

# Attachment A

## Changes to ASX Clear Operating Rules

### 4.1 PARTICIPANTS ONGOING COMPLIANCE

#### 4.1.1 General compliance

A Participant must at all times:

- (a) continue to satisfy the applicable Admission Requirements;
- (b) comply with any conditions on admission imposed under Rule 3.1.4;
- (c) comply with any provisions of the Corporations Act governing:
  - (i) the provision of periodic reports or statements to the Participant's Clients in relation to the service provided by the Participant;
  - (ii) the treatment of money paid, or property given, to the Participant in connection with services provided to, or products held by, clients of the Participant in respect of their business. In addition to the client arrangements required under this Rule, ASX Clear may, having regard to Rule 1.15, prescribe additional client arrangements by way of Procedures, practices, directions or requirements;
- (d) not dispose, transfer, lease, assign or encumber any rights or obligations under these Rules, except:
  - (i) as expressly permitted under these Rules; or
  - (ii) with the prior written approval of ASX Clear.
- (e) ensure that it does not engage (by act or omission) in Unprofessional Conduct;
- (f) [deleted]
- (g) comply with the disaster recovery requirements of this Section;
- (h) comply with the insurance requirements of this Section;
- (i) comply with the financial record requirements of this Section;
- (j) comply with the audit requirements of this Section;
- (k) comply with the record keeping requirements of this Section;
- (l) comply with the notification requirements of this Section;
- (m) [deleted]
- (n) [deleted]
- (o) [deleted]

- (p) comply with the credit requirements of this Section;
- (q) comply with the nominee holding requirements of this Section;
- (r) comply with the authorised signatory requirements of this Section;
- (s) comply with the legal proceedings requirements of this Section;
- (t) comply with the information requirements of this Section;
- (u) comply with the periodic reporting requirements of this Section;
- (v) comply with the undertaking requirements of this Section;
- (w) comply with the ~~reconciliation of~~ client money requirements in this Section; and
- (x) comply with the default broker requirements in this Section (if applicable).

Introduced 11/03/04 Origin OCH 2.9.1, 2.9G.1, 2B.5, 2.8, 2B.6 Amended 19/10/05, 06/10/09, 15/06/15, 01/01/18, xx/xx/21

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## **4.23 RECONCILIATION OF CLIENT MONEY REQUIREMENTS**

### **4.23.1 Application**

This Rule 4.23 sets out the ~~reconciliation of~~ client money requirements of this Section.

Introduced 06/10/09 Amended xx/xx/21

### **4.23.2 Obligation to comply with Corporations Act**

A Participant must comply with Money in relation to Market Transactions to which Division 2 of Part 7.8 of the Corporations Act in relation to client money received in connection with Market Transactions applies is to be held in trust by the Participant to which that Division applies.

Introduced 06/10/09 Amended xx/xx/21

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### **4.23.5 Reconciliation of clients' segregated accounts**

A Participant must perform a reconciliation, in the time, form and manner set out in the Procedures and that is accurate in all respects, of the aggregate balance held by it at the time specified in the Procedures on each Business Day in clients' segregated accounts maintained pursuant to Rule 4.23.4 and the corresponding balance as recorded in the Participant's accounting records. The Participant must be able to produce the reconciliation and all relevant supporting documentation to ASX upon request.

Introduced 06/10/09 Amended 15/06/15, xx/xx/21

### **4.23.6 Reconciliation of trust accounts**

A Participant must perform a reconciliation, in the time, form and manner set out in the Procedures and that is accurate in all respects of:

~~(a) the aggregate balance held by it at the close of business on each Business Day in clients' trust accounts maintained pursuant to Rule 4.23.3 or 4.23.4 and the corresponding balance as recorded in the Participant's accounting records; and~~

~~(b) the balance held by it at the close of business on the last each Business Day of each week on trust for each client in a trust account maintained pursuant to Rule 4.23.3 or 4.23.4 and the corresponding balance as recorded in the Participant's accounting records.<sup>57</sup>~~

The Participant must be able to produce the reconciliation and all relevant supporting documentation to ASX upon request.

Introduced 06/10/09 Amended 15/06/15, xx/xx/21

#### 4.23.7 **Obligation to notify ASX Clear in respect of client money**

A Participant must notify ASX Clear within 2 Business Days in the manner set out in the Procedures if:

- (a) a reconciliation has not been performed in accordance with Rule 4.23.5 and the Procedures under that Rule;
- (b) a reconciliation has not been performed in accordance with Rule 4.23.6 and the Procedures under that Rule;
- (c) according to a reconciliation performed pursuant to Rule 4.23.5, Total Deposits (as ~~defined set out~~ in the form ~~set out in ASX Clear Operating Rules Procedures Annexure the Procedure to Rule 4.23.5~~) is less than Total Third Party Client Monies (as ~~defined set out~~ in the form ~~set out in ASX Clear Operating Rules Procedures Annexure the Procedure to Rule 4.23.5~~); or
- (d) according to a reconciliation performed pursuant to Rule 4.23.6, there is a deficiency of funds held in its trust accounts ~~(or, in respect of a reconciliation performed pursuant to Rule 4.23.6(b), a deficiency in respect of any particular client (regardless of the amount of the deficiency)) or if it is unable to reconcile its trust accounts pursuant to Rule 4.23.6.~~

Note: ——— A Participant may notify ASX Clear of the matters referred to in this Rule 4.23.7 by copying ASX Clear in on any corresponding notification given to ASIC under Rule 3.5.10 of the ASIC Market Integrity Rules (ASX Market) 2010.

Introduced 06/10/09 Amended 15/06/15, xx/xx/21

#### 4.23.8 **Policies and procedures ~~Schedule of trust amounts~~ — [Deleted]**

A Participant must establish and maintain policies and procedures designed to ensure compliance with this Rule 4.23 and that have regard to the matters set out in the Procedures.

Introduced xx/xx/21

# Changes to ASX Clear Procedures

## PROCEDURE 4.23.5 RECONCILIATION OF CLIENTS' SEGREGATED ACCOUNTS

For the purposes of ~~Clearing~~ Rule 4.23.5, the time, form and manner in which a reconciliation must be prepared are as follows:

- (a) the reconciliation must be prepared by 7.00pm on the Business Day after the Business Day to which the reconciliation relates; and
- (b) the reconciliation must be prepared in the form set out in Annexure 4.23.5.

Introduced 06/10/09 Amended 23/07/18, xx/xx/21

## PROCEDURE 4.23.6 RECONCILIATION OF TRUST ACCOUNTS

For the purposes of ~~Clearing~~ Rule 4.23.6, the time, form and manner in which a reconciliation must be prepared are as follows:

- (a) the reconciliation must be prepared by 7.00pm on the Business Day after the Business Day to which the reconciliation relates; and
- (b) the reconciliation must be prepared in the form set out in Annexure 4.23.6.

Introduced 06/10/09 Amended 23/07/18, xx/xx/21

## PROCEDURE 4.23.7 OBLIGATION TO NOTIFY ASX CLEAR IN RESPECT OF CLIENT MONEY RECONCILIATION

For the purposes of ~~Clearing~~ Rule 4.23.7, the notification must be in writing and:

- (a) state the paragraph of Rule 4.23.7 to which the notification relates;
- (b) contain details of the failure or deficiency, as applicable;
- (c) explain any remedial action taken or proposed to be taken by the Participant in relation to the matters in the notification;
- (d) if paragraph (c) or (d) of Rule 4.23.7 applies, include a copy of the reconciliation to which the notification relates (with all relevant supporting documentation);
- (e) contain any other information the Participant considers necessary to explain the matters detailed in the notification; and
- (f) be lodged via ASX Online ~~or forwarded to:~~

~~The Manager, Participants Compliance  
ASX Limited  
Exchange Centre, 20 Bridge Street  
SYDNEY NSW 2000~~

Note: A Participant may notify ASX Clear of the matters referred to in this Procedure 4.23.7 by copying ASX Clear in on any corresponding notification given to ASIC under Rule 3.5.10 of the ASIC Market Integrity Rules (Securities Markets) 2017, provided the notification contains all of the information set out above.

## **PROCEDURE 4.23.8 POLICIES AND PROCEDURES**

For the purposes of Rule 4.23.8, the Participant should have regard to ASX Clear Operating Rules Guidance Note 12 *Trust and Client Segregated Accounts*.

Introduced xx/xx/21

# Changes to ASX Clear Operating Rules Procedures Annexures

## ANNEXURE 4.23.5

RECONCILIATION OF CLIENT FUNDS AS AT TIME DATE \_\_\_\_\_

PARTICIPANT NAME \_\_\_\_\_

	<u>Date Above</u> \$	<u>Prior Business</u> <u>Day</u> \$
<b>CLIENT MONIEYS (Liabilities)</b>		
Total Futures Client Monieys	<input type="text"/>	<input type="text"/>
Less: Associated/Related Company Monies	<input type="text"/>	<input type="text"/>
Director/Employee Monies	<input type="text"/>	<input type="text"/>
<b>Total Third Party Client Monieys (1)</b>	<input type="text"/>	<input type="text"/>
<b>DEPOSITS (Assets)</b>		
Clients' Segregated Account at Bank	<input type="text"/>	<input type="text"/>
Deposits with ASX Clear Client Account	<input type="text"/>	<input type="text"/>
Deposits with ASX Clear (Futures) Client Account	<input type="text"/>	<input type="text"/>
Deposits with ASX Clear <del>Futures Clearing</del> Participant	<input type="text"/>	<input type="text"/>
Deposits with ASX Clear (Futures) Participant	<input type="text"/>	<input type="text"/>
Deposits with an <u>ASX Market Participant of an Approved Market Operator or Australian Securities Exchange Limited</u>	<input type="text"/>	<input type="text"/>
<del>Deposits with an Australian Securities Exchange Limited Participant</del>	<input type="text"/>	<input type="text"/>
Deposits with an Overseas Broker	<input type="text"/>	<input type="text"/>
Funds invested in accordance with Section 1209(5) of the Corporations Act	<input type="text"/>	<input type="text"/>
<b>Total Deposits (2)</b>	<input type="text"/>	<input type="text"/>
<b><u>DIFFERENCE</u>ifference [(1) less (2)]</b>	<input type="text"/>	<input type="text"/>

**Explanation of difference:**

**Explanation of difference (if any):**

**Explanation of material movement (if any):**  
 (where the movement in Total ~~Futures~~ Client Monieys from the prior business day is greater than 20% ~~from prior day~~ an explanation must be provided)

The signature below evidences that the signatory believes that the reconciliation, ~~and has no reason not to believe,~~ is accurate in all respects.

**Signature** .....

**Name** .....

**Signature** .....

**Date and time:** .....

**ANNEXURE 4.23.6**

**TRUST RECONCILIATION ON [DATE]**

**[PARTICIPANT NAME]**

<u>A</u>	<b><u>Trust Bank Account Statement Balance</u></b>	<u>xx</u>
<u>B</u>	<u>Less: Unpresented Cheques</u>	<u>(xx)</u>
<u>C</u>	<u>Difference (A - B)</u>	<u>xxx</u>
-		
<u>D</u>	<b><u>Trust Ledger Balance</u></b>	<u>xx</u>
<u>E</u>	<u>Difference (C - D)</u>	<u>xxx</u>
-		
-	<b><u>Breakdown of Difference (E)</u></b>	
-		
<u>F</u>	<u>Items on Trust Bank Account Statement not in Ledger*</u>	
-	<u>Item 1 Description</u>	<u>xx</u>
-	<u>Item 2 Description</u>	<u>xx</u>
-		
<u>G</u>	<u>Items in Ledger not in Trust Bank Account Statement*</u>	
-	<u>Item 1 Description</u>	<u>(xx)</u>
-	<u>Item 2 Description</u>	<u>(xx)</u>
-		
<u>H</u>	<b><u>Balance (F-G) = E</u></b>	<u>xxx</u>

\* Items making up the difference should be listed individually, if small in number, or otherwise given as a total supported by a detailed report attached.

**The signature below evidences that the signatory believes that the reconciliation is accurate in all respects.**

**Signature** .....

**Name** .....

**Date and time:** .....