



TMX AUSTRALIA EXCHANGE

Operating Rules

Version 1.13~~2~~

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CONTENTS

INTRODUCTION	6
1 INTERPRETATION AND APPLICATION OF RULES.....	7
1.1 Definitions	7
1.2 Rules of Interpretation	15
1.3 Application and Effect of these Rules	16
1.4 Changes to the Rules.....	16
1.5 Waiver of the Rules.....	16
1.6 Reviews.....	16
1.7 Procedures.....	17
1.8 Governing Law and Jurisdiction.....	17
2 PARTICIPATION.....	18
2.1 Applications for Participation	18
2.2 Participation Criteria	18
2.3 Guidance	18
2.4 Exception to the Requirement to Hold a Licence.....	18
2.5 Approval of Participant.....	19
2.6 Resignation	19
2.7 Unique Identifiers	19
3 ONGOING COMPLIANCE	20
3.1 Continuing Obligations	20
3.2 Record Keeping	20
3.3 Responsible for Actions of Employees	20
3.4 Notification.....	20
4 TRADING.....	22
4.1 Access to TMX market	22
4.1A.1 Deleted 3/08/2026	22
4.1A.2 Deleted 3/08/2026	22
4.2 Trade Reporting	22
4.3 Hours of Operation	22
4.4 Classes of Financial Products	22
4.5 Orders and Matching	23
4.6 Purging of Orders	23
4.7 Order Routing.....	24
4.8 Short Sale Reporting.....	24
4.9 Registration as a Market Maker.....	24
4.10 Market Maker Obligations	24
4.11 Amendment of and Temporary Relief from the Market Maker Obligations	24
4.12 Deregistration	25
4.13 The Register.....	25
4.14 TMX Powers and Obligations on Participants that are Registered	25
4.15 Pre-conditions for Trading in a TraCR	25
5 FAIR AND ORDERLY MARKET	26
5.1 TMX Orderly Markets Powers	26
5.2 Request for a Review of a Decision under Rule 5.1(e)	26
5.3 Suspension of Access to or Trading on the TMX market.....	26
5.4 Market Related Disputes	27
5.5 Review of Dispute.....	27



5.6	Error Trades and Clearly Erroneous Trades	28
5.7	Other Powers	28
6	CLEARING ARRANGEMENTS	29
6.1	Clearing.....	29
6.2	Appointment and Use of Central Counterparties	29
6.3	Third Party Clearing.....	29
6.4	Participant Obligations	29
6.5	Rejected Transactions.....	30
6.6	Action to Ensure Adequate Clearing Arrangements.....	30
6.7	Alternative Central Counterparty	30
7	SETTLEMENT & CORPORATE ACTIONS	31
7.1	Obligation to Settle	31
7.2	Corporate Actions.....	31
8	MONITORING & INVESTIGATION.....	32
8.1	Monitoring Compliance and Investigation	32
8.2	Information.....	32
8.3	Independent Report by a Qualified Person	32
8.4	Costs	32
9	DISCIPLINARY ACTIONS, SANCTIONS AND OTHER POWERS.....	33
9.1	Disciplinary Action.....	33
9.2	Agreed Outcomes.....	33
9.3	Sanctions	33
9.4	Register of Decisions.....	34
9.5	Other Default Powers	34
9.6	Review of Certain Action Taken under Rule 9.5	34
10	SUPERVISION OF A PARTICIPANT BY ASIC	35
10.1	Application.....	35
10.2	Supervision of a Participant by ASIC	35
10.3	Application of Relevant Rules.....	35
11	COMPENSATION ARRANGEMENTS – FIDELITY FUND	36
11.1	Introduction.....	36
11.2	Source of funds	36
11.3	Deleted 31/03/26	36
11.4	Deleted 31/03/26	36
11.5	Deleted 31/03/26	36
11.6	Deleted 31/03/26	36
11.7	Losses Covered	36
11.8	Making a Claim	37
11.9	Determination of Claims	37
11.10	Amount and Payment of Compensation	37
11.11	Disclosure	38
11A.	COMPENSATION ARRANGEMENTS – NATIONAL GUARANTEE FUND (NGF).....	39
11A.1	Introduction.....	39
11A.2	Loans and Provision of Property to Participants	39
11A.3	Payment of Compensation Arrangement Levies	39
11A.4	Reportable Transactions	40
12	TMX Liability	41
12.1	Limitation of Liability.....	41
12.2	Certain Liability not Excluded.....	41



12.3	Limitation of Liability.....	41
12.4	Extension of Liability Exclusions and Limitations to Others	41
13	GENERAL	42
13.1	Confidentiality.....	42
13.2	Complaints	42
13.3	Fees and Charges.....	42
13.4	GST & Other Taxes	42
13.5	Recipient Created Tax Invoices.....	43
13.6	Foreign Participants.....	43
13.7	Notifications.....	43
14	INVESTMENT PRODUCTS	45
14.1	Preliminary	45
14.2	Product Issuers – Registration as a Product Issuer	45
14.3	Product Issuers – Eligibility Criteria.....	45
14.4	Product Issuers – Eligibility Criteria – AFSL	46
14.5	Product Issuers – Duties and Continuing Obligation to Comply with the Rules in Section 14... 47	
14.6	Product Issuers – Ongoing Requirements – Material Change	47
14.7	Product Issuers – Ongoing Compliance Requirements	47
14.8	Product Issuers – Miscellaneous Ongoing Requirements	47
14.9	Investment Products – Quotation	47
14.10	Investment Products – Eligibility Criteria.....	48
14.11	Investment Products – Basic Eligibility Criteria for the Product Issuer	48
14.12	Investment Products – Basic Eligibility Criteria for the Investment Product	48
14.13	Investment Products – Eligibility Criteria – Disclosure Documents	49
14.14	Investment Products – Eligibility Criteria – Liquidity Obligations	49
14.15	Investment Products – Eligibility Criteria – How to Satisfy the Liquidity Obligations	49
14.16	Investment Products – Eligibility Criteria – Liquidity Obligations and Market Makers	50
14.17	Investment Products – Eligibility Criteria – Underlying Assets.....	50
14.18	Investment Products – Eligibility Criteria – Underlying Assets – Indices	51
14.19	Investment Products – Eligibility Criteria – Underlying Assets – Sufficient Quantity	51
14.20	Investment Products – Eligibility Criteria – Excluded Underlying Assets.....	52
14.21	Investment Products – Eligibility Criteria – OTC Derivatives	52
14.22	Investment Products – Eligibility Criteria – Investment mandate and Constituent Documents	52
14.23	Investment Products – Eligibility Criteria – TraCRs.....	53
14.23A	Investment Products – Eligibility Criteria – TraCRs – Underlying Assets, Terms of Issue, Offer Documents	53
14.23B	Investment Products – Eligibility Criteria – TraCRs Custody Agreement	54
14.24	Investment Products – Eligibility Criteria – Terms of Issue – Required Content	55
14.25	Investment Products – Eligibility Criteria – Amending the Terms of Issue	56
14.26	Investment Products – Eligibility Criteria – Terms of Issue of a Quoted Fund	57
14.27	Investment Products – Eligibility Criteria – Disclosures upon Quotation	57
14.28	Investment Products – Ongoing Requirements – General Disclosure Requirement	57
14.29	Investment Products – Ongoing Requirements – Continuous Disclosure	57
14.30	Investment Products – Ongoing Requirements – Periodic Disclosure	58
14.31	Investment Products – Ongoing Requirements – Changes to the Eligibility Criteria for all Investment Products, Indices, Covered Warrants and OTC Derivatives	59
14.32	Investment Products – Ongoing Requirements – The Terms of Issue	60
14.33	Trading in Investment Products – Transfers	60
14.34	Trading in Warrants – Exercise and Expiry of Cash Settled and Deliverable Warrants	61



14.35	Trading in Investment Products – Halts and the Application of the Operating Rules Generally	62
14.36	Trading in Investment Products – Off-market Transactions.....	62
14.37	Obligation to Comply with a Direction or Request for Information.....	62
14.38	Indemnity	63



INTRODUCTION

TMX Australia Exchange, which is the trading name of Cboe-TMX Australia Exchange Pty Ltd Limited (Cboe) (TMX) operates a licensed financial market in Australia for the execution of transactions in financial products. These rules, apart from those in section 11, are the operating rules of Cboe-TMX for the purposes of the Corporations Act. The rules in section 11 are the compensation rules of Cboe-TMX for the purposes of Division 3 of Part 7.5 of the Corporations Act.

Version 1.9 of these Rules came into force on 26 October 2020, which is also known in these rules as the NGF transition date. This is the date on which Cboe-TMX changed its compensation arrangements from fidelity fund arrangements under Division 3 of Part 7.5 of the Corporations Act, to arrangements covered by the National Guarantee Fund (NGF).

The Cboe-TMX market was formerly known as the Cboe market and, prior to that, as the Chi-X market.

~~In June 2021, Cboe Global Markets, Inc, a leading provider of global market infrastructure and tradable products, completed its acquisition of Chi-X Asia Pacific Holdings, Ltd. and its subsidiaries including Chi-X Australia Pty Ltd. In early 2022, Chi-X Australia Pty Ltd (ACN 129 584 667) changed its name to Cboe Australia Pty Ltd (ACN 129 584 667). Version 1.91 of these Rules replaced relevant references to 'Chi-X' with 'Cboe'.~~ The legal entity that holds the Australian market licence, operates the market and has contracted with participants and product issuers did not change. ~~As such~~ However, various materials, including the Market Integrity Rules, legislation and other instruments may still reference 'Chi-X' and the 'Chi-X market' ~~and/or 'Cboe Australia' and the 'Cboe Australia market' and these should~~ be read interchangeably with 'Cboe-TMX' and the 'Cboe-TMX market'.

These rules are binding on Cboe-TMX and all participants. The rules should be read in conjunction with the Market Integrity Rules, the procedures and the Corporations Act.



1 INTERPRETATION AND APPLICATION OF RULES

1.1 Definitions

In these rules, the following words have the following meanings, unless the context requires otherwise. [Note that some words only appear in the procedures and are provided here for ease of reference.](#)

Active continuous trading	The aggregate time in which the GbeeTMX market is in continuous trading for the investment product but excluding: (a) the period during which no firm price is available for at least 10% by value of the underlying assets of the investment product; (b) the first fifteen minutes of the continuous trading phase on the GbeeTMX market; (c) the last thirteen minutes of the continuous trading phase on the GbeeTMX market; (d) the time during which the theoretical value of the investment product is less than the minimum price step allowed for orders submitted to the GbeeTMX market; and the time during which a product issuer, or a market maker with which it has entered an arrangement under rule 14.16, has experienced an operational disruption or is subject to a regulatory requirement, that has prevented the product issuer and/or the market maker from submitting orders to the GbeeTMX market.
Actively managed fund	An ETF structured and marketed as employing an active investment objective.
Alternative central counterparty	An alternative clearing and settlement facility to the designated central counterparty, in respect of which Gbee TMX has given consent under rule 6.2.
Approved financial product	A financial product approved by ASX Settlement in accordance with section 8 or section 13 of the Settlement Rules.
ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 or the market for financial products operated by ASX Limited (as applicable).
Auction	An auction conducted on the Gbee TMX market based on the criteria specified in the procedures.
Auction eligible product	A financial product, of the class specified in the procedures, in respect of which an auction may be held.
Board	The board of directors of Gbee TMX.
Business day	A day on which the Gbee TMX market is open and any other day notified by Gbee TMX to participants.
Cash settled warrant	A warrant in relation to which the settlement obligations under the terms of issue are satisfied by payment of a cash amount.



Gbee	Gbee Australia Pty Limited ACN 129 584 667.
Gbee BIDS Australia	A service offered by Gbee as part of the Gbee market that allows orders to be matched in accordance with rule 4.5(d).
Gbee market	The market for specified classes of financial products operated by Gbee.
Claim	A claim made in accordance with rule 11 in relation to a loss.
Clearing participant	An entity which is a clearing participant or clearing member of a designated central counterparty/alternative central counterparty and is authorised to clear relevant transactions under the rules of the designated central counterparty/alternative central counterparty.
Clearing rules	The operating rules of the designated central counterparty or an alternative central counterparty (as applicable).
Client	The customer of a participant.
Compliance committee	A sub-committee of the board the members of which will include an Independent Non-Executive Director of the board and the Head of Gbee TMX Compliance and may include other suitably qualified members of the legal profession and financial services industry.
Conditional Message	An electronic message indicating an interest to buy or sell submitted to Gbee BIDS Australia, that is non-binding, conditional and does not constitute an order.
Control and controller	As defined in the Corporations Act.
Corporate action	Depending on the context, the corporate action taken by: (a) the issuer of a financial product traded on Gbee TMX, to provide an entitlement to the holders of that financial product; and/or (b) the issuer of the underlying asset(s) of an investment product traded on Gbee TMX, to provide an entitlement to the holders of that underlying asset.
Corporations Act	The <i>Corporations Act 2001</i> (Cth), as amended from time to time, including any regulations made thereunder.
Covered warrant	A deliverable or cash settled warrant issued by a product issuer that has a trust arrangement in place for a sufficient number of the underlying assets or equivalent financial products to be available to meet: (a) the exercise of all outstanding deliverable warrants; or (b) the obligations of a product issuer on all outstanding cash settled warrants.
Custodian	The person who holds the underlying assets of a TraCR on behalf of the product issuer and on trust for the holder.
Deliverable warrant	A warrant in relation to which the settlement obligations under the terms of issue are satisfied by transfer of the underlying assets.
Derivative	As defined in section 761D of the Corporations Act.



Designated central counterparty	A clearing facility approved by Cbe TMX for the purposes of this definition and set out in the procedures.
Disclosure document	The document(s), including any supplementary disclosure documents, that a product issuer is: (a) required to provide under the Corporations Act in connection with the issue or quotation of an investment product, including without limitation a prospectus or product disclosure statement and information required to be disclosed under a product issuer's continuous or periodic disclosure obligations; or (b) required to provide in connection with the issue or quotation of an investment product under: (i) an exemption from or modification of requirements in the Corporations Act; or (ii) any disclosure requirements imposed under applicable offshore requirements to those in (a) or (b)(i) and that apply to a product issuer.
Disclosure interface	The disclosure interface specified in the technical specifications.
Dispute	Has the meaning given in rule 5.4(a).
Eligible crypto-asset	A crypto-asset which: (a) has a high level of institutional support and acceptance in relation to its use for investment purposes; (b) if invested in or otherwise used by an exchange traded product to obtain economic exposure, would have the support of reputable and experienced service providers (including custodians, fund administrators, market makers and index providers) as indicated by their preparedness and/or commitment to provide services in relation to that exchange traded product; (c) has a mature spot market; (d) has a regulated futures market for trading derivatives linked to that crypto-asset; and (e) has a robust and transparent pricing mechanism, both throughout the trading day and to strike a net asset value price for any ETP with ssassets linked to that crypto-asset.
Eligibility criteria for investment products	The criteria contained in rules 14.11 to – 14.26.
Employee	In relation to a participant means a director, employee, officer, agent, representative, consultant or adviser of that participant, or an independent contractor who acts for or by arrangement with a participant.
Equity market product	As defined in the Market Integrity Rules.
ETR reference price	The reference price determined by Cbe TMX pursuant to the application of the extreme trade range rules in the Market Integrity Rules [†] .

[†]This term only appears in the Operating Rules: Procedures and is provided here for ease of reference.



ETF financial product	A financial product issued by or provided pursuant to an ETF.
Exchange traded fund (ETF)	A collective investment scheme: (a) that is either (i) a managed investment scheme under the Corporations Act that complies with the applicable registration requirements; or (ii) a type of foreign company specified in the procedures which has the economic features of a managed investment scheme including: A. the pooling or use of contributions in a common enterprise with respect to property of any description, including money, that enables those taking part through the contribution of money or otherwise, to receive profits or income arising from that property; and B. those taking part do not have day to day control over the operation of the property; and (b) is granted quotation as an exchange traded fund; and (c) for which the price of the underlying asset is continuously disclosed and immediately ascertainable; and (d) that can continuously issue new and redeem ETF financial products in the scheme that are quoted; and (e) which allows applications for and redemptions of ETF financial products in the scheme in the primary market, in specie, in cash or a combination of in specie and in cash.
Exchange –Traded Fund Special Trade	A trade executed pursuant to rule 14.36.
Excluded loss	A loss that under section 885D of the Corporations Act is not a Division 3 loss.
Financial product	As defined in the Corporations Act.
Fidelity fund	The compensation fund described in rule 11.
Fixed income security (eligible portfolio)	A security that is or is proposed to be a constituent of a portfolio in an ETF where either: (a) the ETF is or will be issued by a product issuer that has proven systems and controls; or (b) the portfolio in which the security is held is a minority portfolio.
Foreign company	As defined in the Corporations Act.
Guarantor	An entity that holds an AFSL in respect of its activities as a guarantor, or otherwise falls within the categories specified in rule 14.3(b)(i), (ii) or (iii) and which guarantees the product issuer's obligations to holders.
GST Law	Means the same as "GST Law" means in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth)
Holder	A person who holds legal title to an investment product, as determined in accordance with the terms of issue.



Illiquidity event	The event described in rule 14.23A(c).
Independent calculation agent	An entity that is independent of any product issuer and that is widely regarded as having expertise in assessing the net asset value of a quoted fund or part thereof.
Introducing broker	A firm that has arrangements with a sponsored user and a sponsoring participant in relation to Cbee BIDS Australia.
Investment product	A warrant, quoted fund or transferable custody receipt issued by the product issuer pursuant to the terms of issue and, depending on the context, either: (a) the subject of an application to CbeeTMX to be admitted to quotation; or (b) admitted to quotation by CbeeTMX as an investment product.
Issuer application form (IAF)	An issuer application form approved and made available by CbeeTMX for the purpose of applying to be registered as a product issuer.
Issuer sponsored subregister	As defined in the settlement rules.
Listed	Depending on the context either: (a) the process relating to a company, managed investment scheme, or other body, being included in the official list of CbeeTMX; and/or (b) in relation to a company, managed investment scheme, or other body, the fact that it is included in the official list of CbeeTMX.
Listing market	The market on which CbeeTMX determines an equity market product or debt security has its primary listing.
Loss	Has the meaning given in rule 11.7.
Market maker	A participant that has been registered as a market maker by CbeeTMX under rule 4.9.
Market maker undertaking	An undertaking by a participant to CbeeTMX to comply with the affirmative obligations contained in procedure 4.9.
Market Integrity Rules	Any one or more the following sets of Market Integrity Rules, made by ASIC, that are in force at the time in question: (a) ASIC Market Integrity Rules (Securities Markets); (b) ASIC Market Integrity Rules (Competition in Exchange Markets); and/or (c) ASIC Market Integrity Rules (Chi-X Australia Market).
Match, matched , matching	The electronic matching on the CbeeTMX market of, as appropriate, buy and sell orders and conditional messages submitted to the CbeeTMX market.
Maximum spread	The number of ticks specified in table 2.2 in procedure 4.9 and that is the maximum allowable number of ticks between the bid and offer that must be maintained by a market maker in order to comply with its market maker undertaking.



Minimum order value	The minimum order size specified in table 2.2 in procedure 4.9 and that is the minimum order size of the bid and, if applicable, offer orders that must be maintained by a market maker in order to comply with its market maker undertaking.
Minister	The Minister that at the relevant time has portfolio responsibility for the regulation of the Gbee TMX market.
Minority portfolio	A portfolio of fixed income securities (eligible portfolio) held or proposed to be held in an ETF and that: (a) is valued on a portfolio basis by an independent calculation agent; and (b) under the investment mandate of the ETF will provide: (i) not more than 10% of the net asset value of the ETF when valued in aggregate with any other minority portfolios; and (ii) not more than 10% of the net asset value of the ETF, when valued as a single portfolio.
Multi-day order eligible product	A financial product, of the class specified in the procedures, in respect of which a multi-day order, which includes a good till date order and a good till cancel order, may be submitted.
NGF <u>National Guarantee Fund (NGF)</u>	The National Guarantee Fund administered by the SEGC.
NGF transition date	The date on which Gbee TMX becomes a member of SEGC. ²
Order	An electronic message submitted to the Gbee TMX market to buy or sell a financial product.
Off-market transaction	A transaction executed (a) other than by a match and (b) in compliance with the Market Integrity Rules.
OTC derivative	An OTC derivative that is or is proposed to be an underlying asset in a quoted fund and that: (a) in accordance with paragraph 1.1 of procedure 14.20, does not, on its own or in aggregate with other OTC derivatives, result in the quoted fund having an exposure to all OTC derivative counterparties of more than 10% of the net asset value of the quoted fund; <u>and</u> (b) on an initial and ongoing basis satisfies those rules expressed to apply to OTC derivatives.
Participant	An entity admitted as a participant of Gbee <u>the TMX market</u> under these rules and whose admission has not been terminated or whose resignation has not taken effect.
Procedures	The procedures made by Gbee TMX under rule 1.7.

² ~~Gbee~~TMX became a member of the SEGC on 26 October 2020.



Product application form ³ (PAF)	A product application form approved and made available by GbeeTMX for the purpose of applying to have an investment product admitted to quotation.
Product issuer	In relation to an investment product, the entity which issues the investment product.
Quotation	Admitted to quotation by GbeeTMX pursuant to rule 14.9.
Quoted financial product	A financial product issued by a product issuer and traded on the GbeeTMX market pursuant to the quotation of an investment product.
Quoted fund	An investment product that is an exchange traded fund (ETF) ³ .
Quoted investment product	An investment product that has been admitted to quotation by GbeeTMX pursuant to rule 14.9.
Quoting obligation ratio	The percentage of active continuous trading on the GbeeTMX market specified in table 2.2 in procedure 4.9 and for which a market maker must maintain bid and, if applicable, offer orders in compliance with its market maker undertaking.
RCTI	A Recipient Created Tax Invoice as described in rule 13.5.
Reference price	The reference source for GbeeTMX pegged orders that is set out in column two of table 1.1 of procedure 4.5 for each of the pegged orders specified in column one of that table. ⁴
Regulated market	A market, specified in the procedures, that is subject to regulation that is at least the equivalent of the regulation of a market operator licenced under section 795B(1) of the Corporations Act.
Related body corporate	As defined in the Corporations Act.
Relevant transaction	A transaction in respect of financial products that arises upon the matching of orders on the GbeeTMX market or which is reported as an off-market transaction to GbeeTMX under these rules.
Reliable pricing framework (RPF)	A framework for pricing the underlying assets of an ETF that consists of either: (a) an entity that is widely regarded as providing reliable and independent pricing for the relevant asset class of proposed underlying assets and is specified in the procedures; or (b) a trading platform that is subject to a regulatory framework, specified in the procedures, that covers pricing quality and transparency.

³ Note that while the only quoted funds at present are exchange traded funds, the term 'quoted funds' will be a drafting aid in facilitating the streamlined addition of other fund types to the rules as the [GbeeTMX](#) quoted fund market develops.

⁴ ~~This defined term is only found in the procedures and is included here for ease of reference.~~



Retail client	As defined in the Corporations Act.
Review committee	The committee established to review and decide on a particular matter in accordance with these rules and the procedures.
Rules	These rules.
Security	As defined in the Corporations Act.
SEGC	As defined in section 880B of the Corporations Act.
Settlement rules	The operating rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).
Sponsored User	A firm that has an arrangement with a sponsoring participant or an introducing broker to use Cboe BIDS Australia.
Sponsoring Participant	A participant that has an arrangement with a sponsored user or introducing broker to offer execution and clearing services in relation to Cboe BIDS Australia or is seeking to enter such an arrangement.
Supplementary disclosure document	A document which replaces, updates, adds to or otherwise amends the information contained in a previously published disclosure document.
Technical specifications	Documents published by Cboe TMX from time to time that describe technical specifications relevant to the Cboe TMX market.
Terms of issue	The terms of issue of an investment product and which sets out the contractual arrangements between products issuers and holders, including the rights, obligations and conditions associated with the investment product.
TMX	TMX Australia Exchange Pty Limited (ABN 47 129 584 667) trading as TMX Australia Exchange.
TMX market	The market for specified classes of financial products operated by TMX.
Trading notice	A notice issued by Cboe TMX on its website.
Trading system	The system used by TMX to receive and match orders, execute transactions, accept trade reports, and distribute market data, including ancillary systems supporting these functions. Note: The trading system currently operates on the Titanium platform provided and supported by Cboe Global Markets Inc.
Transferable custody receipt (TraCR)	An investment product that: (a) is issued by a registered product issuer; (b) has an underlying asset that is held by a custodian on behalf of the product issuer and, ultimately, the holder of the TraCR; (c) is priced by reference to the Australian dollar value of the share that is the underlying asset; and

- (d) satisfies the eligibility criteria that is specifically related to TraCRs.

Underlying asset	The financial product(s) or other asset(s) by reference to which an investment product is valued and, in the case of a TraCR, must consist solely of the security which is beneficially owned by the TraCR holder.
Warrant	A financial product issued by a product issuer pursuant to the terms of issue, which is granted quotation as a warrant, and satisfies the definition of 'warrant' contained in the Corporations Act, as modified by any instruments or class order made thereunder.

1.2 Rules of Interpretation

- (a) Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting these rules, except where the context makes it clear that a rule is not intended to apply.
- (b) A reference to:
 - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a party to this document or to any other document or agreement includes a successor in title, permitted substitute or a permitted assign of that party;
 - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) anything (including a right, obligation or concept) includes each part of it.
- (c) A singular word includes the plural, and vice versa.
- (d) A word which suggests one gender includes the other genders.
- (e) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (f) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (g) A reference to time is to the time in Sydney, Australia.
- (h) If a party to this document is made up of more than one person, or a term is used in this document to refer to more than one party, then unless otherwise specified in this document:
 - (i) an obligation of those persons is joint and several;
 - (ii) a right of those persons is held by each of them severally; and



- (iii) any other reference to that party or term is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking relates to each of them separately.

- (i) A rule is not to be interpreted against the interests of ~~Gbee~~TMX merely because ~~Gbee~~TMX prepared these rules or because ~~Gbee~~TMX relies on a provision of these rules to protect itself.
- (j) Terms defined in the GST Law have the same meaning in clause concerning GST unless the context otherwise requires.

1.3 Application and Effect of these Rules

- (a) These rules have effect as a binding contract under seal between ~~Gbee~~TMX and each participant, and between each participant and each other participant, under which:
 - (i) each participant agrees to observe and to engage in the conduct required by the rules; and
 - (ii) ~~Gbee~~TMX agrees to observe and to engage in the conduct required by the rules.
- (b) These rules should be read in conjunction with the procedures, the Corporations Act and the Market Integrity Rules. To the extent of any inconsistency between these rules and the procedures, the terms of these rules will prevail. To the extent of any inconsistency between these rules and the Corporations Act and the Market Integrity Rules, these rules should be read down and interpreted in a manner that is consistent with the Corporations Act and the Market Integrity Rules.

1.4 Changes to the Rules

- (a) The rules may only be added to, amended or deleted by ~~Gbee~~TMX. Unless otherwise provided in this rule 1 any new rule or variation shall be effective from the date determined by ~~Gbee~~. ~~Gbee~~TMX. TMX shall cause all new rules and variations to be made publicly available. Failure to give such notice will not invalidate a new rule or vary or delay its operation.
- (b) The conduct of a participant will, unless otherwise specified, be governed by and subject to the rules and procedures in force at the time of the conduct.

1.5 Waiver of the Rules

~~Gbee~~TMX may waive the obligation of one or more participants or product issuers to comply with these rules and the procedures. ~~Gbee~~TMX may impose conditions on any waiver which must be satisfied by any participant or product issuer relying on the waiver. ~~Gbee~~TMX will keep a register of waivers granted under this rule and make the register available for inspection.

1.6 Reviews

- (a) A decision by ~~Gbee~~TMX or any delegate of ~~Gbee~~TMX under these rules may only be reviewed in accordance with these rules and the procedures.
- (b) A review conducted by the review committee pursuant to these rules must be conducted in accordance with these rules and the procedures.
- (c) Subject to rule 1.6(d), a participant and product issuer can only request a review by:
 - (i) notifying ~~Gbee~~TMX in accordance with these rules and procedures, including as to the time by which a notification must be made, of the request for a review;



- (ii) including the following information and material with the notification:
 - A. the name of the participant or product issuer, as appropriate, seeking the review, the decision in respect of which the review is sought, and all material facts;
 - B. all relevant documents including all those upon which the participant will rely; and
- (iii) lodging with ~~Gbee~~TMX the applicable filing fee set out in the procedures, prior to or at the same time as the participant or product issuer, as appropriate, notifies ~~Gbee~~TMX of the request for a review.
- (d) For the sake of clarity, a notification under rule 5.5(a) may be provided by telephone or email.
- (e) A participant/product issuer must comply with any procedural direction by the review committee.
- (f) The review committee may dismiss a request for a review on the basis that the participant/product issuer has failed to comply with a direction.

1.7 Procedures

- (a) ~~Gbee~~TMX may approve written procedures relating to the operation of these rules, the ~~Gbee~~TMX market and the conduct of participants and product issuers.
- (b) If a rule requires compliance with the procedures then failure to comply with the procedures as required is a contravention of that rule.
- (c) The procedures do not form part of the rules other than as outlined in rule 1.7(b).
- (d) ~~Gbee~~TMX may change the procedures and will give notice before those changes take effect.

1.8 Governing Law and Jurisdiction

These rules will be interpreted in accordance with and governed by the laws applying in the state of New South Wales, Australia, or as applicable the laws of Australia. ~~Gbee~~TMX and each participant shall irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of New South Wales and irrevocably and unconditionally waive any immunity from, or any objection to, any action in the courts exercising any jurisdiction in New South Wales.



2 PARTICIPATION

2.1 Applications for Participation

An applicant for participation must:

- (a) accurately complete and sign the relevant [GbeeTMX](#) participant application form and provide any information required to be annexed to the [GbeeTMX](#) participant application form; and
- (b) provide any other additional information as required by [GbeeTMX](#) in connection with the application.

2.2 Participation Criteria

For an applicant to be eligible for admission as a participant:

- (a) the applicant must be a corporation;
- (b) the applicant must, subject to rule 2.4, hold an appropriate Australian financial services licence;
- (c) the applicant must satisfy [GbeeTMX](#) that it has adequate internal procedures and controls and adequate execution and order management systems in place by providing [GbeeTMX](#) with:
 - (i) a document setting out the relevant entity's proposed management structure and allocation of responsibilities;
 - (ii) resumes for each person who has supervisory responsibilities or is a responsible manager of the entity under the Corporations Act;
 - (iii) the applicant must provide to [GbeeTMX](#) copies of the written certifications it has provided to and received from ASIC under the Market Integrity Rules in respect of the applicant's automated order processing; and
 - (iv) any other information [GbeeTMX](#) may require for this purpose;
- (d) [GbeeTMX](#) must have no reason to believe that the applicant is not, or those of its employees that are involved in management are not, of good fame and character;
- (e) the applicant must have in place clearing and settlement arrangements for relevant transactions which comply with rules 6 and 7; and
- (f) the applicant must satisfy general technical and systems requirements determined by [GbeeTMX](#).

2.3 Guidance

The procedures may contain guidance on how an applicant may satisfy those requirements in rule 2.2 that are similar or connected to requirements in the Market Integrity Rules.

2.4 Exception to the Requirement to Hold a Licence

An applicant is not required to hold an Australian financial services licence if that licence is not required by ASIC in respect of the applicant's activities as a participant. An applicant that does not hold an Australian financial services licence must satisfy any additional requirements for participation that are specified in the procedures.



2.5 Approval of Participant

- (a) ~~Gbee~~TMX participation shall become effective on such date and at such time as ~~Gbee~~TMX may specify upon satisfactory fulfilment of the requirements of rules 2.1 and 2.2 and is at the full discretion of ~~Gbee~~TMX.
- (b) Where ~~Gbee~~TMX admits an applicant as a participant, it may at that time (or at any later time) impose any conditions on the admission (or continued admission) of the participant which ~~Gbee~~TMX considers appropriate.

2.6 Resignation

- (a) A participant must provide ~~Gbee~~TMX with at least three calendar months written notice of its proposed resignation.
- (b) ~~Gbee~~TMX may, in its absolute discretion, refuse to accept a notice of resignation in the event that ~~Gbee~~TMX considers there is an outstanding matter concerning the participant that is subject to an ongoing investigation or ongoing enforcement action.
- (c) A participant that has provided notice of its resignation or whose resignation has taken effect, must continue to observe and comply with the rules in respect of the participant's conduct during the period of participation including, without limitation, rules 1, 3.2, 3.3, 4.5, 8, 9, 10, 11, 12, 13 and this rule.
- (d) A participant that has provided notice of its resignation or whose resignation has taken effect, will remain responsible and liable under these rules for its acts and omissions and those of its employees during the period of participation.

2.7 Unique Identifiers

- (a) ~~Gbee~~TMX will allocate one unique identifier to each:
 - (i) participant-~~or sponsored user~~; and
 - (ii) logical connection used by the participant ~~or sponsored user~~ to access the ~~Gbee~~TMX market.
- (b) A participant must allocate a unique identifier to each device which can be connected to the logical connection used by the participant to access the ~~Gbee~~TMX market.



3 ONGOING COMPLIANCE

3.1 Continuing Obligations

- (a) A participant must at all times comply with the rules, the procedures and any guidance notes, guides, trading notices, technical specifications, directions, decisions, requirements and conditions of [GbeeTMX](#).
- (b) A participant must at all times continue to satisfy all requirements under rule 2.2.
- (c) A participant must notify [GbeeTMX](#) of details of changes to items set out in the procedures by the times set out in the procedures.
- (d) A participant must, in relation to its activities as a participant, comply with Chapter 7 of the Corporations Act, any regulations made under Chapter 7 of the Corporations Act, and the conditions of its Australian financial services licence.
- (e) A participant must comply with the Market Integrity Rules.
- (f) A participant must ensure that the information it submits to [GbeeTMX](#) is not false or misleading.
- (g) A participant must ensure that an employee responsible for submitting orders by or on behalf of the participant to the [GbeeTMX](#) market is sufficiently trained and has adequate experience, knowledge and competency.
- (h) A participant must at all times have one or more persons, identified to [GbeeTMX](#), who are competent to advise the participant on the application of these rules.

3.2 Record Keeping

A participant must make each record required to be kept under the Corporations Act, including Regulations made thereunder, the Market Integrity Rules, and the procedures in relation to its dealings on the [GbeeTMX](#) market. The records must comply with the requirements of the Corporations Act, the Market Integrity Rules and the procedures, as applicable. These records must be kept for at least the period required by the Corporations Act and be capable of being produced for inspection by [GbeeTMX](#) on demand and in legible form.

3.3 Responsible for Actions of Employees

A participant is responsible for the acts and omissions of any employee in relation to its conduct as a participant.

3.4 Notification

A participant must inform [GbeeTMX](#) immediately if:

- (a) it becomes subject to external administration within the meaning of the Corporations Act or if a person involved in the management of the participant becomes bankrupt;
- (b) any event occurs that may make a material adverse change to the financial position of the participant;
- (c) any legal, regulatory or disciplinary action is taken, that could reasonably be expected to impact on the participant's ability to comply with its obligations as a participant (whether under these rules or otherwise);



- (d) a participant's overseas activities may have a material adverse impact on its ability to meet its obligations under these rules; or
- (e) it becomes aware that it or an employee has breached any of the rules, the Market Integrity Rules or Chapter 7 of the Corporations Act and that breach is significant.



4 TRADING

4.1 Access to ~~Cboe~~TMX market

A participant is responsible for all obligations and liabilities arising from the entry, amendment, deletion and execution of all electronic messages, including orders, submitted to the ~~Cboe~~TMX market by or on behalf of the participant.

~~4.1A.1 Access Cboe BIDS Australia Deleted 3/08/2026~~

~~(a) Cboe, at its absolute discretion, may grant permission to a participant or sponsored user to submit messages to Cboe BIDS Australia. The procedures specify the steps a participant or sponsored user must satisfy to be granted permission.~~

~~(b) Cboe, at its absolute discretion, may revoke or place conditions on any permission granted pursuant to rule 4.1A.1(a).~~

~~4.1A.2 Sponsorship Cboe BIDS Australia Deleted 3/08/2026~~

~~(a) A participant must execute a sponsoring participant agreement, in accordance with the Procedures, before providing services as a sponsoring participant.~~

~~(b) An arrangement entered, and the sponsored access provided, by a sponsoring participant in relation to Cboe BIDS Australia, must comply with the sponsoring participant agreement executed by the sponsoring participant.~~

~~(c) A sponsoring participant must provide sponsored access to a sponsored user located in the jurisdictions specified in the Procedures, through an introducing broker based in that same jurisdiction.~~

~~(d) A sponsoring participant is responsible for any order assigned to the sponsoring participant.~~

~~(e) Sponsored users and introducing brokers are not participants.~~

~~(f) Cboe, at its absolute discretion, may revoke or place conditions on the ability of a participant to act as a sponsoring participant or approve an introducing broker.~~

4.2 Trade Reporting

A participant may report to the ~~Cboe~~TMX market an off-market transaction that has not already been reported to another licensed market. The report must comply with the procedures.

4.3 Hours of Operation

~~Cboe~~TMX will determine and set out in the procedures the times during which the ~~Cboe~~TMX market will be open. A participant may only submit, amend, or delete orders from the ~~Cboe~~TMX market during those times.

4.4 Classes of Financial Products

The classes of financial products that may be traded on the ~~Cboe~~TMX market are equity market products, debt securities and investment products. The procedures contain a further description



of the specific equity market products, debt securities and investment products that are able to be traded on the ~~Cbse~~TMX market.

4.5 ~~Conditional Messages,~~ Orders and Matching

(a) A participant may submit the following order ~~and conditional message~~ types to the ~~Cbse~~TMX market:

- (i) limit orders; or
- (ii) pegged orders that are referenced to a source specified in the procedures; ~~or.~~
- ~~(iii) in respect of Cbse BIDS Australia, the order and conditional message types specified in the procedures.~~

~~(b) Sponsored user may submit the conditional message types specified in the procedures, to Cbse BIDS Australia.~~

~~(iii) (c) Deleted 3/08/2026~~

~~(b) Deleted 3/08/2026~~

~~(b)(c)~~ An order ~~or conditional message~~ submitted to the ~~Cbse~~TMX market:

- (i) must have the mandatory attributes specified in the procedures; and
- (ii) may have the optional attributes specified in the procedures.

~~(d) Conditional messages and orders submitted to Cbse BIDS Australia match, and conditional messages firm up into orders, in the manner specified in the procedures.~~

~~(d) (e) Deleted 3/08/2026~~

~~(e)(e)~~ All orders entered into the ~~Cbse~~TMX market:

- (i) are firm and available for execution, subject to rule 4.6;
- (ii) will be matched based on price/visibility/time priority, subject to the exceptions set out in the procedures; and
- (iii) must otherwise comply with the procedures.

~~(d)(f) (f)~~ If a client places an order with a participant and expressly or implicitly instructs the participant to only use the ~~Cbse~~TMX market in relation to the order, then the participant must make a record of this and retain the record for seven years and produce it to ~~Cbse~~TMX upon request.

~~(e)(g) (g)~~ ~~Cbse~~TMX may impose restrictions and limits in relation to the entry of orders or the execution of relevant transactions.

~~(f)(h) (h)~~ The matching of buy and sell orders in the ~~Cbse~~TMX market results in a contract between the participants responsible for the entry of those orders for the acquisition and sale of the relevant financial products at the price and volume that has been matched, subject to these rules and the procedures.

4.6 Purging of Orders

An order in the ~~Cbse~~TMX market that is ~~unmatched~~un-matched at the close of trading will be cancelled by ~~Cbse~~TMX in accordance with the procedures.



4.7 Order Routing

- (a) A participant may provide, or arrange for the provision of, an automatic order routing facility or direct market access to a client which enables the client to submit orders to the ~~Gbee~~TMX market.
- (b) A participant that submits orders to the ~~Gbee~~TMX market, or who provides, or arranges for the provision of facilities under paragraph (a), shall, at all times, have adequate order management systems, procedures and controls in place to prevent the entry of erroneous orders to the ~~Gbee~~TMX market.
- (c) A participant is responsible for all orders submitted by the participant, including those submitted by a client to whom the participant provides, or arranges for the provision of, facilities under paragraph (a).

4.8 Short Sale Reporting

Where a participant is required to provide information to ~~Gbee~~TMX under Division 5B of the Corporations Act or the Market Integrity Rules in respect of sell orders or relevant transactions involving a sale by the participant, the participant must provide the information to ~~Gbee~~TMX in accordance with the Corporations Act and the Market Integrity Rules and in the form and by the time specified in the procedures.

4.9 ~~4.9~~ Registration as a Market Maker

- (a) ~~Gbee~~TMX may register a participant as a market maker.
- (b) ~~Gbee~~TMX may, in its absolute discretion:
 - (i) refuse to register a participant as a market maker; or
 - (ii) deregister a participant as a market maker.
- (c) A participant may request a review of a decision by ~~Gbee~~TMX to refuse to register a participant under rule 4.9(b)(i) ~~and/or~~ to deregister a participant as a market maker under rule 4.9(b)(ii).
- (d) The process by which ~~Gbee~~TMX will register a participant as a market maker is set out in the procedures and requires a participant to provide a completed market maker undertaking to ~~Gbee~~TMX.

4.10 Market Maker Obligations

- (a) A participant that is registered as a market maker must comply with the market maker undertaking that it has provided to ~~Gbee~~TMX unless and until:
 - (i) the participant has been deregistered as a market maker; or
 - (ii) the market maker undertaking has been amended pursuant to rule 4.11.

4.11 Amendment of and Temporary Relief from the Market Maker Obligations

- (a) A participant may propose to ~~Gbee~~TMX that the undertaking it has provided be amended but the original undertaking will continue to apply until ~~Gbee~~TMX has agreed to and specified the



date on which the amended market maker undertaking will take effect, after which a participant must comply with the market maker undertaking as amended.

- (b) A participant that is a registered market maker and is seeking temporary relief from the obligation to comply with a market making undertaking, should apply under rule 1.5 for a waiver from the obligation under rule 4.10.

4.12 Deregistration

- (a) A participant that is registered as a market maker but does not comply with the market maker undertaking is liable to be deregistered as a market maker either totally or partially in respect of a particular subset of the investment products in which it has been registered as a market maker.
- (b) A participant may, three months or more after it has been registered as a market maker under rule 4.9(a), apply to be deregistered as a market maker from the beginning of the second month following the date on which ~~Gbee~~TMX received the application. The application for deregistration may be made in respect of either:
 - (i) one or more investment products in which it is a market maker; or
 - (ii) all investment products in which it is registered as market maker.

4.13 The Register

- (a) The register of market makers will be published on the ~~Gbee web site~~ [TMX website](#). The register shall list each investment product in which the participant is a market maker.

4.14 [TMX](#) Powers and Obligations on Participants that are Registered

- (a) ~~Gbee~~TMX may require a participant that is registered as a market maker to provide any information and material in connection with its activities as a market maker.
- (b) A participant must provide any information and material required by ~~Gbee~~TMX pursuant to this rule within the time limits specified by ~~Gbee~~TMX.

4.15 Pre-conditions for Trading in a TraCR

A participant must:

- (a) not market TraCRs as ordinary cash equities, including those which are the underlying asset of a TraCR; and
- (b) clearly distinguish TraCRs from ordinary cash equities, including those which are the underlying asset of a TraCR, in the information it provides or makes available to retail clients.



5 FAIR AND ORDERLY MARKET

5.1 ~~Cbee~~TMX Orderly Markets Powers

~~Cbee~~TMX may take any action it considers necessary to ensure that the ~~Cbee~~TMX market is fair, orderly and transparent, including:

- (a) rejecting one or more orders, ~~conditional messages~~ or other electronic messages submitted to ~~Cbee~~TMX or entered into the ~~Cbee~~TMX market;
- (b) suspending or halting trading in all or part of the ~~Cbee~~TMX market;
- (c) cancelling or amending any relevant transaction;
- (d) directing any participant to take, or not to take, specified action in connection with the ~~Cbee~~TMX market;
- (e) modifying, restricting or suspending access by one or more participants, ~~introducing brokers or sponsored users~~ to all or part of the ~~Cbee~~TMX market; and/or
- ~~(f) taking specific actions in respect of Cbee BIDS Australia as set out in the procedures (but without limiting Cbee's orderly market powers in any way); or~~
- ~~(g) Deleted 3/08/2026~~
- ~~(f)(g)~~ requesting a designated central counterparty or alternative central counterparty to exercise its powers.

5.2 Request for a Review of a Decision under Rule 5.1(e)

A participant may request a review of a decision by ~~Cbee~~TMX under rule 5.1(e) to modify, restrict or suspend the participant's access to the market, by notifying ~~Cbee~~TMX of that request in accordance with these rules and within the 10 business days following the participant's receipt of the notice of the ~~Cbee~~TMX decision. ~~Cbee~~TMX must establish a review committee to review a decision under rule 5.1(e) that is the subject of a participant request made in accordance with these rules.

5.3 Suspension of Access to or Trading on the ~~Cbee~~TMX market

~~Cbee~~TMX may suspend access to or trading on the ~~Cbee~~TMX market if:

- (a) ~~(a)~~ ~~Cbee~~TMX determines a systems or communications problem has occurred or is likely to occur which may result in disorderly trading conditions on the ~~Cbee~~TMX market;
- (b) ~~(b)~~ a specific financial product is the subject of a suspension or trading halt on the listing market;
- (c) the underlying asset of a TraCR is placed into a trading halt or suspension (see also rule 14.35);
- (d) ~~Cbee~~TMX is of the view that a TraCR should be placed into a trading halt to enable the dissemination of information that relates to the underlying asset of the TraCR or otherwise impacts on the TraCR (see also rule 14.35);

(e) the Market Integrity Rules require the market to be suspended or halted; or

(f) ~~Cbe~~TMX, in its absolute discretion, considers it appropriate to do so.

5.4 Market -Related Disputes

(a) A participant may notify ~~Cbe~~TMX of any market -related dispute (dispute) between the participant and another participant arising in relation to any of the rules.

(b) ~~Cbe~~TMX will consider a dispute as soon as reasonably practicable following the referral by a participant.

(c) In considering a dispute, ~~Cbe~~TMX may make any enquiries relevant to the dispute, seek information from the relevant participants and determine how the dispute will be considered.

(d) ~~Cbe~~TMX may decide to take any action (or refrain from taking action) and give any directions it considers appropriate in relation to the dispute including:

(i) cancelling the relevant transaction;

(ii) varying the relevant transaction;

(iii) re-instating an order which gave rise to the disputed relevant transaction, the time priority of the re-instated order being set according to the time of the re-instatement;

(iv) giving directions to the participant(s) who are a party to the disputed relevant transaction; and

(v) requesting a designated central counterparty (or alternative central counterparty) to act or refrain from acting under their clearing rules, for example to give effect to ~~Cbe's~~TMX's actions under this rule.

(e) ~~Cbe~~TMX will notify each participant involved in the dispute, of the action, if any, it proposes to take.

(f) ~~Cbe~~TMX will not take steps to implement the action proposed in a notice issued pursuant to rule 5.4(e) unless:

(i) the period for notifying a request for a review under rule 5.5(a) has expired (unless the participants affected agree to waive that period); or

(ii) in the opinion of ~~Cbe~~TMX circumstances require the proposed action to be taken immediately.

(g) Subject to rule 5.5, the exercise by ~~Cbe~~TMX of its powers under rule 5.4(d) is final and binding on the participant(s).

(h) Subject to rule 5.5, participants must comply with any request made, or directions given, by ~~Cbe~~TMX under this rule 5.4.

5.5 Review of Dispute

(a) A participant may request a review of the proposed exercise of the powers in rule 5.4(d) by notifying ~~Cbe~~TMX of that request by 10am on the first business day following the participant's receipt of the notice issued pursuant to rule 5.4(e).



- (b) Upon receipt of a request for a review that has been made under rule 5.5(a) and is in accordance with these rules, ~~Gbee~~TMX must establish and refer the dispute to a review committee as soon as reasonably practicable.
- (c) The Chairman of the review committee established pursuant to this rule 5.5 will convene a meeting as soon as reasonably practicable to consider the dispute.
- (d) A person must not sit as a member of the review committee considering a dispute if the Chairman of the review committee determines that the member has a conflict of interest which precludes their participation.
- (e) ~~Gbee~~TMX and each participant involved in the dispute will be given the opportunity to make a submission in relation to the dispute and the proposed decision of ~~Gbee~~TMX under rule 5.4.
- (f) The review committee will make a decision and may take any action or give any direction available to ~~Gbee~~TMX under rule 5.4(d), or confirm the decision of ~~Gbee~~TMX under rule 5.4.
- (g) The review committee's decision is final and binding.

5.6 Error Trades and Clearly Erroneous Trades

- (a) A participant or product issuer may submit to ~~Gbee~~TMX a request to amend or cancel an error trade. Such a request will be dealt with in accordance with the procedures.

In this rule an "error trade" is a relevant transaction arising from an error in an order submitted by a participant, or other error by a participant or product issuer which relates to the relevant transaction. Examples of an error trade include:

- (i) a relevant transaction which arises because, when submitting an order or off-market transaction to ~~Gbee~~TMX, the participant made a mistake as to the identity of the financial product, the price or volume involved, the status of buy or sell, the basis of quotation or the order type; and
- (ii) an order or a relevant transaction affected by a failure of ~~Gbee's~~TMX's systems or processes.

- (b) ~~Gbee~~TMX may amend or cancel a clearly erroneous trade in accordance with the procedures.

In this rule a "clearly erroneous trade" is a relevant transaction which ~~Gbee~~TMX considers may be an error trade (as defined in paragraph (a)), for example because the transaction was effected at a price substantially away from, or inconsistent with, the prevailing market price for the relevant financial product at the time of execution.

5.7 Other Powers

Nothing in this rule 5 precludes ~~Gbee~~TMX from taking any other action which it is permitted to take under the rules and the procedures in connection with the dispute including, without limitation, the taking of disciplinary action under rule 9.



6 CLEARING ARRANGEMENTS

6.1 Clearing

A participant that is a party to a relevant transaction authorises ~~Cbee~~TMX to deliver that relevant transaction for clearing to the designated central counterparty or an alternative central counterparty.

6.2 Appointment and Use of Central Counterparties

- (a) ~~Cbee~~TMX will appoint the designated central counterparty and may appoint one or more alternative central counterparties. Each appointment will be recorded in the procedures and may be conditional.
- (b) Relevant transactions will be delivered for clearing and settlement to the designated central counterparty unless delivery is not required or a participant has notified ~~Cbee~~TMX under rule 6.7(a) that the relevant transactions to which it is a party should be delivered to an alternative central counterparty.

6.3 Third Party Clearing

- (a) A participant may have an agreement in place with one or more clearing participants pursuant to which the relevant transactions to which the participant is a party will be cleared.
- (b) A participant must:
 - (i) notify ~~Cbee~~TMX, in accordance with the procedures, of the identity of each clearing participant with which it has a clearing agreement under this rule 6.3;
 - (ii) provide ~~Cbee~~TMX with a copy of any agreement between the participant and a clearing participant immediately that it is entered; and
 - (iii) notify ~~Cbee~~TMX of any amendment to an agreement between the participant and a clearing participant no later than two business days before the amendment takes effect.

6.4 Participant Obligations

- (a) A participant must:
 - (i) not enter orders into the ~~Cbee~~TMX market unless it is a clearing participant, or has a clearing agreement under rule 6.3, in respect of any resulting relevant transactions;
 - (ii) not report an off-market transaction to the ~~Cbee~~TMX market under rule 4.3 unless it is a clearing participant, or has a clearing agreement under rule 6.3, in respect of that transaction;
 - (iii) notify ~~Cbee~~TMX immediately of any suspension, termination or restriction of the participant's arrangements for clearing relevant transactions; and
 - (iv) comply with any direction from ~~Cbee~~TMX in relation to clearing.
- (b) Each participant acknowledges that the clearing of a relevant transaction will be subject to, and governed by, the clearing rules of the designated central counterparty or alternative central counterparty which accepts the relevant transaction for clearing.



6.5 Rejected Transactions

~~Cbe~~TMX may cancel a relevant transaction that is rejected by the designated central counterparty or alternative central counterparty, in which case the relevant transaction will be deemed to have not been executed.

6.6 Action to Ensure Adequate Clearing Arrangements

~~Cbe~~TMX may take any action it considers necessary to ensure there are adequate arrangements for the clearing of relevant transactions including, without limitation suspending, restricting or terminating a participant's participation in or access to the ~~Cbe~~TMX market.

6.7 Alternative Central Counterparty

- (a) A participant must notify ~~Cbe~~TMX, in accordance with the procedures, if the relevant transactions to which the participant is a party should be delivered to an alternative central counterparty.
- (b) A participant may notify ~~Cbe~~TMX that it intends to use a licensed clearing and settlement facility that has not yet been appointed under rule 6.2 but must not use that facility to clear relevant transactions unless that facility has been appointed the designated central counterparty or an alternative central counterparty under rule 6.2.



7 SETTLEMENT & CORPORATE ACTIONS

7.1 Obligation to Settle

- (a) A participant must satisfy ~~Cbe~~TMX that it has in place and will maintain adequate arrangements for the settling of all relevant transactions entered into by the participant.
- (b) The settlement date for all relevant transactions is the second business day following the day the relevant transaction was created, or such other time as determined in accordance with the procedures. At settlement, the seller of the financial products the subject of the relevant transaction must deliver the financial products free of any charge or encumbrance and the buyer must pay the price for the financial products purchased.
- (c) ~~Cbe~~TMX may postpone or extend a settlement period for relevant transactions in some or all financial products on a given day, indefinitely or for a specified period.

7.2 Corporate Actions

- (a) A participant shall treat a listed financial product as being 'ex' a benefit from the time that financial product is marked 'ex' that benefit on the listing market.
- (b) The ~~Cbe~~TMX TraCR ~~web-site~~website will contain the information provided by the product issuer of a TraCR on the corporate actions relating to that TraCR, including:
 - (i) the basis of quotation of the TraCR~~;~~
 - (ii) any distribution or payment of cash or other assets to the holder of the TraCR;
 - (iii) any meeting or proxy event relating to the underlying assets and in respect of which the holder may have a voting right; and
 - (iv) any split or consolidation of the holder's TraCRs.
- (c) ~~(c)~~ ~~Cbe~~TMX will take no responsibility for marking a listed financial product or a quoted investment product as 'ex' or 'cum' a benefit on the ~~Cbe~~TMX market; and
- (d) ~~(d)~~ The responsibility for accurately pricing a listed financial product or a quoted investment product undergoing or impacted by a corporate action is solely with the participant.



8 MONITORING & INVESTIGATION

8.1 Monitoring Compliance and Investigation

- (a) ~~Gbee~~TMX will monitor the ~~Gbee~~TMX market and execution of relevant transactions for the purpose of ensuring a fair, orderly and transparent market.
- (b) ~~Gbee~~TMX will monitor compliance by a participant, ~~introducing broker or sponsored user~~ with the rules, and may at any time investigate the activities of a participant, ~~introducing broker or sponsored user~~.
- (c) Where ~~Gbee~~TMX has reason to suspect that a participant, ~~introducing broker or sponsored user~~ or the employee of a participant, ~~introducing broker or sponsored user~~ has committed, is committing or is about to commit a significant breach of the Corporations Act or the Market Integrity Rules, it must refer the matter to ASIC.

8.2 Information

- (a) As part of any investigation ~~Gbee~~TMX may require a participant to provide any information, document or record relating to the participant's activities in connection with the ~~Gbee~~TMX market or the performance by the participant of its obligations under the rules.
- (b) ~~Gbee~~TMX may also require the immediate production of documents, relevant to trading by the participant, that are in the participant's possession, custody, power or control.
- (c) ~~Gbee~~TMX may require the immediate provision by a participant of accurate information about its transactions in a format, electronic or otherwise, as specified by ~~Gbee~~TMX.
- (d) ~~Gbee~~TMX may require a participant to permit ~~Gbee~~TMX to access its premises in order to inspect any records or information required by ~~Gbee~~TMX as part of any investigation.
- (e) ~~Gbee~~TMX may give any direction to a participant, in relation to an investigation by ~~Gbee~~TMX under these rules, which ~~Gbee~~TMX considers is reasonably necessary to preserve the integrity of an investigation by ~~Gbee~~TMX or is otherwise appropriate having regard to the obligations of ~~Gbee~~TMX as the holder of an Australian Market Licence.

8.3 Independent Report by a Qualified Person

~~Gbee~~TMX may require a participant to provide, at the participant's cost, a report from an independent and appropriately qualified person in relation to the compliance by the participant with these rules, and any other matter which in the opinion of ~~Gbee~~TMX is appropriate to assist ~~Gbee~~TMX in the discharge of its functions and responsibilities under these rules. ~~Gbee~~TMX will notify the participant of the scope of the report and the time by which it must be provided.

8.4 Costs

The participant is responsible for any costs the participant incurs in connection with any investigation conducted by ~~Gbee~~TMX under these rules.



9 DISCIPLINARY ACTIONS, SANCTIONS AND OTHER POWERS

9.1 Disciplinary Action

- (a) If ~~Cbee~~TMX determines in its discretion that a participant has contravened the rules ~~Cbee~~TMX may, by notice to the participant, impose one or more sanctions set out in rule 9.3 without conducting formal disciplinary proceedings. The determination of ~~Cbee~~TMX under this rule 9.1(a) is binding on the participant, subject to rule 9.1(b).
- (b) A participant may request a review of a determination by ~~Cbee~~TMX under rule 9.1(a) by notifying ~~Cbee~~TMX of that request in accordance with these rules and within the 10 business days following the participant's receipt of the notice of the ~~Cbee~~TMX determination.
- (c) ~~Cbee~~TMX must establish a review committee to review a determination under rule 9.1(a) which is the subject of a request for review made in accordance with these rules.
- (d) ~~Cbee~~TMX may refer an alleged contravention of the rules to a review committee without making a determination under rule 9.1(a).
- (e) The review committee will publish reasons in writing for its decision.
- (f) A decision of the review committee is binding on the participant and ~~Cbee~~TMX.

9.2 Agreed Outcomes

- (a) ~~Cbee~~TMX may, by agreement with a participant, impose a sanction of the kind described in rule 9.3 in relation to a contravention of these rules or an alleged contravention of these rules.
- (b) If a review committee is established under rule 9.1, ~~Cbee~~TMX and the participant may submit a proposed agreed outcome to the review committee for its consideration. A review committee is not bound to accept the agreed outcome proposed.

9.3 Sanctions

~~Cbee~~TMX and any review committee established under this rule 9 may impose or utilise one or more of the following sanctions in relation to a contravention of the rules:

- (a) a written warning;
- (b) the suspension or restriction of access to the ~~Cbee~~TMX market;
- (c) a public statement identifying the participant and outlining the rule contravention;
- (d) termination of participation on any conditions that are appropriate, including as to the continued application of these rules to the participant;
- (e) a fine up to a maximum amount specified in the procedures;
- (f) disgorgement of any profit arising from the contravention of the rules;
- (g) an order to pay the reasonable costs of ~~Cbee~~TMX and any review committee;
- (h) obtain an undertaking by a participant to complete an education and/or compliance program; and
- (i) any other sanction set out in the procedures.



9.4 Register of Decisions

~~Cbe~~TMX will keep a register of decisions under this rule 9, which will, subject to the procedures, be available for inspection.

9.5 Other Default Powers

If ~~Cbe~~TMX considers that circumstances exist which have or may have a material adverse effect on:

- (a) the capacity of the participant to meet its obligations to ~~Cbe~~TMX, the designated central counterparty, an alternative central counterparty, relevant settlement facility or one or more other participants;
- (b) the financial position of ~~Cbe~~TMX, the designated central counterparty, an alternative central counterparty, relevant settlement facility; or
- (c) the ~~Cbe~~TMX market or the listing market²;

~~Cbe~~TMX may immediately after giving written notice to the participant of its intention to rely on this rule 9, take any action it considers appropriate to protect ~~Cbe~~TMX, the designated central counterparty, an alternative central counterparty, a relevant settlement facility or other participants including without limitation, suspending, restricting or terminating the participant's participation or access to the ~~Cbe~~TMX market.

9.6 Review of Certain Action Taken under Rule 9.5

A participant may request a review of a decision by ~~Cbe~~TMX under rule 9.5 to restrict, suspend or terminate a participant's access to the ~~Cbe~~TMX market, by notifying ~~Cbe~~TMX of that request in accordance with these rules and within the 10 business days following the participant's receipt of the notice of the ~~Cbe~~TMX decision. ~~Cbe~~TMX must establish a review committee to review a decision under rule 9.5 which is the subject of a request for a review made in accordance with these rules.



10 SUPERVISION OF A PARTICIPANT BY ASIC

10.1 Application

This rule 10 applies to a participant that:

- (a) is a related body corporate of ~~Cbe~~TMX; or
- (b) conducts, or participates in a business in competition with a business conducted by ~~Cbe~~TMX or a related body corporate of ~~Cbe~~TMX and requests ASIC to make decisions and take action in relation to the matters in rule 10.2.

10.2 Supervision of a Participant by ASIC

ASIC, instead of ~~Cbe~~TMX, will make the decisions and take action under these rules (or require ~~Cbe~~TMX to take action on ASIC's behalf) in respect of a participant to which this rule applies where the decision or action is one of the following matters, or matters related to such matters:

- (a) an application to become a participant in the ~~Cbe~~TMX market;
- (b) the expulsion and suspension of a participant from the ~~Cbe~~TMX market;
- (c) the disciplining of a participant;
- (d) compliance by a participant with the rules, procedures, Corporations Act, the Market Integrity Rules, including:
 - (i) the method of determining whether a participant has complied with the rules, procedures, Corporations Act, and the Market Integrity Rules; and
 - (ii) any action (including the imposition of a fine or penalty) to be taken in respect of any contravention of these rules, procedures, Corporations Act and Market Integrity Rules.

10.3 Application of Relevant Rules

For the purposes of rule 10.2, in the case of any decision or action concerning a participant to which this rule applies, a reference in any relevant rule or procedure to ~~Cbe~~TMX shall be construed as a reference to ASIC.



11 COMPENSATION ARRANGEMENTS – FIDELITY FUND

11.1 Introduction

- (a) Division 3 of Part 7.5 of the Corporations Act requires ~~Cbee~~TMX to have in place approved compensation arrangements for the protection of retail clients of participants in certain circumstances.
- (b) ~~Cbee~~TMX established a fidelity fund to assist in meeting these requirements. The fidelity fund is supported by insurance arrangements.
- (c) On 26 October 2020, which is also known as the NGF transition date, ~~Cbee~~TMX changed its compensation arrangements from the fidelity fund and insurance arrangements to the NGF. ~~Cbee~~TMX is permitted to withdraw cash from the fidelity fund over time but is required to maintain the insurance arrangements for seven years to deal with historic claims in respect of conduct that occurred prior to the NGF transition date.
- (d) Since 26 April 2023, ~~Cbee~~TMX has not been required to maintain any cash in the fidelity fund and the fidelity fund was terminated on 31 March 2026. Claims can no longer be made against the fidelity fund. Instead, claims can be made against the insurance arrangements in respect of conduct that occurred prior to the NGF transition date. Any such claims must be made on or before 25 October 2027, at which point the insurance arrangements will cease and no claims will be accepted.
- (e) This rule 11 sets out how the insurance arrangements operate, details of the kinds of losses covered by the insurance arrangements, how clients can make a claim, and various other matters.
- (f) This rule 11 applies only to claims in relation to losses covered by rule 11.7. A person who does not have a claim under this rule 11, may have a claim on the NGF, in accordance with rule 11A.

11.2 Source of funds

- (a) ~~Cbee~~TMX must maintain insurance arrangements capable of providing compensation for covered losses until 25 October 2027. The insurance arrangements must be set at a level of at least \$10 million.

11.3 Deleted 31/03/26

11.4 Deleted 31/03/26

11.5 Deleted 31/03/26

11.6 Deleted 31/03/26

11.7 Losses Covered

A loss is covered by the insurance arrangements referenced in rule 11.2, if it is not an excluded loss and:

- (a) a client gave money or other property, or authority over property, to a participant (or an entity which was previously a participant and which the client reasonably believed was a participant);
- (b) the money or other property, or the authority, was given to the participant in connection with effecting a transaction, or proposed transaction, through the ~~Cbee~~TMX market;



- (c) the effecting of the transaction through the ~~Gbee~~TMX market constitutes or would constitute the provision of a financial service to the client as a retail client; and
- (d) the client suffers a loss because of the defalcation or fraudulent misuse, prior to the NGF transition date, of the money, other property, or the authority given by the client (as applicable), by the participant.

For the avoidance of doubt a claim relating to an alleged loss caused by defalcation or fraudulent misuse may be allowed even if the person against whom the defalcation or misuse is alleged has not been convicted or prosecuted, or the evidence on which the claim is allowed would not be sufficient to establish the guilt of that person on a criminal trial in respect of the defalcation or criminal misuse.

11.8 Making a Claim

- (a) A client who has suffered a loss may make a claim under the insurance arrangements referenced in rule 11.2, by completing the claim form available on the ~~Gbee~~TMX website at www.ebeetmxaustralia.com.au.
- (b) A client may only make one claim in respect of a particular loss.
- (c) A claim must be made within six months of the latter of the claim arising and the client becoming aware of its ability to make a claim. No claim may be made from the seventh anniversary of the NGF transition date.
- (d) ~~Gbee~~TMX may require a client making a claim to pay money, or transfer other property, in support of a claim.
- (e) ~~Gbee~~TMX may, by notice, require a person to deliver to it documents or copies of documents (including documents of or evidencing title to financial products), statements of evidence or other information that ~~Gbee~~TMX considers will assist it in determining a claim.
- (f) ~~Gbee~~TMX may disallow a claim if the person making the claim fails to comply with rule (e).

11.9 Determination of Claims

- (a) ~~Gbee~~TMX, or a delegate of ~~Gbee~~TMX, may determine a claim.
- (b) ~~Gbee~~TMX must determine a claim within a reasonable time of receipt and notify a client of the outcome of a determination in relation to a claim within 10 business days of its determination.
- (c) A claim may be dismissed, allowed in full, or allowed in part (including, without limitation, in a case where ~~Gbee~~TMX considers that the conduct of the person making the claim contributed to the relevant loss).
- (d) Without limiting anything else in this rule 11.9, a claim may be disallowed if a person making a claim refuses to exercise any available right of set off.

11.10 Amount and Payment of Compensation

- (a) If ~~Gbee~~TMX determines a claim in favour of the person making the claim (whether in part or in full), ~~Gbee~~TMX must determine the amount of compensation to be paid.
- (b) Subject to paragraphs (c) and (d), the amount of compensation to be paid in respect of a loss is to be not less than the sum of:



- (i) the actual pecuniary loss suffered by the client, calculated by reference to the market value of any relevant assets or liabilities as at the date on which the loss was suffered;
 - (ii) the client's reasonable costs of, and disbursements incidental to, the making and proof of the claim; and
 - (iii) interest on the amounts set out in paragraphs (i) at a rate of 5% per annum for the period from the day the loss was suffered until the day when compensation is paid in respect of that loss (or that part of the loss).
- (c) The amount of compensation payable in respect of a loss may be reduced by the amount of any set off available to the relevant client.
- (d) The maximum amount of compensation payable in respect of a claim is \$100,000, and the maximum amount of compensation payable in respect of all claims referable to a particular event or circumstance is \$1,000,000.
- (e) If the insurance arrangements referenced in rule 11.2 are insufficient to meet all claims, claims will be reduced on a pro rata basis or in such other manner as ~~Cbe~~TMX considers appropriate.
- (f) Compensation in relation to a claim may be paid in any manner ~~Cbe~~TMX deems appropriate, including but not limited to lump sums or instalments.
- (g) If a payment in relation to a claim, is paid pursuant to the insurance arrangements referenced in rule 11.2, then ~~Cbe~~TMX may recover from the participant or participants who caused the relevant loss the costs or expenses incurred by ~~Cbe~~TMX in determining the claim and the amount of any payments in relation to the claim. Each participant indemnifies and must keep indemnified ~~Cbe~~TMX in relation to any such amounts.
- (h) If a claim is allowed, ~~Cbe~~TMX must cause the relevant payment to be made within 28 days of the determination under rule 11.9.

11.11 Disclosure

A participant must provide the compensation disclosure contained in the procedures to a retail client before it accepts, from that client, an order for execution on the ~~Cbe~~TMX market.



11A. COMPENSATION ARRANGEMENTS – NATIONAL GUARANTEE FUND (NGF)

11A.1 Introduction

- (a) The NGF is a compensation fund that is independently administered by the SEGC. ~~Chae~~TMX is a member of SEGC, with effect from the NGF transition date, which means that in certain circumstances a person may be entitled to claim compensation from the NGF.
- (b) The circumstances in which claims may be made on the NGF, and the administration of claims, are governed by Division 4 of Part 7.5 of the Corporations Act, the Corporations Regulations, and the operating rules of SEGC.

11A.2 Loans and Provision of Property to Participants

- (a) Where a person:
 - (i) lends money to a participant or entities which are managed or controlled by a participant; or
 - (ii) provides property to a participant or to entities which are managed or controlled by the participant, other than in the course of, or in connection with the participant or entity's business of dealing in financial products,

the participant will give written notification to each such person that the general protection of the NGF provisions of the Corporations Act will not apply to the money lent or the property provided, or any income which may have been derived from property which had been provided by the person to the participant to be managed on trust by the participant.

- (b) Where a person is an excluded person as defined at Corporations Regulation 7.5.04, the participant will give written notification to each such person that the general protection of the NGF provisions of Part 7.5 of the Corporations Act and Regulations will not apply to the money lent or the property provided, or any income which may have been derived from property which had been provided by the person to the participant to be managed on trust by the participant.
- (c) A copy of the written notification required in rules 11A.2(a) and/or 11A.2(b), will be retained by the participant until such money or property has been returned to the person.
- (d) For the purpose of the sub-sections (a) and (b), "property" includes money, financial products and documents of title to and instruments of transfer relating to financial products.
- (e) A participant may satisfy the obligations in this rule by having previously provided a notice to the effect required in rules 11A.2(a) and/or 11A.2(b) to the relevant client, whether pursuant to the rules of another market operator or otherwise.

11A.3 Payment of Compensation Arrangement Levies

- (a) If ~~Chae~~TMX is required to pay a levy to the SEGC under section 889J(1) of the Corporations Act, ~~Chae~~TMX may determine in writing that participants must pay a contributory levy in accordance with section 889K of the Corporations Act. A participant must pay the contributory levy to ~~Chae~~TMX within the period, and in the manner, required by section 889K(3) of the Corporations Act.
- (b) A participant must, if the SEGC levies that participant directly under section 889J(1) of the



Corporations Act, pay the levy to the SEGC in accordance with the levy notice.

11A.4 Reportable Transactions

For the purposes of Part 7.5 of the Corporations Regulations:

- (a) all transactions in respect of securities (as that term is defined in Corporations Regulation 7.5.09) that arise upon the matching of orders on the ~~Gbee~~TMX market must be (and are taken to have been) reported to ~~Gbee; and~~TMX;
- (b) a participant is permitted to report to ~~Gbee~~TMX any off-market transaction in respect of securities in accordance with rule 4.4; and
- (c) Exchange Traded Fund Special Trades are not reportable transactions, as that term is defined under the Corporations Regulations.



12 ~~Cbee~~TMX LIABILITY

12.1 Limitation of Liability

Subject to rule 12.2, ~~Cbee~~TMX is not liable to a participant, or a participant's clients, ~~an introducing broker, or a sponsored user~~ for any direct, indirect or consequential loss, damage or expense (including legal costs) arising in any way in relation to:

- (a) the supply of services, goods or products relating to the ~~Cbee~~TMX market including, without limitation, any services, goods or products relating to relevant transactions, trading information or documentation concerning a participant or clients;
- (b) any negligent conduct or omission of ~~Cbee~~TMX including, without limitation, any systems malfunctions or failure, programming error, error inputting data or any other error, in relation to a computer or otherwise, in connection with the supply by ~~Cbee~~TMX of any services, goods or products;
- (c) any implied conditions and warranties, including those implied by statute, general law or custom, in relation to the supply of services, goods or products by ~~Cbee~~TMX;
- (d) the operation, enforcement or implementation of these rules, including without limitation any act or omission to ensure the ~~Cbee~~TMX market is fair, orderly and transparent; or
- (e) the exercise of any decision making power by ~~Cbee~~TMX under these rules or by any designated central counterparty, alternative central counterparty or relevant settlement facility under their respective rules or arrangements.

12.2 Certain Liability not Excluded

~~Cbee~~TMX does not exclude under this rule 12 any liability arising from conditions and warranties implied by or contained in statute, general law or custom where the exclusion or limitation of that liability would contravene any statute (including the Competition and Consumer Act 1974) or cause any part of this rule 12 to be void.

12.3 Limitation of Liability

The liability of ~~Cbee~~TMX under any condition or warranty in rule 12.2 may be limited at the discretion of ~~Cbee~~TMX to:

- (a) in the case of services, the supply of the relevant services again or payment of the cost of having the relevant services supplied again; or
- (b) in the case of goods and products, the repair or replacement of those goods and/or products or the payment of the cost of having the goods and/or products repaired or replaced.

12.4 Extension of Liability Exclusions and Limitations to Others

To the extent permitted by law, each exclusion and limitation in this rule 12 extends to every related body corporate of ~~Cbee~~TMX and every officer, employee, agent, contractor, delegate, person acting for or on behalf of ~~Cbee~~TMX or related body corporate as if a reference to ~~Cbee~~TMX included a reference to each of them. The benefit of any limitation or exclusion under this rule 12 in favour of any person other than ~~Cbee~~TMX under this rule 12 is held by ~~Cbee~~TMX for the benefit of those other persons and ~~Cbee~~TMX may enforce that benefit on their behalf.



13 GENERAL

13.1 Confidentiality

~~Gbee~~TMX will take all reasonable measures to protect from unauthorised use or disclosure information provided to it in confidence by or on behalf of a participant, ~~introducing broker or sponsored user~~. The circumstances in which ~~Gbee~~TMX is authorised to disclose or use such information will include the following:

- (a) disclosure to any government agency, regulatory authority, exchange, market operator or clearing and settlement facility;
- (b) where disclosure is required under any law or any order of any court or tribunal, authority or regulatory body;
- (c) disclosure of information generally available to and known by the public;
- (d) for the purposes of monitoring compliance with, or the enforcement of, the rules or the determination of those matters including, without limitation, under rule 9; and
- (e) where disclosure is required to enable ~~Gbee~~TMX to fulfil its licence obligations or supply the goods, services and products it has been engaged to supply.

13.2 Complaints

~~Gbee~~TMX will manage all complaints against it or its employees in accordance with its complaints policy and procedure which can be accessed at www.ebee-tmxaustralia.com.au.

13.3 Fees and Charges

- (a) A participant must pay to ~~Gbee~~TMX all applicable subscriptions, charges, fees and any other costs due in accordance with these rules or pursuant to any agreement signed with ~~Gbee~~TMX. Any such subscription, charge, fee or other cost may be amended by ~~Gbee~~TMX.
- (b) If a participant does not pay any fees or other charges payable under rule 13.3(a) within one month from the date of any valid invoice, the outstanding amount will be subject to interest at the rate specified in the procedures and ~~Gbee~~TMX may take other steps specified in the procedures.

13.4 GST & Other Taxes

- (a) Participants are liable for all stamp duty and other taxes or duties that may arise in respect of any relevant transaction, services provided by ~~Gbee~~TMX under these rules. Participants will indemnify ~~Gbee~~TMX against liability for any taxes or duties so arising under this rule and ~~Gbee~~TMX may set off any such taxes against any monies owed by ~~Gbee~~TMX to the participant.
- (b) All subscriptions, charges, fees and any other costs due in accordance with these rules, the procedures or in any agreement signed by ~~Gbee~~TMX are stated exclusive of GST.
- (c) If GST is or will be payable on a supply made by ~~Gbee~~TMX or a participant under or in connection with these rules or the procedures:
 - (i) the consideration otherwise provided for that supply is increased by the amount of that GST; and



- (ii) the recipient must make payment of the increase as and when the consideration otherwise provided for, or relevant part of it, must be paid or provided, subject to the issue of a tax invoice (except where rule 13.5 applies).
- (d) The right of a participant to recover any amount of GST from ~~Gbee~~TMX is subject to:
 - (i) the participant first providing evidence satisfactory to ~~Gbee~~TMX that it is registered for GST; and
 - (ii) except where rule 13.5 applies, the participant issuing the relevant tax invoice or adjustment note to the recipient within 4 years of the participant's liability to that GST arising.

13.5 Recipient Created Tax Invoices

- (a) For supplies made under rule 13.4(c) for which GST is payable by a participant, ~~Gbee~~TMX will, if and while it meets the requirements of the GST Law to do so, issue Recipient Created Tax Invoices (RCTIs).
- (b) ~~Gbee~~TMX and the participants acknowledge that, pursuant to rule 1.3(a) and section 793B of the Corporations Act, this rule 13.5 constitutes a written agreement to issue RCTIs between ~~Gbee~~TMX, as the entity issuing the RCTI, and the participant on whose behalf it is issued.
- (c) A participant on whose behalf a RCTI is issued warrants to ~~Gbee~~TMX that it is registered for GST and will notify ~~Gbee~~TMX if it ceases to be registered. The participant indemnifies ~~Gbee~~TMX against any loss resulting from the participant not being registered for GST.
- (d) ~~Gbee~~TMX warrants that it is registered for GST and will notify the participant if it ceases to be registered.
- (e) A participant will not issue a tax invoice or adjustment note for supplies that it makes to ~~Gbee~~TMX in respect of which ~~Gbee~~TMX will issue a RCTI.

13.6 Foreign Participants

- (a) If a participant provides evidence satisfactory to ~~Gbee~~TMX that:
 - (i) it is a non-resident of Australia and will not be in Australia in relation to any supply which ~~Gbee~~TMX makes to it;
 - (ii) it acquires the supplies from ~~Gbee~~TMX in carrying on an enterprise but it is not registered or required to be registered for GST;
 - (iii) the supply by ~~Gbee~~TMX to the participant is not otherwise subject to GST; and
 - (iv) it will only make supplies to ~~Gbee~~TMX which are not connected with Australia;

~~Gbee~~TMX will treat its supplies to the participant as GST-free, and the participant will treat its supplies to ~~Gbee~~TMX as not subject to GST.
- (b) A participant to which this rule applies, indemnifies ~~Gbee~~TMX against any loss suffered by ~~Gbee~~TMX as a result of relying on information provided by the participant.

13.7 Notifications

- (a) All notifications under these rules by a participant shall be made as soon as is reasonably practicable and in accordance with the procedures. Where a notification is initially made



verbally or via electronic mail, there may be a requirement for the notice to be confirmed in writing.

- (b) For the purposes of any rule that requires or permits a document to be given to a person, whether the expression "serve", "give" or "send" or any other expression is used, the document may be given, and will be taken to have been received, at the time and in the manner set out in the procedures.
- (c) A participant must have and maintain an operating e-mail system for the purposes of receiving notices under these rules.

If ~~Gbee~~TMX must give notice under these rules to some or all participants, accidental omission by ~~Gbee~~TMX to give notice to one or more participants does not affect the validity or enforceability of any resolution, decision, proceeding or act in connection with which the notice is required.



14 INVESTMENT PRODUCTS

14.1 Preliminary

- (a) The rules in section 14 contain requirements for the registration of product issuers and the quotation of and trading in investment products.
- (b) The approval of a product issuer or the admission of an investment product to quotation under these rules should not be interpreted in any way as an indication of ~~Gbee~~TMX's approval of the merits of the product issuer, or of an investment product. ~~Gbee~~TMX takes no responsibility and to the extent permitted by law disclaims all liability for the performance by a product issuer of its obligations in respect of an investment product admitted to quotation, or the performance of an investment product.

14.2 Product Issuers – Registration as a Product Issuer

- (a) ~~Gbee~~TMX may, in its absolute discretion:
 - (i) register or refuse to register a product issuer;
 - (ii) impose pre and/or post registration conditions on an applicant or a registered product issuer; and/or
 - (iii) revoke or suspend the registration of a product issuer.
- (b) An applicant may request a review of a decision by ~~Gbee~~TMX under rule 14.2(a) to:
 - (i) refuse to register a product issuer; or
 - (ii) revoke or suspend the registration of a product issuer.
- (c) The process by which ~~Gbee~~TMX will register a product issuer is set out in the procedures and requires the completion and signing of an issuer application form (IAF) in which the applicant agrees to be bound by the rules as they apply to product issuers, including those relating to waivers, reviews, error trades and those in section 14.
- (d) The procedures contain further information on the circumstances in which the registration of a product issuer may be revoked or suspended.

14.3 Product Issuers – Eligibility Criteria

- (a) For an applicant to be eligible for approval as a product issuer it must:
 - (i) have adequate human, technological and financial resources in place to perform its obligations as a product issuer;
 - (ii) subject to rule 14.4, have an Australian financial services licence which authorises it to undertake the activities it will engage in as a product issuer; and
 - (iii) in the case of an applicant seeking registration as a product issuer of TraCRs, have an Australian financial services licence which authorises it to undertake custodian and/or depositary activities.
- (b) An applicant will not satisfy rule 14.3(a)(i) unless it satisfies ~~Gbee~~TMX that it is one of the following:

- (i) an entity that is prudentially regulated by the Australian Prudential Regulation Authority or an equivalent regulatory authority specified in the procedures;
 - (ii) a government, government body or instrumentality, that has a guarantee by the relevant government Treasury authority covering the payments due by the proposed product issuer;
 - (iii) the holder of an Australian financial services licence or an authorisation in another jurisdiction, pursuant to which it is subject to the adequate supervision of capital standards, and has a low long term credit risk and net tangible assets that are sufficient to support the proposed issue;
 - (iv) in a legally binding arrangement, with a guarantor, that satisfies the requirements in rule 14.3(c);
 - (v) a responsible entity of a managed investment scheme registered under Chapter 5C of the Corporations Act; or
 - (vi) otherwise approved by ~~Ebee~~TMX.
- (c) An applicant may satisfy the criteria in rule 14(a)(i) by entering a legally binding arrangement with a guarantor that has adequate human, technological and financial resources in place to perform its obligations as a guarantor, if the arrangement:
- (i) provides an unconditional and irrevocable guarantee by the guarantor, relating to the obligations of the product issuer, in favour of the holders of an investment product issued by the applicant as a product issuer; and
 - (ii) requires the guarantor to:
 - A. hold an Australian financial services licence in respect of its activities as a guarantor, unless the Corporations Act does not require such a licence in respect of the guarantor's activities as a guarantor; and
 - B. be an entity specified in rule 14.3(b)(i), (ii) or (iii) for the duration of the guarantee.
- (d) An applicant that is intending to issue investment products pursuant to an arrangement whereby the underlying assets or the economic performance of those underlying assets, are not held on trust or otherwise retained solely for the benefit of holders, will not satisfy the requirement in rule 14.3(a)(i) to have adequate financial resources unless it:
- (i) is an entity specified in rule 14.3(b)(i), (ii) or (iii); ~~or~~
 - (ii) has a legally binding arrangement, that satisfies the requirements in rule 14.3(c), with a guarantor that is an entity specified in rule 14.3(b)(i), (ii) or (iii) and has a low long term credit risk and net tangible assets sufficient to support the proposed issue; or
 - (iii) is otherwise approved by ~~Ebee~~TMX.

14.4 Product Issuers – Eligibility Criteria – AFSL

An applicant is not required to hold an Australian financial services licence if the Corporations Act does not require a licence in respect of the applicant's proposed activities as a product issuer.



14.5 Product Issuers – Duties and Continuing Obligation to Comply with the Rules in Section 14

An applicant that is registered as a product issuer:

- (a) owes ~~Cbee Australia~~TMX a duty to comply with the rules contained in section 14 as they apply to product issuers, and this duty is owed in addition to any other obligations it may have as a participant; and
- (b) must continue to satisfy rules 14.3 and 14.4 as outlined in its application to be registered as a product issuer.

14.6 Product Issuers – ~~Ongoing~~ Requirements – Material Change

A product issuer must immediately notify ~~Cbee~~TMX in writing and in accordance with the procedures, if there is, or is a reasonable risk that there will be, a material change to:

- (a) the information contained in or attached to the IAF it submitted to ~~Cbee~~TMX, including any changes to the principal contacts/authorised executives outlined in the IAF;
- (b) the Australian financial services licence held by the product issuer (if applicable);
- (c) the way in which it satisfied the eligibility criteria for registration as a product issuer;
- (d) its compliance with any pre and/or post registration conditions that were imposed upon it; or
- (e) the ability of the product issuer to perform its obligations as a product issuer.

14.7 Product Issuers – ~~Ongoing~~ Compliance Requirements

- (a) A product issuer must immediately notify ~~Cbee~~TMX in writing, and in accordance with the procedures, if it is in material non-compliance with its regulatory obligations.
- (b) A product issuer must at all times comply with the applicable rules, procedures and any guidance notes, guides, trading notices, technical specifications, directions, decisions, requirements and conditions issued, made or imposed by ~~Cbee~~TMX.
- (c) A product issuer and any guarantor must comply with the disclosure requirements in rules 14.28 ~~to~~ 14.30 and the applicable procedures in relation to each investment product admitted to quotation that it has issued or guaranteed respectively.
- (d) The product issuer and any guarantor must comply as soon as practicable with any notice to produce or direction issued by ~~Cbee~~TMX under rule 14.37.

14.8 Product Issuers – ~~Ongoing~~ Miscellaneous Ongoing Requirements

- (a) A product issuer must satisfy any additional requirements set out in the procedures.
- (b) A product issuer must, upon request, provide a copy of its current annual report to a holder.
- (c) A product issuer must pay all fees associated with the quotation of the investment products it has issued as and when they fall due.

14.9 Investment Products – Quotation

- (a) ~~Cbee~~TMX may, in its absolute discretion, grant, refuse, revoke, impose conditions on or suspend the quotation of an investment product.



- (b) ~~Cbe~~TMX may impose pre-quotation conditions on an investment product.
- (c) As outlined in the procedures, ~~Cbe~~TMX will not admit to quotation a financial product issued by an entity with a level of control over the financial product that requires the regulatory framework of a listing market to ensure the fair, orderly and transparent trading of that financial product.
- (d) The procedures contain further information on the suspension or revocation of the quotation of an investment product.

14.10 Investment Products – Eligibility Criteria

For an investment product to be eligible for quotation:

- (a) it must meet the applicable eligibility criteria contained in rules 14.11~~to~~ 14.26 and satisfy any pre-quotation conditions that have been imposed; and
- (b) ~~Cbe~~TMX must have no objections to the terms of issue or the basis on which the investment product satisfies the eligibility criteria.

14.11 Investment Products – Basic Eligibility Criteria for the Product Issuer

To be eligible for quotation, the investment product must be issued by a product issuer that:

- (a) is registered as a product issuer of investment products of the type for which quotation is sought;
- (b) is complying with the rules;
- (c) has, in accordance with the procedures, accurately completed and signed a product application form (PAF) and provided any information required by ~~Cbe~~TMX in connection with the quotation of the investment product;
- (d) has satisfied any pre-quotation conditions imposed by ~~Cbe~~TMX and certified to ~~Cbe~~TMX that the conditions have been satisfied; and
- (e) has paid all fees associated with the quotation of the investment product.

14.12 Investment Products – Basic Eligibility Criteria for the Investment Product

To be eligible for quotation, the investment product must:

- (a) be an approved financial product;
- (b) have a title and description that:
 - (i) are clear and not misleading;



- (ii) distinguish the investment product from other investment products already admitted to trading on ~~Gbee~~TMX or any other regulated market;
 - (iii) comply with ASIC guidance on naming convention requirements for investment products; and
 - (iv) includes an outline, in the relevant disclosure document, of the differences between an investment product that is listed, as that term is defined in the Corporations Act, and an investment product that is quoted on a market such as ~~Gbee~~—TMX; and
- (c) be approved for clearing by the designated central counterparty or an alternative central counterparty.

14.13 Investment Products – Eligibility Criteria – Disclosure Documents

- (a) A product issuer seeking the quotation of an investment product must provide ~~Gbee~~TMX with a copy of any disclosure document that it is required to produce in respect of the investment product.
- (b) An investment product will not be admitted to quotation until ~~Gbee~~TMX has received a copy of all disclosure documents relating to that investment product.
- (c) The procedures contain further information on the disclosure documents that may be required in respect of each of the different types of investment products that may be quoted.
- (d) A product issuer that considers it is not required to produce any disclosure document in relation to an investment product for which quotation is sought must provide evidence satisfactory to ~~Gbee~~TMX on why that is the case.

14.14 Investment Products – ~~Eligibility~~ Criteria – Liquidity Obligations

- (a) A product issuer must ensure that there will be sufficient liquidity for each quoted investment product it issues and state how it will satisfy this eligibility criterion in the application for quotation.
- (b) Rules 14.15 and 14.16 and the procedures contain further information on how a product issuer may satisfy rule 14.14(a) and what a product issuer must do to ensure ongoing compliance with the liquidity requirements once an investment product is admitted to quotation.

14.15 Investment Products – ~~Eligibility~~ Criteria – How to Satisfy the Liquidity Obligations

A product issuer will fulfil the liquidity obligation in rule 14.14(a) if it satisfies ~~Gbee~~TMX that:

- (a) the ongoing spread of holders is adequate, reasonable and in compliance with any applicable requirements in the procedures, for the purpose of ensuring there is sufficient liquidity in the investment product; or
- (b) liquidity will be maintained in the investment product by the product issuer:
 - (i) trading itself to maintain a reasonable bid and volume order in accordance with the procedures; ~~or~~
 - (ii) entering an arrangement with a market maker under rule 14.16 to maintain a reasonable bid and volume order in compliance with the procedures, although this



does not discharge the product issuer from its obligation to comply at all times with rule 14.14(a); [or](#)

- (iii) having in place other arrangements which meet the requirements set out in the procedures.

14.16 Investment Products – Eligibility Criteria – Liquidity Obligations and Market Makers

- (a) A product issuer may appoint a participant, registered with ~~Cbe~~[TMX](#) as a market maker in accordance with section 4.9 of these rules and the applicable procedures, as its agent to make a market in an investment product.
- (b) The appointment by a product issuer of a participant as its agent under this rule 14.16, must be in writing and contain details of the way in which the market maker will maintain, in accordance with these rules and the procedures, an order of a reasonable bid and volume for the relevant investment product. The details provided must, at a minimum, include an outline of how the market maker will maintain, and the product issuer will monitor, compliance with the requirement to maintain a reasonable bid and volume order for the minimum period of active continuous trading specified in the procedures, including procedure 14.15 and 4.9.

14.17 Investment Products – Eligibility Criteria – Underlying Assets

To be eligible for quotation, the underlying assets of an investment product must be linked to one of the following:

- (a) a security, derivative, debenture, bond or other financial product specified in the procedures and that is admitted to trading by the holder of an Australian market licence;
- (b) a security, derivative, debenture, bond or other financial product specified in the procedures, that is traded on a regulated market and is subject to substantially equivalent disclosure requirements to those which would apply if the product were admitted to trading by the holder of an Australian market licence;
- (c) a debenture or bond in respect of which sufficient information will be available on a timely basis to participants and market makers to ensure they can reliably determine the price at which the underlying asset is bought or sold, and which is issued by:
 - (i) a company that is listed on a regulated market;
 - (ii) a government, semi-government or statutory entity; or
 - (iii) an entity regulated by an independent prudential supervisor in its home state;
- (d) a fixed income security (eligible portfolio) that is:
 - (i) a member of an asset class specified below~~;~~[:](#)
 - A. investment grade debt~~;~~[:](#)
 - B. high yield corporate debt~~;~~[:](#) [or](#)
 - C. mortgage or asset backed securities~~;~~[:](#) and
 - (ii) subject to a reliable pricing framework;
- (e) a commodity or currency:



- (i) that is subject to a pricing and disclosure mechanism that is available on a timely basis to participants and market makers to ensure they can reliably determine the price at which the underlying asset is bought or sold; or
 - (ii) for which there is a regulated derivatives market which controls price discovery;
- (f) an eligible crypto-asset; [or](#)
- (g) a widely regarded index-based on the products in (a)-(f) above and which in the case of an index based on a debenture or bond, is specified in the procedures.

The procedures specify the regulated market(s) on which a financial product linked to an underlying asset is traded and/or on which a company, that has issued debentures or bonds linked to an underlying asset, is listed.

14.18 Investment Products – Eligibility Criteria – Underlying Assets – ~~Indices~~ Indices

A product issuer of an investment product that references an index (whether because the index is the underlying asset or otherwise) must:

- (a) provide ~~Cbe~~[TMX](#) with a written authorisation from the owner of the index;
- (b) ensure that the index provider has:
 - (i) a robust and transparent methodology for constructing and maintaining the index, including eligibility criteria and measures that mitigate the risks and expense of frequent or unexpected rebalances;
 - (ii) robust and transparent governance arrangements with regards to the index, including conflicts of interest arrangements;
 - (iii) systems and controls that will maintain the integrity of the index and mitigate the risk of manipulation or distortion by insiders or related parties of index providers for their own financial benefit and to the detriment of investors;
 - (iv) arrangements for the dissemination of index information that will ensure all market participants and investors are treated equally; [and](#)
 - (v) complied with the relevant guidance issued by ASIC and/or any other applicable regulatory authority in respect of index selection principles; [and](#)
- (c) state in the PAF and publish on the product issuer's ~~web-site~~[website](#) in accordance with the procedures:
 - (i) whether the product issuer is a related body corporate of the index provider and if so provide an explanation of the governance arrangements in place between the product issuer and index provider and how they address the issues raised by the index provider being a related body corporate; [and](#)
 - (ii) how the index satisfies the requirements in paragraph (b) of this rule 14.18.

14.19 Investment Products – Eligibility Criteria – Underlying Assets – Sufficient Quantity

The product issuer of a warrant must ensure that:

- (a) there is a sufficient quantity of underlying assets available to be acquired in respect of an investment product that may require delivery of those assets; [and](#)
- (b) in any event the number of underlying assets that may have to be acquired to meet the delivery obligations of an investment product, does not exceed:
 - (i) during the period an investment product is admitted to quotation until the expiry of the product, 50% of the class of underlying asset that is available to meet that required acquisition; and/or
 - (ii) during the period that is 14 days either side of the expiry, 20% of the class of underlying asset that is available to meet that required acquisition.

14.20 Investment Products – Eligibility Criteria – Excluded Underlying Assets

- (a) The underlying assets must not include:
 - (i) in the case of an investment product that is a quoted fund, a derivative that has the dominant purpose of providing the holder of the investment product with a leveraged exposure to a further linked underlying asset; or
 - (ii) an asset or index that does not have a readily available price or value.
- (b) The procedures contain further information on what may be precluded from being an underlying asset by this rule 14.20.

14.21 Investment Products – Eligibility Criteria – OTC Derivatives

The product issuer of a quoted fund, that has an aggregate notional exposure to all OTC derivatives of more than 5% of the quoted fund's net asset value, must ensure that:

- (a) the legal and beneficial title to any collateral in the OTC derivative is held by the quoted fund;
- (b) at any time the quoted fund is able to either take immediate delivery of any collateral or the proceeds of its sale;
- (c) the counterparty of the OTC derivative, or a guarantor in respect of the failure of the counterparty to fulfil its obligations under the OTC derivative, is (i) an authorised deposit-taking institution (ADI), a foreign institution that is subject to regulation that is equivalent to that imposed on an ADI and is in a jurisdiction specified in the procedures; or (ii) a Commodity Futures Trading Commission (CFTC) registered swap dealer;
- (d) any guarantor under rule 14.21(c), has provided an unconditional guarantee in favour of the quoted fund to fulfil the obligations of the counterparty under the OTC derivative; and
- (e) the assets that may be collateral under the OTC derivative are specified in the product application form and the product disclosure statement, prospectus or other offer document for the investment product and are restricted to the securities in the S&P ASX 200, cash, Australian government debentures or bonds, or any non-derivative asset set out in rule 14.17 that is consistent with the investment objectives of the investment product.

14.22 Investment Products – Eligibility Criteria – Investment mandate and Constituent Documents

- (a) An investment product that is a quoted fund, must have an investment mandate or other document outlining the investment approach of those responsible for managing the fund.



- (b) The product issuer must include the investment mandate or outline of the investment approach of those responsible for managing the fund in the product disclosure statement, prospectus or other offer document for the investment product and provide ~~to~~ [TMX](#) with a copy of that product disclosure statement, prospectus or other offer document.

14.23 Investment Products – Eligibility Criteria – TraCRs

An investment product that is a TraCR must, in addition to any other applicable eligibility requirements in rules 14.11 ~~to~~ [14.26](#), meet the eligibility criteria in rules 14.23A and 14.23B.

14.23A Investment Products – Eligibility Criteria – TraCRs – Underlying Assets, Terms of Issue, Offer Documents

- (a) The underlying asset of a TraCR must be:
- (i) a member of the S&P 500 index or the Dow Jones Industrial Average; and
 - (ii) listed on either the New York Stock Exchange or NASDAQ market and, unless otherwise specified in the procedures, have been so listed for a period of at least twelve months.
- (b) The terms of issue of a TraCR must:
- (i) enable the holder of a number of TraCRs to convert, on demand and subject to the terms of issue, that holding into the same number of underlying assets;
 - (ii) describe in detail what steps a holder has to take to convert a holding of TraCRs into the underlying assets;
 - (iii) state the circumstances in which a TraCR may be terminated by the product issuer and any consequential processes, including the time limits that may apply for holders to take any action (for example, to convert the holding of TraCRs into a holding of the underlying asset);
 - (iv) require the product issuer to undertake all reasonable endeavours to give effect to any instructions it may receive from a holder in relation to any corporate actions, having regard to the total cost of complying with those instructions (~~e.g.~~ [e.g.](#) the cost of obtaining legal advice on the availability of a rights issue that only a minimal percentage of holders may want to exercise);
 - (v) where rule 14.23A(c) applies, ensure that a holder can convert the TraCR holding into a cash amount specified in the terms of issue and consisting of the Australian dollar equivalent of the price of the underlying asset sold pursuant to the holder exercising that right, less any reasonable fees incurred by the product issuer for executing the cash conversion; [and](#)
 - (vi) require the product issuer to notify the holder of any corporate actions, including any:
 - A. distribution or payment of cash or other assets to the holder;
 - B. meeting or proxy event relating to the underlying assets and in respect of which the holder may have a voting right;
 - C. split or consolidation of the holder's TraCRs; and



- D. entitlement to give instructions to exercise rights in respect of the underlying assets to which the holder's TraCRs relate, where the product issuer has reasonably determined that it is lawful and practicable to accept those instructions.

- (c) This rule 14.23A(c) outlines when an illiquidity event takes place and applies where:
- (i) a TraCR satisfies the liquidity criterion in rule 14.14 on an ongoing basis by relying partially or wholly on liquidity provided by a participant registered as a market maker under either a ~~Cbe~~[TMX](#) fee arrangement or rule 4.9; and
 - (ii) there is no secondary market liquidity in that TraCR, pursuant to those fee arrangements or rule 4.9, for a period of twenty continuous business days.
- (d) The product disclosure statement, prospectus or other offer document for a TraCR must:
- (i) disclose the market on which the underlying asset has its primary listing and provide sufficient information for a reasonable investor to locate the regulatory disclosures made by the issuer of that underlying asset;
 - (ii) include an overview of the regulatory disclosures the issuer of an underlying asset is required to make and what information the disclosures may contain;
 - (iii) clearly describe how the holder of a TraCR can participate in corporate actions, class actions, and/or exercise any voting rights, that are attached to the ownership of the underlying asset;
 - (iv) clearly describe how a holder can convert a TraCR holding into a direct holding of the underlying assets;
 - (v) clearly describe the fees relating to the holding of TraCRs, including those relating to corporate actions generally, the exercise of rights as a beneficial owner of the underlying assets (~~eg~~[e.g.](#) dividends and voting) and any tax implications that may apply; [and](#)
 - (vi) clearly describe the rights of ownership, of the underlying asset, to which holders of a TraCR are/are not entitled.

14.23B Investment Products – Eligibility Criteria – TraCRs Custody Agreement

The agreement between the product issuer of a TraCR and the custodian of the underlying assets to which the TraCR relates, must not be amended without prior notice to ~~Cbe~~[TMX](#) and must require the custodian to:

- (a) hold the appropriate licence authorisations and approvals to comply with its obligations as the custodian for the TraCR;
- (b) have an organisational structure that manages the potential conflicts of interest it may face and supports the separation of the underlying assets relating to the TraCR from the custodian's own assets;
- (c) have adequate resources to perform custodial activities in relation to the underlying assets in accordance with the custody agreement, including:



- (i) adequate staff with the knowledge, skills, time and authority to perform custodial functions under the custody agreement;
 - (ii) systems for recording all transactions, relating to the underlying assets which are the subject of the custody agreement, and all income, distribution and other administrative activities; [and](#)
 - (iii) the means, where necessary, to segregate staff responsible for custodial activities;
- (d) hold the underlying assets on trust on behalf of the holder, except for underlying assets held in a jurisdiction outside of Australia where a trust structure is not recognised and the product issuer is reasonably of the view that the assets are held in a manner that provides effective protection for holders of the TraCR in the event of the insolvency of the custodian and in which case the basis for that view must be provided in writing to ~~Cbe~~[TMX](#);
- (e) maintain records of all transactions, relating to the underlying assets which are the subject of the custody agreement, and all income, distributions and other administrative activities;
- (f) take all the steps necessary for the custodian to facilitate the conversion, in compliance with the terms of issue, of a holding of TraCRs to a holding of underlying assets;
- (g) notify the product issuer of all corporate actions relating to the underlying asset;
- (h) undertake all reasonable endeavours to give effect to any instructions it may receive from a product issuer in relation to any corporate actions, having regard to the total cost of complying with those instructions (~~e.g.~~ the cost of obtaining legal advice on the availability of a rights issue that only a minimal percentage of holders may want to exercise);
- (i) take any steps reasonably required to facilitate the product issuer complying with a direction under rule 14.37(a);
- (j) produce to the product issuer any information in the custodian's possession, or that the custodian is reasonably able to obtain, and which is required to comply with a requirement under rule 14.37(b);
- (k) as necessary, appoint a sub-custodian in the jurisdiction where the underlying assets relating to the TraCR are based and engage that custodian on terms which are consistent, as far as practicable, with the requirements in this rule 14.23B; [and](#)
- (l) neither lend nor part with possession of the underlying assets except on the instructions of the product issuer.

14.24 Investment Products – Eligibility Criteria – Terms of Issue – Required Content

The terms of issue for an investment product must:

- (a) make provision for the adjustment of exercise rights where the investment product is linked to an underlying asset that may be subject to corporate or other events impacting on the nature of that underlying asset (for example a reduction in capital, bonus/rights issues and capital restructurings of an underlying cash equity market product or the modification/discontinuance of an underlying index);
- (b) state the way in which the intrinsic value of the investment product will be calculated;
- (c) in the case of cash settled investment products, require the product issuer to pay the holder an amount equivalent to the intrinsic value at the expiry date within 10 business days of the expiry;



- (d) in the case of deliverable investment products:
 - (i) require the product issuer to comply with its delivery obligations within the 20 business days following receipt of an effective notice of exercise;
 - (ii) outline the way in which an assessed value payment, and any costs, will be calculated in the event a holder fails to give an effective notice of exercise within the time limits contained in the terms of issue;
 - (iii) ensure that the assessed value payment is at least equal to the intrinsic value less reasonable costs; and
 - (iv) provide for the calculation of the assessed value payment to be paid to the holder where the holder does not provide a notice of exercise within the time prescribed in the terms of issue and the investment product has an intrinsic value equal to or greater than 5% of the exercise price of the investment product-; and
- (e) in the case of an investment product that is a TraCR or warrant state that the terms of issue will only be amended in a way that is consistent with rule 14.25.

*A TraCR is not a cash settled or deliverable investment product under this rule 14.24.

14.25 Investment Products – Eligibility Criteria – Amending the Terms of Issue

To be eligible for quotation, the terms of issue of an investment product that is a TraCR or warrant, must not be capable of amendment other than as follows:

- (a) the expiry date may be amended in the case of an extraordinary event defined in the terms of issue;
- (b) the terms of issue of an investment product that is a warrant, may be amended at a meeting convened by the product issuer in compliance with rule 14.32(d), if the amendment is approved by 75% of the holders, excluding the product issuer and/or its associates from the denominator in the calculation of that percentage and votes being cast on a one for one basis;
- (c) with the consent of ~~Gbee~~TMX for the purpose of:
 - (i) complying with a legal requirement;
 - (ii) a direction issued by ~~Gbee~~TMX;
 - (iii) rectifying any manifest error or ambiguity in the terms of issue in a manner that does not materially prejudice the interests of holders;
 - (iv) to permit transfers;
 - (v) an adjustment pursuant to a change in an underlying asset that involves a reduction or restructuring of capital, a bonus or rights issue or the discontinuance or modification of an index; or
 - (vi) any other ~~amendment~~purpose that does not materially prejudice the interests of holders-; and
- (d) the amendment(s) must comply with any ongoing requirements specified in these rules.



14.26 Investment Products – Eligibility Criteria – Terms of Issue of a Quoted Fund

The constituent documents of a quoted fund must, in the case of a quoted fund that has an underlying asset that is an OTC derivative:

- (a) not permit the product issuer to have recourse to the holders of the quoted financial products relating to that quoted fund; and
- (b) disclose the assets that may be obtained as collateral under the OTC derivative.

14.27 Investment Products – Eligibility Criteria – Disclosures upon Quotation

When ~~Gbee~~TMX makes a decision to admit an investment product to quotation it will, in accordance with the procedures, disclose all disclosure documents and any other information provided in respect of the eligibility criteria relating to liquidity obligations, underlying assets and/or the investment mandate/constituent documents.

14.28 Investment Products – ~~Ongoing~~ Requirements – General Disclosure Requirement

A product issuer must, in accordance with the procedures, provide ~~Gbee~~TMX with a copy of every disclosure document the product issuer is required to provide, under the Corporations Act or other applicable requirements, in relation to an investment product that has been admitted to quotation. ~~Gbee~~TMX will publish each disclosure document it receives in accordance with the procedures.

14.29 Investment Products – ~~Ongoing~~ Requirements – Continuous Disclosure

- (a) A product issuer must, in accordance with the procedures, disclose to ~~Gbee~~TMX information:
 - (i) it is required to disclose to ASIC, under sections 675 or 1017B of the Corporations Act, in relation to an investment product that it has issued and is admitted to quotation; ~~and~~
 - (ii) which it would be required to disclose to ASIC under sections 675 or 1017B of the Corporations Act if a quoted investment product it has issued, or ETF financial products relating to that investment product, were an unlisted disclosing entity or ED securities respectively (irrespective of whether or not they are in fact an unlisted disclosing entity or an ED security); ~~and~~
 - (iii) which it is required to disclose to ASIC or an overseas regulatory authority in respect of a quoted investment product it has issued, pursuant to an exemption from or modification of any provisions in the Corporations Act, and that is made publicly available by ASIC or the overseas regulator; and
 - (iv) that would be required to be disclosed under section 323DA of the Corporations Act, if either the product issuer or the quoted investment products it has issued were listed.
- (b) A product issuer may rely on a previous disclosure of information to ~~Gbee~~TMX to satisfy an obligation under this rule 14.29, but must ensure there is no additional information required in the later disclosure.
- (c) For the sake of clarity, a product issuer must disclose the following information to ~~Gbee~~TMX under this rule 14.29:



- (i) any information that is not generally available and relates to a quoted investment product it has issued, the product issuer or a guarantor with which it has an arrangement under rule 14.3(c), and which may lead to a false market in that investment product or otherwise impact on the price of the investment product;
 - (ii) any information about dividends or distributions paid to holders;
 - (iii) any distribution or dividend statements (or distribution or dividend information) that are made available or provided to holders;
 - (iv) the basis of quotation of each TraCR it has issued, including whether the TraCR, or underlying asset on which it is based, is trading ex or cum any entitlements and/or benefits attached to the relevant underlying asset;
 - (v) an illiquidity event relating to a TraCR it has issued and of which the product issuer should reasonably be aware;
 - (vi) information about redemptions from each ETF it has issued; and
 - (vii) an ETF that is an actively managed fund, must immediately disclose the ETF's net asset value whenever the product issuer's management activities have caused the net asset value of the ETF to move by more than 10% since the last reported net asset value.
- (d) A guarantor must disclose to ~~Cbe~~TMX any information that is not generally available and relates to a quoted investment product issued by a product issuer with which it has an arrangement under rule 14.3(c), and which may lead to a false market in that investment product or otherwise impact on the price of the investment product.
- (e) ~~Cbe~~TMX will publish the information it receives under this rule 14.29, in accordance with the procedures.

14.30 Investment Products – ~~Ongoing~~ Requirements – Periodic Disclosure

- (a) The net asset value of an investment product that is a quoted fund must be disclosed by the product issuer:
- (i) on each business day;
 - (ii) on the product issuer's ~~web site~~website and/or to the ~~Cbe~~TMX disclosure interface; and
 - (iii) in accordance with the terms of issue of the investment product.
- (b) A product issuer may disclose the indicative net asset value of a quoted fund on a regular basis throughout a ~~trading~~business day, in which case the product issuer must disclose:
- (i) the indicative net asset value per interest in the quoted fund, in the case of a quoted fund that has only one class of interests; or
 - (ii) the indicative net asset value for each class of interests.
- (c) A product issuer of a warrant, and any guarantor of such a product issuer, must lodge the following documents with ~~Cbe~~TMX in accordance with the procedures and without delay after submission to ASIC:

- (i) an annual report issued by the product issuer and, if applicable, any guarantor and, if not included in that report, a statement of assets, liabilities and equity that would enable a reasonable investor in the warrants to assess the ability of the product issuer and/or guarantor to meet the terms of issue; and
 - (ii) a half yearly report relating to the assets, liabilities and equity of the product issuer and, if applicable, guarantor, and that would enable a reasonable investor in the warrants to assess the ability of the product issuer and/or guarantor to meet the terms of issue.
 - (d) A product issuer of a quoted fund must publish within five business days of the end of each month:
 - (i) the number of individual units on issue, in relation to that quoted fund, on the last business day in that month; and
 - (ii) in the case of a quoted fund that has an aggregate notional exposure to all OTC derivatives of more than 5% of the quoted fund's net asset value:
 - A. the exposure of the quoted fund to all OTC derivative ~~counter-parties~~counterparties as a percentage of the net asset value of the quoted fund; and
 - B. the value of assets (excluding the value of OTC derivatives, but inclusive of collateral) held by the quoted fund as a percentage of the net asset value of the quoted fund.
- 14.31 Investment Products – Ongoing Requirements – Changes to the Eligibility Criteria for all Investment Products, Indices, Covered Warrants and OTC Derivatives
- (a) A product issuer must ensure that an investment product continues to meet the eligibility criteria and any conditions imposed by ~~Gbee~~TMX, after it is admitted to quotation.
 - (b) A product issuer must notify ~~Gbee~~TMX of any material change to the information it provided or relied upon in the application for an investment product to be admitted to quotation.
 - (c) A product issuer must publish on the product issuer's ~~web-site~~website, any material change to the information it provided or relied upon in the application for an investment product to be admitted to quotation, and that related to an index referenced by that investment product.
 - (d) A product issuer of a covered warrant must:
 - (i) ensure that the underlying assets that are the subject of the investment product are held in a trust, custodial or other similar arrangement approved by ~~Gbee~~TMX and are only dealt with in accordance with the terms of that arrangement; and
 - (ii) conduct an annual audit of compliance with the requirements in sub-paragraph (d)(i) of this rule 14.31 and provide a copy of the auditor's report to ~~Gbee~~TMX no later than the time at which the product issuer's next annual report is lodged with ~~Gbee~~TMX.



- (e) A product issuer of a quoted fund that has an underlying asset that is an OTC derivative must:
 - (i) monitor the exposure of fund to all OTC derivative ~~counter-parties~~ counterparties on a daily basis; and
 - (ii) in the event the aggregate exposure of the fund to all OTC derivative ~~counter-parties~~ counterparties exceeds 10% of the net asset value of the quoted fund, take steps within one ~~trading~~ business day to acquire further collateral to ensure that the exposure to all OTC derivative counterparties is reduced to 10% or less of the net asset value of the quoted fund.

14.32 Investment Products – Ongoing Requirements – The Terms of Issue

- (a) A product issuer must ~~the~~ ensure an investment product it has issued complies on an ongoing basis with the terms of issue and any requirements contained in a disclosure document relating to that investment product.
- (b) A product issuer must provide ~~Cbe~~ TMX with a copy of any new or amended terms of issue relating to an investment product that it has issued and has been admitted to quotation.
- (c) A product issuer must provide ~~Cbe~~ TMX with at least four weeks' notice of an amendment to the terms of issue that may result in operational changes to the trading, clearing or settlement of an investment product.
- (d) A product issuer convening a meeting for the purpose of proposing a resolution to amend the terms of issue or an investment mandate must take reasonable steps to provide each holder with:
 - (i) written notice of the meeting containing the substance of the proposed resolution 15 or more business days prior to the date of the meeting; and
 - (ii) a proxy form that enables the appointment of a person to vote for the holder and does not suggest a choice as to the identity of that proxy or voting intention.

14.33 Trading in Investment Products – Transfers

- (a) The transfer of an investment product must comply with:
 - (i) the Corporations Act;
 - (ii) the clearing rules and the settlement rules;
 - (iii) the rules; and
 - (iv) any other requirements set out in the procedures.
- (b) In respect of each investment product, a product issuer must establish and maintain a register of holders that:
 - (i) contains the name and address of the holder;
 - (ii) contains the date on which the holder's details were entered into the register;
 - (iii) complies with the Corporations Act requirements for maintaining a register as if:



- A. the investment products were shares in a company, in the case of an investment product that is a warrant or TraCR; [and](#)
 - B. the investment products were shares in a company or units in a scheme, in the case of an investment product that is a quoted fund.
- (c) In respect of each investment product, a product issuer must issue and send out holding statements that comply with the Corporations Act as if the investment products were shares in a company.
- (d) A product issuer may establish an issuer sponsored subregister in respect of an investment product. An issuer sponsored subregister must comply with the settlement rules.
- (e) A product issuer must:
- (i) have its register of holders audited at least once every 12 months by a registered company auditor. This audit requirement does not apply to the registers of quoted funds;
 - (ii) provide ~~Ebe~~[TMX](#) with a certificate from the registered company auditor, engaged pursuant to rule 14.33(e)(i), certifying that the processing of transfers is in accordance with the rules;
 - (iii) ensure that the places at which the transfer of investment products are to be lodged for registration are open during the times set out in the procedures; [and](#)
 - (iv) comply with the clearing rules and the settlement rules.

14.34 Trading in Warrants – Exercise and Expiry of Cash Settled and Deliverable Warrants

- (a) A product issuer must make any settlement payment or delivery on the exercise of a cash settled or deliverable warrant:
- (i) after it receives an effective notice of exercise; or
 - (ii) in the event it does not receive an effective notice of exercise, in accordance with the terms of issue and if the terms of issue do not provide for the calculation or dispatch of an assessed value payment in compliance with the requirements in rule 14.24, then the amount and dispatch of the payment must be completed according to rule 14.34(c).
- (b) The settlement payment made under rule 14.34(a) must be of an amount that is:
- (i) equivalent to the intrinsic value of the warrant, in the case of cash settled warrants; or
 - (ii) the assessed value payment or the liquidated damages amount calculated in accordance with rule 14.34(c), in the case of deliverable warrants.
- (c) If the holder of a deliverable warrant exercises the warrant and the product issuer fails to satisfy its obligations under the terms of issue within 20 business days following the date of the effective exercise, the product issuer must, without prejudice to any other rights the holder may have, pay to the holder, within 10 days of receiving a request to do so from ~~Ebe~~[TMX](#) or the holder, liquidated damages no less than:

For warrants, other than one involving a put option, with an underlying asset:



$$L = 1.1 \times S$$

For all other warrants (including puts):

$$L = 1.1 \times E$$

Where:

L is the liquidated damages amount;

S is the arithmetic average of the daily volume weighted average prices of the underlying asset on the 5 trading days following the expiry date excluding special, late and overseas sales; and

E is the exercise price of the warrant.

- (d) Any dispute in relation to the calculation of the intrinsic value of a cash settled warrant, must be referred to [Cbeetmx](#) for resolution. The decision of [Cbeetmx](#) will be binding.

14.35 Trading in Investment Products – Halts and the Application of the Operating Rules Generally

- (a) [Cbeetmx](#) may, in its absolute discretion, halt or suspend the trading of any investment product on the [Cbeetmx](#) market if [Cbeetmx](#) considers it appropriate to do so, having regard to the protection of investors and the need to ensure the [Cbeetmx](#) market is fair, orderly and transparent.
- (b) Trading in investment products which are admitted to quotation shall be conducted by participants in accordance with the rules.

14.36 Trading in Investment Products – Off-market Transactions

- (a) A participant may execute an Exchange-Traded Fund Special Trade with the product issuer of a quoted fund where the participant is selling securities as part of the subscription process or buying securities as part of a redemption process and the transaction is notified to [Cbeetmx](#) in accordance with the procedures.
- (b) A transaction notified to [Cbeetmx](#) under rule 14.36(a) is not a 'reportable transaction' under regulation 7.5.01 of the Corporations Regulations.

14.37 Obligation to Comply with a Direction or Request for Information

- (a) [Cbeetmx](#) may direct a product issuer to take specified steps in relation to any investment product and the product issuer must comply with that direction without delay.
- (b) [Cbeetmx](#) may require a product issuer and any guarantor to provide [Cbeetmx](#) with any information in relation to an investment product. The product issuer and any guarantor must comply with that request:
 - (i) without delay, if the requirement relates to disclosure under rules 14.28–14.30; [or](#)
 - (ii) within a reasonable time depending on the circumstances of the case, if the request does not relate to the disclosure of information under rules 14.28–14.30.



- | (c) A product issuer may request a review of a direction issued by ~~Gbee~~TMX under rule 14.37(a) but must comply with that direction without delay and continue to comply pending the outcome of the review.

14.38 Indemnity

- | (a) Each product issuer (and, if applicable, any guarantor) indemnifies ~~Gbee~~TMX in relation to all claims arising from, or in relation to, an investment product issued by the product issuer including, without limitation, any claim from any person arising from or in relation to any disclosure document or supplementary disclosure document or any other disclosure by the product issuer and any failure by the product issuer or any guarantor of the product issuer to comply with its obligations under these rules, the terms of issue, the Corporations Act or other applicable laws.

