

## ***THE ASIC MARKET INTEGRITY RULES (ASX MARKETS) 2010 RESPONSIBLE EXECUTIVE EXAMINATION and THE CLEARING AND SETTLEMENT EXAMINATION***

### **QUESTIONS & ANSWERS**

The following document comprises the **questions and answers** for the following three examinations:

- THE ASIC MARKET INTEGRITY RULES (ASX MARKETS) 2010 and THE CLEARING & SETTLEMENT EXAMINATION (referred to in this document as the '**Combined Exam**')
- THE ASIC MARKET INTEGRITY RULES (ASX MARKETS) 2010 RESPONSIBLE EXECUTIVE EXAMINATION (referred to in this document as the '**Markets Exam**')
- THE CLEARING & SETTLEMENT EXAMINATION (referred to in this document as the '**Clearing & Settlement Exam**').

These questions are regularly updated by The Stockbrokers and Financial Advisers Association for changes to the law and rules (see **Document History** below). The Stockbrokers and Financial Advisers Association has been licensed by ASX to use these materials.

### **The Combined Exam**

The Examination enables ASIC RE's to obtain an approved qualification under ASIC Market Integrity Rule 2.3.1(c)(i) in trading, and a qualification in clearing & settlement in the one combined exam. (NB: In June 2015, ASX Clear removed the previous obligation for ASX Clear Participants to appoint REs. Accordingly, from June 2015 there was no longer any requirement for an ASX Clear RE Examination. SAA has as a matter of policy chosen to continue to offer this qualification as it believes it is important for executives of all participants to have knowledge of the main clearing & settlement rules. )

The Combined Exam is structured in the same way as the previous Markets, Clearing & Settlement RE Exams. It comprises **45 questions**, drawn from the following **12 Modules**, with a **pass-mark of 30** (65%):

1. Accounts Audit Capital Record-keeping and Surveillance (4 Questions)
2. Dealing – Part One (4 Questions)

3. Dealing – Part Two (4 Questions)
4. Client Relations – Part One (4 Questions)
5. Client Relations – Part Two (4 Questions)
6. Participants and Supervision (4 Questions)
7. Derivatives (4 Questions). Settlement (4 Questions)
9. Corporations Act – Conduct of Securities Business (4 Questions)
10. Corporations Act – Conduct in relation to financial products (4 Questions)
11. Corporations Act – General (4 Questions)
12. Unprofessional Conduct (1 Question)

## The Markets Exam

The Examination enables ASIC RE's to obtain an approved qualification under ASIC Market Integrity Rule 2.3.1(c)(i) in trading. (This is the successor to the previous ASX RE Exam which ran from 2004 until 31 July 2010 when market supervision was transferred to ASIC.)

The exam is structured in the same way as the previous ASX RE Exam. It comprises **41 questions**, drawn from the following **11 Modules**, with a **pass-mark of 27** (65% - as prescribed by MIR 2.3.1(2)(c)(i)):

1. Accounts Audit Capital Record-keeping and Surveillance (4 Questions)
2. Dealing – Part One (4 Questions)
3. Dealing – Part Two (4 Questions)
4. Client Relations – Part One (4 Questions)
5. Client Relations – Part Two (4 Questions)
6. Participants and Supervision (4 Questions)
7. Derivatives (4 Questions)
8. Corporations Act – Conduct of Securities Business (4 Questions)
9. Corporations Act – Conduct in relation to financial products (4 Questions)
10. Corporations Act – General (4 Questions)
11. Unprofessional Conduct (1 Question)

## The Clearing & Settlement Exam

The Examination enables Executives of Market Participants to obtain a qualification in clearing & settlement.

The exam is structured in the same way as the previous ASX Clear RE Exam. It comprises **41 questions**, drawn from the following **9 Modules**, with a **pass-mark of 27 (65%)**:

1. Accounts Audit Capital Record-keeping and Surveillance – Part One (5 Questions)
2. Accounts Audit Capital Record-keeping and Surveillance – Part Two (5 Questions)
3. Client Relations (5 Questions)
4. Participants and Supervision (5 Questions)
5. Derivatives (5 Questions)
6. Settlement – Part One (5 Questions)
7. Settlement – Part Two (5 Questions)
8. Corporations Act – Conduct of Securities Business & Corporations Act – General (5 Questions)
9. Unprofessional Conduct (1 Question)

**Key:**

Each question and answer in this document has been coded [*October 2010*] to indicate its module and Exam.

In the **Module No.** column,

'C' means a module in the **Combined Exam**

'M' means a module in the **Markets Exam**, and

'S' means the **Clearing & Settlement Exam**.

**References:**

In this document,

'ASXCR' means **ASX Clear Rules**

'ASXE&AR' means **ASX Enforcement & Appeals Rules**

'ASXOR' means **ASX Operating Rules**

'ASXSR' means **ASX Settlement Rules**

'CA' means **Corporations Act**

'MIR' means **ASIC Market Integrity Rules (ASX Markets) 2010**

'MIR S1A' means **ASIC (ASX Markets) Market Integrity Rules 2010 Schedule 1A** (Capital liquidity requirements) effective 1 August 2011, enacted by the **ASIC Market Integrity Rules (ASX Market) Amendment 2011 (No. 2)**

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### Stockbrokers and Financial Advisers Association

27 November 2015

*[Document History: v1 (17 Sept 10) Updated for 1 Aug 10 changes; v2 (5 Oct 10) Key to the 3 exams added; v3 (27 Feb 2012) cancellations, anomalous order thresholds, dealing disputes, MDP; v4 (Oct 12) cancellations; v5 (26 Aug 13) FOFA, ASXC, Market structure; v6 (27 Nov 15) no ASXC REs but retain C&S exam, MIR liq cap rules*

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M/S 01	1.	A client purchases a financial product through a Participant and pays after the Participant has settled with the market. Which of the following best describes the requirements on the Participant in relation to depositing the client's money into a trust account upon receipt?	4	All client money must first be deposited into a trust account prior to any further transactions	The Participant is required to first deposit the money into a trust account unless it was acting as Principal	The Participant is required to first deposit the money into a trust account unless it has already served a demand on the client and the client has failed to respond to this demand within 3 business days	The Participant is not required to first deposit the money into a trust account where it has previously paid for the financial product	2898	CA s981A(2)
C/M/S 01	2.	A Market Participant must establish for clients who reside in Australia	1	At least one trust account with an ADI in Australia	At least one bank account with an ADI or any of the banks recognised in the table listed under the Rules	At least one trust account and one operational account with an ADI	At least one bank account and one operational account with an ADI or any of the banks recognised in the table listed under the Rules	2886	MIR 3.5.1 & 3.5.4 (CA s981B)
C/M/S 01	3.	A Participant must calculate its operational risk amount as the sum of 8% of the Participant's Counterparty, Position and Underwriting Risk Requirements; a Secondary Requirement and the amount of	3	\$nil	\$10,000	\$100,000	\$1,000,000	2885	MIR Schedule 1A.2.3(1) ASXCR Schedule 1.2.3(1)(b)
C/M/S 01	4.	An Excluded Asset includes an asset which is not Liquid. Liquid means prescribed as such by ASIC/ASX Clear or realisable or otherwise convertible to cash within what time frame?	2	3 Days	30 days	3 Months	12 months	2880	MIR Schedule 1A.1.1 Definitions ASXCR Schedule 1.1.1 Definitions
C/M/S 01	5.	Market Integrity Rule S1A.2.6 and ASX Clear Rule S1.2.6 (Guarantees and Indemnities) lists those cases in which a guarantee or indemnity may be given by a Participant. Which of the following is NOT permitted under this Rule?	3	Guarantees or indemnities for the purposes of the ASX Settlement Rules	Guarantees or indemnities in the ordinary course of the conduct of the Participant's securities or derivatives business	Guarantees or indemnities outside the ordinary course of the Participant's securities or derivatives business where the maximum liability is specified by a court following legal proceedings	Guarantees or indemnities required to settle legal proceedings that have been threatened against the Participant	2895	MIR Schedule 1A.2.6 ASXCR Schedule 1.2.6

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M/S 01	6.	Consider the following list of withdrawals from a trust account by a Participant: (i) Defraying brokerage and other proper charges (ii) Paying interest on outstanding loans to clients for financial products (iii) Paying to the Participant money to which the Participant is entitled (iv) Making a payment that is otherwise authorised by law  Which of the above are specifically authorised (under the Corporations Act)?	2	(i), (ii) and (iv) only	(i), (iii) and (iv) only	(i), (ii), (iii) and (iv)	(iv) only	2887	CA s981C; Corps Reg 7.8.02(1)
C/M/S 01	7.	Excluded Liability means	3	the maximum liability specified in a guarantee or indemnity and any other liability prescribed as such by ASIC or ASX Clear, and must be an addition in the calculation of liquid capital.	any liability specified in a guarantee or indemnity and any other liability prescribed as such by ASIC or ASX Clear, and must be an addition in the calculation of core liquid capital.	the maximum liability specified in a guarantee or indemnity and any other liability prescribed as such by ASIC or ASX Clear.	the minimum liability specified in a guarantee or indemnity and any other liability prescribed as such by ASIC or ASX Clear and must be a deduction in the calculation of liquid capital.	2884	MIR Schedule 1A.2.6(1)(c) ASXCR Schedule 1.1.1 Definitions ASXCR S1.2.6(1)(c)
C/M/S 01	8.	How long should Participants retain records of instructions to enter into Market Transactions?	4	6 months	1 year	3 years	7 years	2889	MIR 4.1.4 (CA s991D; Reg 7.8.19(5))
C/M/S 01	9.	If a participant has an exposure arising from a non-standard transaction which is not specifically described in the rules or interpretation issued by ASIC or ASX Clear in relation to the rules, or is not in a form which readily fits within the rules, the following applies	4	The exposure should be ignored	A secondary requirement should be calculated	The participant should assess the risk requirement	The risk requirement is the full market value of the transaction unless ASIC or ASX Clear approves otherwise	2882	MIR Schedule 1A.2.9 ASXCR Schedule 1.2.9(2)
C/M/S 01	10.	If money is lent to a Participant in connection with its licensed business, how must this money be dealt with?	3	In any account held by the Participant at an Australian Bank	In either the Settlement or Accumulation Account of the Participant at an Australian Bank	In a separate account with an Australian ADI	The money may not be banked until a loan document is executed	2896	CA s982B
C/M/S 01	11.	Market Participants are required to keep and maintain records of instructions to enter into a Market Transaction. Which of the following is NOT one of the details which must be included in records?	4	Name of the person who received the instructions	Time at which the instructions were received	Any time limit on the order	Brokerage on the order	2888	MIR 4.1.1 (CA s991D; Corps Reg 7.8.19)

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M/S 01	12.	The Large Exposure Risk Requirement for a Participant is the absolute sum of	4	counterparty large risk exposure and position large exposure risk.	principal position exposures with a market value exceeding 5% of the security's market capitalisation.	position large exposure risk and issuer large exposure risk.	counterparty large exposure risk and issuer large exposure risk.	2879	MIR Schedule 1A Annexure 2 ASXCR Schedule 1.1.1 Definitions
C/M/S 01	13.	Under ASIC Market Integrity Rule 3.5 all money received by a Market Participant which the Corporations Act requires the Market Participant to deposit in a clients' segregated account or in a clients' trust account must be deposited in an account with an Australian ADI in Australia. Can this account be with any ADI?	2	Yes, any ADI is acceptable	Depends, only if the ADI's credit rating by an Approved Rating Agency is of short term investment grade or better	Depends, only if the ADI is an ASX Participant	No, only designated Australian Banks may be used for this account	2897	MIR 3.5.3 (CA s981B)
C/M 01 S 02	14.	Under the Risk Based Capital Requirements a Participant must maintain a Register of its Underwritings. Consider the following list of possible records in this Register (i) The date of commencement, crystallisation and termination of each Underwriting and the parties to each Underwriting (ii) The identity, number and price of the Equities or Debt Instruments which are the subject of each Underwriting (iii) The amount underwritten by the Participant under each Underwriting (iv) Any reduction in the amount underwritten under each Underwriting due to an amount being either sub-underwritten or received under a client placement, together with the date that this reduction occurs.  Which of the above must be recorded in the Register at all times?	4	i) and (iii) only	(i), (ii) and (iii) only	(i), (iii) and (iv) only	(i), (ii), (iii) and (iv)	2894	MIR Schedule 1A.2.10 ASXCR Schedule 1.2.10(3)
C/M 01 S 02	15.	Under what circumstances may subordinated debt be included in the calculation of Core Capital?	2	The subordination arrangement has the approval of ASIC or ASX Clear and the amount has been notified to ASIC or ASX Clear and drawn down.	The Participant has insufficient Core Capital and has received the approval of ASIC or ASX Clear to include amounts owing under a subordination agreement to satisfy an approved portion of its Core Capital.	The Participant has insufficient Liquid Capital and has received the approval of ASIC or ASX Clear to include amounts owing under a subordination agreement in calculating Liquid Capital.	Never	2877	MIR Schedule 1A.2.4(1) ASXCR Schedule 1.2.4(8)
C/M 01 S 02	16.	Under which of the following circumstances must a Participant notify ASIC or the Exchange?	2	Core Capital is 120% of the minimum amount required.	Liquid Capital divided by Total Risk Requirement is equal to or falls below 1.2.	Core Capital divided by Total Risk Requirement is equal to or falls below 1.2.	Liquid capital divided by Liquid Margin is equal to or falls below 1.2	2876	MIR 9.2.2(1)(b) ASXCR Schedule 1.2.2(1)(b)

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 01 S 02	17.	Unless a waiver or other approval of ASIC or ASX Clear is provided, a corporate Trading Participant's Core Capital must include which of the following:	3	At least \$250,000 in total made up of (i) all ordinary issued shares to the extent that those shares are paid-up; (ii) all non cumulative Preference Shares; (iii) all reserves excluding revaluation reserves; and (iv) opening retained profits/losses adjusted for all current year movements.	The sum of (i) Operational Risk Requirement; (ii) Counterparty Risk Requirement; (iii) Large Exposure Risk Requirement; (iv) Position Risk Requirement; (v) Underwriting Risk Requirement; and (vi) Non-Standard Risk Requirement.	At least \$100,000 in total made up of (i) all ordinary issued shares to the extent that those shares are paid-up; (ii) all non cumulative Preference Shares; (iii) all reserves excluding revaluation reserves; and (iv) opening retained profits/losses adjusted for all current year movements.	The sum of (i) the amount of \$100,000; (ii) 8% of the sum of the Participant's Counterparty Risk Requirement; Position Risk Requirement; and Underwriting Risk Requirement; and (iii) a Secondary Requirement.	2878	MIR Schedule 1A.1.1 Definitions 1A.2.1(b) ASXCR Schedule 1.1.1 Definitions Schedule 1.2.1(1)(b)
C/M 01 S 02	18.	What is the counterparty risk weighting for Approved Deposit Taking Institutions other than banks?	2	10%	20%	30%	50%	2875	MIR Schedule 1A Annexure 5 Table A5.2.1 ASXCR Schedule – Annexure 5 Table 2.1
C/M 01 S 02	19.	What is the equity position risk factor for an equity position in a Recognised Market Index under the standard method?	2	4%	12%	15%	16%	2893	MIR Schedule 1A Annexure 5 Table A5.1.1 ASXCR Schedule 1 Annexure 5
C/M 01 S 02	20.	What is the minimum amount of Core Capital that a General Clearing Participant must hold?	2	\$10,000,000	\$20,000,000	\$500,000	\$1,000,000	2881	ASXCR Schedule 1.2.1(1)
C/M 01 S 02	21.	What is the prescribed retention time for Trading Records under Market Integrity Rule 4.1.4?	3	5 Years or any longer period as required by the Corporations Act	3 Years or any longer period as required by the Corporations Act	7 years or any longer period as required by the Corporations Act	Six months for electronic records and 5 years for all other records	3897	MIR 4.1.4 (CA s991D; NB: Corps Reg 7.8.19(5) says '5 years')
C/M 01 S 02	22.	When is a Market Participant/Regulated Person/Facility User required to make available information or records to ASIC/ASX/ASX Clear/ASX Settlement?	2	Whenever an exchange inspector wishes to visit a Market Participant/Regulated Person/Facility User for the purposes of an authorised random inspection (as specified under the Rules).	When an enquiry is made to the Market Participant/Regulated Person/Facility User as to whether it is complying with its obligations under the Rules.	Only when a Market Participant/Regulated Person/Facility User is under formal investigation following a determination of Unprofessional Conduct or a breach of the Rules.	Never	2890	MIR Chap 9 ASXOR 5010 & 5011 ASXCR 19.1.1 & 19.1.2 ASXSR 12.1.1 & 12.1.2



Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 01 S 02	23.	Which of the following is NOT an excluded asset for the purpose of the Risk Based Capital Requirements?	3	A future income tax benefit	A fixed asset	A secured related/Associated Person Balance where the security is liquid	An intangible asset	2883	MIR Schedule 1A.1.1 Definitions ASXOR Schedule 1A.1.1 Definitions ASXCR Schedule 1.1.1 Definitions
C/M 01 S 02	24.	With what type of institution must a Participant keep a trust account for clients who reside in Australia?	1	An ADI (authorised deposit taking institution) in Australia	Either Australian or foreign ADIs	Any registered Australian financial services provider	There are no restrictions on the type of institution for trust accounts.	2892	MIR 3.5.3 (CA 981B(1))
C/M 01 S 02	25.	Within what timeframe must a Market Participant make a record of instructions to enter into a Market Transaction on either its own account or on behalf of a client?	3	By close of that Business Day	Within 15 minutes of the instruction being executed in a trade	Immediately	Within 15 minutes of the instruction being given	3896	MIR 4.1.3
C/M 01 S 02	26.	Your firm has just been advised that it will be acting for a client who wishes to purchase a substantial shareholding in a top 100 listed company. Your financial controller has advised that if you proceed with this transaction, your firm will be in breach of the Risk Based Capital Liquidity Requirements. The client advises that your firm will lose the client's business if your firm does not commence dealing immediately. What should you do?	4	Advise the client of the capital requirements, and obtain a written response from the client accepting that their request may result in a breach, then complete the transaction.	Complete the transaction as requested, and then immediately seek a retrospective waiver from ASX Clear.	Complete the transaction as requested, and then immediately seek a retrospective waiver from ASIC	Do not accept the transaction, as your firm could face disciplinary action	2891	MIR 1.2.1 ASXCR Schedule 1.3.4
C/M 01 S 02	27.	Your Participant has received an order to purchase a material line of stock for an institutional client. Your financial controller has advised that should your Participant purchase the stock, you would not have sufficient Liquid Capital in the Participant to meet the requirements of the Risk Based Capital Liquidity Requirements. Your parent company is willing to inject the required subordinated debt to cover the situation. Under the Rules when can these injected funds be included as subordinated debt?	3	Immediately	Within 24 hours of transfer	Only once a subordination arrangement has been approved by ASIC or ASX Clear	Only after the stock purchase has taken place	2899	MIR Schedule 1A.2.4 ASXCR Schedule 1.2.4(1)
C/M 02	28.	A company wishes to become a General Participant and settle Cash Market Transactions in an Approved Settlement Facility. Which of the following organisations need to be satisfied the applicant has met the requirements of the Rules?	2	ASX Clear only	ASX Clear and ASX Settlement only	ASX Settlement and ASX only	ASX, ASX Settlement and ASX Clear	2919	ASXCR 2.10.1 Definitions ASXCR 9.1.1 ASXSR 4.3.1
C/M 02	29.	A Market Participant proposes to locate an Open Interface Device outside of Australia. Which of the following best describes the requirements of ASXOR Rule 4.5.1 (Approvals in respect of overseas activity) in this situation?	4	The Market Participant must provide prior written notification to ASX including details of the proposed Overseas Activity	The Market Participant must obtain all necessary regulatory approvals from any relevant governmental agency or regulatory authority in Australia or elsewhere	The Market Participant must comply with the directions of ASX and any relevant governmental agency or regulatory authority in Australia concerning the supervision of the Overseas Activity	All of the options	2921	ASXOR 6400 & Procedure 6400

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 02	30.	A Participant, having taken into account the circumstances of an order placed by a client, has a reasonable suspicion that the order is intended to create the misleading appearance of active trading in a security. When confronted with this suspicion, the client demands the order be placed as requested. What is the main obligation of the Participant at this point?	4	The Participant must execute the trade, but may refer the matter to ASX or ASIC for further investigation	The Participant must execute the trade, but may refuse to continue to offer services to the client in the future	The Participant may choose whether or not to execute the trade, but having raised the suspicion with the client, it has the right to refuse further similar trades	The Participant must not execute the trade, as reasonable suspicion is sufficient grounds to not conduct a trade	2902	MIR 5.7
C/M 02	31.	If a Trading Participant proposes to make a material change to its Automated Order Processing (AOP) system, the Participant must;	4	Provide confirmation that the change does not detract from a certification previously provided to ASIC	Provide a further certification so that the system as changed is certified by an appropriately qualified person	Notify ASIC of the proposed change immediately	3, and either 1 or 2	4308	MIR 5.6.7 – 5.6.10
C/M 02	32.	If a Trading Participant wishes to cancel a sale, and the other Trading Participant who purchased the Traded Products agrees to the cancellation, what is the latest time that the transaction can be cancelled?	2	By the end of the Trading Day on which the transaction took place	T+1	T+2	T+3	2907	ASXOR 3240
C/M 02	33.	A Trading Participant must ensure that each of its DTRs,	1	(i) is a Representative of the Trading Participant with authority to deal in the Product, and (ii) is suitably qualified and experienced and has demonstrated knowledge of the rules, processes and practices of dealing of the Market Operator	(i) has at least 2 years experience working for a Trading Participant or other organisation approved by the Market Operator, and (ii) has passed an examination on the Dealing Rules and relevant practices, directions, decisions and requirements of the Market Operator	(i) has passed an examination on the Dealing Rules and relevant practices, directions, decisions and requirements of the Market Operator, and (ii) has completed 4 weeks supervised training in the use of the Trading Platform	(i) is a Representative of a Trading Participant with authority to deal in the Product, and (ii) has completed 4 weeks supervised training in the use of the Trading Platform	2913	MIR 2.5.5
C/M 02	34.	In respect of the settlement of Market Transactions in Traded Products which of the following best describes 'T+3'?	3	Settlement shall be within three hours of the trade being processed by SEATS	Settlement shall be on the third business day following the transaction (including the day of transaction)	Settlement shall be on the third business day following the transaction (not including the day of transaction)	The cost of brokerage shall be paid in addition to the cost of the Traded Product by the third business day following the transaction (including the day of transaction)	2900	ASXOR 3600
C/M 02	35.	In terms of the operation of the Trading Platform, what phase are Trading Products placed in when a trading halt occurs?	1	Pre-Notice Received Session State or Trading Halt Session State (as applicable)	Frozen Normal Trading	Closing Phase	After Hours Adjust Phase	2905	ASXOR Proc 3301 App 4013

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 02	36.	Is it necessary to establish that a Participant intended to create a false or misleading appearance of active trading in any Product or with respect to the market for, or the price of, any Product when the Participant is trading on its own account?	2	Yes, it is always necessary under the Market Integrity Rules to establish intention in respect of creating a false or misleading appearance of active trading in any Product or with respect to the market for, or the price of, any Product	No, the breach can be established if that Bid, Offer or dealing has the effect, or is likely to have the effect of creating a false or misleading appearance of active trading in any Product or with respect to the market for, or the price of, any Product	No, a Participant when acting on its own account can only inadvertently create a false or misleading appearance of active trading in any Product or with respect to the market for, or the price of, any Product.	Yes, a breach of the requirements of Market Integrity Rule 5.7.1 can only occur where the Participant places the order directly into a trading platform (i.e. not through an Automated Order Processing system) with the intention of creating a false or misleading appearance of active trading in any Product or with respect to the price of, any Product	3898	MIR 5.7.1
C/M 02	37.	Pursuant to ASIC Market Integrity Rule 5.7 does the obligation to consider the circumstances of the Order prior to the entry of that Order into the Trading Platform, apply equally to manually executed orders as well as Automated Order Processing?	1	Yes	No	Depends on the particular circumstances of the Order	Only if the Automated Order Processing system is being used for client Orders	3899	MIR 5.7.3
C/M 02	38.	Trading Participants are required to be able to determine the origin of all orders and trading messages. Some of the specific arrangements required under ASIC Market Integrity Rules include having records of (i) the different stages of processing each order and the time at which each stage occurred (ii) the order that corresponds to a Trading Message; and (iii) the identity and capacity of the person placing the order that corresponds to a Trading Message. Which of the following is NOT an additional required record?	2	Whether the Trading Message was a result of Automated Order Processing	Whether the Trading Message was submitted over the Internet	The device of the Trading Participant through which the Trading Message was submitted into the relevant Trading Platform	Whether the Trading Message was submitted on the Trading Participant's own account or for a client	2920	MIR 5.5.3
C/M 02	39.	Trading Participants may agree to settle a trade later than T+3 providing settlement occurs;	1	No more than 30 days after the Cash Market Transaction.	No more than 10 business days after the Cash Market Transaction	N/A all trades must settle on T+3	On a Delivery Versus Payment (DVP) basis	4305	ASXOR 3600 & Procedure 3600

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 02	40.	Under ASIC Market Integrity Rule 5.7 (Manipulative Trading), Market Participants must take into consideration a range of matters when determining whether an Order is likely to have been placed with the intention of creating a false or misleading market for a Traded Product. Which of the following is NOT one of these matters?	4	The time the Order is entered or any instructions concerning the time of entry of the Order	Whether the Order is accompanied by settlement, delivery or security arrangements which are unusual	When the Market Participant knows of another person who is a Related Party to the person placing the Order, whether the Related Party may have an interest in creating a false or misleading appearance of active trading in the ordered Securities	When the Market Participant knows that the person placing the order has previously been investigated for placing an Order (unrelated to the current Order) with the intention of creating a false or misleading market for a Security, although nothing untoward was discovered.	2909	MIR 5.7.2
C/M 02	41.	Under what conditions may a Trading Participant deal in Traded Products which have been suspended from Official Quotation?	3	Dealing may only be conducted during the Pre-Open Phase within the Trading Platform	Dealing may only be conducted where the client has been informed of the circumstances under which suspension from Official Quotation has occurred, and subsequently the client has given written consent for transactions to continue	Only with the prior approval of the Market Operator	Under no circumstances may a Trading Participant deal in Traded Products which have been suspended from Official Quotation	2910	MIR 5.10.4
C/M 02	42.	What action should a Trading Participant take in relation to an order that was submitted incorrectly and was subsequently executed and it then wishes to obtain the consent of the counterparty to cancel the trade?	4	No action is possible. The trade will stand unless cancelled by ASIC.	Notify the request to cancel to ASX Market Control by telephone within 10 minutes, but only if the trade was within the Extreme Cancellation Range.	Notify the request to cancel to ASX Market Control by telephone within 10 minutes, but only if the trade was within the Anomalous Order Threshold.	Notify the request to cancel to ASX Market Control by telephone within 10 minutes and email full details within 10 minutes of the telephone call.	2908	ASXOR 3200 Proc.3210
C/M 02	43.	What action will ASX take in relation to a trade executed in the Extreme Trade Range?	3	The trade will be reversed on market by ASX through an ASX-administered close-out process by an ASX-approved broker.	The trade will stand.	The trade will be cancelled, subject to certain exceptions as to timing, etc.	The trade will be cancelled, but only with the consent of the parties.	4306	ASXOR 3210 Proc.
C/M 02	44.	What is the function of Designated Trading Representatives (DTRs) with respect to a Trading Platform other than those using Automated Order Processing?	2	DTRs are the representatives of Trading Participants who advise clients concerning their choices about buying and selling Traded Products	Only DTRs may submit Trading Messages into a Trading Platform	DTRs ensure the correct operation of trading facilities via Open Interface Devices	DTRs are organisations registered with ASIC who provide access to the market according to the requirements of ASIC Market Integrity Rules	2912	MIR 2.5.1

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 02	45.	What restrictions are placed on a Market Participant while acting as principal if a Bid or Offer is thought likely to have the effect of creating a misleading appearance of active trading in any product?	4	The Market Participant must inform the client of this concern, and following the transaction have this concern disclosed on the Confirmation	The Market Participant is required to notify ASX following the transaction	The Market Participant must first discuss the Bid or Offer with the client. If still requested, the transaction must be completed	Under no circumstances may the Market Participant process this transaction request	2911	MIR 5.7.1(a)
C/M 02	46.	When a Trading Participant makes a placement of new Financial Products for which Official Quotation will be sought, at what point can the Trading Participant deal in these Financial Products on behalf of its investors?	4	Once the Trading Participant has informed its investors in writing of the decision to make the placement of the new Financial Products	Once the Trading Participant has informed its investors in writing of the decision to seek Official Quotation for the new Financial Products	Once the Trading Participant has received acknowledgment from relevant investors of their acceptance of the conditions required for seeking Official Quotation of the new Financial Products as set out in writing to the investor by the Trading Participant	Only once the new Financial Products are granted Official Quotation	2904	MIR 5.10.1
C/M 02	47.	When dealing on ASX markets, a Participant has a range of obligations to ensure an orderly market, such as complying with instructions and directions issued by Market Control and ensuring that a Representative is available to receive communications during specified periods. Which of the following is an additional requirement in relation to ensuring an orderly market?	3	Client order processing must always be retained in a single strict sequence	All electronic orders must be conducted using 'straight-through' processing	Brokers must not intentionally take advantage of a malfunction in the Market Operator's procedures or systems	None of the options	2901	MIR 5.9.2 (ASXOR 3101(c))
C/M 02	48.	Which of the following best describes all the processes that can be used to identify the origin of a Trading Message entered by an Open Interface Device? A) ASX allocates a unique identifier to each Open Interface Device B) Each Trading Participant must allocate a unique identifier to each of its computers or other devices which can connect to Open Interface Devices C) Each Trading Participant must allocate a unique identifier to each Trading Message entered into one of its Open Interface Devices	4	Only A) is correct	Only B) is correct	Only C) is correct	Both A) and B) are correct	2922	MIR 2.5.6 ASXOR 1300&1301
C/M 02	49.	Which of the following best describes the relationship between Trading Participants and Clearing Participants?	3	All Trading Participants must also be Clearing Participants, but not all Clearing Participants must be Trading Participants	Each Trading Participant must have a third party clearing agreement at all times with only one Clearing Participant	Each Trading Participant which is not also a Clearing Participant must have a third party clearing arrangement in place with only one or two Clearing Participants in respect of that class of Product	All Trading Participants must have a third party clearing agreement with only one central Clearing Participant (ASX Settlement).	2917	ASXOR 1003 & Schedule 1 ASXCR Section 9

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 02	50.	Which of the following list of functions (among others) must be addressed in a Clearing Agreement between a Trading Participant and a Clearing Participant? (i) Procedures with respect to the Trading Participant acting as Principal (ii) Procedures with respect to receipt and delivery of funds (iii) Risk management provisions including dealing and position limits (iv) Extension of credit (v) Fees and government duty	3	(i), (ii), and (iii) only	(iii), (iv) and (v) only	(ii), (iii), (iv) and (v)	All of the options	2918	ASXCR 9.1.1(d)
C/M 03	51.	A Participant accepts client orders via Automated Client Order Processing. Is it able to cross with orders in the Trading Platform received from clients via an Automated Client Order Processing system?	4	Yes, provided it has made appropriate disclosure to the client under Market Integrity Rule 5.1.8	Yes, provided that the same authorised person does not enter both sides of the crossing	Yes, provided that the Participant has not prearranged the entry of the bids or offers	Yes under all of the options	2937	MIR 5.1.8 ASXOR 4060 & Proc.4060A1(a)
C/M 03	52.	Big Co. Trading Participant wishes to use its trading system for Automated Order Processing. Under ASIC Market Integrity Rule 5.6 (Automated Order Processing), which of the following is required prior to use?	3	Big Co. must be registered with ASIC for Automated Order Processing	Big Co. must provide ASIC with written certification from a director that the system is in compliance with Operational Requirements, and that it does not interfere with the proper functioning of any Trading Platform	Big Co. must provide ASIC with written certification from a suitably qualified person that the system has in place appropriate organisational and technical resources, trading management arrangements and security arrangements, and that it does not interfere with the efficiency, integrity or proper functioning of the Trading Platform	None of the options are required	2935	MIR 5.6.3 & 5.6.6
C/M 03	53.	Consider the following question about Block Special Crossings (Tier 1). Apart from the requirements that the Trading Participant act as both buyer and seller, and that Equities Securities are from a single Issuer, which of the following answers describes the two additional conditions which must be satisfied for a Block Special Crossing (Tier 1) in Equity Securities to be effected?	2	The consideration for the transaction is not less than \$1,000,000; and the Securities are from different classes of preference or contributing shares only	The consideration for the transaction is not less than \$1,000,000; and the Securities are of the same class and paid up value	The consideration for the transaction is not less than \$500,000; and the Securities are from different classes of preference or contributing shares only	The consideration for the transaction is not less than \$500,000; and the Securities are of the same class and paid up value	2929	ASXOR 4810 & Proc.4810
C/M 03	54.	If a Trading Participant is involved in transacting a Crossing or Special Crossing in a Trading Platform, what are the reporting obligations under ASX Operating Rule 3500 (General obligation to report)?	4	The employee(s) effecting the Crossing or Special Crossing must report this to ASIC	The employee(s) effecting the Crossing or Special Crossing must report this to a director of the Trading Participant	The Trading Participant effecting the Crossing or Special Crossing must report this to ASIC	The Trading Participant effecting the Crossing or Special Crossing must report this to ASX	2933	ASXOR 3500(c) & Proc.3500

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 03	55.	What is the total consideration for all purchases and or sales making up a Portfolio Special Crossing?	3	\$200,000	\$2,000,000 (that is, 10 transactions of at least \$200,000)	\$5,000,000	\$10,000,000	2932	ASXOR 4810 & Proc.4810
C/M 03	56.	When a Trading Participant effects a Portfolio Special Crossing what is it required to do?	3	Record the transaction on TradeMatch using parameter SX	Immediately advise Market Control by telephone, followed by written confirmation within 3 business days	Immediately advise Market Control of the portfolio and report it in accordance with ASX Operating Rules & Procedures	It is not required to do any of the options	2934	ASXOR 3500(c) & Proc.3500
C/M 03	57.	If a Trading Participant is dissatisfied with the actions taken by ASX in relation to Cancellations and Dealing Disputes, what action may the Trading Participant take?	2	The Trading Participant has no right of appeal. The actions must stand.	The Trading Participant may appeal to the ASX Appeal Tribunal.	The Trading Participant may appeal to the ASIC Markets Disciplinary Panel.	The Trading Participant may appeal to the Administrative Appeals Tribunal	2940	ASXOR 3230
C/M 03	58.	Which of the following best describes Automated Order Processing ?	3	Any form of buying or selling of a Traded Product which is conducted over the Internet	Where brokers may key Orders into a Trading Platform without requiring the assistance of a Designated Trading Representative	Where orders are accepted for submission into a Trading Platform by the Trading Participant, and are submitted as corresponding Trading Messages without being keyed or re-keyed by a Designated Trading Representative	None of the options are correct	2936	MIR 1.4.3
C/M 03	59.	Which of the following is NOT a condition which a Trading Participant must satisfy before it effects a Portfolio Special Crossing?	4	The portfolio comprises a number of purchases and/or sales of different Traded Products pursuant to a single agreement for an agreed price	The Trading Participant acts as agent for both the buyer and seller of the portfolio	There are at least 10 purchases and/or sales of different Traded Products which have a consideration of not less than \$200,000 may be included	The total consideration for all purchases and/or sales making up the portfolio is not less than \$10,000,000.	2931	ASXOR 4810 & Proc.4810
C/M 03	60.	Who is responsible for the accuracy of details, the integrity and bona fides of all Trading Messages entered into a Trading Platform in an Automated Order Processing environment?	2	ASX	The Trading Participant	The DTR	The client	2939	MIR 2.5.4 ASXOR 3000
C/M 03	61.	Your Trading Participant intends to use its system for Automated Client Order Processing. An institutional client of your firm wishes to have one of its employees approved as an Authorised Person for submitting orders. Is this permitted under ASIC Market Integrity Rules?	2	No, only employees of Trading Participants may submit orders into an Automated Client Order Processing system	Only if the employee of the institutional client has met the accreditation procedures of the Trading Participant according to the requirements of Authorised Persons, including demonstrating required knowledge of Order Entry and the Dealing Rules	Only DTRs of Trading Participants may submit orders into an Automated Order Client Processing system	Yes, provided that the Authorised Person has access to an approved Open Interface Device	2938	MIR 5.6.2

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 04 S 03	62.	A client has an order to buy 1,000 CBA Ltd at market. Your firm has a long error position it wants to sell. Under ASIC Market Integrity Rules can your broker cross the trade with the client?	3	No, a broker cannot sell an error position to a client	No, the client order precedence rule prohibits this occurring	Yes, if the transaction is completed according to the Trading as Principal Rule	Yes, there are no restrictions or requirements on crossings arising from error positions	2959	MIR 3.2
C/M 04 S 03	63.	A fund manager for a major professional investor asks your advice as to whether to buy ABC Ltd shares. Your firm has completed an unsuccessful float of the stock one month ago and has been left with 10% of the issued capital. Are you required to disclose this information, and why or why not?	1	Yes, you must disclose the shareholding to the client	Depends, you do not need to disclose the shareholding if your firm will not be trading these shares	Depends, you do not need to disclose the shareholding if it is greater than 60 days since the closing date of the issue of ABC Ltd shares	No, as the client is classed as a Wholesale Client under ASIC Market Integrity Rules	2958	MIR 5.10.5
C/M 04 S 03	64.	A Participant shall not use the nominee company operated by a Settlement Participant unless...?	4	The nominee company of the Settlement Participant complies with the relevant provisions of the ASX Clear Rules	The Settlement Participant maintains detailed records for the custodial nominee company operated by the Settlement Participant in accordance with the rules of the Approved Settlement Facility	The nominee company of the Settlement Participant is a directly legally and beneficially wholly owned subsidiary of the Settlement Participant	All of the options	2966	ASXCR 4.11.1(b)
C/M 04 S 03	65.	A Participant uses a nominee company which is a directly legally and beneficially wholly owned subsidiary of a Settlement Participant. When is the Settlement Participant able to use Financial Products that are beneficially owned by the Participant or a Client of the Participant to settle a transaction for another person?	2	Only when acting as Principal	Only when the Participant, or the Participant's Client, has given its prior written approval	Only if the Settlement Participant has been provided with a waiver from ASX Clear	There are no restrictions on transactions in this case	2967	ASXCR 4.11.1(c)
C/M 04 S 03	66.	An adviser wishes to recommend a Traded Product to a client where the Market Participant acted as an underwriter for the Traded Product and was forced to take up a shortfall. Is the adviser required to disclose this information before recommending this Traded Product to a client?	2	Yes - the adviser must always disclose this information	Depends - this information need not be disclosed once 90 days has elapsed since the closing date	Depends - this information need not be disclosed where the adviser is acting as Principal	No - the adviser is not required to disclose this information under ASIC Market Integrity Rules. However, the adviser may choose to disclose this information as part of maintaining good client relations	2955	MIR 5.10.5



Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 04 S 03	67.	ASIC Market Integrity Rule 3.6 (Prohibition of Advice to Clients) provides in part that where, as a result of its relationship to a client, a Market Participant is in possession of information that is not generally available in relation to a Financial Product and which would be likely to materially affect the price of that Financial Product if the information was generally available, that Market Participant will not give any advice to any other client of a nature that would damage the interest of either of those clients. Are there any exceptions to this rule?	2	No, there are no exceptions to this rule	Yes, a broker is not prohibited from this action where there are 'Chinese Walls' in place such that a person giving advice to a client is not aware of the relevant information	Yes, a broker is not prohibited from this action where the client is a Wholesale Client	Yes, a broker is not prohibited from this action where the two clients are related entities	2961	MIR 3.6.3
C/M 04 S 03	68.	Can a Market Participant's nominee company hold Equity Securities on its own behalf?	1	No - it can only hold Equity Securities on behalf of another party	Depends, if the Equity Securities are held in trust or as part of a mutual fund administered by the Market Participant, then this is permitted	Yes - provided it has the approval of ASX	Yes - there are no restrictions on this practice	2954	MIR 5.10.7(2)(b)
C/M 04 S 03	69.	Imagine you are dealing as principal in a transaction with a client which is a small private company. When are you permitted to charge brokerage for transactions of this client?	3	Never	Only with the prior written approval of ASIC	Only if the client is a Wholesale Client who has consented to the charging of brokerage	Always	2957	MIR 3.2.4(1)(b) (CA 991E(3); Reg.7.8.20(3))
C/M 04 S 03	70.	Is there any restriction in ASIC Market Integrity Rules on the number of transactions that a Participant may transact on a Managed Discretionary Account it manages for a client?	4	No, there are no restrictions on transactions on Managed Discretionary Accounts	Yes, no more than 5 transactions per week are permitted unless a waiver is provided by ASIC	Yes, no more than 5 transactions per day are permitted unless a waiver is provided by ASIC	Yes, the number of transactions should not be regarded as excessive having regard to the investment objectives, financial situation and needs of the client	2970	MIR 3.3.2
C/M 04 S 03	71.	There are a number of exceptions to the normal practice of Securities being settled on the Third Business Day. Which of the following is NOT one of them?	1	Where by mutual consent parties agree to a particular settlement date up to 60 days after the date of transaction	Forward Delivery Transactions	ASX classified the Cash Market Transaction as 'deferred delivery'	ASX classified the Cash Market Transaction as 'deferred settlement'	2956	ASXOR 3600 & Proc.3600
C/M 04 S 03	72.	Under ASX Clear Rules, a Participant may choose to have its nominee company operated by a third party. What name is given to describe this third party?	2	Clearing Participant	Settlement Participant	Nominee Administrator	General Participant	2965	ASXCR 4.11.1(b)
C/M 04 S 03	73.	Under ASIC Market Integrity Rule 3.2.5 (Extended meaning of dealing as Principal) a Market Participant acts as principal if it enters into or deals in a Market Transaction on its own behalf or on behalf of certain persons. Which of the following is NOT one of these persons?	1	A Family Trust of an employee of the Market Participant	A spouse of a substantial shareholder of the Market Participant	A subsidiary of a holding company of a Market Participant	A body corporate where one or more of the partners singly or collectively hold a controlling interest	2950	MIR 3.2.5

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 04 S 03	74.	Which of the following best describes the definition of Family Company for the purposes of ASIC Market Integrity and ASX Clear Rules?	2	This is a company where the person or the Immediate Family of the person is the sole beneficiary of the company	This is a company where the person or the Immediate Family of the person is beneficially entitled to more than 50% of the issued capital of the company	This is a company where the person has the ability to remove a company board member and replace this member with his/her own respective nominee	None of the definitions are correct	2968	MIR 1.4.3 Definitions ASXCR 2.10.1 Definitions
C/M 04 S 03	75.	Which of the following best describes the definition of Family Trust for the purposes of ASIC Market Integrity and ASX Clear Rules? 1. This is a trust where the person or the Immediate Family of the person is the sole beneficiary of the trust. 2. This is a trust where the person or the Immediate Family of the person is the sole or majority beneficiary of the trust. 3. This is a trust where the person has the ability to remove the person acting as trustee of the trust and replacing that trustee with his or her own nominee.	4	Both 1 and 2	Both 1 and 3	None of the definitions	Both 2 and 3	2969	MIR 1.4.3 Definitions ASXCR 2.10.1 Definitions
C/M 04 S 03	76.	Which of the following best describes the requirements on Market Participants regarding the provision of details of the Participant's allocation policy to clients?	1	Market Participants are required to inform clients of their allocation policy if a client requests this information	Market Participants are required to disclose their allocation policies to all retail clients, but not to Professional Investors	Market Participants are required to provide all clients with a copy of their allocation policy prior to commencing trading on their behalf	Market Participants are required to have all clients sign an allocation policy agreement prior to commencing trading on their behalf	2971	MIR 5.1.8(1)(a)
C/M 04 S 03	77.	Which of the following would a Market Participant be acting as principal for if it dealt or entered into a Market Transaction on their behalf?	1	A 17 year old son of the company secretary of the Trading Participant?	A director's cousin	An employee's spouse	A company in which a director of the Trading Participant and her husband own 49% of the issued capital and the director's grandmother owns the remaining 51%	2951	MIR 3.2.5(1)(c)
C/M 04 S 03	78.	Whom should a Market Participant notify that ASX has the power under the Rules to cancel or amend a Market Transaction or Crossing?	3	All retail clients only	All new clients only	All clients	No-one since it is clearly specified in the confirmations sent to clients.	2972	ASXOR 3280
C/M 04 S 03	79.	With regard to the type of securities which a market participant is allowed to register in its own name, which of the following statements is correct?	2	They can register any type in their own name since there are no special requirements	Equity securities of which it is not the beneficial owner cannot be registered in the market participant's own name	All securities associated with a market participant must be registered in its nominee company	None of the options	3155	MIR 5.10.7(1) ASXCR 4.11.1

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 04 S 03	80.	You are an advisor with a broking firm. A retail client requests that you purchase a large line of stock for him and requests that you accumulate the stock over several days and average the price on one confirmation. What is the most appropriate action to take given this request?	2	Accept the request and record the details of this request on the order form	Explain to the client that the request must be made in writing to the broking firm before a purchase of this kind can be executed	Explain to the client that while accumulation of this kind is permitted, price averaging is not permitted unless a waiver has been granted by ASX	Explain to the client that accumulation and price averaging are not available to retail clients under ASIC Market Integrity Rules, but offer to provide a confirmation for each day's purchases	2964	MIR 3.4.2
C/M 04 S 03	81.	Your broking firm controls a company that receives cash and other property from persons, other than in connection with the broking firm's business of dealing in Financial Products. What obligation arises under the ASX Operating Rules in this case?	1	The Market Participant is required to provide written notification to each such person that the general protection of the National Guarantee Fund shall not apply to the money lent or the property provided	The Market Participant is required to provide written notification to each such person that the general protection of the National Guarantee Fund shall not apply to the money lent only	The Market Participant is required to provide written notification to each such person that the general protection of the National Guarantee Fund shall not apply to the property provided only	The Market Participant is required to provide written notification to each such person that the general protection of the National Guarantee Fund shall apply in these cases	2963	ASXOR 6600
C/M 05 S 03	82.	A client asks you to sell shares in his wife's name but to bank the proceeds to a cash management account that he has in his name. He has previously given you written authority to deposit the funds in the cash management account. What are you required to do at this point?	2	Accept his instructions and process the order	Ensure you have written authority from his wife for the sale and deposit prior to processing the order	Obtain his authority in writing for the sale and deposit prior to processing the order	Refuse to process the order unless it comes directly from his wife	3005	CA s981B & Reg.7.8.02(1)(a)
C/M 05 S 03	83.	A client makes an order to buy certain shares, but before these have been received and paid for, the client unfortunately dies. After this date, the shares continue to rise in value. Where a Participant, after reasonable enquiry, is unable to find anyone legally authorised to complete the purchase on the client's behalf, what actions can the Participant take?	2	The Participant may re-sell the Securities with the permission of ASX, and may keep any surplus	The Participant may re-sell the shares, and the client's estate will be entitled to receive any surplus	The Participant may re-sell the shares (without needing any special permission), and may keep any surplus (minus any specified service fee)	No action is permitted	3001	ASXCR 7.3.1
C/M 05 S 03	84.	Assume you are an employee in a stockbroking organisation and you have been asked to check the confirmations that are to go out to clients. Which of the following is an endorsement that is required to appear on a confirmation under the ASIC Market Integrity Rules?	2	Forward Delivery	Crossing	Margin Lending loan	Traded Products sold to the client from an underwriting shortfall	3003	MIR 3.4.1(3)(f)
C/M 05 S 03	85.	Before entering into a Market Transaction in Partly Paid Securities for the first time on behalf of a Retail Client, the Market Participant must:	1	enter into the prescribed client agreement with the client	indemnify the client for any losses	receive all subsequent amounts payable as instalments on the securities	give the client a copy of the explanatory booklet	5882	MIR 3.1.9

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 05 S 03	86.	Consider the following information which could be placed on a confirmation despatched under the Accumulation and Price Averaging Rules (i) All Market Transactions entered into by the broker pursuant to the order (ii) The price average of the Market Transactions which are the subject of the purchases or sales (iii) The name or names of the DTRs transacting the order (iv) The date on which the confirmation is produced Which of the following is required to be shown on the confirmation?	2	(i) and (ii) only	(i), (ii) and (iv) only	(i), (iii) and (iv) only	(i), (ii), (iii) and (iv)	3010	MIR 3.4.2
C/M 05 S 03	87.	For the following list of circumstances, when is a Market Participant required to make endorsements on confirmations? (i) If a confirmation is for sale of Securities held under an underwriting shortfall (ii) If the transaction was a crossing (iii) If the transaction was in relation to a takeover offer where the Trading Participant is acting for the offeror (iv) If the Trading Participant was acting as principal	1	(ii) and (iv)	(ii), (iii) and (iv)	(i), (iii) and (iv)	All of the options	2997	MIR 3.4
C/M 05 S 03	88.	If a Market Participant executes a sale that is to be cleared by another party which is a Clearing Participant, which organisations are required to be identified on the confirmation issued to the client?	2	The Market Participant which executed the sale only	The Market Participant which executed the sale and the Clearing Participant which clears the transaction	All Trading and Clearing Participants whether they are involved in this sale or not	None of the above	3011	MIR 3.4.1(3)(c)
C/M 05 S 03	89.	If a Market Participant makes a disclosure statement to a client under ASIC Market Integrity Rule 3.1.4 (Information to be given to a client: Clearing Arrangements, etc), what are the requirements regarding records for disclosure statements?	2	Only disclosure statements arising from when the Market Participant is acting as Principal need to be recorded	A record of all disclosure statements to relevant clients must be recorded, together with the date of disclosure	A record of the client's consent (either oral or written) regarding advice arising from any disclosure statement is required	None of the options	3012	MIR 3.1.11
C/M 05 S 03	90.	Under ASIC Market Integrity Rule 3.4.1 (Confirmations-Form and timing), when are you as a client advisor permitted to hold on to client confirmations?	4	Only when the client provides you with written authority	Only when they relate to a Managed Discretionary Account	Only when the client is away on holiday and asks you not to mail them	Never	3004	MIR 3.4.1(2)
C/M 05 S 03	91.	What rights are available to a Participant should a client default?	4	The Participant may sell, but not purchase, sufficient of the financial product at the client's risk and expense. The Participant may not charge brokerage on transactions of this kind	The Participant may sell, but not purchase, sufficient of the financial product at the client's risk and expense, including brokerage	The Participant may sell or purchase sufficient of the financial product at the client's risk and expense. The Participant may not charge brokerage on transactions of this kind	The Participant may exercise any rights which the Participant has under the Rules, the client agreement or otherwise	2996	ASXCR 7.2

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 05 S 03	92.	Which of the following is the best answer concerning the requirements placed on a Market Participant, acting as principal, under Market Integrity Rule 3.2 (Trading as Principal)?	3	Participants must keep a Register, inform ASIC of any changes to the Register within 5 business days, and state on the confirmation that it is acting as principal not agent.	Participants must inform their clients that they are acting as principal not agent, and have this stated on the confirmation	Participants must keep a Register, not charge brokerage in certain circumstances, inform their clients that they are acting as principal not agent, and have this stated on the confirmation	Participants must keep a Register, inform ASIC of any changes to the Register within 5 business days, inform their clients that they are acting as principal not agent, and have this stated on the confirmation	2995	MIR 3.2
C/M 05 S 03	93.	William is an advisor for a Market Participant, and one of his clients asks him if he can be sent confirmations electronically. Which of the following is the most appropriate answer under the ASIC Market Integrity Rules?	3	William is not permitted to send electronic confirmations	William may send interim confirmations electronically for information purposes only, but these electronic confirmations do not have any formal status - only hard copy written confirmations are acknowledged by the Rules	William is permitted to send confirmations electronically	William may send confirmations electronically at any time only if the client has given prior written consent to receive them	3008	MIR 3.4.1(2)(b)
C/M 05 S 03	94.	Your client fails to pay for securities purchased. Exercising rights under the client agreement, your firm sells-out the position on market. What is the best description of what must happen to the sale proceeds?	1	The client is entitled to any surplus, but must account to the Clearing Participant for any deficiency on the sale	The client must ensure that there is a surplus on the sale, which is payable to the Clearing Participant	The Clearing Participant must account to the client for any loss on the sale	The clearing Participant may keep the proceeds of the sale, but only if there is a surplus	3007	ASXCR 7.2/General
C/M 05 S 03	95.	Your Participant has a Client Agreement required under either ASIC Market Integrity Rule 7.1 or ASX Clear Rule 7.1. How long is a copy of this agreement required to be maintained?	1	For 7 years following the date on which the agreement is terminated	For 7 years from the date the agreement is entered into	For 5 years following the date on which the agreement is terminated	For 5 years from the date the agreement is entered into	3900	MIR 3.1.11 ASXCR 7.1
C/M 06 S 04	96.	A Market Participant holds a discretionary (at market) unexecuted order for a client, and then an order on the same terms from a director of the Market Participant arrives after the client order. Under what circumstances can the order of the director be processed before the order of the client?	2	Only when written approval is given by another director of the Market Participant	Only when the client has been informed of the allocation policy of the Market Participant, and the client has consented to this policy	Only when the sequence of orders is not clearly established by the time the orders were received	Under no circumstances may the order of the director be processed before the order of the client in this case	2994	MIR 5.1
C/M 06 S 04	97.	A Market Participant holds a non-discretionary unexecuted order for a client, and then receives an order on the same terms from a director of the Market Participant. Under what circumstances can the director's order be processed before the client's order?	4	Only when written approval is given by another director of the Market Participant	Only when the client has been informed of the allocation policy of the Market Participant, and the client has consented to this policy	Only when the sequence of orders is not clearly established by the time the orders were received	Under no circumstances may the order of the director be processed before the order of the client in this case	2973	MIR 5.1.3

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 06 S 04	98.	A Market Participant holds a non-discretionary unexecuted order for a client, and an order on the same terms from the father-in-law of an employee of another Market Participant. Under what circumstances can the order of the father-in-law of the employee of another Market Participant be processed before the order of the client?	3	Only when written approval is given by another director of the Market Participant	Only when the client has been informed of the allocation policy of the Market Participant, and the client has consented to this policy	The two orders must be processed in the order in which they were received	Under no circumstances may the order of the father-in-law of the employee of another Market Participant be processed before the order of the client in this case	2974	MIR 5.1.4(b)
	99.								[DC: ASX obligation removed 2014]
C/M 06 S 04	100	According to ASIC Market Integrity Rule 5.1 (Client Order Priority), in what circumstances can a broker transact an employee buy order while it holds an incomplete client buy order in the same stock?	2	When the employee gives Careful Discretion to the DTR	When the price limit on the client order means it is out of the market	Only with the client's approval	Never	2980	MIR 5.1.3
C/M 06 S 04	101	As an employee of a broking firm you have a limit order to buy stock on your own account in the Trading Platform. A client then places an order to buy the same stock at the same limit. Under ASIC Market Integrity Rules, what would you expect the DTR to do with the client's order?	1	Enter it into the system as it is	Ensure that the client's order receives priority over your order	Inform you and the client's advisor of the situation, and seek the client's consent before proceeding	Wait until your order has been filled, and then enter the client's order after your transaction is completed	2979	MIR 5.1.4(b)
C/M 06 S 04	102	'Fair Go' a Market Participant received the following sell orders for BHP shares  Client A - Sell 2000 BHP at \$19.00 at 9.00am Fair Go Director - Sell 1000 BHP at \$19.00 at 9.00am Client B - Sell 1000 BHP at \$19.00 at 9.30am Client C - Sell 1000 BHP at market at 10.30am  BHP sales were made as follows (i) 1000 BHP at \$19.00 effected at 10.00am (ii) 1000 BHP at \$19.00 effected at 10.05am (iii) 1000 BHP at \$19.00 effected at 10.10am (iv) 1000 BHP at \$19.00 effected at 10.20am  Who should receive sales (iii) and (iv) respectively?	3	Client B, Client C	Fair Go Director, Client B	Client B, Fair Go Director	Client A, Client B	2976	MIR 5.1.3 (CA 991B(2))
C/M 06 S 04	103	How many types of Clearing Participant are defined in the ASX Clear Rules, and what are they called?	2	One - Participants	Two - Direct Participants and General Participants	Two - Settlement Participants and Clearing Participants	Three - Participants, Clearing Participants and Settlement Participants	2986	ASXCR 2.10.1 Definitions

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 06 S 04	104	If a Participant changes its ownerships such that a third party, ABC Ltd, becomes a Controller of the Participant, how soon must the Participant notify /ASX Clear (in writing)?	1	Immediately	No later than the next Business Day	Within 3 Business Days	The Participant is not required to notify /ASX Clear in this case, but rather must notify ASIC within 3 Business Days	2981	ASXCR 4.7.1(d)(ii)
C/M 06 S 04	105	If a Participant receives an Enforceable Undertaking from ASIC, how soon must the Participant provide written advise to ASX/ASX Clear/?	1	On or before the next Business Day	No later than 7 days after receipt	Within 3 Business Days	The Participant is not required to notify ASX/ASX Clear/ in this case, but rather must respond to ASIC within 3 Business Days	2982	ASXOR 1400(e); Proc.1400(e) 3. ASXCR 4.7.1(e)
C/M 06 S 04	106	If a Relevant Person is found to have contravened the ASX Rules, what rights and applicable conditions, does it have under the Rules?	2	No rights under Rules	Right of appeal, with grounds for appeal needing to be lodged with the Appeal Tribunal within 20 Business Days after receipt of written reasons for the decision, or 10 Business Days in the case of termination or suspension.	Right of appeal, with grounds for appeal needing to be lodged with the ASIC within 10 Business Days after receipt of written reasons for the decision	Right of appeal only in cases of procedural error	2989	ASXE&AR 3.1 & Procedure 3.1
C/M 06 S 04	107	In what circumstances may ASX take disciplinary action against a Relevant Person?	1	When the Exchange considers that the Relevant Person has contravened the Rules or procedures	When ASIC considers that the Relevant Person has breached any of the Rules or engaged in Unprofessional Conduct	When another Participant presents material evidence to the Exchange of a breach of any of the Rules or engaging in Unprofessional Conduct	Only when a Participant has been found liable in a civil action regarding a breach of the Rules or engaging in Unprofessional Conduct.	2987	ASXE&AR 1.12.1 Definitions ASXE&AR 2.2.1 General Powers
C/M 06 S 04	108	Is a Participant required to maintain a register of complaints, and if so, under the Rules what requirements are placed on any such register?	3	No - all complaints must be referred directly to ASX	No - all complaints must be referred directly to ASIC	Yes - a complaints register must be kept for all written complaints. These shall be kept for at least 5 years from the date of last correspondence	Yes - a complaints register must be kept for all written and oral complaints, including any written reply, or diary notes concerning any verbal reply. These shall be kept for at least 7 years from the date of the last correspondence or verbal contact.	2978	MIR 4.2.2

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 06 S 04	109	Review the three statements below. (i) Any conditions of the waiver have to be complied with. (ii) The request for a waiver must be in writing. (iii) The waiver may be removed by ASIC, ASX, ASX Clear or ASX Settlement at any time  Which of them apply to waivers given under the rules?	2	None of them apply as waivers of the Rules are only dealt with under the Corporations Act	All of the statements apply	(i) and (ii) only apply	(i) and (iii) only apply	2993	MIR 1.2.1 ASXOR 6030 ASXCR 1.6.1 ASXSR 3.3.1
C/M 06 S 04	110	Sally is an employee of a Market Participant who wishes to have a personal order executed for her. Under what circumstances can she have her order executed by her employer?	3	Under no circumstances - Sally must place her order through another Market Participant	The order may only be executed with the prior written consent of a partner or director of the Market Participant	The order may be executed with the prior written consent of a Responsible Executive, partner or director or a person with written delegation for the responsibility	The order may be executed without restriction provided that normal procedures for client order execution are followed	2977	MIR 5.4
C/M 06 S 04	111	Under the ASIC Market Integrity Rules and the ASX Operating Rules who is responsible for all actions and omissions of persons involved in a Market Participant's Business?	3	A supervisor of an Employee of the Market Participant	The Disciplinary Committee of the Board of the Market Participant	The Market Participant	The Authorised Representative	2985	MIR 2.1.6 ASXOR 6500
C/M 06 S 04	112	What are the obligations of a Responsible Executive of a Clearing Participant regarding incorrect information already provided to ASX Clear?	1	Where they become aware that the information was incomplete, inaccurate or misleading, they must promptly notify /ASX Clear in writing	They must phone the relevant ASX Clear department with details of the correct information	They must bring the matter to the attention of the directors of the Participant to report the matter to the ASX Clear	None of the options are obligations of responsible executives	2991	ASXCR 4.22.1(h)
C/M 06 S 04	113	What are the obligations of a Responsible Executive under the ASIC Market Integrity Rules where one of their employees wishes to carry out several Market Transactions?	4	They must consider the circumstances of each order, including anything that might materially affect the price of the product to be traded	If appropriate, they must approve each transaction in writing	They must date and time the approval	All of the options	2992	MIR 5.4
	114								
C/M 06 S 04	115	Which of the following is NOT a penalty that may be the subject of an Infringement Notice by the ASIC Markets Disciplinary Panel, if a Market Participant is found to have contravened the Market Integrity Rules?	2	Pay a penalty	AFS Licence Cancellation	Require an education program to be instituted	Require other remedial measures to be instituted	2988	Corps.Act s798K Corps.Reg. 7.2A
C/M 06 S 04	116	Which of the following persons or entities is NOT included in the definition of 'Prescribed Person' in relation to ASIC Market Integrity Rule 5.1 (Client Order Priority)?	3	A Responsible Executive of the Market Participant	A Controller of the Market Participant or a Related Body Corporate of that Controller	A corporation which is a controller of the Market Participant placing an order on behalf of funds managed by it	The spouse of a director of the Market Participant	2975	MIR 5.1.2(b)



Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 06 S 04	117	For a Trading Participant that is not a Clearing Participant, how many Clearing Participants may it engage to clear its transactions?	3	none	one only	one or two	three or more	5171	ASXOR Procedure 1.1010(c)
C/M 07 S 05	118	Apart from Automated Order Processing Requirements, who may submit a trading Message into a Trading Platform?	1	Only Designated Trading Representatives	Either DTRs or directors of a Trading Participant	Directors, partners or employees of a Trading Participant who receive an order from a client	Any employees of a Trading Participant with training and competence in the use of the Trading Platform	2941	MIR 2.5.1
C/M 07 S 05	119	Are Principal only Trading Participants able to deal for clients?	1	No	Only if they act as principal	Only where they do not also act as Clearing Participant	Yes	2948	ASXOR 1001
C/M 07 S 05	120	Are Principal only Trading Participants able to participate in the Clearing Facility?	4	No	No, except in the case that a special waiver is provided by the Exchange	Only if they are acting as principal	Only if they are a body corporate incorporated under the Corporations Act or registered as a foreign company under the Corporations Act	2949	ASXCR 3.2.1
C/M 07 S 05	121	Before accepting an order to enter into an Options Market Transaction for a person, a Market Participant must have entered into a written agreement with the client which sets out the terms of their relationship in relation to the relevant Options Market Transactions. Which of the following must also be provided to the client before accepting such an order?	1	A copy of the current explanatory booklet on the Market published by the Market Operator (together with any updates published by the Market Operator)	A derivatives disclosure declaration (which must then be signed and returned)	A written agreement which sets out the procedure for placing an order	A copy of the Participant's registration to operate Client Accounts	2943	MIR 3.1.2(1)
C/M 07 S 05	122	In addition to obtaining a signed Warrant Client Agreement Form from a Retail Client, what else must be given to a Retail Client before processing the first warrant transaction request?	1	A copy of the current explanatory booklet on the Market published by the Market Operator (together with any updates published by the Market Operator)	The terms and conditions for Clearing Participant client accounts	A risk disclosure declaration	All of the options	2946	MIR 3.1.2(3)
C/M 07 S 05	123	Ralph would like to become a Market Maker, but does not work for a Trading Participant. Can Ralph as an individual meet the Registration Criteria for a Market Maker under the ASX Operating Rules?	3	No - only Direct Participants can be Market Makers	Depends - only if Ralph meets the criteria for registration as a Registered Independent Options Trader	Depends - only if Ralph meets the criteria for registration as a Trading Participant with Trading Permission in respect of that Derivatives Market Contract and he accepts obligations to make markets in Classes assigned by ASX	Yes - any individual who is willing to accept obligations to make markets in a minimum of two Classes assigned by ASX can be registered as a Market Maker	2942	ASXOR 3440; Proc.3440

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C/M 07 S 05	124	Under ASX Clear Rule 14.7, where a Derivatives CCP Contract relates to a Client, a Participant must call Cash or Collateral from that Client which the Participant considers sufficient to ensure that the Participant is able to satisfy its obligations to ASX Clear for those Contracts. The Participant is also entitled to call additional cash or collateral from its client which it considers appropriate in connection with clearing the contracts. This additional amount and the time within which it is required is set out in the agreement between client and Participant. What is the maximum time that may be allowed to a client by the Participant for payment of the additional amount?	2	Up to 5pm EST on the day of the margin call	48 hours	T+1	T+3	2945	ASXCR 14.7.7
C/M 07 S 05	125	When are Derivatives Market Transactions settled by?	1	T+1	T+2	T+3	T+5	2947	ASXSR?
C/M 07 S 05	126	Where a Derivatives CCP Contract relates to a Client, a Participant must call Cash or Collateral from that Client which the Participant considers sufficient to ensure that the Participant is able to satisfy its obligations to ASX Clear for those Derivatives CCP Contracts. How long after ASX Clear notifies Participants of the Initial Margin payable under ASX Clear Rule 14.7 must the Participant call amounts from the client?	2	By close of business on that day	24 hours	48 hours	3 days after the trade	2944	ASXCR 14.7.2
C 08 S 06	127	A client of your broker owes you \$8,000 for a purchase of ANZ shares. It is now T+3 and the shares have now fallen in value from the time of the original purchase. The client also has \$25,000 of BHP shares for which she has paid. Under ASX Settlement Rule 7.2.2 (Mandatory provisions of a Sponsorship Agreement), are you able to hold the BHP Securities and if so how many of them?	2	Yes, you may hold all Securities in this case until the matter is resolved	Yes, you may hold Securities with a value equal to 120% of the current market value of the amount claimed	Yes, you may hold the Securities which have not been paid for, but may not hold any other Securities	No, you are not permitted to hold any Securities in this case	2829	ASXSR 7.2.2 ASXSR Appendix 3
C 08 S 06	128	A client of your firm has a sell order in the Trading Platform for a line of stock, and has delivered the stock to you so that when it is sold you can 'on deliver'. Under ASX Settlement Rule 6.3.5 (Financial Products in a Settlement or Accumulation Holding), can you hold the stock in your firm's Settlement or Accumulation Accounts?	3	Yes, either of these accounts may be used for this purpose	Only the Settlement Account may be used for this purpose	Only the Accumulation Account may be used for this purpose	No, neither of these accounts may be used for this purpose	2825	ASXSR 6.3.5
C 08 S 06	129	A client of your firm has purchased a line of stock but has not yet paid for it. Under ASX Settlement Rule 6.3.5 (Financial Products in a Settlement or Accumulation Holding), is this stock, which has been delivered by the selling broker, able to be held in your Settlement Account or Accumulation Account?	3	Yes, either of these accounts may be used for this purpose	Only the Settlement Account may be used for this purpose	Only the Accumulation Account may be used for this purpose	No, neither of these accounts may be used for this purpose	2824	ASXSR 6.3.5

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C 08 06	S 130	A Participant must not clear Market Transactions for another Market Participant unless:	4	the Participant intending to clear the Market Transaction is an Account Participant.	both parties have approved the client to trade.	the Participant intending to clear the Market Transaction is a Specialist Settlement Participant.	a Clearing Agreement is in place between the General Participant and the Market Participant.	2835	ASXCR 2.10.1 Definitions ASXCR 9.1.1
C 08 06	S 131	An advisor in your firm asks you as back office manager, to hold a large line of stock for one of his clients in either of your firm's Settlement Account or Accumulation Account. Under ASX Settlement Rule 6.3.5 (Financial Products in a Settlement or Accumulation Holding), is this permitted?	4	Yes, either of these accounts may be used for this purpose	Only the Settlement Account may be used for this purpose	Only the Accumulation Account may be used for this purpose	No, neither of these accounts may be used for this purpose unless you get ASX Settlement's written permission	2823	ASXSR 6.3.5
C 08 06	S 132	Before establishing a Holder Record in CHES and operating a CHES holding on behalf of a client, what must you first arrange for the client to do?	1	Have the client sign a sponsorship agreement form only	Have the client provide proof of his or her identity only	Have the client sign a sponsorship agreement form and provide proof of his or her identity	Have the client sign a client agreement, a sponsorship agreement form and provide proof of his or her identity	2820	ASXSR 6.3.2
C 08 06	S 133	Excluding foreign transactions, what are the entropot account requirements for brokers in CHES?	2	Brokers must maintain a Settlement Account only	Brokers must maintain both a Settlement and Accumulation Account	Brokers must maintain a single account for both Settlement and Accumulation in the name of the same Broker Nominee Company	Entropot account requirements only apply to foreign transactions	2830	ASXSR 6.3.4
C 08 06	S 134	If a client fails to pay for securities purchased, the clearing participant may:	1	exercise any rights against the client it has under the ASX Clear Rules, the Client Agreement or otherwise	sell the securities but only if a profit will result	buy more securities in order to make up a marketable parcel	exercise any rights against the client, with the prior consent of ASX and the ASX Clear	2828	ASXCR 7.2
C 08 07	S 135	If the settlement of a sale is still outstanding on T+5, the delivering Settlement Participant must:	4	purchase sufficient securities to deliver the shortfall	borrow sufficient securities to deliver the shortfall	sell all the relevant client's holdings	purchase or borrow sufficient securities to deliver the shortfall	5884	ASXSR 10.11.12
C 08 07	S 136	The solicitor representing the wife of one of your clients writes to you requesting that your broking firm provide him with the HIN for the client's shareholdings. Under ASX Settlement Rule 8.11 (Confidentiality), is this allowed and why/why not?	4	Yes, as the solicitor is acting as the Holder's duly appointed attorney	Yes, because immediate family and their agents are entitled to gain access to fellow family member's HIN's provided the request is made in writing	No, because only the Holder himself may have access to the HIN	No, because the wife's solicitor is not considered to be the Holder's duly appointed attorney, agent or legal personal representative	2822	ASXSR 8.11.1
C 08 07	S 137	Under the ASX Settlement Rules, what does HIN stand for?	1	Holder Identification Number	Holder Information Number	Holder Information Notice	Holder Instruction Notice	2834	ASXSR 2.13.1 Definitions

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C 08 07	S 138	What is required before a Participant transmits a message to establish a Holder Record on CHES for a person?	2	The person must have been provided with an appropriate introductory booklet about the Securities in which they wish to deal	The Participant holds a current Sponsorship Agreement executed by the person and the Participant.	The person must provide a HIN or SRN for the relevant Securities prior to transfer	All of the options	2832	ASXSR 6.3.2
C 08 07	S 139	Which of the following is a permitted use of a Settlement or Accumulation Account (as relevant) under ASX Settlement Rule 6.3.5(Financial Products in a Settlement or Accumulation Holding)?	3	Using an Accumulation Account for custodial purposes where the period does not exceed 3 business days	Using a Settlement Account to hold Securities for greater than 3 business days where a current sell order from a client for those Securities remains outstanding	Using an Accumulation Account to hold Securities for greater than 3 business days where the Securities were acquired by the Broker on the instructions of a client and that client has not paid the purchase price for those Securities	Using a Settlement Account to hold Securities for greater than 3 business days where the constitution of the Issuer of the Securities does not permit holdings of less than a marketable parcel	2831	ASXSR 6.3.5
C 08 07	S 140	Within one Business Day of a Controlling Participant receiving notice of the death or bankruptcy of a Sponsored Holder, the Participant must:	1	request ASX Settlement to impose a Holder Record lock on the relevant Holding	sell all Sponsored Holdings	transfer all Sponsored Holdings to a Participant notified by ASX Settlement	cancel the relevant Sponsorship Agreement	5883	ASXSR 7.1.4 & 7.1.5
C 08 07	S 141	You are a business manager in a large broking organisation. The back office manager comes to you suggesting that, due to a backlog in the office, you agree to establish Holder Records for a group of new clients before the clients provide you with any paperwork. Under ASX Settlement Rule 8.7.1 (Restrictions on establishing a Holder Record), is this allowed and why/why not?	3	Yes, establishing a Holder Record is allowed provided no transactions are completed without the advice of the client	Depends, establishing a Holder Record without paperwork is only allowed where the client has already agreed to this prior to submitting a current Sponsorship Agreement	No, establishing a Holder Record is only allowed once the Participant holds a signed current Sponsorship Agreement from the client	No, Holder Records must be created on an individual case by case basis - it is not permitted to create sets of Holder Records at one time	2821	ASXSR 8.7.1
C 08 07	S 142	You are the scrip manager of your broking firm. According to your current practices, when an Issuer Sponsored to CHES transfer is effected, your staff always check the transfer to ensure that the Securities were deducted from the correct Issuer Sponsored Holding. If a scrip clerk comes to you recommending that the procedure be stopped as it is very time consuming, what changes to this practice are permitted under ASX Settlement Rule 9.12.7 (Participant to check registration details)?	1	No changes to this practice are permitted	You are permitted to use a sampling procedure for checking provided that at least 20% of all transfers are checked, and that all errors (detected by your firm or others) are rectified	You are permitted to share the task of checking with other Participants provided that at least one Participant checks every transfer	Checks are not required if prior written agreement is received from the client	2826	ASXSR 9.12.7
C 08 07	S 143	You have been advised by another broking firm that a client of theirs who is an issuer sponsored holder in Telstra has had their holding erroneously deducted from the register by your firm. What are your obligations under ASX Settlement Rule 9.12.8 (Rectifying Errors)?	3	You are required to liaise with the client and take such steps as are necessary to rectify the error	You are required to liaise with the other broking firm and take such steps as are necessary to rectify the error	You are required to liaise with the issuer and take such steps as are necessary to rectify the error	All statements are correct	2827	ASXSR 9.12.8

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C 09 M/S 08	144	An employee of a financial services licensee has a client who, for cultural reasons, is uncomfortable with providing personal financial information. However, the adviser feels that he understands the needs of the client intuitively after conversing with the client on general topics for some time. Should the adviser provide personalised advice, and why (or why not)?	3	The adviser should provide personalised advice, but only in the form of a Statement of Advice	The adviser should provide personalised advice, unless this involves benefits, or potential benefits (either monetary or non-monetary) to the adviser or associates of the adviser.	The adviser should not provide personalised recommendations, unless the adviser warns the client that the advice may be based on incomplete or inaccurate information in relation to the client's relevant personal circumstances.	The adviser should not provide personalised advice, as cultural barriers frequently create misunderstandings concerning the nature of personalised recommendations.	2841	CA s961B CA s961H
C 09 M/S 08	145	If a new client receives personal advice for the first time from an employee of a financial services licensee, what is the maximum period of time after the advice that may elapse before a Statement of Advice is provided?	4	24 hours	48 hours	3 days	5 days	2842	CA s946C
C 09 M/S 08	146	Joe sends to 5 of his clients including Phil a quick email to recommend a 'hot tip' on a particular stock. The email does not include any further information other than the recommendation. When Phil later speaks to Joe about the recommendation by telephone, Joe notes in passing that he may receive a commission if enough of his clients take this advice. Which of the following is the best answer about making recommendations in these circumstances?	3	Joe has no obligations under the Corporations Act in this case as the commission may not be received depending on future circumstances	Joe has acted in accordance with the Corporations Act by providing Phil with further advice	Joe has not acted in accordance with the Corporations Act due to the fact that he has not given priority to the client's interests over his own. He may also be accepting conflicted remuneration, which is banned.	Joe has not acted in accordance with the Corporations Act as recommendations are not permitted via email	2838	CA s961J CA s963E CA s946B(1), and Reg 7.7.10AE
C 09 M/S 08	147	Mike has just joined a new firm as a Securities adviser and has no previous experience or qualifications. His supervisor tells him to recommend a new product to his retail client list (none of whom he has yet met or talked with). After what stage is Mike permitted to recommend this product to his retail clients?	4	He may recommend it once he has had the opportunity to contact his new clients	He may recommend it once he has investigated the product and subsequently believes he has a reasonable basis for recommending it	Provided that his supervisor has a proper authority, he may recommend it immediately	Once he has completed the required training under ASIC Regulatory Guide 146	2847	CA s912A(1)(f)
C 09 M/S 08	148	Percy, a retired client, calls you and asks for your advice on a highly speculative technology stock. He says that he has heard a rumour that the stock is going to rise sharply. Percy currently holds only blue chip stocks which he relies on for dividends. Given his financial situation, which of the following is the most appropriate advice and why?	2	Advise him to purchase the stock before the rumour becomes widely known and he misses out on the potential gain	Advise him to consider whether the stock fits with his personal circumstances, and point out that moving his investment focus from blue chip to speculative is likely to reduce his dividend income, which may harm his need for a regular income stream	Advise him to consider whether he believes the information came from a reliable source before acting on the advice	Advise him not to purchase the stock, as it is likely that the information he has received is incorrect	2845	CA s945A&B

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C 09 M/S 08	149	Sally, an Authorised Representative of a financial services licensee, is providing advice to a client about purchasing a Security via a Statement of Advice. However, Sally is aware that her husband Jim may obtain a non-monetary benefit due to her recommendation. What is Sally required to do?	1	She must ensure that she acts in the client's best interests and prioritises the client's interests over her own.	Depends, requirements only apply if non-monetary benefits can be converted by Jim into monetary benefits (either directly or indirectly)	Nothing, only monetary benefits are banned	Nothing, there are no restrictions on this situation	2837	CA s961B CA s961J
C 09 M/S 08	150	Under the Corporations Act Section 961B(2) (satisfying the Best Interests duty) which of the following must be done?	4	The provider shall determine the relevant personal circumstances of the client in relation to the advice, and make reasonable inquiries into those circumstances	The provider shall give consideration to, and conduct investigation of, the subject matter of the advice in relation to the client circumstances	The provider shall consider only the financial circumstances, investment objectives, and particular needs of the client	All statements are correct	2844	CA s961B(2)
C 09 M/S 08	151	When providing a client with further advice for which a statement of advice is not required, what is the general rule about when you should provide any required disclosures?	1	When making the verbal recommendation to the client	Within 24 hours of making the recommendation, as part of a Statement of Advice	Within 3 days, as part of a Statement of Advice	Within 5 days, as part of a Statement of Advice	2843	CA s946B(6); Reg 7.7.10AE
C 09 M/S 08	152	Which of the following would be necessary to satisfy the Best Interests duty to clients in Section 961B(2) of the Corporations Act?	4	The provider has identified the subject matter of the advice that is sought by the client.	The provider has identified the client's relevant circumstances in relation to giving the advice	The provider has assessed whether the provider has the expertise required to give the advice sought, and if not, declined to give advice.	All of the options	2840	CA s961B(2)
C 09 M/S 08	153	You are a Securities adviser making a recommendation to a client who may reasonably be expected to rely on it, and as a result of this recommendation, you will receive a benefit from a third party. Which of the following best describes the requirements placed on you in this case?	3	Under no circumstances are you permitted to receive a benefit from a third party.	As long as the benefit is non-monetary, you may always receive a benefit from a third party.	You may only receive a benefit from a third party if it falls within one of the exclusions to the ban on conflicted remuneration.	As long as you inform the client after the relevant transaction, you may always receive the benefit.	2846	CA s961J CA s963A-C CA s963E
C 10 M 09	154	A client calls and wishes to buy 10,000 XYZ Ltd shares at 10 cents. The market is currently ASK 9 cents and no BID. The client places further orders with you at increasing price levels. It is two days since the client places the first order when he rings again and wishes to sell 100,000 at 21 cents. This trading pattern may best indicate	2	insider trading	transactions effected to create a false or misleading share price	Making false statements to induce people to deal in securities	Nothing - this pattern is typical for stocks that are usually widely and thinly traded	2853	CA s1041B
C 10 M 09	155	A client rings you placing actual bids for small parcels of shares in a stock at or near the close of trading on three consecutive days. None of the orders are executed due to the short trading time available. The client also removes the bids prior to the opening of the market the following day. Following a week of this type of behaviour the client sells a large parcel of the same stock. Under Section 1041A (Market Manipulation) of the Corporations Act, could this behaviour be a breach, and if so, what types of penalties exist for this behaviour?	4	No, these actions would not represent a breach as both the bid and sell offers were placed in the Trading Platform as formal entries	Depends, these actions would only represent a breach if the final sale was executed as part of a Special Crossing	Yes, as this type of trading behaviour would constitute market manipulation, and would be treated as a civil penalty, but not as an offence	Yes, as this type of trading behaviour would constitute market manipulation, and could be treated both as a civil penalty and as an offence	2858	CA 1041A

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C 10 M 09	156	A company client of yours has launched a scrip based takeover of another company. One of the offeror company's directors telephones you to purchase shares in the offeror company at prices well above what they traded prior to the takeover announcement. Should you accept the orders and why/why not?	1	No, you should not accept these orders as they may be a breach of Section 1041B (False Trading and Market Rigging) of the Corporations Act	No, you should not accept these orders as they may be a breach of Section 1041F (Inducing Persons to Deal) of the Corporations Act	No, you should not accept these orders as they may be in breach of ASX Clear Rules	Yes, you should accept these orders as there is no likely breach involved in this situation	2860	CA s1041B
C 10 M 09	157	A company client of yours is a large shareholder of XYZ company which has announced that preference shareholders are entitled to convert their preference shares into ordinary shares. The conversion ratio is based on the weighted average price of ordinary shares during the month prior to conversion. Your company client phones placing orders to sell shares in XYZ which you believe will have the effect of reducing the price of XYZ. Should you accept the orders and why/why not?	2	No, you should not accept these orders as they may be a breach of Section 1041F (Inducing Persons to Deal) of the Corporations Act	No, you should not accept these orders as they may be a breach of Section 1041B (False Trading and Market Rigging) of the Corporations Act	No, you should not accept these orders as they may be a breach of ASX Clear Rules	Yes, you should accept these orders as there is no likely breach involved in this situation	2861	CA s1041B
C 10 M 09	158	According to Section 1041B of the Corporations Act (False Trading and Market Rigging), which of the following would be considered the best answer in relation to whether someone has created a false appearance of trading?	4	Instructing a third party to create the misleading appearance of a market for a financial product traded on a financial market	Causing another person to create the misleading appearance of active trading in a financial product traded on a financial market	Creating a false appearance of trading in a financial product	All of the options	2854	CA s1041B
C 10 M 09	159	According to the description of false or misleading statements in Section 1041E (False or Misleading Statements) of the Corporations Act, which of the following would be considered creation of a false appearance of trading?	4	A broker makes a public statement that a company is likely to soon become insolvent when he does not care or know whether this statement is actually true or false	When a company issues a public statement denying a negative market rumour with the intention of stabilising its share price, even though it knows that the rumour is true	A company director makes an inaccurate public statement about increased future profitability when he ought to have known that this statement was materially misleading	All of the options	2855	CA s1041E
C 10 M 09	160	As the Head of Equities at a Participant, one of your staff comes to you and says that he has become aware of information which is not yet known by others, but which will lead to a rise in a certain company's share price. In relation to Section 1042C (When information is generally available) of the Corporations Act, are there any prohibitions on you or your staff member dealing in this financial product?	1	Yes, until the information becomes generally available, both you and your staff member are prohibited from dealing in any relevant financial products	Both you and your staff member are prohibited from dealing in shares in this company until the information becomes generally available, but there are no limitation on you dealing in derivatives related to this company	Your staff member is now free to deal in the company's shares having made the information generally available but you are prohibited from dealing until you have made the information available to at least one director of your organisation	No, as your staff member telling you of this information means it may now be considered to be generally available information, and hence you and your staff member may deal in this company's shares if you so choose	2857	CA s1042C & 1043A

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C 10 M 09	161	Company ABC and one of its directors are both clients of yours. Just prior to 30 June the director rings you advising that he wishes to place an order to buy 50,000 ABC Limited shares at 22 cents and at the same time places an order on his own account to sell 50,000 shares at 22 cents. The ABC shares are currently trading at 18 cents and have not traded above this for some months. Which of the following descriptions best describes the concern with this activity?	3	This action could be considered fraudulently inducing a person to deal in financial products	This action could be considered as a kind of misleading statement about financial products	This action could represent a transaction in which there was no change in beneficial ownership	This action would only be of concern if the company had not authorised the sale of shares	2859	CA s1041B(2)(a) & (3)
C 10 M 09	162	What is the time limit, if any, for action by a person who has suffered loss or damage (as described in Subsection 1 of Section 1041I - Civil action for loss or damage for contravention of Sections 1041E to 1041H - of the Corporations Act)?	3	2 years	5 years	6 years	No time limit	2851	CA s1041I(2)
C 10 M 09	163	Which of the following is not a contravention of Section 1041F (Inducing Persons to Deal) of the Corporations Act?	3	Dishonest concealment of a material fact about a company by a director, where the concealment is to the director's disadvantage	Recklessly making a promise about a financial product which is misleading, where the promise is not made dishonestly	Storage of information, which is false in a material particular, in an electronic device but where there are no reasonable grounds to expect the information would be available to others	Publishing a forecast which is known to be misleading, but which is only provided to Professional Investors who would be considered sufficiently informed about the market as to make their own judgements of the forecast's accuracy	2856	CA s1041F
C 10 M 09	164	Which of the following scenarios is most likely to constitute false and misleading statements in relation to Securities under Section 1041E of the Corporations Act?	2	Friends giving each other tips on hot stocks	A company accountant giving artificially inflated future earnings figures to a reporter	A director telling an employee that the company's prospects are looking up	None of the options	2848	CA s1041E
C 10 M 09	165	Which of the following statements best describes the remedy available under Section 1041I of the Corporations Act - Civil action for loss or damage for contravention of Sections 1041E to 1041H (that is, for Section 1041E - False and misleading statement, Section 1041F - Inducing persons to deal, Section 1041G - Dishonest conduct, Section 1041H - Misleading or deceptive conduct (civil liability only)?	2	The person who has suffered loss or damage may take action to recover the amount of loss or damage against only the specific person who fraudulently induced them whether or not a conviction for the contravention has occurred	The person who has suffered loss or damage may take action to recover the amount of loss or damage against any person involved in the fraudulent inducement whether or not a conviction for the contravention has occurred	The person who has suffered loss or damage may take action to recover the amount of loss or damage against only the specific person who fraudulently induced them once a conviction for the contravention has occurred	The person who has suffered loss or damage may take action to recover the amount of loss or damage against any person involved in the fraudulent inducement once a conviction for the contravention has occurred	2850	CA s1041I



Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C 10 M 09	166	XYZ Ltd is suffering an ongoing downward slide in its share price due to a range of factors related to recent poor financial performance. A director of XYZ Ltd makes comments in an Internet chat room saying that a big positive announcement is soon to be made, and that as a result, investors should not sell their shares. However, the director knows there are no genuine positive developments which would deserve announcement soon.  According to the Corporations Act concerning false and misleading statements which of the following is the best statement regarding the director's actions?	3	The director has not made a false and misleading statement to investors, as it is always possible that a positive development may occur suddenly which may justify the comments.	The director has not fraudulently induced investors, as the comments relate to retaining existing financial products, not buying or selling financial products	The director has made a false and misleading statement as the comments are likely to have the effect of maintaining or stabilising the price for trading in financial products	The director has fraudulently induced investors, as the comments are likely to induce others to apply for financial products.	2849	CA s1041E
C 10 M 09	167	You are a research manager at an ASX Participant and you have just privately met with the Managing Director of a listed company who advised you that the company will shortly be announcing an extraordinary profit for this financial year. Under Sections 1042A to 1042H of the Corporations Act, are you able to deal on your personal account in this stock and why/why not?	4	Yes, there are no restrictions on your dealing in this stock on your personal account so long as you disclose this information to your clients if they request a transaction in this stock	Depends, if the Managing Director makes a specific request that you not personally deal in this stock, then you are forbidden under ASX Rules to do so - otherwise you may deal in the stock on your personal account	Depends, if this information will soon (less than three days) be released to the general public, then you may deal in the stock on your personal account now	No, as you possess information that is not generally available and may reasonably be expected to have a material effect on the price of the stock	2852	CA s1042A to H
C 11 M 10 S 8	168	How many accounts of the kind specified under Section 981B (Obligation to pay money into an account) of the Corporations Act may a financial services licensee maintain?	4	Only one	One or two	Two	One, two, or more	2872	CA s981B(2)
C 11 M 10 S 8	169	If a licensee becomes aware that it can no longer meet, or has breached a condition of a licence issued to it by ASIC (as described under Sections 912A and 912B of the Corporations Act), when must it advise ASIC (in writing) of the breach?	3	Immediately, or where the breach occurs outside business hours, at the beginning of the next day	As soon as practicable, and in any case within one day of the breach occurring	As soon as practicable, and in any case within ten days of becoming aware of the breach or likely breach	As soon as practicable, and in any case within seven days of the breach occurring, or as otherwise specified by ASX	2864	CA s912D(1B)
C 11 M 10 S 8	170	If you receive a cheque from a client it is important that you deliver it to the settlements section of your Participant immediately so that it may be deposited into the firm's trust account. Under Section 981B (Obligation to pay money into an account) of the Corporations Act, what is the latest time by which this cheque must be deposited?	3	As soon as the cheque is received	By the end of the same day on which the cheque is received	By the end of the business day following the day on which the cheque is received	Within 3 Business Days from the time the cheque is received	2870	CA s981B(1)

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C 11 M 10 S 8	171	Is it mandatory for a licence holder to provide to each retail investor a Financial Services Guide?	4	No, only when the licence holder gives investment advice to a retail client	No, a Financial Services Guide is not required where the licence holder has provided an oral overview of the Guide and the client has chosen not to seek a copy of the Guide	Depends, a Guide must be provided if the licence holder is a Clearing Participant	Yes, provision of a Guide is mandatory in all cases	2867	CA s941A(1)
C 11 M 10 S 8	172	Is the sale of financial products that can be covered by the exercising of an option registered with ASX Clearover the same class of financial product considered to be a short sale?	1	No, this type of sale is exempted from the prohibition against short selling	Depends, only where ASX has given a waiver to permit the creation of options expressly for this purpose	Yes, this is considered short selling, and is hence subject to the prohibitions on short selling under the Corporations Act	Yes, this is considered short selling, but it is not subject to the usual prohibitions on short selling under the Corporations Act	2863	CA s1020B Class Order 09/1051
C 11 M 10 S 8	173	The Back office Manager comes to you as the firm's Compliance Officer seeking your advice as to the length of time she must maintain back office records which are not financial records under the Corporations Act. Based on Section 1101C (Preservation and disposal of records), you should advise her that these need to be retained...	2	For 2 years from the date of the last entry	For 5 years from the date of the last entry	For 7 years from the date of the last entry	For 10 years from the date of the last entry	2868	CA 1101C
C 11 M 10 S 8	174	Under Corporations Regulation 7.8.02 (Accounts maintained for Section 981B of the Act) , which of the following is NOT an acceptable circumstance under which a client's money may be paid out of a trust account?	4	To make a payment to a person entitled to the money	To defray brokerage	To pay to the licensee money to which the licensee is entitled	To defray the costs of purchase of a financial product where the Participant has not yet settled the other side of the transaction	2873	CA s981B; Reg.7.8.02
C 11 M 10 S 8	175	Under Section 911A (Need for an Australian financial services licence) of the Corporations Act, when is an Australian financial services licence NOT required?	3	When a person is carrying on a financial services business	When a person is holding out that they are carrying on a financial services business	For financial services by a person regulated by a recognised overseas regulatory authority which are offered only to wholesale clients	All of the options require a financial services licence	2869	CA s911A(2)(h)
C 11 M 10 S 8	176	Under Section 912A (General Obligations) of the Corporations Act, what are the conditions that a financial services licensee is subject to with respect to the training and supervision of representatives?	4	Take reasonable steps to ensure that its representatives comply with the financial services laws	Ensure that its representatives are adequately trained to provide financial services	Ensure that its representatives are competent to provide financial services	All of the options	2865	CA s912A(1)(ca)&(f) [not (e)]
C 11 M 10 S 8	177	Under Section 912A (General Obligations) of the Corporations Act, which of the following best describes the requirements with respect to dispute resolution where a financial services licensee gives advice to a retail client?	3	The licensee must refer all complaints to ASX within 3 business days	The licensee must have an internal complaints committee constituted in accordance with ASX Rules	The licensee must be a member of one or more external complaints resolution schemes approved by ASIC	All of the options	2866	CA s912A(2)(b)

Module No	Ques No.	Question Text	Correct Answer	cChoice1	cChoice2	cChoice3	cChoice4	Ques ID	Reference
C 11 M 10 S 8	178	Which of the following best describes the rights of the Australian Securities and Investments Commission (ASIC) in relation to inspection of books and licence holders?	3	The Commission may inspect books at the premises of the Participant as required by the ASIC Act, but may not make copies or take extracts without prior written permission of the Participant or ASX	The Commission may inspect, make copies and take extracts from books as required by the ASIC Act, except in the case of financial position and audit records, where the prior written permission of the Participant or ASX is required	The Commission may inspect, make copies and take extracts from books as required by the ASIC Act - these may include those concerning dealing, advice, reports, character, financial position, and audit	ASIC may not inspect books without the permission of ASX	2862	ASIC Act s31(1)(c) & s37
C 11 M 10 S 8	179	Which of the following money paid to a Financial Services Licensee is NOT required to be held in a Trust Account by the licensee?	3	Money which is received by a licensee from a person acting on behalf of a client in connection with a financial service that will or may be provided	Money which is received by a licensee from a client in connection with a financial service that will or may be provided	Money received in respect of brokerage	All of the options are required to be held in a trust account by the licensee	2871	CA s981A(2)(a)
C 12 M 11 S 9	180	Which is the best answer to the following question? Is a breach of the ASIC Market Integrity Rules or ASX Clear Rules, Procedures or a contravention of any law required to show Unprofessional Conduct?	2	No, Unprofessional Conduct may be determined by ASIC or ASX Clear as it sees fit, provided that Participants are given 14 days notice	No, Unprofessional Conduct need not involve a contravention of the Rules, the Procedures or any law.	Depends , Unprofessional Conduct only applies to breaches of law, not to breaches of ASX Operating, ASIC Market Integrity or ASX Clear Rules	Yes, Unprofessional Conduct can only be determined by ASIC or ASX Clear with reference to specific clauses within the ASX Operating, ASIC Market Integrity or ASX Clear Rules or specific sections of the Corporations Law	2874	MIR 1.4.3; ASXCR 2.10
C 12 M 11 S 9	181	Which of the following are considered 'Unprofessional Conduct' within the meaning of the ASIC Market Integrity or ASX Clear Rules?	4	Conduct which amounts to impropriety affecting professional character and which is indicative of a failure either to understand or to practice the precepts of honesty or fair dealing in relation to other Market Participants, clients or the public	Unsatisfactory professional conduct involving a substantial failure to reach reasonable standards of competence and diligence	Conduct which is, or could reasonably be considered as likely to be prejudicial to the interests of the Market Operator or Market Participants	All of the options	2990	MIR 1.4.3; ASXCR 2.10