



10 October 2016

Ms Alison Clark
Senior Manager, Business Policy and Services
Payments Settlements Department
Reserve Bank of Australia
SYDNEY NSW 2001

By email: RITSRegs@rba.gov.au

Dear Ms Clark

RITS Regulations Rewrite

The Australian Financial Markets Association (AFMA) is responding to the consultation on the rewrite to the RITS Regulations. AFMA has been in discussion with members and has the following comments and questions. Use of defined terms follows those in the RITS Regulations.

1 – Clause 25.1 Notice

Under clause 25.1, each Member undertakes to the RBA that it will not transfer its jurisdiction of incorporation or enter any merger or consolidation without first providing 10 Business Days' Notice to the RBA and if requested by the RBA a legal opinion satisfactory to the RBA.

While the rationale for such notification is understood, it would be helpful if more clarity can be provided on the timing of the notice. Given such information is generally confidential and for some Members, can constitute price sensitive information in Australia or other relevant jurisdiction, it would be reasonable for the notice period to start running only from the date on which the member executes a definitive agreement or takes other actions to give effect to a restructure.

2 – Clause 38.5

Clause 38.5 provides that where a Membership Document requires the RBA to provide a Notice or any other communication to all or a particular category of Members, any omission or failure by the RBA to provide the Notice or other communication to any Member will not affect the validity or effectiveness of that Notice or other communication. Clarity is sought for Members on the type of circumstances where this provision would have effect.

Question - What mechanism, if any, does the RBA have in place to resolve any issues that may arise from a Member's failure to act or refrain from acting where the RBA omits or fails to notify or communicate to the Member?

3 – Definition questions

The capitalised term "Authorised Network" in clause 7.9(a) is not defined in the new Regulations. Should the term be "Approved Network" that is defined in clause 1.1?

Does the term "Interim Session" found in item 5 of the table in section 1 and the heading of section 12 of Schedule 4 have the same meaning as the term "Interim Settlement Session" used elsewhere in the Regulations?

Please contact David Love at dlove@afma.com.au or on (02) 9776 7995 if further clarification or elaboration is desired.

Yours sincerely



David Love
General Counsel & International Adviser