASXOR 7100 defines an ETF as:

a registered managed investment scheme or a scheme which ASIC has exempted from the registration requirements:

- (i) listed on ASX or admitted under Rule [2121];
- (ii) with power and approval to continuously issue and have quoted on ASX Equity Securities in the scheme;
- (iii) which provides for the issue of new Equity Securities in return for the subscriber transferring to the scheme a portfolio of Securities; and
- (iv) for which the price of the Underlying Instrument is continuously disclosed or can be immediately ascertained.

Present Application

The Proposed ETFs are designed to track the price of three fixed income indices. This will be achieved by:

1. Investing predominantly in Australian fixed income securities; and
2. Investing in derivatives to obtain or reduce exposure to such securities

The underlying policy provides that ASX may waive a requirement where it can be shown that the ETF substantially satisfies the current definition, except matters that are unnecessarily restrictive, minor or inconsequential.

Rule Number	7100 ETF
Date	1/03/2012
Participant	Participants (All)
Waiver Number	WPA120003-001
Decision	<p>Based solely on the information provided, and subject to the qualifications below, ASX grants a waiver pursuant to ASX Operating Rule 6030 as follows:</p> <p>ASX grants relief from the definition of "ETF" under ASX Operating Rule 7100 to allow the Proposed ETFs to each be an "ETF" and therefore an "ETF Security" for the purpose of the definition of AQUA Products. Noting that this is in spite of the fact that the Proposed ETFs do not meet the requirement under the definition by providing for the issue of new Equity Securities in return for the subscriber transferring to the scheme a portfolio of Securities.</p> <p>The waiver applies to all Market Participants. The effect of the relief is that for the purposes of the ASX Operating Rules:</p> <p>&#61656; iShares UBS Composite Bond Index Fund &#61656; iShares UBS Treasury Index Fund &#61656; iShares UBS Government Inflation Index Fund</p> <p>are ETFs and ETF Securities for the purpose of Schedule 10A, and ASX Operating Rules 3310 and Procedure 3310 will apply to the reporting of Special Trades of the Proposed ETFs.</p> <p>ASX's decision is solely related to its consideration of the application of ASX Operating Rule 7100, specifically the definitions of AQUA Product, ETF and ETF Security.</p>
Basis For Decision	<p>Underlying Policy</p> <p>ASX will list ETFs that satisfy the definition of an ETF which is currently defined in the ASX Operating Rules as: a registered managed investment scheme or a scheme which ASIC has exempted from the registration requirements: (i) listed on ASX or admitted under Rule [2121]; (ii) with power and approval to continuously issue and have quoted on ASX Equity Securities in the scheme; (iii) which provides for the issue of new Equity Securities in return for the subscriber transferring to the scheme a portfolio of Securities; and (iv) for which the price of the Underlying Instrument is continuously disclosed or can be immediately ascertained.</p> <p>Where it can be shown that an ETF substantially satisfies the current definition except for matters that may be unnecessarily restrictive, minor or inconsequential then ASX will assess the impact of these in the light of current market trends both in Australia and overseas. Many of the products currently being developed, while still an ETF under all other requirements of the rules, are not made up of underlying securities (eg Foreign Exchange or gold bullion) and thus provide for the issue of new Equity Securities in return for the subscriber transferring cash to the scheme rather than a portfolio of Securities as required by limb (iii).</p>

Register of ASX Operating Warrant and AQUA Rule Waivers

Present Application

The Proposed ETFs are designed to track the price of three fixed income indices. This will be achieved by acquiring a representative sample of the securities that make up the index, or by acquiring all of the securities that make up the index.

The underlying policy provides that ASX may waive a requirement where it can be shown that the ETF substantially satisfies the current definition, except matters that are unnecessarily restrictive, minor or inconsequential. The current application concerns whether the issue of new Equity Securities can be in return for the transferring into the scheme of cash, rather than a Portfolio of Securities. The requirement that a Portfolio of Securities be transferred may be classified as unnecessarily restrictive, minor or inconsequential.



Rule Number	7100 ETF
Date	6/03/2012
Participant	Participants (All)
Waiver Number	WPA120004-001
Decision	<p>Based solely on the information provided, and subject to the qualifications below, ASX grants a waiver pursuant to ASX Operating Rule 6030 as follows:</p> <p>ASX grants relief from the definition of "ETF" under ASX Operating Rule 7100 to allow the BetaShares High Interest Cash ETF to be an "ETF" and therefore an "ETF Security" for the purpose of the definition of AQUA Products. Noting that this is in spite of the fact that the BetaShares High Interest Cash ETF does not meet the requirement under the definition by providing for the issue of new Equity Securities in return for the subscriber transferring to the scheme a portfolio of Securities.</p> <p>The waiver applies to all Market Participants. The effect of the relief is that for the purposes of the ASX Operating Rules:</p> <ul style="list-style-type: none"> * The BetaShares High Interest Cash ETF is an ETF and ETF Security for the purpose of Schedule 10A; and * ASX Operating Rules 3310 and Procedure 3310 will apply to the reporting of Special Trades of the BetaShares High Interest Cash ETF. <p>ASX's decision is solely related to its consideration of the application of ASX Operating Rule 7100, specifically the definitions of AQUA Product, ETF and ETF Security.</p>
Basis For Decision	<p>Underlying Policy ASX will list ETFs that satisfy the definition of an ETF which is currently defined in the ASX Operating Rules as: a registered managed investment scheme or a scheme which ASIC has exempted from the registration requirements: (i) listed on ASX or admitted under Rule [2121]; (ii) with power and approval to continuously issue and have quoted on ASX Equity Securities in the scheme; (iii) which provides for the issue of new Equity Securities in return for the subscriber transferring to the scheme a portfolio of Securities; and (iv) for which the price of the Underlying Instrument is continuously disclosed or can be immediately ascertained. Where it can be shown that an ETF substantially satisfies the current definition except for matters that may be unnecessarily restrictive, minor or inconsequential then ASX will assess the impact of these in the light of current market trends both in Australia and overseas. Many of the products currently being developed, while still an ETF under all other requirements of the rules, are not made up of underlying securities (eg Foreign Exchange or gold bullion) and thus provide for the issue of new Equity Securities in return for the subscriber transferring cash to the scheme rather than a portfolio of Securities as required by limb (iii).</p>

ASX Limited ABN 98 008 624 691 and its related bodies corporate reserve all rights in the material incorporated in this publication. No part of this publication may be photocopied, reproduced, transcribed into or stored in a retrieval system or any other form of electronic medium, nor may it be transmitted in any form or by any means whether electronic, mechanical or otherwise without the prior written approval of the General Manager, Market Information, ASX Limited. NO RESPONSIBILITY IS ACCEPTED FOR ANY INACCURACIES IN THE MATTER PUBLISHED

Register of ASX Operating Warrant and AQUA Rule Waivers

Present Application

The Proposed ETF is designed to track the returns of Australian dollar cash products. This will be achieved by investing in bank deposit accounts in Australia.

It is relevant to this waiver request to note that in August 2010, ASX released an AQUA Post-Implementation Consultation Paper and Request for Comment ("the Consultation Paper"). The Consultation Paper proposed an amendment to the definition of ETFs to allow for applications and redemptions in the primary market on a daily basis, either in-specie, or in cash. Following market feedback this proposal is presently being progressed and a new definition incorporating this change has been drafted and is intended to be lodged with ASIC in the near future.