



22 April 2016

Consultation Paper 2 of 2016
Chi-X Australia Pty Ltd
Level 23 Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

By email: cp2of2016@chi-x.com

Dear Mr Somes

Consultation Paper 02/2016
Introduction of Transferable Custody Receipts and Quoted Managed Funds

The Australian Financial Markets Association (AFMA) has consulted its relevant members about the Chi-X consultation paper 02/2016 on the introduction of Transferable Custody Receipts (TraCRs) and Quoted Managed Funds (QMFs) to ascertain whether there were any issues that need to be brought to your attention with the proposed rule and procedure changes for the new products.

Innovation in financial services is an important goal of current Government policy which AFMA supports. AFMA believes that competition in financial markets should work to the benefit of market participants and investors by delivering lower prices, innovation and better market access. New financial products such as TraCRs and QMFs are a demonstration of innovation in a competitive Australian market which benefits investors through increased choice.

AFMA's interested members have not indicated any concerns or identified problems with the rules and procedures as set out in CP 02/2016 being approved and implemented in their proposed form. Accordingly, the rule and procedure changes supporting the introduction of TraCRs and QMFs may proceed through the regulatory approval process with the indication from AFMA that there are no issues in our view with the changes that need attention.

Yours sincerely

David Love
General Counsel & International Adviser