



RESERVE BANK OF AUSTRALIA

**RITS REGULATIONS**

Superseded



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Superseded



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## 1. DEFINITIONS AND INTERPRETATION

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### 1.1 Definitions

The following definitions apply unless the context requires otherwise.

**Access Credentials** in relation to a User means the credentials required by the RBA for the User to access the System, including:

- (a) the User's access code for the System and the corresponding password; and
- (b) the User's Certificate (as defined in Schedule 7) and any corresponding password.

**Account Limit** in relation to a RITS Allocation, FSS Allocation or Cash Account means the limit for that RITS Allocation, FSS Allocation or Cash Account as determined under clause 19.

**Account Sub-Limit** in relation to a RITS Allocation or Cash Account means the sub-limit for that RITS Allocation or Cash Account as determined under clause 19.

**AEDT** means Australian Eastern Daylight Time.

**AEST** means Australian Eastern Standard Time.

**AIF** (for **Automated Information Facility**) means the service offered by the RBA, through which Members and the RBA may enter certain instructions and enquiries in the System and the System may send information to Members and the RBA.

**Allocation Transfer** means a movement of funds within a Member's ESA between the Member's RITS Allocation and FSS Allocation.

**AOFM** means the Australian Office of Financial Management.

**AOFM Loaned Securities** means Treasury fixed coupon bonds, Treasury indexed bonds or any other securities or other financial instruments as determined by the RBA from time to time, in each case created for the purpose of lending by the Treasurer under securities lending arrangements and initially held in the name of the 'The Commonwealth of Australia'.

**AOFM Securities Lending Transaction** means a transaction between the RBA and a Member which comprises either a single transaction (of the type described in paragraph (a)) or two corresponding transactions (of the types described in paragraph (a) and paragraph (b) respectively):

- (a) a Reciprocal Purchase Transaction between the RBA and a Member, under which the RBA is the Seller, the Member is the Buyer and the securities or other financial instruments sold and subsequently purchased by the RBA are AOFM Loaned Securities;
- (b) a Reciprocal Purchase Transaction between the RBA and a Member under which the RBA is the Buyer, the Member is the Seller and the securities or other financial instruments purchased and subsequently sold by the RBA are of a type specified in clause 20(b) of these Regulations.

**Approved Batch Participant** in relation to a Batch Administrator means an ESA Holder who becomes an Approved Batch Participant under clause 6.2(b) until it ceases to be such under clause 6.2.

**Approved Network** means a network listed as an 'Approved Network' in Schedule 1 unless it is terminated or suspended under clause 7.4(a)(ii).



**AusPayNet** means the Australian Payments Network Limited (ABN 12 055 136 519).

**Austraclear** has the meaning given in Schedule 2.

**Authorised Signatory** in relation to a Member means an individual included as an 'Authorised Signatory' in the list of Authorised Signatories provided to the RBA under clause 11.1(a) until the time that it is excluded from a revised list of Authorised Signatories provided to the RBA.

**Auto Offset** means the method of testing for Settlement described in section 6 of Schedule 6.

**Batch** means a set of obligations that have been multilaterally netted externally to the System and entered into the System for simultaneous Settlement.

**Batch Administrator** means a Member listed in Schedule 3 or any other Member who applied to be a Batch Administrator and has been approved by the RBA to be a Batch Administrator, until it ceases to be one under clause 6.1.

**Branch** means an administrative sub-grouping in the set up in the System of an ESA Holder or Batch Administrator created under clause 18.3.

**Business Hours** means 9.00 am to 5.00 pm (Sydney time) on a Settlement Day.

**Cash Account** in relation to an ESA Holder means an account kept in the System for record keeping purposes, in which debits and credits are recorded when RITS Transactions are Settled and when Allocation Transfers are effected.

**Cash Account Status** in relation to a RITS Transaction means a parameter set by the payer that affects whether the System will test the Transaction for Settlement and whether to test the Transaction against all available funds in the relevant Cash Account or only those funds in excess of the Account Sub-Limit of the applicable Cash Account.

**Central Party** in relation to a Batch means an ESA Holder that acts as the counterparty to each Transaction in the Batch and who has been appointed as Central Party for that Batch under clause 6.5, until it ceases to be one under clause 6.6.

**Change of Control** of a Member means when:

- (a) any person or group of persons acting in concert who had Control of the Member ceases:
  - (i) to have the capacity to cast, or control the casting of, more than 20% of the maximum number of votes that might be cast at a general meeting of that Member;
  - (ii) to hold (directly or indirectly) in aggregate more than 20% of the issued share capital or units of that Member; or
  - (iii) to Control that Member; or
- (b) any person or group of persons acting in concert gains:
  - (i) the capacity to cast, or control the casting of, more than 20% of the maximum number of votes that might be cast at a general meeting of that Member;
  - (ii) a holding (directly or indirectly) in aggregate of more than 20% of the issued share capital or units of that Member; or
  - (iii) Control of that Member.



**CHES** has the meaning given in Schedule 2.

**Control** in respect of a Member:

- (a) has the meaning given in section 50AA of the *Corporations Act 2001* (Cth); and
- (b) also includes the direct or indirect power to direct the management or policies of the Member or control the membership or voting of the board of directors or other governing body of the Member.

**Covered Issue** means in relation to a person, any loss, expense, cost, liability, damages, claim, action, proceeding or expense of any nature (including negligence), direct or indirect for any reason brought against, suffered or incurred by that person arising in any way directly or indirectly under, in connection with or out of the System, (including the FSS, LVCS, LVSS and AIF), the TFF Facility, any actual or purported Transaction, Reciprocal Purchase Transaction, entry or instruction, any Membership Document, any User Guide, any Operational Notes, or the operation of any of them, including anything done or not done, or purported to be done under or in connection with any of them.

**Credit Status** in relation to a RITS Transaction means a parameter set by the payer that affects whether the System will test the Transaction for Settlement, and which may be used by the payer to manage its credit exposures to its customers.

**Eligible Security** has the meaning given in clause 20(b).

**Eligible Settlement File** means a file containing details of Transactions to be entered into the System through an Approved Network or via the User Interface under the LVSS. Eligible files are set out in Schedule 5.

**Eligible Transfer File** means a file constituting a file transfer instruction sent to the System under an Approved Network using the LVCS. Eligible files are set out in Schedule 5.

**ESA** (for **Exchange Settlement Account**) in relation to a Member means the deposit account with the RBA in the name of that Member established before the Rewrite Adoption Date or opened under clause 18.1. The ESA in relation to the RBA will be the account operated under clause 18.6. The balance of the ESA is equal to the balance of the RITS Allocation plus the balance of the FSS Allocation.

**ESA Holder** means a Member that has an ESA, or the RBA.

**ESA Status** in relation to a RITS Transaction means a parameter set by the payer (or set by the System pursuant to section 2 of Schedule 6) that affects whether the System will test the Transaction for Settlement and whether to test the Transaction against all available funds in the payer's RITS Allocation or only those available funds in excess of the Account Sub-Limit of the RITS Allocation.

**Evening Agreed** means, in relation to an ESA Holder, that it has become and has not ceased to be Evening Agreed under section 8 of Schedule 4.

**Feeder System** means a system admitted under clause 5 and listed as a 'Feeder System' in Schedule 2 unless it is terminated or suspended under clause 5.1(a)(ii). A Feeder System is a system, other than the System, which has been authorised by the RBA to enter Transactions for Settlement into the System on behalf of the participants of that other system.

**FSS** (for **Fast Settlement Service**) means the service offered by the RBA where FSS Transactions undergo testing for Settlement, and those Transactions which can Settle are Settled.

**FSS Allocation** means that component of an ESA Holder's ESA balance which is available to test FSS Transactions for Settlement and to Settle FSS Transactions.



**FSS Transaction** means a Transaction that is entered into the System via a Feeder System which is specified in Schedule 2 as a Feeder System that may enter FSS Transactions into the System.

**Indirect Tax** means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

**Insolvency Event** in relation to a Member means any of the following events occurring in any jurisdiction under any law applicable to it:

- (a) an external administrator (including any voluntary administrator, receiver, liquidator, trustee in bankruptcy, regulator assuming control or judicial or other manager) is appointed to that Member;
- (b) except for the purpose of a solvent winding up, reconstruction or amalgamation:
  - (i) an application or an order is made, proceedings are commenced, a resolution is passed, an application to a court or other steps are taken for:
    - (A) the winding up, dissolution or administration of that Member; or
    - (B) that Member entering into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them,  
(other than frivolous or vexatious applications, proceedings, notices and steps); or
  - (ii) that Member ceases, suspends or threatens to cease or suspend the conduct of all or substantially all of its business or disposes of or threatens to dispose of substantially all of its assets;
- (c) that Member enters into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them where such arrangement, compromise or composition or assignment taking effect is contingent on the fulfilment of certain conditions and those conditions are fulfilled;
- (d) that Member:
  - (i) is, or under any law applicable to it is presumed or taken to be, insolvent (other than as the result of a failure to pay a debt or claim the subject of a good faith dispute); or
  - (ii) stops or suspends or threatens to stop or suspend payment of all or a class of its debts; or
- (e) any other event which is analogous or has a similar effect to any of the above events.

Without limiting the above, it includes an “external administration” as defined in the *Payment Systems and Netting Act 1998* (Cth).

**Loaned Securities** means AOFM Loaned Securities or RBA Loaned Securities.

**LVCS** (for **Low Value Clearing Service**) means the service offered by the RBA under clause 7.1, under which participating Members (or their authorised agents) may send and receive Eligible Transfer Files.

**LVSS** (for **Low Value Settlement Service**) means the service offered by the RBA under clause 7.2, under which participating ESA Holders (or their authorised agents) may send Eligible Settlement Files to the System and through which the System may send responses and advices to ESA Holders (or their authorised agents).

**Member** means a person who enters a Membership Agreement with the RBA until that person ceases to be a Member pursuant to clause 27.1.





**Membership Agreement** means an agreement substantially in the form set out in Annexure E or any other form acceptable to the RBA (with any additional terms imposed under clause 2.4) between a new Member, the RBA and (because the RBA signs on behalf of every other Member) each other Member. It includes any supplemental membership agreement entered into under these Regulations.

**Membership Document** in relation to a Member means:

- (a) a Membership Agreement;
- (b) a supplemental membership agreement as described in clause 2.4;
- (c) these Regulations;
- (d) any document appointing an agent under clause 8 to which that Member is expressed to be a party, as appointor or appointee; or
- (e) any other agreement expressed to be entered into by the Member under or in connection with the Membership Documents.

**Multilateral Settlement** means the method of testing for Settlement described in section 6 of Schedule 6.

**Multilateral Settlement Group** means a group of RITS Transactions selected for testing for Settlement using the Multilateral Settlement method.

**Notice** means a notice, demand, consent, approval or other communication issued under a Membership Document if it:

- (a) is stated by the RBA to be a "Notice" for the purposes of a Membership Document;
- (b) is in respect of subject matter which is, under a Membership Document, required to be communicated by "Notice"; or
- (c) relates to:
  - (i) the amendment of a Membership Document (other than these Regulations);
  - (ii) a breach or alleged breach of a Membership Document;
  - (iii) any total or partial suspension or termination of a Member; or
  - (iv) any change to the address of a Member or the RBA for the purposes of clause 43.

**NPP** has the meaning given in Schedule 2.

**Operational Notes** means any operational notes in relation to any part of these Regulations, issued from time to time by the RBA.

**Outright Securities Transaction** means a transaction which:

- (a) involves a purchase by the RBA from a Member, or the sale by the RBA to a Member, of securities or other financial instruments which are denominated in Australian Dollars; and
- (b) does not form part of a Reciprocal Purchase Transaction.

**Personnel** means, in relation to a party, any natural person who is an employee, contracted staff, director, officer or agent of that party.



**PPSA Security Interest** means a 'security interest' as defined in the *Personal Property Securities Act 2009* (Cth).

**Private Key** has the meaning given in Schedule 7.

**RBA** means the Reserve Bank of Australia.

**RBA Loaned Securities** means any securities or other financial instruments issued by or on behalf of:

- (a) the Commonwealth of Australia (commonly referred to as 'Australian Government Securities');
- (b) a State or Territory of the Commonwealth of Australia (commonly referred to as 'Semi-Government Securities'); or
- (c) any other person,

which the RBA has determined are to be sold and subsequently purchased by the RBA pursuant to an RBA Securities Lending Transaction (excluding, for the avoidance of doubt, AOFM Loaned Securities).

**RBA Securities Lending Transaction** means a transaction between the RBA and a Member which comprises either a single transaction (of the type described in paragraph (a)) or two corresponding transactions (of the types described in paragraph (a) and paragraph (b) respectively):

- (a) a Reciprocal Purchase Transaction between the RBA and a Member, under which the RBA is the Seller, the Member is the Buyer and the securities or other financial instruments sold and subsequently purchased by the RBA are RBA Loaned Securities;
- (b) a Reciprocal Purchase Transaction between the RBA and a Member under which the RBA is the Buyer, the Member is the Seller and the securities or other financial instruments purchased and subsequently sold by the RBA are of a type specified in clause 20(b) of these Regulations.

**RBA Website** means the website of the RBA from time to time (currently at [www.rba.gov.au](http://www.rba.gov.au)).

**Reciprocal Purchase Transaction** (or **Repo**) means two related transactions entered into at the same time between one party (**Seller**) and another party (**Buyer**):

- (a) the first being the sale by the Seller to the Buyer of securities having agreed features; and
- (b) the second being the subsequent purchase by the Seller from the Buyer of securities having the same features.

**Reservation** means the designation of an amount in an ESA Holder's RITS Allocation as to be used only to Settle RITS Transactions that are part of a specified Reservation Batch.

**Reservation Batch** means a Batch designated as such in Schedule 3, and under which funds have been or are to be Reserved in RITS Allocations prior to Settlement.

**Reservation Request** means a request entered in the System that RITS Allocation funds be Reserved for the Settlement of Transactions in a Reservation Batch.

**Reserve Bank Act** means the *Reserve Bank Act 1959* (Cth).

**Reserved Funds** means a designated amount in an ESA Holder's RITS Allocation which may only be used to Settle Transactions that are part of a specified Reservation Batch.

**Rewrite Adoption Date** means 27 March 2017.



**RITS Allocation** means that component of an ESA Holder's ESA balance which is available to test RITS Transactions for Settlement and to Settle RITS Transactions.

**RITS Transaction** means a Transaction that is not an FSS Transaction. It includes a cash transfer, Batch Transaction, LVSS Transaction or a Transaction entered into the System via the SWIFT PDS, Austraclear or CHES-RTGS Feeder Systems.

**Securities Lending Transaction** means an AOFM Securities Lending Transaction or an RBA Securities Lending Transaction.

**Settlement** means the performance of a Transaction between the parties, and is complete when the relevant amount has been debited and credited to the relevant ESAs.

**Settlement Day** means a weekday on which banks generally are open for business in Sydney or Melbourne.

**SWIFT PDS** has the meaning given in Schedule 2.

**System** means the Reserve Bank Information and Transfer System, including the components which process FSS, SWIFT PDS and LVSS Transactions and transfer files in the LVCS.

**System Queue** means the procedure within the System where:

- (a) all RITS Transactions undergo testing for Settlement, and those Transactions which can Settle are Settled; and
- (b) Reservation Requests are tested for Reservation, and Reservations of Reserved Funds are made.

**Targeted Bilateral Offset** means the method of testing for Settlement described in section 6 of Schedule 6.

**TFF Repo** has the meaning given in Annexure A.

**Transaction** means an entry into the System under which one ESA Holder is to pay an amount to an ESA Holder, or for Batches without a Central Party, where one or more ESA Holders are to pay amounts and one or more ESA Holders are to receive amounts. A Transaction may be a RITS Transaction or an FSS Transaction. A Transaction may include a payment from an ESA Holder to itself.

**User** in relation to a Member means an individual representing that Member in relation to whom that Member has requested the RBA issue Access Credentials.

**User Guide** means any guide in relation to the System, including any guide containing explanations as to the functionality of the System or any part of the System, issued from time to time by the RBA.

**User Interface** means the interface made available by the RBA, through which Members or the RBA may use the System including to:

- (a) input, view and manage Transactions in the System;
- (b) perform Member administration activities;
- (c) view and download reports from the System; and
- (d) perform other ancillary actions.



## 1.2 Interpretation

The following rules apply to the Membership Documents.

- (a) Headings are for convenience only and do not affect interpretation.
- (b) The meaning of terms is not limited by examples introduced by *including*, or *for example*, or similar expressions.
- (c) Nothing in these Regulations is to be interpreted against the RBA on the ground that it put it forward.
- (d) The following rules apply unless the context requires otherwise.
  - (i) The singular includes the plural and the converse.
  - (ii) A gender includes all genders.
  - (iii) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
  - (iv) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
  - (v) A reference to a clause, section, exhibit, annexure or schedule is a reference to a clause or section of, or exhibit, annexure or schedule to, these Regulations as amended, novated, supplemented or replaced from time to time.
  - (vi) A reference to a party to these Regulations or another agreement or document includes the party's successors and permitted substitutes or assigns.
  - (vii) A reference to legislation or a legislative instrument or to a provision of legislation or a legislative instrument includes a modification or re-enactment of it, a legislative provision or legislative instrument substituted for it and, in the case of legislation, a regulation, statutory instrument, code or other thing issued under it.
  - (viii) A reference to **writing** includes a facsimile transmission and any means of reproducing words in a tangible and permanently visible form.
  - (ix) A reference to **conduct** includes an omission, statement or undertaking, whether or not in writing.
  - (x) Each paragraph of a list is to be construed independently. None limits any other.
  - (xi) All references to **time** are to Sydney time.
- (e) A reference to:
  - (i) **Australian Dollars, dollars, A\$, \$A, AUD** or **\$** is a reference to the lawful currency of the Commonwealth of Australia;
  - (ii) an **agreement** includes a security interest, guarantee, undertaking, deed, agreement or legally enforceable arrangement whether or not in writing;
  - (iii) a **document** includes an agreement (as so defined) in writing or a certificate, notice, instrument or document;



- (iv) these Regulations or a specific agreement or document includes it as amended, novated, supplemented or replaced from time to time, except to the extent prohibited by these Regulations;
- (v) an **entity** includes any entity replacing that entity; and
- (vi) an action that is **simultaneous** to another is to an action that occurs at:
  - (A) the same time as; or
  - (B) a time which is as close as is reasonably practicable to, the other action.

### 1.3 Failure to notify

Unless otherwise provided in these Regulations, failure by the RBA to give any notice of anything to any Member will not affect the obligations of the Member in any way.

### 1.4 Consents and opinions

Except where expressly stated otherwise, the RBA may give or withhold, or give conditionally, approvals and consents, may be satisfied or unsatisfied, may form opinions, and may exercise its rights, powers and remedies, at its absolute discretion, without reason. No liability will accrue to the RBA in relation to the exercise of any such rights, powers and remedies.

### 1.5 Conflicts

- (a) Subject to clause 2.4, if there is a conflict between the provisions of these Regulations and a Membership Agreement, then these Regulations prevail.
- (b) If there is a conflict between the provisions of a Membership Agreement and a later Membership Agreement, then the later Membership Agreement prevails.
- (c) If there is a conflict between the provisions of these Regulations and any other agreement between the RBA and a Member, then these Regulations prevail.



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## 2. EFFECT OF REGULATIONS AND MEMBERSHIP AGREEMENTS

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### 2.1 General

- (a) From time to time the RBA may enter into a Membership Agreement with a proposed Member.
- (b) A person only becomes a Member when both it and the RBA have signed a Membership Agreement.
- (c) Because the RBA signs both on behalf of itself and every other Member, each Membership Agreement is a contract between the proposed Member, each Member at the time that the Membership Agreement is entered into, and the RBA.
- (d) These Regulations form part of each Membership Agreement by incorporation.
- (e) Each Member is bound by, and has rights under, these Regulations as a Member.

### 2.2 Amendment

- (a) The RBA may unilaterally amend these Regulations, any User Guide or any Operational Notes in any way at any time by advising Members of the amendment, including through the System.
- (b) The RBA may unilaterally amend a Membership Document (other than these Regulations) by Notice to the affected Member.
- (c) Any amendments to these Regulations or other Membership Document take effect on the date that is one month after the date of the advice or Notice unless an earlier or later date is specified in that advice or Notice and are binding on the RBA and each Member.

### 2.3 Authority of RBA to sign Membership Agreements

- (a) Each Member irrevocably appoints the RBA as its agent solely to sign any Membership Agreement with a new Member on its behalf so the RBA may sign on behalf of all then existing Members.
- (b) Each Member acknowledges that the RBA:
  - (i) does not warrant that it has authority to sign any Membership Document on behalf of any other Member; and
  - (ii) owes no fiduciary or other duties to the Members who appoint it agent under clause 2.3(a).

### 2.4 Additional conditions of membership

The RBA can unilaterally impose additional conditions on a Member's membership or amend those conditions at any time, by providing Notice of those conditions or that amendment to that Member. Each Membership Agreement and other Membership Document may include additional terms binding on the Member in addition to these Regulations. The additional conditions may be contained in an attachment to the Membership Agreement or in a supplemental membership agreement, and may include a limitation of a Member's liability to the RBA and other Members. To the extent of any inconsistency between the additional conditions and these Regulations, the additional conditions prevail.



## 2.5 Entire agreement

The Membership Documents constitute the entire agreement between the parties in connection with their subject matter and supersede all previous agreements or understandings between the parties in connection with their subject matter.

## 3. INTERFACE BETWEEN MEMBERS AND THE RBA AND THE SYSTEM

- (a) Subject to these Regulations, Members may make entries into the System (including to effect Transactions and give instructions) only:
- (i) by directly keying into the User Interface through a User;
  - (ii) by requesting by telephone that the RBA key an entry into the User Interface on behalf of a User in accordance with clause 4.2;
  - (iii) through the AIF;
  - (iv) in relation to Feeder System Transactions, through the relevant Feeder System;
  - (v) in relation to Batch Transactions, by the relevant Batch Administrator;
  - (vi) through an Approved Network, in the case of Eligible Settlement Files under the LVSS; or
  - (vii) through any other person or mechanism approved by the RBA for the relevant purpose (which may include another Member and its Users).
- (b) Subject to these Regulations, Members participating in the LVCS may send Eligible Transfer Files to the RBA using an Approved Network.
- (c) Members will give all Notices to the RBA in the manner provided in clause 43.2.
- (d) All communications and other interactions with the System (including the entry of Transactions and delivery of Notices to the RBA) are to be made as set out in these Regulations, and as set out in the relevant User Guides, or as otherwise required or allowed by the RBA.
- (e) Members are responsible for obtaining and maintaining suitable computer equipment and will be responsible for security over access to the equipment and its connection to the System by means approved by the RBA from time to time and continuing compatibility with the System and its approved means of connection.

## 4. MAKING ENTRIES VIA USER INTERFACE

### 4.1 Method

Each Member must ensure its entries into the User Interface comply with these Regulations or any other requirement of the RBA. To make an entry, it must key in requisite information in the requisite manner that the User Interface functionality requires.



#### 4.2 RBA entries into the System on behalf of Members

- (a) If a Member's Users are not able to access the System via the User Interface, a Member may request the RBA to enter a Transaction or instruction into the System on the Member's behalf by:
- (i) telephoning a telephone number specially designated by the RBA from time to time for this purpose, calls to which will be recorded;
  - (ii) requesting that the RBA key the relevant entries into the System on its behalf;
  - (iii) providing the details of the relevant entries; and
  - (iv) providing details of the Access Credentials of valid Users that have the correct permissions in accordance with clause 10.1(d) to be able to make the relevant entries.
- (b) The RBA, without enquiry, may assume the details provided comply with the Membership Documents and the User Guides. However, it need not key the relevant entries into the System unless it believes the details provided comply with the Membership Documents and User Guides.
- (c) A Member making a request under this clause bears all responsibility for the RBA's entries. The RBA is not responsible for and is not liable for any loss that results in relation to any entries it keys into the System under this clause. This does not limit the generality of clause 38.

### 5. FEEDER SYSTEMS

#### 5.1 Admission, termination and suspension of Feeder Systems

- (a) The RBA may at any time:
- (i) admit new Feeder Systems by amending Schedule 2 accordingly; or
  - (ii) terminate, suspend or impose conditions on the use of existing Feeder Systems.
- (b) The RBA will advise all relevant Members of the admission, termination or suspension of a Feeder System.

#### 5.2 Authorisation of Members to use Feeder Systems

- (a) An ESA Holder may only use a Feeder System under these Regulations if:
- (i) the administrator of that Feeder System has confirmed to the RBA that that ESA Holder may use it;
  - (ii) that ESA Holder applies to the RBA to be authorised to use that Feeder System and agrees to comply with any conditions the RBA chooses to impose; and
  - (iii) that ESA Holder has been and remains authorised by the RBA by keying an entry in the System.
- (b) The RBA may revoke the authorisation of an ESA Holder by keying an entry in the System, including if requested by the ESA Holder or the administrator of the Feeder System. The RBA will advise the ESA Holder of the revocation of the authorisation.





### 5.3 Instructions through Feeder Systems

- (a) A Member entitled to do so under clause 5.2 may, via a Feeder System, enter Transactions into the System for Settlement.
- (b) The entries must comply with any rules of the Feeder System as well as these Regulations. The RBA, without enquiry, may assume they do comply.
- (c) A Transaction where the payer and payee are the same ESA Holder may be entered through a Feeder System for testing but the Transaction will not be Settled.

### 5.4 Agreements with administrators of Feeder Systems

The RBA may enter into, amend, suspend and terminate agreements with administrators of Feeder Systems, and it may comply with them, including providing the relevant administrator with information or reports as agreed with it or as specified in its regulations.

### 5.5 RBA not responsible for Feeder Systems

The RBA is not responsible for and is not liable for any loss that results in relation to any Feeder System or from any act or omission of any Feeder System administrator. This does not limit the generality of clause 38.

## 6. BATCHES

### 6.1 Batch Administrators

- (a) The RBA may at any time:
  - (i) approve a Member to be a Batch Administrator by amending Schedule 3 accordingly and making an entry in the System; or
  - (ii) remove, suspend or impose conditions on the Batch Administrator status of a Member.
- (b) A Batch Administrator may choose to cease acting as a Batch Administrator by providing Notice to the RBA and notice to all Approved Batch Participants in relation to it.
- (c) The RBA will advise all relevant Approved Batch Participants of the removal, suspension or cessation of the Batch Administrator status of a Member and will make appropriate entries in the System accordingly.

### 6.2 Approved Batch Participants

- (a) Only an ESA Holder may be an Approved Batch Participant.
- (b) An ESA Holder becomes an Approved Batch Participant in relation to a Batch Administrator when:
  - (i) it is nominated by that Batch Administrator;
  - (ii) it confirms to the RBA its willingness to become an Approved Batch Participant in relation to that Batch Administrator; and
  - (iii) the RBA makes an entry in the System designating the ESA Holder as an Approved Batch Participant in relation to that Batch Administrator.



- (c) Each Batch Administrator must immediately Notify the RBA if an ESA Holder is to cease being an Approved Batch Participant. The ESA Holder will cease being an Approved Batch Participant when the RBA makes an entry to that effect in the System.
- (d) The RBA will advise an ESA Holder of the addition or removal of their status as an Approved Batch Participant.

### **6.3 Authorisation of Batch Administrator**

Each Approved Batch Participant in relation to a Batch Administrator authorises that Batch Administrator to make entries in the System in relation to each relevant Batch on behalf of that Approved Batch Participant.

### **6.4 Disclosure to Batch Administrator**

Each Approved Batch Participant authorises:

- (a) the RBA to disclose to the relevant Batch Administrator any information concerning the Settlement of a Batch submitted by that Batch Administrator; and
- (b) its Batch Administrator to disclose to the RBA any information it has in relation to that Approved Batch Participant where the RBA has a reasonable need for the information for its operational purposes or to perform its functions or exercise its powers.

### **6.5 Becoming a Central Party**

- (a) A Batch Administrator who has RBA approval for its Batches to have a Central Party must nominate and maintain a Central Party for its Batches.
- (b) The Central Party for the Batches in relation to a Batch Administrator is the Batch Administrator unless:
  - (i) the Batch Administrator nominates, or is required by the RBA to nominate, an ESA Holder other than itself as the Central Party;
  - (ii) that ESA Holder accepts the nomination by Notifying the RBA; and
  - (iii) the RBA approves of that ESA Holder as the Central Party for the relevant Batches.
- (c) The nomination of a Central Party for a Batch will take effect when the RBA makes an entry to that effect in the System.

### **6.6 Removal of Central Parties**

- (a) A Central Party may choose to cease acting as a Central Party by providing Notice to the RBA and a notice to the Batch Administrator in relation to it.
- (b) The RBA may remove the status of an ESA Holder as a Central Party by entry in the System.
- (c) The RBA will advise all Approved Batch Participants in relation to a Central Party of the removal of that Central Party's status as a Central Party.

### **6.7 RBA not responsible for Batch Administrators**

The RBA is not responsible for and is not liable for any loss that results in relation to or as the result of an act or omission of any Batch Administrator. This does not limit the generality of clause 38.



## 6.8 Contingency Batches

If the RBA has agreed to any other settlement arrangement applying on the occurrence of or following a contingency (however described) with the administrator of a Feeder System or with any group of ESA Holders (whether directly or indirectly) or the RBA otherwise considers that it is necessary or desirable:

- (a) the RBA may enter a Batch into the System in accordance with the contingency settlement arrangement or otherwise;
- (b) the RBA may exercise any rights and perform any obligations in respect of the Batch under these Regulations as if it were the Batch Administrator for the Batch; and
- (c) each ESA Holder which is party to a Transaction which forms part of the Batch will be taken to have authorised the RBA to make entries in the System in relation to the Batch on behalf of that ESA Holder.

## 7. APPROVED NETWORKS AND LOW VALUE SERVICES

### 7.1 Low Value Clearing Service

- (a) The RBA will provide, to ESA Holders entitled to use it, the LVCS as a service to exchange Eligible Transfer Files with each other via Approved Networks.
- (b) Such ESA Holders must provide the RBA with any information it reasonably requests to enable it to make entries into the System to operate the LVCS.
- (c) When the RBA receives an Eligible Transfer File from such an ESA Holder through an Approved Network for transmission under the LVCS to another such ESA Holder, the RBA will transmit it through an Approved Network according to the entries made under clause 7.1(b).

### 7.2 Low Value Settlement Service

The RBA will provide, to ESA Holders entitled to use it, the LVSS as a service to enter, via Approved Networks or the User Interface, Eligible Settlement Files in the System for entry and Settlement in the System of the Transactions specified in those Eligible Settlement Files.

### 7.3 Eligibility of Members to use LVCS and LVSS

- (a) The only Members entitled to use the LVCS or LVSS are ESA Holders approved by the RBA.
- (b) That entitlement ceases for an ESA Holder if the RBA revokes its approval.
- (c) The RBA will give effect to approval or cessation of approval by keying entries in the System.

### 7.4 Admission, termination and suspension of Approved Networks

- (a) The RBA may at any time:
  - (i) admit new Approved Networks by amending Schedule 1 accordingly; and
  - (ii) terminate, suspend or impose conditions on the use of existing Approved Networks with the System.



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- (b) The RBA will advise all users of the LVCS and LVSS of the admission, termination or suspension of an Approved Network.

### **7.5 Authorised Members**

An ESA Holder may only use an Approved Network under these Regulations if:

- (a) it is entitled to use the LVCS or the LVSS under clause 7.3;
- (b) the administrator for that Approved Network has:
- (i) confirmed to the RBA that the ESA Holder is authorised to use it; and
  - (ii) not notified the RBA that it has revoked the authorisation; and
- (c) that ESA Holder applies to the RBA to be authorised to use that Approved Network and agrees to comply with any conditions the RBA chooses to impose.

### **7.6 Instructions and communications through Approved Networks**

An ESA Holder entitled to do so under clause 7.5 may through an Approved Network:

- (a) send Eligible Transfer Files to the RBA under the LVCS;
- (b) make entries into the System for Transactions for Settlement in the form of Eligible Settlement Files under the LVSS; and
- (c) make entries into the System to instruct the recall of an LVSS Transaction.

### **7.7 Requirements for eligible files**

Each Member transmitting an Eligible Transfer File or Eligible Settlement File must ensure that it complies with the requirements of any relevant Approved Network and any relevant payment system referred to in Schedule 5. The RBA may assume without checking that it does so comply and deal with it accordingly.

### **7.8 Agreements with administrators of Approved Networks and payment systems**

The RBA may enter into, amend, suspend and terminate agreements with administrators of Approved Networks and with any administrators referred to in Schedule 5, and it may comply with them, including providing the relevant administrator with information or reports as agreed with it including as specified in its regulations.

### **7.9 RBA not responsible for Approved Networks**

The RBA is not responsible for and is not liable for any loss that results in relation to any Approved Network. This does not limit the generality of clause 38.

## **8. AGENCY**

- (a) Unless the RBA objects to the appointment, an ESA Holder entitled to participate in the LVCS or LVSS may appoint any person who is authorised to use an Approved Network as its agent to send and receive



Eligible Transfer Files or to send Eligible Settlement Files and receive related advices and responses on its behalf, and will be bound by anything done by such an agent.

- (b) Unless the RBA objects to the appointment, an ESA Holder that is authorised by the RBA to use the FSS may appoint any person who is authorised by the administrator of a Feeder System to the FSS to use that Feeder System as its agent to enter FSS Transactions into the System via that Feeder System (and, if applicable, receive related notifications) on its behalf, and will be bound by anything done by such an agent.
- (c) An ESA Holder appointing an agent must notify the RBA of the appointment by signing a notice of appointment of agent in the applicable form set out in Annexure D or as otherwise specified by the RBA.
- (d) The RBA may assume without enquiry the notice of appointment of agent has been validly signed and the appointment of the agent validly made, and conclusively rely upon the notice of appointment of agent document.
- (e) The appointment will take effect when the RBA keys the relevant entries in the System.
- (f) Anything done by the agent will be taken to have been done by the appointing ESA Holder for the purposes of these Regulations.
- (g) The appointing ESA Holder warrants that the appointee has been fully authorised by it. The appointing ESA Holder is responsible for anything done by the appointee when the appointee is acting or purporting to act as agent.
- (h) The appointing ESA Holder must ensure that its appointee, when acting or purporting to act as agent, complies with these Regulations.
- (i) The appointing ESA Holder may at any time by Notice to the RBA elect to revoke the appointment. The revocation is effective when the RBA makes the relevant update in the System.

## 9. AIF

### 9.1 Access to the AIF

- (a) A Member may be authorised by the RBA to use the AIF.
- (b) A Member that has been authorised by the RBA to use the AIF may use the AIF to:
  - (i) send instructions and enquiries to the System;
  - (ii) request information from the System; and/or
  - (iii) receive information and responses to instructions and enquiries from the System.
- (c) In all cases the instructions, requests and information must be in the format specified by the RBA in the relevant User Guide.



## 9.2 Warranty regarding AIF communications

Without limiting clause 10.6 or 12.1, each Member warrants that each communication sent through the AIF and purported to be on its behalf is duly authorised by it. The Member is responsible for all such communications.

## 10. USERS

### 10.1 Access to the System

- (a) No person (other than the RBA or a person authorised by the RBA) may access the User Interface without valid Access Credentials.
- (b) Each User may have access to the System through the User Interface and make entries in the System on behalf of the Member that appointed it.
- (c) The RBA may from time to time specify which Access Credentials are required for which actions (including in Schedule 7).
- (d) The Member must instruct which actions a User may make in the System.

### 10.2 Appointment of Users

- (a) At any time a Member may nominate an individual as a User in a Notice, in the form specified by the RBA, including any information required by the RBA, and request the RBA to issue Access Credentials.
- (b) Beyond checking that the Authorised Signatory appears appointed under clause 11.1, the RBA does not need to carry out any verification checks.
- (c) If satisfied, the RBA will enter the nominee as a User in the System and issue him or her with Access Credentials.
- (d) A Member may have more than one User.

### 10.3 Revocation of Users and Access Credentials

- (a) A Member may request that the RBA revoke the appointment of a User and/or their Access Credentials (either by making the relevant entry into the System or some other means approved by the RBA), and the RBA will promptly do so.
- (b) A Member must make the request referred to in paragraph (a) if there is no longer a need for the User to have access to the System.
- (c) The RBA may at any time revoke the appointment of a User and/or their Access Credentials, in which case it will advise the relevant Member.
- (d) If requested by the RBA, a Member must return or destroy or otherwise act in accordance with the directions of the RBA in relation to some or all of the Access Credentials pertaining to a User and ensure the User does the same.

### 10.4 Security

Each Member undertakes to:



- (a) perform checks as to the identity of its nominated Users;
- (b) ensure that only its Users have access to the System;
- (c) ensure that each of its Users:
  - (i) do nothing that may compromise the security or operations of the System;
  - (ii) safeguard their Access Credentials and Private Key, keep them confidential and use them only for authorised activity; and
  - (iii) advise the Member immediately if there has been a compromise or potential compromise of their Access Credentials or Private Key; and
- (d) advise the RBA immediately if it knows or suspects that:
  - (i) the security of such Access Credentials or Private Key may be compromised; or
  - (ii) any information in its nomination of a User, its request for Access Credentials for a User or the information in any Access Credentials of its Users is or becomes incorrect.

#### **10.5 Compliance by Users**

Each Member will ensure that its Users at all times:

- (a) comply with the Membership Documents; and
- (b) do everything necessary to ensure that the Member complies with the Membership Documents.

#### **10.6 Actions of Users binding**

Each Member warrants that any person appointed as its User has been fully authorised by the Member. The Member is responsible for, and is bound by, anything done or not done by that person.

#### **10.7 Certificates and Signed Actions**

The RBA and each Member agree to be bound by, and to comply with, Schedule 7.

## **11. AUTHORISED SIGNATORIES**

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### **11.1 Notification of Authorised Signatories to RBA**

- (a) Each Member must provide to the RBA a list of Authorised Signatories in the format required by the RBA.
- (b) Each Member must ensure its list of Authorised Signatories is kept current and must immediately advise the RBA of any changes to that list in the format required by the RBA.

### **11.2 Powers of Authorised Signatories**

Each Authorised Signatory of a Member can by himself/herself do anything on behalf of that Member under the Membership Documents unless otherwise specified in the most recent list of Authorised Signatories provided by that Member under clause 11.1.



### 11.3 Actions of Authorised Signatories

Each Member warrants that any person appointed as its Authorised Signatory has been fully authorised by the Member to do all the things specified in relation to that Authorised Signatory in the list of Authorised Signatories provided by that Member under clause 11.1. The Member is responsible for, and is bound by, anything done by that person.

## 12. COMPLIANCE WITH AND VERIFICATION OF INSTRUCTIONS

### 12.1 General

- (a) The RBA will, subject to these Regulations, comply with instructions to the RBA which are provided for in these Regulations (including entries in the System).
- (b) The RBA need not comply with any communication (including any instructions or entries in the System) if in its discretion it is not satisfied that the communication is properly authorised and complies with these Regulations or any applicable law.
- (c) Despite paragraph (b), the RBA need not make any enquiry as to whether any communication (including any instructions or entries in the System) which appears to be from a Member and to comply with these Regulations:
  - (i) is from the Member and duly authorised; or
  - (ii) complies with these Regulations and any applicable law,and the RBA may assume that to be the case and rely upon the communication.

### 12.2 Inability to comply with instructions

If the RBA is unable to act on any instructions (including any entry in the System) for any reason, it will inform the instructing party as soon as possible after it becomes aware of it. On being informed, the instructing party will take all steps open to it to rectify the situation so as to enable the instructions to be acted upon.

## 13. SYSTEM QUEUE OPERATIONS

### 13.1 Submission to System Queue and testing of RITS Transactions, Reservation Requests, and Allocation Transfers from RITS Allocations

- (a) Subject to these Regulations, the RBA will operate the System so that:
  - (i) RITS Transactions are submitted to the System Queue and tested for Settlement;
  - (ii) Reservation Requests are submitted to the System Queue and tested for Reservation; and
  - (iii) Allocation Transfers from RITS Allocations are submitted to the System Queue and tested for sufficient funds to effect the Allocation Transfer,in the manner set out in Schedule 6.





- (b) The RBA may determine and vary the procedures and operation of testing on the System Queue from time to time having regard to proper functioning of the System. The RBA will when practicable give reasonable notice to each relevant Member of substantial changes to the operation of the System Queue. This does not limit the generality of clause 2.2.
- (c) A RITS Transaction on the System Queue will be Settled when the appropriate testing for that Transaction is complete and clause 13.3 complied with.
- (d) A Reservation of funds requested in a Reservation Request on the System Queue will be made when the appropriate testing for that Reservation Request is complete and section 3(a) of Schedule 6 has been complied with.
- (e) An Allocation Transfer on the System Queue will be effected when the appropriate testing for that Allocation Transfer is complete and clause 13.4 has been complied with.
- (f) RITS Transactions may be tested for Settlement individually as a single Transaction or using one of the following other methods of testing for Settlement:
  - (i) Auto Offset;
  - (ii) Targeted Bilateral Offset;
  - (iii) Multilateral Settlement; or
  - (iv) Batch Settlement.

### 13.2 Recalling RITS Transactions and Allocation Transfers

An ESA Holder or a Batch Administrator may recall a RITS Transaction or an Allocation Transfer on the System Queue before it is Settled or effected in the following circumstances.

- (a) **(Batch Transactions)** For a RITS Transaction that is part of a Batch:
  - (i) in the case of a Reservation Batch, prior to sending a request for Settlement of the Batch, the Batch Administrator may recall the entire Batch of which the Transaction forms part by sending an instruction to or keying an entry in the System to request to recall the entire Batch; and
  - (ii) in the case of a Batch that is not a Reservation Batch, the Batch Administrator may recall the entire Batch of which the Transaction forms part by sending an instruction via AIF message or by keying an entry in the System to request to recall the entire Batch.
- (b) **(Feeder System Transactions)** For a RITS Transaction entered via a Feeder System:
  - (i) in the case of the SWIFT PDS Feeder System, the payer may recall the Transaction via the AIF; and
  - (ii) in the case of the Austraclear Feeder System or the CHES-RTGS Feeder System, either the payer or the payee may recall the Transaction through the Feeder System.
- (c) **(LVSS Transactions)** For a RITS Transaction entered via the LVSS, the party who entered the Transaction may recall it by sending an instruction to or keying an entry in the System to request to recall the Transaction.
- (d) **(RBA direct payment)** For a RITS Transaction for which the RBA is the payer and an ESA Holder is the payee, the RBA may recall the Transaction by keying an entry in the System.



- (e) **(User Interface)** In the case of:
- (i) other RITS Transactions entered via the User Interface, either the payer or payee may recall the Transaction by keying an entry in the System; and
  - (ii) Allocation Transfers from RITS Allocations, the ESA Holder may recall the Allocation Transfer by keying an entry in the System.

### 13.3 RITS Transactions Settlement requirements

A RITS Transaction will not be Settled unless it complies with the following:

- (a) it is eligible to be Settled in the relevant session, as set out in Schedule 4;
- (b) it has a Cash Account Status, Credit Status and ESA Status of 'active' or 'priority';
- (c) on Settlement:
  - (i) if:
    - (A) it is part of a Reservation Batch, there are sufficient Reserved Funds in each payer's RITS Allocation;
    - (B) it is not part of a Reservation Batch and the Transaction has 'priority' ESA Status or is part of a Multilateral Settlement Group, it will not cause the balance of any RITS Allocation to fall below or further below any applicable Account Limit; and
    - (C) in any other case, it will not cause the balance of any RITS Allocation to fall below or further below any applicable Account Sub-Limit; and
  - (ii) in any case where the Transaction is to be debited to a Cash Account and where Cash Account testing has not been disabled under clause 19.2(b):
    - (A) if the Transaction has a 'priority' Cash Account Status, it will not cause the balance of the Cash Account to fall below or further below any applicable Account Limit of that Cash Account; and
    - (B) if the Transaction has an 'active' Cash Account Status, it will not cause the balance of the Cash Account to fall below or further below any applicable Account Sub-Limit of that Cash Account;
- (d) if the Transaction is to be tested for Settlement:
  - (i) using Auto Offset, all Transactions selected as provided in section 6 of Schedule 6 simultaneously satisfy paragraphs (a), (b) and (c);
  - (ii) using Targeted Bilateral Offset, all Transactions in the relevant group have been confirmed in accordance with section 6 of Schedule 6 and simultaneously satisfy paragraphs (a), (b) and (c);
  - (iii) using Multilateral Settlement, all Transactions in the relevant Multilateral Settlement Group formed under section 6 of Schedule 6 simultaneously satisfy paragraphs (a), (b) and (c); and
  - (iv) as part of a Batch, the Batch satisfies the requirements in section 6 of Schedule 6 (in the case of a Reservation Batch) and all Transactions in that Batch simultaneously satisfy paragraphs (a), (b) and (c); and



- 
- (e) any other requirements imposed by the RBA from time to time.

#### 13.4 Allocation Transfer Requirements

An Allocation Transfer from a RITS Allocation will not be effected unless it complies with the following:

- (a) it will not cause the balance of any RITS Allocation to fall below or further below any applicable Account Limit or Account Sub-Limit; and
- (b) any other requirements imposed by the RBA from time to time.

#### 13.5 No effect on liability

A breach of this clause or Schedule 6 by the RBA will not change the liability of any Member.

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## 14. FSS OPERATIONS

### 14.1 Submission to the FSS and testing of FSS Transactions and Allocation Transfers from FSS Allocations

- (a) Subject to these Regulations, the RBA will operate the System so that:
- (i) FSS Transactions are submitted to the FSS and tested for Settlement; and
  - (ii) Allocation Transfers from an FSS Allocation are submitted to the FSS and tested for sufficient funds to effect the Allocation Transfer,
- in the manner set out in clause 14.3.
- (b) FSS Transactions may be entered and Settled in the System on any day (including a day that is not a Settlement Day) and at any time, except if the System has been suspended in accordance with clause 17.2.
- (c) The RBA may determine and vary the procedures and operation of testing by the FSS from time to time having regard to proper functioning of the System. The RBA will when practicable give reasonable notice to each relevant Member of substantial changes to the operation of the FSS. This does not limit the generality of clause 2.2.
- (d) An FSS Transaction will be Settled when the testing for that Transaction by the FSS is complete and clause 14.4 has been complied with.
- (e) If an FSS Transaction is tested for Settlement and it does not pass the testing for Settlement, the Transaction will be rejected by the FSS.
- (f) An Allocation Transfer from an FSS Allocation will be effected when the appropriate testing for that Allocation Transfer is complete and clause 14.5 has been complied with.
- (g) If an Allocation Transfer from an FSS Allocation is tested and it does not pass the testing, the Allocation Transfer will be rejected by the FSS.



#### 14.2 Recalling Transactions

An ESA Holder may not recall an FSS Transaction or an Allocation Transfer from an FSS Allocation.

#### 14.3 Testing of FSS Transactions and Allocation Transfers

- (a) Subject to these Regulations, the System will submit to the FSS for testing each:
- (i) FSS Transaction entered in the System for Settlement;
  - (ii) FSS Transaction entered in the System which involves a payment from an ESA Holder to itself; and
  - (iii) Allocation Transfer from an FSS Allocation.
- (b) FSS Transactions will be tested and (subject to these Regulations) Settled by the FSS in the order in which they are received by the System. However, FSS Transactions may not be received by the System in the order that they are submitted to the relevant Feeder System.
- (c) When the FSS tests an FSS Transaction, it tests whether the Transaction satisfies clause 14.4 and can then be Settled.
- (d) When the FSS tests an Allocation Transfer from an FSS Allocation, it tests whether the Allocation Transfer satisfies clause 14.5 and can then be effected.

#### 14.4 FSS Transaction Settlement Requirements

An FSS Transaction will not be Settled unless it complies with the following:

- (a) on Settlement, it will not cause the balance of any FSS Allocation to fall below or further below any applicable Account Limit; and
- (b) any other requirements imposed by the RBA from time to time.

#### 14.5 Allocation Transfer Requirements

An Allocation Transfer from an FSS Allocation will not be effected unless it complies with the following:

- (a) it will not cause the balance of any FSS Allocation to fall below or further below any applicable Account Limit; and
- (b) any other requirements imposed by the RBA from time to time.

#### 14.6 Suspension of the System

If the operation of the System is wholly or partially suspended:

- (a) any FSS Transaction; and
- (b) any Allocation Transfer from an FSS Allocation,

that is yet to be tested by the FSS at the time of suspension may, at the RBA's discretion, be deleted from the FSS.

**14.7 No effect on liability**

A breach of this clause by the RBA will not change the liability of any Member.

**15. ALLOCATION TRANSFERS**

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**15.1 Informational inputs for Allocation Transfers**

An ESA Holder that is authorised by the RBA to use the FSS may:

- (a) make entries in the System to request an Allocation Transfer between its RITS Allocation and its FSS Allocation; and
- (b) set the following parameters for its FSS Allocation:
  - (i) a minimum limit;
  - (ii) a maximum limit; and
  - (iii) a reset point.

**15.2 When Allocation Transfers may be made**

Subject to testing, Allocation Transfers may be effected by the System for an ESA Holder that is authorised by the RBA to use the FSS during the sessions shown in paragraph 1 of Schedule 4 in the following ways:

- (a) automatically in accordance with the parameters entered into the System by the ESA Holder, including:
  - (i) at the commencement of the Morning Settlement Session to transfer funds from the ESA Holder's FSS Allocation to its RITS Allocation; and
  - (ii) where an FSS Allocation is lower than the minimum limit or higher than the maximum limit set for it at any time;
- (b) automatically at the conclusion of the Evening Settlement Session to transfer funds from the ESA Holder's RITS Allocation to its FSS Allocation; or
- (c) in response to an entry by the ESA Holder that requests that the balance of its FSS Allocation be returned to the reset point specified in the parameters set by the ESA Holder.

**15.3 Testing**

Allocation Transfers will be tested for funds availability:

- (a) for a movement of funds from a RITS Allocation to an FSS Allocation, by the System Queue as set out in clause 13 and Schedule 6; and
- (b) for a movement of funds from an FSS Allocation to a RITS Allocation, as set out in clause 14.

**15.4 Authorisation**

Each ESA Holder that is authorised by the RBA to use the FSS authorises Allocation Transfers to be effected in accordance with this clause 15.



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## 16. SETTLEMENT AND FINALITY OF TRANSACTIONS

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### 16.1 Settlement

- (a) Each ESA Holder authorises the RBA to debit or credit any ESA, and for RITS Transactions any Cash Accounts, of that ESA Holder with the amount due to or by it under each relevant Transaction that is Settled in the System.
- (b) If the operation of the System is suspended by the RBA, the RBA may, after informing the relevant Members, Settle Transactions:
  - (i) agreed between ESA Holders; and
  - (ii) reported to the RBA by both ESA Holders to the relevant Transaction or reported to the RBA in another manner acceptable to the RBA,

by making entries in the ESAs of those ESA Holders outside the System. Each ESA Holder authorises the debiting and crediting of its ESA by the RBA in this circumstance.

- (c) Each ESA Holder authorises the RBA to make entries in the ESA of that ESA Holder for amounts due to or from that ESA Holder arising outside the System. These entries are considered to be Settled and complete when the relevant amount is debited and credited to the relevant ESAs. Each such Settlement is considered to be final in the same way a Settled Transaction is final under clause 16.2(a).

### 16.2 Finality

- (a) Subject to paragraph (b):
  - (i) Settlement of a Transaction, once complete, is final and irrevocable;
  - (ii) a Transaction once Settled cannot be undone, amended, recalled, revoked or otherwise altered; and
  - (iii) reversing or altering a Settled Transaction (including by crediting or debiting of ESAs) requires another Transaction.
- (b) Where the System does not operate in accordance with these Regulations (including as the result of any cyber attack), the RBA may, without the consent of Members, undo or amend:
  - (i) a Transaction, Reservation Request or Allocation Transfer, or a purported Transaction, Reservation Request or Allocation Transfer, erroneously entered or Settled by the System; and/or
  - (ii) any credit or debit erroneously made by the System or failure by the System to correctly credit or debit any ESA or Cash Account,

and may declare it to have effect at any time determined by the RBA, including retrospectively.

### 16.3 Underlying arrangements and obligations

Nothing in these Regulations affects or is affected by any rights and obligations between Members under or in relation to any dealings or arrangements between them. The RBA is not affected by those rights and obligations. Though entry in the System or Settlement of a Transaction may (or may not) discharge an



obligation, it is entirely independent of those rights and obligations, and the RBA and the System (including the FSS, LVCS and LVSS) may operate without regard to them, even when the RBA has notice of them.

## 17. AVAILABILITY AND OPERATION OF THE SYSTEM

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### 17.1 Settlement and entering times – sessions

- (a) Subject to these Regulations, the RBA will make the System available:
- (i) for Settlement of RITS Transactions on Settlement Days or any other day nominated by the RBA at the times specified in Schedule 4; and
  - (ii) for Settlement of FSS Transactions at all times of all days (including days that are not Settlement Days).
- (b) The RBA may at any time change the session times and availability of the System, in which case it will advise Members.

### 17.2 Suspension of the System

- (a) The RBA may suspend or vary the operation of the System wholly or partially at any time for any:
- (i) scheduled or required maintenance of the System;
  - (ii) necessary or desirable management of the System; or
  - (iii) circumstances beyond the RBA's reasonable control, including partial or total failure or malfunction or overload of the System or any part of the System, industrial action or other emergency.
- (b) The RBA will advise Members of this before the suspension or variation unless it forms the view that the suspension or variation must occur immediately, or it is unable to advise before the suspension or variation in which case it will advise Members promptly after the suspension or variation occurs.
- (c) If it suspends the System, the RBA may still Settle Transactions by debiting and crediting ESAs outside of the System in accordance with clause 16.1(b), after informing Members accordingly.

### 17.3 Resilience of the System

- (a) The RBA will arrange for backup and disaster recovery arrangements which it determines to be appropriate and may advise Members of these arrangements.
- (b) The RBA will verify the operation of the System on a regular basis.

## 18. ESAS, BRANCHES AND CASH ACCOUNTS

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### 18.1 Opening an ESA

- (a) Subject to the RBA's criteria published on the RBA Website from time to time, a Member or a prospective Member of the System may apply to hold an ESA.



- (b) If the application is accepted by the RBA, the RBA will open an ESA for the Member.
- (c) An ESA is a deposit account with the RBA which may only be operated as specified in the Membership Documents.
- (d) A statement of the RBA as to the balance of an ESA (including as to the balance of a RITS Allocation and/or an FSS Allocation) is conclusive and binding on the relevant Member.

### 18.2 Terms and conditions of ESAs

- (a) Each Authorised Signatory and User of an ESA Holder is authorised to give instructions in respect of the ESA Holder's ESA as provided in these Regulations.
- (b) Without limiting the generality of clause 18.1(c) and despite anything else, withdrawals or payments from an ESA may only be made as expressly provided in the ESA Holder's Membership Documents and in accordance with the operation of the System, and the obligations of the RBA and the rights of an ESA Holder in relation to any credit balance in an ESA are conditional accordingly. In particular they are conditional on all Settled Transactions being final as provided in clause 16.2 and no payment being required to be made to reverse all or any part of a Settled Transaction except as a new Transaction through the System or as expressly set out in clause 16.2.
- (c) The RBA may at any time deduct any amounts owing to it by an ESA Holder from the ESA of that ESA Holder.
- (d) Without limiting clause 42, an ESA Holder may not grant to a third party an interest in funds held in its ESA.
- (e) Without limiting paragraph (d), each ESA Holder acknowledges, for the avoidance of doubt, that a Reservation made in an ESA does not give Approved Batch Participants with receiving positions in that Reservation Batch any claim or entitlement to, or any interest in, those Reserved Funds.
- (f) The interest, if any, which is applicable to an ESA will be in an amount determined by the RBA in accordance with arrangements advised by the RBA from time to time.

### 18.3 Branches

- (a) Each Member must have the Branches required of it by the RBA from time to time and may request the RBA to create or remove additional Branches.
- (b) Any request for the RBA to open a Branch must contain the relevant documents and information required by the RBA.
- (c) On request by a Member, and subject to paragraphs (a) and (b), the RBA will create or remove a Branch of the Member by entry in the System.

### 18.4 Cash Accounts

- (a) Each ESA Holder must have at least the Cash Accounts required of it by the RBA from time to time and may request the RBA to create or remove additional Cash Accounts.
- (b) Any request for the RBA to open a Cash Account must contain the relevant documents and information required by the RBA.
- (c) Subject to paragraphs (a) and (b), on request by an ESA Holder the RBA will create or remove a Cash Account of the ESA Holder by entry in the System.





## 18.5 Crediting and debiting of ESAs and Cash Accounts

- (a) In relation to RITS Transactions:
- (i) on Settlement, each RITS Transaction between ESA Holders is debited against the payer's RITS Allocation and the applicable Cash Account and credited to the payee's RITS Allocation and the applicable Cash Account; and
  - (ii) on successful completion of testing on the System Queue, a RITS Transaction where the payee and payer are the same ESA Holder will be debited and credited against the applicable Cash Accounts, but will not be Settled and no adjustment will be made to that ESA Holder's RITS Allocation.
- (b) In relation to FSS Transactions:
- (i) on Settlement, each FSS Transaction between ESA Holders is debited against the payer's FSS Allocation and credited to the payee's FSS Allocation; and
  - (ii) on successful completion of testing by the FSS, an FSS Transaction where the payee and payer are the same ESA Holder will be processed, but will not be Settled and no adjustment will be made to that ESA Holder's FSS Allocation.
- (c) In relation to Allocation Transfers, on successful completion of testing of an Allocation Transfer, an ESA Holder's FSS Allocation, RITS Allocation and relevant Cash Account(s) will be adjusted to give effect to the Allocation Transfer.

## 18.6 RBA ESAs, Branches and Cash Accounts

The RBA may keep an ESA, a RITS Allocation, an FSS Allocation, Branches and Cash Accounts for itself in relation to its own banking and settlements operations as if it were a Member and enter Transactions into the System. The System will debit and credit Transactions relating to such operations accordingly.

## 19. ACCOUNT LIMITS AND ACCOUNT SUB-LIMITS

### 19.1 Account Limits and Account Sub-Limits for ESAs

- (a) The RBA may set or change an Account Limit on an ESA's RITS Allocation and an ESA's FSS Allocation.
- (b) An ESA Holder may, by entry through the User Interface or via the AIF, set, change or remove an Account Sub-Limit on its ESA's RITS Allocation.

### 19.2 Account Limits and Account Sub-Limits for Cash Accounts

- (a) An ESA Holder may, by entry in the System, set or change an Account Limit and set, change or remove an Account Sub-Limit for any of its Cash Accounts.
- (b) An ESA Holder may, by entry in the System, instruct that testing of RITS Transactions against the Account Limit and Account Sub-Limit of a Cash Account not be performed.



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## 20. RECIPROCAL PURCHASE TRANSACTIONS

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- (a) A Member that enters into a Reciprocal Purchase Transaction with the RBA does so under the terms set out in Annexure A (and, in the case of a TFF Repo, Annexure F). Those Annexures apply to Reciprocal Purchase Transactions to the extent provided in them as relevant and are binding on each Member as part of these Regulations.
- (b) Securities and other financial instruments which the RBA is prepared to purchase or sell from time to time under a Reciprocal Purchase Transaction to which Annexure A applies (and, in the case of a TFF Repo, to which Annexure F also applies) will be as determined by the RBA (each an **Eligible Security**).
- (c) The RBA will publish on the RBA Website eligibility criteria for such securities and other financial instruments. Each Member is bound by such eligibility criteria.

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## 21. OUTRIGHT SECURITIES TRANSACTIONS

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- (a) A Member that enters into an Outright Securities Transaction with the RBA does so on the terms of this clause 21 and, if applicable, the operating rules of any licensed market via which the Outright Securities Transaction is agreed.
- (b) Securities and other financial instruments which the RBA is prepared to purchase or sell from time to time under an Outright Securities Transaction will be as determined by the RBA.
- (c) The RBA will publish on the RBA Website eligibility criteria for such securities and other financial instruments. Each Member is bound by such eligibility criteria.
- (d) The RBA and a Member may enter into an Outright Securities Transaction:
  - (i) orally;
  - (ii) in writing, in accordance with the same provisions which apply to the written entry into Reciprocal Purchase Transactions under these Regulations; or
  - (iii) via a market licensed under Chapter 7 of the *Corporations Act 2001* (Cth).
- (e) Each Member must comply with any requirements for the settlement of an Outright Securities Transaction that are published by the RBA on the RBA Website from time to time. For example, the RBA may specify the settlement system that must be used for the settlement of an Outright Securities Transaction and/or whether a Member is permitted to settle an Outright Securities Transaction using an agent.
- (f) Without limiting any other representation and warranty made by a Member in respect of an Outright Securities Transaction, each Member represents and warrants to the RBA that, at the time of the transfer to the RBA of any securities or other financial instruments pursuant to an Outright Securities Transaction:
  - (i) the Member will have the full and unqualified right to make such transfer; and
  - (ii) that upon such transfer of securities or other financial instruments the RBA will receive all right, title and interest in and to those securities or other financial instruments free and clear of any third party right or interest (including any security interest), other than any lien granted to the



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operator of the settlement system through which title to the securities or other financial instruments is transferred.

## 22. SECURITIES LENDING TRANSACTIONS

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- (a) A Member that enters into a Securities Lending Transaction with the RBA does so under the terms of this clause 22.
- (b) Each Reciprocal Purchase Transaction which forms part of a Securities Lending Transaction will be subject to the terms set out in clause 20.
- (c) Loaned Securities which the RBA is prepared to sell and purchase from time to time under a Securities Lending Transaction will be as determined by the RBA.
- (d) The RBA (and/or, in the case of AOFM Loaned Securities, the AOFM) may publish eligibility criteria for such Loaned Securities. Each Member is bound by any such eligibility criteria.
- (e) Notwithstanding anything to the contrary in any Membership Document, each Member consents to the disclosure by the RBA of any information in respect of a Securities Lending Transaction to the AOFM, including:
  - (i) the commercial terms of each Securities Lending Transaction (including the details of the Loaned Securities or other securities or financial instruments sold or purchased by a Member pursuant to a Securities Lending Transaction); and
  - (ii) any settlement failure or other default under a Securities Lending Transaction.

## 23. TERM DEPOSITS WITH THE RBA

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- (a) From time to time, the RBA may offer to take term deposits from ESA Holders.
- (b) These Regulations, including the terms set out in Annexure B, apply in respect of any such term deposit.

## 24. TENDERS

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### 24.1 Terms and conditions of a tender

- (a) The RBA may, from time to time, tender for:
  - (i) Reciprocal Purchase Transactions;
  - (ii) Outright Securities Transactions; and/or
  - (iii) term deposits.



- (b) The RBA will determine the terms and conditions of a tender and may communicate those terms and conditions to any or all Members in whatever form or format the RBA considers appropriate (which may include publication on the RBA Website).
- (c) The RBA may vary the terms and conditions of a tender at any time.
- (d) Each Member agrees that any bids it submits to the RBA in response to a tender will be subject to these Regulations and any further terms and conditions of a tender which have been determined by the RBA pursuant to paragraph (b).

#### 24.2 Offer and acceptance

- (a) A tender by the RBA for Reciprocal Purchase Transactions, Outright Securities Transactions and/or term deposits is an invitation to treat and is not to be taken to be, or to be relied upon, as an offer capable of acceptance by any Member or as creating any form of contractual, quasi contractual, restitutionary or promissory estoppel rights, or rights based on similar legal or equitable grounds, whether implied or otherwise.
- (b) The submission of a bid to the RBA by a Member will constitute an irrevocable offer by the Member to enter into a Reciprocal Purchase Transaction or Outright Securities Transaction, or make a term deposit, with the RBA on the terms and conditions specified in these Regulations, as supplemented by the further terms and conditions of the tender determined by the RBA in accordance with clause 24.1(b).

#### 24.3 Improper conduct

Members must not in relation to a tender:

- (a) engage in any collusive bids, anti-competitive conduct or any similar behaviour with any other Member or any other person;
- (b) attempt to solicit improperly information from or influence improperly any RBA Personnel; or
- (c) otherwise act in an improper manner or contrary to any applicable law.

### 25. TYPES OF MEMBERS

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- (a) Only ESA Holders can be party to a Transaction.
- (b) A Member who is not an ESA Holder can only:
  - (i) enter into a Reciprocal Purchase Transaction, Outright Securities Transaction and/or Securities Lending Transaction with the RBA; and/or
  - (ii) be a Batch Administrator who is not a Central Party.
- (c) Unless a Membership Document expressly states otherwise, a Member that became a Member in order to be subject to the terms of these Regulations that pertain to Reciprocal Purchase Transactions entered into by the Member and the RBA will be taken to have also become a Member in order to be subject to the terms of these Regulations that pertain to Outright Securities Transactions and, for the avoidance of doubt, Securities Lending Transactions entered into by the Member and the RBA.



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## 26. MEMBERSHIP APPLICATION AND APPOINTMENT

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### 26.1 Application

- (a) Any person may apply to become a Member by delivering a written application to the RBA in accordance with any process specified on the RBA Website, or such other process advised by the RBA from time to time.
- (b) In its application, an applicant may apply to be a Batch Administrator.
- (c) The RBA may ask an applicant for further information.
- (d) If the RBA decides to accept the applicant as a Member, it will advise the applicant of its decision by providing to the applicant a form of Membership Agreement to be executed by that applicant, along with any conditions of membership.
- (e) An applicant for membership that has not yet become a Member may withdraw its application at any time.

### 26.2 Initial conditions to becoming a Member

Unless otherwise approved by the RBA, an applicant will not become a Member unless and until the RBA is satisfied the following items have been provided in form and substance satisfactory to the RBA and the RBA signs the applicable Membership Agreement:

- (a) **(Membership Agreement)** an original counterpart of the Membership Agreement provided by the RBA to the applicant duly executed by the applicant;
- (b) **(other Membership Documents)** to the extent that any other Membership Document requires execution by the applicant, an original counterpart of that Membership Document duly executed by the applicant;
- (c) **(foreign legal opinion)** if the applicant is not incorporated or formed in an Australian jurisdiction, a legal opinion in relation to the Membership Documents and the applicant's jurisdiction of incorporation or formation; and
- (d) **(others)** any other items required by the RBA.

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## 27. TERMINATION, RESIGNATION AND SUSPENSION OF MEMBERS

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### 27.1 Termination of membership and resignation

- (a) The RBA can terminate a Member's membership at any time with immediate effect.
- (b) The RBA can terminate any Membership Document at any time.
- (c) Any Member can resign from being a Member by giving the RBA Notice in writing in accordance with clause 43.2. The date on which that Member ceases to be a Member is the date on which the RBA and the Member agree and the RBA will make appropriate entries in the System to give effect to that resignation.



## 27.2 Suspension of Member

- (a) The RBA may at any time suspend with immediate effect any Member if it believes:
- (i) an Insolvency Event has occurred with respect to the Member;
  - (ii) the Member has not complied with any obligations under the Membership Documents or any representation made by the Member is not true at any time;
  - (iii) the Member's conduct or continued participation is contrary to the interests of the Members, the RBA or the System;
  - (iv) the Member has or will have insufficient funds for Settlements; or
  - (v) it has lost the authority to debit or credit the Member's ESA or receive or give effect to Transactions.
- (b) To give effect to the suspension the RBA will key entries in the System which will immediately:
- (i) remove RITS Transactions not yet Settled involving the suspended Member from the System Queue and prevent them from Settling, including any Transactions that are part of a Multilateral Settlement Group, which will have the effect of preventing Settlement of that Multilateral Settlement Group;
  - (ii) reject any new FSS Transactions involving the Member;
  - (iii) prevent any new RITS Transaction involving the Member from being entered into the System;
  - (iv) cease to Reserve Funds of the suspended Member in respect of any Reservation Batch; and
  - (v) cease to accept instructions from a suspended Member that is a Batch Administrator.
- (c) If a Member is suspended and the Member is part of a Multilateral Settlement Group, the RBA may constitute a new Multilateral Settlement Group that excludes RITS Transactions of the suspended Member and deal with the remaining Transactions accordingly.
- (d) The RBA may revoke a suspension in whole or in part at any time.

## 27.3 Notice to affected Member and other Members

- (a) The RBA will Notify an affected Member of such a termination or suspension as soon as is reasonably practicable (whether before, after or at the time of the termination or suspension).
- (b) The RBA may advise other ESA Holders of the termination, resignation or suspension of an ESA Holder (before, after or at the time of the termination, resignation or suspension).

## 27.4 Continuing rights and obligations

If a Member resigns or has its membership terminated or suspended or if a Membership Document is terminated:

- (a) any rights, obligations, claims, remedies or liabilities of or against that Member which have accrued or which arise at any time in connection with anything occurring or failing to occur up until then, will continue to apply; and
- (b) each Membership Document continues to bind all other parties to it.



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### 27.5 Further assurance

Each Member will, upon its termination, resignation or suspension as a Member:

- (a) if requested by the RBA, immediately return to the RBA or destroy any copies of any Access Credentials and anything else requested by the RBA which the RBA thinks may compromise the security of the System in the possession of that Member or its Users; and
- (b) provide any assistance required by the RBA in relation to its termination, resignation or suspension as a Member.

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## 28. FEES

Each Member must pay to the RBA the fees published through the System and/or on the RBA Website from time to time.

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## 29. REPRESENTATIONS AND WARRANTIES BY MEMBERS

Each Member makes the following representations and warranties to the RBA at all times.

- (a) **(Status)** It is a corporation validly existing under the laws of the place of its incorporation specified in its Membership Documents.
- (b) **(Director probity)** Where the Member is a corporation, no director of that corporation has been:
  - (i) declared personally bankrupt within a period of 5 years prior to the date of its membership application or any other date on which the representation and warranty is made; or
  - (ii) convicted of an offence referred to in:
    - (A) section 206A of the *Corporations Act 2001* (Cth); or
    - (B) any equivalent legislation in force in any Australian State or Territory, or in any third country, which relates to the regulation of the affairs of companies.
- (c) **(Partner probity)** Where the Member is a partnership, no partner of that partnership (or director of any partner that is a corporation) has been:
  - (i) declared personally bankrupt within a period of 5 years prior to the date of its membership application or any other date on which the representation and warranty is made; or
  - (ii) convicted of an offence referred to in:
    - (A) section 206A of the *Corporations Act 2001* (Cth); or
    - (B) any equivalent legislation in force in any Australian State or Territory, or in any third country, which relates to the regulation of the affairs of companies or partnerships.



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- (d) **(Power)** It has the power to enter into and perform its obligations under the Membership Documents to which it is expressed to be a party (which expression includes these Regulations) and to carry out the transactions contemplated by those documents.
- (e) **(Corporate authorisations)** It has taken all necessary corporate action to authorise the entry into and performance of the Membership Documents to which it is expressed to be a party, and to carry out the transactions contemplated by those documents.
- (f) **(Documents binding)** Each Membership Document to which it is expressed to be a party is its valid and binding obligation enforceable in accordance with its terms, subject to any necessary stamping and registration.
- (g) **(Transactions permitted)** The execution and performance by it of the Membership Documents to which it is expressed to be a party and each transaction contemplated under those documents did not and will not violate in any respect a provision of:
- (i) a law or treaty or a judgment, ruling, order or decree of a governmental, semi-governmental or judicial entity or authority (including any self-regulatory organisation established under statute or any stock exchange) binding on it;
  - (ii) its constitution or other constituent documents; or
  - (iii) any other document or agreement which is binding on it or its assets.
- (h) **(Title)** It is the sole beneficial owner of:
- (i) all cash paid into its ESA;
  - (ii) any rights it has in relation to its ESA; and
  - (iii) any other rights it has under any Membership Document,
- free of any third party right or interest.
- (i) **(Acting as principal)** It enters into each Membership Document to which it is party and performs its obligations under it as principal and not as an agent or trustee for any other party.
- (j) **(Solvency)**
- (i) It is able to pay its debts as they fall due and has not suspended making payment of its debts generally.
  - (ii) No Insolvency Event has occurred in relation to it or will occur as a result of it entering into any Membership Document to which it is expressed to be a party.
- (k) **(No proceedings)** There is no pending or threatened action or proceeding affecting it or its assets by or before a court, governmental agency, commission or arbitrator in which a decision against it (either alone or together with other decisions) would be likely to affect the legality, validity or enforceability against it of the Membership Documents or any obligations arising under them.





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## 30. DUTIES AND UNDERTAKINGS OF MEMBERS

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### 30.1 Information

Each Member undertakes to the RBA as follows:

- (a) **(RBA request)** It will provide the RBA with all information requested by the RBA, where the RBA has a reasonable need for the information for its operational purposes or to perform its functions or exercise its powers. The Member will also obtain any required consent to such disclosure.
- (b) **(Insolvency Event)** It will immediately Notify the RBA upon becoming aware of an Insolvency Event affecting it or another Member whose Transactions the Member Settles through the System.
- (c) **(Changes to membership details)** It will as soon as practicable (but in any event within ten Settlement Days of becoming aware) provide Notice to the RBA if the Member becomes aware of any matter which has resulted in or is reasonably likely to result in, any change to any details set out in its membership application or other previous communication to the RBA.
- (d) **(Jurisdiction of incorporation)** It will not transfer its jurisdiction of incorporation or effect any merger or consolidation without first providing ten Settlement Days' Notice to the RBA (or such shorter Notice to the RBA as is necessary in order for the Member to comply with any law, regulation, rule of a stock exchange or duty of confidence, provided the Member provides the RBA with not less than two Settlement Days' Notice) and if requested by the RBA a legal opinion satisfactory to the RBA.
- (e) **(Change of Control)** It will Notify the RBA as soon as practicable (but in any event within ten Settlement Days after an event in sub-paragraphs (i) or (ii) has occurred) if:
  - (i) there is a Change of Control of the Member; or
  - (ii) the Member becomes aware of any event or circumstance which, with the passage of time or the satisfaction of conditions (or a combination of both), is likely to result in a Change of Control of the Member.

### 30.2 General undertakings

Each Member undertakes to the RBA as follows:

- (a) **(Operational requirements)** It will comply with additional operational requirements for participation in the System which are specified by the RBA from time to time outside these Regulations.
- (b) **(RBA directions)** It will promptly comply with all directions of the RBA in relation to the operation of the System, its ESA and the Settlement of any Transaction.
- (c) **(Authorisations)** It will ensure that each authorisation required for:
  - (i) the execution, delivery and performance by it of the Membership Documents to which it is expressed to be a party and the transactions contemplated by those documents; and
  - (ii) the validity and enforceability of those documents,is obtained and promptly renewed and maintained in full force and effect.
- (d) **(Corporate existence)** It will do everything necessary to maintain its corporate existence in good standing.



- (e) **(Sanctions)** It will immediately Notify the RBA if any of the following become either a ‘*designated person or entity*’ as defined in the *Autonomous Sanctions Regulations 2011* (Cth) or a ‘*proscribed person or entity*’ as defined in section 14 of the *Charter of the United Nations Act 1945* (Cth):
- (i) the Member or any of its related entities;
  - (ii) if the Member is a corporation, any of its directors; or
  - (iii) if the Member is a partnership, any partner of the partnership (or any director of any partner that is a corporation).
- (f) **(Security interests)**
- (i) It will not register a security interest (including any PPSA Security Interest) or purported security interest against the RBA.
  - (ii) It will ensure that there are no registrations against the RBA of any security interest (including any PPSA Security Interest) or purported security interest of which it or anyone acting on its behalf is registered as the secured party. If there is any such registration, it will immediately cause that registration to be removed.

### 30.3 Significant ESA balance changes

- (a) To assist the RBA in its management of domestic liquidity, each ESA Holder must advise the RBA, in advance, if the aggregate change in the ESA Holder’s end-of-day ESA balance is forecast by the ESA Holder to be greater than \$100 million (or such other amount as has been specified by the RBA for the purpose of this clause) on a Settlement Day. The advice:
- (i) must be provided by telephone or via email to the following address:  
Attention: Head, Monetary Policy Implementation, Domestic Markets Department  
  
Telephone: +61 2 9551 8321  
  
Email: DealingRoom@rba.gov.au
  - (ii) must specify the forecast aggregate change in the ESA Holder’s end-of-day ESA balance for the relevant Settlement Day (as compared against the ESA Holder’s end-of-day ESA balance for the immediately preceding Settlement Day), rounded to the nearest \$10 million; and
  - (iii) should be provided to the RBA by no later than end-of-day on the immediately preceding Settlement Day but must, in any event, be provided to the RBA by no later than 09:20 (Sydney time) on the relevant Settlement Day.
- (b) In the event that the ESA Holder’s forecast aggregate change in its end-of-day ESA balance is revised such that the advice previously provided (or not provided) by the ESA Holder to the RBA pursuant to paragraph (a) ceases to be accurate, the ESA Holder must immediately provide its revised forecast to the RBA in accordance with the requirements of sub-paragraphs (a)(i) and (a)(ii) above.
- (c) For the purposes of this clause 30.3, **end-of-day** means the end of the Daily Settlement Session for RITS Transactions (as determined in accordance with section 2 of Schedule 4).



### 30.4 Further assurances

Whenever the RBA requests a Member to do anything:

- (a) to ensure any Membership Document (or any right or power in any Membership Document) is fully effective and enforceable;
- (b) for aiding the exercise by the RBA of any right or power in any Membership Document,

the Member will do it promptly at its own cost. This may include obtaining consents, getting documents completed and signed, supplying information, delivering any documents or other information.

## 31. CONFIDENTIALITY

### 31.1 Confidentiality

The RBA agrees to keep all of each Member's Transactions and other dealings under or in connection with these Regulations, or the System, confidential and not disclose any information in relation to them except in the following circumstances:

- (a) the disclosure is made to any of its Personnel, contractors, consultants or advisers (including any lawyers, accountants, auditors and financial advisers) when required for the performance of their functions;
- (b) the information is available in the public domain through no fault of the RBA or its Personnel;
- (c) disclosure is made to a person that has the function, in Australia or in a foreign country, of supervising or regulating a foreign corporation or a trading or financial corporation formed within the limits of the Commonwealth, following a written request from the person;
- (d) subject to section 79A of the Reserve Bank Act, disclosure is required by law (including where required by a court);
- (e) disclosure is deemed by the RBA necessary in connection with any relevant dispute or proceeding to which it is or may become a party;
- (f) the Members involved expressly approve the disclosure; or
- (g) disclosure is otherwise authorised in the Membership Documents,

and each Member consents to any disclosure which is made as contemplated in paragraphs (a) to (g) above.

### 31.2 Discretionary prior disclosure of required disclosure

Before making any disclosure under clause 31.1(d) or 31.1(e), the RBA may at its discretion (but without any obligation or duty to do so) inform the Member or Members concerned. The RBA is under no obligation or duty to take any steps to resist the requirement or need to disclose as mentioned in those paragraphs.



## 32. DELEGATION

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The RBA can exercise any rights or powers through agents or attorneys.

## 33. SETTLEMENT DAY

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If a payment becomes due for payment on a day which is not a Settlement Day then, unless a Membership Document provides otherwise, the date for payment is the next Settlement Day.

## 34. INTEREST

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### 34.1 Accrual

Interest accrues on each unpaid amount which is due and payable to the RBA under or in respect of these Regulations (including interest under this clause):

- (a) on a daily basis up to the date of actual payment from (and including) the due date or, in the case of an amount payable by way of reimbursement or indemnity, the date of disbursement or loss, if earlier;
- (b) both before and after judgment (as a separate and independent obligation); and
- (c) at a rate equal to the current target cash rate as published on the RBA Website or some other rate as specified from time to time by the RBA.

### 34.2 Payment

A Member will pay interest accrued under this clause on demand by the RBA and on the last Settlement Day of each calendar quarter or as otherwise advised by the RBA. That interest is payable in the currency of the unpaid amount on which it accrues.

## 35. SET-OFF

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- (a) The RBA may set off any obligation of any type in any currency that it owes any Member (including any credit balance in any account of a Member with the RBA (whether or not matured)) against any obligation of that Member to the RBA to pay any sum then payable. The RBA need not make the set-off.
- (b) To make that set-off the RBA may convert a currency into another currency using the rate of exchange at which the RBA is able or determines it would be able, acting in good faith and using reasonable procedures, to buy or sell the relevant currencies. Any right of set-off will extinguish the relevant obligations only to the extent set off.



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## 36. WITHHOLDINGS AND DEDUCTIONS, TAXES

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### 36.1 Withholdings and deductions

The RBA may make any withholding or deduction required by any law applicable to it or a Member, and make any payment required in connection with that withholding or deduction. The RBA will not be required to gross up or otherwise increase any payment in respect of which it makes such a withholding or deduction or otherwise compensate the recipient of the payment for that withholding or deduction.

### 36.2 Taxes

Each Member agrees to pay or reimburse the RBA on demand for any taxes, levies, imposts, deductions, charges, withholdings and duties imposed by any government or statutory authority (including, without limitation, stamp and transaction duties), together with any interest, penalties, fines and expenses in connection with them payable or determined to be payable in connection with any transaction or dealing effected by that Member in relation to the System.

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## 37. INDIRECT TAXES

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- (a) All payments to be made by a Member under or in connection with any Membership Document have been calculated without regard to Indirect Tax (unless expressly stated otherwise). If all or part of any such payment is the consideration for a taxable supply or chargeable with Indirect Tax then, when the Member makes the payment:
- (i) it must pay to the RBA an additional amount equal to that payment (or part) multiplied by the appropriate rate of Indirect Tax; and
  - (ii) the RBA will promptly provide to the Member a tax invoice complying with the relevant law relating to that Indirect Tax.
- (b) Where a Membership Document requires a Member to reimburse the RBA for any costs or expenses, that Member will also at the same time pay and indemnify the RBA against all Indirect Tax, or amounts referable to Indirect Tax, incurred by the RBA in respect of the costs or expenses save to the extent that the RBA is entitled to repayment or credit in respect of the Indirect Tax. The RBA will promptly provide to the Member a tax invoice complying with the relevant law relating to that Indirect Tax.



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## 38. LIMITATION OF LIABILITY AND RESPONSIBILITY OF RBA AND INDEMNITIES TO RBA

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### 38.1 Limitation of liability

Without limiting any other provision of these Regulations but subject to clause 38.2, the RBA will not be liable for any Covered Issue of any person, including:

- (a) any act or omission of any person other than the RBA and its Personnel (including any breach of any Membership Document or misleading or deceptive conduct);
- (b) any fraud, forgery, negligence, or any act outside the scope of employment, on the part of any of the RBA's Personnel;
- (c) anything done or not done in reliance on or compliance with any instructions, documents or communications (including any entry in the System) which are or appear to the RBA to be from or on behalf of any person, or any inability to comply with instructions;
- (d) any failure to receive, or any insufficiency in, any instruction or other communication (including any entry in the System);
- (e) any bona fide exercise of any discretion, right or power by the RBA or its Personnel;
- (f) any breach of security or confidentiality;
- (g) any erroneous entry or reversal of an entry in the System, an ESA (including against a RITS Allocation or an FSS Allocation), or a Cash Account;
- (h) any variation, suspension or closure of the System (including the User Interface, LVCS, LVSS, FSS or the AIF), any Feeder System or Approved Network or any other related system or its operations;
- (i) any technological failure (including any failure of any information technology, computer, telecommunications or electrical software, hardware or system and any unauthorised access to or use of any software, hardware or system);
- (j) the termination or suspension of a Member or imposition of conditions on it;
- (k) the terms or suitability of any Membership Document, User Guide or Operational Notes or any document provided for in any Membership Document, User Guide or Operational Notes;
- (l) any amendment of any Membership Document or any failure to Notify or advise any person of the amendment;
- (m) any error or omission in, or insufficiency of, any document, information, instructions, communication, calculation, notice, Notice or advice of or by the RBA or any other person; and
- (n) any error or omission in, or insufficiency of, a User Guide or any Operational Notes.

References in this clause to 'any person' include any Member.



### 38.2 Liability of the RBA

Without limiting clauses 38.3 or 38.4 or any other provision of these Regulations (other than clause 38.1), any limitation of the liability of the RBA under clause 38.1 will not apply in relation to:

- (a) any fraud or forgery on the part of the RBA or its Personnel, to the extent that the RBA would be responsible at common law for such fraud or forgery;
- (b) any failure of the RBA or its Personnel to receive any instruction or other communication (including any entry in the System) from any other person by the relevant due time or date for receipt by the RBA of such instruction or other communication, to the extent that the failure has resulted from a negligent act or omission of the RBA or its Personnel;
- (c) any breach of security or confidentiality caused solely by a negligent act or omission of the RBA or (except in the case of fraud, forgery or any act outside the scope of their employment) the RBA's Personnel;
- (d) any erroneous entry, or any erroneous reversal of an entry, in the System, an ESA (including a RITS Allocation or an FSS Allocation) or a Cash Account where the erroneous entry or erroneous reversal is caused solely by a negligent act or omission of the RBA or its Personnel; or
- (e) any:
  - (i) error or omission in, or insufficiency of, any document, information, instructions, communication, calculation, notice, Notice or advice of or by the RBA or any other person; or
  - (ii) error or omission in, or insufficiency of, a User Guide or any Operational Notes,

where the error, omission or insufficiency results solely from a negligent act or omission of the RBA or (except in the case of fraud, forgery or any act outside the scope of their employment) the RBA's Personnel,

except that under no circumstances will the RBA be liable for any technological failure (including any failure of any information technology, computer, telecommunications or electrical software, hardware or system and any unauthorised access to or use of any software, hardware or system).

### 38.3 Special, indirect and consequential loss

Without limiting any other provision of these Regulations, the RBA will not under any circumstances be liable for any special, indirect or consequential loss of any person, including any loss of profit, revenue, income, sales, software or data, use, opportunity, goodwill, reputation, savings or business.

### 38.4 Limit and release

- (a) The maximum total liability of the RBA to Members (aggregated for all Members and all Covered Issues of the Members (including any breach of the Membership Documents)) arising under or in connection with any one event is A\$50,000,000.
- (b) Each Member waives all claims (including in respect of misleading and deceptive conduct) it may have against the RBA in respect of any Covered Issue to the extent it causes the limit under paragraph (a) to be exceeded.
- (c) For the purposes of this clause, any interrelated events or series of events, or events arising from the same systemic or other cause, will constitute one event.



- (d) If two or more Members suffer losses in respect of one event and those losses exceed the total aggregate limit under paragraph (a), the liability of the RBA to each of those Members in respect of the event will be proportional to the total loss suffered by each of those Members (such proportions to be calculated as if paragraphs (a) and (b) did not apply).

### 38.5 Indemnity

Each Member will indemnify the RBA against, and pay on demand, any Covered Issue of the RBA which is in any way related to that Member, including:

- (a) as a direct or indirect result of or in connection with any claim, action or proceeding of any nature against the RBA, its officers, employees and agents (whether or not it is adjudicated or settled) which does, or is alleged to, arise from or relate to any actual, alleged or purported act or omission of that Member or an officer, employee or agent of that Member;
- (b) as a direct or indirect result of or in connection with the RBA's exercise of any rights, discretions, powers or remedies in relation to these Regulations in relation to that Member;
- (c) in acting in reliance on any instructions, documents or communications which are or appear to the RBA to be from or on behalf of that Member; and
- (d) as a direct or indirect result of or in connection with any other acts of or on behalf of that Member, but excluding any Covered Issue to the extent to which the RBA is liable under clause 38.2.

### 38.6 Discretionary activity

Clauses 38.1, 38.2, 38.3, 38.4 and 38.5 extend to anything arising out of or connected with acts of the RBA and its Personnel, contractors and professional service providers, or the exercise of any of those parties' discretion, acting in what it or they believe to be the interests of the System or Members, even if not required under the Membership Documents.

### 38.7 No other issues

Each Member confirms and acknowledges that:

- (a) no statement made by anyone binds the RBA;
- (b) without limiting paragraph (a), no RBA Personnel has any authority to give or make on behalf of the RBA any assurance (including any advice, representation, warranty or undertaking) in relation to the System or the Membership Documents or anything done or to be done under, with or in relation to them;
- (c) it has not entered into any Membership Document in reliance on, or as a result of, any statement or conduct of any kind of or on behalf of the RBA (including any advice, warranty, representation or undertaking); and
- (d) the RBA is not obliged to do anything (including disclose anything or give advice),

except as expressly set out in these Regulations.





### 38.8 Relationship of RBA and Members

Unless expressly stated in the Membership Documents:

- (a) neither the RBA nor any Personnel, contractor, agent or adviser of the RBA is an agent or trustee of any Member and nor do they owe any fiduciary duties to the Member (even when an agent for it); and
- (b) neither a Member nor any Personnel, contractor, agent or adviser of a Member is an agent or trustee of the RBA and nor do they owe any fiduciary duties to the RBA.

### 38.9 No notice outside the System

The RBA will not be taken to have notice of anything by reason only:

- (a) that notice of it exists on the record of the Australian Securities and Investment Commission open to the public, or in any other publicly available records; or
- (b) of the fact that actual notice of it has been given to or received by the RBA,

unless details of it have been communicated to the RBA in accordance with the applicable requirements of clause 43.

### 38.10 Assumption of accuracy

The RBA may assume, without enquiry, that any statement, information, representation or warranty which is or appears to be made by a Member or administrator of an Approved Network or Feeder System is correct, and may rely upon that statement, information, representation or warranty.

## 39. WAIVERS, REMEDIES CUMULATIVE

- (a) No failure to exercise and no delay in exercising any right, power or remedy under any Membership Document operates as a waiver, nor does any single or partial exercise of any right, power or remedy preclude any other or further exercise of that or any other right, power or remedy.
- (b) Waiver of any provision of or right under a Membership Document:
  - (i) must be in writing signed by the party entitled to the benefit of that provision or right; and
  - (ii) is effective only to the extent set out in any written waiver.
- (c) The rights, powers and remedies provided to the RBA in the Membership Documents are in addition to, and do not exclude or limit, any right, power or remedy provided by law.

## 40. SEVERABILITY OF PROVISIONS

Any provision of any Membership Document which is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate the remaining provisions of that Membership Document nor affect the validity or enforceability of that provision in any other jurisdiction.



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## 41. SURVIVAL OF OBLIGATIONS

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- (a) **(Representations and warranties)** Each representation or warranty in a Membership Document survives the execution and delivery of the Membership Documents.
- (b) **(Indemnity)** Each indemnity, reimbursement or similar obligation in a Membership Document:
  - (i) is a continuing, separate and independent obligation;
  - (ii) is payable on demand; and
  - (iii) survives termination or discharge of the relevant Membership Document and the resignation, termination or suspension of a Member in accordance with clause 27.

Where a party is obliged to indemnify another party against a loss, cost, charge, liability, expense, deficiency or other amount, it will pay on demand from time to time the amount stated by the other party to be the amount indemnified against.

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## 42. ASSIGNMENT AND TITLE

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- (a) Each right or obligation of any Member under a Membership Document or in relation to any ESA is personal and not capable of assignment, transfer or any other dealing including the creation of any interest (including any security interest).
- (b) Any such purported assignment, transfer or dealing will not be effective.
- (c) Each Member is acting as principal, and not as agent or trustee or in any other capacity. The RBA is entitled to deal with it accordingly.
- (d) Without limiting paragraph (a) or (b), the RBA is not bound or compelled in any way to recognise any equitable, contingent, future, partial or other interest in any rights or entitlements in respect of the Member even when it has notice of it.
- (e) Each Member will in all cases be fully liable as principal regardless of any dealings, understandings or agreements that it may have with any person other than the RBA, or the right, title or interest of any such person.

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## 43. COMMUNICATIONS

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### 43.1 Notice to Members

All Notices to a Member in relation to a Membership Document:

- (a) must be sent or otherwise communicated:
  - (i) by mail or courier or by hand to:
    - (A) the address of the Member in the relevant Membership Agreement;



- (B) the Member's registered office in Australia; or
  - (C) any other address provided by that Member to the RBA for the purposes of this clause;
  - (ii) by facsimile to the facsimile number of the Member shown in its Membership Agreement or other facsimile number provided by that Member to the RBA; or
  - (iii) by email to an email address of the Member shown in its Membership Agreement or other email address provided by that Member to the RBA; and
- (b) will be conclusively taken to be given or made:
- (i) if it is delivered by mail, courier or by hand, when it is received or left at the relevant address;
  - (ii) if it is sent by facsimile, when the sender receives a successful transmission report unless the recipient informs the sender that it has not been received in legible form within two hours after:
    - (A) receipt, if in Business Hours; or
    - (B) if not in Business Hours, the next opening of Business Hours; or
  - (iii) if by email, as specified in clause 43.3,

but, if delivery or receipt is on a day on which business is not generally carried on in the place to which the communication is sent or is later than 5.00 pm (Sydney time), it will be conclusively taken to have been received at the commencement of business on the next day on which business is generally carried on in that place.

#### 43.2 Notice to RBA

Unless otherwise specified by the RBA, all Notices by a Member to the RBA:

- (a) must be in writing signed by an Authorised Signatory, except where otherwise provided in these Regulations;
- (b) must be sent or otherwise communicated:
  - (i) by mail or courier or by hand to the RBA at 65 Martin Place, Sydney, NSW, 2000 or GPO Box 3947, Sydney, NSW, 2001 or such other address advised by the RBA to the Member for the purposes of the relevant Membership Document;
  - (ii) except where the Member has previously instructed the RBA that communications by it may not be by facsimile, by facsimile to +61 2 9551 8063 or such other facsimile number of the RBA provided to the Member for the purposes of the relevant provision; or
  - (iii) by email to [rits@rba.gov.au](mailto:rits@rba.gov.au) or such other email address of the RBA provided to the Member for the purposes of the relevant provision; and
- (c) will be conclusively taken to be given or made:
  - (i) if it is delivered by mail or courier or by hand, when it is received or left at the relevant address;
  - (ii) if it is delivered by facsimile, when the sender receives a successful transmission report unless the recipient informs the sender that it has not been received in legible form within two hours after:



- (A) receipt, if in Business Hours; or
  - (B) if not in Business Hours, the next opening of Business Hours; or
- (iii) if by email, as specified in clause 43.3,

but, if delivery or receipt is on a day on which business is not generally carried on in the place to which the communication is sent or is later than 5.00 pm (Sydney time), it will be conclusively taken to have been received at the commencement of business on the next day on which business is generally carried on in that place.

### 43.3 Email Notices

Any Notice which may be made by or attached to an email will be effective or delivered only:

- (a) on the first to occur of the following:
  - (i) when it is dispatched by the sender to each of the email addresses specified by the recipient, unless for each of the addresses, the sender receives an automatic notification that the e-mail has not been received (other than an out of office greeting for the named addressee) and it receives the notification before two hours after the last to occur (for all addresses) of:
    - (A) dispatch, if in Business Hours; or
    - (B) if not in Business Hours, the next opening of Business Hours;
  - (ii) the sender receiving a message from the intended recipient's information system confirming delivery of the email; and
  - (iii) the email being available to be read at one of the email addresses specified by the sender; and
- (b) if the email is in an appropriate and commonly used format, and any attached file is a pdf, jpeg, tiff or other appropriate and commonly used format.

### 43.4 Other communications to Members

- (a) Except where a Membership Document expressly provides otherwise (including any provisions which require Notice from the RBA), any communication from the RBA to a Member in relation to a Membership Document (including any advice, approval, consent, demand, determination, direction or notice) may be sent or otherwise communicated:
  - (i) by:
    - (A) courier or hand delivery;
    - (B) facsimile;
    - (C) email; or
    - (D) short message service (SMS),to a Member at an address for the Member of which the RBA has previously been advised by the Member;
  - (ii) through the System;



- (iii) by publication on the RBA Website; or
  - (iv) in any other manner determined by the RBA from time to time.
- (b) Any such communication from the RBA to a Member will be conclusively taken to have been given or made at the time that it was sent or published by the RBA.

#### **43.5 Failure to notify Member**

Where a Membership Document requires the RBA to provide a Notice or any other communication to all Members or to a particular category of Members, the omission or failure of the RBA to provide the Notice or other communication to any particular Member will not affect the validity or effectiveness of that Notice or other communication.

#### **43.6 Recording of telephone communications**

The RBA and each Member:

- (a) consent to the recording of telephone conversations between the relevant Personnel of the RBA and the Member in connection with these Regulations;
- (b) agree to use their best endeavours to obtain any necessary consent of their relevant Personnel to such recordings; and
- (c) agree, to the extent permitted by applicable law, that recordings may be submitted in evidence in any proceedings.

### **44. GOVERNING LAW AND JURISDICTION**

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These Regulations are governed by the laws of New South Wales. To the extent permitted by law, so are all related matters, including any non-contractual matters. The RBA and each Member irrevocably accept the non-exclusive jurisdiction of courts with jurisdiction there, and waive any right to object to the venue on any ground.



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**SCHEDULE 1**

**Approved Networks**

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<b>Approved Network</b>
COIN, the Community of Interest Network administered by AusPayNet in accordance with the applicable COIN regulations and operating manual.
SWIFT, the Society for Worldwide Interbank Financial Telecommunication, using the FileAct service.

Superseded



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**SCHEDULE 2****Feeder Systems**

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<b>Feeder System</b>	<b>Transaction type</b>
<b>SWIFT PDS</b> , the payment delivery system using the SWIFT network and administered by AusPayNet under its High Value Clearing System.	RITS Transaction
<b>Austraclear</b> , the system owned, operated and administered by Austraclear Limited, that facilitates, among other things, settlement of transactions in debt securities.	RITS Transaction
<b>CHESS-RTGS</b> , transactions arising in the Clearing House Electronic Subregister System ( <b>CHESS</b> ) administered and operated by ASX Settlement Pty Limited that are selected for real-time gross settlement.	RITS Transaction
<b>NPP</b> , the payment system owned, operated and administered by NPP Australia Limited.	FSS Transaction

Superseded



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**SCHEDULE 3****Batch Administrators and Batches**

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<b>Name of Batch</b>	<b>Batch Stream ID</b>	<b>Batch Administrator</b>	<b>Reservation Batch?</b>	<b>Central Party Batch? If yes, name of Central Party</b>
ASX Financial Settlements	ASXF	ASX Financial Settlements Pty Limited (ACN 629 183 080)	Yes	No
CHESS	ASXB	ASX Settlement Pty Limited (ACN 008 504 532)	No	Yes, ASX Settlement Pty Limited
eftpos	ESSB	eftpos Payments Australia Limited (ACN 136 180 366)	No	No
Mastercard	MCAU	Mastercard International Incorporated	No	No
Property Batch	PEXA	Property Exchange Australia Limited (ACN 140 677 792)	Yes	No



**SCHEDULE 4****Operation times of the System for RITS Transactions****1. Sessions**

<b>Session Name</b>	<b>Operation Time (AEDT and AEST)</b>	<b>Types of RITS Transactions eligible for Settlement</b>
Morning Settlement Session	7.30 am - 8.45 am	Subject to section 9 of this Schedule: Cash transfers LVSS Transactions Some Batch Transactions Some Austraclear Feeder System Transactions
9AM Settlement Session	8.45 am - 9.15 am	Subject to section 10 of this Schedule: Some LVSS Transactions
Daily Settlement Session	9.15 am - 4.30 pm	Subject to section 11 of this Schedule: Cash transfers LVSS Transactions Batch Transactions Austraclear Feeder System Transactions SWIFT PDS Feeder System Transactions CHESS-RTGS Feeder System Transactions
Settlement Close Session	4.30 pm - 5.15 pm	Subject to section 12 of this Schedule: Cash transfers LVSS Transactions Some Batch Transactions Some Austraclear Feeder System Transactions Some SWIFT PDS Feeder System Transactions
Interim Session	5.15 pm - approximately 5.16 pm	Subject to section 13 of this Schedule: Transactions may be entered if eligible to be entered in the Evening Settlement Session. No Settlement occurs.
Evening Settlement Session	From close of Interim Session - 10.00 pm	Subject to section 14 of this Schedule: Cash transfers LVSS Transactions Some Batch Transactions Some Austraclear Feeder System Transactions Some SWIFT PDS Feeder System Transactions



## 2. Session times

Each session will begin and end at the time specified in the above table, or at the other times advised by the RBA on any given day.

## 3. Sending Eligible Settlement Files

Eligible Settlement Files may be entered in the System at any time, except during periods advised to users of the LVSS by the RBA (including during end-of-day processing and maintenance and testing activities).

## 4. Sending Eligible Transfer Files

Eligible Transfer Files may be sent at any time except during periods advised to users of the LVCS by the RBA (including during end-of-day processing and maintenance and testing activities).

## 5. Eligible Evening Transactions

In this Schedule, *Eligible Evening Transactions* are:

- (a) Evening Flagged Transactions;
- (b) Cash transfer and LVSS Transactions between two ESA Holders that are entered into the System during the Interim Session or Evening Settlement Session;
- (c) Transactions between two participants in Austraclear that are settling across their own ESAs and that are entered through the Austraclear Feeder System during the Interim Session or Evening Settlement Session;
- (d) Transactions between two Evening Agreed Members that are:
  - (i) entered in the System during the period referred to in the User Guides as the “SWIFT Final Settlement Session” or such other time as may be advised by the RBA on any given day; and
  - (ii) entered through the SWIFT PDS Feeder System and of an Evening Transaction Message Type; and
- (e) Batch Transactions where the Batch has been designated in the System as eligible to Settle in the Evening Settlement Session.

## 6. Evening Flagged Transaction

A RITS Transaction will be an *Evening Flagged Transaction* where it is:

- (a) an LVSS Transaction with a value of “BECN” in the field called “payment service”; or
- (b) between two ESA Holders that are Evening Agreed and is:
  - (i) a cash transfer or LVSS Transaction entered into the System or a Transaction entered through the Austraclear Feeder System during the Morning Settlement Session, 9AM Settlement Session, Daily Settlement Session or Settlement Close Session;
  - (ii) entered through the SWIFT PDS Feeder System during the Morning Settlement Session, 9AM Settlement Session or Daily Settlement Session; or



- (iii) entered through the SWIFT PDS Feeder System during the Settlement Close Session and is of an Evening Transaction Message Type.

## 7. Evening Transaction Message Type

In this Schedule, *Evening Transaction Message Type* means any of the following message types:

- (a) MT202; or
- (b) on and from 14 November 2022:
  - (i) pacs.009; or
  - (ii) pacs.004, if it is a return of payment for a payment sent using either of the message types described in paragraphs (a) or (b)(i) of this section 7.

## 8. ESA Members becoming and ceasing to be Evening Agreed

- (a) By keying an entry into the System, an ESA Holder may submit a request to become or cease to be Evening Agreed. If the RBA agrees, it will make a matching entry in the System, and the ESA Holder will become or cease to be Evening Agreed as applicable from the time of the RBA's entry.
- (b) The RBA may elect to be or not be Evening Agreed by entry in the System.

## 9. Morning Settlement Session

During this session:

- (a) Batch Administrators may enter Batch Transactions for Settlement where the Batch has been designated in the System by the RBA as eligible to Settle in the Morning Settlement Session.
- (b) Austraclear Feeder System Transactions between two participants in that system who are settling across their own ESAs may be entered and Settled. All other Austraclear Feeder System Transactions may be entered, but not Settled. SWIFT PDS Feeder System Transactions may be entered, but they will not be tested for Settlement.
- (c) Cash transfers may be entered and Settled.
- (d) LVSS Transactions may be entered and Settled.

## 10. 9AM Settlement Session

During this session, LVSS Transactions entered into the System prior to 8.15 am, which are designated for Multilateral Settlement and with Cash Account Status, Credit Status and ESA Status of 'active' or 'priority' at 8.15 am are tested for Settlement. These Transactions may arise from the following:

- (a) AusPayNet's Australian Paper Clearing System (APCS);
- (b) AusPayNet's Bulk Electronic Clearing System (BECS) unless settled prior;
- (c) AusPayNet's Issuers and Acquirers Community (IAC);
- (d) Cashcard;



- (e) Australian Government banking requirements;
- (f) other obligations as approved by the RBA from time to time; and
- (g) clearing interest on the above calculated by the System.

All other RITS Transactions may be entered during this session, but they will not be tested for Settlement.

#### **11. Daily Settlement Session**

The System will be available to each ESA Holder and each Batch Administrator for the entry and Settlement of all RITS Transactions and for the entry of Reservation Requests.

#### **12. Settlement Close Session**

During this session:

- (a) all RITS Transactions previously entered in the System and on the System Queue may be Settled;
- (b) Cash transfers may be entered and Settled;
- (c) Austraclear Feeder System Transactions between two participants in Austraclear that are settling across their own ESAs may be entered and Settled;
- (d) SWIFT PDS Feeder System Transactions falling within paragraph (d) of the definition of Eligible Evening Transactions may be entered for Settlement;
- (e) Batch Administrators may enter Batches for Settlement, and where relevant may enter Reservation Requests in relation to Reservation Batches, where such Batches have been designated in the System by the RBA as eligible to Settle in the Settlement Close Session; and
- (f) LVSS Transactions may be entered and Settled.

#### **13. Interim Session**

During this session:

- (a) ESA Holders and Batch Administrators may enter RITS Transactions (including, where permitted under these Regulations, through a Feeder System), and where relevant Reservation Requests in relation to Reservation Batches, into the System if they are eligible for Settlement during the Evening Settlement Session, but those Transactions will not be tested for Settlement and those Reservation Requests will not be tested for Reservation;
- (b) Settlement testing is paused and RITS Transactions that are not Evening Flagged Transactions and that are not Settlement Transactions that are part of a Reservation Batch that is eligible for Settlement in the Evening Settlement Session are deleted from the System Queue; and
- (c) Evening Flagged Transactions and Reservation Requests and RITS Transactions that are part of a Reservation Batch that is eligible for Settlement in the Evening Settlement Session remain on the System Queue for testing in the Evening Settlement Session.

#### **14. Evening Settlement Session**

During this session, subject to section 15 of this Schedule:



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- (a) ESA Holders may enter and Settle RITS Transactions, and Batch Administrators may enter Batches for Settlement, where those Transactions fall within paragraphs (b), (c), (d) or (e) of the definition of Eligible Evening Transaction.
  - (b) All Evening Flagged Transactions and Settlement Transactions that are part of a Reservation Batch previously entered in the System and on the System Queue at the end of the Settlement Close Session may be Settled.
  - (c) Reservation Requests may be entered in relation to Reservation Batches that have been designated in the System as eligible to Settle in the Evening Settlement Session.

**15. Cut-off and deletion times**

- (a) The latest time at which the System will accept a Reservation Request will be 6.05 pm AEST and 8.05 pm AEDT, or other such time as may be advised by the RBA on any given day.
- (b) The following RITS Transactions and Reservation Requests will be deleted from the System Queue at the following times or other such time as may be advised by the RBA on any given day and no further Transactions of that type may be Settled or placed in the System Queue for the remainder of the day:
  - (i) on commencement of the Interim Session — all Transactions that are not Evening Flagged Transactions or part of Reservation Batches; and
  - (ii) at completion of the period referred to as “SWIFT End Session” in the User Guides — all Transactions entered:
    - (A) through the Austraclear Feeder System;
    - (B) through the SWIFT PDS Feeder System; and
    - (C) as a part of a Batch.

In addition, any Reservation Requests will be deleted and any Reserved Funds will cease to be Reserved Funds.

**16. Multilateral Settlement Group**

Testing of RITS Transactions in a Multilateral Settlement Group will occur during the periods specified by the RBA in the System. Unless otherwise advised by the RBA, the periods for testing of Transactions in a Multilateral Settlement Group are as follows:

Multilateral Run	Start Time*	End Time
1 (9am Settlement)	8.15 am	9.15 am
2	10.45 am	11.15 am
3	1.45 pm	2.15 pm
4	4.45 pm	5.14 pm
5	7.15 pm	7.45 pm
6	9.15 pm	9.30 pm
* Transactions must be submitted prior to this time to be included in the Multilateral Settlement Group		

Superseded



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**SCHEDULE 5****Eligible Files for Low Value Services**

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**1. Eligible Settlement File**

Eligible files for acceptance by the LVSS include files containing instructions for Settlement submitted in accordance with the regulations and procedures of AusPayNet's Australian Paper Clearing System (APCS), Bulk Electronic Clearing System (BECS) and Issuers and Acquirers Community (IAC), files resulting from Cashcard obligations, files arising from Australian Government banking requirements, and any other files approved from time to time by the RBA.

**2. Eligible Transfer File**

Eligible files for acceptance by the LVCS include those exchanged in accordance with the regulations and procedures of AusPayNet's Australian Paper Clearing System (APCS), Bulk Electronic Clearing System (BECS) and Issuers and Acquirers Community (IAC), files arising from Australian Government banking requirements, and any other files approved from time to time by the RBA.

Superseded



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**SCHEDULE 6****System Queue Operations**

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**1. Treatment of RITS Transactions, Allocation Transfers from RITS Allocations and Reservation Requests entered into the System**

- (a) Subject to these Regulations, the System will submit to the System Queue for testing:
- (i) each RITS Transaction entered in the System for Settlement;
  - (ii) each RITS Transaction entered in the System which involves a payment from an ESA Holder to itself;
  - (iii) each Reservation Request entered in the System for Reservation; and
  - (iv) each Allocation Transfer from a RITS Allocation.
- (b) RITS Transactions, Allocation Transfers and Reservation Requests may be submitted to the System Queue, tested and Settled, effected or Reserved in any order, except:
- (i) Transactions in a group for which Targeted Bilateral Offset has been selected may only be tested and Settled together with the others in the group;
  - (ii) Transactions in a Batch may only be Settled together as a Batch. All Transactions in a Batch will be tested together; and
  - (iii) Transactions for which Multilateral Settlement has been selected may only be tested and Settled together with the others in a Multilateral Settlement Group.
- (c) RITS Transactions and Reservation Requests will be tested and (subject to these Regulations) Settled or Reserved at the times specified in Schedule 4.
- (d) When the System tests a RITS Transaction, it tests whether the Transaction and any other Transactions to be Settled with it satisfy clause 13.3 and can then be Settled. When it tests an Allocation Transfer, it tests whether the Allocation Transfer satisfies clause 13.4 and can then be effected.
- (e) When a RITS Transaction is sent to the System Queue for Settlement testing during a Morning Settlement Session, Daily Settlement Session or Settlement Close Session, the System Queue will check the Transaction to determine whether it is eligible to be Settled in the Evening Settlement Session, including by reference to the Evening Agreed status of the parties to the Transaction, in accordance with Schedule 4. If the Transaction is an Evening Flagged Transaction according to section 6 of Schedule 4, a flag will be added to that Transaction by the System Queue.

**2. Cash Account Status, Credit Status and ESA Status**

- (a) Each RITS Transaction on the System Queue has a Cash Account Status, a Credit Status and an ESA Status. Each of these statuses can be set to 'deferred', 'active' or 'priority'.
- (b) The payer to a RITS Transaction may set the Cash Account Status, Credit Status and ESA Status of that Transaction, and while that Transaction is on the System Queue may change the Cash Account Status, Credit Status or ESA Status of that Transaction prior to Settlement, except for:
- (i) a status of a Transaction while it is in a Multilateral Settlement Group; or





- (ii) a status of a Transaction in a Reservation Batch.
- (c) Settlement instructions contained in an Eligible Settlement File sent to the System by a receiving (payee) ESA Holder will be assigned an ESA Status of 'deferred' by the System.
- (d) Each Allocation Transfer will have a Cash Account Status, a Credit Status and an ESA Status of 'priority', unless the RBA determines that it will have an ESA Status of 'active'.

### 3. Required entries for RITS Transactions and Reservation Requests

A RITS Transaction or a Reservation Request entered into the System, in each case otherwise complying with these Regulations, will only be submitted to the System Queue if it is entered as follows:

- (a) **(Reservation Request)** For a Reservation Request, the entry must be made by the Batch Administrator.
- (b) **(Batch Transactions)** For a RITS Transaction that is part of a Batch, the entry must be made by the Batch Administrator and:
  - (i) the net payment of the Transactions within a Batch must equal zero; and
  - (ii) if the Batch has been designated in the System as having a Central Party, that Central Party must be a party to each Transaction within the Batch.
- (c) **(Feeder Systems)** For a RITS Transaction entered through a Feeder System, there must be an entry by the Feeder System.
- (d) **(LVSS)** For a RITS Transaction entered via the LVSS, there must be an entry made by one party to the Transaction (which may be either the payer or the payee).
- (e) **(RBA direct payment)** For a RITS Transaction for which the RBA is the payer and an ESA Holder is the payee, the entry must be made by the RBA.
- (f) **(User Interface)** For all other RITS Transactions entered via the User Interface (whether directly by an ESA Holder or by the RBA on behalf of an ESA Holder), there must be matching entries by the payer and the payee.

### 4. LVSS choice of settlement method

- (a) For a RITS Transaction entered via the LVSS, the party entering the Transaction into the System may choose the Settlement testing method for that Transaction: either Multilateral Settlement or as an individual Transaction.
- (b) The payer to an LVSS Transaction may alter the intended method of Settlement of the Transaction while it is on the System Queue, except for while the Transaction is in a Multilateral Settlement Group.
- (c) For a RITS Transaction entered via the LVSS, the RBA may, at its discretion, specify that the Transaction is to be tested for Settlement as an individual Transaction.

### 5. Instructions received during testing

- (a) With the exception of a Multilateral Settlement Group, the System Queue will search for, and apply, any instructions entered into the System in accordance with section 2(b) or section 4(b) of this Schedule relating to a RITS Transaction at commencement of testing of that Transaction for Settlement.



- (b) If such an instruction has not been executed by the System at the time that testing has started, it will not be applied by the System unless the Transaction does not Settle and remains on the System Queue awaiting retesting.
- (c) The RBA is not responsible for any failure to apply such instructions to a Transaction, regardless of the time at which that instruction was sent to the System.

## 6. Methods of testing for Settlement

### Auto Offset

- (a) The System will automatically designate a RITS Transaction as eligible for testing for Settlement using Auto Offset if:
  - (i) it has been on the System Queue with a Cash Account Status, Credit Status and ESA Status of 'active' or 'priority' for a period of time (currently one minute but may be varied at the discretion of the RBA); and
  - (ii) it is not:
    - (A) part of a Batch;
    - (B) designated for Settlement using Targeted Bilateral Offset; or
    - (C) designated for Multilateral Settlement.
- (b) When a Transaction has been designated as eligible for Settlement testing using Auto Offset, the System will search the System Queue for one or more other RITS Transactions between the same parties which if Settled, would provide the payer of the first Transaction sufficient funds to Settle the first Transaction.
- (c) All Transactions that pass testing for Settlement using Auto Offset will be simultaneously Settled together with the resulting movements in ESA balances reflecting each ESA Holder's net obligation. However, each individual Transaction in the selected group is Settled for the gross amount and is not subject to bilateral netting.
- (d) If they do not pass testing for Settlement using Auto Offset, the Transactions will remain on the System Queue and may be tested for Settlement as individual Transactions.

### Targeted Bilateral Offset

- (a) Two ESA Holders may by entry in the System designate two or more RITS Transactions between them as a group of Transactions to be tested for Settlement using Targeted Bilateral Offset.
- (b) A group of Transactions designated for Targeted Bilateral Offset will be simultaneously tested for Settlement together. Where the net obligation of each ESA Holder passes testing, all Transactions in the group will be Settled.
- (c) All Transactions in a group that pass testing for Settlement will be simultaneously Settled together with the resulting movements in ESA balances reflecting each ESA Holder's net obligation. However, each individual Transaction in the group is Settled for the gross amount and is not subject to bilateral netting.

### Multilateral Settlement

- (a) A RITS Transaction designated for Settlement by Multilateral Settlement will only be tested for Settlement as part of a group of Transactions as specified in this clause.



- 
- (b) The System will periodically (at intervals determined by the RBA) search the System Queue for Transactions that are designated for Settlement using Multilateral Settlement and that have a Cash Account Status, Credit Status and ESA Status of 'active' or 'priority'. Transactions which meet these criteria will be included in a group (a **Multilateral Settlement Group**) for testing by the System in accordance with this section 6 of Schedule 6.
  - (c) The System will test all Transactions in the Multilateral Settlement Group simultaneously, and will calculate the net obligation of each ESA Holder and test the net amounts for Settlement. Where these net obligations pass testing, all Transactions in the group will be Settled.
  - (d) All Transactions in a Multilateral Settlement Group that passes testing for Settlement will be Settled together with the resulting movements in ESA balances reflecting each ESA Holder's net obligation. However, each individual Transaction is Settled for the gross amount and is not subject to multilateral netting except to the extent multilateral netting occurs under an 'approved netting arrangement' under section 12 of the *Payment Systems and Netting Act 1998* (Cth).
  - (e) The System will, at the time of creation of a Multilateral Settlement Group, calculate and display each ESA Holder's net position for all transactions in the Multilateral Settlement Group and for each group of Transactions that have the same value in the field called 'payment service'.

#### Reservation Batches

- (a) If on testing of a Reservation Request in relation to a Reservation Batch there are sufficient funds in the ESA of each ESA Holder who is paying under a Transaction in the Batch, the System will Reserve the funds requested as Reserved Funds. The Reserved Funds cannot be used for any purpose other than the Settlement of the Reservation Batch unless the Batch Administrator recalls the Reservation Batch.
- (b) Once a Reservation Batch is Settled or recalled, relevant amounts are no longer Reserved as Reserved Funds.

#### 7. System Queue on suspension

If the operation of the System is wholly or partially suspended, any RITS Transaction, Allocation Transfer or Reservation Request on the System Queue at the time of suspension may, at the RBA's discretion, be deleted from the System Queue.



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## SCHEDULE 7

### Certificates and Digital Signatures

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#### 1. Definitions

The following definitions apply in this Schedule 7 unless the context requires otherwise.

**Certificate** means a certificate issued and Digitally Signed by the RBA as certification authority containing information identifying the User and the Member to whom the certificate relates, the User's Public Key, the validity period of the certificate and a serial number.

**Digital Signature** means a transformation of a message, using an asymmetric cryptosystem, such that the Relying Party, having the initial message and the signer's Public Key, can accurately determine whether the transformation was created using the Private Key that corresponds to the signer's Public Key and whether the message has been altered since the transformation was made.

**Private Key** means a mathematical key (kept secret by the holder) used to create Digital Signatures.

**Public Key** means a mathematical key that can be made publicly available and which is used to verify Digital Signatures created with its corresponding Private Key.

**Relying Party** means the entity that acts in reliance on a Certificate and the Digital Signature validated using that Certificate.

**Signed Action** means an instruction entered into the System that is Digitally Signed.

#### 2. Each User to have Certificate

Each Member must ensure that each of the Member's Users has a Certificate that correctly identifies the User.

#### 3. User obligations

Each Member must ensure that each of the Member's Users:

- (a) enrolls for a Certificate in accordance with any requirements of the RBA from time to time, including entry of correct personal information into the System when enrolling for a Certificate;
- (b) uses the Certificate only for the purpose of accessing the System and entering Signed Actions into the System;
- (c) observes the procedures for the issuance, use and revocation of Certificates that are specified by the RBA from time to time; and
- (d) maintains the confidentiality of passwords and codes used in the process of issuance and activation of a Certificate.

This does not limit clause 10 of these Regulations.



#### 4. Issue and revocation of Certificates

##### Issue of Certificate

When a Member requests a Certificate, the RBA shall:

- (a) as registration authority:
  - (i) verify to its satisfaction that the instruction received from the Member to issue a Certificate to a User or prospective User appears to have been signed by an Authorised Signatory of the Member;
  - (ii) provide the Member and the User with passwords required for activation of the Certificate; and
  - (iii) enter instructions into the System to issue a Certificate to the User; and
- (b) as certification authority issue a Certificate to the User.

##### Revocation of Certificate

When a Member requests revocation of a Certificate, the RBA shall:

- (a) as registration authority:
  - (i) verify to its satisfaction that the instruction received from the Member to revoke a Certificate of a User or prospective User appears to have been signed by an Authorised Signatory of the Member; and
  - (ii) enter instructions into the System to revoke the Certificate of the User; and
- (b) as certification authority revoke the Certificate of the User.

##### Revocation list

The RBA will maintain a certificate revocation list updated with each revoked Certificate.

#### 5. Validity of Certificates

A Certificate is valid if at the time that it is presented:

- (a) the current time and date is after the valid from date and time in the Certificate;
- (b) the current time and date is not after the valid to date and time in the Certificate;
- (c) the Member has activated the Certificate in the System;
- (d) the User that presents the Certificate is the same User recorded in the System as the owner of the Certificate;
- (e) the Certificate was issued by the RBA;
- (f) the Certificate has not been revoked by the RBA; and
- (g) the Member identified in the Certificate is the Member to which the User belongs, as recorded in the System.



## 6. Signed Actions

- (a) Without limiting clause 10.6, each Member acknowledges that the Member is responsible for all Signed Actions of Users of the Member.
- (b) An instruction for a Signed Action entered into the System will only be accepted if a valid Certificate is presented when the Signed Action is entered into the System.
- (c) When a User enters a Signed Action into the System, a Digital Signature is created from the details of the Signed Action and the User's Private Key and this Digital Signature is submitted to the System with the Signed Action.
- (d) Details of each Signed Action and the Digital Signature will be stored by the RBA and retained by the RBA in accordance with its normal archival procedures.
- (e) The following instructions in the System by a User must be Signed Actions:
  - (i) enter, amend, delete or authorise a cash transfer;
  - (ii) recall a cash transfer on the System Queue;
  - (iii) change the Cash Account Status, Credit Status or ESA Status of a Transaction on the System Queue;
  - (iv) change a default Cash Account Status, Credit Status or ESA Status;
  - (v) change the Settlement method of a Transaction received via the LVSS on the System Queue;
  - (vi) change a default Settlement method for Transactions received via the LVSS;
  - (vii) select, confirm or delete Transactions for Settlement using Targeted Bilateral Offset;
  - (viii) enter, amend, delete or authorise an LVSS Transaction;
  - (ix) upload a file to enter one or more LVSS Transactions;
  - (x) enter or authorise an instruction to recall an LVSS Transaction;
  - (xi) change an Account Sub-Limit for an ESA;
  - (xii) change an Account Limit for a Cash Account;
  - (xiii) change an Account Sub-Limit for a Cash Account;
  - (xiv) change a Member's selection of unsolicited advices or responses and advices for the LVSS;
  - (xv) change a User's own password;
  - (xvi) change User details, change User privileges or reset User passwords;
  - (xvii) activate a Certificate or revoke a Certificate;
  - (xviii) enter or delete a Batch;
  - (xix) select a Reservation Batch for Settlement;
  - (xx) upload a file relating to Reservation Batches;
  - (xxi) change settings for the provision of FSS notifications;



- (xxii) enter or amend parameters that facilitate Allocation Transfers, including an FSS Allocation reset point;
- (xxiii) request that the balance of the FSS Allocation be returned to the reset point specified in the parameters set by the ESA Holder;
- (xxiv) enter or authorise an instruction to recall from the System Queue an Allocation Transfer from the RITS Allocation; and
- (xxv) authorise a Signed Action.

#### **7. Reliance on and use of Certificates**

The RBA is the only Relying Party for Certificates. Certificates are only issued for use under these Regulations to be relied upon by the RBA. Each Member must ensure its Users' Certificates are not used for any other purpose.

Superseded



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## ANNEXURE A

### Terms Applicable to RITS Regulations Repos

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#### 1. Definitions and Interpretation

##### 1.1 Definitions

In this Annexure (including in Annex I in section 3 of this Annexure) the following terms have the following meanings:

**“AOFM Securities Lending Repo”** means an Australian Dollar Repo entered into between a Member and the RBA which constitutes, or forms part of, an AOFM Securities Lending Transaction.

**“Approved Securities Settlement System”** means a settlement system for securities that is external to the System which has been approved by the RBA for the purposes of transactions with the RBA, including Reciprocal Purchase Transactions.

**“Austraclear Regulations”** means the regulations promulgated by Austraclear Limited which govern participation in Austraclear.

**“Australian Dollar Repo”** means a Reciprocal Purchase Transaction in respect of which the Purchase Price is denominated in Australian Dollars.

**“ELA Repo”** or **“Exceptional Liquidity Assistance Repo”** means an Australian Dollar Repo entered into between a Member and the RBA for the purpose of exceptional liquidity assistance to the Member. A statement by the RBA that an Australian Dollar Repo is for the purpose of exceptional liquidity assistance to the Member or is an ELA Repo or Exceptional Liquidity Assistance Repo is conclusive and binding on the relevant Member.

**“Fixed Rate OMO Repo”** means an OMO Repo for which the Pricing Rate is set at a fixed nominal rate (rather than at a margin to a reference rate).

**“Floating Rate OMO Repo”** means an OMO Repo for which the Pricing Rate is set at a margin to a reference rate (rather than at a fixed nominal rate).

**“Foreign Currency Repo”** means a Reciprocal Purchase Transaction in respect of which the Purchase Price is denominated in a currency other than Australian Dollars.

**“Intraday AOFM Securities Lending Repo”** means an AOFM Securities Lending Repo for which the Purchase Date and the Repurchase Date are the same date.

**“Intraday SF Repo”** means an SF Repo for which the Purchase Date and the Repurchase Date are the same date.

**“OMO Repo”** or **“Open Market Operations Repo”** means an Australian Dollar Repo entered into between a Member and the RBA pursuant to the daily open market operations conducted by the RBA on each Settlement Day. For the avoidance of doubt, a Securities Lending Repo is not an OMO Repo.





**“Open AOFM Securities Lending Repo”** means an AOFM Securities Lending Repo which does not have a Repurchase Date at the time the parties enter into the AOFM Securities Lending Repo and which is, therefore, terminable on demand.

**“Open SF Repo”** means an SF Repo which does not have a Repurchase Date at the time the parties enter into the SF Repo and which is, therefore, terminable on demand.

**“RBA Securities Lending Repo”** means an Australian Dollar Repo entered into between a Member and the RBA which constitutes, or forms part of, an RBA Securities Lending Transaction.

**“RITS Regulations”** means the regulations, as amended from time to time, promulgated by the RBA in relation to the Reserve Bank Information and Transfer System.

**“Securities Lending Repo”** means an AOFM Securities Lending Repo or an RBA Securities Lending Repo.

**“SF Repo”** or **“Standing Facility Repo”** means an Australian Dollar Repo entered into between a Member and the RBA which is not an Exceptional Liquidity Assistance Repo, Open Market Operations Repo, Securities Lending Repo or TFF Repo.

**“SIFMA/ICMA Agreement”** means the Global Master Repurchase Agreement (2011 Version) published by the Securities Industry and Financial Markets Association (SIFMA) and the International Capital Market Association (ICMA), excluding all annexes (available at: [www.icmagroup.org/assets/documents/Legal/GMRA-2011/GMRA/2011\\_2011.04.20\\_formular.pdf](http://www.icmagroup.org/assets/documents/Legal/GMRA-2011/GMRA/2011_2011.04.20_formular.pdf)). The SIFMA/ICMA Agreement is referenced in these Regulations with the express permission of SIFMA and ICMA.

**“Term Funding Facility”** or **“TFF”** means the facility known as the ‘Term Funding Facility’ announced by the RBA on Thursday 19 March 2020, as amended from time to time.

**“Term ELA Repo”** means an ELA Repo for which the Purchase Date for the ELA Repo is agreed at the time the parties enter into the ELA Repo and the Repurchase Date is one or more days after the Purchase Date for the ELA Repo.

**“Term SF Repo”** means an SF Repo for which the Purchase Date for the SF Repo is agreed at the time the parties enter into the SF Repo and the Repurchase Date is one or more days after the Purchase Date for the SF Repo.

**“TFF Repo”** or **“Term Funding Facility Repo”** means an Australian Dollar Repo entered into between a Member (as Seller) and the RBA (as Buyer) pursuant to the Term Funding Facility. A statement by the RBA that an Australian Dollar Repo is pursuant to the Term Funding Facility or is a TFF Repo or Term Funding Facility Repo is conclusive and binding on the relevant Member.

## 1.2 Interpretation

In this Annexure (including in Annex I in section 3 of this Annexure):

- (a) paragraph references are to paragraphs in the SIFMA/ICMA Agreement, unless otherwise stated; and
- (b) a term which has a defined meaning in the SIFMA/ICMA Agreement or in the RITS Regulations has that meaning when used in this Annexure (including in Annex I in section 3 of this Annexure).



## 2. RITS Regulations Repos

- (a) Each Member agrees that the SIFMA/ICMA Agreement, as amended and supplemented by section 3 (SIFMA/ICMA Agreement – Annex I) of this Annexure A and, in the case of TFF Repos, also by Annexure F, will govern all Reciprocal Purchase Transactions that they enter into with the RBA in respect of securities or other financial instruments which are denominated in Australian Dollars (subject to any conditions imposed on the Member's membership). Any additional terms of a Reciprocal Purchase Transaction may be imposed or agreed in accordance with clause 2.2 or clause 2.4 of the RITS Regulations.
- (b) Any Reciprocal Purchase Transaction between the RBA and a Member which is in respect of securities or other financial instruments which are not denominated in Australian Dollars will be the subject of a separate bilateral master repurchase agreement between the RBA and the Member, unless the RBA and the Member have agreed in the confirmation for such a Repo that the terms of this Annexure A will apply.

## 3. SIFMA/ICMA Agreement – Annex I

The SIFMA/ICMA Agreement is amended by adding to it the following Annex I.

### Annex I

#### Elections

1. The following elections shall apply:
  - (a) Buy/Sell Back Transactions may not be effected under this Agreement and accordingly the Buy/Sell Back Annex shall not apply.
  - (b) Transactions in Net Paying Securities may not be effected under this Agreement.
  - (c) Agency Transactions may not be effected under this Agreement and accordingly the Agency Annex shall not apply.
  - (d) Paragraph 2(e). The Base Currency shall be Australian Dollars.
  - (e) Paragraph 2(ee). The Market Value of any Securities shall be obtained from the relevant page of Bloomberg or Reuters or, if Bloomberg or Reuters is not available, any other pricing source reasonably agreed between the parties (or, if no other pricing source can be reasonably agreed, shall be the amount which, in the opinion of the RBA (acting reasonably), represents the fair value of the Securities as of the relevant time and date, having regard to such pricing sources and methods (which may include available prices for securities with similar maturities, terms and credit characteristics as the relevant Securities) as the RBA (acting reasonably) considers appropriate).
  - (f) Paragraph 2(xx). Transaction Exposure method B shall apply.
  - (g) Paragraph 2(yy). For the purposes of paragraph 3(a) and (to the extent that it relates to paragraph 3(a)) paragraph 14, Bloomberg private pages and Reuters private pages are each agreed Electronic Messaging Systems.
  - (h) Paragraph 4(f). Interest rate on Cash Margin to be the Cash Rate. Simple interest to be accumulated daily and payable as agreed between the parties or, failing agreement, monthly.



- (i) Paragraph 4(g). Delivery period for Margin Transfer to be the same Business Day that the demand for the Margin Transfer is made if the demand is made prior to 11.00 am AEST/AEDT and the next Business Day if the demand is made after 11.00 am AEST/AEDT.
- (j) Paragraph 6(j). Paragraph 6(j) shall apply.
- (k) Paragraph 10(a)(ii). Paragraph 10(a)(ii) shall apply.
- (l) Paragraph 10(b). Automatic Early Termination shall not apply with respect to either party.
- (m) Paragraph 14. For the purposes of paragraph 14 of this Agreement, the address for notices and other communications to the RBA is:

Address: 65 Martin Place, Sydney, NSW, 2000

Attention: Head, Monetary Policy Implementation, Domestic Markets Department

Telephone: +61 2 9551 8321

Email: DealingRoom@rba.gov.au

Electronic Messaging System: Not applicable

#### Supplemental Terms

- 2. The following supplemental terms and conditions shall apply:
  - (a) In the case of Transactions in which the Pricing Rate will be negative, the parties agree that if Seller fails to deliver the Purchased Securities on the Purchase Date then:
    - (i) Buyer may by notice to Seller terminate the Transaction (and may continue to do so for every day that Seller fails to deliver the Purchased Securities); and
    - (ii) for every day that Seller fails to deliver the Purchased Securities the Pricing Rate shall be zero.
  - (b) Paragraph 4(h)(i). The parties agree that such Cash Margin shall bear interest in accordance with paragraph 4(f).
  - (c) Paragraph 4(i). The parties agree that with respect to the provisions of paragraphs 4(a) to 4(h), margin shall be calculated and provided separately for:
    - (i) OMO Repos, RBA Securities Lending Repos and Foreign Currency Repos;
    - (ii) ELA Repos and SF Repos;
    - (iii) AOFM Securities Lending Repos; and
    - (iv) TFF Repos.Accordingly, a separate Net Exposure shall be calculated, and margin shall be separately provided, in respect of each of those four categories of Transactions. For the avoidance of doubt, this paragraph 2(c) of Annex I shall not affect the provisions of paragraph 10 of the Agreement which shall operate across all Transactions in the usual way.
  - (d) Paragraph 6(a). Settlement of the Australian Dollar consideration for the first leg of an SF Repo must be, for the party which is not the RBA, across the ESA which that party holds with the RBA.



- (e) Buyer and Seller agree that no Transaction is intended to create any form of security interest (including any PPSA Security Interest).
- (f) The RBA code for Settlement of Transactions will be as specified by the RBA from time to time.
- (g) For the avoidance of doubt, clause 36.1 (*Withholdings and deductions*) of the RITS Regulations applies to each Transaction.
- (h) A Member who is party to a Term SF Repo or Term ELA Repo may Terminate that Transaction on demand.

### Amendments

3. Subject to paragraphs 4 and 14 of this Annex I, this Agreement is amended as follows:
- (a) Paragraph 1(a). Delete both instances of “, acting through a Designated Office,”.
  - (b) Paragraph 2(a)(vii). Insert “or equivalent Australian legislation” after “1986”.
  - (c) Paragraph 2(c). Replace paragraph 2(c) with:

“ “Applicable Rate” means, for the purposes of paragraphs 10(g) and 12 and any other purpose, in relation to any sum:

    - (i) denominated in Australian Dollars, the Cash Rate plus 25 basis points; and
    - (ii) denominated in a currency other than Australian Dollars, the rate specified in the Confirmation for the Foreign Currency Repo to which that sum is referable or, of if no such rate was specified or the sum is not referable to a Foreign Currency Repo, the rate selected by the RBA in a commercially reasonable manner;”.
  - (d) Paragraph 2(f)(iii). Insert a new paragraph 2(f)(iii) after paragraph 2(f)(ii) as follows:

“in relation to any obligation to make a payment in Australian Dollars not falling within (i) or (ii) above, a day on which commercial banks generally are open for business in Sydney or Melbourne; and”.
  - (e) Paragraph 2(f)(iv). Renumber the existing paragraph 2(f)(iii) as 2(f)(iv) and in that paragraph replace “(i) or (ii)” with “(i), (ii) or (iii)”.
  - (f) Paragraphs 2(ha) and 2(hb). Insert a new paragraph 2(ha) and a new paragraph 2(hb) as follows:

“(ha) “Cash Rate”, with respect to any day, the Interbank Overnight Cash Rate as published on the RBA Website (Statistical Table F1 – Interest Rates and Yields – Money Market – Daily) in respect of that day (or, if that day is not a Settlement Day, in respect of the immediately preceding Settlement Day) or, if no such rate is available in respect of that day (or, if that day is not a Settlement Day, in respect of the immediately preceding Settlement Day) at the time a determination is required to be made under this Agreement, the Cash Rate Target for that day;



- (hb) “Cash Rate Target”, with respect to any day, the Cash Rate Target as published on the RBA Website (Statistical Table F1 – Interest Rates and Yields – Money Market – Daily) in respect of that day (or, if that day is not a Settlement Day, in respect of the immediately preceding Settlement Day) or, if no such rate is available in respect of that day (or, if that day is not a Settlement Day, in respect of the immediately preceding Settlement Day) at the time a determination is required to be made under this Agreement, the cash rate target in respect of that day as determined by the RBA and otherwise published by the RBA on the RBA Website or, if no cash rate target in respect of that day has been determined by the RBA and otherwise published by the RBA on the RBA Website, such other rate in respect of that day as is determined by the RBA for the purposes of this definition (acting in its absolute discretion).
- (g) Paragraph 2(p). Delete the definition of “Designated Office”.
- (h) Paragraph 2(x). Delete the definition of “Forward Transaction”.
- (i) Paragraph 2(aa). Replace “the percentage, if any, agreed by the parties acting in a commercially reasonable manner” with “shall be nil”.
- (j) Paragraph 2(bb). Replace “, or such other proportion as the parties may agree with respect to that Transaction” with “. The RBA (in its absolute discretion) will determine whether a Margin Ratio will be applied;”.
- (k) Paragraph 2(ll). Before the semi-colon at the end of the paragraph, insert “. The Pricing Rate for a Floating Rate OMO Repo, an SF Repo, a Securities Lending Repo or an ELA Repo may be set at a margin to a reference rate, in which case the Pricing Rate applied on each day is the sum of the margin and the applicable reference rate on that day”.
- (l) Paragraph 2(ss)(i). Replace “obtained by reference to a pricing source or quoted by a bank, in each case specified by the non-Defaulting Party, in the London inter-bank market for the purchase” with “(including, without limitation, any premiums and costs of exchange payable in connection with the purchase) at which the non-Defaulting Party would be able (in good faith and using commercially reasonable procedures) to purchase the relevant amount”.
- (m) Paragraph 2(ss)(ii). Replace “London inter-bank market” with “Australian inter-bank market” and replace both references to “in London” with “in Sydney or Melbourne”.
- (n) Paragraph 2(xx). In the definition of “H” delete “if any, as agreed by the parties from time to time,” and insert “, as determined by the RBA in its absolute discretion” between “Securities” and “.”.
- (o) Paragraph 3(a). At the end of the paragraph, insert “or (in the case of an SF Repo) by entry into the Approved Securities Settlement System by Seller where appropriate”.
- (p) Paragraph 3(b). Replace paragraph 3(b) with:
- (i) in the case of a Fixed Rate OMO Repo or an RBA Securities Lending Repo, the paragraph set out in paragraph 5 of this Annex I;
  - (ii) in the case of a Floating Rate OMO Repo, the paragraph set out in paragraph 6 of this Annex I;
  - (iii) in the case of an Intraday SF Repo, the paragraph set out in paragraph 7 of this Annex I;



- (iv) in the case of a Term SF Repo, an Open SF Repo or an ELA Repo, the paragraph set out in paragraph 8 of this Annex I;
  - (v) in the case of an AOFM Securities Lending Repo, the paragraph set out in paragraph 9 of this Annex I;
  - (vi) in the case of a Foreign Currency Repo, the paragraph set out in paragraph 10 of this Annex I; and
  - (vii) in the case of a TFF Repo, the paragraph set out in paragraph 11 of this Annex I.
- (q) Paragraph 3(d). Insert after the first paragraph:

“If an Intraday SF Repo is not unwound on the Purchase Date, Seller must contact Buyer (the RBA) to request an extension of the Repurchase Date to the following Business Day. If an Intraday SF Repo is not unwound on the Purchase Date and Seller does not request an extension orally or in writing, Seller will be taken to have requested such an extension of the Repurchase Date. If Buyer (the RBA) agrees to an extension, the Pricing Rate will be increased to a rate specified by Buyer (the RBA) in its discretion and the other terms of the Intraday SF Repo may be varied by Buyer (the RBA) as it determines in its discretion. If Buyer (the RBA) does not agree to an extension, then Buyer (the RBA) may amend the terms of the Intraday SF Repo as it determines in its discretion or take any other action it determines appropriate. Confirmation of the extension of an Intraday SF Repo to a Term SF Repo with a fixed term which extends to the following Business Day occurs on Termination of the Transaction.

If an Intraday AOFM Securities Lending Repo is not unwound on the Purchase Date, the Member must contact the RBA to request that the Intraday AOFM Securities Lending Repo is amended to become an Open AOFM Securities Lending Repo. If an Intraday AOFM Securities Lending Repo is not unwound on the Purchase Date and the Member does not request an amendment for it to become an Open AOFM Securities Lending Repo (either orally or in writing), the Member will be taken to have requested such an amendment. If the RBA agrees to the requested amendment, the Pricing Rate for the AOFM Securities Lending Repo will be increased to a rate specified by the RBA in its discretion and the other terms of the Intraday AOFM Securities Lending Repo may be varied by the RBA as it determines in its discretion. If the RBA does not agree to the requested amendment, the RBA may amend the terms of the Intraday AOFM Securities Lending Repo as it determines in its discretion and may take any other action it determines appropriate. The RBA may provide the Member with written Confirmation of the amendment of an Intraday AOFM Securities Lending Repo but, if the RBA does not provide such written Confirmation, Confirmation of the amendment of the Intraday AOFM Securities Lending Repo occurs on the entry of matching entries in the Approved Securities Settlement System on Termination of the Transaction.”.

- (r) Paragraph 3(e). Insert at the beginning of the paragraph “Unless otherwise agreed, each Open SF Repo and Open AOFM Securities Lending Repo is terminable on demand and each Term SF Repo, TFF Repo and Term ELA Repo is terminable on demand by the Seller but not by the Buyer (RBA).” and insert at the end of the paragraph “A demand for Termination must be given no later than 11.00 am AEST/AEDT on a Business Day if Termination is to occur on that Business Day, except in respect of a demand for Termination of an SF Repo or ELA Repo, which must be given no later than 30 minutes prior to the Austraclear Payments Settlement Cessation Time on a Business Day if Termination of the Transaction is to occur on that Business Day, where ‘Austraclear Payments Settlement Cessation Time’ means the time, as specified by the RBA, at which Austraclear payments will be deleted from the System Queue during the ‘Evening Settlement Session’ (as defined in Schedule 4 of the RITS Regulations). In the case of a TFF Repo,



the minimum notice period for termination by Seller by demand is set out in the TFF Operational Notes (as defined in Annexure F of the RITS Regulations).”.

- (s) Paragraph 4(c). Replace:
- (i) “any amount payable to the first party under paragraph 5 but unpaid” with “any amount which will become payable to the first party under paragraph 5 from the time at which the calculation is made until the end of that day or which is payable to the first party under paragraph 5 but unpaid”; and
  - (ii) “any amount payable to the other party under paragraph 5 but unpaid” with “any amount which will become payable to the other party under paragraph 5 from the time at which the calculation is made until the end of that day or which is payable to the other party under paragraph 5 but unpaid”.
- (t) Paragraph 6(h). Replace “shall be combined in a single calculation of a net sum” with “may be combined, if agreed between the parties, in a single calculation of a net sum” and insert at the end of the paragraph “The parties are taken to have agreed to such combination in respect of each Term SF Repo, Open SF Repo and ELA Repo.”.
- (u) Paragraph 6(i). Replace “shall be combined in a single calculation of a net quantity of Securities” with “may be combined, if agreed by the parties, in a single calculation of a net quantity of Securities” and insert at the end of the paragraph “The parties are taken to have agreed to such combination in respect of each Term SF Repo, Open SF Repo and ELA Repo.”.
- (v) Paragraph 8(e). Insert a new paragraph 8(e) as follows:
- “The parties may agree from time to time that a substitution under paragraph 8 (Substitution) is to be effected by the transfer of cash.
- If agreed with respect to a variation of a Transaction made in accordance with paragraph 8(a), then, instead of transferring Securities, Seller is to transfer to Buyer cash of an amount at least equal to the Market Value (at the time of the variation) of the Equivalent Securities transferred to Seller. The amount of cash so transferred is to be considered to be New Purchased Securities for that Transaction (the Market Value of which, at any time, equals the amount of cash so transferred) and is to comprise (or be included in) the Equivalent Securities for that Transaction.
- If agreed with respect to an exchange of Margin Securities made in accordance with paragraph 8(d), then the party which was to transfer new Margin Securities is instead to transfer cash of an amount at least equal to the Market Value (at the time at which the exchange is agreed) of the Equivalent Margin Securities transferred. The amount of cash so transferred is to be considered to be Cash Margin.
- Purchased Securities in the form of cash, or Cash Margin, received in this manner:
- (i) does not bear interest; and
  - (ii) may be subsequently substituted for New Purchased Securities or new Margin Securities (respectively) in accordance with paragraph 8 (and for this purpose the Market Value of the Equivalent Securities in the form of cash, or Cash Margin, to be substituted is equal to its amount).”.
- (w) Paragraph 9(g)(iii). Delete “and” at the end of paragraph 9(g)(iii).
- (x) Paragraph 9(h). Delete “.” and insert “; and” at the end of paragraph 9(h).



- (y) Paragraph 9(i). Insert a new paragraph 9(i) as follows:

“the paying and collecting arrangements applied in relation to any Securities prior to their transfer from that party to the other under this Agreement will not have resulted in the payment of any Income in respect of such Securities to the party transferring such Securities under deduction or withholding for or on account of Australian tax.”.

- (z) Paragraph 9A. Insert a new paragraph 9A as follows:

“9A. Tax Representations, Undertakings and Indemnities

(a) Subject to sub-paragraph (d) below, the Member represents and warrants, on the date on which it enters into each Transaction, that it is a Qualifying Counterparty.

(b) Subject to sub-paragraph (d) below, the Member shall be deemed to repeat the representation and warranty in sub-paragraph (a) on each day on which Securities, Equivalent Securities, Margin Securities, Equivalent Margin Securities or Cash Margin are to be transferred or provided under the Transaction, and on each day on which the RBA is required to pay interest on Cash Margin to the Member.

(c) The Member must provide the RBA any information sought by the RBA that the RBA considers is reasonably necessary to confirm the accuracy of the representation and warranty provided by the Member in accordance with sub-paragraph (a) above.

(d) If the Member notifies the RBA in writing that it is not a Qualifying Counterparty, or if the RBA reasonably determines that it is not a Qualifying Counterparty, then, from the date the RBA receives the notification or makes the determination (as applicable):

(i) the Member is taken not to have made the representations and warranties in sub-paragraphs (a) and (b) above;

(ii) the Member shall not enter into a new Transaction with the RBA without the RBA's prior written consent, and the RBA may impose any conditions on its consent;

(iii) the RBA may terminate any existing Transactions with effect from a date not earlier than the date the RBA receives the notification or makes the determination (as applicable) by nominating that date as the Repurchase Date for those existing Transactions;

(iv) subject to sub-paragraph (d)(v) below, unless the parties otherwise agree in writing, the RBA may:

(A) withhold or deduct from any sum payable in respect of this Agreement any amounts which the RBA considers, in its absolute discretion, are or may potentially be required to be withheld or deducted by any law applicable to it; and

(B) withhold or deduct from any sum payable in respect of this Agreement an additional amount which the RBA considers, in its absolute discretion, is or may potentially be appropriate on account of any amounts required to be withheld or deducted by any law before the date the RBA receives the notification or makes the determination (as applicable), without double counting.





The RBA may make any payment required in connection with that withholding or deduction. The RBA will not be required to gross up or otherwise increase any payment in respect of which it makes such a withholding or deduction or otherwise compensate the recipient of the payment for that withholding or deduction;

- (v) the RBA will not make a withholding or deduction under sub-paragraph (d)(iv) above if, before the relevant amount is payable by the RBA, the Member provides the RBA a binding private ruling (in form and substance satisfactory to the RBA) from the Commissioner of Taxation (the Commissioner) confirming that the RBA is not required to withhold or deduct any amounts under this Agreement because of Australian Tax; and
- (vi) if the Member applies to the Commissioner under Division 359 of Schedule 1 of the Taxation Administration Act 1953 (Cth) for a binding private ruling referred to in sub-paragraph (d)(v), the Member must:
  - (A) promptly notify the RBA of the application;
  - (B) pay all fees, costs and other expenses (including legal fees) incurred by the RBA in connection with such application; and
  - (C) upon request, provide the RBA with a copy of any Member correspondence with or documents provided by the Member (including the private ruling application) to the Commissioner.
- (e) The Member shall (within three Business Days of demand by the RBA) pay to the RBA an amount equal to the loss, liability or cost which the RBA determines will be or has been (directly or indirectly) suffered for or on account of Tax by the RBA in respect of a Transaction as a result of an inaccurate representation and warranty made pursuant to this paragraph 9A (including, for the avoidance of doubt, as a result of the Member's failure to notify RBA in accordance with sub-paragraph 9A(d) in a timely manner before the relevant payment was made).
- (f) In this paragraph 9A:
  - (i) **Australian Tax** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) (**Tax**) imposed by an Australian taxing authority.
  - (ii) **Non-resident** has the meaning given to it in section 6(1) of the Tax Act.
  - (iii) **Permanent Establishment** has the meaning given to it in section 6(1) of the Tax Act.
  - (iv) **Qualifying Counterparty** means a counterparty which is beneficially entitled to any amount payable in respect of this Agreement and is:
    - (A) a Resident that does not derive the payments under this Agreement or any Transaction in part or whole in carrying on business in a country outside Australia at or through a Permanent Establishment of itself in that other country; or
    - (B) a Non-resident that derives payments under this Agreement or any Transaction in carrying on business in Australia at or through a Permanent Establishment in Australia; or



- (C) a Treaty Counterparty.
- (v) **Resident** has the meaning given to it in section 6(1) of the Tax Act.
- (vi) **Tax Act** means the *Income Tax Assessment Act 1936* (Cth).
- (vii) **Treaty Counterparty** means a counterparty which:
  - (A) is treated as a resident (as defined in the Treaty) of a Treaty State for the purposes of the Treaty;
  - (B) does not carry on a business in Australia through a permanent establishment (as defined in the Treaty) with which that counterparty's participation in the Transaction is effectively connected; and
  - (C) is entitled under the provisions of such Treaty to receive all payments under or in connection with a Transaction, or otherwise under this Agreement, without withholding or deduction for, or on account of any Australian Tax.
- (viii) **Treaty State** means a jurisdiction having a double taxation agreement (a **Treaty**) with Australia which makes provision for full exemption from tax imposed by Australia on interest paid to "financial institutions" (as defined in the relevant Treaty)."
- (aa) Paragraph 10(l)(i). Delete "or a Forward Transaction terminating before its Purchase Date".
- (bb) Paragraph 10(n). Replace with:

"Clause 35 (*SET-OFF*) of the RITS Regulations apply as if set out in full with each reference to 'a Member', 'any Member' or 'that Member' being taken as a reference to the party that is not the RBA."
- (cc) Paragraph 14(a)(iii). Insert "(in the case of the RBA) or in their Membership Agreement (in the case of the party that is not the RBA)" after "set out in Annex I".
- (dd) Paragraph 14(b)(ii). Replace with:

"if sent by email, on the date it is delivered;"
- (ee) Paragraph 14(b)(iv). Replace "on the date that electronic message is received" with "at the time when the electronic communication becomes capable of being retrieved by the recipient".
- (ff) Paragraph 14(d). Replace "facsimile number" with "email address".
- (gg) Paragraph 17. Replace with:

"The Agreement is governed by the law in force in New South Wales.

Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. Each party waives any right it has to object to an action being brought in those courts including, without limitation, by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction."
- (hh) Paragraph 19. Replace "from jurisdiction, attachment" with "from jurisdiction, (in the case of the party which is not the RBA) attachment" and replace "England" with "New South Wales".
- (ii) Paragraph 21. Insert "or any equivalent Australian legislation" after "1999".



- (jj) Paragraph 22. Insert a new paragraph 22 as follows:

**“Third Party Collateral Management Arrangements** If the parties have agreed to use a third party collateral manager in connection with the Transactions, they acknowledge that Confirmations, payments, deliveries, repricing or adjustment of Transactions, valuations and communications under this Agreement may be made in accordance with those arrangements. However, each party remains responsible for the performance of its obligations under this Agreement.”.

#### Foreign Currency Repos

4. The following supplemental provisions shall apply in respect of each Foreign Currency Repo:
- (a) **Applicable Rate.** In respect of a Foreign Currency Repo, the Applicable Rate will be as specified in the Confirmation for the Transaction.
  - (b) **Interest Convention.** In respect of a Foreign Currency Repo, the parties agree that interest will be calculated on the basis specified in the Confirmation for the Transaction.
  - (c) **Transaction Exposure.** Notwithstanding paragraph 2(xx) of the Agreement and paragraph 1(d) of this Annex I, in respect of a Foreign Currency Repo, the Transaction Exposure will be nil following the date on which Seller pays Buyer the Repurchase Price.
  - (d) **Paragraph 3(b).** In the case of a Foreign Currency Repo, replace paragraph 3(b) with the paragraph set out in paragraph 9 of this Annex I.
  - (e) **Paragraph 3(c).** At the end of the paragraph, insert “However, in the case of a Foreign Currency Repo, Seller or its agent shall transfer the Purchased Securities to Buyer on the day specified in the Confirmation for the Transaction (the “Seller Delivery Date”). Provided Buyer has received the Purchased Securities from Seller, Buyer shall pay Seller the Purchase Price on the Purchase Date.”.
  - (f) **Paragraph 3(f).** At the end of the paragraph, insert “However, in respect of a Foreign Currency Repo, on the Repurchase Date, Seller shall pay to Buyer the Repurchase Price. On the Business Day following the Repurchase Date and provided Buyer has received the Repurchase Price from Seller, Buyer shall transfer to Seller or its agent Equivalent Securities, or such other Securities as agreed between the parties.”.
  - (g) **Paragraph 6(c).** After the reference to “Transaction”, insert “, other than in the case of a Foreign Currency Repo,”.
  - (h) **Paragraph 10(a)(ii).** After the reference to “Purchase Date” insert “(or, in the case of a Foreign Currency Repo, the Seller Delivery Date specified in the Confirmation for the Transaction)”.
  - (i) **Paragraph 10(a)(ii).** After the reference to “Repurchase Date” insert “(or, in the case of a Foreign Currency Repo, the Business Day after the Repurchase Date (provided Buyer has received the Repurchase Price from Seller))”.
  - (j) **Paragraph 10(h).** After the reference to “applicable Purchase Date” insert “or, in the case of a Foreign Currency Repo, the applicable Seller Delivery Date”.
  - (k) **Paragraph 10(i).** After the reference to “applicable Repurchase Date” insert “(or, in the case of a Foreign Currency Repo, the Business Day after the Repurchase Date (provided Buyer has received the Repurchase Price from Seller))”.



## Form of Confirmations

5. In the case of a Fixed Rate OMO Repo or an RBA Securities Lending Repo, replace paragraph 3(b) with:

“Upon agreeing to enter into a Transaction under this Agreement, both Buyer and Seller must enter the relevant details of the Transaction into the Approved Securities Settlement System. The matching of such entries within the Approved Securities Settlement System constitutes confirmation of the Transaction (“Confirmation”).

The entries in the Approved Securities Settlement System must set out<sup>+</sup>:

- Purchased Securities (series identification information)
- Buyer (participant/counterpart/side)
- Seller (participant/counterpart/side)
- Purchase Date (first transaction date)
- Repurchase Date (second transaction date)#
- Face Value of the Purchased Securities (face value)
- Pricing Rate (cash rate)#
- Purchase Price (consideration)^
- Repurchase Price (unwind consideration)#

<sup>+</sup> terms in parentheses “( )” refer to data entry field labels in the Approved Securities Settlement System.

<sup>#</sup> if a separate set of matching entries is used for each leg of a Transaction, then the Repurchase Date, Repurchase Price and Pricing Rate need not be specified in either leg (being implicit from the second set of matching entries). The confirmation for each set of matching entries together form the “Confirmation” for the Transaction.

<sup>^</sup> a Margin Ratio may be applied.

The Confirmation relating to a Transaction shall, together with this Agreement, constitute prima facie evidence of the terms agreed between Buyer and Seller for that Transaction, unless objection is made with respect to the Confirmation promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, the Confirmation shall prevail in respect of that Transaction and those terms only.”

6. In the case of a Floating Rate OMO Repo, replace paragraph 3(b) with:

“Upon agreeing to enter into a Floating Rate OMO Repo, the RBA shall promptly deliver to the other party written confirmation of such Transaction (a “Confirmation”). This Confirmation may be provided in the form and in the manner determined by the RBA from time to time.

The Confirmation relating to a Transaction shall, together with this Agreement, constitute prima facie evidence of the terms agreed between Buyer and Seller for that Transaction, unless objection is made with respect to the Confirmation promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, the Confirmation shall prevail in respect of that Transaction and those terms only.



Promptly after delivery of the Confirmation for a Floating Rate OMO Repo, both Buyer and Seller must enter the relevant details of the Transaction into the Approved Securities Settlement System.

The entries in the Approved Securities Settlement System must set out<sup>+</sup>:

- Purchased Securities (series identification information)
- Buyer (participant/counterpart/side)
- Seller (participant/counterpart/side)
- Purchase Date (first transaction date)
- Repurchase Date (second transaction date)#
- Face Value of the Purchased Securities (face value)
- Pricing Rate (cash rate)#
- Purchase Price (consideration)^
- Repurchase Price (unwind consideration)#

<sup>+</sup> terms in parentheses “( )” refer to data entry field labels in the Approved Securities Settlement System.

<sup>#</sup> the Pricing Rate entered into the Approved Securities Settlement System must be the nominal value of the Pricing Rate on the Purchase Date and the Repurchase Price must be calculated, and entered into the Approved Securities Settlement System, on the assumption that that nominal Pricing Rate will prevail during the Term of the Transaction, however Buyer and Seller acknowledge and agree that these entries into the Approved Securities Settlement System are required to be made in this form due to the practical limitations of the Approved Securities Settlement System and that these entries do not vary the applicable Pricing Rate for the Transaction (as specified in the Confirmation for the Transaction) or Repurchase Price for the Transaction (as determined in accordance with this Agreement).

<sup>^</sup> a Margin Ratio may be applied.

If the nominal value of a reference rate which is used to calculate the Pricing Rate for a Transaction does not remain unchanged from (and including) the Transaction’s Purchase Date to (but excluding) the Transaction’s Repurchase Date, Buyer and Seller must each make such entries in respect of the Transaction in the Approved Securities Settlement System as are necessary to ensure that the Repurchase Price (unwind consideration) for the Transaction in the Approved Securities Settlement System is updated to correctly reflect the Repurchase Price for the Transaction as calculated in accordance with this Agreement.”

7. In the case of an Intraday SF Repo, replace paragraph 3(b) with:

“Upon agreeing to enter into an Intraday SF Repo under this Agreement:

- (i) unless otherwise advised by the RBA, both Buyer (the RBA) and Seller must enter the relevant details of the Transaction into the Approved Securities Settlement System. The RBA’s entry may be automatically generated by the Approved Securities Settlement System. The matching of such entries within the Approved Securities Settlement System constitutes confirmation of the Transaction (“Confirmation”).



The entries in the Approved Securities Settlement System must set out<sup>+</sup>:

- Purchased Securities (series identification information)
- Face Value of the Purchased Securities (face value)
- Buyer (participant/counterpart/side)
- Seller (participant/counterpart/side)
- Purchase Date (first transaction date)
- Purchase Price (consideration)<sup>^</sup>

<sup>+</sup> terms in parentheses “( )” refer to data entry field labels in the Approved Securities Settlement System.

<sup>^</sup> a Margin Ratio may be applied; or

- (ii) if the RBA so advises Seller, Buyer (the RBA) shall promptly deliver to Seller written confirmation of such Transaction (a “Confirmation”). This Confirmation may be provided in the form and in the manner determined by the RBA from time to time,

and, in either case, the Confirmation relating to a Transaction shall, together with this Agreement, constitute prima facie evidence of the terms agreed between Buyer and Seller for that Transaction, unless objection is made with respect to the Confirmation promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, the Confirmation shall prevail in respect of that Transaction and those terms only.”.

8. In the case of a Term SF Repo, an Open SF Repo or an ELA Repo, replace paragraph 3(b) with:

“Upon agreeing to enter into a Term SF Repo, an Open SF Repo or an ELA Repo, Buyer (the RBA) shall promptly deliver to Seller written confirmation of such Transaction (a “Confirmation”). A Confirmation for a Term SF Repo or Term ELA Repo must specify a Repurchase Date. Where a Confirmation for an SF Repo does not specify a Repurchase Date, the SF Repo the subject of that Confirmation is an Open SF Repo. This Confirmation may be provided in the form and in the manner determined by the RBA from time to time.

The Confirmation relating to a Transaction shall, together with this Agreement, constitute prima facie evidence of the terms agreed between Buyer and Seller for that Transaction, unless objection is made with respect to the Confirmation promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, the Confirmation shall prevail in respect of that Transaction and those terms only.”.

9. In the case of an AOFM Securities Lending Repo, replace paragraph 3(b) with:

“Upon agreeing to enter into an AOFM Securities Lending Repo under this Agreement, both Buyer and Seller must enter the relevant details of the Transaction into the Approved Securities Settlement System and the RBA may deliver to the other party written confirmation of such Transaction (a “Confirmation”) in the form and in the manner determined by the RBA from time to time. If the RBA does not deliver a written Confirmation of the Transaction to the other party, the matching of entries within the Approved Securities Settlement System will constitute the Confirmation of the Transaction.

The entries in the Approved Securities Settlement System must set out<sup>+</sup>:

- Purchased Securities (series identification information)
- Face Value of the Purchased Securities (face value)
- Buyer (participant/counterpart/side)



- Seller (participant/counterpart/side)
- Purchase Date (first transaction date)
- Purchase Price (consideration)^
- Pricing Rate (cash rate)#

+ terms in parentheses “( )” refer to data entry field labels in the Approved Securities Settlement System.

^ a Margin Ratio may be applied.

# not applicable to an Intraday AOFM Securities Lending Repo.

An AOFM Securities Lending Repo must be entered into the Approved Securities Settlement System as either:

- (i) if it is an Intraday AOFM Securities Lending Repo, two separate ‘Security Transactions’ (as defined in the Austraclear Regulations); or
- (ii) if it is an Open AOFM Securities Lending Repo, a ‘Market Repo’ (as defined in the Austraclear Regulations) that has no unwind date (i.e. that is terminable on demand).

The Confirmation relating to a Transaction shall, together with this Agreement, constitute prima facie evidence of the terms agreed between Buyer and Seller for that Transaction, unless objection is made with respect to the Confirmation promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, the Confirmation shall prevail in respect of that Transaction and those terms only.”.

10. In the case of a Foreign Currency Repo, replace paragraph 3(b) with:

“Upon agreeing to enter into a Foreign Currency Repo under this Agreement, Buyer shall promptly deliver to Seller written confirmation of such Transaction (a “Confirmation”).

The Confirmation must set out:

- Buyer
- Seller
- Purchase Date
- Repurchase Date
- Pricing Rate (accepted rate for the applicable Foreign Currency Repo)
- Purchase Price (consideration in the applicable foreign currency)^
- Repurchase Price (unwind consideration in the applicable foreign currency)
- Purchased Securities (series identification information)
- Face Value of the Purchased Securities (face value in AUD)
- Applicable Rate (default interest rate)
- Interest convention (e.g. a 360 day basis or a 365 day basis)
- Seller Delivery Date (date for delivery of securities by Seller)

^ a Margin Ratio may be applied.

The Confirmation relating to a Transaction shall, together with this Agreement, constitute prima facie evidence of the terms agreed between Buyer and Seller for that Foreign Currency Repo, unless objection is made with respect to the Confirmation promptly after receipt thereof. In the event of any



conflict between the terms of the Confirmation and this Agreement, the Confirmation shall prevail in respect of that Foreign Currency Repo and those terms only.”.

11. In the case of a TFF Repo, replace paragraph 3(b) with:

“Upon agreeing to enter into a TFF Repo, Buyer (the RBA) shall promptly deliver to Seller written confirmation of such Transaction (a “Confirmation”). This Confirmation may be provided in the form and in the manner determined by the RBA from time to time and, unless otherwise determined by the RBA, should specify that it is a Confirmation of a TFF Repo and should set out:

- Trade Date: [state trade date for the Transaction]
- Buyer: RBA
- Seller: [state name of Member]
- Purchase Date: [state Purchase Date for the Transaction]
- Repurchase Date: [state Repurchase Date for the Transaction]
- Pricing Rate (%): [state Pricing Rate for the Transaction]
- Purchase Price (AUD\$): [state Purchase Price for the Transaction]^
- Purchased Securities: [state type(s), face value in AUD and CUSIP, ISIN or other identifying number(s) for the Purchased Securities]

^ a Margin Ratio may be applied.

A TFF Repo must be entered into the Approved Securities Settlement System as two separate ‘Security Transactions’ (as defined in the Austraclear Regulations).

The Confirmation relating to a Transaction shall, together with this Agreement, constitute prima facie evidence of the terms agreed between Buyer and Seller for that Transaction, unless objection is made with respect to the Confirmation promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, the Confirmation shall prevail in respect of that Transaction and those terms only.”.

#### **Agreed securities clearance system**

12. Austraclear is an agreed securities clearance system for the purpose of paragraph 6(a)(ii).

#### **Inconsistency**

13. If there is any inconsistency between the terms of this Annex I and the terms of the Agreement (including any Annexes to the Agreement), then the terms of this Annex I prevail.

#### **FATCA**

14. The Agreement is amended as follows on account of FATCA:

(a) Paragraph 2(haa). Insert a new paragraph 2(haa) as follows:

“ “Code”, the United States of America Internal Revenue Code of 1986, as amended;”.

(b) Paragraph 2(u). Insert, after “(other than Distributions)”, “, without taking into account any deduction or withholding imposed or collected in connection with FATCA that would not have been imposed but for Buyer’s non-compliance with FATCA”.





- (c) Paragraph 2(wa). Insert a new paragraph 2(wa) as follows:

““FATCA”, Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code;”.

- (d) Paragraph 5. Insert, after “such a withholding or deduction”, “, except, where a withholding or deduction for or on account of taxes or duties has been imposed under FATCA, to the extent an equivalent or greater amount of withholding or deduction for or on account of taxes or duties would have been imposed under FATCA in respect of Income paid by the issuer on such Securities (or Margin Securities, as applicable) had Seller (or the first party, as applicable) retained the Securities (or the Margin Securities, as applicable)”.

- (e) Paragraph 6(b). Renumber the existing paragraph 6(b) as subparagraph 6(b)(i) and:

(i) in renumbered subparagraph 6(b)(i) insert, after “withheld or deducted.”, “For the avoidance of doubt, the reference to “law” in this paragraph includes FATCA. However, no additional amounts shall be payable by the paying party to the other party under this subparagraph (b)(i) to the extent that such tax is imposed or collected under FATCA.”; and

(ii) insert the following sub-paragraph 6(b)(ii):

“If the paying party is required to make a withholding or deduction under FATCA but does not so withhold or deduct, and a liability resulting from such tax is assessed directly against the paying party, then, except to the extent the other party has satisfied or then satisfies the liability resulting from such tax, the other party will promptly pay to the paying party the amount of such liability (including any related liability for interest, but including any related liability for penalties only to the extent provided in sub-paragraph b(iii)). No payment under this sub-paragraph (b)(ii) is required to be made to the extent that the relevant liability arises from any gross negligence or wilful misconduct of the paying party.”.

(iii) insert the following sub-paragraph 6(b)(iii):

“The amount of related liability for penalties shall only be payable to the paying party under sub-paragraph (b)(ii) where such penalties become due because the other party has failed to provide appropriate US tax forms.”.

- (f) Paragraph 6(k). Insert a new paragraph 6(k) as follows:

“If at any time a party (the “first party”) is required to remit an amount of tax to the Internal Revenue Service of the United States of America with respect to a payment under a Transaction in connection with FATCA, then without duplication of any amount the first party has deducted on account of such tax from any amount previously paid to the other party (the “second party”) pursuant to the Transaction, the second party shall be required to pay to the first party an amount equal to that amount of tax on the payment date on which a payment giving rise to remittance required under FATCA occurs. Upon the reasonable request of the second party with respect to any payment date, the first party will supply to the second party computations setting forth in reasonable detail the amount payable on such payment date pursuant to the preceding sentence.”.



- (g) Paragraph 6(l). Insert a new paragraph 6(l) as follows:

“For the avoidance of doubt, the imposition of any withholding or deduction pursuant to or on account of FATCA on any amounts paid or received under a Transaction shall not be treated as an Event of Default under paragraph 10 or as a material adverse effect that could cause a Tax Event under paragraph 11, even if such imposition results in either party receiving amounts that differ materially from the amount that the party would have otherwise received if no such withholding or deduction were imposed.”.

- (h) Paragraph 10(fa). Insert a new paragraph 10(fa) as follows:

“The Default Market Value determined pursuant to sub-paragraphs 10(f)(i), 10(f)(ii) or 10(f)(iii) above shall not take into account any deduction or withholding imposed or collected (or that would be imposed or collected) in connection with FATCA that would not be imposed but for the non-Defaulting Party’s non-compliance with FATCA.”.

### Japanese Provisions

15. Notwithstanding anything to the contrary in this Annex or the Agreement or the RITS Regulations:

- (a) Definitions and Interpretation

In this paragraph 15 of this Annex I:

- (i) words and phrases in quotation marks have the meaning given to the bracketed Japanese word or phrase immediately following such word or phrase in the applicable Japanese law or regulation, and such words or phrases as used in this paragraph shall be interpreted in accordance with the applicable Japanese law or regulation;
- (ii) **Japanese Member** means a Member that is incorporated, organised, established or formed under the laws of Japan;
- (iii) **Japanese Regulated Entity** means a Member that is a:
- (A) “financial institution” [*kinyu kikan*] subject to the “confirmation” [*nintei*] prescribed in Article 102(1) of the “Deposit Insurance Act” [*yokin hoken ho*] (Act No. 34 of 1971, as amended); or
- (B) “financial institution, etc.” [*kinyu kikan to*] subject to the “specified confirmation” [*tokutei nintei*] prescribed in Article 126-2(1) of the “Deposit Insurance Act” [*yokin hoken ho*]; and
- (iv) **Japanese Regulation** means any of:
- (A) the “Comprehensive Guidelines for Supervision of Major Banks, etc.” [*shuyoko to muke no sogoteki na kantoku shishin*];
- (B) the “Comprehensive Guidelines for Supervision of Small- and- Medium-Sized Enterprises and Regional Financial Institutions” [*chusho chiiki kinyukikan muke no sogoteki na kantoku shishin*];
- (C) the “Comprehensive Guidelines for Supervision of Insurance Companies” [*hoken gaisha muke no sogoteki na kantoku shishin*]; and
- (D) the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” [*kinyu shohin torihiki gyosha to muke no sogoteki na kantoku shishin*].



(b) Recognition of Japanese Contractual Stay Rules

- (i) Subject to subparagraph (ii), the RBA acknowledges and agrees that, if the Member is a Japanese Regulated Entity, the effect of the “Stay Decision” [*sutei no kettei*] and the “special provisions for procedures of creditor protection” [*saikensha hogo tetsuzuki no tokurei to*] prescribed in Article 131 of the “Deposit Insurance Act” [*yokin hoken ho*] applies to this Agreement.
- (ii) Notwithstanding anything in this Annex or this Agreement to the contrary, the provisions of subparagraph (i) above shall not apply with respect to this Agreement unless, upon a “Stay Decision” [*sutei no kettei*] being made under the “Deposit Insurance Act” [*yokin hoken ho*], the Japanese Financial Services Agency, Prime Minister or Minister of State for Financial Services issues a public statement announcing either that:
  - (A) this Agreement, and any transaction carried out for the purposes of collateralising this Agreement, as applicable, will be transferred to a successor; or
  - (B) the duration of the temporary stay designated in such “Stay Decision” [*sutei no kettei*] with respect to this Agreement, and any transaction carried out for the purposes of collateralising this Agreement, as applicable, will not exceed two business days in Japan.

(c) Additional Act of Insolvency for Japanese Parties

If the Member is a Japanese Member:

- (i) without limiting the provisions of paragraph 2(a) or 10 of this Agreement, an “Act of Insolvency” shall occur with respect to the Japanese Member immediately upon the voluntary or involuntary filing of a petition in respect of it with any court in Japan for the commencement of “bankruptcy proceedings” [*hasan tetsuzuki*], “corporate reorganisation proceedings” [*kaisha kousei tetsuzuki*] or “civil rehabilitation proceedings” [*minji saisei tetsuzuki*] of such Japanese Member (the **Close-Out Netting Event**);
- (ii) notwithstanding anything in this Annex or this Agreement to the contrary, an Early Termination Date in respect of all outstanding Transactions will occur at the time immediately upon the occurrence with respect to the Japanese Member of the Close-Out Netting Event (and the Japanese Member will be the Defaulting Party); and
- (iii) the RBA and the Member acknowledge and agree that the Agreement is intended to constitute a “Master Agreement” [*kihon keiyakusho*] as defined in the Act on Close-Out Netting of Specified Financial Institutions, etc. of Japan [*kin'yu kikan tou ga okonau tokutei kin'yu torihiki no ikkatsu seisan ni kansuru houritsu*] (Act No.108 of 1998, as amended).

## U.S. Stay Regulations

16. Notwithstanding anything to the contrary in this Annex or the Agreement or the Regulations:

(a) In this paragraph 16:

- (i) **Adhering Party** has the meaning given to the term “Adhering Party” in the ISDA Protocol;
- (ii) **Affiliate** has the meaning given in section 2(k) of the Bank Holding Company Act (12 U.S.C. 1841(k)) and section 225.2(a) of the Board's Regulation Y (12 CFR 225.2(a));
- (iii) **Covered Bank** has the meaning given to the term “covered bank” in the OCC Regulation;



- (iv) **Covered Entity** has the meaning given to the term “covered entity” in the FRB Regulation;
- (v) **Covered FSI** has the meaning given to the term “covered FSI” in the FDIC Regulation;
- (vi) **Default Right** means any:
  - (A) right of a party, whether contractual or otherwise (including, without limitation, rights incorporated by reference to any other contract, agreement, or document, and rights afforded by statute, civil code, regulation, and common law), to liquidate, terminate, cancel, rescind, or accelerate such agreement or transactions thereunder, set off or net amounts owing in respect thereto (except rights related to same-day payment netting), exercise remedies in respect of collateral or other credit support or property related thereto (including the purchase and sale of property), demand payment or delivery thereunder or in respect thereof (other than a right or operation of a contractual provision arising solely from a change in the value of collateral or margin or a change in the amount of an economic exposure), suspend, delay, or defer payment or performance thereunder, or modify the obligations of a party thereunder, or any similar rights; or
  - (B) right or contractual provision that alters the amount of collateral or margin that must be provided with respect to an exposure thereunder, including by altering any initial amount, threshold amount, variation margin, minimum transfer amount, the margin value of collateral, or any similar amount, that entitles a party to demand the return of any collateral or margin transferred by it to the other party or a custodian or that modifies a transferee's right to reuse collateral or margin (if such right previously existed), or any similar rights, in each case, other than a right or operation of a contractual provision arising solely from a change in the value of collateral or margin or a change in the amount of an economic exposure;
- (vii) **FDIC Regulation** means 12 C.F.R. §§ 382.1-7;
- (viii) **FRB Regulation** means 12 C.F.R. §§ 252.2, 252.81-88;
- (ix) **ISDA Protocol** means the ISDA 2018 U.S. Resolution Stay Protocol published by the International Swaps and Derivatives Association, Inc. on 31 July 2018 and available on the ISDA website ([www.isda.org](http://www.isda.org));
- (x) **OCC Regulation** means 12 C.F.R. §§ 47.1-8;
- (xi) **RITS Regulations QFC** means, in respect of a U.S. Covered Entity, any of the following transactions between the RBA the U.S. Covered Entity:
  - (A) a Reciprocal Purchase Transaction; or
  - (B) a Securities Lending Transaction;
- (xii) **U.S. Covered Entity** means a Member that is a Covered Bank, Covered Entity or Covered FSI; and
- (xiii) **U.S. Special Resolution Regime** means the Federal Deposit Insurance Act (12 U.S.C. 1811–1835a) and regulations promulgated thereunder and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5381–5394) and regulations promulgated thereunder.



- (b) In the event that a U.S. Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of a RITS Regulations QFC (and any interest and obligation in or under, and any property securing, a RITS Regulations QFC) from a U.S. Covered Entity will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the RITS Regulations QFC (and any interest and obligation in or under, and any property securing, the RITS Regulations QFC) were governed by the laws of the United States or a state of the United States.
- (c) In the event a U.S. Covered Entity or an Affiliate of a U.S. Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights with respect to a RITS Regulations QFC that may be exercised against the U.S. Covered Entity are permitted to be exercised by the RBA to no greater extent than the Default Rights could be exercised under the U.S. Special Resolution Regime if the RITS Regulations QFC was governed by the laws of the United States or a state of the United States.
- (d) Notwithstanding anything to the contrary in the ISDA Protocol and regardless of whether the RBA or a Member becomes an Adhering Party before or after or at the same time that this paragraph 16 becomes effective, the RBA and each Adhering Party agree (including for the purpose of clause 3(b) of the ISDA Protocol) that the ISDA Protocol shall not apply to the RITS Regulations or any RITS Regulations QFC and, accordingly, that neither the RITS Regulations nor any RITS Regulations QFC will be a "Protocol Covered Agreement" for the purposes of the ISDA Protocol.

#### EU BRRD II Resolution Stay Contractual Recognition

17. Notwithstanding anything to the contrary in this Annex or the Agreement:

(a) Definitions and Interpretation

In this paragraph 17 of this Annex I:

- (i) references to the Stay Powers as transposed under each Relevant National Law are contained in the EU Stay Law Annex;
- (ii) **Covered Member State** means a member state of the European Economic Area that is included in the EU Stay Law Annex;
- (iii) **EU BRRD** means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended by Directive 2019/879/EU;
- (iv) **EU BRRD Entity** means a Member that is subject to a Stay Recognition Requirement;
- (v) **EU Stay Law Annex** means Version 2.0 of the document described as such published by the International Swaps and Derivatives Association, Inc., dated 31 March 2022;
- (vi) **Master Agreement** means the SIFMA/ICMA Agreement, as amended and supplemented by the RITS Regulations;
- (vii) **Relevant National Law** means, in relation to a Covered Member State, the laws, regulations, rules or requirements implementing EU BRRD (or pursuant to which EU BRRD is directly applicable) as described in the EU Stay Law Annex that are applicable to the relevant EU BRRD Entity;
- (viii) **Relevant Resolution Authority** means the resolution authority with the ability to exercise the Stay Powers as transposed in the Relevant National Law in relation to the relevant EU BRRD Entity.



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- (ix) **Stay Powers** means the powers under Articles 33a, 69, 70 and 71 of EU BRRD and the conditions under Article 68 of EU BRRD.
- (x) **Stay Recognition Requirement** means the requirements set forth under Article 71a of EU BRRD as transposed by the Relevant National Law.
- (b) EU BRRD II Resolution Stay Contractual Recognition
- (i) Subject to subparagraph (ii), the RBA and each EU BRRD Entity:
- (A) acknowledge and accept that the Master Agreement may be subject to the exercise of powers by the Relevant Resolution Authority to suspend or restrict rights and obligations arising from the Master Agreement under Articles 33a, 69, 70 and 71 of EU BRRD as transposed by the Relevant National Law and that the conditions set out in Article 68 of EU BRRD as transposed by the Relevant National Law will apply;
- (B) acknowledge and accept that the RBA and each EU BRRD Entity are bound by the effect of an application of (aa) the suspension of any payment or delivery obligation in accordance with Article 33a of BRRD as transposed by the Relevant National Law; (bb) the suspension of any payment or delivery obligation in accordance with Article 69 of BRRD as transposed by the Relevant National Law; (cc) the restriction of enforcement of any security interest in accordance with Article 70 of BRRD as transposed by the Relevant National Law; and (dd) the suspension of any termination right under the Master Agreement in accordance with Article 71 of BRRD as transposed by the Relevant National Law; and
- (C) acknowledge and accept that the RBA and each EU BRRD Entity are bound by the provisions of Article 68 of BRRD as transposed by the Relevant National Law.
- (ii) For the avoidance of doubt, subparagraph (i) does not constitute a waiver by the RBA of any exclusion of central banks (including the RBA) from the scope of Articles 33a, 69, 70 or 71 of EU BRRD as transposed by the Relevant National Law and any such exclusions will continue to apply notwithstanding subparagraph (i).



## ANNEXURE B

### Terms applicable to term deposits with the RBA

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The RBA provides a facility for taking term deposits under clause 23 of the RITS Regulations on the following terms and conditions:

#### 1. Definitions and interpretation

- (a) Definitions from the RITS Regulations apply to this Annexure and in addition:
- (i) **Cash Rate Target** means, in respect of any day, the RBA's target for the cash rate for that day as published by the RBA on the RBA Website.
  - (ii) **Fixed Rate** means the per annum percentage rate for the calculation of interest applicable to a fixed rate term deposit held with the RBA on the terms and conditions of this Annexure, as agreed by the RBA and the relevant Member in relation to that fixed rate term deposit.
  - (iii) **Margin** means the difference between the Cash Rate Target and the interest rate applicable to a floating rate term deposit held with the RBA on the terms and conditions of this Annexure, as agreed by the RBA and the relevant Member in relation to that floating rate term deposit.
  - (iv) **RITS Cash Transfer** means the transfer of funds between Exchange Settlement Accounts undertaken using specified functionality in the System.
- (b) Any specification, advice or other information to be communicated by the RBA to a Member pursuant to this Annexure may be communicated by the RBA in whatever form or format the RBA considers appropriate. This may include publication on the RBA Website.

#### 2. Interest payable on a floating rate term deposit

- (a) A floating rate term deposit will be paid a rate of interest equal to the weighted average Cash Rate Target over the term of the term deposit plus the agreed Margin for that term deposit.
- (b) Interest is paid at maturity and is calculated as per the following formula:

$$V = P \left( 1 + (R + M) \frac{D}{365} \right)$$

where:

V = proceeds at maturity;

P = principal amount of the term deposit;

R = weighted average of the Cash Rate Target on each day from (and including) the settlement date for the term deposit to (but excluding) the maturity date for the term deposit, expressed as a decimal (e.g. a rate of 7.25% means R = 0.0725);

M = Margin to the Cash Rate Target, expressed as a decimal (e.g. a margin of 5 basis points under the Cash Rate Target means M = -0.0005); and

D = term of the term deposit in days, from (and including) the settlement date for the term deposit to (but excluding) the maturity date for the term deposit, except that the term of the term



deposit will be zero if the settlement date and the maturity date of the term deposit are the same date.

- (c) A break fee may apply if the term deposit is withdrawn prior to its maturity date, as specified in sections 5 and 6 below.

### 3. Interest payable on a fixed rate term deposit

- (a) A fixed rate term deposit will be paid a rate of interest equal to the agreed Fixed Rate for that term deposit.
- (b) Interest is paid at maturity and is calculated as per the following formula:

$$V = P \left( 1 + Y \frac{D}{365} \right)$$

where:

V = proceeds at maturity;

P = principal amount of the term deposit;

Y = the fixed rate for the term deposit, expressed as a decimal (e.g. a rate of 7.25% means  $Y = 0.0725$ ); and

D = term of the term deposit in days, from (and including) the settlement date for the term deposit to (but excluding) the maturity date for the term deposit, except that the term of the term deposit will be zero if the settlement date and the maturity date of the term deposit are the same date.

- (c) A break fee may apply if the term deposit is withdrawn prior to its maturity date, as specified in sections 5 and 7 below.

### 4. Settlement

- (a) Each term deposit is to be Settled by RITS Cash Transfer in a single Transaction:
- (i) on the settlement date for that term deposit agreed to by the RBA and the relevant Member; and
  - (ii) by the time (if any) on that settlement date specified by the RBA.
- (b) The RBA code for Settlement of term deposits will be as specified by the RBA.
- (c) On the maturity date of a term deposit, the proceeds (including any interest owing) will be paid to the Member's ESA by RITS Cash Transfer in a single Transaction or by any other means (including to any nominee of the Member) to which the RBA agrees.

### 5. Breaking a term deposit

- (a) Subject to the other provisions of this Annexure, a term deposit may be withdrawn on a Settlement Day prior to its maturity date at any time(s) specified by the RBA.
- (b) The minimum amount of a term deposit which may be withdrawn prior to its maturity will be as advised by the RBA from time to time. If the residual principal following an early withdrawal is less





than the minimum required size of a term deposit as advised by the RBA from time to time, only the entire term deposit may be withdrawn prior to its maturity.

- (c) If a term deposit is partially withdrawn:
- (i) the principal partially withdrawn will accrue interest (which will become due and payable on the early withdrawal date) in accordance with the formula in section 2 or 3 above (as applicable), except as if each reference to the maturity date of the term deposit were a reference to the early withdrawal date for the term deposit;
  - (ii) the remaining principal not withdrawn will accrue interest (which will become due and payable on the originally scheduled maturity date) from its original settlement date in accordance with the formula in section 2 or 3 above (as applicable), except as if the reference to the principal amount of the term deposit were to the original amount of the term deposit less the principal partially withdrawn prior to the original maturity date of the term deposit; and
  - (iii) the remaining principal not withdrawn may only be subsequently withdrawn prior to its originally scheduled maturity date in whole (not in part) and otherwise in accordance with the provisions of this Annexure which apply to the early withdrawal of a term deposit.

#### 6. Break fee – floating rate term deposit

The proceeds paid on the early withdrawn portion of a floating rate term deposit will be reduced by a break fee which is calculated in accordance with the following formula:

$$BF = \left( \frac{Z \times CP}{365} \right)$$

where:

BF = break fee;

CP = value of the principal the subject of the early withdrawal; and

Z = the interest rate adjustment set by the RBA for the early withdrawal of term deposits (as applicable on the settlement date of the term deposit), as published by the RBA on the RBA Website and expressed as a decimal (e.g. an interest rate adjustment set at 25 basis points means  $Z = 0.0025$ ). The figure 'Z' need not be a constant and may vary, including by reference to the features of a term deposit and/or the early withdrawal date.

#### 7. Break fee – fixed rate term deposit

(a) The proceeds paid on the early withdrawn portion of a fixed rate term deposit will be reduced by a break fee which is calculated in accordance with the following formula:

$$BF = \left( \frac{Z \times CP}{365} \right) + \text{MAX}\{0, Y^*\} \frac{D - DE}{365}$$

where:

BF = break fee;

CP = value of the principal the subject of the early withdrawal;

Z = the interest rate adjustment set by the RBA for the early withdrawal of term deposits (as applicable on the settlement date of the term deposit), as published by the RBA on the RBA



Website and expressed as a decimal (e.g. an interest rate adjustment set at 25 basis points means  $Z = 0.0025$ ). The figure 'Z' need not be a constant and may vary, including by reference to the features of a term deposit and/or the early withdrawal date;

$Y^*$  = the amount determined by the RBA in accordance with paragraph (b) below;

$D$  = term of the term deposit in days, from (and including) the settlement date for the term deposit to (but excluding) the original maturity date for the term deposit (the **Original Term**), except that the term of the term deposit will be zero if the settlement date and the original maturity date of the term deposit are the same date; and

$DE$  = elapsed term of the term deposit in days, from (and including) the settlement date for the term deposit to (but excluding) the early withdrawal date for the term deposit, except that the elapsed term of the term deposit will be zero if the settlement date and the early withdrawal date of the term deposit are the same date.

- (b) The RBA will calculate  $Y^*$  as:
- (i) the interest rate implied by overnight indexed swaps on the early withdrawal date for the period from (and including) the early withdrawal date for the term deposit to (but excluding) the original maturity date for the term deposit;  
minus
  - (ii) the interest rate implied by overnight indexed swaps for the Original Term on the day that the term deposit was agreed by the Member and the RBA,  
quoted on an actual/365 day and per annum basis and expressed as a percentage stated to two decimal places.
- (c) The RBA will be solely responsible for the determination of the value of  $Y^*$  and the RBA's determination will be final and conclusive unless the Member (acting reasonably) considers there to be a manifest error in the RBA's calculation of  $Y^*$ , in which case the Member's sole remedy will be to require the RBA to re-perform its calculation of  $Y^*$ .
- (d) Each Member acknowledges and agrees that the calculation of  $Y^*$  will require expert judgment on the part of the RBA.



**ANNEXURE C**

[Not Used]

Superseded



**ANNEXURE D**

**Form of Notice of Appointment of Agent**

**RITS LOW VALUE SERVICES – APPOINTMENT OF AGENT FORM**

To: Senior Manager, Business Policy and Services  
Payments Settlements Department  
Reserve Bank of Australia  
GPO Box 3947  
Sydney NSW 2001

Fax: +61 2 9551 8063      Email: [ritsmembership@rba.gov.au](mailto:ritsmembership@rba.gov.au)

**1. Member Details**

<b>Company Name:</b>	
<b>Australian Business Number (ABN):</b>	

**2. Agent Details**

<b>Company Name:</b>	
<b>Australian Business Number (ABN):</b>	

**3. Low Value Clearing Service**

<b>Payment Service(s)</b>	APCS / BECS / CECS* / Other (Please specify) _____
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**4. Low Value Settlement Service**

<b>Payment Service(s)</b>	APCS / BECS / CECS* / Cashcard / Other (Please specify) _____
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**5. Date Authorisation takes effect:** \_\_\_\_\_

The above named Member authorises the above named Agent to act on its behalf in respect of Eligible Transfer Files sent and received using the Low Value Clearing Service, and/or Eligible Settlement Files sent and responses and advices received using the Low Value Settlement Service. This authority shall continue in full force until the Reserve Bank of Australia receives Notification in writing from the Member that replaces or revokes this authority.

**6. Authorised<sup>†</sup> by:**

..... Signature	..... Signature
..... Name	..... Name
..... Authorising Capacity	..... Authorising Capacity
..... Date	..... Date

\* This refers to the Issuers and Acquirers Community (IAC).

<sup>†</sup> Must be signed in accordance with Signing Instructions for RITS Membership Legal Documents provided by the Reserve Bank of Australia from time to time.



**FAST SETTLEMENT SERVICE – APPOINTMENT OF AGENT FORM**

To: Senior Manager, Business Policy and Services  
Payments Settlements Department  
Reserve Bank of Australia  
GPO Box 3947  
Sydney NSW 2001

Fax: +61 2 9551 8063      Email: [ritsmembership@rba.gov.au](mailto:ritsmembership@rba.gov.au)

**1. Member Details**

<b>Company Name:</b>	
<b>Australian Business Number (ABN):</b>	
<b>RITS Member Code</b>	
<b>BIC (8 characters)</b>	

**2. Agent Details**

<b>Company Name:</b>	
<b>Australian Business Number (ABN):</b>	
<b>BIC (8 characters)</b>	

**3. Feeder System Details**

<b>Feeder System Name:</b>	NPP
<b>Back office Service Code(s)</b>	
<b>Reporting and notifications</b>	FSS notifications / End-of-day report

**4. Date Authorisation takes effect:** \_\_\_\_\_

The above named Member authorises the above named Agent to act on its behalf in respect of FSS Transactions sent to the FSS and notifications received from the FSS, where applicable. This authority shall continue in full force until the Reserve Bank of Australia receives Notification in writing from the Member that replaces or revokes this authority.

**5. Authorised\* by:**

..... Signature	..... Signature
..... Name	..... Name
..... Authorising Capacity	..... Authorising Capacity
..... Date	..... Date

\* Must be signed in accordance with Signing Instructions for RITS Membership Legal Documents provided by the Reserve Bank of Australia from time to time.



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**ANNEXURE E****Form of Membership Agreement**

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**AGREEMENT BETWEEN:**

**Reserve Bank of Australia** at 65 Martin Place, Sydney NSW 2000 (**RBA**) (on behalf of itself and each Member) and

[name and address of New Member] (the **New Member**).

**1. Definitions**

(a) In this Agreement:

**RITS Regulations** means the regulations in relation to the System commencing on the Rewrite Adoption Date, as amended from time to time.

(b) Definitions and interpretations in the RITS Regulations apply in this Agreement.

**2. Agreement**

(a) This is an agreement between the New Member, each other Member and the RBA.

(b) This Agreement is a Membership Agreement for the purposes of the RITS Regulations.

**3. Incorporation of terms**

The terms of the RITS Regulations are incorporated in this Agreement as if set out in full and bind the New Member (and the RBA and each other Member).

**4. All existing Members bound**

The RBA enters into this Agreement on behalf of itself and all existing Members but does not warrant or give any assurance that it has authority to enter into this Agreement on behalf of the existing Members.

**5. Additional conditions of membership**

Additional conditions of membership (if any) are set out in Attachment A to this Agreement.

**6. Notices under the Membership Documents**

Following are the address and other details for Notices by the RBA to the New Member under any Membership Document:

Address: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Email: \_\_\_\_\_  
Attention: \_\_\_\_\_



**7. Repo communications**

For the purposes of paragraph 3(cc) of Annex I in section 3 of Annexure A to the RITS Regulations, the New Member’s address for notices and other communications from the RBA to the New Member under the SIFMA/ICMA Agreement are:

Address: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Email: \_\_\_\_\_  
Electronic Messaging System: \_\_\_\_\_

**8. Commencement**

This Agreement takes effect on and from [date]/[the date on which it has been signed by both parties]

**9. Counterparts**

This Agreement may be executed in any number of counterparts, each executed by one or more parties. The parties may (without limitation) do this by an exchange of electronic copies of the executed Agreement or counterparts of this Agreement. All counterparts taken together constitute one agreement.

**10. Governing law and jurisdiction**

This Agreement is governed by the laws of New South Wales. To the extent permitted by law, so are all related matters, including any non-contractual matters. The RBA and each Member irrevocably accept the non-exclusive jurisdiction of courts with jurisdiction there, and waive any right to object to the venue on any ground.

Each attorney executing this Agreement states that he or she has no notice of revocation or suspension of his or her power of attorney.



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**Reserve Bank of Australia**

**Signed** by **Reserve Bank of Australia** by its  
Attorney under Power:

---

Signature of attorney

---

Date

---

Name of attorney

---

Title of attorney

in the presence of:

---

Signature of witness

---

Name of witness

Superseded





**Member**

**Signed** for [\*] by its attorney under power of attorney dated [\*] in the presence of:

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Attorney Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address of witness

\_\_\_\_\_  
Date

\_\_\_\_\_  
Occupation of witness

**Executed** in accordance with section 127 of the *Corporations Act 2001* by [\*]:

\_\_\_\_\_  
Director Signature

\_\_\_\_\_  
Director/Secretary Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Must be signed in accordance with Signing Instructions for RITS Membership Legal Documents provided by the Reserve Bank of Australia from time to time.



## Attachment A – Additional Conditions of Membership

[Insert either 'There are no additional conditions of membership' or the applicable additional conditions of membership]

Superseded



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## ANNEXURE F

### Additional Terms Applicable to Term Funding Facility (TFF) Repos

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#### 1. Definitions

In this Annexure, terms which are defined in Annexure A (including by incorporation from the SIFMA/ICMA Agreement) have the same meaning and the following terms have the following meanings:

“**APRA**” means the Australian Prudential Regulation Authority.

“**APRA Reporting Standard**” means:

- (a) APRA Reporting Standard ARS 720.1 ABS/RBA Loans and Finance Leases in *Financial Sector (Collection of Data) (reporting standard) determination No. 3 of 2019* (Cth);
- (b) APRA Reporting Standard ARS 742.0 ABS/RBA Business Credit Stocks, Flows and Interest Rates in *Financial Sector (Collection of Data) (reporting standard) determination No. 11 of 2019* (Cth);  
or
- (c) APRA Reporting Standard ARS 323.0 Statement of Financial Position (Licensed ADI) in *Financial Sector (Collection of Data) (reporting standard) determination No. 27 of 2019* (Cth).

“**Commonwealth Agency**” means:

- (a) a body corporate or an unincorporated body established or constituted for a public purpose by Commonwealth legislation, or an instrument made under that legislation (including a local authority);
- (b) a body established by the Governor-General or by a Minister of State of the Commonwealth including departments; or
- (c) a body corporate or an unincorporated body over which the Commonwealth exercises control.

“**Credit Outstanding**” means:

- (a) Total Credit Outstanding;
- (b) Large Business Credit Outstanding; or
- (c) SME Credit Outstanding.

“**Excess Amount**” means, in relation to TFF Terminated Repos and TFF Replacement Repos under section 5.3(c) of this Annexure F, the amount by which the aggregate Purchase Price of all TFF Terminated Repos exceeds the aggregate Purchase Price of all TFF Replacement Repos.

“**Large Business Credit Outstanding**” means, in respect of a Member and a particular date, the Australian Dollar amount required to be specified by the Member (or the Australian Dollar amount that would be required to be specified by the Member if the Member was subject to the applicable APRA Reporting Standard) for that date, as specified in the TFF Operational Notes.

“**Prescribed Agency**” means a Commonwealth Agency that has been prescribed by regulations for the purposes of section 79A(4)(c) of the Reserve Bank Act.

“**Replacement TFF Repo**” has the meaning given to it in section 5.3(b) of this Annexure F.



**“SME Credit Outstanding”** means, in respect of a Member and a particular date, the sum of the Australian Dollar amounts required to be specified by the Member (or the Australian Dollar amounts that would be required to be specified by the Member if the Member was subject to the applicable APRA Reporting Standard) for that date, as specified in the TFF Operational Notes.

**“Terminated TFF Repo”** has the meaning given to it in section 5.3(b) of this Annexure F.

**“TFF Additional Allowance”** means, in relation to a Member on any day, the amount (if any) which has most recently been Notified by the RBA to the Member as its TFF Additional Allowance for the purposes of these Regulations (as determined by the RBA in its absolute discretion).

**“TFF Drawn Amount”** means, in relation to a Member on any day, the aggregate Purchase Price of all outstanding TFF Repos to which the Member is party on that day.

**“TFF Funding Allowance”** means, in relation to a Member on any day, the sum of the Member’s TFF Initial Allowance on that day, TFF Additional Allowance on that day and TFF Supplementary Allowance on that day.

**“TFF Information”** means, in relation to a Member, any information which relates to the Member’s use or proposed use of the Term Funding Facility (including the terms of any TFF Repos entered into between the RBA and the Member).

**“TFF Initial Allowance”** means, in relation to a Member on any day, the amount (if any) which has most recently been Notified by the RBA to the Member as its TFF Initial Allowance for the purposes of these Regulations (as determined by the RBA in its absolute discretion).

**“TFF Operational Notes”** means the operational notes for the TFF that are issued by the RBA from time to time, in whatever form the RBA considers appropriate, pursuant to section 2 of this Annexure F.

**“TFF Supplementary Allowance”** means, in relation to a Member on any day, the amount (if any) which has most recently been Notified by the RBA to the Member as its TFF Supplementary Allowance for the purposes of these Regulations (as determined by the RBA in its absolute discretion).

**“Total Credit Outstanding”** means, in respect of a Member and a particular date, the sum of the Australian Dollar amounts required to be specified by the Member (or the Australian Dollar amounts that would be required to be specified by the Member if the Member was subject to the applicable APRA Reporting Standards) for that date, as specified in the TFF Operational Notes.

## 2. TFF Operational Notes

- (a) The RBA may publish on the RBA Website TFF Operational Notes which contain further details in respect of the Term Funding Facility and TFF Repos including:
  - (i) how each of the TFF Initial Allowance, TFF Additional Allowance and TFF Supplementary Allowance are calculated; and
  - (ii) when each of the TFF Initial Allowance, TFF Additional Allowance and TFF Supplementary Allowance may be utilised.
- (b) The RBA may unilaterally amend the TFF Operational Notes at any time without notice by publishing such amendments or a revised version of the TFF Operational Notes on the RBA Website.



### 3. Entry into TFF Repos

- (a) A Member may only enter into, or offer to enter into, a TFF Repo with the RBA if:
- (i) it is an “authorised deposit-taking institution” as defined in section 5(1) of the *Banking Act 1959* (Cth);
  - (ii) it does so on or after the date specified in the TFF Operational Notes as the effective date for the commencement of the TFF drawdown period;
  - (iii) the RBA is satisfied that the Member has acted at all times:
    - (A) in good faith in connection with the Term Funding Facility; or
    - (B) in a manner consistent with the RBA’s stated objectives for the Term Funding Facility; and
  - (iv) any other requirements of the TFF Operational Notes are satisfied.
- (b) The RBA’s entry into any TFF Repo is at the absolute discretion of the RBA except as provided in section 5.3(b) of this Annexure F.

### 4. Pricing Rate

The Pricing Rate for each TFF Repo will be 0.25% per annum calculated and payable in accordance with the TFF Operational Notes, except as otherwise specified in the TFF Operational Notes.

### 5. Term and Termination

#### 5.1 Termination Rights

- (a) Each TFF Repo will be for a fixed term of three years, subject to this section 5 and the SIFMA/ICMA Agreement.
- (b) A Member who is party to a TFF Repo may Terminate that TFF Repo on demand.
- (c) The RBA may specify a date for Termination of a TFF Repo at any time if:
- (i) an Event of Default has occurred and is continuing with respect to the Member;
  - (ii) the Member’s TFF Drawn Amount exceeds the Member’s TFF Funding Allowance; or
  - (iii) the RBA is not satisfied that the Member has acted at all times:
    - (A) in good faith in connection with the Term Funding Facility; or
    - (B) in a manner consistent with the RBA’s stated objectives for the Term Funding Facility, or as otherwise specified in the TFF Operational Notes.



## 5.2 Minimum notice period for Termination

A demand for Termination of a TFF Repo by a Member must provide for Termination to occur after not less than the minimum period as is provided in the TFF Operational Notes.

## 5.3 Consequences of Termination

- (a) The Termination of a TFF Repo by the RBA before the third anniversary of its Purchase Date as permitted by this Annexure will not, of itself, constitute an Event of Default for the purposes of paragraph 10 (Events of Default) of the SIFMA/ICMA Agreement which governs the TFF Repo (as amended and supplemented by these Regulations).
- (b) If one or more TFF Repos (the **Terminated TFF Repos**) are Terminated by the RBA pursuant to section 5.1(c)(ii), the RBA undertakes to offer to enter into one or more replacement TFF Repos with the relevant Member (the **Replacement TFF Repos**) subject to satisfaction of the following conditions precedent to the Replacement TFF Repos:
- (i) the terms of the Replacement TFF Repos will comply with the requirements for a Confirmation of a TFF Repo (as specified in paragraph 11 of Annex I under section 3 of Annexure A);
  - (ii) following entry into the Replacement TFF Repos, the Member's TFF Drawn Amount will be equal to or less than the Member's TFF Funding Allowance;
  - (iii) the Purchase Date for the Replacement TFF Repos will be the same date as the Purchase Date for the Terminated TFF Repos;
  - (iv) the Purchased Securities for the Replacement TFF Repos will comprise only Eligible Securities;
  - (v) following entry into the Replacement TFF Repos, the RBA will not have a Net Exposure to the Member in respect of TFF Repos;
  - (vi) the Member satisfies the RBA's eligibility criteria for participation in RBA domestic market operations as set out, or referred to, in the TFF Operational Notes;
  - (vii) no Event of Default (or event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default) has occurred or is continuing with respect to the Member or will occur or be continuing with respect to the Member immediately following the entry into the Replacement TFF Repos; and
  - (viii) the RBA is satisfied that the Member has acted at all times:
    - (A) in good faith in connection with the Term Funding Facility; and
    - (B) in a manner consistent with the RBA's stated objectives for the Term Funding Facility.
- (c) If one or more TFF Repos are Terminated by the RBA pursuant to section 5.1(c)(ii) and replaced with Replacement TFF Repos under paragraph (b) then:
- (i) at the time that the Price Differential of the Terminated TFF Repos is to be paid, the Member must pay the Price Differential in so far it relates to the Excess Amount; and



- (ii) the remaining portion of the Price Differential of the Terminated TFF Repos must be paid at the time that the Price Differential of the Replacement TFF Repos is to be paid.

## 6. Reporting of Credit Outstanding data

### 6.1 Data reported

Each Member that enters into a TFF Repo with the RBA or proposes to do so represents and warrants to the RBA that, at all times, all Credit Outstanding data they have reported to APRA or to the RBA:

- (a) are correct and not misleading; and
- (b) have been prepared and calculated in accordance with the requirements of the relevant APRA Reporting Standards and the TFF Operational Notes.

### 6.2 Additional data reporting to RBA

- (a) Each Member that does not provide them to APRA, must provide to the RBA the following data in the form and manner required by the TFF Operational Notes, including (to the extent provided in the TFF Operational Notes) in compliance with the relevant APRA Reporting Standards and the law as if the relevant requirements applied to that Member:
  - (i) where the Member is utilising or proposing to utilise its TFF Initial Allowance, any data referred to in the TFF Operational Notes as to be used in connection with the calculation of TFF Initial Allowance, including its Total Credit Outstanding data;
  - (ii) where the Member is utilising or proposing to utilise its TFF Additional Allowance, any data referred to in the TFF Operational Notes as to be used in connection with the calculation of its TFF Additional Allowance, including its Large Business Credit Outstanding data and SME Credit Outstanding data;
  - (iii) where the Member is utilising or proposing to utilise its TFF Supplementary Allowance, any data referred to in the TFF Operational Notes as to be used in connection with the calculation of its TFF Supplementary Allowance, including its Total Credit Outstanding data; and
  - (iv) any other data required by the TFF Operational Notes or by the RBA.
- (b) Each Member must ensure that any data it provides to APRA or the RBA is provided in a manner and within the timeframe contemplated under the TFF Operational Notes or as otherwise required by the RBA.

### 6.3 Revisions to data reported to RBA

If any Credit Outstanding data reported by a Member to the RBA is incorrect, the Member must promptly inform the RBA and provide the corrected data in the manner and within the timeframe required by the RBA.

**7. Independent auditing**

(a) At any time the RBA may:

- (i) appoint an independent auditor to audit any Credit Outstanding data provided to APRA or the RBA by a Member with whom the RBA has entered into or is proposing to enter into a TFF Repo; and
- (ii) require the Member to pay all costs of the auditor.

(b) The data to be used will be as determined by the independent auditor.

**8. Certain TFF-related notices to RBA**

The address details for certain TFF-related notices and communications to the RBA are the details specified for the RBA in the TFF Operational Notes rather than the address details for notices and other communications to the RBA in relation to Repos specified in paragraph 1(m) in Annex I in section 3 of Annexure A.

**9. Acknowledgment**

Each Member agrees that:

- (a) each representation (if any) made by the Member under this Annexure F constitutes representations of the Member for the purposes of paragraph 10(a)(vii) of the SIFMA/ICMA Agreement which governs Repos (including TFF Repos) entered into between the RBA and the Member pursuant to these Regulations; and
- (b) each obligation (if any) incurred by the Member under this Annexure constitutes obligations of the Member for the purposes of paragraph 10(a)(x) of the SIFMA/ICMA Agreement which governs Repos (including TFF Repos) entered into between the RBA and the Member pursuant to these Regulations.

**10. Confidentiality**

Each Member agrees (including for the purpose of clause 31.1(f) of these Regulations and section 79A(3)(b) of the Reserve Bank Act) to the disclosure of TFF Information in respect of the Member by the RBA (including by any RBA Personnel acting in that capacity):

(a) on a confidential basis:

- (i) to the RBA's Personnel or advisers (including its auditors or legal, financial, accounting, information technology or other professional advisers), to assist the RBA to perform its functions or exercise its powers (including under the Membership Documents);
- (ii) to a responsible Minister (including the Prime Minister, Treasurer or Finance Minister);
- (iii) to a Prescribed Agency, if the disclosure will assist the RBA or the Prescribed Agency to perform its functions or exercise its powers; or
- (iv) to a Financial Sector Supervisory Agency (as defined in the Reserve Bank Act), if the disclosure will assist the RBA or the Financial Sector Supervisory Agency to perform its functions or exercise its powers; or





- 
- (b) subject to section 79A of the Reserve Bank Act, as authorised or required by Law to be disclosed; or
  - (c) if the TFF Information which is disclosed in respect of the Member is:
    - (i) use of TFF Funding Allowances (including any subset of TFF Funding Allowances) by percentage and/or value; and
    - (ii) aggregated with the same TFF Information in respect of one or more other Members, notwithstanding that the TFF Information in relation to the Member may be able to be found out from the aggregated information (for example, the disclosure may be of aggregated usage of TFF Initial Allowances by a certain class of Members by aggregate value and/or by average percentage).

#### **11. Further assurances**

Whenever the RBA requests a Member to do anything in connection with the implementation, operation or winding up of the Term Funding Facility the Member will do it promptly at its own cost.

#### **12. Inconsistency**

To the extent of any inconsistency between the following documents, the inconsistency is to be resolved in the following descending order of precedence unless otherwise specified:

- (a) the Confirmation for a TFF Repo;
- (b) the additional conditions of membership for a Member (as contemplated in clause 2.4 of these Regulations);
- (c) this Annexure F;
- (d) Annexure A;
- (e) the remainder of the Membership Documents (including these Regulations);
- (f) the TFF Operational Notes; and
- (g) the SIFMA/ICMA Agreement.