



4 March 2024

Lauren Hogan  
Capital Markets Unit  
Financial System Division  
The Treasury, Langton Crescent  
Parkes ACT 2600

By email: [cics@treasury.gov.au](mailto:cics@treasury.gov.au)

Dear Lauren,

Cboe Australia (**CXA**) appreciates the opportunity to make submissions to Treasury's Consultation on Competition in the provision of clearing and settlement services – ministerial instruments.

In relation to each issue Treasury seeks feedback on:

*1. The proposed definition of 'cash equities'*

CXA considers the proposed definition of 'cash equities' will achieve Treasury's stated purpose, which is to capture what industry generally considers is a financial product covered by the term 'cash equity'. We consider it may be helpful to readers if Treasury were to provide additional clarity around, or examples of, the specific types of financial products intended to be captured by the definition, particularly in relation to options. Our understanding is that this definition would capture company issued options but would not capture exchange traded options. While we accept that the language on options is taken from a current Corporations Act provision which is commonly accepted as referencing company issues options only, a plain English interpretation of the current wording may not dispel the possibility of exchange traded options being caught.

We appreciate the confirmation that the definition is intended to capture depositary receipt style products.

*2. Whether there is currently competition in any of the CS services proposed to be covered by the draft instrument*

CXA does not consider there is currently any competition in the provision of CS services for cash equities. CXA is hopeful that these rules will help create the conditions necessary for competition to arise. As has been expressed in CXA's various submissions on the CICS Bill and related matters, the approach of the regulators in how they exercise their powers will be critical in this regard.



Yours sincerely,

A handwritten signature in black ink, appearing to read 'Asika', with a long, sweeping flourish extending upwards and to the right.

**Asika Wickramasinghe** | Senior Legal Counsel

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