



NSX Limited
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and Subsidiary Entities

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TRADE ACCEPTANCE SERVICE - LIVE

23rd November 2020

- NSXA access to the Trade Acceptance Service (TAS) now live.
- TAS provides NSXA listed entities access to automated clearing.
- 10 NSXA brokers connected as initial group.
- Transactional and Trading data mirrored on Company's own DESS system.

ASX Market
Announcements
Office

ASX Limited

20 Bridge St,
SYDNEY NSW 2000

Sydney, NSW – NSX Limited (ASX:NSX), (“the Company”) is pleased to announce that its wholly owned subsidiary, the National Stock Exchange of Australia (“NSXA”) has completed its Trade Acceptance Service (“TAS”) integration to the ASX Clear system. TAS brings the ability to enter orders into NSXA’s trading system via IRESS, resulting in NSXA securities trading now being fully automated from order routing through to clearing and settlement.

Automated trade registration, clearing and settlement services have now commenced with the following initial group of participants;

- Bell Potter Securities Limited
- Burrell Stockbroking Pty Ltd
- Canaccord Genuity Financial Limited
- E. L. & C. Baillieu Limited
- FinClear Execution Ltd
- Morgans Financial Limited
- Morrison Securities Pty Limited
- Openmarkets Australia Limited
- State One Stockbroking
- Taylor Collison Limited

NSXL is also pleased to advise that mirrored transactional data is being written directly to both CHESS and the Company’s Digital Exchange Subregister System (DESS), managed by its 41% owned subsidiary, ClearPay Pty Ltd (“ClearPay”) and developed by Probanx Solutions Ltd.

ClearPay intends to apply for a clearing and settlement license (“CS&F”) during the course of 2021, including for DESS operations as outlined below.

In the meantime, DESS allows the NSXA to retain control of its trading and transactional data via its own platform, and is the first step towards bringing meaningful competition to clearing and settlement services in Australia.

The Company intends to promote DESS as a standalone alternative to CHESS and will be seeking regulatory and government cooperation to allow post-trade participants the choice between using DESS or CHESS as interoperable sub-register systems, via our proposal for a regulated “structural separation” of CHESS and ASX Clear functions. Should this approach be made possible by regulation, then the NSXA and ClearPay will bring much needed competition sooner to Australia’s CS&F landscape. This structural separation approach is similar in concept to the EU’s Target2 Securities regime.

The DESS system will run in parallel to CHESS and will be a system for internal NSXA use initially, until such time as it meets full regulatory requirements, following due process for access by market participants as part of the planned CS&F facility.

The NSXA will engage in a collaborative approach with industry participants in the new year with regards to access to the DESS under various scenarios, based upon the DLT principles outlined by the OECD¹, in order to provide input and direction to the ClearPay CS&F license application.

NSXL Managing Director John Karantzis, said, “Australia needs a reliable provider of market infrastructure that understands and invests in its technology, hands back to end users efficiency dividends, and looks after the best interests of the Australian economy by delivering a stable and competitive alternative.

Our subsidiary, the NSXA, together with ClearPay, is step by step moving closer to providing alternative market infrastructure, ensuring that Australia remains a best practice technology leader in the APAC region.

ClearPay and NSXA will deliver a new and highly scalable technology stack free of the encumbrances of legacy systems, but will require regulatory support and commitment from the Australian Government for a competitive framework in order to transform the current landscape.”

Authorised by the Managing Director

¹ oecd.org/finance/The-Tokenisation-of-Assets-and-Potential-Implications-for-Financial-Markets.pdf