

Date: 4 March 2011

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### **Subject: Chi-X releases draft Operating Rules for industry consultation**

On 3 March 2011 ASIC announced details of the new regulatory framework to facilitate competition and a timetable to enable Chi-X's market to commence operations in the second half of this year. This is an exciting time and Chi-X will continue to work with firms that would like to participate in the market with a view to commencing operations as soon as possible.

Before firms can apply to become participants of Chi-X, it is necessary for Chi-X to make Operating Rules. As part of the process of securing final regulatory approvals, Chi-X has published a draft version of its proposed Operating Rules and invites firms that are intending to participate in Chi-X's market to provide comments on the draft rules.

The draft Operating Rules and ASIC's proposed Market Integrity Rules (Chi-X market), which are the subject of an ASIC consultation paper CP148 released today, will apply to conduct in relation to the Chi-X Market. We have also published a high level overview of the Chi-X and ASX Market Integrity Rule Framework

ASIC and Chi-X are proposing to hold workshops with firms to clarify some of the practical implications for participants, the way the different rules will interact and how participants may most effectively satisfy the same or similar requirements that are imposed by the Chi-X related rules and those that may already apply to participants under the Market Integrity Rules (ASX Market).

Details of the workshops will be published shortly.

The Chi-X Operating Rules are intended to be user friendly and facilitate the efficient operation of a fair, orderly and transparent market. Comments that will assist Chi-X in achieving these aims are very much welcomed. The draft Operating Rules are subject to final review by ASIC and, ultimately, non-disallowance by the Minister. The rules may also be subject to change to accommodate the regulatory framework recently announced by ASIC.

The closing date for comments is **25 March 2011**.

#### **Making a submission**

All written comments should be sent to the following email: [cx-a-consultation@chi-x.com](mailto:cx-a-consultation@chi-x.com). We will treat all submissions as confidential.

If you have any queries concerning this process or wish to discuss any aspects of the draft rules, please contact the following relevant contacts:

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## **Chi-X Australia**

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