

FBOT EXHIBIT A - GENERAL INFORMATION AND DOCUMENTATION

Attach, as **Exhibit A-1**, a description of the following:

Location, history, size, ownership and corporate structure, governance and committee structure, and current or anticipated presence of staff in the United States.

Australian Securities Exchange Limited (**ASX 24**) is a subsidiary of ASX Limited and a member of the ASX Group of companies.

ASX Limited is the listed holding company for six licensed operating subsidiaries, supported by related bodies corporate to assist in the performance of licence obligations. Together these form the ASX Group, which offer a range of market services linked by a common purpose: to provide core financial markets services and infrastructure to meet the needs of a wide range of financial markets stakeholders and for a globally competitive and vibrant Australian economy.

ASX is a multi-asset class, vertically integrated exchange group, ranked one of the world's top-10 largest by market capitalisation.

ASX's objectives include supporting a vibrant Australian economy by facilitating the raising, allocation and hedging of capital flows. ASX does this through the operation and oversight of a listings function, and the provision of contemporary trading, clearing and settlement facilities.

ASX Group activities span:

- primary and secondary market services, including the raising, allocating and hedging of capital flows, trading and investing, and price and volume discovery (via ASX and ASX 24);
- central counterparty risk transfer (via subsidiaries of ASX Clearing Corporations); and
- transaction settlement for both the equities and fixed income markets (via subsidiaries of ASX Settlement Corporations).

ASX functions as a market operator, clearing house and payments systems facilitator and central securities depository, which enables ASX to provide beneficial effects to its customers. ASX also oversees compliance with its Operating Rules, promotes standards of corporate governance among Australia's listed companies and helps to educate retail investors.

The domestic and international customer base of ASX is diverse. It includes issuers (such as corporations and trusts) of a variety of listed securities and financial products, investment and trading banks, fund managers, hedge funds, commodity trading advisers, brokers and proprietary traders, market data vendors and retail investors, as well as other listed companies.

	<p>trading venues.</p> <p>ASX creates multilateral contracts with its direct customers in the form of Listing Rules, Market Rules, Clearing Rules and Settlement Rules and the Enforcement and Appeal Rulebook. Given that this contractual structure provides the opportunity to shape the behaviour of market users, the Operating Rules are recognised in the <i>Corporations Act 2001</i> (Cth) (Act), which sets out minimum content requirements for the Operating Rules. For example, the Operating Rules must deal with matters including the admission and ongoing conduct of participants and listed entities.</p> <p>By providing its systems, processes and services reliably and fairly, ASX seeks to promote confidence in the markets that depend on its infrastructure. This is integral to ASX’s long-term commercial success.</p> <p>Confidence in the operations of the companies within the ASX Group is reinforced by the whole-of-market regulation undertaken by the Australian Securities Investment Commission (ASIC) across all listing and trading venues, as well as the oversight by the Reserve Bank of Australia (RBA) of the Group’s clearing and settlement facilities for financial system stability. ASIC also supervises ASX’s own compliance with ASX listing rules as a public company.</p> <p>ASX Group head office is located at 20 Bridge Street, Sydney, NSW, Australia. The history, size, ownership and corporate structure, governance and committee structure is located at http://www.asxgroup.com.au/the-asx-group.htm. There are 508 full-time equivalent staff members in the Australian offices.</p> <p>An office in the United States is located at 155 North Wacker Drive, Suite 4229, Chicago, IL, USA. There is one employee located in the US office.</p> <p>ASX 24 obtained FBOT recognition on 11 November 1988. As a condition of this recognition, ASX 24 has reported trading statistics to the CFTC on a quarterly basis. There is no anticipated substantial variation to these statistics. The last filing was made in July 2012 for the quarter ending 30 June 2012 and is attached as Appendix A-1-1.</p>
<p>Attach, as Exhibit A-2, the following:</p>	<p>The corporate governance documents of the parent entity ASX Limited, including the Constitution, Board Charter, Code of Conduct, various Committee Charters and other policies are located at http://www.asx.com.au/about/corporate-</p>

Articles of association, constitution, or other similar organisational documents.	governance.htm
<p>Attach, as Exhibit A-3, the following:</p> <p>(1) Membership and participation agreements.</p> <p>(2) Clearing agreements.</p>	<p>The Trading Participant and Clearing Participant application form and agreement is attached as Appendix A-3-1. Refer in particular to Parts 2 and 3. In addition, sections 793B and 882B of the Act bind Participants, Issuers and ASX 24 to their respective obligations under the various ASX Operating Rules.</p> <p>The <i>Corporations Act 2001</i> (Cth) is at: http://www.austlii.edu.au/au/legis/cth/consol_act/ca2001172/.</p> <p>The ASX Operating Rules, Procedures, Guidelines and Waivers are at: http://www.asxgroup.com.au/rules-guidance-notes-and-waivers.htm.</p> <p>Refer also to the ASX Guide to becoming a Participant at Appendix A-3-2.</p>
<p>Attach, as Exhibit A-4, the following:</p> <p>Terms and conditions of contracts to be available through direct access (as specified in Exhibit E).</p>	<p>The terms and conditions of the contracts that have been previously approved for availability in the US are set out in Schedule 1 – Individual Contract Specifications and Appendix to Schedule 1 of the ASX 24 Operating Rules available at http://www.asx.com.au/documents/rules/asx_24_schedules.pdf and http://www.asx.com.au/documents/rules/asx_24_appendices.pdf</p>
<p>Attach, as Exhibit A-5, the following:</p> <p>The national statutes, laws and regulations governing the activities of the foreign board of trade and its respective participants.</p>	<p>ASX 24 and its Participants are governed by the <i>Corporations Act 2001</i> (Cth), in particular Part 7.2A, which is located at http://www.austlii.edu.au/au/legis/cth/consol_act/ca2001172/.</p> <p>The Australian Securities and Investments Commission (ASIC administers the <i>Corporations Act</i>). Confidence in the operations of the companies within the ASX Group is reinforced by the whole-of-market regulation undertaken by ASIC across all listing and trading venues, as well as the oversight by the Reserve Bank of Australia (RBA) of the ASX Group’s clearing and settlement facilities for financial system stability. ASIC also supervises ASX’s own compliance with the ASX listing rules as a public company.</p>

<p>Attach, as Exhibit A-6, the following:</p> <p>The current rules, regulations, guidelines and bylaws of the foreign board of trade.</p>	<p>The ASX 24 Operating Rules and Procedures are located at http://www.asx.com.au/regulation/rules/asx-24-operating-rules.htm</p>
<p>Attach, as Exhibit A-7, the following:</p> <p>Evidence of the authorisation, licensure or registration of the foreign board of trade pursuant to the regulatory regime in its home country jurisdiction(s) and a representation by its regulator(s) that it is in good regulatory standing in the capacity in which it is authorised, licensed or registered.</p>	<p>The ASX 24 market licence to operate the futures market in Australia is located at : http://download.asic.gov.au/media/1346966/SFE_AML.pdf</p> <p>Variations to the market licence are located at:</p> <p>http://asic.gov.au/regulatory-resources/markets/licensed-markets/licensed-domestic-financial-markets-operating-in-australia/</p> <p>ASX 24 and the ASX Group remains in good regulatory standing, as evidenced by paragraph 32 of the ASIC Annual Assessment report dated 5 July 2012, located at: http://asic.gov.au/asic/pdflib.nsf/LookupByFileName/rep289-published-5-July-2012.pdf/\$file/rep289-published-5-July-2012.pdf.</p> <p>The latest ASIC Assessment of ASX 24 and the ASX Group is located at http://download.asic.gov.au/media/1344638/rep401-published-28-July-2014.pdf</p>
<p>Attach, as Exhibit A-8, the following document:</p> <p>A summary of any disciplinary or enforcement actions or proceedings that have been brought against the foreign board of trade, or any of the senior officers thereof, in the</p>	<p>There have been no disciplinary or enforcement actions brought against ASX 24. The only proceedings were instituted in the Australian Federal Court in 2007 by a Participant, Transmarket Pty Ltd, in relation to trades that were cancelled by ASX 24 under its cancellation rules. The court ruled in favour of ASX 24 in a decision handed down on 28 May 2010 (see <i>Transmarket Trading Pty Limited v Sydney Futures Exchange Limited</i> [2010] FCA 534 at http://www.austlii.edu.au/au/cases/cth/FCA/2010/534.html).</p>

<p>past five years, and the resolution of those actions or proceedings.</p>	
<p>Attach, as Exhibit A-9, the following document:</p> <p>An undertaking by the chief executive officer(s) (or functional equivalent[s]) of the foreign board of trade to notify Commission staff promptly if any of the representations made in connection with this supplement cease to be true or correct, or become incomplete or misleading.</p>	<p>The undertaking by the Group General Counsel and Company Secretary to notify the Commission if any of the representations made in connection with or in relation to ASX 24's application for registration cease to be true or correct, or become incomplete or misleading, is attached at Appendix A-9-1.</p>

FBOT EXHIBIT B – MEMBERSHIP CRITERIA

Attach, as **Exhibit B**, the following, separately labelling each description:

(1) A description of the categories of membership and participation in the foreign board of trade and the access and trading privileges provided by the foreign board of trade. The description should include any restrictions applicable to members and other participants to which the foreign board of trade intends to grant direct access to its trading system.

Categories of Membership

There are two categories of participation for ASX 24:

1. Trading Participant; and
2. Principal Trader

Trading Participants

Trading Participants are permitted direct access to the ASX 24 market via a direct connection and can provide execution services on their own behalf and for their clients as permitted under their Australian Financial Services Licence (**AFSL**) issued by the Australian and Securities Investment Commission (**ASIC**).¹

Principal Traders

Principal Traders are permitted direct access to the market via a direct connection and may only enter into transactions on their own behalf. Principal Traders must meet the *Corporations Act 2001* (Cth) definition of a professional investor or a sophisticated investor (please refer to Exhibit-B-2 for further information).

Note that ASX 24 Trading Participants/Principal Traders are also required to comply with the ASIC Market Integrity Rules (**MIR**) relevant to the ASX 24 market, which is located at: [http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/ASIC-ASX24-Market-Integrity-Rules-20100801.pdf/\\$file/ASIC-ASX24-Market-Integrity-Rules-20100801.pdf](http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/ASIC-ASX24-Market-Integrity-Rules-20100801.pdf/$file/ASIC-ASX24-Market-Integrity-Rules-20100801.pdf).

Access and Trading privileges

ASX Trade24 is the ASX's proprietary trading platform that supports ASX 24 markets and products. ASX Trade24 operates on a 24/6 basis, offering debt, equity index and commodity products and a full suite of trading/order management

¹ ASX Limited, "A Guide to Becoming an ASX Participant," https://www.asxonline.com/intradoc.cgi?dcplg?ldcService=ASX_COLLECTION_DISPLAY&SortField=dlnDate&SortOrder=Desc&hasCollectionID=true&dCollectionID=810
(Exhibit A-1-1).

	<p>functionalities.</p> <p>The ASX may grant trading permission in respect of one or more parts of the ASX Trade24 Trading Platform if it considers it appropriate and is satisfied that an applicant will have in place and maintain the technical capacity and knowledge required to exercise the Trading Permission and will meet any other requirements set out in the Procedures. Admission procedures are described in Exhibit B-2.</p> <p>The following guidance is available regarding the ASX Trade24 Trading Platform:</p> <ul style="list-style-type: none"> • the <i>ASX Trade24 Administrator's Guide</i>², which provides information on the full suite of ASX Trade24 non-trading functionalities and access methodology; and • the <i>ASX Trade24 Developer's Guide – FIX Specification</i>,³ which contains the relevant technical details that allows third party applications to connect and interact with ASX Trade24.
<p>(2) A description of all requirements for each category of membership and participation on the trading system and the manner in which members and other participants are required to demonstrate their compliance with these requirements. The description should include, but not be limited to, the following:</p> <p>i) Professional Qualification. A description of the specific professional requirements, qualifications, and/or</p>	<p>Description of all admission requirements for each category of Participation</p> <p>The admission requirements of applicants wishing to become a Participant of ASX 24 are stated in the ASX 24 Operating Rules and Procedures, particularly Rules and Procedures 1000, 1001 and 1002. These are located at:</p> <p>http://www.asx.com.au/documents/rules/asx_24_section_01.pdf and http://www.asx.com.au/documents/rules/asx_24_procedures.pdf</p> <p>Additional rules apply to applicants that are offshore “foreign Participants” in Operating Rules 1002, 6400, 6401 and 6402 which are located at:</p> <p>http://www.asx.com.au/documents/rules/asx_24_section_01.pdf and http://www.asx.com.au/documents/rules/asx_24_section_06.pdf</p> <p>In order to demonstrate compliance with the admission rules, all applicants are required to complete and submit an Application Form with supporting documentation for approval by ASX.</p>

² ASX Limited, “ASX Trade 24 Administrator's Guide,” v1.4, 30 Nov 10 http://www.asx.com.au/documents/trading_services/asx-trade24-administrator-guide.pdf accessed April 2012.

³ ASX Limited, “ASX Trade24 Developer's Guide - Fix Specifications,” v1.1, 14 Dec 11, http://www.asx.com.au/documents/trading_services/asx-trade24-developer-guide-fix-spec.pdf accessed April 2012.

<p>competencies required of members or other participants and/or their staff and a description of the process by which the foreign board of trade confirms compliance with such requirements.</p> <p>ii) Authorization, Licensure and Registration. A description of any regulatory and self-regulatory authorization, licensure or registration requirements that the foreign board of trade imposes upon, or enforces against, its members and other participants including, but not limited to any authorization, licensure or registration requirements imposed by the regulatory regime/authority in the home country jurisdiction(s) of the foreign board of trade. Please also include a description of the process by which the foreign board of trade confirms compliance with such requirements.</p> <p>iii) Financial Integrity</p>	<p>A description of each requirement is in the Application Form and the ASX Guide to becoming a Participant, which are attached at Appendix A-3-1 and Appendix A-3-2.</p> <p>General Information</p> <table border="1"> <thead> <tr> <th data-bbox="607 480 763 544">Application Form Ref #</th> <th data-bbox="842 480 1010 512">Requirement</th> <th data-bbox="1111 480 1256 512">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="607 568 674 600">1.1.1</td> <td data-bbox="842 568 1043 600">Company Name</td> <td data-bbox="1111 568 1984 632">Applicants to provide full name of the legal entity applying to be an ASX 24 Participant</td> </tr> <tr> <td data-bbox="607 655 674 687">1.1.2</td> <td data-bbox="842 655 1055 687">Registered Office</td> <td data-bbox="1111 655 1939 719">Applicants to provide full address details, including country of the legal entity</td> </tr> <tr> <td data-bbox="607 743 674 775">1.1.3</td> <td data-bbox="842 743 1066 775">Place of Business</td> <td data-bbox="1111 743 1973 807">Applicants to provide full address details, including country of its principal place of business</td> </tr> <tr> <td data-bbox="607 831 674 863">1.1.4</td> <td data-bbox="842 831 1055 863">Principal Contact</td> <td data-bbox="1111 831 1861 895">Applicants to provide full name and contact details of the person responsible for liaising with ASX on behalf of the applicant</td> </tr> <tr> <td data-bbox="607 967 674 999">1.1.5</td> <td data-bbox="842 967 999 1031">Incorporation Details</td> <td data-bbox="1111 967 1984 1031">Applicants to provide detail regarding where the legal entity applying to be an ASX 24 Participant is incorporated</td> </tr> <tr> <td data-bbox="607 1086 674 1118">1.1.6</td> <td data-bbox="842 1086 999 1150">Certificate of Registration</td> <td data-bbox="1111 1086 1917 1118">Applicants to provide a certified copy of the Certificate of Registration</td> </tr> <tr> <td data-bbox="607 1174 674 1206">1.1.7</td> <td data-bbox="842 1174 1055 1238">Not acting as Trustee of a Trust</td> <td data-bbox="1111 1174 1962 1238">Applicants to provide confirmation that it is not acting in the capacity of a Trustee under a Trust</td> </tr> </tbody> </table> <p>Corporate Governance</p>	Application Form Ref #	Requirement	Description	1.1.1	Company Name	Applicants to provide full name of the legal entity applying to be an ASX 24 Participant	1.1.2	Registered Office	Applicants to provide full address details, including country of the legal entity	1.1.3	Place of Business	Applicants to provide full address details, including country of its principal place of business	1.1.4	Principal Contact	Applicants to provide full name and contact details of the person responsible for liaising with ASX on behalf of the applicant	1.1.5	Incorporation Details	Applicants to provide detail regarding where the legal entity applying to be an ASX 24 Participant is incorporated	1.1.6	Certificate of Registration	Applicants to provide a certified copy of the Certificate of Registration	1.1.7	Not acting as Trustee of a Trust	Applicants to provide confirmation that it is not acting in the capacity of a Trustee under a Trust
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A description of the following:	Application Form Ref #	Requirement	Description
A. The financial resource requirements, standards, guides or thresholds required of members and other participants.	1.2.1	Director Details	Applicants to provide the full name for all directors of the legal entity applying to be an ASX 24 Participant. Each director is required to complete a Director's Personal Information Form. This form is used to provide ASX with relevant information that an applicant is of high business integrity, as required by the ASX 24 Operating Rules (see Compliance Requirements below).
B. The manner in which the foreign board of trade evaluates the financial resources/holdings of its members or participants.	1.2.2	Company Secretary	Applicants to provide the name, address and contact details of the Company Secretary
	1.2.3	Entity Details	Applicants to provide the names of each entity that controls the applicant (as defined by the Corporations Act) and indicate the number of shares allocated to each holding
C. The process by which applicants demonstrate compliance with financial requirements for membership or participation including, as applicable:	1.2.4	Group Structure	Applicants to provide a group structure chart that details the applicant's corporate ownership structure starting at the ultimate parent, dropping down to the immediate parent, the applicant, any subsidiaries (including nominee companies of the applicant) and any related / associated companies of the applicant.
	1.2.5	Organisation Chart	Applicants to provide an organisation chart showing personnel and their reporting lines. This would include: <ul style="list-style-type: none"> (a) personnel in charge of general management; (b) personnel in charge of the trading operations; (c) risk management staff; and (d) support staff, performing financial control, back office settlements, internal audit and compliance functions
(i) Working capital and collateral requirements; and (ii) risk management mechanisms for members allowing			

customers to place orders.	1.2.6	Compliance Executive	Applicants to provide the name, address and contact details of the Senior Executive responsible for the Compliance function	
	1.2.7	Current AFSL Status	Applicants to provide details of its current AFSL licence including any variations required to fulfil the Applicant's obligations as an ASX 24 Participant	
	1.2.8	AFSL Application	Applicants to provide a copy of its existing AFSL licence including any amendments lodged with ASIC in support of the variation.	
	1.2.9	PI Insurance	Applicants to provide a copy of its Professional Indemnity Certificate of Insurance (or equivalent) insurance policy	
	Membership with other ASX Group Participations			
		Application Form Ref #	Requirement	Description
	1.4.1	Other Participations	Applicants are asked to indicate if they have an existing relationship with the ASX Group, including as a listed entity.	
	Other Registrations			
		Application Form Ref #	Requirement	Description
	1.5.1	Other Registrations	In some instances ASX rules explicitly refer to an entity's regulatory status. ASX seeks information regarding the Applicant's registrations with other bodies in order to obtain relevant information about the extent to which an applicant is regulated elsewhere, and in what capacity, for the purposes of administering ASX rules.	
1.5.2				

Other Market Activities

Application Form Ref #	Requirement	Description
1.6.1	Other Market Activities	<p>Applicants are asked to nominate memberships of other exchanges, trading venues, clearing or settlement facilities or the equivalent. An applicant is not required to provide information where the applicant has an indirect relationship with the venue or facility – i.e. an applicant is not required to list a trading venue where the applicant is not a member but executes trades on the venue as a client of a member.</p> <p>Equivalent venues include, but are not limited to, the following:</p> <ul style="list-style-type: none">• multilateral trading facility (MTF)• alternative trading system (ATS)• electronic communication network (ECN)

Principal Business Activities

Application Form Ref #	Requirement	Description
1.7.1	Business Activities	<p>Applicants to provide a brief description of the Applicant's proposed business activities, including the types of products it intends to transact in and the types of clients to whom they intend to offer the products.</p>

	1.7.2	Objectives	Applicants to Indicate its objectives for becoming a Participant e.g. to become a full service broker or to become a clearer for certain types of participants and products etc.
	1.7.3	Volume Predictions	Applicants to provide indicate the volumes it is looking to achieve per product during the first 12 months
	1.7.4	Business Locations	<p>Applicants to document the information relating to the Applicant's business locations including, but not limited, to the following:</p> <ul style="list-style-type: none"> • Address of each business location; • The businesses operating within each location; and • The services and products offered in each location.
	1.7.5	Overseas Activity	<p>Applicants to provide documents and information relating to the proposed trading operations that will be performed outside of Australia either by the applicant or an outsourced provider (i.e. related body corporate or unrelated service company) including, but not limited to:</p> <ol style="list-style-type: none"> 1. Details of the proposed overseas activity as they relate to the Applicant's business as a participant including the following: <ol style="list-style-type: none"> 1.1 The part of the Applicant's business that relates to the business as a participant that is being located outside Australia i.e. an Open Interface Device or a computer or other device connected to an Open Interface Device; any personnel engaged in the Applicant's business as a Trading Participant; 1.2 The due diligence and approval process undertaken to identify, assess, manage and report on the risks associated with the proposed Overseas Activity including, but not limited to: <ul style="list-style-type: none"> • Business case approved by the Board;

	<ul style="list-style-type: none"> • Vendor selection and determination process; • Due diligence review on proposed service provider; • Offshoring /outsourcing policy; • How the applicant has identified and addressed the risks associated with its obligations under the relevant ASX 24 Operating Rules; • Details of monitoring arrangements to evaluate that the outsourced/offshore provider has sufficient capacity to meet the performance levels required by you to meet obligations under the relevant ASX 24 Operating Rules; • Audit arrangements i.e. frequency of independent review of outsourced/offshore provider; and • Business Continuity Management arrangements. <p>2. Details of any Service Agreements associated with the outsourced functions that are material to the Applicant's compliance with the relevant ASX24 Operating Rules including, but not limited to:</p> <ul style="list-style-type: none"> • A defined scope of the services to be provided and those excluded, with regard to ensuring compliance with relevant ASX 24 Operating Rules; • Retention of records as required by the relevant ASX 24 Operating Rules; • Guidelines to evaluate that the provider has sufficient capacity to meet the performance level required to meet the obligations of relevant ASX 24 Operating Rules e.g. uptime, performance reporting, capacity; • Negotiated penalties for failure of services; • Compliance and Risk obligations (including audit requirements); • Escalation and Breach reporting to ASX; • Support requirements i.e. the ability for ASX to access premises and/or records of the Service Provider or any agency in connection with
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proposed participant business;

- Notification terms or restrictions on delegations to other third parties for the performance of duties;
- Termination and "orderly rollout period" to ensure no impact to business as a Participant; and
- Business Continuity Management arrangements.

Capital Requirements

None imposed by ASX for the ASX 24 Operating Rules. ASX 24 applicants may have capital requirements under the ASIC MIR. Please refer to ASIC MIR: [http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/ASIC-ASX24-Market-Integrity-Rules-20100801.pdf/\\$file/ASIC-ASX24-Market-Integrity-Rules-20100801.pdf](http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/ASIC-ASX24-Market-Integrity-Rules-20100801.pdf/$file/ASIC-ASX24-Market-Integrity-Rules-20100801.pdf).

ASX Compliance will obtain confirmation from ASIC that the applicant meets their capital requirements.

Participant Type

Application Form Ref #	Requirement	Description
2.1.2	ASX 24 Participant Type	ASX24 Applicant to indicate whether it is applying as a Trading Participant or Principal Trader (refer Exhibit-B-1 for more details).
2.1.3	Client Types	Indicate whether the Applicant will be trading on behalf of retail, sophisticated or wholesale clients
	Offshore Clients	Applicant will be required to confirm offshore location of clients. If the Applicant intends to deal on behalf of clients located in the U.S, it must provide details upon what basis is the company entitled to deal on behalf of US Customers (i.e. has the company been granted relief under Part 30.10 of the Commodity Futures Trading Commission (CFTC) regulations) (CFTC Regulations). If it is registered as a Futures Commission Merchant (FCM) in the US it is

	<p>2.1.4 Principal Trader</p>	<p>required to provide relevant evidence.</p> <p>If not registered as a FCM, the Applicant must provide copy of legal advice confirming relief not required or advise date by which the company intends to make application for relief under rule 30.10.</p> <p>If the company has obtained relief from Part 30.10 of the CFTC Regulations, it must confirm which of the Exchanges Determined under ASX 24 Operating Rule 1800 it intends to deal on behalf of US Customers (Note that the company must ensure that the products it intends offering to US Customers are approved - there is no restriction on exchange traded futures over commodities, or options over those futures contracts, but the offer or sale of exchange traded futures or options on stock index and government debt products is not permitted unless specific approval has been given by the CFTC. A list of all such products approved by the CFTC is kept up to date by the CFTC on their website – see http://www.cftc.gov/opa/backgrounder/opapart30.htm)</p> <p>The Principal Trader or at least one Director of the Principal Trader must meet the <i>Corporations Act 2001</i> (Cth) (Act) definition of a professional investor or a sophisticated investor.</p> <p>A Sophisticated Investor (sub-section 708(8) of the Act) is a person who can demonstrate, by way of an accountant's certificate, that the person has net assets of at least \$2.5 million or a gross income for each of the last 2 financial years of at least \$250,000.</p> <p>A Professional Investor (section 9 of the Act) means a person in relation to whom one or more of the following paragraphs apply:</p> <p>(a) the person is a financial services licensee;</p> <p>(b) the person is a body regulated by the Australian Prudential Regulatory Authority (APRA), other than a trustee of any of the following (within the</p>
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	<p>meaning of the <i>Superannuation Industry (Supervision) Act 1993 (Cth)</i>):</p> <ul style="list-style-type: none"> (i) a superannuation fund; (ii) an approved deposit fund; (iii) a pooled superannuation trust; (iv) a public sector superannuation scheme; <p>(c) the person is a body registered under the <i>Financial Corporations Act 1974 (Cth)</i>;</p> <p>(d) the person is the trustee of:</p> <ul style="list-style-type: none"> (i) a superannuation fund; or (ii) an approved deposit fund; or (iii) a pooled superannuation trust; or (iv) a public sector superannuation scheme; <p>within the meaning of the <i>Superannuation Industry (Supervision) Act 1993 (Cth)</i> and the fund, trust or scheme has net assets of at least \$10 million;</p> <p>(e) the person controls at least \$10 million (including any amount held by an associate or under a trust that the person manages);</p> <p>(f) the person is a listed entity, or a related body corporate of a listed entity;</p> <p>(g) the person is an exempt public authority;</p> <p>(h) the person is a body corporate, or an unincorporated body, that:</p> <ul style="list-style-type: none"> (i) carries on a business of investment in financial products, interests in land or other investments; and (ii) for those purposes, invests funds received (directly or indirectly) following an
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offer or invitation to the public, within the meaning of section 82, the terms of which provided for the funds subscribed to be invested for those purposes;

(i) the person is a foreign entity that, if established or incorporated in Australia, would be covered by one of the preceding paragraphs.

Access Model

Application Form Ref #	Requirement	Description
2.3.1	Access Model	<p>Applicants must confirm their access model.</p> <p>Information on Access Model types are provided here: https://www.asxonline.com/intradoc-cgi/groups/public/documents/participantapplicationkitasx/asx_022607.pdf</p> <p>In summary, Distributed Access means that the Gateway/router infrastructure is installed outside of the Exchange (the Applicant's office, hosting facility etc). ASX 24 Applicants using distributed access will be required to complete the ASX Trade 24 Infrastructure Request form: https://www.asxonline.com/intradoc-cgi/groups/public/documents/participantapplicationkitsfe/asx_027728.pdf.</p> <p>Co-location facility allows Participants of the ASX 24 to place their trading equipment within the same physical data centre as the ASX.</p>
2.3.2	Trading Application	Applicants must confirm if they are using a Vendor Solution or Proprietary Solution.

Clearing and Settlement Arrangements

Application Form Ref #	Requirement	Description
2.4.1	Clearing	<p>An Applicant will be required to indicate if it will be its own transactions or using a third party clearer ('TPC').</p> <p>If using a TPC, a Clearing Guarantee must be lodged with ASX: https://www.asxonline.com/intradoc-cgi/groups/public/documents/participantapplicationkitsfe/asx_027727.pdf</p>

Compliance Requirements

Application Form Ref #	Requirement	Description
2.5.1	Attestation	<p>In order to demonstrate compliance with ASX 24 Operating Rules 1000(d) and 1000(e), Applicants must provide the following information to ASX in order to satisfy ASX that it is of high business integrity and that it has the organisational competencies which are adequate for the performance of its obligations as an ASX 24 Trading Participant/ Principal Trader.</p>

Business Integrity Attestation:

https://www.asxonline.com/intradoc-cgi/groups/public/documents/participantapplicationkitsfe/asx_027747.pdf

This form is to be completed by all Directors of the ASX 24 Applicant, and must include the following details:

- (a) any previous bankruptcy, insolvency, receivership, administration, or similar event;
- (b) any charges or convictions for any offences relating to dishonesty, fraud, financial markets-related conduct, or money laundering;
- (c) any fines, banning, suspension or other disciplinary measures for financial markets-related conduct;
- (d) any disciplinary action or adverse mention in a report made by, or at the request of, any government or governmental authority or agency, the Commission, ASX, an Approved Clearing Facility, an Approved Settlement Facility, and any other exchange, market operator or clearing and/or settlement facility;
- (e) any refusal of membership or revocation of membership of any financial markets-related, legal or accounting professional organisation or body;
- (f) any refusal of an application for Market Participant status (or equivalent status) on another exchange or market operator (with consent provided by the applicant for ASX to obtain details from the relevant exchange or market operator); and
- (g) consent for ASX to obtain information on the credit worthiness of the applicant.

Organisational Competencies Attestation:

https://www.asxonline.com/intradoc-cgi/groups/public/documents/participantapplicationkitasx/asx_027799.pdf.

This form is to be completed by all Directors of the ASX 24 Applicant, and must include the following changes:

- (a) a certification in the form prescribed by ASX from time to time (and signed by the directors and senior executive responsible for the compliance function of the applicant) that the applicant has developed processes and procedures that are reasonably designed and that when implemented will function, so as to achieve compliance by the applicant with the Rules. In providing this certification to ASX the applicant must be able to demonstrate to the satisfaction of ASX, at any time, the basis on which the certification is provided, including the following:
 - (i) the applicant has the necessary regulatory approvals to trade on ASX, and that the applicant's AFSL (or other regulatory approval) enables it to trade the Products that it intends to trade on ASX;
 - (ii) the applicant is aware of and understands the obligations contained in the Rules;
 - (iii) the applicant has a compliance program designed in accordance with the Australian Standard AS3806:2006 Compliance Programs to regularly assess and monitor its performance against the Rules, readily identify issues and provide continual improvements to its compliance program as required;
 - (iv) the applicant has, at an organisational level, determined the resource competencies (be they human or systems) required for the adequate performance of its obligations as a Market Participant and that the applicant has a program that monitors performance against these

		<p>competencies;</p> <ul style="list-style-type: none"> (v) the applicant has an initial and ongoing training program on the Rules (and any associated changes) for its Employees involved in its business as a Market Participant; (vi) the applicant has awareness, understanding and can evidence its infrastructure arrangements and infrastructure change management processes (including comprehensive testing programs) specific to its access to the Trading Platform and its business as a Market Participant; (vii) the applicant has appropriate security and access arrangements, controls and monitoring programs relating to its infrastructure arrangements specific to access its Open Interface to the ASX; (viii) the applicant has processes in place to ensure it can, provide evidence and produce supporting documentation relevant to the design, implementation and functioning of its compliance program; and <p>(b) details of any service agreements, if the applicant is outsourcing functions to a third party which are material to the applicant's compliance with the Rules.</p> <p>2.5.2 Infrastructure diagram Applicants must provide infrastructure diagram that shows:</p> <ul style="list-style-type: none"> (i) Connectivity between the Applicant's Trading systems, the Exchange and the Applicant's settlement systems; (ii) Detail the order flow vs. the execution flow; (iii) Identify which systems are Automated Trading systems; (iv) Identify which system are proprietary vs. those which are vendor systems; and (v) Include the Applicant's business continuity systems where applicable. <p>Note: If the Applicant is intending to use Automatic Order Processing it will be</p>
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	<p>2.5.3</p> <p>Daily Beneficial Ownership Report (DBOR)</p>	<p>required to meet the requirements under the ASIC/ASX Market Integrity Rules.</p> <p>In order to demonstrate compliance with ASX 24 Operating Rule 3500, Applicants are required to complete the DBOR Questionnaire https://www.asxonline.com/intradoc-cgi/groups/public/documents/participantapplicationkitsfe/asx_027726.pdf</p> <p>ASX 24 Trading applicants are required to complete the DBOR questionnaire to enable ASX to understand how automated the process is for the production of the daily DBOR report.</p> <p>Where the Applicant is outsourcing this activity they may need their clearer's assistance to complete the form however the ASX 24 Trading Participant is required to lodge the form as it is under the obligation to comply even if it outsources the activity.</p> <p>ASX 24 Applicant's not dealing for clients e.g. Principal Traders may be entitled to apply for an exemption from having to lodge the DBOR report.</p> <p>A signed letter from a director of the applicant advising that they wish to apply for an exemption to ASX24 OR 3500 from the requirement to provide daily beneficial ownership reports and exceptional reports may be submitted with application.</p> <p>2.5.4</p> <p>Client Agreement</p> <p>A copy of the Applicant's Client Agreement must be provided (must contain minimum terms as required by ASX 24 Operating Rule Procedure 3801).</p> <p>Applicant Agreement</p> <p>The Application Form contains an Agreement (pages 18-21) that must be signed by:</p> <p>(1) two directors of the company; or</p> <p>(2) a director and a company secretary of the company; or</p>
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- (3) for a proprietary company that has a sole director who is also the sole company secretary - that director; **or**
- (4) for a company signing by power of attorney, a person authorised by a valid power of attorney document, and a witness.

If signing by power of attorney, ASX will require a copy of the power of attorney document.

Additional requirements for Foreign Applicants

If an applicant to be an ASX 24 Market Participant is a body corporate incorporated or resident outside Australia, the Applicant must meet the requirements for Foreign Applicants set out in the Procedures to the Operating Rules.

The following provides an indicative guide to these additional requirements for the admission of foreign applicants and has been extracted from the ASX Guide *"Foreign Market Participant Model – Additional Requirements to be considered by applicant"*⁴.

Conditions Precedent to Admission Authorities and Consents

The foreign Participant must provide an irrevocable written authority and consent, in a form satisfactory to ASX, for ASX to access any information or document regarding the foreign Participant from a regulatory body, licensing authority or securities exchange in the foreign Participant's home jurisdiction or elsewhere.

The foreign Participant must provide an irrevocable written authority and consent, in a form satisfactory to ASX, for ASX to provide any information or document regarding the foreign Participant to a regulatory body, licensing authority or securities exchange in the foreign Participant's home jurisdiction or elsewhere.

Opinions

The foreign Participant must provide a legal opinion, in a form satisfactory to ASX, from independent lawyers acceptable to

⁴ ASX Limited *"Foreign Market Participant Model – Additional Requirements to be considered by applicant"* https://www.asxonline.com/intradoc-cgi/fdcplg?fdcService=ASX_COLLECTION_DISPLAY&SortField=dlnDate&SortOrder=Desc&hasCollectionID=true&dCollectionID=810

ASX, and paid for the applicant, confirming that the foreign Participant is duly incorporated and not in the process of being wound up or liquidated.

Foreign Market Participant Model

The foreign Participant must provide a legal opinion, in a form satisfactory to ASX, from independent lawyers acceptable to ASX, and paid for by the applicant, confirming that the application for admission and all ancillary contracts, deeds, agreements and any other form of legally binding documents executed by the applicant and/or by any third party procured by the applicant in connection with the application for admission (as listed in the legal opinion) are duly executed and create valid, legal and binding obligations in accordance with their terms.

The foreign Participant must provide a legal opinion, in a form satisfactory to ASX, from independent lawyers acceptable to ASX, and paid for by the Foreign participant, as to whether there are any legal restrictions (and the nature of the legal restrictions if any), in the foreign Participant's home jurisdiction, that limit the foreign Participant's ability to provide to ASX any files, records, documentation or any other information in whatever form, including information about transactions, in connection with the foreign Participant's clients that is located, maintained or stored by the foreign Participant in its home jurisdiction. Where there are any such legal restrictions, the foreign Participant must advise ASX regarding what arrangements will be adopted to permit the disclosure of client information to ASX on request.

Other

The foreign Participant must confirm that there is no limitation in the home jurisdiction on their ability to provide client details to ASX.

AFSL Considerations

If the foreign Participant does not have, or does not intend to apply for an AFSL (because they are eligible for relief under an ASIC Class Order), the Applicant must apply to ASX for a waiver of the ASX rules relating to the requirement to hold an AFSL.

FBOT EXHIBIT C – BOARD AND/OR COMMITTEE MEMBERSHIP	
Attach, as Exhibit C , the following:	
(1) A description of the requirements applicable to membership on the governing board and significant committees of the foreign board of trade.	A description of these requirements is located at http://www.asx.com.au/about/corporate-governance.htm
(2) A description of the process by which the foreign board of trade ensures that potential governing board and committee members/other participants meet these standards.	A description of these processes is located at http://www.asx.com.au/about/corporate-governance.htm
(3) A description of the provisions to minimise and resolve conflicts of interest with respect to membership on the governing board and significant committees of the foreign board of trade.	A description of these provisions is located at http://www.asx.com.au/documents/asx-compliance/asx_conflict_handling_arrangements.pdf
(4) A description of the rules with respect to the disclosure of material non-public information obtained as a result of a member's or other participant's performance on the governing board or significant committee.	A description of these rules is located at http://www.asx.com.au/documents/about/LR_3.1_Policy.PDF

FBOT EXHIBIT D – THE AUTOMATED TRADING SYSTEM

Attach, as **Exhibit D-1**, a description of (or, where appropriate, documentation addressing) the following, separately labelling each description:

- (1) The order matching/trade execution system, including a complete description of all permitted ways in which members or other participants (or their customers) may connect to the trade matching/execution system and the related requirements (for example, authorisation agreements).

The matching algorithm with ASX Trade24 (formerly SYCOM®) (**algorithm**) is a set of functions that match incoming orders with standing orders to create a match and execute a trade. Matching handles partial and full matches, as well as matching between futures, options, calendar spreads, inter-instrument spreads and custom orders, or any combination thereof.

Even though there is only algorithm to perform matching, the process of matching orders is spread across several functions to cater for the various derivatives and market periods.

Matching is generally an operation of match comparison, match volume and trade price determination.

- Match comparison occurs where an initiating order is compared to the opposite Bid side (where the initiating order is an Ask), or the opposite Ask side (where the initiating order is a Bid). If the price of the initiating order is equal to or better than the price of the opposite side (i.e. the Bid and Ask are equal, or the Bid is greater than the opposite Ask, or the Ask is less than the opposite Bid), this constitutes a match. Given this, all orders that are matched must trade in sequence using 'first in, first out' (**FIFO**) rules. FIFO is a method where orders of the same contract and same side are sorted in a queue by price, then by priority. Bid orders are sorted in order of highest to lowest price, and Ask orders are sorted in order of lowest to highest price. Where the price is the same, the oldest order has the highest priority and is first, followed by orders with lower priority. The priority of an order is assigned when the order first enters the trading system, based on time. Order priorities will only change in the following circumstances:

- the price of a standing order is modified;
- the volume of a standing order is increased; or
- the standing order is purged, cancelled, or traded out.

In cases where an implied price is visible, the priority of the implied price is determined from the lowest priority (i.e. the newest order) from the path of the orders that make the implied price.

- The match volume is the maximum amount of volume that can be decremented from both orders equally. If the volumes of the initiating order and the opposite order are equal, then both orders will trade out completely, otherwise the match is a partial trade where the order with the greater volume is partially traded and the matching order is traded out.
- The trade price determination is the logic used to determine what price to report the match. The factors to determine the trade price depend on the state of the market, the execution instructions of the order, and derivatives involved in the match.

- If the state of the market is the levelling period, then the trade price is the last equilibrium price from the price discovery period. Otherwise, if the state of the market is open, the other two factors will determine the trade price.
- The execution instructions of the order will determine if the price of the initiating order will be able to alter during a sequence of matches. Currently there are two execution types available: Limit and Market Limit. The limit order must match the opposite price for a match to occur. In this case, the price of the opposite side is the matching price. For Market Limit orders, the opposite side is the initial matching price. However, the initiating order is also allowed to match with orders at levels worse than the initial matching price until the limiting price of the initiating order is attained.
- The last factor is the derivatives involved in the match. Normally, the matching logic uses the price of the opposite order as the matching price. However, in a case where the opposite order does not exist, and the opposite side is an implied price, the matching must backtrack the source of the implied price to make a match. The second type of matching is where spread type orders are matched with other spread type orders. In this case, the matching price is calculated using the spread price determination algorithm.

To cater for the different matching scenarios, there are several functions that cater to each of the above factors:

1. The first function is to match orders during a levelling period. The algorithm chooses a side to be the initiators for each contract that will trade the orders that will match from the opposite side out completely. In the event that the volumes are equal, the Ask side is selected as the initiating side. The orders of both sides are sorted by price, then by priority, and placed into a queue. The orders from the initiating queue are then matched with the opposite queue until one of two events occurs: the opposite queue has no more volume, or the price of the top order of the opposite queue can no longer match. When the matching has been completed, the price of each match is set to the equilibrium price from the price discovery period.
2. The second function is to match orders where there is no associated calendar or inter-instrument spread or custom orders. Orders that fall into this category are simply matched by way of price and volume. If the price is tradable, the match volume is the minimum of the two orders. This continues until the initiating order has no more volume, the opposite side has no more volume, the price of the opposite side is no longer tradable, or the priority of the opposite side reaches the limit (this criterion is used in special cases where orders with bulk volumes are trading several different derivatives, such as custom orders).
3. The third function is to match orders where the derivative is a future and calendar spread mixture. This type of matching consists of the following combinations:
 - Future-to-Future – this matching is similar to the second function, where matching continues until the initiating order has no more volume, the opposite orders have no more volume, the price of the opposite side is no longer tradable, or the opposite is no longer a Future-to-Future type price.

	<ul style="list-style-type: none"> • Future-to-Spread-Implied-Future – where the future order is trading an implied price. The matching algorithm must determine the orders that make the Spread-Implied-Future path, create a match for each leg, determine the minimum volume from the order path, and finally calculate the price for each match from the orders of the path. • Spread-to-Spread – where the spread order is trading the order of the opposite side. This matching is similar to the second function, where matching continues until the initiating order has no more volume, the opposite orders have no more volume, the price of the opposite side is no longer tradable, or the opposite is no longer a Spread-to-Spread type price. The other complication is that the match price must be calculated from the Spread Price determination algorithm. • Spread-to-Spread-Implied-Spread – where the spread order is trading an implied price. The matching algorithm must determine the orders that make the Spread-Implied-Spread path, create a match for each leg, determine the minimum volume from the order path, and calculate the spread price for each match from the orders of the path. The last function is that the match price must be calculated from the Spread Price determination algorithm and then applied to each of the spread match prices. • Spread-to-Future-Future-Implied-Spread – where the spread order is trading an implied price that is generated by a future order for both legs. The matching algorithm uses the price and volume provided by the two future orders to create the match, determine the minimum volume from the order path, and apply the match price for each leg. • Spread-to-Spread-Future-Implied-Spread – similar to a Spread-to-Spread-Implied-Spread, however, there is a Future-to-Future implied spread amidst the path. The matching algorithm must determine the orders that make the order path, create a match for each leg, determine the minimum volume from the order path, and calculate the spread price for each match from the orders of the path. Given that there is a future involved in the path, the function must use the price information from the future orders to go back through the path to apply a match price for each of the spread matches. <p>4. The fourth function is to match orders for inter-spreadable contracts where the initiator is an inter-instrument order. Even though inter-spreads are of similar nature to calendar spreads, the difference is how each spread interacts with the underlying market. Calendar spreads interact directly by implying prices back into the underlying market. However, inter-spreads interact passively until a match with the underlying market can be made. It is this action of passive interaction that precludes inter-spreads directly matching into the underlying market. This function thereby enables inter-spreads to check whether an inter-spread can match with the underlying market, or with the opposite side. The matching procedure is similar to the second function where matching continues until the initiating order has no more volume, the opposite orders have no more volume, the price of the opposite side is no longer tradable, or the opposite is no longer an inter-spread order. After the match is completed, the match price must be</p>
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calculated using the Spread Price determination algorithm.

5. The fifth function is to match orders for inter-spreadable contracts where the initiator is a leg of an inter-instrument. Where the fourth function handles inter-spread-to-inter-spread matches, this function handles the case where the leg of an inter-spread creates a match opportunity with an inter-spread and the opposite leg(s). The matching algorithm uses the price and volume provided by the two future orders to create the match, determine the minimum volume from the order path, and apply the match price for each leg.
6. The sixth function is to match orders for custom contracts. Custom contracts are combinations of basic future and options contracts used to simultaneously trade with an exact opposite custom contract. Since these contracts must have exact contract, price and volume combinations, the matching function simply trades the opposite in order of priority. Each leg of the custom contract creates a match of price and volume until the factoring volume of the custom is exhausted.
7. The last function is to match orders for custom contracts in the underlying market. Unlike other derivatives, the custom market is not flexible about the match price. In order for a custom market to trade in the underlying market, the custom must have exhausted all the volume in the opposite custom market first, then the legs of the custom contract must match with all the underlying legs where the price of the custom leg is equal to the best price of the underlying market and the available volume of the underlying contract is greater than or equal to the leg of the custom. When these criteria are met, the function then matches each leg with the maximum volume at the best price.

Cross Trading Rules

A cross trade is a type of trade wherein a Participant has a hand in both the buying and the selling of a contract. To ensure that all participants have fair access to partake, the matching logic has a set of rules to regulate cross trading:

1. Cross Trading follows FIFO logic to an extent. See step 2.
2. Where a cross trade will result, an immediate trade of 50% of the volume available will occur and then a fill or a partial fill will occur if there are existing orders for any other competing firms at that price.
3. If 50% of the volume constitutes a fraction, the matching volume is rounded down.
4. If a member of a firm attempts to hit a trade involved in a cross trade, the order will be refused.
5. Once an order is involved in a cross trade it cannot be cancelled or modified until the crossing period has ended.

	<p>6. When the crossing period has ended, the remaining volume is traded out with the originating orders if other market participants have not traded both orders out.</p> <p>The permitted ways in which members or other participants (or their customers) may connect to the trade matching/execution system are contained in ASX 24 Operating Rule 1100, which states that Trading Messages may only be submitted into a Trading Platform by a Trading Participant in accordance with an appropriate Trading Permission. Rule 1100 is located at http://www.asx.com.au/documents/rules/asx_24_section_01.pdf</p> <p>For related requirements, see the Participant Application Form at Appendix A-3-1.</p>
<p>(2) The architecture of the systems, including hardware and distribution network, as well as any pre- and post-trade risk-management controls that are made available to system users.</p>	<p>For information relating to the architecture of the systems, see diagram at Appendix D-1-2.</p> <p>There are product limits on the ASX Trade24 Gateways and firm account limits.</p> <p>Order Price and Volume Limits Specifications</p> <p>Introduction</p> <p>Order limit checking in ASX Trade24 is a validation process to ensure any order entering the market or any existing order being modified does not cause market distortion, improper trading behaviour or system failure.</p> <p>The validation of an order is performed at two points in the trading system:</p> <ol style="list-style-type: none"> 1. The Automated Order Entry Interface (AOEI) workstation; and 2. Trading Logic module of the Trading Service. <p>This document will detail the validation process performed in regards to order price and volume validation at both the workstation and the Trading Service.</p> <p>Setting Limits</p> <p>There are three places in ASX Trade24 to set limits for order validation:</p> <ul style="list-style-type: none"> • Contract Base Maintenance using a dialogue on the EXWS; • the Account Maintenance for account set-up for each firm; and

- the MFOS settings on each AOEI workstation.

Contract Base Settings

The first set of limits are available as part of the EXWS Contract Base Maintenance dialogue.

The fields "Volume Reasonability" and "Quote Reasonability" are shown, but are never used in any form of validation.

The only field used from Contract Base Maintenance for validation is the Market Limit (**MLM**) Depth. The Trading Service uses this value to ensure the price of MLM orders does not exceed the number of price levels as indicated by the depth (it is also used to control the depth of market for displays).

The Trading Service checks price reasonability to ensure an order price doesn't generate an invalid price or a spread price that will generate an out-of-market value. Price reasonability is calculated for each product type as follows:

- Futures and Options
 - Order price must be greater than 0 and less than the maximum price limit. Normally the maximum price limit is 10,000,000 and adjusted for price decimal position. For instance, the SPI 200 futures contract has a price decimal position of 1, so a valid range is 0.1 to 999999.9. For interest rate products, the maximum price limit is 0.001 to 100.000 (assuming a decimal position of 3).
- Spreads
 - Order price for a spread has a maximum price range of -9999 to 9999 and at least one leg must have a prior day settlement price defined. If a prior day settlement price is defined, the absolute value of the spread price cannot be greater than 75% of the prior day settlement price. For instance, if APM2 has a prior day settlement of 120.0, and the spread order price for APM2U2 is +91.0, the order will be rejected as the spread price is more than 75% of the price of the underlying.
 - A second check is carried out to ensure the spread order price does not generate an implied underlying price that is above market for bids, below market for asks or outside the maximum price of the underlying. The spread price is invalid as calculated against the current market as follows:
 - If the Underlying Near Ask < Underlying Far Bid + Bid Spread (generates an implied underlying near bid above market), or
 - If the Underlying Near Bid > Underlying Far Ask + Ask Spread (generates an implied underlying near ask below market).

Account Maintenance

Setting up accounts is the responsibility of each Participant and is performed by a Generic Firm Manager (**GFM**) on the AOEI workstation with the rights of an AOEI administrative or account manager. Account Maintenance is the application allowing the addition, modification and deletion of accounts used by the trading users within the Participant. When the Participant's GFM does any account maintenance, it applies across all workstations used by the Participant.

Instrument	Currency	Volume Per Order	Aggregate Net Session	Loss	Loss - Base Currency Equivalent	Foreign Exchange Rate	Opening Position
AP	AUD	5,000	99,999,999	99,999,999,999	99,999,999,999.00	1.00	0
BN	AUD	0	0	0	0.00	1.00	0
BQ	AUD	0	0	0	0.00	1.00	0
BS	AUD	0	0	0	0.00	1.00	0
BV	AUD	0	0	0	0.00	1.00	0
B'W	AUD	0	0	0	0.00	1.00	0
DN	AUD	0	0	0	0.00	1.00	0
DQ	AUD	0	0	0	0.00	1.00	0
DS	AUD	0	0	0	0.00	1.00	0

Once the account is added, each account has several fields to enter to control limits and they are:

- Volume per Order for each Instrument
- Instrument Aggregate Net Session Limit (**ANSL**)

- Instrument Loss Limit
- Account Aggregate Loss Limit.

For use in actual validation, only the Volume per Order for each Instrument is used as a 'Hard' limit on the AOEI workstation, where 'Hard' means the order is rejected on grounds of not passing validation.

The other limits are 'Soft' limits and are calculated by the Account Manager (**AM**) module on the Trade Service server. The AM module on the Trading Service issues a warning to the workstation when the account starts coming within 75% of the limit, however the workstation does not perform any action upon receiving the warning message, hence the term 'Soft' limit.

Account Warnings

The AM module monitors all trades, trade modifications and trade cancellations. Based on these transactions the AM will continually update account limit information and issue warnings based on which limit was breached. The AM will start issuing warnings to a limit breach when the current position or loss reaches 75% of the defined limit. Thereafter, warnings will be re-issued using the following schedule:

- Every 5% increment from 75% to 89%
- Every 2% increment from 90% to 99%
- Every 1% increment from 100%
- When the limit drops below 100%.

The AM monitors two types of limits:

- Loss Limit is the current profit or loss value for the entity stored.
 - The loss limit uses the mark-to-market method by taking the difference in value of the current position against the newly traded price by the position held for the contract. The value difference is added to each loss limit stored.
 - Firm's Loss Limit – is the net value of all contracts bought or sold by the firm.
 - Account's Aggregate Loss Limit – is the net value of all contracts bought or sold by the account.
 - Account's Instrument Loss Limit – is the net value of all contracts bought or sold by the account for a specific instrument.

- Positional is the net position held for each contract of an account.
 - The positional limit is kept for each instrument of an account and is calculated as follows:
 - If Future Buy $P = P + \text{Volume of trade}$
 - Else If Future Sell $P = P - \text{Volume of trade}$
 - Else If Call Option Buy $P = P + (\text{Volume of trade} * \text{Call Option Delta})$
 - Else If Call Option Sell $P = P - (\text{Volume of trade} * \text{Call Option Delta})$
 - Else If Put Option Buy $P = P - (\text{Volume of trade} * \text{Put Option Delta})$
 - Else If Put Option Sell $P = P + (\text{Volume of trade} * \text{Put Option Delta})$
 - ASX Trade24 uses the option delta sensitivity of the underlying price movement to evaluate the volume ratio when adding to the volume of the underlying future volume for each instrument.

Loss and Positional Limits are affected by the following transactions:

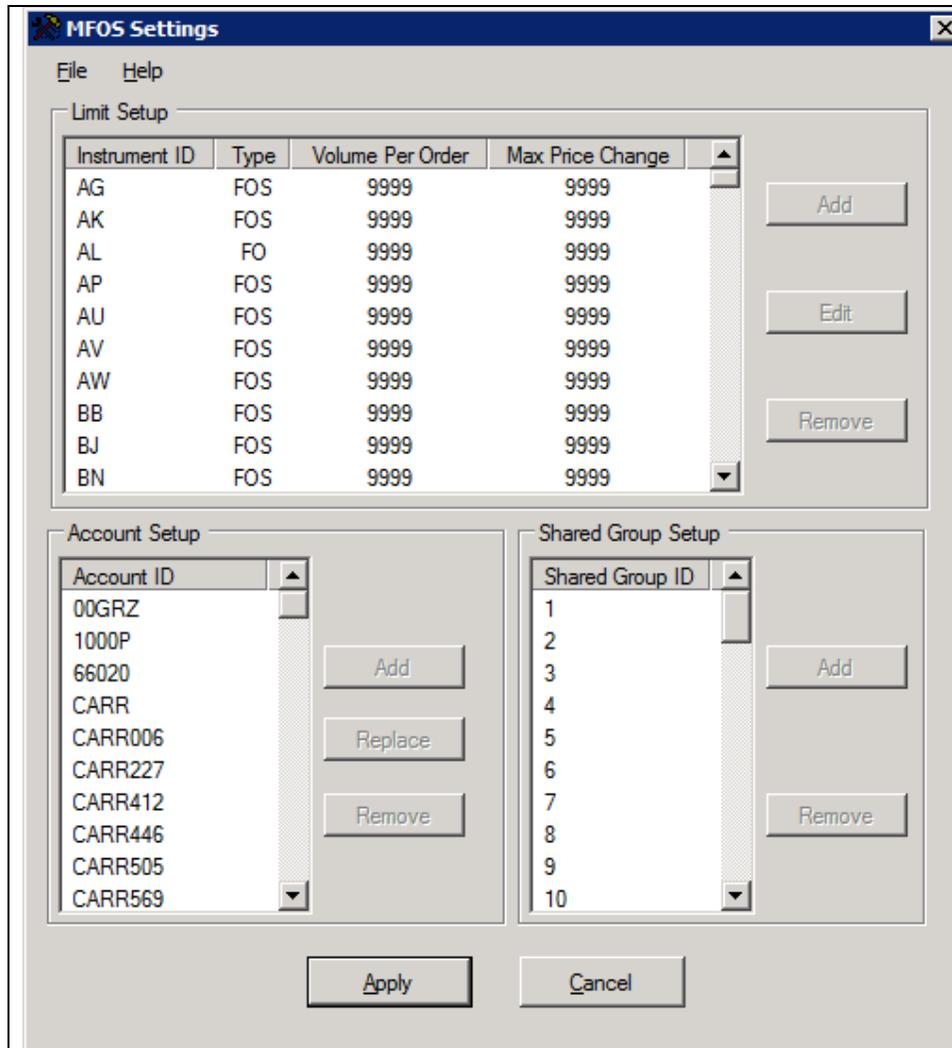
- the volume of a trade;
- the price of a trade where the trade price is not as a result of spread-to-spread or custom-to-custom;
- trade modifications;
- trade cancellations (treated as a contra-trade);
- adjustment of the Aggregate Loss Limit of an account;
- adjustment of the Aggregate Net Session Limit, Loss Limit or Opening Position of an instrument for an account;
- adjustment of the last traded price; and
- the final settlement price; and
- rolling an instrument to the new trade date.

The AM will issue a different warning message according to the limit breached. These are:

- “Account Warning of [Firm-Account-ExchangeId] Account Loss Limit 99%”;
- “Account Warning of [Firm-ExchangeId] Firm Loss Limit 99%”;
- “Account Warning of [Firm-Account-ExchangeId-InstId] Instrument Loss Limit 99%”;
- “Account Warning of [Firm-Account-ExchangeId-InstId] Instrument ANSL Long 99%”;
- “Account Warning of [Firm-Account-ExchangeId-InstId] Instrument ANSL Short 99%”.

MFOS Settings

The MFOS Setting dialogue is used by the firm's GFM to set up reasonability limits, accounts and shared groups specific for a workstation and must be done for every workstation used by the firm.



The GFM will choose all or a subset of the available accounts from the firm's global accounts as set-up in Account

	<p>Maintenance for use by this workstation. The trading user can only use the accounts selected by the GFM and the use of each account is subject to any limits imposed on the account regardless of what the GFM has set in regards to workstation limits.</p> <p>The Limit Setup is specific to this workstation and the GFM can choose all or a subset of available instruments from the Trading System and indicate the product, i.e. future, option or spread, or a combination of products within the instrument to set reasonability limits for price and volume.</p> <p>Volume per order reasonability is straight-forward, the only caveat is the workstation will use the limit from the account's Volume per order if it is the lesser value. For inter-spreads, the volume ratio of both legs is taken into account. For instance, if the volume per order limit was 90 for 10 year treasury bond and 3 year treasury bond future contracts (XT and YT), and an XT-YT spread had a ratio of 10-31, the maximum XT-YT spread order permitted would be a volume of 2, since a ratio of 3x31 exceeds the YT limit.</p> <p>Price reasonability is calculated on the AOEI as per the Trading Service indicated in Contract Base Settings with an additional check according to the "Max Price Change" set by the GFM for the workstation. The calculation is as follows:</p> <ul style="list-style-type: none"> • For Futures and Options the order will be rejected if the difference between order price and the last traded price (or prior day settlement price if there is no last traded price or the last traded price is an equilibrium price) is greater than the "Max Price Change". • For intra-spreads (calendar spreads), the order will be rejected if the difference between spread order price and the difference between the last traded price (or prior day settlement price) of both legs is greater than the "Max Price Change". If neither leg has a last trade or prior day settlement price, the order is rejected, however if only one of the legs doesn't have a last trade or a prior day settlement price, the order is accepted. • For inter-spreads, the same logic is applied as the calendar spreads, except the prices are adjusted for price ratios (all ASX inter-spread have a price ratio of 1:1) and the "Max Price Change" used is the lesser as indicated for the underlying legs. Although, unlike intra-spreads, if neither leg has a last trade or prior day settlement price, the order will be accepted and checked by the Trading Service for validity.
<p>(3) The security features of the systems.</p>	<p>The system incorporates industry-standard security protocols and mechanisms, including:</p> <ul style="list-style-type: none"> • User authentication • NTFS File/Network permission ACLs • Network Access Control Lists (ACLs) • Port Security (Gateways).

(4) The length of time such systems have been operating.	17 years.
(5) Any significant system failures or interruptions.	100% uptime in the 2012 financial year. See paragraphs 53 – 78 of ASIC Report, located here: http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/rep289-published-5-July-2012.pdf/\$file/rep289-published-5-July-2012.pdf .
(6) The nature of any technical review of the order matching/trade execution system performed by the foreign board of trade, the home country regulator, or a third party.	See paragraphs 5 – 9 of the 2012 ASIC Report, located here: http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/rep289-published-5-July-2012.pdf/\$file/rep289-published-5-July-2012.pdf . The latest ASIC Assessment of ASX 24 and the ASX Group is located at http://download.asic.gov.au/media/1344638/rep401-published-28-July-2014.pdf
(7) Trading hours.	See http://www.asx.com.au/services/trading-services/asx-trade24.htm : http://www.asx.com.au/products/ASX-Trading%20hours-Market-phases.htm .
(8) Types and duration of orders accepted.	See ASX Operating Rule Procedure 4021.3, located here: http://www.asx.com.au/documents/rules/asx_24_procedures.pdf 1 = Limit Order (LIM) – day only 2 = Timed Order (TIM) – maximum day only 3 = Fill or Kill (FOK) – 30 seconds 8 = Good Till Cancel (GTC) 10 = Market Limit (MLM) – day only.
(9) Information that must be included on orders.	See ASX Operating Rule Procedure 4021.2, located here: http://www.asx.com.au/documents/rules/asx_24_procedures.pdf
(10) Trade confirmation and	ASX 24 trades are confirmed automatically by the trading system, and certain off-market trades are required to be

error trade procedures.	<p>reported by Participants. Refer to ASX 24 Operating Rule 3500.</p> <p>Procedures surrounding ASX 24 trade cancellations can be found in the ASX 24 operating rules and subsequent procedures – Rule 3200 and 3210 are the specific rules surrounding error trades and how ASX treats them, and can be found here http://www.asx.com.au/documents/rules/asx_24_procedures.pdf.</p> <p>In essence, a Participant can request a cancellation of a trade with ASX Trading Operations and Markets if the trade is within the relevant timeframe and the required cancellation range under the Rules and Procedures (i.e. No Cancellation Range, Qualified Cancellation Range, and Extreme Cancellation Range).</p>
(11) Anonymity of participants.	ASX24's system is configurable – the current setting is that participants are anonymous. See ASIC Report for additional information, located here http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/rep289-published-5-July-2012.pdf/\$file/rep289-published-5-July-2012.pdf .
(12) Trading system connectivity with clearing system.	ASX 24 is a vertically integrated business, with the result that its trading system enjoys in-house connectivity with its clearing system.
(13) Response time.	The order transaction turnaround time is 2-3 milliseconds. See ASIC Report for additional information, located here http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/rep289-published-5-July-2012.pdf/\$file/rep289-published-5-July-2012.pdf .
(14) Ability to determine depth of market.	This is configurable and will depend on the individual characteristics of each product.
(15) Market continuity provisions.	ASX operates full dual site redundancy from both an operational and technical perspective. Operational sites are Bridge St and Gore Hill and technical sites are Gore Hill and Bondi, NSW.
(16) Reporting and recordkeeping requirements.	See ASX24 Operating Rule Procedure 3500, located here: http://www.asx.com.au/documents/rules/asx_24_procedures.pdf
Attach, as Exhibit D-2 , a description the manner in which the foreign board of trade assures the following with respect to the trading	The algorithm operates on a 'first in, first out' (FIFO) basis, see Exhibit D-1-1 .

<p>system, separately labelling each description:</p> <p>(1) Algorithm. The trade matching algorithm matches trades fairly and timely.</p>	
<p>(2) IOSCO Principles. The trading system complies with the Principles for the Oversight of Screen-Based Trading Systems for Derivative Products developed by the Technical Committee of the International Organization of Securities Commissions (IOSCO Principles). Provide a copy of any independent certification received or self-certification performed and identify any system deficiencies with respect to the IOSCO Principles.</p>	<p>See paragraphs 7 and 32 of the 2012 ASIC Report, located here: http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/rep289-published-5-July-2012.pdf/\$file/rep289-published-5-July-2012.pdf.</p> <p>The latest ASIC Assessment of ASX 24 and the ASX Group is located at http://download.asic.gov.au/media/1344638/rep401-published-28-July-2014.pdf</p>
<p>(3) Audit Trail.</p> <p>i. The audit trail timely captures all relevant data, including changes to orders.</p> <p>ii. Audit trail data is securely maintained and available for an</p>	<p>All transactional data is recorded in audit logs that are generated at both the primary and standby sites. The data is periodically backed up to tape and stored offsite for seven years.</p> <p>See 2012 ASIC Report, located here: http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/rep289-published-5-July-2012.pdf/\$file/rep289-published-5-July-2012.pdf.</p> <p>The latest ASIC Assessment of ASX 24 and the ASX Group is located at http://download.asic.gov.au/media/1344638/rep401-published-28-July-2014.pdf</p>

adequate time period.	
(4) Public Data. Adequate and appropriate trade data is available to users and the public.	ASX Market information offers customers access to a series of products containing the relevant data. In addition, trade data is publically available on www.asx.com.au on a 15 minute delayed basis located at: http://www.asx.com.au/research/asx-futures.htm .
(5) Reliability. The trading system has demonstrated reliability.	See paragraphs 31 and 32 of ASIC Report, located here: http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/rep289-published-5-July-2012.pdf/\$file/rep289-published-5-July-2012.pdf . The latest ASIC Assessment of ASX 24 and the ASX Group is located at http://download.asic.gov.au/media/1344638/rep401-published-28-July-2014.pdf
(6) Secure Access. Access to the trading system is secure and protected.	Yes. The ASX Trade24 Development System is a dedicated trading gateway that facilitates direct connectivity to the trading platform ASX Trade24.
(7) Emergency Provisions. There are adequate provisions for emergency operations and disaster recovery.	ASX operates dual sites at both Bridge St, Sydney City and Gore Hill from a personnel perspective. From a technical perspective, ASX operates dual sites at both Gore Hill and Bondi, Sydney, New South Wales.
(8) Data Loss Prevention. Trading data is backed up to prevent loss of data.	All transactional data is recorded in audit logs that are generated at both the primary and standby sites. The data is periodically backed up to tape and stored offsite for seven years.
(9) Contracts Available. Mechanisms are available to ensure that only those futures, option or swap contracts that have been identified to the Commission as part of the application or	Rights to participate in respect of contracts are given on a contract by contract basis.

<p>permitted to be made available for trading by direct access pursuant to the procedures set forth in § 48.10 are made available for trading by direct access.</p>	
<p>(10) Predominance of the Centralised Market. Mechanisms are available that ensure a competitive, open, and efficient market and mechanism for executing transactions.</p>	<p>Predominance is given to the centralised market.. See ASIC Market Integrity Rules (Competition in Exchange Markets) 2011, located here http://www.comlaw.gov.au/Details/F2015C00092</p>

FBOT EXHIBIT E – THE TERMS AND CONDITIONS OF CONTRACTS PROPOSED TO BE MADE AVAILABLE IN THE UNITED STATES	
<p>Attach, as Exhibit E-1, a description of the terms and conditions of futures, option or swap contracts intended to be made available for direct access. With respect to each contract, indicate whether the contract is regulated or otherwise treated as a futures, option or swap contract in the regulatory regime(s) of the foreign board of trade's home country.</p>	<p>The terms and conditions of the contracts that have been previously approved for availability in the US are set out in <i>Schedule 1 – Individual Contract Specifications</i> of the Schedules to ASX 24 Operating Rules and <i>Schedule 1 Appendix</i> of the Appendices to ASX 24 Operating Rules Procedures, both available at:</p> <p>http://www.asx.com.au/documents/rules/asx_24_schedules.pdf and http://www.asx.com.au/documents/rules/asx_24_appendices.pdf</p> <p>The only contracts not available in the United States are the Contracts for Difference and the Sector Futures contracts – see sections 2.81-2.84 and 22.47-2.49 to Schedule 1 of the Schedules to the ASX 24 Operating Rules.</p> <p>All of the contracts are futures contracts or options on futures contracts.</p>
<p>As Exhibit E-2, demonstrate that the contracts are not prohibited from being traded by United States persons, <i>i.e.</i>, the contracts are not prohibited security futures or single stock contracts or narrow-based index contracts. For non-narrow based stock index futures contracts, demonstrate that the contracts have received Commission certification pursuant to the procedures set forth in § 30.13 and Appendix D to part 30 of this chapter.</p>	<p>The CFTC has previously approved all contracts other than the Contracts for Difference and Sector futures contracts.</p> <p>The stock index futures contracts – the SPI 200 futures contract – has obtained Commission Certification per no-action relief dated November 13, 2000 and for which grandfather relief was requested by ASX letter dated 21 May 2012.</p>
<p>As Exhibit E-3, demonstrate that the contracts are required to be cleared.</p>	<p>Each Individual Contract Specification refers to the clearing requirements of the Approved Clearing Facility for which ASX Clear (Futures) is the prescribed clearing facility.</p> <p>ASX 24 Operating Rule 3703 also refers to the prompt transfer of the particulars of each trade by the Exchange to the Approved Clearing Facility.</p>
<p>As Exhibit E-4, identify any contracts that are linked to a contract listed for trading on a United States-registered entity, as defined in section 1a(40) of the Act. A linked contract is a contract that settles against any price (including the daily or final settlement price) of one or more contracts listed for trading on such registered entity.</p>	<p>There are no available contracts that settle against the price of a contract listed for trading on a United States registered entity.</p>

<p>As Exhibit E-5, identify any contracts that have any other relationship with a contract listed for trading on a registered entity, <u>i.e.</u>, both the foreign board of trade's and the registered entity's contract settle to the price of the same third party-constructed index.</p>	<p>N/A</p>
<p>As Exhibit E-6, demonstrate that the contracts are not readily susceptible to manipulation. In addition, for each contract to be listed, describe each investigation, action, proceeding or case involving manipulation and involving such contract in the three years preceding the application date, whether initiated by the foreign board of trade, a regulatory or self-regulatory authority or agency or other government or prosecutorial agency. For each such action, proceeding or case, describe the alleged manipulative activity and the current status or resolution thereof.</p>	<p>The contracts have been designed so that they are not readily susceptible to manipulation. ASX and ASIC have operating rules, procedures and processes in place to ensure this, as well as appropriate surveillance and monitoring systems. Each contract specification forms part of the ASX 24 Operating Rules and each new contract and variation thereto is subject to a detailed and lengthy regulatory process through ASIC. Each submission for a new contract specifies how each contract is designed to minimise any potential manipulation and what surveillance and monitoring processes are in place to detect any behaviour that may indicate manipulation. Most contracts are cash settled and expiry price processes mostly include polling or multi price point methodologies so that the contract is not readily susceptible to manipulation.</p> <p>Disciplinary proceedings instigated by ASX in the past three years are set out in Appendix E-6-1.</p>

FBOT EXHIBIT F – THE REGULATORY REGIME GOVERNING THE FOREIGN BOARD OF TRADE IN ITS HOME COUNTRY OR COUNTRIES

With respect to each relevant regulatory regime or authority governing the foreign board of trade, attach, as **Exhibit F**, the following (including, where appropriate, an indication as to whether the applicable regulatory regime is dependent on the home country’s classification of the product being traded on the foreign board of trade as a future, option, swap, or otherwise, and a description of any difference between the applicable regulatory regime for each product classification type):

<p>(1) A description of the regulatory regime/authority’s structure, resources, staff, and scope of authority; the regulatory regime/authority’s authorizing statutes, including the source of its authority to supervise the foreign board of trade; the rules and policy statements issued by the regulator with respect to the authorization and continuing oversight of markets, electronic trading systems, and clearing organizations; and the financial protections afforded customer funds.</p>	<p>The Australian Securities and Investments Commission (ASIC) is Australia’s corporate, markets and financial services regulator. ASIC contributes to Australia’s economic reputation and wellbeing by ensuring that Australia’s financial markets are fair and transparent, supported by confident and informed investors and consumers.⁵</p> <p>ASIC is an independent Commonwealth Government body that was established under the <i>Australian Securities and Investments Commission Act 2001 (ASIC Act)</i>. The ASIC Act requires ASIC (amongst other things) to:</p> <ul style="list-style-type: none"> • maintain, facilitate and improve the performance of the financial system and entities in it; • promote confident and informed participation by investors and consumers in the financial system; • administer the law effectively and with minimal procedural requirements; and • take whatever action it can take that is necessary to enforce and give effect to the laws of the Commonwealth that confer functions and powers to it. <p>The ASIC Act gives authority to ASIC to regulate Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit according to the relevant legislation governing them.</p>
<p>(2) A description of and, where applicable, copies of the laws, rules, regulations and policies</p>	<p>ASIC administers the following legislation (or relevant parts of it), as well as any relevant regulations made under it (note that other regulators also administer some parts of the Acts):</p>

⁵ ASIC, “About ASIC – Our Role – What we do”, at <http://www.asic.gov.au/asic/asic.nsf/byheadline/Our+role?openDocument>.

<p>applicable to:⁶</p> <p>(i) the authorization, licensure or registration of the foreign board of trade.</p> <p>(ii) The regulatory regime/authority's program for the ongoing supervision and oversight of the foreign board of trade and the enforcement of its trading rules.</p> <p>(iii) The financial resource requirements applicable to the authorization, licensure or registration of the foreign board of trade and the continued operations thereof.</p> <p>(iv) The extent to which the IOSCO Principles are used or applied by the regulatory regime/authority in its supervision and oversight of the foreign board of trade or are incorporated into its rules</p>	<ul style="list-style-type: none"> • <i>Corporations Act 2001 (Cth) (the Act)</i> • <i>ASIC Act 2001 (Cth).</i> <p>Under Part 7.2A of the Act, ASIC has the function of regulating financial markets, the operators of which are licensed under subsection 795B(1) of the Act. ASIC's main functions in the regulation of financial markets are to:⁷</p> <ul style="list-style-type: none"> • advise the Minister about applications for a market licence, changes to operating rules, other matters in respect of which the Minister has a discretion under Part 7.2 of the Act, and other matters concerning financial markets; • assess and report to the Minister on market licensees' compliance with their obligations; • enforce market licensees' compliance with their obligations; and • enforce the prohibition on a person operating, or holding out that the person operates, a financial market in Australia, if the person does not hold a licence or an exemption. <p>The purposes of market regulation are to:⁸</p> <ul style="list-style-type: none"> • protect market users; and • enhance market integrity and financial system stability. <p>Market regulation achieves these purposes primarily by requiring market operators to be licensed and to comply with the licensee obligations. By doing this, market regulation ensures that the regulatory outcomes relevant to each market are achieved.</p> <p>ASIC has published the following table, which sets out the regulatory mechanisms used to achieve outcomes in each</p>
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⁶ To the extent that any such laws, rules, regulations or policies were provided as part of Exhibit A-5, they need not be duplicated. They may be cross-referenced.

⁷ ASIC, "REGULATORY GUIDE 172: Australian market licences: Australian operators" (2002) at <http://asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-172-australian-market-licences-australian-operators/>

<p>and regulations and the extent to which the regulatory regime/authority reviews the applicable trading systems for compliance therewith.</p> <p>(v) The extent to which the regulatory regime/authority reviews and/or approves the trading rules of the foreign board of trade prior to their implementation.</p> <p>(vi) The extent to which the regulatory regime/authority reviews and/or approves futures, option or swap contracts prior to their being listed for trading.</p> <p>(vii) The regulatory regime/authority's approach to the detection and deterrence of abusive trading practices, market manipulation, and other unfair trading practices or disruptions of the market.</p>	<p>regulatory area. ASX is subject to this regulatory framework. References to "market operator" in the table apply to ASX 24.</p> <table border="1" data-bbox="645 539 2042 1278"> <thead> <tr> <th data-bbox="645 539 1003 603">Regulatory area</th> <th data-bbox="1010 539 1435 603">Regulatory outcomes</th> <th data-bbox="1442 539 2042 603">Market regulatory mechanisms</th> </tr> </thead> <tbody> <tr> <td data-bbox="645 608 1003 1278">Market information</td> <td data-bbox="1010 608 1435 1278"> <p>Market users use the market on an informed basis. For example:</p> <ul style="list-style-type: none"> • information about the market operator, market processes, listed entities, product issuers and products traded is adequate and accurate • pre-trade and post-trade information is made available in a timely way • relevant information is available to users and potential users • listed entities comply with the market's operating rules about disclosure </td> <td data-bbox="1442 608 2042 1278"> <p>The market operator must:</p> <ul style="list-style-type: none"> • ensure that the market is fair, orderly and transparent • monitor the conduct of listed entities and participants on or in relation to the market and enforce compliance with the market's operating rules • notify ASIC of suspected significant breaches of the law or the market's operating rules </td> </tr> </tbody> </table>	Regulatory area	Regulatory outcomes	Market regulatory mechanisms	Market information	<p>Market users use the market on an informed basis. For example:</p> <ul style="list-style-type: none"> • information about the market operator, market processes, listed entities, product issuers and products traded is adequate and accurate • pre-trade and post-trade information is made available in a timely way • relevant information is available to users and potential users • listed entities comply with the market's operating rules about disclosure 	<p>The market operator must:</p> <ul style="list-style-type: none"> • ensure that the market is fair, orderly and transparent • monitor the conduct of listed entities and participants on or in relation to the market and enforce compliance with the market's operating rules • notify ASIC of suspected significant breaches of the law or the market's operating rules
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	<p>Trading</p>	<p>Market users are confident that the market as a whole operates fairly and that they will be treated fairly. For example:</p> <ul style="list-style-type: none"> • the manner in which access to bids and offers is determined is fair • the methods by which bids and offers are matched are fair • most trading takes place through the main market facility • the market's rules and processes minimise the risk of price manipulation or other abusive trading conduct 	<p>The market operator must:</p> <ul style="list-style-type: none"> • ensure that the market is fair, orderly and transparent • monitor the conduct of participants on or in relation to the market and enforce compliance with the market's operating rules • notify ASIC of suspected significant breaches of the law or the market's operating rules
	<p>Participant supervision</p>	<p>Market users are confident about the participants they deal with. For example, participants:</p> <ul style="list-style-type: none"> • comply properly with instructions, and properly complete transactions • protect their clients' interests adequately and do not act in their own interests to the detriment of their clients • do not misappropriate client 	<p>The market operator must:</p> <ul style="list-style-type: none"> • ensure that the market is fair, orderly and transparent • monitor the conduct of participants on or in relation to the market and enforce compliance with the market's operating rules • notify ASIC of disciplinary action against a participant, suspected significant breaches of the law or the market's operating rules by a participant, or the inability of a participant to

		<p>money or other property in connection with trading on the market</p> <ul style="list-style-type: none"> • comply with the law and the market's operating rules • are financially sound 	<p>meet obligations as a financial services licensee</p> <ul style="list-style-type: none"> • have appropriate compensation arrangements protecting retail client money and other property held by participants
	<p>Regulatory area Regulatory outcomes Market regulatory mechanisms Market supervision</p>	<p>Listed entities, participants and market users that breach the law or the market's operating rules are likely to be detected and disciplined, and as a result:</p> <ul style="list-style-type: none"> • participants and existing and potential market users have confidence in the market • participants and market users are not disadvantaged by breaches of the market's operating rules • the market has a good reputation <p>Market supervision is not compromised by:</p> <ul style="list-style-type: none"> • conflicts between the market operator's duties and commercial interests • the influence of a major 	<p>The market operator must:</p> <ul style="list-style-type: none"> • ensure that the market is fair, orderly and transparent • have adequate arrangements for supervising the market • have adequate resources to supervise the market • provide information to ASIC to enable ASIC to monitor the market operator's compliance with its obligations • have adequate arrangements for handling conflicts of interest • take reasonable steps to ensure an unacceptable control situation does not exist • take reasonable steps to ensure that no disqualified individual becomes or is involved in the market operator

		<p>shareholder</p> <ul style="list-style-type: none"> • the involvement of unfit individuals in the management of the market operator • the market operator's lack of resources 	
	<p>Market stability</p>	<p>The market operates reliably, and is not at risk of failing, so that:</p> <ul style="list-style-type: none"> • existing and potential market users can be confident it will be available in the future • operators of other markets or clearing and settlement facilities will not be adversely affected by any failure of the market. <p>The price formation process operates reliably.</p>	<p>The market operator must:</p> <ul style="list-style-type: none"> • ensure that the market is fair, orderly and transparent • have sufficient financial, technological, human and other resources to operate the market properly
	<p>Clearing and settlement</p>	<p>Transactions entered into on the market are cleared and settled promptly, fairly and effectively</p>	<p>The market operator must:</p> <ul style="list-style-type: none"> • ensure that the market is fair, orderly and transparent • have adequate clearing and settlement arrangements, or disclose to participants the absence of clearing and settlement arrangements, or that the clearing and settlement arrangements are not with the

operator of a clearing and settlement facility

- monitor the conduct of participants on or in relation to the market and enforce compliance with the market's operating rules

ASIC has a broad range of enforcement powers and may take enforcement action for contraventions of the Act (including the market integrity rules established under 798G of the Act) and the ASIC Act, including administrative action civil litigation or referring a matter to the Commonwealth Director of Public Prosecution for prosecution.

ASIC also has the capacity to take action to enforce the operating rules of licensed markets and licensed Clearing & Settlement (CS) facilities under paragraphs 793C1(a) and 822C(1)(a) of the Act.

Rules and policy statements issued by ASIC

Details including policy statements (now known as Regulatory Guides) and rules regarding the relevant functions conducted by ASIC can be accessed at the following links:

ASIC Regulatory Guides (previously known as Policy Statements)

<http://asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/>

ASIC Information Sheets

<http://asic.gov.au/regulatory-resources/find-a-document/information-sheets/>

ASIC Market Integrity Rules

<http://asic.gov.au/regulatory-resources/markets/market-integrity-rules/>

i) The authorisation, licensure or registration of ASX 24

Australian Securities Exchange Limited holds an Australian Market Licence (**market licensee**), granted under 792B of the Act, to operate the futures market, known as the ASX 24 market. The licence granted to ASX to operate the futures market is accessible here: http://download.asic.gov.au/media/1346966/SFE_AML.pdf

ii) Regulatory regime/authority's program for the ongoing supervision and oversight of the foreign board of trade and the enforcement of its trading rules

The main obligations a market licensee must comply with on a continuing basis are set out in section 792A of the Act. Additional specific obligations are set out in sections 792B – 792I and throughout other sections of the Chapter 7 of Corporations Act. The Corporations Act is available at: http://www.austlii.edu.au/au/legis/cth/consol_act/ca2001172/.

Under section 794C(2) of the Corporations Act, at least once a year ASIC must assess whether the ASX market licensees have adequate arrangements to supervise their market (**ASIC Assessments**). The scope of ASIC's assessments must always include a review of the market licensees' obligations found in section 792A, but can include other obligations contained in Chapter 7 of the Corporations Act.

Market licensees have specific obligations under s792B, 792C, 792D, 792E and 792F of the Corporations Act are designed to assist ASIC in performing this assessment function.

iii) The financial resource requirements applicable to the authorisation, licensure or registration of the FBOT and the continued operation thereof

Section 792A of the Act states the general obligations of a market licensee. Specifically, section 792A(d) requires a market licensee to have sufficient resources (including financial, technological and human resources) to operate the market properly.

ASIC have stated in ASIC Regulatory Guide 172 that, in order to comply with the obligation in s792A(d) to have sufficient financial resources, a market licensee:

- must assess what financial resources it will need to fund the ongoing proper operation of the market, its supervisory arrangements and all its other activities;
- base its assessment on reasonable estimates of its revenue, expenses and liabilities (for newly established markets, it may not be appropriate to include any revenue in the assessment. For longer-established market licensees, the market's history of operation can be taken into account in determining the projected revenue, expenses and liabilities); and
- must have financial resources that are sufficient to fund all its activities, not just the operation of a particular market. The stability and continuity of a particular market cannot be separated from the overall financial health and continuity of the market licensee.

iv) The extent to which the IOSCO principles are used or applied by the regulatory regime/authority in its supervision and oversight of the foreign board of trade or are incorporated into its rules and regulations and the extent to which the regulatory regime/authority reviews the applicable trading systems for compliance therewith

The IOSCO Principles guide ASIC in its ASIC Assessments of ASX 24 and the members of the ASX Group in determining whether the licensed entities meet their obligations under the Corporations Act. How ASIC applies the IOSCO Principles is located at paragraphs 7 to 9 of the ASIC Assessment Report dated 5 July 2012 located at:
[http://asic.gov.au/asic/pdf/lib.nsf/LookupByFileName/rep289-published-5-July-2012.pdf/\\$file/rep289-published-5-July-2012.pdf](http://asic.gov.au/asic/pdf/lib.nsf/LookupByFileName/rep289-published-5-July-2012.pdf/$file/rep289-published-5-July-2012.pdf).

v) The extent to which the regulatory regime/authority reviews and/or approves the trading rules of the foreign board of trade prior to their implementation

Part 7.2, subdivision B, and section 793A(1) of the Corporations Act states the requirements of the operating rules of a licensed market. Corporations Regulation 7.2.07 prescribes the matters with which the operating rules of a licensed market must deal. ASIC has the power to request procedures with respect to any operating rules, and must be informed

of any changes to the operating rules (section 793D).

vi) The extent to which the regulatory regime/authority reviews and/or approves futures, options or swap contracts

Financial products are defined in Division 3 of Part 7.11 of the Corporations Act. Section 764A lists the specific things that are financial products subject to subdivision D.

Futures, options and swap contracts form part of the Operating Rules. ASX 24 may only make changes to the Operating Rules by providing timely notice to ASIC (which notifies the relevant Commonwealth Minister), pursuant to section 793D of the Act. Failure to give proper notice will result in the changes to the Operating Rules ceasing to have effect. The Minister may disallow changes to the Operating Rule pursuant to section 793E of the Act.

vii) The regulatory regime/authority's approach to the detection and deterrence of abusive trading practices, market manipulation and other unfair trading practices or disruptions of the market

In August 2010, ASIC commenced supervising trading activities and conduct of business by market participants in relation to domestic licensed markets (i.e. those operated by persons licensed under section 795B(1) of the Act).

Part 7.2A of the Act established a new rule-making regime whereby ASIC has created market integrity rules dealing with activities and conduct in relation to market operators, licensed financial markets, including participants of the relevant market, and ASIC's responsibility for supervising compliance with (or granting waivers to) these market integrity rules.

For information regarding ASIC's approach to supervision of the ASIC/ASX24 Market Integrity Rules, please refer to the following:

- ASIC Regulatory Guide (RG) 214 – Guidance on ASIC market integrity rules for ASX and ASX 24: <http://asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-214-guidance-on-asic-market-integrity-rules-for-asx-and-asx-24-markets/>
- Market Supervision & Surveillance webpage: <http://asic.gov.au/regulatory-resources/markets/supervision/>

<p>(3) A description of the laws, rules, regulations and policies that govern the authorization and ongoing supervision and oversight of market intermediaries who may deal with members and other participants located in the United States participants, including:</p> <ul style="list-style-type: none"> (i) record keeping requirements; (ii) the protection of customer funds; and (iii) procedures for dealing with the failure of a market intermediary in order to minimize damage and loss to investors and to contain systemic risk. 	<p>Market intermediaries who carry on a financial services business in Australia must hold an Australian Financial Services License (AFSL). Only the holder of an AFSL may operate a financial market. Market intermediaries are governed by Part 7.6 of the Corporations Act: http://www.austlii.edu.au/au/legis/cth/consol_act/ca2001172/.</p> <p>Corporations Regulation 7.6.04 sets mandatory conditions into an AFSL that are incorporated into all AFSLs by market intermediaries.</p> <p>ASIC Pro forma 209 (PF 209) sets out the standard AFSL conditions that, subject to individual circumstances, will usually be applied to AFSL that authorise persons to provide financial services under an AFSL: http://asic.gov.au/for-finance-professionals/afs-licensees/applying-for-and-managing-an-afs-licence/australian-financial-services-licence-conditions-pro-forma-209/</p> <p>The ASX 24 Operating Rules and Procedures sets out the procedures for dealing with the failure of a market intermediary to meet its AFSL obligations and are designed to minimise damage and loss to investors and contain system risk.</p>
<p>(4) A description of the regulatory regime/authority's inspection, investigation and surveillance powers; and the program pursuant to which the regulatory regime/authority uses those powers to inspect, investigate, and enforce rules applicable to the foreign board of trade.</p>	<p>As part of the conditions of granting a licence to operate a financial market or clearing and settlement facility, the market licensee must supervise the market in accordance with Part 7.2 of the Act.</p> <p>Under section 794C of the Act, ASIC must at least once a year assess whether a market licensee has adequate arrangements to supervise its market and/or clearing and settlement facility.</p> <p>The latest ASIC Assessment of ASX 24 and the ASX Group is located at http://download.asic.gov.au/media/1344638/rep401-published-28-July-2014.pdf</p> <p>A finding by ASIC in its ASIC assessment that ASX 24 failed to meet its market license obligations could result in ASX 24 losing its license to operate a market in Australia.</p>

	<p>For information regarding ASIC's approach to supervision of the ASIC/ASX 24 Market Integrity Rules, please refer to:</p> <p>ASIC Regulatory Guide (RG) 214 – Guidance on ASIC market integrity rules for ASX and ASX 24: http://asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-172-australian-market-licences-australian-operators/</p>
<p>(5) For both the foreign board of trade and the clearing organization (unless addressed in Supplement S-1), a report confirming that the foreign board of trade and clearing organization are in regulatory good standing, which report should be prepared subsequent to consulting with the regulatory regime/authority governing the activities of the foreign board of trade and any associated clearing organization. The report should include:</p> <ul style="list-style-type: none"> (i) confirmation of regulatory status (including proper authorization, licensure and registration) of the foreign board of trade and clearing organization. (ii) any recent oversight reports generated by the regulatory 	<p>The latest ASIC Assessment of ASX 24 and the ASX Group is located at http://download.asic.gov.au/media/1344638/rep401-published-28-July-2014.pdf</p>

<p>regime/ authority that are, in the judgment of the regulatory regime/ authority, relevant to the foreign board of trade's status as a registered foreign board of trade.</p> <p>(iii) disclosure of any significant regulatory concerns, inquiries or investigations by the regulatory regime/ authority, including any concerns, inquiries or investigations with regard to the foreign board of trade's arrangements to monitor trading by members or other participants located in the United States or the adequacy of the risk management controls of the trading or of the clearing system.</p> <p>(iv) a description of any investigations (formal</p>	
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<p>or informal) or disciplinary actions initiated by the regulatory regime/ authority or any other self-regulatory, regulatory or governmental entity against the foreign board of trade, the clearing organization or any of their respective senior officers during the past year.</p>	
<p>(6) For both the foreign board of trade and the clearing organization (unless addressed in Supplement S-1), a confirmation that the regulatory regime/ authority governing the activities of the foreign board of trade and the clearing organization agree to cooperate with a Commission staff visit subsequent to submission of the application on an “as needed basis,” the objectives of which will be to, among other things, familiarize Commission staff with supervisory staff of the regulatory regime/ authority; discuss the</p>	<p>ASX has had discussions with ASIC about the registration requirement for ASX 24 to maintain its foreign board of trade status. ASIC has advised ASX that it will provide whatever assistance is required to ASX and the Commission to facilitate this.</p> <p>The relevant ASIC contact is Mr Oliver Harvey (Senior Executive Leader, Financial Markets Infrastructure, ASIC), who can be emailed at: oliver.harvey@asic.gov.au.</p>

<p>laws, rules and regulations that formed the basis of the application and any changes thereto; discuss the cooperation and coordination between the authorities, including, without limitation, information sharing arrangements; and discuss issues of concern as they may develop from time to time (for example, linked contracts or unusual trading that may be of concern to Commission surveillance staff).</p>	
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FBOT EXHIBIT G – THE RULES OF THE FOREIGN BOARD OF TRADE AND ENFORCEMENT THEREOF	
<p>Attach, as Exhibit G-1, the following:</p> <p>A description of the foreign board of trade's regulatory or compliance department, including its size, experience level, competencies, duties and responsibilities.</p>	<p>A description of the ASX Compliance department including its duties and responsibilities is attached at Appendix G-1-1 ASX Compliance Map.</p> <p>The experience levels the 16 ASX Compliance employees is set out in Appendix G-1-2.</p>
<p>Attach, as Exhibit G-2, a description of the foreign board of trade's trade practice rules, including but not limited to rules that address the following:</p>	
<p>(1) Capacity of the foreign board of trade to detect, investigate, and sanction persons who violate foreign board of trade rules.</p>	<p>The capacity of ASX 24 to detect, investigate and sanction persons who violate the rules is set out in section 5 of the ASX 24 Operating Rules located at http://www.asx.com.au/documents/rules/asx_24_section_05.pdf</p> <p>Sanctions can be imposed pursuant to the ASX Enforcement and Appeals Rulebook located at http://www.asx.com.au/regulation/rules/asx-enforcement-rulebook.htm</p>
<p>(2) Prohibition of fraud and abuse, as well as abusive trading practices including, but not limited to, wash sales and trading ahead, and other market abuses.</p>	<p>The prohibition on conduct contrary to a fair, orderly and transparent market is set out in section 3 of the ASX 24 Operating Rules located at http://www.asx.com.au/documents/rules/asx_24_section_03.pdf</p> <p>In addition, Participants must comply with the ASIC Market Integrity Rules (ASX 24 Market) located at http://www.comlaw.gov.au/Details/F2014C00748</p> <p>Section 3 outlines the relevant trading principles.</p>
<p>(3) A trade surveillance system appropriate to the foreign board of trade and capable of detecting and investigating potential trade practice violations.</p>	<p>The trade surveillance system is overseen by the ASX Trading Operations & Markets department (TOM) supported by Technology and other divisions within the ASX Group. Their functions are set out in Appendix G-1-1 ASX Compliance Map.</p> <ul style="list-style-type: none"> • TOM is responsible for real-time monitoring of all orders and deals in the ASX 24 market. This responsibility resides in TOM for ASX 24 contracts as a result of the requirement for 24 hour monitoring and due to the low numbers (relative to ASX) of deals and orders transacted in an average day. • TOM utilises applications driven by IRESS and Reuters market data feeds in order to support trade identification in less liquid

	<p>ASX 24 contracts, traded price divergence and to improve the reliability of DSP production. IRESS is also used to identify significant price movements in the traded prices of the top 20 equities, as an indicator of possible error trade or erroneous price discovery. This tool is in addition to the monitoring performed by ASX Compliance Surveillance and its responsibility to advise TOM of cases of possibly erroneous price discovery as referred to below.</p> <ul style="list-style-type: none"> • Market monitoring and surveillance infrastructure which identifies possible cases of uninformed or disorderly markets. • The systems and processes for monitoring aberrant orders or trades (through Real Time Deal and Order Checker (RTDOC)). RTDOC is also utilised to identify increased order generation that could impact the stability of the technical trading infrastructure and to allow TOM to respond and resolve. To support this process, TOM also maintains demand management procedures to evaluate which market makers or malfunctioning applications will have access removed. • TOM also utilises Interim Settlement Checker -this application identifies significant changes in Daily Settlement Prices (DSP), in order to alert TOM to potential operational errors prior to the finalisation of DSP's and the consequence on Variation Margin movements. The application, in conjunction with other operational risk controls, has been exceptionally successful in ensuring that DSP's are produced consistent with the ASX 24 operational policies.
(4) An audit trail that captures and retains sufficient order and trade-related data to allow the compliance staff to detect trading and market abuses and to reconstruct all transactions within a reasonable period of time.	<p>The ASX 24 trading system (ASX Trade24) captures all order and trade information in its trade log.</p> <p>TOM captures and retains order and trade data for the purposes of detecting trading/market abuses.</p> <p>This information is also provided to ASIC on a daily basis so that ASIC can also undertake surveillance of trading.</p>
(5) Appropriate resources to conduct real-time supervision of trading.	<p>ASX 24 has appropriate resources to operate the market as evidenced by ASIC's Annual Assessment report dated 5 July 2012 which evidences that ASX remains in good standing to operate the market located at http://asic.gov.au/asic/pdf/lib.nsf/LookupByFileName/rep289-published-5-July-2012.pdf/\$file/rep289-published-5-July-2012.pdf.</p> <p>The latest ASIC Assessment of ASX 24 and the ASX Group is located at http://download.asic.gov.au/media/1344638/rep401-published-28-July-2014.pdf</p>
(6) Sufficient compliance staff and resources, including those outsourced or delegated to third parties, to fulfill regulatory responsibilities.	<p>See the response at G-1 and G-2(5).</p>

<p>(7) Rules that authorize compliance staff to obtain, from market participants, information and cooperation necessary to conduct effective rule enforcement and investigations.</p>	<p>The capacity of ASX 24 to obtain information from participants to conduct effective rule enforcement and investigations is set out in section 5 of the ASX 24 Operating Rules located at: http://www.asx.com.au/documents/rules/asx_24_section_05.pdf</p> <p>In addition ASX 24 has undertaken to the CFTC, as have Participants who have the benefit of Part 30.10 relief to provide information, upon the request of the Commission, the United States Department of Justice, and, if appropriate, the National Futures Association, prompt access to original books and records maintained at their United States offices as well as to the premises where ASX Trade 24 (formerly SYCOM[®]) is installed or used in the United States.</p>
<p>(8) Staff investigations and investigation reports demonstrating that the compliance staff investigates suspected rule violations and prepares reports of their finding and recommendations.</p>	<p>See the ASX Compliance Map at Appendix G-1-1</p>
<p>(9) Rules determining access requirements with respect to the persons that may trade on the foreign board of trade, and the means by which they connect to it.</p>	<p>See the Application Form and Agreement at Appendix 3-1-1 and Section 1 of the ASX 24 Operating Rules located at: http://www.asx.com.au/documents/rules/asx_24_section_01.pdf</p>
<p>(10) The requirement that market participants submit to the foreign board of trade's jurisdiction as a condition of access to the market.</p>	<p>See ASX 24 Operating Rule 6910 in Section 6 of the ASX 24 operating Rules located at: http://www.asx.com.au/documents/rules/asx_24_section_06.pdf</p>
<p>Attach, as Exhibit G-3, the following:</p>	
<p>A description of the foreign board of trade's disciplinary rules, including but not limited to</p>	<p>The disciplinary processes which cover Exhibits G-3-1 to G-3-6 are set out in the ASX Compliance Map at Appendix G-1-1 and the ASX Enforcement and Appeals Rulebook (Rulebook) located at: http://www.asx.com.au/regulation/rules/asx-enforcement-rulebook.htm</p>

rules that address the following	
(1) Disciplinary authority and procedures that empower staff to recommend and prosecute disciplinary actions for suspected rule violations and that provide the authority to fine, suspend, or expel any market participant pursuant to fair and clear standards.	<p>The binding effect of the Rulebook on Participants is set out at Section 1.1 of the Rulebook. ASX has the power to deal with Participants' breaches of the Operating Rules, other than breaches by 'entities' as defined in the ASX Listing Rules (which are within ASIC's jurisdiction).</p> <p>Section 2 of the Rulebook deals with Enforcement Actions and Section 3 deals with Appeals by Participants of decisions made by ASX Enforcement.</p>
(2) The issuance of warning letters and/or summary fines for specified rule violations.	See the Rulebook and Appendix G-1-1 .
(3) The review of investigation reports by a disciplinary panel or other authority for issuance of charges or instructions to investigate further, or findings that an insufficient basis exists to issue charges.	See the Rulebook and Appendix G-1-1 .
(4) Disciplinary committees of the foreign board of trade that take disciplinary action via formal disciplinary processes.	See the Rulebook and Appendix G-1-1 .
(5) Whether and how the foreign board of trade articulates its rationale for disciplinary decisions.	<p>ASX Enforcement decisions are issued through Alleged Minor Infringement Notices and Enforcement Notices, depending on the seriousness of the Operating Rule breach (see Section 2 of the Rulebook).</p> <p>The ASX Tribunal is a body comprising 20 independent market experts that convene to determine allegations of contraventions of ASX Operating Rules (or appeals of determinations made by ASX Enforcement). The Tribunal makes decisions and releases its rationales through written reasons that are made available to the affected Participant and ASX Enforcement, and by way of a public circular that alerts the market of a disciplinary determination.</p> <p>See the disciplinary announcements web page for recent Tribunal disciplinary circulars:</p>

	http://www.asx.com.au/asx/group/disciplinaryAnnouncements.do?viewAll=View+all&by=all
<p>(6) The sanctions for particular violations and a discussion of the adequacy of sanctions with respect to the violations committed and their effectiveness as a deterrent to future violations.</p>	
<p>Attach, as Exhibit G-4:</p> <p>A description of the market surveillance program (and any related rules), addressing the following:</p> <p>The dedicated market surveillance department or the delegation or outsourcing of that function, including a general description of the staff; the data collected on traders' market activity; data collected to determine whether prices are responding to supply and demand; data on the size and ownership of deliverable supplies; a description of the manner in which the foreign board of trade detects and deters market manipulation; for cash-settled contracts, methods of monitoring the settlement</p>	<p>The TOM department performs the real time surveillance of the ASX 24 market. Refer to the response at Exhibit G-2-3. In addition attached at Appendix G-4-1 is a table which sets out the functions of various ASX departments in relation to the monitoring of futures contracts.</p> <p>Position limits are only imposed on the 3 year and 10 year treasury bond futures contracts in accordance with ASX 24 Operating Rule 3400 located at http://www.asx.com.au/documents/rules/asx_24_section_03.pdf</p>

price or value; and any foreign board of trade position limit, position management, large trader or other position reporting system.	
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FBOT EXHIBIT H – INFORMATION SHARING AGREEMENTS AMONG THE COMMISSION, THE FOREIGN BOARD OF TRADE, THE CLEARING ORGANIZATION, AND RELEVANT REGULATORY AUTHORITIES

Attach, as **Exhibit H**, the following:

(1) A description of the arrangements among the Commission, the foreign board of trade, the clearing organization, and the relevant foreign regulatory authorities that govern the sharing of information regarding the transactions that will be executed pursuant to the foreign board of trade's registration with the Commission and the clearing and settlement of those transactions. This description should address or identify whether and how the foreign board of trade, clearing organization, and the regulatory authorities governing the activities of the foreign board of trade and clearing organization agree to provide directly to the Commission information and documentation requested by Commission staff that Commission staff determines is needed:

- (i) To evaluate the continued eligibility of the foreign board of trade for registration.
- (ii) To enforce compliance with the specified conditions of the registration.
- (iii) To enable the CFTC to carry out its duties under the Act and Commission regulations and to provide adequate protection to the public or registered entities.
- (iv) To respond to potential market abuse associated with trading by direct access on the registered foreign board of trade.

ASX 24 and ASX Clear (Futures) are members of the ASX Group and are entitled, pursuant to their Operating Rules, to share information amongst themselves.

ASX 24 is also obligated to provide relevant information to ASIC under s792 of the Corporations Act and certain written protocols which require the sharing of compliance and operational information with ASIC.

ASX 24, pursuant to its registration as a FBOT since November 1988 has also undertaken to the Commission to provide information when requested. In addition, ASX 24 provides trading information to the CFTC on a quarterly basis.

ASIC and the Commission are parties to the Memorandum of Understanding concerning Consultation and Cooperation in the Administration and Enforcement of Futures Laws, dated October 19,1994.

<p>(v) To enable Commission staff to effectively accomplish its surveillance responsibilities with respect to a registered entity where Commission staff, in its discretion, determines that a contract traded on a registered foreign board of trade may affect such ability.</p>	
<p>(2) A statement as to whether and how the foreign board of trade has executed the International Information Sharing Memorandum of Understanding and Agreement.</p>	<p>For a list of documents that outline the relationship between Australia and the signing parties with regard to mutual assistance and the exchange of information for the purpose of enforcing and securing compliance with the respective Laws and Regulations of the signing Authorities, see http://asic.gov.au/about-asic/what-we-do/international-activities/international-regulatory-and-enforcement-cooperation/</p>
<p>(3) A statement as to whether the regulatory authorities governing the activities of the foreign board of trade and clearing organization are signatories to the International Organization of Securities Commissions Multilateral Memorandum of Understanding. If not, describe any substitute information-sharing arrangements that are in place.</p>	<p>ASIC, as the regulatory authority responsible for oversight of ASX 24, is a signatory to the IOSCO Multilateral Memorandum of Understanding and also several bilateral MOUs: see http://asic.gov.au/about-asic/what-we-do/international-activities/international-regulatory-and-enforcement-cooperation/</p>
<p>(4) A statement as to whether the regulatory authorities governing the activities of the foreign board of trade and clearing organization are signatories to the Declaration on Cooperation and Supervision of International Futures Exchanges and Clearing Organizations. If not, a statement as to whether and how they have committed to share the types of information contemplated by the International Information Sharing Memorandum of Understanding and Agreement with the Commission, whether pursuant to an existing memorandum of understanding or some other arrangement.</p>	<p>ASIC is also a signatory to the Boca declaration (the Memorandum of Understanding Concerning Consultation, Cooperation and the Exchange of Information of the International Organization of Securities Commissions, dated October 16, 2003).</p> <p>See http://www.cftc.gov/International/MemorandaofUnderstanding/mouInfo_Sharing_for_Supervisor</p>

CLEARING EXHIBIT A – GENERAL INFORMATION AND DOCUMENTATION	
<p>Attach, as Exhibit A-1, a description of the following for the clearing organisation:</p> <p>Location, history, size, ownership and corporate structure, governance and committee structure, and current or anticipated presence of staff in the United States.</p>	Refer to FBOT Exhibit A-1.
<p>Attach, as Exhibit A-2, the following:</p> <p>Articles of association, constitution, or other similar organisational documents.</p>	Refer to FBOT Exhibit A-2.
<p>Attach, as Exhibit A-3, the following:</p> <p>(1) Membership and participation agreements.</p> <p>(2) Clearing agreements.</p>	The Trading Participant and Clearing Participant agreement is attached as FBOT Appendix A-3-1 . In addition, the ASX Clear (Futures) Operating Rules are binding on Participants.
<p>Attach, as Exhibit A-4, the following:</p> <p>The national statutes, laws and regulations governing the</p>	Refer to FBOT Exhibit A-5.

<p>activities of the clearing organisation and its members.</p>	
<p>Attach, as Exhibit A-5, the following:</p> <p>The current rules, regulations, guidelines and bylaws of the clearing organisation.</p>	<p>The ASX Clear (Futures) Operating Rules are located at http://www.asx.com.au/regulation/rules/asx-clear-futures-operating-rules.htm</p>
<p>Attach, as Exhibit A-6, the following:</p> <p>Evidence of the authorisation, licensure or registration of the clearing organisation pursuant to the regulatory regime in its home country jurisdiction(s) and a representation by its regulator(s) that is in good regulatory standing in the capacity in which it is authorised, licensed or registered.</p>	<p>The ASX Clear (Futures) clearing and settlement licence is located at http://download.asic.gov.au/media/1347002/SFE_Clearing_CSFL.pdf</p> <p>Variations to the clearing and settlement facility licence are located at http://asic.gov.au/regulatory-resources/markets/licensed-clearing-and-settlement-facilities-operating-in-australia/</p> <p>ASX Clear (Futures) and the ASX Group remains in good regulatory standing as evidenced by the latest ASIC Annual Assessment report located at http://download.asic.gov.au/media/1344638/rep401-published-28-July-2014.pdf</p> <p>The principles contained in CPSS-IOSCO <i>Recommendations for Central Counterparties</i> (Nov 2004) are incorporated in the Reserve Bank of Australia's (RBA) Financial Stability Standards (FSS). ASX Clear (Futures) is assessed on an annual basis to determine if it has met the requirements imposed by these standards over the previous financial year. In the latest annual assessment (2013-14) ASX Clear (Futures) was deemed to have complied with the FSS requirements at:</p> <p>http://www.rba.gov.au/payments-system/clearing-settlement/assessments/2013-2014/pdf/report-2013-2014.pdf</p>
<p>Attach, as Exhibit A-7, the following document:</p> <p>A summary of any disciplinary or enforcement actions or proceedings that have been brought against the clearing organisation, or any of the</p>	<p>There have been no disciplinary or enforcement actions brought against ASX Clear (Futures) Pty Limited.</p>

<p>senior officers thereof, in the past five years and the resolution of those actions or proceedings.</p>	
<p>Attach, as Exhibit A-8, the following document:</p> <p>An undertaking by the chief executive officer(s) (or functional equivalent[s]) of the clearing organisation to notify Commission staff promptly if any of the representations made in connection with this supplement cease to be true or correct, or become incomplete or misleading.</p>	<p>The undertaking by the Group General Counsel and Company Secretary to notify the Commission if any of the representations made in connection with this supplement cease to be true or correct, or become incomplete or misleading, is attached at Clearing Appendix A-8-1.</p>

CLEARING EXHIBIT B – MEMBERSHIP CRITERIA

Attach, as **Exhibit B**, the following, separately labelling each description:

<p>(1) A description of the categories of membership and participation in the clearing organisation and the access and clearing privileges provided to each by the clearing organisation.</p>	<p>There is only one category of Clearing Participant of ASX Clear (Futures) named “Clearing Participant”.</p>
<p>(2) A description of all requirements for each category of membership and participation and the manner in which members and other participants are required to demonstrate their compliance with these requirements. The description should include, but not be limited to, the following:</p> <p>(i) Professional Qualification. A description of the specific professional requirements, qualifications, and/or competencies required of members or other participants and/or their staff and a description of the process by which the clearing organisation confirms compliance with such requirements.</p> <p>(ii) Authorisation, Licensure and Registration. A description of any regulatory or self-regulatory authorisation, licensure or registration requirements that the clearing organisation imposes upon, or enforces against, its members and other</p>	<p>The admission requirements of applicants wishing to become a Clearing Participant of ASX Clear (Futures) are stated in the ASX Clear Futures Operating Rules and Procedures.</p> <p>In order to demonstrate compliance with the admission rules, all applicants are required to complete and submit an Application Form with supporting documentation for approval by ASX.</p> <p>A description of each requirement in the Application Form is set out below (a copy of the Application Form can be viewed https://www.asxonline.com/intradoc-cgi/idcplg?IdcService=ASX_COLLECTION_DISPLAY&hasCollectionID=true&dCollectionID=813&SortField=dlnDate&SortOrder=Desc and is also attached at Part 3 of FBOT Appendix A-3-1 and the ASX Guide to becoming a Participant at Appendix A-3-2.</p> <p>Applicant Agreement</p> <p>The Application Form contains an Agreement (pages 18-21) that must be signed by:</p> <p>(1) two directors of the company; or</p> <p>(2) a director and a company secretary of the company; or</p> <p>(3) for a proprietary company that has a sole director who is also the sole company secretary - that director; or</p>

<p>participants including, but not limited to, any authorisation, licensure or registration requirements imposed by the regulatory regime/authority in the home country jurisdiction(s) of the clearing organisation, and a description of the process by which the clearing organisation confirms compliance with such requirements.</p> <p>(iii) Financial Integrity. A description of the following:</p> <p>(A) The financial resource requirements, standards, guides or thresholds required of members and other participants.</p> <p>(B) The manner in which the clearing organisation evaluates the financial resources/holdings of its members or other participants.</p> <p>(C) The process by which applicants for clearing membership or participation demonstrate compliance with financial requirements, including:</p> <p>(1) Working capital and collateral requirements, and</p> <p>(2) Risk management mechanisms.</p> <p>(iv) Fit and Proper Standards. A description of any other ways in which the clearing</p>	<p>(4) for a company signing by power of attorney, a person authorised by a valid power of attorney document, and a witness.</p> <p>If signing by power of attorney, ASX will require a copy of the power of attorney document.</p>
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organisation ensures that potential members/other participants meet fit and proper standards.	
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CLEARING EXHIBIT C – BOARD AND/OR COMMITTEE MEMBERSHIP	
Attach, as Exhibit C , the following:	
(1) A description of the requirements applicable to membership on the governing board and significant committees of the clearing organisation.	Refer to FBOT Exhibit C-1-1.
(2) A description of how the clearing organisation ensures that potential governing board and committee members meet these standards.	Refer to FBOT Exhibit C-1-2.
(3) A description of the clearing organisation's provisions to minimise and resolve conflicts of interest with respect to membership on the governing board and significant committees of the clearing organisation.	Refer to FBOT Exhibit C-1-3.
(4) A description of the clearing organisation's rules with respect to the disclosure of material non-public information obtained as a result of a member's performance on the governing board or on a significant committee.	Refer to FBOT Exhibit C-1-4.

CLEARING EXHIBIT D – SETTLEMENT AND CLEARING	
<p>Attach, as Exhibit D-1, the following:</p> <p>A description of the clearing and settlement systems, including, but not limited to, the manner in which such systems interface with the foreign board of trade's trading system and its members and other participants.</p>	<p>ASX 24 is a vertically integrated business, with the result that its trading system enjoys in-house connectivity with its clearing system. Details about security and operational reliability of the Genium clearing system are set out in the most recent RBA assessment report at http://www.rba.gov.au/payments-system/clearing-settlement/assessments/2013-2014/pdf/report-2013-2014.pdf</p>
<p>Attach, as Exhibit D-2, the following:</p> <p>A certification, signed by the chief executive officer (or functional equivalent) of the clearing organisation, that the clearing system observes:</p> <ul style="list-style-type: none"> (1) the current Recommendations for Central Counterparties that have been issued jointly by the Committee on Payment and Settlement Systems and the Technical Committee of the International Organization of Securities Commissions, as updated, revised or otherwise amended, or (2) successor standards, principles and guidance for central counterparties or financial market infrastructures adopted jointly by the Committee on Payment and Settlement Systems or the International Organization of Securities Commissions (RCCPs). 	<p>See Clearing Appendix D-2-1</p>
<p>Attach, as Exhibit D-3, the following:</p> <p>A detailed description of the manner in which the clearing organisation observes each of the RCCPs or successor standards and documentation supporting the representations made, including any relevant rules or written</p>	<p>The principles contained in CPSS-IOSCO <i>Recommendations for Central Counterparties</i> (Nov 2004) are incorporated in the Reserve Bank of Australia's (RBA) Financial Stability Standards (FSS). ASX Clear (Futures) is assessed on an annual basis to determine if it has met the requirements imposed by these standards over the previous financial year. A copy of the</p>

<p>policies or procedures of the clearing organisation. Each RCCP should be addressed separately within the exhibit.</p>	<p>standards, measures and guidance for central counterparties can be found at:</p> <p>http://www.rba.gov.au/payments-system/clearing-settlement/standards/index.html</p> <p>In the latest annual assessment (2013-14) ASX Clear (Futures) was deemed to have complied with the FSS requirements at:</p> <p>http://www.rba.gov.au/payments-system/clearing-settlement/assessments/2013-2014/pdf/report-2013-2014.pdf</p>
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CLEARING EXHIBIT E – THE REGULATORY REGIME GOVERNING THE CLEARING ORGANISATION IN ITS HOME COUNTRY OR COUNTRIES	
With respect to each relevant regulatory regime or authority governing the clearing organisation, attach, as Exhibit E , the following:	
(1) A description of the regulatory regime/authority's structure, resources, staff and scope of authority.	See the response at FBOT Exhibit F
(2) The regulatory regime/authority's authorising statutes, including the source of its authority to supervise the clearing organisation.	See the response at FBOT Exhibit F
(3) A description of, and, where applicable, copies of, the laws, rules, regulations and policies applicable to: <ul style="list-style-type: none"> (i) The authorisation, licensure or registration of the clearing organisation. (ii) The financial resource requirements applicable to the authorisation, licensure or registration of the clearing organisation and the continued operations thereof. (iii) The regulatory regime/authority's program for the ongoing supervision and oversight of the clearing organisation and the enforcement of its clearing rules. (iv) The extent to which the current RCCPs are used or applied by the regulatory regime/authority in its supervision and oversight of the clearing organisation or are incorporated into its rules and regulations and the extent to which the regulatory regime/authority reviews the clearing systems for compliance therewith. (v) The extent to which the regulatory regime/authority reviews 	See the response at FBOT Exhibit F

<p>and/or approves the rules of the clearing organisation prior to their implementation.</p> <p>(vi) The regulatory regime/authority's inspection, investigation and surveillance powers, and the program pursuant to which the regulatory regime/authority uses those powers to inspect, investigate, sanction, and enforce rules applicable to the clearing organisation.</p> <p>(vii) The financial protection afforded customer funds.</p>	
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CLEARING EXHIBIT F – THE RULES OF THE CLEARING ORGANISATION AND ENFORCEMENT THEREOF	
<p>Attach, as Exhibit F-1, the following:</p> <p>A description of the clearing organisation’s regulatory or compliance department, including its size, experience level, competencies, duties and responsibilities of staff.</p>	<p>We refer to FBOT Exhibit G-1-1.</p>
<p>Attach, as Exhibit F-2, the following:</p> <p>A description of the clearing organisation’s rules and how they are enforced, with reference to any rules provided as part of Exhibit A-5 that require the clearing organisation to comply with one or more of the RCCPs.</p>	<p>The Operating Rules of ASX Clear (Futures) are located at http://www.asx.com.au/regulation/rules/asx-clear-futures-operating-rules.htm</p> <p>The ASX Enforcement and Appeals Rulebook is located at http://www.asx.com.au/regulation/rules/asx-enforcement-rulebook.htm</p> <p>The principles contained in CPSS-IOSCO <i>Recommendations for Central Counterparties</i> (Nov 2004) are incorporated in the Reserve Bank of Australia’s (RBA) Financial Stability Standards (FSS). By virtue of s 827D of the <i>Corporations Act 2001</i> (Cth) (the Act) the RBA may determine FSS and CS facility licensees must comply with them.</p>
<p>Attach, as Exhibit F-3, the following, to the extent not included in Exhibit F-2:</p> <p>A description of the clearing organisation’s disciplinary rules, including but not limited to rules that address the following –</p> <ol style="list-style-type: none"> (1) Disciplinary authority and procedures that empower staff to recommend and prosecute disciplinary actions for suspected rule violations and that provide the authority to fine, suspend, or expel any clearing participant pursuant to fair and clear standards. (2) The issuance of warning letters and/or summary fines for specified 	<p>The capacity of ASX Clear (Futures) to detect, investigate and sanction persons who violate the rules is set out in section 9A of the ASX Clear (Futures) Operating Rules located at http://www.asx.com.au/documents/rules/asx_clear_futures_part_02.pdf</p> <p>Sanctions can be imposed pursuant to the ASX Enforcement and Appeals Rulebook located at http://www.asx.com.au/regulation/rules/asx-enforcement-</p>

<p>rule violations.</p> <p>(3) The review of investigation reports by a disciplinary panel or other authority for issuance of charges or instructions to investigate further, or findings that an insufficient basis exists to issue charges.</p> <p>(4) Disciplinary committees of the clearing organisation that take disciplinary action via formal disciplinary processes.</p> <p>(5) Whether and how the clearing organisation articulates its rationale for disciplinary decisions.</p> <p>(6) The sanctions for particular violations and a discussion of the adequacy of sanctions with respect to the violations committed and their effectiveness as deterrents to future violations.</p>	<p>rulebook.htm</p>
<p>Attach, as Exhibit F-4, the following, to the extent not provided in Exhibit F-2:</p> <p>A demonstration that the clearing organisation is authorised by rule or contractual agreement to obtain, from members and other participants, any information and cooperation necessary to conduct investigations, to effectively enforce its rules, and to ensure compliance with the conditions of registration.</p>	<p>See Exhibit F-2.</p>

CLEARING EXHIBIT G – INFORMATION SHARING AGREEMENTS AMONG THE COMMISSION, THE FOREIGN BOARD OF TRADE, THE CLEARING ORGANISATION, AND RELEVANT REGULATORY AUTHORITIES

Attach, as **Exhibit G**, the following:

(1) A description of the arrangements among the Commission, the foreign board of trade, the clearing organisation, and the relevant foreign regulatory authorities that govern the sharing of information regarding the transactions that will be executed pursuant to the foreign board of trade's registration with the Commission and the clearing and settlement of those transactions. This description should address or identify whether and how the foreign board of trade, clearing organisation, and the regulatory authorities governing the activities of the foreign board of trade and clearing organisation agree to provide directly to the Commission information and documentation requested by Commission staff that Commission staff determines is needed:

- (i) To evaluate the continued eligibility of the foreign board of trade for registration.
- (ii) To enforce compliance with the specified conditions of the registration.
- (iii) To enable the CFTC to carry out its duties under the Act and Commission regulations and to provide adequate protection to the public or registered entities.
- (iv) To respond to potential market abuse associated with trading by direct access on the registered foreign board of trade.
- (v) To enable Commission staff to effectively accomplish its surveillance responsibilities with respect to a registered entity

We refer to the response at FBOT Exhibit H and further state that both ASX 24 and ASX Clear (Futures) are part of the ASX Group.

<p>where Commission staff, in its discretion, determined that a contract traded on a registered foreign board of trade may affect such ability.</p>	
<p>(2) A statement as to whether the regulatory authorities governing the activities of the foreign board of trade and clearing organisation are signatories to the International Organization of Securities Commissions Multilateral Memorandum of Understanding. If not, describe any substitute information-sharing arrangements that are in place.</p>	<p>Yes, refer to the response at FBOT Exhibit H.</p>
<p>(3) A statement as to whether the regulatory authorities governing the activities of the foreign board of trade and clearing organisation are signatories to the Declaration on Cooperation and Supervision of International Futures Exchanges and Clearing Organizations. If not, a statement as to whether and how they have committed to share the types of information contemplated by the International Information Sharing Memorandum of Understanding and Agreement with the Commission, whether pursuant to an existing memorandum of understanding or some other arrangement.</p>	<p>Yes, refer to the response at FBOT Exhibit H.</p>