



28 November 2002

Mr Tim Grimwade
General Manager
Adjudication Branch
Australian Competition & Consumer Commission
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Dear Mr Grimwade,

**Authorisation And Notification Of Options Clearing House Arrangements,
ASX Articles Of Association And Business Rules And Australian Financial
Futures Market**

I refer to various discussions over the last few months and our letter to the Commission dated 22 September 2000 in respect of various ASX Group authorisations.

The ASX Group has reviewed the following authorisations and, as a result of changes to circumstances such that the authorisations are no longer required, requests that the authorisations are revoked:

Options Clearing House Arrangements A30163 and A90758

OCH authorisation A30163 expired on 16 November 2000, was replaced by an interim authorisation and then subsequently by Authorisation A90758, which was granted on 14 November 2001. As the Commission is aware, ASX has not sought further authorisation in respect of arrangements between ASX Limited and Options Clearing House Pty Limited (OCH) as the rules and conduct have been amended such that there is no longer third line forcing, nor is there anti-competitive behaviour in the new arrangement. The Authorisation will expire on 5 December 2002.

I note that ASX advised the Commission of the new conduct and provided a copy of the proposed rules and ASX's licence conditions in our letter dated 28 October 2002.

AUTHORISATION OF ASX ARTICLES OF ASSOCIATION AND BUSINESS RULES

Authorisations A90458 & A90462

ASX does not consider that the provisions currently the subject of these authorisations would breach the Act if the authorisations were to be removed. Accordingly, ASX seeks revocation of these authorisations.

Authorisation A90544

ASX does not consider there is any continuing need to maintain this authorisation and accordingly, seeks revocation of this authorisation.

Authorisation A90564

ASX seeks revocation of this authorisation as Authorisation A90623 now addresses the rules in relation to SEATS which are the subject of this Authorisation.

Authorisation A90554

ASX is of the view that the rules the subject of this authorisation do not have the effect of substantially lessening competition. Accordingly, there is no need to maintain this authorisation and ASX seeks revocation of it.

Authorisations A90585 and A90586

This authorisation related to amendments concerning the educational requirements for natural person members.

The requirements remain relevant in the current rule book.

ASX has reviewed the authorisations and the rules the subject of it, and does not consider there is any effect of substantially lessening competition as a result of these requirements. There is therefore no need to maintain these authorisations and accordingly, ASX seeks revocation of them.

Authorisations A90583 and A90584

These authorisations related to amendments to the business rules concerning capital liquidity requirements of ASX member organisations (now participating organisations) and agents providing settlement services on behalf of participating organisations.

The requirements did not change as part of demutualisation. However, the capital adequacy rules were substantially revised following demutualisation and have been the subject of a further authorisation A90657, in relation to capital adequacy. Accordingly, authorisation nos A90583 and 90584 are no longer relevant and ASX seeks revocation of these authorisations.

Australian Financial Futures Market Articles and Regulations - Authorisations A90442 and A90443

Authorisations A90442 and A90443 are no longer relevant and accordingly, ASX seeks revocation of these authorisation.

NOTIFICATION TO BE WITHDRAWN IN FUTURE

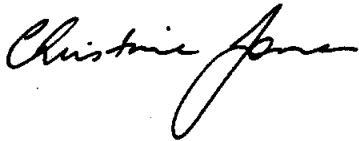
Options Clearing House Arrangement Notification N90875

In addition, we confirm that this notification concerns OCH and ASX Futures Pty Limited (ASXF). New rules are currently in the process of being drafted which are consistent with the rules drafted in respect of the ASX/OCH arrangement, as described

above. These rules will be provided to the Commission shortly, on a confidential basis, subject to being formally lodged with the Australian Securities and Investments Commission (ASIC). As the rules in respect of the ASX/OCH arrangement have not had any objection from ASIC, and although ASX does not wish to pre-empt ASIC's or the Minister's position in respect of the rules, ASX does not anticipate that the Minister on the advice of ASIC will disallow the rules. Accordingly, as the new rules will reflect conduct that is not third line forcing or anti-competitive, ASX will request withdrawal of this notification from the date that the new rules come into force. I will be in contact with you shortly to discuss this further.

Should you wish to discuss any aspect of this letter, please contact me on (02) 9227 0867.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Christine Jones". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Christine Jones
General Counsel