

By email: regulatorypolicy@asx.com.au

Dear Mr Hobourn

10 August 2018

Transfers to the CHES Subregister (Non-confidential submission)

Attn: Gary Hobourn
Office of General
Counsel
ASX Limited
20 Bridge Street
NSW 2000

NSX is a licensed market operator and is the second largest listing exchange in Australia. Both NSX and ASX have participants in common. NSX makes this submission against a background and ambition of ensuring that all participants in all Australian markets are able to avail themselves of an equivalent process for effecting trades and the settlement thereof in circumstances where all market clearing and settlement is currently channeled through one single facility.

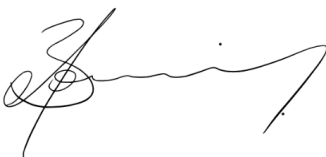
NSX supports the proposal to align the treatment of settlement participants irrespective of whether they are also trading participants. NSX sees significant value in having a uniform approach and consistent market practice which, if properly implemented, is capable of achieving process efficiencies through automation and the elimination of duplication in steps required to evidence client authorisation for a transfer. This is hugely beneficial to participants, issuers and investors.

NSX sees these proposals as key to creating a level playing field between participants in all markets for the provision of services to investors. The proposals should result in the elimination of any competitive and service disparity resulting from the imposition of different procedures and requirements.

These benefits will, however, only be realised and maximised in circumstances where there is also equivalence of holder protections. The introduction of additional procedural steps designed to strengthen protections for holders, as set out in sections 4 and 5 of the consultation paper, should apply equally to all participants (that is, both settlement-only and settlement and trading participants) if these reforms are to have the effect of creating a level playing field. However, NSX would be concerned if the introduction of additional steps erodes the achievement of efficiencies. In the alternative NSX strongly urges ASX to consider extending current holder protections, for example, access to the National Guarantee Fund, to cover all participants. To the extent that the criteria for successfully claiming against the NGF present a barrier to effective and adequate holder protection then these must also be reformed.

NSX confirms that no part of this response is confidential and that ASX may publish it in its entirety.

Yours sincerely



Ann Bowering

Managing Director and CEO