

PROPOSED AMENDMENTS TO ASX OPERATING RULES

SECTION 7 DEFINITIONS AND INTERPRETATION

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DEFINITIONS

[7100] In these Rules and in the Procedures, unless the context otherwise requires:

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"Eligible Debt Portfolio" means:

- (a) a portfolio of Underlying Instruments that comprise:
 - (i) investment grade debt;
 - (ii) high yield corporate debt; or
 - (iii) mortgage or asset backed securities;
- (b) where no one issuer of the Underlying Instruments accounts for more than 10% of the net asset value of the portfolio; and
- (c) where the Underlying Instruments are subject to a Reliable Pricing Framework.

Introduced XX/XX/21

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"Money Market Instruments" means Treasury bills, commercial paper, banker's acceptances, certificates of deposit, promissory notes, bills of exchange, repurchase agreements and other similar instruments.

Introduced XX/XX/21

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"Reliable Pricing Framework" means a framework for pricing the Underlying Instruments of an ETF or Managed Fund that consists of either.

- (a) an entity that is widely regarded as providing reliable and independent pricing for the relevant asset class of Underlying Instruments and is specified in the Procedures; or
- (b) a trading platform that is subject to a regulatory framework, specified in the Procedures, that covers pricing quality and transparency.

Introduced XX/XX/21

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SCHEDULE 10A AQUA PRODUCTS AND THE AQUA TRADING MARKET

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10A.2.1 Approval of AQUA Product Issuer

In order to be approved as an AQUA Product Issuer, an applicant for approval as an AQUA Product Issuer must:

- (1) hold all relevant licence authorisations under Chapter 7 of the Corporations Act for the purpose of the conduct of their business as an AQUA Product Issuer -under Schedule 10A and Rules [4600] to [4621] and [4650] to [4656], as applicable (but only to the extent that such licence authorisation is required by that Act);
- (2) ~~confirm to~~satisfy ASX that it has adequate facilities, ~~expertise, systems, processes,~~ procedures, personnel, ~~expertise,~~ and financial resources and contractual arrangements with third parties ~~which are adequate for the to~~ performance ~~by the applicant of~~ its obligations as an AQUA Product Issuer;

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10A.3.3 Requirements for admission

Admission to Trading Status, to the Quote Display Board or for settlement through the Managed Fund Settlement Service will only be granted to AQUA Products if all the following requirements are satisfied:

- (a) the AQUA Product Issuer has completed and given to ASX an application for admission in the form specified by ASX from time to time;
 - (aa) ASX is satisfied that the AQUA Product Issuer has adequate facilities, systems, processes, procedures, personnel, expertise, financial resources and contractual arrangements with third parties to perform its obligations in relation to the AQUA Product;
- (b) ASX has no objection to the Financial Product including the investment mandate or other constituent documents (in the case of Managed Fund Products and ETF Securities) or the Terms of Issue (in the case of Structured Products);
- (c) the capital value or distributions of the Financial Product must be linked to Underlying Instruments which are:
 - (i) securities, derivatives, debentures, bonds or other financial products:
 - (A) admitted to trading on the Market;
 - (B) traded on a Non-ASX Market that is specified in the Procedures~~a member of the World Federation of Exchanges or Federation of European Securities Exchanges;~~ or
 - (C) traded on any other Non-ASX Market where: (i) ~~that~~ Non-ASX Market is subject to regulation that is at least equivalent to the regulation of a market operator licenced under section ~~795B(1)~~ of the Corporations Act; and (ii) ~~that~~ Underlying Instrument is subject to substantially

equivalent disclosure requirements to those which would apply if the Underlying Instrument were admitted to trading on the Market and which are acceptable to ASX;

- (ii) debentures, ~~or~~ bonds, [deposit products or Money Market Instruments](#) which are included in an index specified in the Procedures;

~~— Note: Indices specified in the Procedures are those considered to be widely regarded by industry, including being widely regarded as having robust and transparent eligibility criteria and governance arrangements as well as robust and transparent methodology for constructing and maintaining the index.~~
- (iii) debentures, ~~or~~ bonds, [deposit products or Money Market Instruments](#):
 - (A) which are issued [or guaranteed](#) by a government or by an entity of a type specified in the Procedures; and
 - (B) in respect of which ASX is satisfied that Relevant Authorised Participants and AQUA Market Makers have sufficient information available in a timely manner to enable them to reliably determine prices at which the debentures, ~~or~~ bonds, [deposit products or Money Market Instruments](#) are bought or sold;
- (iv) [an Eligible Debt Portfolio](#);
- (v) commodities or currencies ~~in respect of which~~ [where](#) ASX is satisfied that:
 - (A) [the](#) prices at which such commodities or currencies are bought or sold are available to market users in a timely manner; ~~or for which~~
 - (B) there is a regulated derivatives market which controls price discovery [for the commodity or currency in question](#); and
- (vi) indices over any of the Underlying Instruments listed in paragraphs (c)(i) to (c)(iv) [where ASX is satisfied that the index in question is widely regarded as having robust and transparent eligibility criteria, governance arrangements and methodologies for constructing and maintaining the index.](#)

~~Note: Indices over products in (ii) and (iii) are expected to be those considered to be widely regarded by industry, including being widely regarded as having robust and transparent eligibility criteria and governance arrangements as well as robust and transparent methodology for constructing and maintaining the index.~~

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Where a draft disclosure document is given under paragraph (f), trading of AQUA Products, advertising of prices on the AQUA Quote Display Board or [an](#) application for any AQUA Products to be settled through the Managed Fund Settlement Service must not commence until the final disclosure document has been given to ASX.