

## The ASIC Market Integrity Rules (ASX Markets) 2010 Responsible Executive Examination and The Clearing & Settlement Examination

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ASXCR 12.2 Novation

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ASXE&AR 2.1 Grounds for disciplinary action

ASXE&AR 2.2 Exercise of powers of ASXCR in disciplinary proceedings

ASXE&AR 3.1&Proc.3.1 Appeals

ASXE&AR 3.5&3.6 Appeal process

### **Schedules to the ASX Clear Operating Rules**

Schedule 1 Risk based capital requirements (refer below)

Schedule 3 Clearing agreement – minimum terms

## **Risk Based Capital Adequacy Requirements**

Candidates will be required to understand the following concepts under MIR Schedule 1A and ASX Clear (Schedule 1)

Counterparty Risk Weightings	Core Liquid Capital	Position Risk Requirement Definition
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Obligations of Participants	Large Exposure Risk Requirement	Large Exposure Risk Requirement Definition
Approved Subordinated Debt	Excluded Liability	Operational Risk Requirement Definition
Excluded Asset	Guarantees and Indemnities	Operational Risk Amount
Returns and Registers		

## ASX Settlement Operating Rules

### 2. Definitions

ASXSR 2.10 Definitions (HIN)

### 3. Functions Powers Rights and Obligations of ASX Settlement

ASXSR 3.3.1 Waiver

### 4. Participation in the Settlement Facility

ASXSR 4.9 Performance Bonds

ASXSR 4.15 Resignation of Participation

### 6. Rights and Obligations of Participants

ASXSR 6.3.3 Holding under Control of a Participant

ASXSR 6.3.4 Settlement & accumulation accounts

ASXSR 6.3.5 Financial products in a settlement or accumulation holding

ASXSR 6.14 Reporting and record keeping obligations

### 7. Participant Client Arrangements

ASXSR 7.1.5 Death of a Holder

ASXSR 7.1.8 Information to be provided to Participant Sponsored Holder

ASXSR 7.2.2 Mandatory provisions of a sponsorship agreement

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ASXSR 8.7.1 Restrictions on establishing a holder record

ASXSR 8.11.1 No disclosure except in certain circumstances

ASXSR 8.15.8 Notification of death or bankruptcy of a Participant Sponsored Holder

### 9. Transfers of Financial Products

ASXSR 9.12.7 Participant to check registration details

ASXSR 9.12.8 Rectifying errors

### 12. Supervision, Disciplinary Matters etc

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ASXSR App 3 Proforma sponsorship agreement clause 2.1.3

ASXE&AR 2.1 Grounds for disciplinary action

ASXE&AR 2.2 Exercise of powers of ASXS in disciplinary proceedings

ASXE&AR 3.1&Proc.3.1 Appeals

ASXE&AR 3.5&3.6 Appeal process

## Corporations Act

S794D ASIC's power to give directions

S911A(2) & (6) Need for an Australian Financial Services Licence

S912D Obligation to notify ASIC of certain matters

S912A Obligations of Financial Services Licensees

S941A(1) Obligation to give a financial services guide

S946B Situations in which a statement of advice is not required (including Regulation 7.7.10AE)

S946C Timing of giving statement of advice

S947B Statement of advice given by financial services licensee (including Regulation 7.7.11)  
S947C Statement of advice given by authorised representative  
S961B Provider must act in client's best interests  
S961H Obligation to warn client if advice based on incomplete or inaccurate information  
S961J Provider to give priority to client's interests  
S963A-C, E Conflicted remuneration  
S981A-C Obligation to pay money into an account (including Regulation 7.8.02)  
S982B Loan Money  
S1041 The prohibited conduct (other than insider trading prohibitions)  
S1042 & 1043 The insider trading prohibitions  
S1020B Short selling of securities & permitted short sales (including Class Order 09/1051)  
S1101C Preservation and disposal of records

## **ASIC Act**

S31 Notice to produce books about financial products  
S37 Powers where books produced or seized

## **ASIC Market Integrity Rules (ASX Markets) 2010**

### **1. Introduction**

MIR 1.2.1 Waivers

MIR 1.4.3 Definitions (automated order processing, prescribed persons, family company, family trust & unprofessional conduct)

### **2. Participants and Representatives**

MIR 2.2 Insurance

MIR 2.5.4 Responsibility of Trading Participants

MIR 2.5.5 DTR Criteria

MIR 2.5.6 Allocation of Unique Identifiers

### **3. Client Relationships**

MIR 3.1 New clients

MIR 3.2 Trading as principal

MIR 3.3.2 Discretionary accounts

MIR 3.4 Reporting to clients

MIR 3.5 Client money and property

MIR 3.6 Prohibition of advice to clients

### **4. Records**

MIR 4.1 Trading Records

MIR 4.2.2 Client complaints

### **5. Trading**

MIR 5.1 Client order priority

MIR 5.1.8 Allocation policy and automated order processing crossings

MIR 5.4 Transactions by connected persons

MIR 5.5.3 Trading Management arrangements

MIR 5.6 Automated Order Processing

MIR 5.7 Manipulative trading

MIR 5.9 Fair and orderly markets

MIR 5.10.1&2 Dealing in cash market products for which official quotation is required

MIR 5.10.4 Dealing in cash market products suspended from Official Quotation

MIR 5.10.5 Disclosure of shortfall

MIR 5.10.7 Nominee Holdings

MIR 8 Capital Liquidity Requirements

Schedule 1A (Risk based requirements) See table above