

Certificated Securities

Practice Note 13

Issued: 2021



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The purpose of this Practice Note

Certificated settled securities are those securities admitted to the official list of the NSX but are paper settled rather than electronically settled.

This document outlines the procedures to be followed by NSX authorised Participants with respect to paper settlement of securities.

Participants must complete the authorisation form (Annexure 1) before they can be permitted to trade and settle certificated securities.

This practice note is not a substitute for the Issuer seeking its own professional advice. There may be differences in each and every case that the Issuer needs to fully consider as to the ultimate requirements for listing procedures, adhering to the NSX Rules, conditions of listing and adhering to the Australian Corporations Act.

The main points

1. Eligible securities
 2. Participant Trading
 3. Trade reporting
 4. Trade Settlement
 5. Failed Settlements
 6. Authorised Participants
 7. Further information
- Annexure 1: Participant Authorisation Application

Related materials

- Corporations Act Chapter 7
- NSX Business Rules Part C and Part DB
- ASIC Market Integrity Rules (Securities Market) as applicable

Guidance

The NSX issues practice notes to promote commercial certainty, reduce costs to business and assist market participants, and we are available to discuss any questions you have in relation to a practice note.

NSX may replace practice notes at any time. Issuers should contact NSX to ensure that they have the latest version of a practice note. As a practice note is only a guide to NSX practice, Issuers are advised to contact NSX to discuss their particular circumstances and the application of the listing rules. NSX cannot give legal advice to Issuers and recommends that they consider taking advice from a qualified professional person.



Section 1 – Eligible securities

1. The securities that are eligible to be admitted as certificated securities are
 - a) Property Securities or Managed Investment Schemes;
 - b) Corporate Securities;
 - c) Those securities so designated to be eligible as Certificated Securities, and
 - d) Bendigo Bank Community Banks.

Section 2 – Participant Trading

2. Due to the fact that the securities are certificated and require participant to participant settlement to take place using standard transfer forms, participants must be fully aware of the different procedures involved.
3. NSX participants must complete and return an acknowledgment form which states that they are willing to enter into certificated trading and settlement.
4. Authority and permission to trade in these securities can be effected on the day of receipt of the form.

Section 3 – Trade reporting

1. On a daily basis the NSX will email a report to the Participant's Settlement Department that will notify them of the trades and NETS¹ position for that day's trading.
2. The report consists of the following information:
 - a) Trade Date & Time of Trade
 - b) Settlement Date
 - c) Trade Details (Volume & Value)
 - d) Net Position
 - e) Buying Broker Name
 - f) Selling Broker Name
 - g) Broker Reference Details

¹ NETS means the NSX Electronic Trading System, a computer system and associated network operated by the Exchange in providing a market for the trading of securities.



Section 4 – Trade settlement

1. The following is a broad overview of settlement requirements:
 - a) the selling NSX broker must deliver;
 - an Australian Standard Transfer Form with the Seller details completed; and
 - Share certificate (alternatively, the share certificate can be lodged with the relevant Share Registry) to the buying NSX broker for the securities to be registered in the name of the buyer.
 - b) the buying NSX broker must pay to the selling NSX broker the consideration for the securities.
 - c) the buying NSX broker must send the Broker Transfer Form and Share Certificate or SRN Holding Statement (if not already lodged) to the relevant Share Registry.
 - d) unless otherwise determined by NSX, settlement of a NSX transaction must take place on the fifth business day after the date the NSX transaction was created on the NSX trading system.
 - e) All Brokers must email NSX confirming all completed settlements immediately after settlement.
 - f) The email address for NSX Settlements is: settlements@nsx.com.au

Section 5 – Failed settlements

1. Brokers must provide to NSX by 4.30 Australian Eastern Standard Time on each Business Day (or such other time as NSX requires) with a report on all NSX Transactions due to settle on that Business Day including:
 - a) details of all NSX Transactions that did not settle; and
 - b) Why an NSX Transaction did not settle.

Section 6 – Authorised Participants

1. Participants that have registered with NSX by completing the application form (Annexure 1) confirm that they have the capabilities to settle certificated securities.
2. A list of these authorised Participants is available from: <https://www.nsx.com.au/investing/broker-directory/>

Section 7 – Further Information

1. Further information can be obtained by contacting:

Market Operations

National Stock Exchange of Australia Limited

Email: trading@nsx.com.au



Annexure 1: Participant authorisation form

NSX PARTICIPANT ACKNOWLEDGEMENT

CERTIFICATED SECURITIES

PARTICIPANT ENTITY NAME:

In relation to trading certificated securities, we acknowledge:

- a) that NSX may from time to time quote securities which are held in certificated form;
- b) such certificated securities are not subject to electronic clearing and settlement;
- c) settlement of certificated securities shall occur on a T+5 basis and be settled broker to broker;
- d) we have read and understand the settlement procedures for certificated securities; and
- e) we wish to trade certificated securities and request appropriate authority within NETS to do so.

Executed for and on behalf of the participant by duly authorised officers:

Signature	Signature
Name	Name
Position/Title	Position/Title
Date	Date