

One page summary of rationale and proposed fee schedule

Rationale for single infrastructure

- ASX is sole provider of cash equity clearing services
 - Model is common – Canada, USA, Brazil and Asia
 - European common market is the exception
- Total cost to financial system: \$45 million pa (ROE 12%)
- Two year competition moratorium announced February 2013; CFR proposed industry self-regulation under 'Code of Practice'
 - Non-discriminatory access to ASX services
 - Transparent costs and international benchmarking
 - Input into investment decisions (eg T+2, CHESS replacement)
- Business case remains in favour of single clearing facility
 - Most efficient model for market of our size; alternatives are likely to add significant regulatory and technology costs (at least \$20-30m pa)
 - Avoids further fragmentation that favours High Frequency Traders (HFT) over retail and institutional investors
 - Allows for significant investment program over 3-4 years
- ASX asked for minimum 5 year extension of the moratorium

Proposed new fee schedule (based on minimum 5 years)

	Fee in basis points
Current Pricing	0.25
New tiered fee structure	
all value up to \$3b per day	0.225
any value between \$3b and \$4b	0.175
any value between \$4b and 5b	0.125
any value over \$5b	0.100



- Immediate fee reduction of 14.2% based on February YTD 2015 volumes
- Reduces ASX ROE to approx. 10.8%, with further reduction after CHESS replacement
- Shares upside from growth with all participants; if volume doubles, fee reduction becomes 35%
- Target implementation date 1 July 2015