



Australian Competition & Consumer Commission

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Our Ref: C2003/1039  
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28 August 2003

Ms Anna Campbell  
Legal Counsel, Corporate & Commercial  
Australian Stock Exchange  
PO Box H224  
Australia Square NSW 1215

Dear Ms Campbell

**Applications for Revocation and Substitution Authorisation lodged by the Australian Stock Exchange (ASX) and the ASX Settlement and Transfer Corporation Pty Limited (ASTC) relating to the rules governing the Clearing House Electronic Subregister System (CHESS)**

I refer to the above mentioned applications for revocation and substitution lodged by the ASX and the ASTC on 14 August 2003 and their request that the Commission grant interim authorisation.

**Request for interim authorisation**

The Commission has considered the ASX's and the ASTC's request for interim authorisation and has decided to grant interim authorisation to the entirety of the SCH Business Rules, and the select Business Rules and Listing Rules identified in your letter of 21 August 2003 which govern the operation of the CHESS.

In making this decision the Commission considered that maintenance of the existing arrangements is preferable while it considers the merits of the applications for revocation and substitution. The Commission also noted that as the conduct has been operating for some time, denial of interim authorisation may cause marketplace disruption in this instance.

The Commission has granted interim authorisation until such time as it issues its draft determination on the substantive applications for revocation and substitution, at which time interim authorisation will be reconsidered.

As a condition of interim authorisation the Commission requests that the ASX and the ASTC provide regular updates (every three months) on the status of the review process.



The Commission's decision in relation to interim authorisation should not be taken to be indicative of whether or not final authorisation will be granted by the Commission.

In addition it is noted that that under subsection 91(2AB) of the *Trade Practices Act*, the Commission may revoke an interim authorisation at any time. The Commission may also impose conditions at any time.

### **Consideration of applications for revocation and substitution**

The Commission will now proceed with its assessment of the substantive applications for revocation and substitution. In the first instance, interested parties will be invited to provide a submission in response to the ASX's and the ASTC's applications for revocation and substitution. The closing date for submissions is Friday 19 September 2003. Submissions received by the Commission from interested parties will, subject to any claims for confidentiality, be placed on the Commission's public register and provided to you for your comment.

A copy of this letter will be placed on the Commission's public register.

If you have any questions in relation to this letter please contact Danielle Staltari on 02 6243 1362.

Yours sincerely



Tim Grimwade  
General Manager  
Adjudication Branch