

Appendix: Comparison of SIM VSE Business Rules and ASIC Market Integrity Rules (SIM VSE Market) 2010

Table 1: Composition of ASIC Market Integrity Rules (SIM VSE Market) 2010 (ASIC/SIM VSE MIR)

ASIC/SIM VSE MIR	SIM VSE Business Rules	Explanation of any differences
Chapter 1: Introduction	N/A	<i>[Chapter heading]</i>
Part 1.1 Preliminary	N/A	<i>[Part heading]</i>
1.1.1 Enabling legislation	N/A	New MIR
1.1.2 Title	N/A	New MIR
1.1.3 Commencement	N/A	New MIR
1.1.4 Scope of these Rules	N/A	New MIR
1.1.5 Entities that must comply with these Rules	N/A	New MIR
1.1.6 Conduct by officers, employees or agents	N/A	New MIR
1.1.7 State of mind of a person	N/A	New MIR
Part 1.2 Waivers	N/A	<i>[Part heading]</i>
1.2.1 Waiver of Rules	N/A	New MIR
1.2.2 Compliance with conditions	N/A	New MIR
1.2.3 Period during which relief applies	N/A	New MIR
1.2.4 Register	N/A	New MIR

ASIC/SIM VSE MIR	SIM VSE Business Rules	Explanation of any differences
Part 1.3 Notice, notification and service of documents	N/A	<i>[Part heading]</i>
1.3.1 Market Participant to have email system	N/A	New MIR
1.3.2 Methods of giving notice in writing	N/A	New MIR
Part 1.4 Interpretation	N/A	<i>[Part heading]</i>
1.4.1 References to time	N/A	New MIR
1.4.2 Words and expressions defined in the Corporations Act	N/A	New MIR
1.4.3 Definitions	Definitions	ASIC has adopted a number of definitions from the SIM VSE Business Rules, with drafting amendments.
Chapter 2: The Market Participants	N/A	<i>[Chapter heading]</i>
Part 2.1 Good Character	Eligibility Requirements for Exchange Brokers	<i>[Part heading]</i>
2.1.1 Good Character Requirement for companies	1.2	ASIC has adopted SIM VSE Business Rule 1.2, with drafting amendments.
2.1.2 Market Participants which are natural persons	1.5	ASIC has adopted SIM VSE Business Rule 1.5, with drafting amendments
2.1.3 Good Character Requirements for natural personas	1.6	ASIC has adopted SIM VSE Business Rule 1.6, with drafting amendments.
Chapter 3: Financial records and arrangements	Financial Records and Arrangements	<i>[Chapter heading]</i>
Part 3.1 Trust account	Trust Account	<i>[Part heading]</i>

ASIC/SIM VSE MIR	SIM VSE Business Rules	Explanation of any differences
3.1.1 Trust account requirement	2.2	ASIC has adopted SIM VSE Business Rule 2.2, with drafting amendments.
3.1.2 Requirements for deposits and withdrawals	2.3	ASIC has adopted SIM VSE Business Rule 2.3, with drafting amendments.
3.1.3 Requirements for funds received out-of-hours	2.4	ASIC has adopted SIM VSE Business Rule 2.4, with drafting amendments.
Part 3.2 Record Keeping—Trust account schedule	Trust Account Schedule	<i>[Part heading]</i>
3.2.1 Trust account reconciliation requirement	2.20	ASIC has adopted SIM VSE Business Rule 2.20, with drafting amendments.
3.2.3 Requirement to notify ASIC if reconciliation not completed	2.21	ASIC has adopted SIM VSE Business Rule 2.21, with drafting amendments.
3.2.3 Trust account schedule requirements	2.22	ASIC has adopted SIM VSE Business Rule 2.22, with drafting amendments.
Part 3.3 Underwriting register	Underwriting	<i>[Part heading]</i>
3.3.1 Underwriting register information	2.23	ASIC has adopted SIM VSE Business Rule 2.23, with drafting amendments.
Chapter 4: Trading requirements	General Requirements	<i>[Chapter heading]</i>
Part 4.1 Market Participant acting As Principal	Exchange Broker Acting as Principal	<i>[Part heading]</i>
4.1.1 Requirement to maintain a register	4.1	ASIC has adopted SIM VSE Business Rule 4.1, with drafting amendments.
Part 4.2 Prohibition on advice to Client	Prohibition on Advice to Client	<i>[Part heading]</i>

ASIC/SIM VSE MIR	SIM VSE Business Rules	Explanation of any differences
4.2.1 Client and Chinese Wall definition	4.2	ASIC has adopted SIM VSE Business Rule 4.2, with drafting amendments.
4.2.2 Non disclosure requirement	4.3	ASIC has adopted SIM VSE Business Rule 4.3, with drafting amendments.
4.2.3 Where not regarded as having confidential information	4.4	ASIC has adopted SIM VSE Business Rule 4.4, with drafting amendments.
4.2.4 Client information exception	4.5	ASIC has adopted SIM VSE Business Rule 4.5, with drafting amendments.
Part 4.3 Expenses	Expenses	<i>[Part heading]</i>
4.3.1 Expenses incurred in the purchase or sale of Securities	4.7	ASIC has adopted SIM VSE Business Rule 4.7, with drafting amendments.
Part 4.4 Nominee shareholdings	Nominee Shareholdings	<i>[Part heading]</i>
4.4.1 Nominee company requirement	4.8	ASIC has adopted SIM VSE Business Rule 4.8, with drafting amendments.
4.4.2 Beneficial ownership requirement	4.9	ASIC has adopted SIM VSE Business Rule 4.9, with drafting amendments.
Part 4.5 Underwriting	Disclosure of Underwriting Shortfall	<i>[Part heading]</i>
4.5.1 Disclosure of Underwriting shortfall	4.10	ASIC has adopted SIM VSE Business Rule 4.10, with drafting amendments.
Part 4.6 Contract notes	Contract notes	<i>[Part heading]</i>
4.6.1 Contract notes content	4.11	ASIC has adopted SIM VSE Business Rule 4.11, with drafting amendments.

ASIC/SIM VSE MIR	SIM VSE Business Rules	Explanation of any differences
Part 4.7 Discretionary accounts	Discretionary Accounts	<i>[Part heading]</i>
4.7.1 Authorisation	Authorisation 4.12	ASIC has adopted SIM VSE Business Rule 4.12, with drafting amendments.
4.7.2 Excessive Transactions on discretionary accounts	Excessive Transactions 4.13	ASIC has adopted SIM VSE Business Rule 4.13, with drafting amendments.
Part 4.8 Discretionary account reporting	Reports	<i>[Part heading]</i>
4.8.1 Discretionary account information to clients	4.14	ASIC has adopted SIM VSE Business Rule 4.14, with drafting amendments.
4.8.2 Discretionary account report requirement	4.15	ASIC has adopted SIM VSE Business Rule 4.15, with drafting amendments.
4.8.3 Register	Register 4.16	ASIC has adopted SIM VSE Business Rule 4.16, with drafting amendments.
Chapter 5: Market Participant business	N/A	<i>[Chapter heading]</i>
Part 5.1 Carrying on business	Carrying on Business	<i>[Part heading]</i>
5.1.1 Market Participant requirements	5.1	ASIC has adopted SIM VSE Business Rule 5.1, with drafting amendments.
Part 5.2 Approved Representatives	Responsibility for Approved Representatives	<i>[Part heading]</i>
5.2.1 Responsibility for Approved Representatives	5.2	ASIC has adopted SIM VSE Business Rule 5.2, with drafting amendments.
Part 5.3 Insurance	Insurance	<i>[Part heading]</i>

ASIC/SIM VSE MIR	SIM VSE Business Rules	Explanation of any differences
5.3.1 Insurance requirement	5.3	ASIC has adopted SIM VSE Business Rule 5.3, with drafting amendments.
5.3.2 Notification of claims	5.4	ASIC has adopted SIM VSE Business Rule 5.4, with drafting amendments.
5.3.3 Notification of action against the Market Participant	5.6(e)	ASIC has adopted SIM VSE Business Rule 5.6(e), with drafting amendments.
Part 5.4 Complaints	Complaints	<i>[Part heading]</i>
5.4.1 Records of complaints and responses	5.15	ASIC has adopted SIM VSE Business Rule 5.15, with drafting amendments.
5.4.2 Records of complaints and responses	5.16	ASIC has adopted SIM VSE Business Rule 5.16, with drafting amendments.
Part 5.5 Authorised Trading Representatives	Authorised Trading Representatives	<i>[Part heading]</i>
5.5.1 Requirement to appoint an Authorised Trading Representative	6.3	ASIC has adopted SIM VSE Business Rule 6.3, with drafting amendments.
5.5.2 Requirements in relation to an Authorised Trading Representative	6.5	ASIC has adopted SIM VSE Business Rule 6.5, with drafting amendments.
5.5.3 Responsibility of Market Participants for Authorised Trading Representatives	6.8	ASIC has adopted SIM VSE Business Rule 6.8, with drafting amendments.
Part 5.6 Trading Responsibilities	Trading Responsibilities	<i>[Part heading]</i>
5.6.1 Market Participant responsibility	6.10	ASIC has adopted SIM VSE Business Rule 6.10, with drafting amendments.

ASIC/SIM VSE MIR	SIM VSE Business Rules	Explanation of any differences
5.6.2 Identification processes requirements	6.11	ASIC has adopted SIM VSE Business Rule 6.11, with drafting amendments.
Part 5.7 Orderly Market	Orderly Market	<i>[Part heading]</i>
5.7.1 Responsibility for conduct of orderly market	6.12	ASIC has adopted SIM VSE Business Rule 6.12, with drafting amendments.
5.7.2 Prohibition on false or misleading trading	6.13	ASIC has adopted SIM VSE Business Rule 6.13, with drafting amendments.
5.7.3 Change of beneficial ownership requirement	6.14	ASIC has adopted SIM VSE Business Rule 6.14, with drafting amendments.

Table 2: Tracing SIM VSE Business Rules to ASIC Market Integrity Rules (SIM VSE Market) 2010

SIM VSE Business Rules	ASIC/SIM VSE MIR
Definitions 10.12	1.4.3 Definitions
Eligibility Requirements for Exchange Brokers	Part 2.1 Good Character
1.2	2.1.1 Good Character Requirement for companies
1.3	2.1.2 Market Participants which are natural persons
Good Character Requirements	2.1.3 Good Character Requirements for natural persons
1.5	
1.6	
FINANCIAL RECORDS AND ARRANGEMENTS	Chapter 3: Financial records and arrangements
Trust Account	Part 3.1 Trust account
2.2	3.1.1 Trust account requirement
2.3	3.1.2 Requirements for deposits and withdrawals
2.4	3.1.3 Requirements for funds received out-of-hours
Trust Account Schedule	Part 3.2 Record Keeping—Trust account schedule
2.20	3.2.1 Trust account reconciliation requirement
2.21	3.2.2 Requirement to notify ASIC if reconciliation not completed
2.22	3.2.3 Trust account schedule requirements
Underwriting	Part 3.3 Underwriting register
2.23	3.3.1 Underwriting register information
GENERAL REQUIREMENTS	Chapter 4: Trading requirements

SIM VSE Business Rules	ASIC/SIM VSE MIR
4.1 Exchange Broker Acting as Principal	4.1.1 Requirement to maintain a register
Prohibition on Advice to Client	Part 4.2 Prohibition on advice to Client
4.2	4.2.1 Client and Chinese Wall definition
4.3	4.2.2 Non disclosure requirement
4.4	4.2.3 Where not regarded as having confidential information
4.5	4.2.4 Client information exception
4.7 Expenses	4.3.1 Expenses incurred in the purchase of sale of Securities
Nominee Shareholdings	Part 4.4 Nominee shareholdings
4.8	4.4.1 Nominee company requirement
4.9	4.4.2 Beneficial ownership requirement
4.10 Disclosure of Underwriting Shortfall	4.5.1 Disclosure of Underwriting shortfall
4.11 Contract Notes	4.6.1 Contract notes content
DISCRETIONARY ACCOUNTS	Part 4.7 Discretionary accounts
4.12 Authorisation	4.7.1 Authorisation
4.13 Excessive Transactions	4.7.2 Excessive Transactions on discretionary accounts
Reports	Part 4.8 Discretionary account reporting
4.14	4.8.1 Discretionary account information to clients
4.15	4.8.2 Discretionary account report requirement
4.16 Register	4.8.3 Register

SIM VSE Business Rules	ASIC/SIM VSE MIR
5.1 Carrying on Business	5.1.1. Market Participant requirements
5.2 Responsibility for Approved Representatives	5.2.1 Responsibility for Approved Representatives
Insurance 5.3 5.4 5.6	Part 5.3 Insurance 5.3.1 Insurance requirement 5.3.2 Notification of claims 5.3.3 Notification of action against the Market Participant
Complaints 5.15 5.16 5.17	Part 5.4 Complaints 5.4.1 Records of complaints and responses 5.4.2 Records of complaints and responses
Authorised Trading Representatives 6.3 6.5 6.8	Part 5.5 Authorised Trading Representatives 5.5.1 Requirement to appoint an Authorised Trading Representative 5.5.2 Requirements in relation to an Authorised Trading Representative 5.5.3 Responsibility of Market Participants for Authorised Trading Representatives
Trading Responsibilities 6.10 6.11	Part 5.6 Trading Responsibilities 5.6.1 Market Participant responsibility 5.6.2 Identification processes requirements
Orderly Market 6.12 6.13 6.14	Part 5.7 Orderly Market 5.7.1 Responsibility for conduct of orderly market 5.7.2 Prohibition on false or misleading trading 5.7.3 Change of beneficial ownership requirement