

MARKET ANNOUNCEMENT

21 November 2018

Approval for access to the Trade Acceptance Service and approval of new Broker

ASX Market
Announcements
Office
ASX Limited

Critical Market Infrastructure

Further to the Market Announcement of 16 July 2018, The National Stock Exchange of Australia (NSX) has received approval from ASX Ltd (ASX) for its application for the Trade Acceptance Service (TAS) for clearing and settlement of trades executed on the NSX cash equity market.

The Trade Acceptance Service allows trades executed on the trading platforms of non-ASX affiliated Approved Market Operators (AMOs) to be cleared and settled by ASX on the same basis as trades executed on ASX's cash equity market.

This is significant as it enables transactions effected through non-ASX AMOs to be accepted for clearing and settlement in an identical fashion to trades executed on other cash equity markets in Australia. This delivers a standardisation of post trade processes for market participants, irrespective of which market the trade was executed on.

Three significant changes to the NSX market model will occur as a result of gaining access to the Trade Acceptance Service:

1. A straight through digital process will be adopted for the management of post trade actions for participants, thereby removing present limitations of the manual DVP process currently required for NSX trades;
2. An alignment of post trade processes and messages between NSX, ASX and Chi-X, thereby reducing costs and increasing efficiencies for participants; and
3. The introduction of clearing to the NSX transaction flow, whereby ASX Clear will accept the counterparty risk for eligible trades executed on the market, replacing the existing DVP bi-lateral structure.

After consultation with participants and stakeholders NSX looks forward to working in cooperation with ASX to implement TAS and bring forward the market wide benefits and efficiencies from harmonising the post-trade processes across the Australian cash equities markets.

NSX Welcomes Another New Broker

In addition, NSX is delighted to announce the conditional approval of FinClear Execution Ltd as a participating broker of the National Stock Exchange of Australia. FinClear is the newest provider of Third Party Clearing and Settlement services to the Australian Financial Services landscape, providing an exciting opportunity for a new pool of brokers and their clients to access trading in products listed on the NSX.

FinClear joins Canaccord and StateOne Stockbroking as one of three new brokers connecting to the NSX in the last 12 months.

About NSX – www.nsx.com.au

NSX Limited owns and operates National Stock Exchange of Australia, the second largest listings exchange in Australia. NSX is building a challenging alternative exchange by creating a market that is more accessible, more diverse and lower cost, enabling more businesses access to liquidity and new capital using the credibility of an IPO.

Enquiries

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