21 October 2025

To: Senior Manager, Markets Regulation
Markets Group
Australian Securities and Investments Commission
(email: markets.consultation@asic.gov.au)

Dear Sirs/Madams

Proposed Amendments to the ASIC Market Integrity Rules: Trading Systems and Automated Trading

FIA [1] appreciates the opportunity to provide comments to the consultation paper on "Proposed amendments to the ASIC market integrity rules: Trading systems and automated trading".

We strongly support efforts to strengthen market integrity and governance through clearer rules on trading systems and algorithms. We also encourage ASIC to align these requirements as closely as possible with established global standards, particularly MiFID II and RTS 6. Where the proposed rules are consistent with MiFID, most global firms are already compliant or have a clear, well-defined path to compliance.

By contrast, divergence from international frameworks (such as in the case of proposed real-time monitoring requirements) could introduce operational complexity and compliance uncertainty. Under a MiFID-aligned approach, firms already maintain comprehensive documentation, policies, and procedures that meet equivalent standards. Expanding beyond that scope would require significant system redevelopment and vendor engagement without clear corresponding benefits.

In implementing these rules, the application should be risk-based and recognise the diversity of market participants and the differing nature of their activities. It should also reflect that participants typically operate within tightly controlled systems and established risk-management frameworks. Tailoring regulatory expectations to the risk profile and degree of market impact will promote effective, proportionate, and globally consistent supervision.

[1] FIA is the leading global trade organization for the futures, options and centrally cleared derivatives markets, with offices in Brussels, London, Singapore and Washington, D.C. FIA's membership includes clearing firms, exchanges, clearinghouses, trading firms and commodities specialists from about 50 countries as well as technology vendors, law firms and other professional service providers. FIA's mission is to support open, transparent and competitive markets, protect and enhance the integrity of the financial system, and promote high standards of professional conduct. As the principal members of derivatives clearinghouses worldwide, FIA's clearing firm members play a critical role in the reduction of systemic risk in global financial markets. Further information is available at www.fia.org.

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COMMENTS TO THE PROPOSALS

Reference	Proposal	Comments
B1Q1	Do you agree with our definition of 'Trading Algorithm'? If not, please give reasons why.	We support the intent of the definition and welcome the explicit carve-outs for routing-only, order-entry, and post-trade processing systems. To keep the scope appropriately targeted, the current drafting should avoid capturing functions that are not genuinely algorithmic. For example, auto-quoting or parameterised execution used in market making operates within trader-defined parameters and should not be treated as a trading algorithm. As a guiding principle, trading algorithms should be limited to systems that determine material trading decisions such as order initiation, price, quantity, timing, or strategy without continuous human intervention, while explicitly excluding purely administrative, routing, or post-trade tools. For reference, MiFID II defines algorithmic trading as trading in which a computer algorithm automatically determines individual order parameters, including whether to initiate an order and the timing, price, quantity, or management of the order after submission, with limited or no human intervention. It excludes systems used solely for routing, non-determinative processing, confirmation, or post-trade processing. A system has "limited or no human intervention" where, for any order or quote generation process or any process to optimise execution, an automated system makes decisions at any stage of initiating, generating, routing, or executing orders or quotes according to pre-determined parameters. We encourage ASIC to align with MiFID II to support harmonization and avoid market fragmentation.

Reference	Proposal	Comments
		<u>Requests for Clarification</u> i. Please define or elaborate on "trading parameters" and "automatically determines with limited or no human intervention". ii. Please confirm that the following are out of scope: a. supporting risk and control functions, as a broad reading of "trading parameters" and "post-trade processing" could otherwise capture order validation, credit checks, and limit monitoring; and b. simple smart order routers, execution-management functions, and simple timed or time-slice instructions, as these follow user-defined parameters or fixed schedules. iii. Please confirm whether DMA and sponsored access are subject to the algorithm requirements in these proposed amendments, and in what circumstances.
B1Q2	Do you agree with our proposal to require a trading participant to: (a) have appropriate controls and governance arrangements for the development, approval, deployment, testing and monitoring of trading algorithms; and (b) test trading algorithms; and	We agree that the requirements should apply to trading algorithms developed by participants. However, they should not extend to client-owned algorithms. Participants do not develop, own, or provide these algorithms for client use and are therefore reliant on clients to supply information for any assessment. All child orders generated by client algorithms pass through the participant's Trading System controls, which are designed to protect market efficiency and integrity. These trading messages are already governed by the Trading System requirements set out separately in the rules, ensuring that appropriate safeguards and governance arrangements are in place.

Reference	Proposal	Comments
	(c) have controls that enable immediate suspension or limitation of the operation of trading algorithms? If not, please give reasons why. Should these requirements extend to client algorithms?	For vendor algorithms, MiFID II and RTS 6 make clear that firms remain responsible for compliance, while recognising that firms may rely on third parties to develop and maintain their algorithms. ESMA further acknowledges the practical limitations where firms lack direct control over such systems and permits firms to meet technical requirements that cannot otherwise be satisfied through contractual arrangements with the system provider[2]. We recommend ASIC adopt a similar approach by recognising that direct technical control or code-level oversight is not feasible, particularly for off-the-shelf vendor solutions or hosted environments. Instead, compliance obligations should be satisfied through robust due-diligence processes and contractual arrangements with vendors that require them to meet regulatory standards. This approach aligns regulatory accountability with practical operational realities while maintaining market integrity. **Requests for Clarification** i. Testing of all in-scope algorithms before use • We seek clarity on the expectations for trading participants that use vendor-developed algorithms. Will vendors be required to provide specific attestations regarding testing? • How will this requirement apply to multi-broker platforms such as TT, where clients may use the same algorithms to route through multiple participants' memberships? ii. Scope of immediate suspension controls • Does ASIC expect the immediate suspension requirement to apply to all algorithms (including vendor-supplied and client-provided algorithms) or

[2] See Question 34 of *ESMA Q&As on MiFID II and MiFIR market structure topics* (ESMA70-872942901-38).

Reference	Proposal	Comments
		only to proprietary algorithms directly controlled by the participant? • Must the suspension operate system-wide, per algorithm, per strategy, or per client account? iii. <u>Mechanism for "immediate suspension"</u> • We seek clarity on the definition of "immediate". Is it intended to mean milliseconds or real time, or simply as soon as operationally possible? • Can ASIC please clarify its expectations for the suspension mechanism (for example, whether this should take the form of a kill switch, circuit breaker, or other control). Should the suspension control trigger automatically from real-time monitoring alerts, or is manual intervention acceptable?
B1Q3	To what extent are your trading algorithms currently tested before use and before implementing a material change?	Firms typically maintain detailed policies, standards, procedures, and governance for trading algorithms to ensure adequate testing before initial use and before any material change. Testing requirements cover vulnerability management, capacity management, and resiliency. In-house–developed algorithms undergo detailed testing and a stepped production rollout before broader release, typically including: • Full testing in a dedicated test environment to confirm new features operate as expected • Partial deployment to production with a limited scope of markets and products (which may include production testing in non-trading periods) • Progressive expansion in production, including: ○ A small-scale release to pilot users for a limited period ○ Further validation before extending to additional markets and products

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		<u>Requests for Clarification</u> i. Please clarify whether the requirements apply equally to (a) firm-developed proprietary algorithms and (b) third-party vendor algorithms that are used without material alteration by the participant. ii. Please provide guidance on what constitutes adequate "testing before use" and "material change." For example, is simulation against live or recorded market data expected? What thresholds would define a change to core logic or parameter updates?
B1Q4	When would you consider a change to an algorithm to be material?	In general, any change that affects an algorithm's core code or decisioning is treated as material. Specific factors that could make a change material include: • A new trading strategy or a significant modification to existing strategy or trading logic • Introduction of new models within the algorithm • Significant changes to technology applications or key components/modules • New products, markets, or exchanges, or changes to existing ones • Changes to production usage, including material increases in flow, order capacity (principal vs agency), or risk appetite • Introduction, removal, or significant modification of controls, including minimum mandatory controls • Changes that affect regulatory risk or compliance obligations Changes that may be treated as minor could include: • Adjustments to trading volume caps or P&L limits • Routine technology releases or patches with no impact on algorithm behaviour, controls, or documentation

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		• Adding new instruments within an already approved region and product class (no new venue or market-structure changes) • Day-to-day strategy releases Most firms maintain frameworks that define which changes are material and require stakeholder approval. Less material changes typically still require documentation and notification to relevant stakeholders. **<u>Request for Clarification</u>** Can ASIC provide specific examples of changes that should be treated as material (for example, changes to algorithmic strategy, trading logic, models, technical architecture, control design, or market/product coverage)? A non-exhaustive list would help firms apply the definition consistently.
B1Q5	What standard of testing of trading algorithms should be required?	As a general rule, trading algorithms should be tested to confirm they operate as intended, both before deployment and on a regular basis thereafter. Testing should be risk-based and focused on the nature and impact of the change. Documentation covering design, development, changes, full specifications, and the test scenarios and results for each algorithmic system should also be maintained. Within this framework, firms should be allowed to set their own testing standards and procedures, provided they can demonstrate appropriate controls and risk-commensurate testing. This avoids an overly prescriptive approach and recognises that testing practices will vary by institution according to the type, nature, and complexity of the algorithms in use. Certain areas may warrant common industry practices, such as stress testing and emergency-shutdown testing.

Reference	Proposal	Comments
B1Q6	Do you agree with our proposal to require trading participants to maintain records of the matters referred to in Rule 5.6.3B(1) and (2) for a period of seven years. If not, please give reasons why.	Agree
B1Q7	If you are a trading participant, how will these proposed rules affect your business? Please provide an estimate of the time and costs to implement each proposed arrangement. In providing this estimate, please compare this with your expenditure on your current arrangements in relation to algorithmic trading.	Implementing the proposed changes will be a significant undertaking, spanning testing, certification, controls, governance, and documentation. Even where current policies meet or exceed the requirements, firms will still need to undertake a robust gap analysis. Global firms will also need an Australia-specific assessment to determine the rules' impact and the exact scope of algorithms used or offered to clients. A transition period of at least 18 months is therefore required. Interpretation of the rules will drive the implementation effort. Timely guidance, such as an early release of updated RG 266, is critical to enable effective implementation consistent with ASIC's intent We would also highlight that market-specific bespoke builds are undesirable. They add complexity, raise operational risk, and are harder to sustain. Where the MIR proposals require additional controls, these should be integrated into global control frameworks rather than implemented as Australia-only solutions that fragment standards. In view of this, aligning with widely adopted standards such as MiFID, where feasible, would reduce duplication and accelerate compliance.

Reference	Proposal	Comments
B2Q1	Do you agree with our proposed definition of 'Trading System', which means 'any system for submitting Trading Messages into a Trading Platform'? Please give your reasons why.	We agree with the definition of "Trading System," which appropriately limits these requirements to facilities provided by a Market Operator. This is a key distinction.
B2Q2	Do you agree with inserting the terms 'Trading System' and 'Trading System Requirements' to replace the AOP-related definitions in Rule 1.4.3? Please give your reasons why.	Yes, inserting the proposed terms in place of the AOP-related definitions in Rule 1.4.3 achieves consistent definitions and closer alignment with the current market infrastructure.
B2Q3	Do you agree with our proposal to have a single set of trading system obligations for both manually submitted trading messages by a representative and automated trading of securities participants? If not, please give detailed reasons why.	Yes. We agree that a trading message should be subject to sufficient controls to ensure fair and orderly trading regardless of how is submitted. We also suggest that control requirements not be overly prescriptive. Different market participants may satisfy the desired outcomes in different ways, depending on their business models and the types and volumes of flow they support. An outcomes-based, proportionate approach would allow firms to tailor controls while meeting the same regulatory objectives.
B2Q4	Do you agree with our proposal to retain and move elements of 'DTR' in Part 2.5 to	Agree

Reference	Proposal	Comments
	Part 5.5 (see amended Rule 5.5.1)? If not, please give detailed reasons why.	
B2Q5	If you are a trading participant, how will these proposed changes affect your business? Please provide an estimate of the time and costs to implement these new arrangements. In providing this estimate, please compare this with your expenditure on your current arrangements.	The proposed changes for Trading Systems are expected to have minimal impact on members' securities business, as the definition aligns with the existing scope of AOP Systems. A degree of uplift will be required to perform a gap analysis against the amended rules and to align documentation and testing. This is anticipated to be a one-time effort that can be completed within 18 -month transition period.
B3Q1	Should testing proposed in Part 5.6 be independently validated? If so, should independent validation of testing be conducted internally or by a suitably qualified third party?	While independent validation is appropriate, it should be performed by internal second- or third-line defence teams rather than mandated third-party validators. These functions are independent of the first line, operate under established governance, and can provide robust assurance without exposing confidential methodologies. This is especially important for proprietary firms, where external validation poses significant intellectual property and confidentiality risks given the sensitivity of trading strategies. A proportionate benchmark exists in the UK, where PRA Supervisory Statement 5/18[3] on algorithmic trading requires that testing of algorithms, risk controls, and applicable systems be conducted and reviewed by teams independent

[3] https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/supervisory-statement/2018/ss518.pdf

Reference	Proposal	Comments
		of the development of the algorithms. This model preserves independence and governance, delivers robust assurance, and avoids unnecessary disclosure of proprietary methods. We recommend that ASIC benchmark to SS 5/18 and make clear that third-party validation is not required, as it is disproportionate and unlikely to improve outcomes especially given the information asymmetry between firms and external reviewers.
B3Q2	If you are a trading participant, how will these proposed changes affect your business? Please provide an estimate of the time and costs to implement these new arrangements. In providing this estimate, please compare this with your expenditure on your current arrangements.	We recommend allowing firms to rely on vendor testing evidence and shared artefacts, with appropriate due diligence, to avoid duplicating efforts while maintaining assurance. Initial certification of trading systems can otherwise be manual and duplicative when widely used third-party platforms already provide standard control suites and partner with participants on stress, capacity, and vulnerability testing.
B4Q2	Do you agree with our proposal to specify that, as part of the internal certification, material change and annual review, testing by a trading participant of its controls, arrangements and resources should also be included? Please give your reasons why.	The proposal to test trading systems before first use, after material changes, and annually is sound. However, these intervals should not be prescribed rigidly. When multiple systems are affected or several changes occur in a short period, fixed schedules can strain resources without improving outcomes. Instead, we suggest a risk-based approach that keeps the focus on meaningful changes and avoids retesting for even minor technical or configuration updates. This will allow each participant to determine the appropriate scope and

Reference	Proposal	Comments
		timing of testing for initial certification, material changes, and annual reviews. <u>Material Change Review</u> We recommend that ASIC not prescribe a 10-business-day deadline for a responsible officer's written certification. Where appropriate testing, governance, and approvals have been completed, certification within a reasonable time of completion should be sufficient. We also recommend that reviews of controls, arrangements, resources, policies, procedures, and system design documentation not be required for every material change. Reviews should focus on the specific elements affected by the change, with broader review undertaken only where the risk profile warrants it. <u>Annual Review</u> We recommend that ASIC not prescribe a 10-business-day deadline for a responsible officer's written statement. This could create uncertainty about which date constitutes completion of the annual review. A clear requirement for an annual review that includes a written statement from a responsible officer should be sufficient.
B5Q1	Do you agree with our proposal to insert proposed Rule 5.6.3A? If you are a trading participant, do you already have in place monitoring systems that would satisfy the proposed rule?	We suggest that Rule 5.6.3A(1)(a) be amended to read "identify in <u>near</u> real-time", which more accurately reflects practical system latency and the time required for alert generation and delivery. Even where trading messages can be generated in near real time, review and disposition will not always be instantaneous. In practice, a responsible team may assess alerts later the same trading day or on T+1, depending on volumes and complexity.

Reference	Proposal	Comments
		Implementing a consistent alerting platform across all order flows will also require substantial work, particularly for vendor-owned trading systems. While participants would likely be able to generate near real-time alerts in some environments, achieving consistent integration across orders processed on all third-party platforms will take significant time to design, test, and deploy.
B5Q2	If you are a trading participant, how will these proposed changes affect your business? Please provide an estimate of the time and costs to implement these new arrangements. In providing this estimate, please compare this with your expenditure on your current arrangements.	The proposed changes would require firms to self-assess in-scope Trading Systems and Trading Messages and will likely necessitate new monitoring tools to meet the rules. Additional ongoing resources would also be needed to review and assess identified trading messages. Defining requirements for near-real-time monitoring alerts, then developing and deploying them, would likely take about six months. The level of ongoing staffing required to monitor, review, and manage dispositions will vary across firms, depending on factors such as trading volumes, client base, and existing technology infrastructure.
B7Q1	Do you agree with our proposal? Please give reasons for your answer.	Agree
B7Q2	If you are a market participant, how will these proposed rule changes affect your business? Please provide an estimate of the time and costs to implement these rule changes. In providing this estimate,	The proposals are not expected to create material time or cost burdens to meet the requirements.

Reference	Proposal	Comments
	please compare this with your expenditure on your current arrangements.	
C1Q1	Do you agree with our proposal to harmonise trading system obligations across securities and futures participants? Please give reasons for your answer, having regard to the proposals that we have outlined in Section B of this paper.	In principle, harmonising core trading-system obligations across securities and futures participants makes sense. However, implementation should accommodate differences in market practice and structure, so that procedures and governance for futures and securities can be applied differently where appropriate. It should also be clear which rules or obligations are specific to, or not applicable to, either securities or futures participants. Given the extensive cross-references to securities rules, open engagement with ASIC to support futures participants in mapping their existing arrangements to the proposed changes would be welcome. This is especially relevant for futures participants who are not also securities participants, as they will be significantly impacted by these changes and may have limited familiarity with the existing securities framework.
C1Q2	Are there any additional rules or obligations that should apply specifically to the futures markets? Please give reasons for your answer.	No, the proposed rule amendments address the material risks associated with trading systems and trading algorithms. We also seek the following guidance: i. Wash trades - Can ASIC please set out rules and guidance on the use and potential misuse of UCP within the MIR wash-trade framework? ii. False or misleading appearance rules – Please can ASIC incorporate considerations of DSP methodology for illiquid products and provide illustrative examples to guide application?

Reference	Proposal	Comments
C1Q3	Are there any proposed rules or obligations that should not apply to the futures markets? Please give reasons for your answer.	We ask ASIC to reconsider whether the following requirements are appropriate for the Futures market: i. <u>Responsible Use of a Trading System – Rules 2.2A.2 and 2.2B.1(b)</u> As users, rather than developers, of vendor-provided trading platforms, participants may not have the technical capability or system access to ensure that submitted orders do not interfere with the proper functioning of the vendor's platform. As such, it would be challenging for participants to take responsibility for aspects of system performance or functionality that are outside their operational control. ii. <u>Initial Certification Review - Rules 2.2B.5-6</u> As many firms across the market use the vendor platform TT to connect to the trading system, we ask ASIC to consider whether certification should be completed individually by each participant using the same vendor product. Alternatively, a single vendor certification could suffice, with participants conducting internal assessments to confirm alignment with the relevant control, procedural, and governance requirements. iii. <u>Material Change Review – Rule 2.2B.8</u> We ask ASIC to consider whether testing of pre-trade filters should be required for every material change review, given that limits are often applied at the client or instrument level and may reside within vendor systems such as TT and with the market operator. Additionally, vendor systems may not always be able to support ad hoc stress or capacity testing for multiple participants using the same product. In other jurisdictions, such testing requirements are often

Reference	Proposal	Comments
		satisfied through attestation by the vendor system provider, as it may not be practical or feasible to share detailed results across all market participants. **<u>Requests for Clarification</u>** We seek clarification on the following points before taking a view on whether these rules should be included: i. Rule 2.2B.2 (Trading System requirements) - Please provide a precise definition of "immediate" in 2.2B.2(1)(c) and (1)(d) and indicate whether any flexibility is envisaged in the timeframe. A narrowly drawn definition could create operational and compliance challenges. ii. Paragraph 87 of Consultation Paper - What specific kill-switch controls and procedures are required? As users of vendor trading systems, participants' capabilities are limited to the controls and functionality that vendors make available.
C1Q4	Do you agree with introducing Rule 2.2B.3 to explicitly require futures participants to have adequate monitoring systems to enable the trading participant to conduct real time and post trading monitoring? Please give reasons for your answer.	We have reservations about introducing a real-time monitoring requirement, particularly where it extends beyond individual trading messages to sequences of messages. Real-time surveillance of message sequences would represent a material step-up from current practice and would mark a substantial increase in scope relative to current frameworks. Moreover, a real time monitoring capability is not readily achievable and may not be practical for all participants. Several monitoring functions, particularly algorithmic surveillance, can only be performed on a post-trade basis. Before introducing an explicit requirement for real-time monitoring, ASIC should review the current capabilities of

Reference	Proposal	Comments
		industry systems and vendors. For example, SMARTS (the surveillance platform used by much of the industry) does not currently support real-time monitoring for Futures products, which are largely monitored on a T+1 basis. Certain surveillance vendors have also confirmed that while a real-time market data feed exists for ASX24, the service operates on a T+1 basis and real-time surveillance is not within the vendor's current product roadmap. Without vendor and infrastructure support, implementing real-time monitoring would be costly, complex, and time-consuming. Typically, participants already maintain robust pre-trade controls such as fat-finger checks, position limits, and price-deviation thresholds to ensure market integrity. While these controls act as real-time blocking mechanisms, they are not designed to identify patterns that develop gradually over time, such as potential market dominance or manipulation. Such behaviours are more effectively monitored post-trade using pattern-based surveillance and automated processes, which are standard industry practices and typically conducted on a T+1 basis. **<u>Requests for Clarification</u>** i. We seek clarity on the definition of "real-time monitoring." Does this refer to monitoring at-trade, immediately post-trade, or shortly thereafter? We suggest that, at a minimum, the term *"real time"* should be amended to *"near real time"* to reflect operational and system realities. ii. We also request further clarification on the scope of monitoring. Must it cover market impact, market manipulation, or both? If it extends to detecting manipulative patterns, we note that such behaviour

Reference	Proposal	Comments
		typically develops over time and is very difficult to identify on a real-time basis.
C1Q5	Do you agree with our proposal to require futures participants to undertake initial certification (before using a trading system), annual and material change reviews of their trading systems (see proposed Rules 2.2B.5 to 2.2B.9)? Please give reasons for your answer.	As that market participants are already obligated to comply with the ASIC MIR rules for their trading platforms, it is unclear what additional assurance a separate certification process provides. Participant-owned and operated trading systems are already subject to user acceptance testing (UAT) and governance reviews prior to implementing material changes at a global level. An ASX-specific approval would not add meaningful oversight in this context. We suggest that it would be more effective for participants to share with ASIC their policies and procedures governing testing, deployment, and material changes to trading systems, rather than requiring certification for each individual change release. Certification processes are resource-intensive, and participants operating across multiple global markets note that Australia is the only major jurisdiction that imposes this requirement. For vendor systems, certain aspects of system design or documentation may not be readily accessible to participants. In such cases, it may be more appropriate for a vendor attestation to be accepted, with participants conducting their own internal assessments to confirm alignment with the relevant control, procedural, and governance requirements. **Requests for Clarification** i. Rule 2.2B.6 (Initial Certification of a Trading System) - Please confirm this is a one-time certification for new trading systems only, and that initial certification is not required for new algorithms. Please also confirm that existing trading systems already in use can be grandfathered without an initial certification review.

Reference	Proposal	Comments
		ii. Rule 2.2B.7 (Further Certification) - Please clarify the circumstances under which further certification may be requested and what the scope of such certification would be. We also request further clarification on what consititues an " appropriately qualified person acceptable to ASIC". iii. Rule 2.2B.8 (Material change Review of Trading System) - Please provide a definition of, or clearer criteria for, what constitutes a "material change" to a trading system. iv. Rule 2.2B.9 (Annual review of Trading System) - Please clarify how the scope and documentation for an annual review differ from those required for the Initial Certification Review. v. Rule 2.2B.10 (ASIC direction to Limit Trading) - Please specify what is meant by a "class of Trading Messages" in 2.2B.10(2)(a).
C1Q6	Do you agree with our proposal to introduce testing and responsibility requirements regarding the use of a trading participant's algorithm (see proposed Rule 2.2B.4)?. Please give reasons for your answer.	We support the intent of the rule, but note that the requirement that a futures trading participant must not do anything that could impact market efficiency or integrity is drafted very broadly. Illustrative examples would help clarify the intended scope. Participants that use third-party vendor algorithms rely on those vendors to maintain appropriate controls and governance over algorithm development and testing. Because these activities sit outside a participant's direct oversight, they cannot ensure full adherence to all control and governance processes.

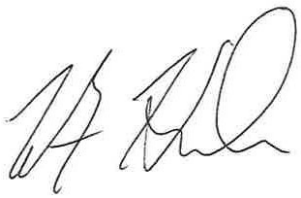
Reference	Proposal	Comments
		Please see our response to B1Q2, which outlines the MiFID II and RTS 6 position and our recommendation that ASIC consider adopting a similar approach. **Request for Clarification** We seek clarification on the meaning of "persons who are suitably qualified." Although participants already appoint responsible persons as designated owners, it is unclear whether those roles meet the threshold of "suitably qualified." It would be helpful if ASIC could provide greater specificity, akin to the approach under MiFID II, so firms have clear criteria to apply.
C1Q7	If you are a futures trading participant, how will these proposed rules affect your business? Please provide an estimate of the time and costs you will incur to implement the proposed rules. In providing this estimate, please compare this with your expenditure on your current arrangements.	Market participants do not currently have firm estimates for the time and cost to implement the proposed rules, but expect them to be significant. Key drivers include: • Implementing new rules, monitoring, documentation, and algorithm certification, all of which will require significant time and IT resources. • Testing, documentation around certification, documentation of material changes, governance and oversight that involves various teams across multiple functions such as Front Office, Compliance, Surveillance, IT, and others. • Potential need for ASX24-specific roles across these teams, which would be resource-intensive and costly
C2Q1	Do you agree with our proposal to update and harmonise the record keeping requirements in the Futures Rules (see proposed Rules 2.2.4 to 2.2.4E)? Please	We are supportive of synchronising the record-keeping requirements. We would also highlight that storage practices may differ between the Futures and Securities markets given differences in products, clearing arrangements, and client connectivity.

Reference	Proposal	Comments
	give reasons for your response.	Regarding recording the capacity of representatives as agency or principal, we question whether this is necessary in the Futures market. Capacity can generally be inferred from the trader's role or the account on which they trade, so a separate capacity field may be duplicative.
C3Q1	Do you agree with our proposal? Please give reasons for your answer.	The intent to amend the rules to deter manipulation, uphold market integrity, and promote investor confidence is welcome. Further clarity would be helpful, including sample scenarios of when a person acts on behalf of another with the intention of creating a false or misleading appearance. This is especially relevant in intermediary or omnibus arrangements. For example, where a trading participant services an intermediary client that submits orders from its own underlying clients using the participant's membership, the participant typically has no direct visibility of those underlying clients, their intentions, or their trading patterns. In such cases, it is not feasible for the participant to determine the underlying client's intent, yet the drafting could be read as expecting the participant to do so and to refrain from placing orders without that insight. Clarification on responsibilities and expectations in these scenarios would therefore be useful.
C3Q2	If you are a market participant, how will these proposed rule changes affect your business? Please provide an estimate of the time and costs to implement these rule changes. In providing	The time and cost to implement the proposals may not be material on their own. However, the requirements would make it impracticable for some participants to support broker clients trading via an omnibus structure, as they do not believe they could meet the proposed obligations in that model. This would likely reduce the number of active participants on ASX and, in turn, lower liquidity and traded volumes.

Reference	Proposal	Comments
	this estimate, please compare this with your expenditure on your current arrangements.	
D1Q1	Do you agree with the 12-month transition period. In your response, please provide detailed reasons for your answer.	Given the breadth of the changes, we recommend an 18–24 month transition. This should be paired with the early publication of updated RG 266 so that participants have the guidance they need to plan and execute changes. An extended timeline is particularly important given practical constraints. The futures market has a small number of trading-system and algorithm developers who will need to be engaged, and many firms set budgets and project plans in Q4 for the following year. Given the timing of CP 386's release, 2026 budgets generally do not account for the significant time and costs required to implement the proposed changes. We also have concerns about immediate enforcement on the effective date if guidance is still pending. A phased approach or safe-harbour period tied to the release of RG 266 would allow firms to implement controls with confidence. **Request for Clarification** Can ASIC please confirm the enforcement timeline? The rules are stated to take effect in March 2026. Does non-compliance from March 2026 constitute a breach, or will enforcement commence only after the 12-month transition period (i.e., from March 2027)? If there is phased enforcement or safe-harbour during transition, please outline how it applies.

We welcome the opportunity to work with ASIC to address these comments. Please feel free to contact me at bherder@fia.org or TzeMin Yeo, Head of Legal & Policy, Asia Pacific at tmyeo@fia.org should you wish to further discuss.

Yours



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