



**ASIC**

Australian Securities & Investments Commission

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Our Reference: PMR2003/9961, PMR2003/9962, PMR2003/14034  
Your Reference: C2003/1039

5 December 2003

The General Manager  
Adjudication Branch  
Australian Competition and Consumer Commission  
PO Box 1199  
DICKSON ACT 2602

Attention: Michael Green

Dear Sir

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

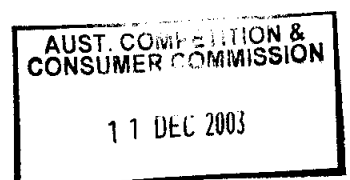
I refer to your letter of 20 November 2003.

The Australian Securities and Investments Commission ("ASIC") has an oversight role in relation to compliance by ASX with its obligations as the holder of an Australian market licence issued under the Corporations Act. ASIC also has an oversight role in relation to compliance by ASTC with its obligations as the holder of a clearing and settlement facility licence issued under the Corporations Act.

It appears that the draft determination will promote certainty in relation to the operation of the rules of ASX and of ASTC and therefore assists ASX and ASTC in meeting their respective obligations as licensees under the Corporations Act.

For your information, the clearing and settlement arrangements ASX may have for transactions effected on its market depends on the terms of its Australian market licence. Presently, ASX's licence requires ASX to obtain the consent of the Minister before using a clearing and settlement facility other than that operated by ASTC or

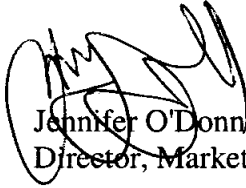
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Options Clearing House Pty Limited. We note that ASX is seeking to vary the terms of its licence with effect in March 2004.

ASIC has no further comment to make in relation to the draft determination.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jennifer O'Donnell', is written over a circular stamp or seal.

Jennifer O'Donnell  
Director, Markets Regulation