



# **Register of ASX Operating Warrant and AQUA Rule Waivers**

**16 to 30 July 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**

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<b>Rule Number</b>	7100 ETF
<b>Date</b>	26/07/2012
<b>Participant</b>	Participants (All)
<b>Waiver Number</b>	WPA120016-001
<b>Decision</b>	<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 State Street Global Advisors, Australia Services Limited relief from the definition of limb (iii) of the "ETF" under ASX Operating Rule 7100 which provides for the issue of new Equity Securities in return for the subscriber transferring to the scheme a portfolio of Securities</p> <p>This will allow the State Street SPDR S&amp;P/ASX Australian Bond Fund ETF and the State Street SPDR S&amp;P/ASX Australian Government Bond Fund ETF (the "Proposed ETFs") to be an "ETF" and therefore an "ETF Security" for the purpose of the definition of AQUA Products.</p> <p>The Proposed ETFs provide applications in the form of a portfolio of government and semi-government bonds or cash.</p> <p>The waiver applies to all Market Participants. The effect of the relief is that for the purposes of the ASX Operating Rules the</p> <p>&amp;#61656; State Street SPDR S&amp;P/ASX Australian Bond Fund ETF and the</p> <p>&amp;#61656; State Street SPDR S&amp;P/ASX Australian Government Bond Fund ETF</p> <p>are ETFs and ETF Securities for the purpose of Schedule 10A, and ASX Operating Rule 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>
<b>Basis For Decision</b>	<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:</p> <p>(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>

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## Present Application

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 (e.g. 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).

There is also growing demand for the use of ETFs as an investment vehicle which is now being reflected in both market demand and public policy considerations.

The Proposed (Bond) ETF is designed to measure the performance of the Australian fixed rate bond market. It is a broad, market value weighted benchmark, split across investable "investment grade", Australian dollar denominated bonds issued in the Australian market by companies and governments (or semi-government entities), with maturities greater than one year.

The Proposed (Govt) ETF is a sub-set of the S&P/ASX Australian Fixed Interest Index. The Index comprises Australian dollar denominated bonds issued in the local market by the Australian Government (Treasury Bonds) and by the governments of Australian States and Territories and semi-government entities, in each case with maturities greater than one year.

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.