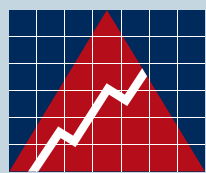


AFMA

ANNUAL REPORT 2022

Australian Financial Markets Association Ltd



AFMA

www.afma.com.au

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CHAIR'S REPORT

AFMA had a highly successful 2021/22 financial year. It further strengthened its support for participants in the Australian financial markets, deepened its engagement with Government and regulators; delivering significant and tangible benefits to its members. AFMA is well positioned to help members navigate the period to come. The Board has agreed a new strategy which aims to prioritise the work of AFMA and its members by targeting certain agreed subjects. The AFMA team has broadened its level of collaboration with peer associations and we have developed a structured approach to deepen government relations.



It is my pleasure to present this year's Annual Report, my third and final as Chair of AFMA. Throughout this year, the Board has worked hard to ensure it represents the impressive breadth of firms that comprise our membership. We have put succession plans in place and aim to make announcements regarding ongoing stewardship of AFMA at the AGM on 23 November. The AFMA Board has very strong depth and experience, and I sincerely wish the new Chair every success and look forward to providing support as a continuing member of the AFMA Board.

Compiling this year's Chair Report has allowed me to reflect on AFMA's achievements in recent times and its structured advocacy plans going forward. I am proud to have been AFMA's Chair and have high confidence its work has made and will continue to make an important contribution to Australia's financial markets industry. AFMA will always seek to promote Australia as a place to do business.

Supporting Australia's growth

In this past year and in prior years, we have seen substantial changes across many facets. Today, we note heightened geopolitical tensions, a continuing fast pace in changes in products and businesses owing to technology, global pressure on energy supply (and pricing), larger government deficits, and central bank challenges in taming rising inflation. All of these developments flow through to the operations of AFMA's

members, markets, and inform the work priorities of the AFMA team. Change brings risks but also opportunities, whether it be through the energy transition expected in coming years, growth in markets such as carbon, and for Australia — the unique opportunity that is the growth of superannuation and the options that presents us as a world-leading economy. Australian financial institutions understand the considerable amount of change likely over the next decade. Many of the changes to come involve financing of some kind, and with financing comes the need for markets that are efficient, fair and effective. This is what drives AFMA, our strategy and underpins the discussions we hold with authorities, politicians, exchanges and, of course, our members.

Aligning AFMA's Strategy to Member Priorities

In May of each year the AFMA Board discusses and agrees with management the subject areas to be prioritised over the next 12-18 months. In May this year, the Board endorsed the current priority areas which ranged from targeted efforts to advocate for regulation that is right-sized for risk in certain product lines or markets activities, to energy and carbon market initiatives, as well as monitoring and contributing to developments in digital

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CHAIR'S REPORT

currencies and crypto. In addition, AFMA contributes strongly to developments in exchange markets, whether they be new markets or assessing and commenting on the implications of substantial system changes in key parts of market infrastructure.

The Board has encouraged management to deepen its level of collaboration with peer associations. During the past year, the AFMA team has worked with its peers on matters such as ESG, AML, taxation, payments, advice, scams and clean energy. Deriving efficiency from advocacy efforts is part of AFMA's strategy; as it helps leverage ideas from an even greater number of institutions and allows AFMA (and our peers) to present a united and consistent voice on important matters.

Policy

AFMA's representations on behalf of members cover a broad range of policy areas including:

- Exchange traded and OTC markets;
- Equity and debt capital markets;
- Bank prudential and conduct regulation;
- Energy;
- Environmental and carbon markets;
- Taxation; and
- Anti-money laundering legislation and regulation.

Over the course of the year, AFMA made 81 policy submissions reflecting the breadth of AFMA's activities both in Australia and globally. The submissions pertain to a wide range of policy issues and address improvements to existing law, the design of new legislation and the regulation of legislative requirements, including regulator guidance. More detail of AFMA's policy work is included in this Report and in the Key Achievements document previously circulated to members.

Government Sector Engagement

AFMA's Board and staff prosecute a busy schedule of engagement. AFMA has formalised liaison processes with Treasury, the Department of Climate Change, Energy, the Environment and Water, ASIC, APRA, AUSTRAC and the ATO. In addition, AFMA meets regularly with offshore peer associations and attends briefings with bodies such as IOSCO.

The Board has approved a budget allocation to allow AFMA to deepen its government relations efforts in Canberra and local financial centres. We aim to develop more structure in liaison and be on-site more often to aid understanding of our subject matters and related issues.

Professionalism

AFMA's Professionalism Committee continue to provide stewardship over many key initiatives to enhance the professionalism of participants in Australia's financial markets. A key aspect of the Committee's work over the year was the finalisation of the review of AFMA's Code of Conduct, which was timely and provided necessary clarity on the operation of the Code to member firms; and through the firms' internal policies accredited individuals.

The 2021/22 year also saw the completion of the requirement of AFMA Accredited Individuals to complete mandatory Conduct & Ethics training to maintain their accreditation. AFMA would like to thank all AFMA Accredited Individuals who took the training and showed leadership in demonstrating, in an objective way, the importance of training in ethical issues. The AFMA Conduct & Ethics course received favourable feedback from participants and, from an AFMA Board perspective, was very successful. The Professionalism Committee was pivotal in achieving this outcome.

On behalf of the Board, my sincere thanks to the Committee members for their efforts and leadership, particularly the Committee's independent Chair, Johanna Turner.

Education

The 2021/22 year was a particularly important one for AFMA's Education program as the first full year of the Financial Markets Certificate, taught by Macquarie University Business School. As detailed in the Report, close to 120 students have received the Financial Market Certificate, with total course enrolments exceeding more than 1,000.

From an AFMA Board perspective, the goal has always been to ensure that any education program linked to AFMA Accreditation is practical, helps students to perform their roles in Australia's financial markets and instils professional characteristics in graduates. It is clear from the enrolments and the feedback received to date that the partnership with Macquarie is delivering on these objectives.

Membership

AFMA had 130 members as of 30 June 2022 and continues to receive enquiries from firms that either are already or are planning to participate in Australia's financial markets. Our members include representatives from each segment of the financial markets sector, thereby ensuring that our policy positions, market conventions and standards are representative of the market as a whole.

CHAIR'S REPORT

AFMA is fortunate to have a large number of highly supportive Partner Members that provide professional services to AFMA's members. These firms give considerable insight into trends and priorities they are seeing across their client base. In addition, our Partner Members bring technical skills to assist with the formulation of AFMA's policy positions.

As operational restrictions from the COVID-19 pandemic have eased, AFMA staff have prioritised member outreach through a substantial program of bilateral meetings. These meetings have provided valuable insights as to how our members' businesses have changed, the implications for the financial markets and what members want from AFMA — ensuring that we align resources to member priorities.

International

AFMA's relationships with counterpart global organisations and other international bodies is crucial to ensuring that regulatory fragmentation is reduced and that we maintain awareness of global developments that may have implications for Australia; either in the form of potential new regulation or where the overseas regulation has extra-territorial effect.

AFMA continues to benefit from long and established relationships with bodies such as ICMA, ISDA and FMSB in relation to standardised documentation, debt market practices and market standards, all of which having increasing relevance in the Australian context.

Financial Position

AFMA continues to be in a strong financial position, thanks largely to the support of its members. We operate within a tight financial control framework and continuously look for initiatives to enhance our value proposition for members.

Financial Markets Foundation for Children

AFMA is proud to provide accounting and operational support to the Financial Markets Foundation for Children on a pro-bono basis. The Foundation's core fundraising activities have been significantly impacted by the COVID-19 pandemic. Notwithstanding, the Foundation has provided financial assistance to paediatric medical research projects, as well as funding chairs at leading Universities and supporting specific brain cancer research.

In Appreciation

I thank my fellow Directors on AFMA's Board for their commitment to the Association and the broader industry and for the support they have offered me as Chair. Given the demands on each Director's time, I am very grateful for the effort taken by each Director to ensure that the Association is operating optimally and in accordance with its strategic mandate.

My appreciation to all of those member-firm employees that volunteer to contribute through serving on AFMA's committees or otherwise contribute to AFMA's activities. The Association would be unable to function without significant member input and your contribution is specifically acknowledged by AFMA's Board.

Finally, thank you to AFMA's staff, who continue to represent the Association and the broader industry in a diligent and dedicated manner.

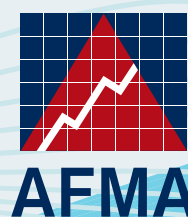


ROBERT BEDWELL

Chair

AFMA at a glance

- ✓ 130 Members
- ✓ 49 Committees and Working Groups
- ✓ Total Committee meetings for the year in excess of 165
- ✓ More than 1,080 Individual Committee/ Working Group participants
- ✓ In excess of 1,800 Accredited Individuals
- ✓ 81 Submissions



POLICY INITIATIVES

Foreign Financial Service Provider Regulation

AFMA led the work with the Government to develop draft legislation giving better access to foreign financial service providers with aims of enhancing market competition, lowering costs, increasing the diversity of investments and sources of financing available for Australians. AFMA is working to substantially restore well-established relief through the introduction of new legislated exemptions, with improved regulatory mechanisms.

Financial Accountability Regime

AFMA was an active contributor to the refinement of the Financial Accountability Regime (FAR) at every stage, including around the scope of the scheme. AFMA made the case against the inclusion of individual penalties for bank executives designated as Accountable Persons.

AFMA was one of the very few bodies who highlighted that the penalties already in the Bill were substantial and proportionate for wilful involvement; and that individual penalties for a firm's breach of its obligations without wilful involvement would be beyond the recommendations of the Hayne Royal Commission, creating a work environment that would put employees at risk of significant financial harm for matters over which they may not have direct control. The final Bill as introduced into the new Parliament, did not contain individual penalties.

APRA Remuneration Standard

AFMA has continued to assist APRA refine its Remuneration Standard CPS 511 over the course of 2021/22. We previously achieved significant improvements in relation to the deferment periods and the removal of the 50% cap on financial metric contribution to performance criteria, amongst other refinements. This year we have advocated for proportional application and are representing the industry on matters of remuneration



AFMA was an active contributor to the refinement of the Financial Accountability Regime at every stage.

disclosure.

SME Foreign Exchange Financial Advisor Training Requirements

AFMA undertook extensive work to bring the specific issues associated with financial advisors servicing the Small and Medium Enterprise Foreign Exchange market (SME FX) to the attention of the Government and the Minister. Pleasingly, this work has contributed to Treasury conducting a consultation on proposals to improve the flexibility of the training requirements for advisors.

If implemented based on the Treasury consultation, the new scheme will recognise the skill and experience of advisors with more than a decade of experience and offer more flexible education pathways, meaning advisors would not be required to complete financial planning qualifications. This would be of significant benefit to members that provide foreign exchange services to SMEs.

Breach Reporting Regulations

Consistent representations by AFMA led to welcome regulatory outcomes regarding the Breach Reporting Regime which took



POLICY INITIATIVES

effect from October 2021. The changes meant that licensees are not obliged to report minor and technical breaches of the market integrity rules and dispute resolution standards that are unlikely to cause detriment to consumers, removing the threat of an excessive reporting burden.

Your Future Your Super Disclosure

The Government released a consultation on the Your Future Your Super reforms which included a proposal for unreasonably high transparency of superannuation asset positions, including derivatives. In relatively small markets such as Australia, AFMA argued that such transparency would not have been in the interests of superannuation investors who would face the risk of gaming of their positions owing to the level of detail disclosed. AFMA secured early important wins for the industry. The final regime as intended by the previous Government, proposed aggregate disclosure only; essentially eliminating risks arising from over-disclosure of positions. A change of Government further wound back the proposals.



AFMA's submission sought concessions to be applied in respect of margin lending products and such concessions were confirmed as applying by APRA in July 2021.

Product Design and Disclosure Obligations

AFMA liaised closely with members and ASIC to identify and address problems with the Product Design and Disclosure Obligations (PDDO) regime. Many solutions and guidance were provided to ASIC that assist firms in the implementation of the regime.

Financial Regulator Assessment Authority Engagement

AFMA was instrumental in the establishment of the Financial Regulator Assessment Authority (FRAA). As the FRAA was established during the past year, AFMA has fully supported the work of the FRAA as it looks to improve the efficiency of Australia's financial regulators.

Digital Assets

AFMA has been proactive in its consideration of the regulatory treatment of digital assets. During the year, we represented the common interests of the industry to ASIC and Treasury; supporting the benefits of the extension of the existing financial services regulatory regime to digital assets. Particularly in relation to the provision of custodial services over such assets.

Guidance on Pre-Hedging

AFMA published a statement providing clarity around the guidance available to the Australian market with respect to pre-hedging practices. The statement explains AFMA's guidance on pre-hedging and its consistency with the Financial Markets Standards Board (FMSB) principles.

Capital Concessions for Margin Lending Product

In April 2021, AFMA provided a detailed response to APRA's consultation on proposed revisions to the capital framework, particularly regarding Prudential Standard APS 112. AFMA's submission sought concessions to be applied in respect of margin lending products and such concessions were confirmed as applying by APRA in July 2021.

Compensation Scheme of Last Resort

AFMA was successful in bringing about improvements in the governance arrangements for the Compensation Scheme of Last Resort and preserving important protections in the scheme.

Data Management Benchmarking Survey

AFMA's Data Management Committee was established to assist the industry prepare for the uplift in data practice requirements currently underway. To assist members, AFMA partnered with the EDM Council and undertook a data management benchmarking exercise.

POLICY INITIATIVES



AFMA is working with other industry groups, the Council of Financial Regulators and the Federal Government in the development of an Australian Sustainable Finance Taxonomy.

Sustainable Finance

AFMA took a leadership role with regard to guiding national work on financial market standards for sustainability reporting and worked closely with the Council of Financial Regulators on moving Australia forward with developing clarity and certainty for market participants. AFMA issued the AFMA Sustainable Finance Stack which is a piece of foundational Australian analysis for conceptualising sustainable financial market practices. During the year, AFMA engaged in member consultations on the scope and form of an Australian Sustainable Finance Taxonomy; which would bring together better practice from other jurisdictions/regions and be fit for purpose in an Australian context. AFMA is working with other industry groups, the Council of Financial Regulators and the Federal Government in the development of an Australian Sustainable Finance Taxonomy. AFMA was also closely engaged on sustainability disclosure and data collection needs through work on the International Sustainability Standards Board proposals for global standards and how these could be implemented in Australia.

Taxation

ATO Engagement – Justified Trust

AFMA continued to play a significant role as a conduit between its members and the ATO as the Justified Trust program transformed from the initial review phase to “continuing assurance.” From the commencement of the Justified Trust review process, the ATO position has been that the payoff from the significant initial effort to provide initial assurance would be lighter touch in the continuing assurance phase; however this benefit was not apparent during the 2021/22 year and

it will continue to be a primary focus of AFMA to ensure that the process of its members providing continuing assurance to the ATO reflects the initial commitment of members. In this regard, we continue to maintain that the primary beneficiary of the Justified Trust program is the ATO in terms of managing its relationship with the Government and the community, with there being little tangible benefit for affected taxpayers.

The integration of GST into the Justified Trust review process has caused a further reason for holding the ATO to account and ensuring that the compliance burden on affected taxpayers is not disproportionate.

Competitive Tax Settings

During the year, AFMA maintained its vigilance in highlighting to Government the importance of tax settings that attract and retain mobile financial centre business in Australia. There has been momentum on this topic in recent times through the Low Report (which AFMA contributed heavily to) and the three reports of the Senate Committee into Australia as a Technology and Financial Centre. A recurrent theme from all of these reports is that it is particularly important at the present time to focus on the competitiveness of settings as the combination of geopolitical turmoil and the COVID-19 pandemic causes firms to actively consider the best jurisdiction from which to conduct business.

It is therefore a considerable matter of concern to AFMA that, at the same time, the tax settings in Australia applying to mobile financial centres are to be considerably less competitive due to the repeal of the Offshore Banking Unit (OBU) regime. AFMA provided testimony to the Senate Committee highlighting the importance of the regime in supporting business and jobs in Australia, resulting in a bipartisan recommendation to legislate AFMA's replacement regime, the Global Markets Incentive (GMI). Since the 2022 Federal Election, the focus has shifted to the incoming Government and articulating the priority that is to be afforded to this issue before there is a flight of business from Australia.

Tax and LIBOR

The once-in-a-generation end of LIBOR had Australian tax implications which AFMA successfully prosecuted during the year. There were two particular issues which were satisfactorily resolved.

The first was the guidance issued by the ATO that confirmed that the repapering of a contract to remove references to LIBOR and replace them with an alternative rate and/or to

POLICY INITIATIVES



insert fallback language would not result in the crystallisation of a taxing event. This had implications both from an income tax perspective but also ensured continuity of the withholding tax exemption under Section 128F without the need to reoffer the instrument.

The other tax issue arising from LIBOR cessation was the application of the LIBOR Cap, which caps interest deductibility for foreign bank branches on internal funding to the applicable LIBOR. Given the end of LIBOR, the ATO issued guidance which largely left it up to affected taxpayers to determine the appropriate reference rate/credit spread adjustment to use in applying the cap. While AFMA maintains that there technically should be no cap and the cap is deficient from a policy perspective, the practical guidance from the ATO is workable and appreciated.

Anti-Money Laundering

AUSTRAC Engagement

The interaction between AFMA members and AUSTRAC has transformed significantly over the last five years, with reporting entities seeking greater prescription as to the regulatory expectations and designing their programs to meet these expectations. The role of AFMA in this context is enhanced, as it operates as a key interlocutor between AUSTRAC and members to ensure issues and queries are raised at an industry level and not attributed to a particular organisation.

A prime example of this engagement was in relation to IFTI reportability, where AFMA compiled a range of industry scenarios and hosted six workshops with senior AUSTRAC

personnel to work through the issues arising. The result will be comprehensive guidance which will finally clarify expectations and requirements. In the absence of such guidance, members are left to obtaining their own legal advice which may not be consistent across the industry, thereby exposing some members who take alternative views. AFMA will continue to play this key role.

Phase 1.5 Reforms

AFMA engaged constructively with both the Department of Home Affairs and AUSTRAC regarding the Rules to support the Phase 1.5 reforms, which took effect in June 2021. A particular high-point of this engagement was obtaining a 12-month grace period from AUSTRAC for members to operationalise the new requirements.

Legislative Priority

A common understanding between AFMA and AUSTRAC is that the complexity of the AML/CTF legislative framework undermines the frustration of significant financial crime and is ripe for reform. AFMA contributed constructively during the year to the structure and sequencing of consultation papers to simplify the legislative framework. Accordingly, it was disappointing that Ministerial approval under the previous Government to release the consultation papers was not forthcoming. Subsequent to the 2022 Federal Election, portfolio responsibility for AML/CTF was transferred to the Attorney-General's Department, and AFMA is hopeful that this will allow for much-needed reform work to be undertaken more swiftly.

OTC Markets

Debt Capital Markets

Fallback Language for FRNs

The Australian market is well advanced in adopting robust fallback language to ensure that securities will be repo eligible with the RBA. AFMA's Fallback Committee continues to work on fallback language for floating rate notes. The ASF, ASX and AFMA have held discussions with ASIC to get clarification on the definition of a cessation event and prefer a statement from the regulator, outlining their expectations for the ASX if such an event occurs. The RBA has set the compliance date to 1 December 2022.

POLICY INITIATIVES

Central Repository for Primary Issuance Documents

The Debt Capital Markets Committee endorsed an initiative to establish a central repository for primary market issuance documents. A central repository is a digital document storage system and platform where issuing institutions can upload, store documents and information relating to primary market activity that can be shared with public side market participants. The intention of the initiative is to provide more transparency in Australian debt and credit markets; and is consistent with market practices in other jurisdictions such as Europe and the United States. AFMA released a Statement of Good Practice via a market notice to encourage market participants to upload documents.

DCM Guidelines

The AFMA Debt Capital Markets Primary Market Guidelines were approved for publication in December 2021. The guidelines provide important guidance for market participants from origination and syndication teams and are relevant to primary market issuance practice. They incorporate the earlier *Handling Inside Information & Market Soundings Guidelines for Institutional Debt Capital Markets*, which have been retired and archived.

ASIC/IOSCO Consultation on Corporate Bond Markets

IOSCO published a report and consultation on 6 April titled "Corporate bond markets – drivers of liquidity during COVID-19 induced market stresses". ASIC requested input from AFMA about this IOSCO consultation therefore, AFMA established a

working group with members drawn from the Debt Capital Markets and Debt Securities committees. The IOSCO report analyses the work of the IOSCO working group on corporate bond market liquidity, which was tasked with analysing the corporate bond market microstructure, resilience and liquidity provision during the COVID-19 induced market stresses of March 2020 and subsequent months.

Repo Market Initiatives

In 2022 AFMA continued its long-term endeavours to resolve repo market settlement frictions, these predominantly manifesting as late settlement rather than failed settlement. Guidelines designed to manage failed settlement were drafted, these specific to the management of the dealer and client relationship, and which will be added to the Repo conventions.

In response to Repo Committee member's interest in the merits of central clearing, AFMA will undertake a survey of market participants to gauge the broader market's interest.

Swap Market Initiatives

Benchmark Transition

During the year, AFMA continued to lead industry dialogue and planning about the implications for the Australian financial markets associated with benchmark transition globally. Additionally, AFMA has led the work with LIBOR Transition in the Australian market; ultimately resulting in the IBOR Transformation Australian Working Group (ITAWG) announcing that the Australian market was ready to transact off SOFR in cross-currency basis swaps from November 2021.

The transition to risk-free rates in cross-currency basis swaps has been successful. Cross-currency basis swaps now reference BBSW/SOFR instead of BBSW/LIBOR, since trading began at the start of the year.

Conventions for BBSW/SOFR cross currency basis swaps have been proposed and the Swaps Committee discussed the proposed conventions at length, agreeing that the conventions provide appropriate guidance to market participants.



ASIC requested input from AFMA about this IOSCO consultation therefore, AFMA established a working group with members drawn from the Debt Capital Markets and Debt Securities committees.

POLICY INITIATIVES

Exchange Markets

CHES Replacement

AFMA continues to facilitate industry dialogue and provide input to the project and its governance. The project is complex, multi-faceted and will have long term implications for the Australian financial markets. AFMA's aim is to support the project to a successful conclusion.

ASIC Report 708

AFMA led the industry response to ASIC's Report 708. This involved a constructive engagement with multiple stakeholders which ultimately led to sensible moderation of some requirements. AFMA has engaged with the buy-side, with a view to continuing our support of increased market responsiveness in the event of outages — but without increasing risks for investors.

Stamping Fee Exemption

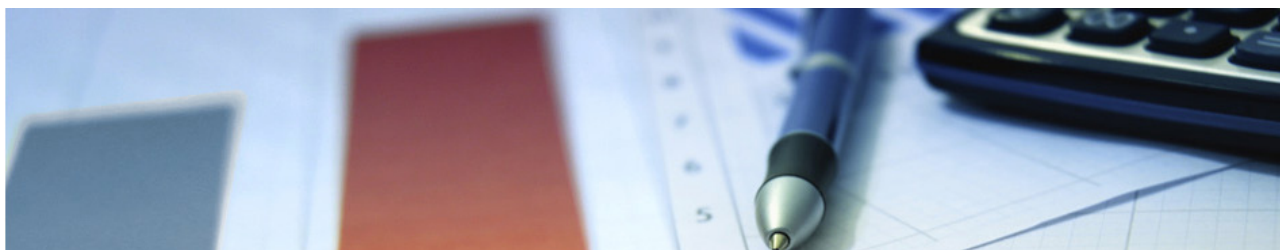
AFMA responded to Treasury's consultation on the removal of the stamping fee exemption for Listed Investment Companies and Listed Investment Trusts — opposing the removal. We will continue to support the maintenance of the exemption for other asset classes as it plays an important role in Australia's Capital Markets.

ASIC Cost Recovery

The Government took up AFMA's suggestion of a more thoroughgoing review of ASIC's industry funding mechanism, commencing a process that aims to reduce the challenges of the current highly complex and unpredictable arrangements. AFMA is engaging at each point of the process.



MARKET COMMITTEES



Market Governance Committee

AFMA's Market Governance Committee (MGC) serves an important role in Australia's financial markets. The committee is comprised of senior management and heads of trading businesses from AFMA's Members and oversees the development and maintenance of market conventions, gives guidance on expected market behaviour and promotes integrity and efficiencies to facilitate orderly operations in Australian wholesale OTC markets.

AFMA's Technical Markets Committees address a wide range of market-specific issues which, from time to time, may require a clarification, amendment or addition of a new convention to the Market Conventions and general practices. The Markets Committees are the primary means through which AFMA undertakes its coordinating role in the industry's self-management of the OTC markets. The Markets Committees propose new conventions and amendments which are ratified by MGC before being adopted by the broader market. Amendments and new conventions in the 2022 financial year continued with refinements to market conventions to support the continuing transformation to risk free rates and provide guidance on Markets Committees structures.

MGC is mandated to regularly review market conditions and performance of products traded in Australia's OTC financial markets. These include the cash market, debt capital markets origination and credit trading, short- and long-term debt securities markets and the associated repo market, together with a diverse range of derivative products, including interest rate derivatives and inflation products. MGC draws on individual Markets Committees' surveys of market conditions in liquidity and transparency; and if necessary, directs the committees to meet challenges in market conditions to garner better efficiencies and consider issues on the horizon.

The MGC promotes the AFMA Code of Conduct as outlining acceptable standards of behaviour and advises the AFMA Board on material matters and issues arising in respect of market operations and conduct.

Cash

The extremely high level of surplus cash in the banking system (approx. \$400 billion daily average vs pre-pandemic levels averaging \$2.5 billion) severely curtailed the level of interbank dealing needed for banks to square end-of-day shortfalls. Consequently, the RBA's Cash Rate was regularly determined by the RBA's use of expert judgement rather than on transactional volumes. A focus of Committee members going forward, will be adequacy of interdealer credit lines as markets normalise and Exchange Settlement Account balances shrink.

Debt Capital Markets

Members of the Debt Capital Markets Committee welcomed the publication of the AFMA Debt Capital Market Primary Market Guidelines which were endorsed by AFMA's Professionalism Committee and published to the AFMA website in mid-December.

The Committee endorsed the establishment a central repository for primary market issuance documents. A central repository is a digital document storage system and platform where issuing institutions can upload and store documents so that institutional investors and other market participants can readily access them.

Amendments and new conventions in the 2022 financial year continued with refinements to market conventions to support the continuing transformation to risk free rates and provide guidance on Markets Committees structures.

MARKET COMMITTEES

Generally available information should be actively disseminated through a channel which can be readily accessed by investors, intermediaries, and trading desks. Australian regulators are encouraging more transparency in fixed income transactions and this initiative is a positive step to increase transparency. AFMA released a Statement of Good Practice to encourage market participants to upload documents.

The Committee considered changes being made to league tables for sustainability linked bonds. A review of the criteria for the tables has highlighted requirements for a stricter explanation of use of proceeds. Borrowers will be required to provide a sustainable framework and an external review for the securities being offered.

Debt Securities

Members of the committee voted to adopt a convention to recognise the default settlement date for primary transactions as T+5. Counterparties can still negotiate to launch transactions at other T times, subject to negotiation between counterparties. The new convention applies to primary syndicated transactions and not to tenders. The committee is also considering a proposal that timely order book updates be provided to non-deal syndicates to expedite public information and bring efficiency to order book updates.

The ASX published a consultation to address the implementation of benchmark fallback rate provisions under the 2021 ISDA definitions for ASX cleared derivatives. The initiative is consistent with other global jurisdictions and seeks to provide certainty if a cessation event occurs. The ASX is also introducing OTC product enhancements to support the Actual/Actual ICMA Day Count Convention for the clearing of Assets Swaps and adopt the IMM AUD roll convention which have been well supported by the market. The changes will take effect from 27 June.

Inflation Products

Members of the Inflation Products Committee reported improving market conditions for liquidity and transparency for inflation linked bonds following increasing inflation readings around the world and central bank tightening of monetary policy.

The committee supports the initiative of the Australian Bureau of Statistics (ABS) to publish Australian inflation data as measured by the Consumer Price Index (CPI) on a monthly basis. More frequent publication of inflation data has the broad support of AFMA's members who believe that it will contribute to more effective hedging and trading of interest rate and inflation linked products.



Members of the committee voted to adopt a convention to recognise the default settlement date for primary transactions as T+5.

Interest Rate Options

Market conditions throughout the fiscal year were generally satisfactory as market liquidity improved in concert with the steepening of the yield curve ahead of RBA's actions to counter inflationary pressure.

Negotiable and Transferable Instruments (NTI)

The Committee ratified amendments to the NTI Conventions, which served to clarify trading protocols for non-prime NCDs. While not considered to be material, these amendments served to convey that, in particular, the prescribed market parcel conventions apply to ASX Prime Bank paper; and that all other products traded are conducted on a mutually-agreed basis between the parties.

Noting that the NTI market quality survey was skewed to the performance of Prime Bank paper, the Committee broadened the scope of the survey to also gauge the performance of paper issued by other ADIs.

Repo

Commencing late November 2021 the Austraclear repo module has been used to settle market Repos, and while some early issues arose for participants these generally have been remediated or work is progressing to refine the processes in areas such as split ticketing.

In February 2022 the RBA introduced a new pricing mechanism for its open market operations, initially reducing the term to 28 days, and thereafter setting the rate at a margin to OIS. At a

MARKET COMMITTEES

later date (to be determined), the RBA plans to base the OMO rate on the Cash Rate Target.

Swaps

Members noted a general improvement in trading conditions in IRS and CCS following the successful implementation of BBSW/SOFR basis swaps to replace BBSW/LIBOR at the start of the year. Liquidity improved notably in the first quarter assisted by increased Kangaroo bond issuance, which supported the market transition to BBSW/SOFR.

As highlighted above, the ASX noted that their consultation to address the implementation of benchmark fallback rate provisions under the 2021 ISDA definitions for ASX cleared derivatives, is consistent with other global jurisdictions to provide certainty if a cessation event occurs.

The ASX also introduced OTC product enhancements to support the Actual/Actual ICMA Day Count Convention for clearing of Assets Swaps and adopt the IMM AUD roll convention which was well supported by the market. Committee members voted for a convention to recognise “Futures Dates” in swaps trading which is consistent with the ASX’s initiative to introduce a definition of “IMM AUD Dates” for trading the futures strip.

Electricity Market

Energy Transition

The transition of the National Electricity Market (NEM) to lower emissions remains the key energy policy issue. AFMA has engaged with the Energy Security Board’s Post 2025 Market Design Project, making submissions on key issues relevant to the wholesale market with a focus on preserving the spot price as the key market signal.

Market Disruption

In June this year, the energy market experienced an unprecedented period of stress. This was caused by a combination of factors including ageing generation plants and disruption to international energy markets, culminating in long periods of administered pricing in gas and electricity markets, and the overall suspension of the NEM. AFMA engaged with members to ensure the contract market could function during these events and to develop positions on anticipated reforms resulting from the disruption.



Environmental Products

AFMA’s Environmental Products Committee is the market committee dedicated to developing conventions, standardised documentation and discussing market activity related to a range of legislated emissions reduction schemes (including LGCs, STCs, ESCs and VEECs). AFMA has worked with members to update conventions, documentation and engaged with the Victorian regulator to address concerns with changes to their scheme.

Carbon Markets

In response to the growth of the carbon market, AFMA established a new Carbon Markets Committee. The Committee is currently developing conventions and standardised documentation for the Australian carbon market and guiding AFMA’s engagement with reforms to the Australian Carbon Credit Unit (ACCU) market. AFMA will be actively engaging with the Commonwealth’s review of ACCUs and reforms to the Safeguard Mechanism.

OTC Market Conventions

AFMA maintains the Australian OTC Market Conventions, and where necessary will amend or add to these, also clarifying aspects of the rules governing markets. Over the course of the 2021/22 financial year, the following amendments and new conventions were introduced to improve market performance and add greater clarity around market practices.

MARKET COMMITTEES

OTC MARKET CONVENTION CHANGES

CONVENTION NAME	CHANGE	REASON	DATE
Market Committee Guidelines	New Guidance	Language introduced to reiterate committee attendance and participation. Carve out / separation of MGC and EGC remit, the latter covering Energy and Environment Products.	Dec-21
Repo	New Guidance	Guidance added to 5.4 Settlement Failures to reinforce the seller obligation to mitigate settlement failure.	Dec-21
Negotiable/Transferable Instruments	New Convention	Delineate Prime Paper limits from non-prime paper.	Dec-21
Market Committee Guidelines	New Guidance	Market Committee cap increased to 25 to encourage broader industry participation in Committee activities.	Dec-21
Credit Products	Amendment	Remove reference to LIBOR, replace with a reference to SOFR.	Mar-22
Repo	Amendment	Replace reference to 'Reuters screen RBA30' with 'screen RBA30'.	Mar-22
Interest Rate Options	Amendment	Update ISDA Definitions to 2021 version.	Mar-22
Long Term Government Debt Securities	New	Market convention to establish default settlement date for primary, syndicated transactions to T+5, or otherwise subject to negotiation between counterparties.	May-22
Interest Rate Derivatives	New	Conventions proposed for Bills/SOFR and AONIA/ SOFR basis swaps were agreed. Will not be formally adopted until market volumes rise.	N/A

PROFESSIONALISM & EDUCATION

The 2021/22 year was highly significant from an AFMA Education and Accreditation perspective as the first full year of the collaboration between AFMA and the Macquarie University Business School (MQBS) to deliver the Financial Markets Certificate (FMC), the education standard underpinning AFMA Accreditation.

When AFMA selected MQBS as its education partner, it was on the basis that MQBS would deliver an enhanced learning experience for students, teach the AFMA curriculum in a way that was practical and armed students with the necessary tools to undertake a career in Australia's financial markets in a manner which would meet the needs of accreditation representatives within AFMA member firms. The roll out of the FMC has more than vindicated this decision.

As at 30 June 2022, a total of 119 students had completed all of the requirements to be eligible to obtain the Financial Markets Certificate, with total enrolments of more than 1,000 across the six units that collectively comprise the Certificate. These statistics are close to double the assumed level of demand at the commencement of the Certificate and reflect the exemplary manner in which MQBS has met the objectives of AFMA and its members. This is also reflected in the feedback provided by students in participant evaluations, with scores close to "excellent" for each term that was taught.

MQBS is also to be commended for the swift manner in which any suggested changes to the course were addressed. This included areas such as splitting workshops to make them more student-friendly, introducing supplementary exams for near-miss failures and incorporating ESG materials into the courses to reflect increased interest.

Going forward, AFMA and MQBS are working on ways to provide training that is fit-for-purpose for those in roles that do not require the full certificate but for whom enhanced awareness of financial markets concepts and transaction types would be beneficial.

AFMA would like to thank Eric Knight (MQBS Executive Dean), Lindesay Brine (MQBS Director, Postgraduate Applied Finance) and all MQBS facilitators and staff for their support

of the Financial Markets Certificate and the collaboration with AFMA. We look forward to the professional relationship continuing to flourish in coming years.

In addition to the education developments detailed above, the key project undertaken during the year with regards to professionalism was the update to the AFMA Code of Conduct. This review was led by the AFMA Professionalism Committee, which endorsed a member consultation on the Code to be conducted by the AFMA Secretariat. This consultation highlighted the need to more tightly define what is meant by the Code by stating with clarity that the Code only comprises the ethical principles and does not extend to any guidance. Additionally, the application of the Code to accredited individuals was clarified, with some rationalisation of the ethical principles. The resultant Code is clearer in its application and does not impose any additional regulatory burden on members or their employees.



INTERNATIONAL ENGAGEMENT

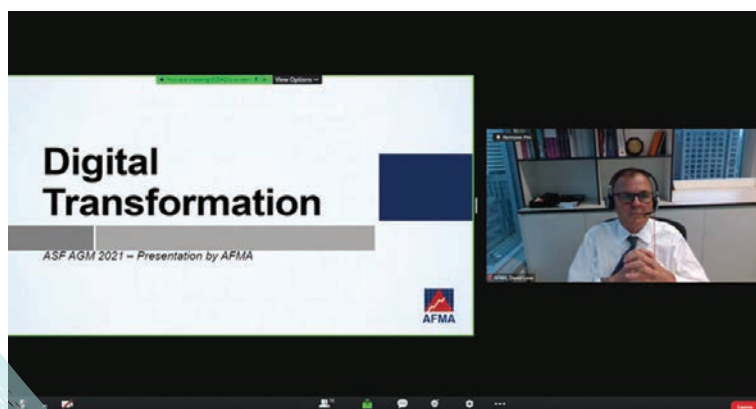
AFMA is a proud member of ICSA, the global organisation of 19 securities industry associations that develops common positions on policy and regulatory matters that promote safer and more integrated capital markets and has regular discussions with IOSCO and the Financial Stability Board. The operational challenges presented by the COVID-19 pandemic have presented difficulties in AFMA being able to engage, at least physically, with ICSA and its constituent associations than has historically been the case. AFMA appreciates the efforts by ICSA and the host of the 2022 ICSA AGM, SIFMA; in allowing AFMA to participate virtually in the AGM and looks forward to reconnecting with our ICSA colleagues in the near future.

Similarly, the Asia Securities Forum, of which AFMA is an active member, needed to hold its 2021 Annual General Meeting virtually. AFMA supported the Annual General Meeting through providing a detailed presentation on Digital Transformation.

During the year, AFMA continued its close and long-standing relationships with counterparts such as ISDA, ICMA and ASIFMA. Our ongoing collaboration with these bodies directly assists the efficient operation of the Australian markets. In

particular, we were delighted to collaborate with ISDA to jointly deliver a one-day conference entitled “New Frontiers in Australian Financial Markets.” AFMA also maintained less formal dialogue with these bodies during the year to ensure that the policy settings in Australia remain aligned with international requirements, to the extent possible.

AFMA made major substantive comments on the two International Sustainability Standards Board (ISSB) exposure drafts for sustainability disclosure and climate disclosure standards (S1 & S2), striving to ensure that the Australian perspective and needs were understood at the global level. The submission supported the general objective of establishing global standards which would be adopted by Australia through local rules.



AFMA was represented (virtually) at the Annual General Meeting of the Asia Securities Forum in December 2021, where AFMA's General Counsel and International Adviser presented on Digital Transformation.



AFMA EVENTS

Joint ISDA-AFMA Conference

On 7 April 2022, AFMA and ISDA co-hosted a half-day conference sponsored and hosted by ASX in their Sydney office with discussions exploring the new frontiers in Australian financial markets. The afternoon began with welcoming remarks along with a public dialogue between the CEOs of both associations. Several panels with market experts discussed topics including benchmark reform, documentation, digital transformation initiatives as well as the ESG agenda and developments in the carbon market.

Speakers included members from the RBA, ASX, Westpac, KWM, Macquarie, Allens, the Carbon Market Institute and NAB. The event had a healthy attendance with approximately 50 attendees and speakers involved leading to significantly engaging and productive dialogue on the pressing issues impacting Australian financial markets to date. ISDA and AFMA have a longstanding and productive partnership leveraging each association's expertise and membership for mutual benefit and will explore opportunities to continue collaborating in the future.



(l-r) AFMA CEO Brett Harper, ASX General Manager Fiona Tramontana and ISDA CEO Scott O'Malia open the joint AFMA-ISDA Conference.

Changes to the RBA's Open Market Operations

In February 2022, the Reserve Bank of Australia (RBA) chose AFMA as the appropriate platform to publicly announce important adjustments to the conditions of their Open Market Operations. An online webinar was conducted and hosted by AFMA and the announcement was made by Dr Christopher Kent, Assistant Governor, Financial Markets. Upon request by the RBA, media representatives and non-AFMA members were invited to the webinar ensuring the information was provided to a broad audience. The webinar was attended well by market participants receiving wide media coverage in the days that followed.



AFMA CEO Brett Harper closing the AFMA/ISDA Conference.



AFMA's General Counsel and International Adviser, David Love, discussing global developments in benchmark rates.

AFMA IN THE COMMUNITY

The COVID-19 pandemic continued to disrupt the fundraising efforts for the Financial Markets Foundation for Children with the primary fundraising event for the Foundation, the Enchanted Ball, again being cancelled in 2021. We are very much looking forward to the 2022 Enchanted Ball.

Notwithstanding the dip in fundraising, AFMA continued to support the Foundation by providing all administration support, allowing the Foundation to continue to achieve its objectives on a “dollar-in, dollar-out” basis. This was important as the Foundation continued its funding of perpetual chairs into paediatric research at eminent universities and specific funding for child brain-cancer research.



The 2021/22 year was also the last where AFMA's former Office Manager, Anne Collins, would provide support to the Foundation. Anne has been responsible for the effective functioning of the Foundation for more than 20 years and her commitment to the Foundation and the causes the Foundation supports, typifies the ethos of the Foundation. We thank Anne for many years of diligent service and for a legacy that has touched the lives of a huge number of Australian children.



AFMA STAFF

Management



Brett Harper



Rob Colquhoun

BRETT HARPER

Chief Executive Officer

Reporting to the Board, Brett is responsible for the overall performance of AFMA in representing the interests of members in dealing with industry policy issues (including market operations) and in providing education and documentation services to members. Brett leads the Management Committee and is the Association's primary spokesperson.

ROB COLQUHOUN

Company Secretary, Financial Controller and Director, Policy

Rob is a member of AFMA's Management Committee and performs financial control and company secretary functions for the Association. From a policy perspective, Rob focuses on AFMA's taxation issues, encompassing corporate tax, international tax and indirect taxes as well as providing support to AFMA's Anti-Money Laundering Committee. Rob consults heavily with Treasury, the ATO and AUSTRAC and is a member of the key Treasury consultation groups. Rob has responsibility for AFMA's Education and Professionalism agenda.

Policy Team

NIKITA DHANRAJ (until April 2022)

Policy Manager

Nikita joined AFMA in January 2020 and was responsible for AFMA's policy and research work program for Sustainable Finance and Data Management. Nikita was the policy executive for AFMA's Accreditation Governance and Joint Faculty Committees which oversee the development of AFMA's accreditation program and address curriculum development matters for Macquarie University Business School's education offering and provided secretariat support to AFMA's Professionalism Committee.

Nikita provided policy assistance in other areas such as information security, retail market issues, regulatory developments and financial market data. She also coordinated AFMA's communications function through the monthly newsletter and online engagement.

RICKY DiCAMPLI

Policy Assistant

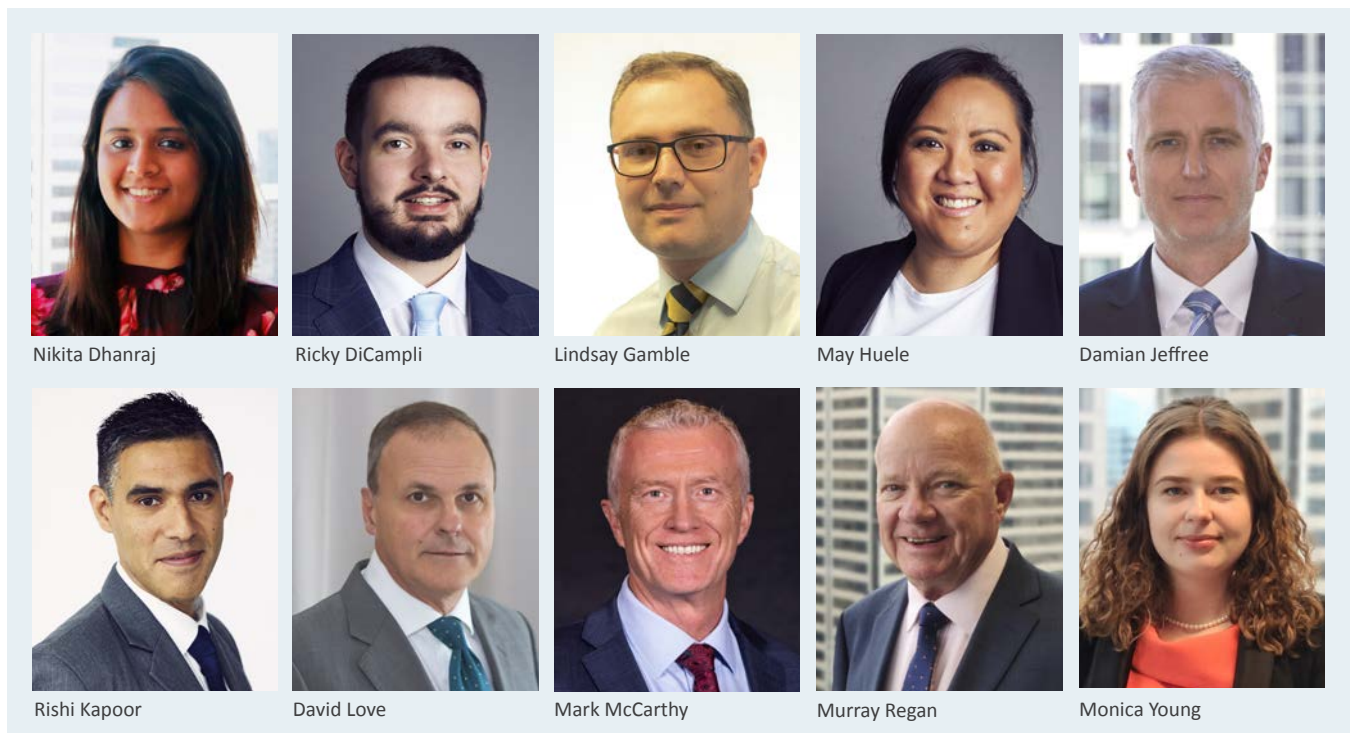
Ricky joined AFMA in 2021 initially as an intern. Ricky is involved in researching financial markets developments for publication in the AFMA newsletter. This includes key regulatory and international updates whilst also sourcing sustainable finance updates. Ricky was retained in a new role as Policy Assistant in August 2021 following the conclusion of his internship where he began work on market data analysis and assists with the AFMA newsletter. He likewise provides research assistance in AFMA's policy work on sustainable finance and data management. Furthermore, Ricky assists in the operation of committee and working group meetings.

LINDSAY GAMBLE (from July 2022)

Director – Energy, Carbon and Environmental Products

Lindsay is responsible for AFMA's engagement with Energy, Carbon and Environmental Product markets. This includes responsibility for the Energy and Environmental Products Committees who maintain the market conventions and documentation for trading in electricity and gas OTC derivatives, carbon and environmental products.

AFMA STAFF



Policy Team *continued*

MAY HUELE

Secretariat Manager

May is responsible for the efficient operation of AFMA committees and working groups, including the Board of Directors and other governance committees.

DAMIAN JEFFREE

Senior Director of Policy

Damian is the Senior Director of Policy, leading multiple policy initiatives and is a key interlocutor for the industry with many of AFMA's important stakeholders including ASIC, APRA, Treasury, the RBA, and Ministerial offices.

Over recent years Damian has enhanced AFMA's role as a policy body for the financial markets in information security. Damian is also responsible for multiple committees relevant to OTC markets including MGC, wholesale equities (including CHES replacement), futures, retail broking, IT, information security, and operations.

RISHI KAPOOR (until April 2022)

Director of Policy

Rishi joined AFMA in November 2021 as part of the team responsible for coordinating AFMA's efforts and initiatives across a range of policy fronts, including: ESG, sustainable finance, fintech, regulatory reporting, benchmark reform, financial market infrastructure and other Australian market developments. Rishi was previously based in Hong Kong from 2015, playing a leading role in a range of public policy and advocacy initiatives in the derivatives market across the Asia-Pacific region.

Rishi lead AFMA's committees and working groups for environmental products, carbon markets and regulatory reporting, as well as holding responsibility for AFMA's engagement with the Australian and international fintech ecosystem. Rishi also leveraged his previous experience at ISDA and ASIC to provide strategic advice on key issues in the cash and derivative markets across both the exchange and OTC spheres; and bolstering AFMA's regulatory advocacy and engagement with trade associations and international fora across the region.

AFMA STAFF

Policy Team continued

DAVID LOVE

General Counsel and International Adviser

David manages AFMA's legal and compliance risk and deals with developments in the regulatory environment for the Association. This role includes overseeing AFMA's documentation and market standards.

David plays a leading role in policy development for: financial market infrastructure, securities and derivatives markets services, OTC and capital market practices, IBOR and other benchmark issues, energy markets and setting the strategic regulatory policy direction for the industry in Australia and other jurisdictions. He plays a key role in AFMA's ongoing relations with Treasury, ASIC, APRA and the RBA.

David also has responsibility for AFMA's international relationships with counterpart associations, international groups and authorities.

David is responsible for managing AFMA's compliance committees, the Documentation Committee along with the OTC guide, and the legal committees for the equity and debt capital markets. A key part of his work centres on LIBOR transition and benchmark associated issues.

MARK MCCARTHY

Head of Markets

Mark is the executive responsible for managing the operation of Market Committees in Debt Securities, Debt Capital Markets, Inflation Linked Products and Swaps, and is a member of the RBA's Australian Foreign Exchange Committee. Mark contributed to the establishment of AFMA's Sustainable Finance and ESG Risk Forums and has been responsible for maintaining AFMA's Public Register of Statements of Commitment to the FX Global Code. Mark also holds primary responsibility for AFMA's engagement with existing and prospective members.

MURRAY REGAN

Director – Policy and Markets

Murray has responsibility for the management of select market committees and conventions, including Cash, Repo, Negotiable/Transferable Instruments (NCDs) and Interest Rate Options. In this role he ensures that AFMA's market conventions, standards, documentation and practices serve to promote market efficiency.

In addition, Murray is responsible for the Regulatory Reporting Committee which primarily represents the interests of foreign ADIs. He plays a key role in AFMA's ongoing relations with APRA and the RBA, and serves as AFMA's observer on ASX's BBSW Advisory Committee.

MONICA YOUNG (from August 2022)

Policy Manager

Monica has primary responsibility of AFMA's government relations, ensuring that AFMA's policy objectives are advocated for and understood in Canberra, and by other key stakeholders. Monica joined AFMA from UK Parliament, where she spent four years as a political staffer in policy oriented roles in the House of Commons; having graduated with a Honours Degree in Journalism.

AFMA STAFF



Jason Sheil



Lisa Aquino



Anne Collins



Melinda Cunningham



Justin Gillfeather

Education

JASON SHEIL

Accreditation Manager

Jason is responsible for maintaining and managing AFMA Accreditation and the annual reaccreditation process. Additionally, he is a key point of contact for both members and Macquarie University Business School, in relation to the Financial Markets Certificate which is now utilised as the education benchmark for AFMA Accreditation.

LISA AQUINO

Publishing Manager

Lisa manages all aspects of production of learning materials for AFMA education and training programs, from desktop publishing duties, to liaising with printers and approving printers' proofs. In addition, Lisa develops and builds all online courseware and assessments, and has administrative responsibilities for the learning management system.

Services Team

ANNE COLLINS

Office Manager – Accounts

Anne is responsible for the day-to-day office management and the management of accounts payable and receivable. In addition, Anne supports the administration of Education and is responsible for processing all education and training registrations. She also supports the OTC Guide products and client databases, and the grants process for the Financial Markets Foundation for Children. Anne supports the Financial Controller by ensuring all AFMA processes and procedures are adhered to.

responsibilities include engagement with current and prospective members about membership, maintenance of membership records, collation of member communications including marketing material and the coordination of the annual membership renewal process. Melinda also manages the subscription process for AFMA's OTC Guide.

MELINDA CUNNINGHAM

Business Information and Membership Officer

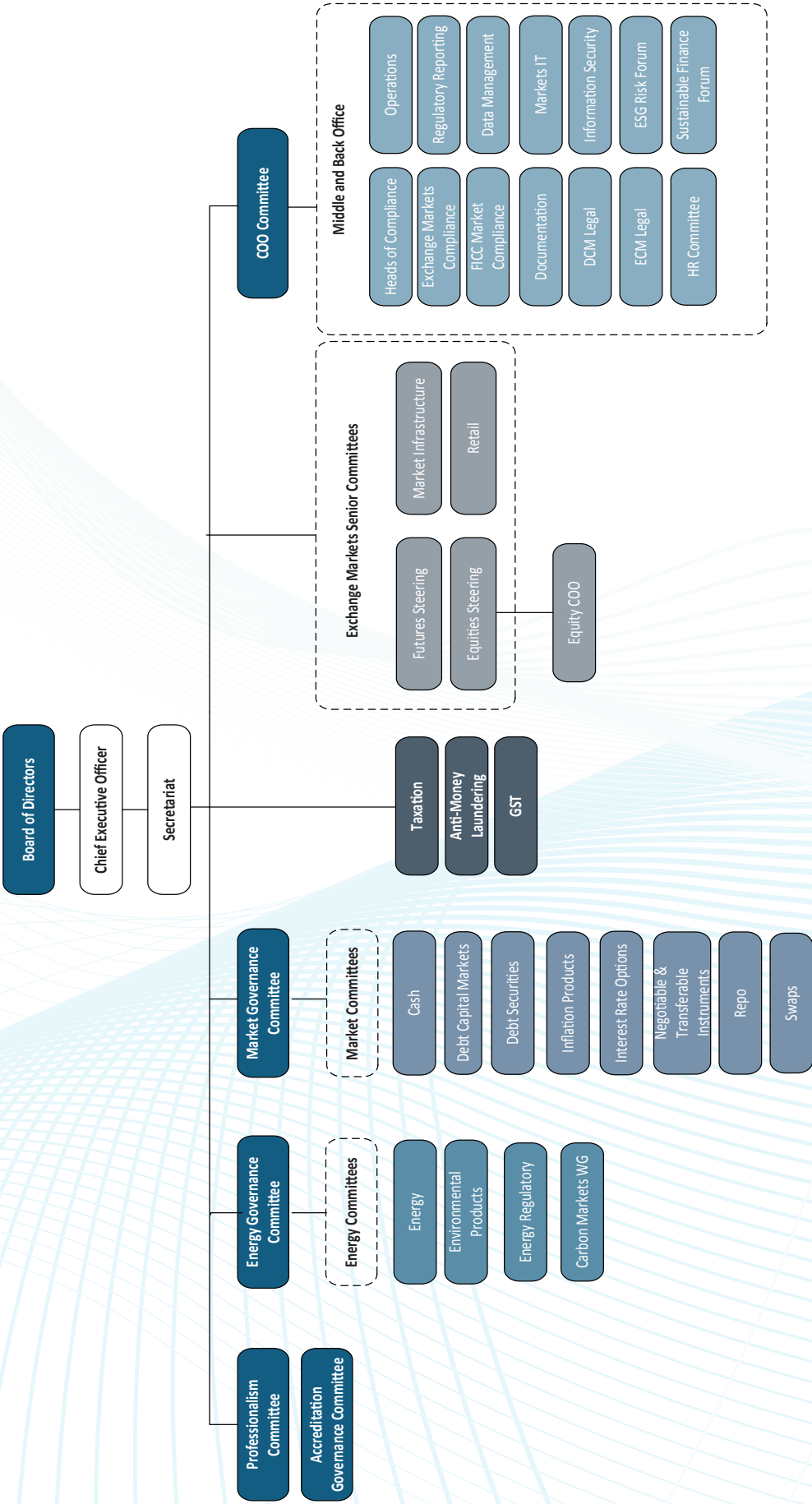
Melinda is responsible for the administration of AFMA's membership and business information functions. Melinda's

JUSTIN GILLFEATHER

Senior Information Technology Manager

Justin is responsible for all information and communication technology within AFMA, including both internal and member-facing technologies, as well as acting as the Information Security officer.

AFMA COMMITTEES



AFMA GOVERNANCE

(current at 30 June 2022)

Board of Directors

Robert Bedwell (Chair)
JP Morgan Chase Bank, N.A.

Andrew Hinchliff (Deputy Chair)
Commonwealth Bank of Australia

Shayne Collins
Australia and New Zealand Banking Group Limited

Karine Delvallée
BNP Paribas

Richard Gibb
Credit Suisse AG

Glenn Morgan
Deutsche Bank AG

Stuart Green
Macquarie Group Limited

Richard Wagner
Morgan Stanley Australia Limited

Drew Bradford
National Australia Bank Limited

Greg Jarvis
Origin Energy

William Whitford
Treasury Corporation of Victoria

Nick Hughes
UBS AG, Australia Branch

Nell Hutton
Westpac Banking Corporation

Market Governance Committee

Anthony Robson (Chair)
Yieldbroker Pty Limited

Tony Togher (Deputy Chair)
First Sentier Investors

Matthew Morris
Australia and New Zealand Banking Group Limited

James Hayes
BNP Paribas

Mark Woodruff
Citi

Nicholas Wheeler
HSBC Bank Australia Limited

Brook Thomas
ICAP Australia Pty Ltd

Bradley Castellano
JP Morgan Chase Bank, N.A.

Tim McCaughey
National Australia Bank Limited

Robert Kenna
NSW Treasury Corporation

Natalie Vanstone
Royal Bank of Canada

Andrew Kennedy
South Australian Government Financing Authority

Justin Lofting
Treasury Corporation of Victoria

Callum Macleod
Tullett Prebon (Australia) Pty Limited

Matthew Campbell
UBS AG, Australia Branch

Simon Masnick
Westpac Banking Corporation

2021/22 SUBMISSIONS

Significant Submissions include:

Indicative benefit legend:			
	● Direct costs savings	● Better regulation	● Better for business
Submission Issue	Policy Maker		
	Indicative Benefit		
Affordable and Accessible Advice FSC Green Paper	FSC	●	●
Revised Reporting Standard ARS 220.0 Credit Exposures and Provisions	APRA	●	●
Product Design and Distribution Obligations	ASIC		●
Digital Identity Legislation Positions Paper	Digital Identity	●	●
Remaking Class Order [CO 11/272]	ASIC	●	
Remuneration Standard Response Paper	APRA		●
CP 344 Remaking ASIC Class Order on when Debentures can be called Secured Notes	ASIC	●	
Crypto-assets as underlying assets for ETPs and other investment products	ASIC	●	●
Consultation on Relief to FFSP's	Treasury	●	●
Amendments to ASIC's Market Integrity Rules	ASIC	●	●
CRIS ASIC Industry Funding Model	ASIC	●	●
FAR Exposure Draft Legislation	Treasury	●	
Compensation Scheme of Last Resort	Treasury	●	●
ASX Overnight Variation Margin	ASX		●
Proposed amendments to Chapters 3, 6, 7 and 10 of the AML/CTF Rules	AUSTRAC	●	
Adequacy and Efficacy of Australia's AML and CTF Regime	Senate Legal and Constitutional Affairs Committee	●	
Single Disciplinary Body: Policy Paper	Treasury	●	●
Strengthening Australia's Cyber security regulations and incentives	Home Affairs		●
Superannuation Portfolio Holdings Disclosure	Treasury	●	●
Unfair Contract Terms Reforms	Treasury	●	●
Trusted Digital Identity Bill Exposure Draft	Digital Identity	●	●
CP 347 Proposed Amendments to the prohibition on order incentives in the ASIC Market Integrity Rules	ASIC	●	
Review of the Workplace Gender Equality Act 2012	ASIC		●
CHESS Replacement Tranche 3 Rules	ASX		●
Letter to Market Participants Regarding Report 708	ASIC	●	●
FAR Bill and CSLR Bill Consultation	Senate Standing Committee on Economics	●	●
Treasury LIBOR Cap Amendments	Treasury	●	●

2021/22 SUBMISSIONS

Significant Submissions include:

Indicative benefit legend:			
	● Direct costs savings	● Better regulation	● Better for business
Submission Issue	Policy Maker	Indicative Benefit	
APRA CPG 229 Climate Change Financial Risks	APRA	●	●
Review of the Privacy Act	Attorney Generals Department	●	●
Licensing Exemption for FFSP's	Treasury	●	●
AUSTRAC Industry Contribution 2021-22	AUSTRAC	●	●
Educational Standards for Financial Advisers	Treasury		●
FRAA Review of ASIC	Treasury	●	●
2022 Foreign Investment Reforms	Treasury	●	
ALRC Interim Report A – Financial Services Legislation	ALRC	●	
Use of Bank Name in Notifications	APRA	●	●
Reporting of International Electronic Funds Transfer Instructions	AUSTRAC	●	●
Allocation of Investment Losses	ASX		●
Issuer Services: New Pricing	ASX	●	●
Source of Funds and Source of Wealth	AUSTRAC	●	●
Post Implementation Review of the Basel III Liquidity Ratios	APRA	●	●
CHESS Replacement	ASIC		●
Review of ASIC's Industry Funding Model	Treasury	●	●
Strengthening Crisis Preparedness	APRA	●	●
Retail Market Conduct Taskforce	IOSCO	●	●
Proposed Enhancements to the ASX Listing Rules	ASX	●	●
CASSPrs: Licensing and Custody Requirements	Treasury	●	
Quality of Advice Review	Treasury	●	●
Guidance on Technological and Operational Resilience	ASIC	●	●
Transmission Access Reform	ESB	●	
Report 708	ASIC	●	●
National Data Security Action Plan	Home Affairs		●
Enhancing ASX Investment Products Offering	ASX		●
Cost Recovery Implementation Statement	ASIC	●	●
Direction for Data Collections	APRA	●	●
Australian Data Strategy	DPMC		●
Corporate Bond Markets – Drivers of Liquidity During COVID-19	ASIC	●	●
Pre-Budget Submission	Treasury	●	●

AFMA MEMBERS

Financial Markets Members

ABN AMRO Clearing Sydney Pty Limited
 AGL Energy Limited
 Alinta Energy
 Arab Bank Australia
 Arcadia Energy Trading
 Arrow Energy Trading Pty Ltd
 ASX Limited
 Aurora Energy Pty Ltd
 Australia and New Zealand Banking Group Limited
 Australian Office of Financial Management
 Bank of America N.A.
 Bank of China Limited
 Bank of Communications Co. Ltd Sydney Branch
 Bank of Queensland
 Barclays Bank PLC, Singapore Branch
 Barrenjoey Capital Partners Pty Limited
 Bendigo and Adelaide Bank Limited
 BGC Partners (Australia) Pty Ltd
 Bloomberg L.P.
 BNP Paribas
 Canadian Imperial Bank of Commerce (Sydney Branch)
 Cboe Australia Pty Ltd
 China Construction Bank, Sydney Branch
 China Everbright Bank, Sydney Branch
 Citi
 CleanCo Queensland Limited
 CLSA Australia Pty Ltd
 CMC Markets Asia Pacific
 CME Group Australia Pty Ltd
 Commonwealth Bank of Australia
 Crédit Agricole Corporate and Investment Bank
 Credit Suisse AG
 CS Energy Limited
 DBS Bank Ltd
 Delta Electricity
 Deutsche Bank AG
 E D & F Man Capital Markets Australia Pty Ltd
 EnergyAustralia
 ENGIE
 Ergon Energy Queensland Pty Ltd
 FIIG Securities Limited
 Financial and Energy Exchange Ltd
 First Sentier Investors
 Goldman Sachs Australia Pty Ltd
 Greater Bank Limited

Great Southern Bank
 HSBC Bank Australia Limited
 Hydro Tasmania
 Iberdrola Australia Energy
 ICAP Australia Pty Ltd
 IG Markets Limited
 IMC Pacific Pty Ltd
 Industrial and Commercial Bank of China Limited
 ING Bank (Australia) Limited
 InterGen (Australia) Pty Ltd
 Intesa Sanpaolo S.p.A
 Invast Financial Services
 Jarden Australia Pty Ltd
 Jefferies (Australia) Pty Ltd
 JP Morgan Chase Bank, N.A.
 Judo Bank Pty Ltd
 Macquarie Group Limited
 Mizuho Bank Ltd
 Monoova Global Payments Limited
 Morgan Stanley Australia Limited
 MUFG Bank, Ltd.
 National Australia Bank Limited
 Newcastle Permanent Building Society
 Nomura Australia Limited
 Northern Territory Treasury Corporation
 NSW Treasury Corporation
 OCBC Bank
 OFX
 Optiver Australia Pty Ltd
 Origin Energy
 QBE Insurance Group Limited
 QIC
 Queensland Treasury Corporation
 Rabobank
 Royal Bank of Canada
 Senex Energy Limited
 Shell Energy Australia Pty Ltd
 Snowy Hydro Limited
 Societe Generale
 South Australian Government Financing Authority
 Standard Chartered Bank
 Stanwell Corporation Limited
 State Street Bank and Trust Company
 Sumitomo Mitsui Banking Corporation, Sydney Branch
 Suncorp Metway Ltd
 Susquehanna Pacific Pty Ltd
 Tasmanian Public Finance Corporation
 TD Securities

Teachers Mutual Bank Limited
 The Northern Trust Company
 Tibra Trading Pty Ltd
 Toyota Finance Australia Limited
 Travelex Limited
 Treasury Corporation of Victoria
 Tullett Prebon (Australia) Pty Limited
 UBS AG, Australia Branch
 United Overseas Bank Limited
 Western Australian Treasury Corporation
 Western Union Business Solutions
 Westpac Banking Corporation
 Yieldbroker Pty Limited

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Allen & Overy Australia Pty Ltd
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 Baker McKenzie
 BDO Australia
 Clayton Utz
 Clifford Chance
 Energy Edge Pty Ltd
 Ernst & Young
 Gilbert + Tobin
 Herbert Smith Freehills
 ICE Data Services Australia
 Johnson Winter Slattery
 King & Wood Mallesons
 KPMG
 Minter Ellison
 Norton Rose Fulbright
 PricewaterhouseCoopers
 Refinitiv Australia Pty Ltd
 S&P Global
 White & Case

Affiliate Members

Australian Energy Market Operator Ltd
 Clean Energy Regulator
 International Capital Market Association
 Reserve Bank of Australia

AFMA would like to thank its partner members
for their ongoing support

ALLEN & OVERY

ashurst

Baker
McKenzie.

BDO

CLAYTON UTZ

CLIFFORD
CHANCE

EnergyEdge

EY

GILBERT
+ TOBIN

HERBERT
SMITH
FREEHILLS

ice Data
Services™

JOHNSON
WINTER
SLATTERY

KING & WOOD
MALLESONS
金杜律师事务所

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MinterEllison.

NORTON ROSE FULBRIGHT

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WHITE & CASE

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AFMA would like to welcome the
following new members



C L I F F O R D
C H A N C E



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ABOUT AFMA

The Australian Financial Markets Association (AFMA) is a member-driven and policy focused industry body that represents participants in Australia's financial markets and providers of wholesale banking services. AFMA's membership reflects the spectrum of industry participants including banks, brokers, market makers, energy traders, market infrastructure providers and treasury corporations.

Well-functioning financial markets are critical to good economic performance. AFMA pursues the policy and industry conditions that best enable financial markets to support a healthy economy by:

- Advocating policies and regulation that support development of the financial markets and user confidence in them;
- Encouraging responsible conduct and efficient markets through industry codes, conventions, guides and preparing and maintaining standard documentation; and
- Promoting high professional standards through an accreditation program.

AFMA covers industry issues affecting the front, middle and back office functions of members. This includes matters concerning dealing, advising and operations for both the over-the counter (OTC) and exchange markets for securities and derivatives.

Policy advocacy and industry representation

AFMA seeks to promote efficient regulation that inspires investor confidence in our markets. Our approach is built on constructive engagement with politicians and a credible approach to policy and regulatory matters. The Government and regulators regularly seek AFMA's views on public policy matters relevant to the financial markets.

The financial regulators oversee the day-to-day operation of the financial markets by administering government policy. AFMA has a unique relationship with the regulators that can handle a contest of ideas and views when necessary; and is founded on a common interest in the efficient delivery of regulatory objectives.

Promoting market efficiency and integrity

AFMA underpins official regulation by developing and promoting industry standards and guidance that support efficient and ethical practices across all our financial markets.

In addition, AFMA's conventions and standard documentation for the OTC markets are widely accepted, covering both front office activities and the operational aspects of financial transactions.

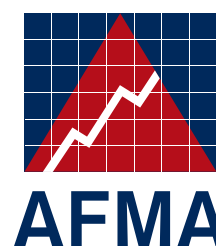
Promoting market professionalism

AFMA encourages high standards of professional conduct in financial markets by supporting an industry-led accreditation program to improve individual expertise in OTC and exchange-traded markets. AFMA accords accreditation, which enjoys widespread industry acceptance, to individuals who achieve the required levels of competence.

Industry leadership

AFMA's strategy is set by a Board comprising industry leaders at CEO level. The advocacy, industry standards and conventions processes are supported by member firms through our committees. They regularly assess suitability of the policy and regulatory settings for our financial markets and the degree of professionalism exhibited by market participants.

www.afma.com.au





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