

**Payments Policy Department**<http://www.rba.gov.au>

15 February 2013

Mr Alan Bardwell  
Chief Risk Officer  
Australian Securities Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

Dear Alan

**RE: APPLICATION FOR TRANSITIONAL RELIEF UNDER THE NEW FINANCIAL STABILITY STANDARDS FOR CENTRAL COUNTERPARTIES**

I refer to your letter of 11 January 2013 requesting transitional relief from specific sub-Standards of the new *Financial Stability Standards for Central Counterparties* (CCP Standards), as outlined in the table below.

CCP Standard	Sub-Standards for which relief sought	Current effective date	Proposed new effective date
7. Liquidity Risk	ASX Clear 7.3, 7.9	29 March 2013	31 March 2014
13. Segregation and Portability	ASX Clear 13.1, 13.2, ASX Clear and ASX Clear Futures 13.3	29 March 2013	31 March 2014

The Payments System Board considered ASX's request for transitional relief at its meeting today. The Board recognised the significant industry-wide change needed to implement these sub-Standards, as well as the need for domestic legislation to make portability effective. Therefore, to ensure an orderly transition to full observance of the CCP Standards, the Board approved ASX's request for transitional relief.

In accordance with the Board's decision and the technical requirements of subsection 827D(5) of the *Corporations Act 2001* (the Act), the Bank will shortly take the following actions to implement the requested relief:

- revoke the existing sub-Standards (which have an effective date of 29 March 2013), pursuant to subsection 827D(8) of the Act
- determine new sub-Standards (identical to the existing sub-Standards), with an effective date of 31 March 2014, pursuant to subsection 827D(1) of the Act.

There is no mechanism in the Act to grant targeted relief for a single clearing and settlement facility licensee. Therefore, notwithstanding the differing scope of relief requested for each of

the two ASX central counterparties, any relief granted will apply to *all* central counterparty licensees, including prospective new licensees that may commence operations during the period of relief.

Should ASX identify a need for an extension to the period of transitional relief beyond 31 March 2014, ASX would need to notify the Bank well in advance of the Board's February 2014 meeting. As previously stated, an extension would only be considered in respect of CCP Standards that continued to require significant, industry-wide change that had not been achievable within the original period of relief, or where there were ongoing significant external dependencies to achieving compliance.

Yours sincerely



Tony Richards  
Head of Payments Policy

CC:  
Mr Oliver Harvey  
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Australian Securities and Investments Commission  
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