

Notice reference number: 4315

Notice date: 9/09/2015

What's this about?

Effective date: 30/11/2015

<input checked="" type="radio"/> ASX Trade	<input type="radio"/> ASX 24	<input type="radio"/> ASX TECH				
<input checked="" type="radio"/> Trading	<input checked="" type="radio"/> Clearing	<input checked="" type="radio"/> Settlement	<input type="radio"/> ALC	<input type="radio"/> ASX NET		
<input checked="" type="radio"/> Operations	<input checked="" type="radio"/> Technology	<input checked="" type="radio"/> Market Data	<input type="radio"/> Rules	<input type="radio"/> Compliance	<input type="radio"/> Risk	<input type="radio"/> Other

Title

Dissemination of TORESS LEPOs (launch subject to regulatory clearance) related information on ASX Market Information products.
Note: ASX is actively considering the listing of TORESS Low Strike ETOs at a later date.

Description

TORESS (**T**otal **R**eturn **S**ingle **S**tock) Options are call only option products that have 2 distinguishing features which differentiate them from standard options currently available to trade in ASX. They are:

- Ordinary dividends will be adjusted for via a cash transfer between the option seller and buyer. This feature allows for the better pricing of these options due to the removal of forecast dividends in pricing.
- The options will be cash settled upon exercise as opposed to physical delivery. This feature will remove some issues which clearers have expressed around Cash Market Margining (CMM) on the back of exercises.

For information on product highlights, refer to [ASX Notice 0789.15.07](#) released on 08/07/2015.

For details on impacted ASX Market Information products, refer to page 3 of this notice.

What do I need to do and by when?

Instructions

ASX Market Information products subscribers should review details provided in this notice and linked documents to ensure impacted systems and processes readiness before implementation date.

Need more information?

Issued by

Edwina Glinoga
Trading Services – Market Data

Contact Details

Customer Technical Support
CTS@asx.com.au
1800 663 053, +612 9227 0372 (from outside Australia)

Disclaimer

Upcoming Events

Date	Event	Bulletin/Notice No.
30 Nov 2015	Dissemination of TORESS LEPOs (launch subject to regulatory clearance) related information on ASX Market Information products.	43/15
March 2016	Implementation of T+2 Settlement	55/14
TBA	Change to the ASX BookBuild (BB) ASX coding convention and security description.	24/15, 29/15
TBA	Proposed changes to ISIN structure.	43/13, 01/14, 45/14
TBA	Increase from 10 to 20 in number of ASX ComNews™ Report Type Codes able to be disseminated for a single Market Announcement.	45/14, 47/14, 50/14, 51/14, 55/14
TBA	Introduction of new intra-day Dividend corporate action product.	55/13, 06/14, 18/14, 43/14
TBA	<ul style="list-style-type: none"> Introduction of six (6) S&P/ASX real time fixed income indices. Introduction of additional fifteen (15) S&P/ASX real time fixed income indices. 	29/13 42/13
Suspended	Removal of SP & SQ messages from ReferencePoint Master List E01 and E02 files.	02/12, 06/12, 08/12, 22/12, 35/12, 37/12, 04/13, 46/13, 48/13, 02/14, 05/14, 06/14, 18/14
Suspended	Daily availability of ReferencePoint Master List E20 file – SP & SQ messages security details full download. <ul style="list-style-type: none"> E20 CSV file format change to be in line with all the ReferencePoint Master List CSV files. 	02/14, 05/14, 06/14, 18/14 18/14, 23/14, 24/14

Dissemination of TORESS LEPOs (launch subject to regulatory clearance) related information on ASX Market Information products

This is to advise ASX Market Information products subscribers about the proposed listing, subject to regulatory clearance, of TORESS (**T**otal **R**eturn **S**ingle **S**tock) LEPOs on select ETO classes effective Monday 30 November 2015.

For more details and product highlights, refer to [ASX Notice 0789.15.07](#) titled “Equity and Index Options – Launch of TORESS LEPOs” released on 08 July 2015. Contract specifications for the new TORESS options are detailed in the Attachment A document. Link to the Attachment A document is provided at the bottom of page 1 of ASX Notice 0789.15.07 document.

Note: ASX is actively considering the listing of TORESS Low Strike ETOs at a later date.

Below is the list of ASX Market Information products that will disseminate TORESS related information:

- Issuer and Securities Details Data: to be disseminated in the following messages in the ReferencePoint Master List E01 & E02 files

SB – Basic Issuer Details

A dummy Issuer Code for the TORESS underlyer.

Example:

BH8 is the dummy Issuer Code for BHP TORESS underlyer

SK – Equities Security Details

ASX Code for TORESS ETO/LEPO underlyers. Refer to item a and item b below for the TORESS underlyer ASX Code convention.

Example:

BH8 for BHP TORESS ETOs/LEPOs

SP – Exchange Traded Options Securities message

TORESS ASX Code convention will be unique distinguishing them from existing Exchange Trade Options.

- a. The first two characters will denote/map to the first 2 characters of the underlying ASX Code i.e. BH for BHP
- b. The third character will be a set numerical value i.e. 8

Item a and item b above form the underlyer ASX Code for TORESS securities.


- c. The 4th and 5th characters are the clearing code which is randomly assigned by the ASX. Some codes will include a 6th numerical character which is also a clearing code randomly assigned by ASX.

Examples:

BHPVQ7	Exchange Traded Option over BHP
BH8EU9	TORESS Option over BHP

Refer to Appendix 1 for updated ASX Code Description

- Price and Other Data
 - ReferencePoint Course of Sales
 - TD – Exchange Traded Option Trade & TI – Exchange Traded Option Trade Cancellation Messages

- Broker Trades T+3
TD – Exchange Traded Option Trade & TI – Exchange Traded Option Trade Cancellation Messages
- Signal B
TD – Exchange Traded Option Trade & TI – Exchange Traded Option Trade Cancellation Messages
- Execution Venue Report
- ReferencePoint Daily Official List
 - QQ – Initialisation Quotes for Exchange Traded Options & ASX Futures Contracts
 - QZ – Exchange Traded Option Snapshot
- ReferencePoint Derivatix
 - Theoretical Prices – THP1_201.ZIP, THP2_201.ZIP, THP3_201.ZIP, THP4_201.ZIP, THP5_201.ZIP
 -  QA – Exchange Traded Option Theoretical Quote Message (contains theoretical bid and ask based on the underlying security price)
 - Margin Prices Expanded File – PRIEX.CSV
 - Open Interest – Exchange Traded Option and ASX Futures Contract
 - End of Day SPAN file

Appendix 1 – ASX Code Description

ASX Code													
Bytes	6												
Format	Alphanumeric												
Description	<p>A code allocated to identify securities and derivative products.</p> <p>Equities, Convertible Notes and Company Options: The first three characters (Issuer Code) are a code assigned to the issuing body, and the last three characters (Security Code) are a code allocated to each security pertaining to an issuing body. In the case of ordinary shares, the last three characters are generally blank filled.</p> <p>In relation to equity security codes, a period of 10 years needs to have elapsed before a given code may be reused.</p> <p>Interest Rate Securities: The first three characters refer to the underlying security. The fourth character H indicates interest rate security, the fifth character is an alpha character - from A to Z, and the sixth character may be "empty/blank" or an alpha character - from A to Z.</p> <p>For Exchange-traded Australian Government Bonds (AGBs), the following coding convention applies:</p> <ul style="list-style-type: none"> ○ First Two Characters GS ○ 3rd Character B for Fixed coupon , I for Indexed ○ 4th Character month of maturity (refer below list of values) ○ 5th & 6th Characters year of maturity (i.e. 2014 will be represented as 14) <p>For Corporate Bond CDIs, the following coding convention applies:</p> <ul style="list-style-type: none"> ○ First Three Characters Issuer Code ○ 4th & 5th Characters year of maturity (i.e. 2017 will be represented as 17) ○ 6th Character month of maturity (refer below list of values) <p style="text-align: center;"><u>Values</u></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>A or B for January</td><td>C or D for February</td></tr> <tr> <td>E or F for March</td><td>G or H for April</td></tr> <tr> <td>I or J for May</td><td>K or L for June</td></tr> <tr> <td>M or N for July</td><td>O or P for August</td></tr> <tr> <td>Q or R for September</td><td>S or T for October</td></tr> <tr> <td>U or V for November</td><td>W or X for December</td></tr> </table> <p>Exchange Traded Options: The first three characters refer to the underlying security. The fourth and fifth characters used in the coding of each strike of an option series are randomly generated. The sixth character will be the numeral 7, 8 or 9.</p> <p><u>ASX Code convention for TORESS (TOtal REturn Single Stock) Options</u></p> <p><i>Unique, to distinguish them from existing Exchange Trade Options.</i></p> <ol style="list-style-type: none"> a. <i>The first two characters will denote/map to the first 2 characters of the underlying ASX Code i.e. BH for BHP</i> b. <i>The third character will be a set numerical value i.e. 8 --> BH8</i> c. <i>The 4th and 5th characters are the clearing code which is randomly assigned by the ASX. Some codes will include a 6th numerical character which is also a clearing code randomly assigned by ASX.</i> <p>ASX Futures Contracts: The first three characters refer to the underlying security. The fourth and fifth characters are an identifier for the expiry / maturity of the contract.</p>	A or B for January	C or D for February	E or F for March	G or H for April	I or J for May	K or L for June	M or N for July	O or P for August	Q or R for September	S or T for October	U or V for November	W or X for December
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ASX Code																							
	<p>Warrants: The first three characters refer to the underlying security; the fourth character signifying a warrant group may be a 'W', 'V', 'U', 'T', 'I', 'J', 'S', 'E', 'X', 'Y', 'Z', 'D', 'K', 'L', 'M', 'F' or 'Q' the fifth character indicates the warrant issuer; and the sixth character identifies the warrant series.</p> <table> <tr> <th>Warrant Group</th><th>Description</th></tr> <tr> <td>W, V, U or T</td><td>Trading style warrants including equity calls and puts, index calls and puts, currency calls and puts.</td></tr> <tr> <td>I or J</td><td>Instalments</td></tr> <tr> <td>S</td><td>Self-Funding Instalments (SFIs) and Structured Investment Products (SIPs – these include longer-term investment style products).</td></tr> <tr> <td>E</td><td>Endowments</td></tr> <tr> <td>X, Y or Z</td><td>Warrants which have significantly different structures to any of the above. Examples include equity and index knock-out warrants and Capital Plus Warrants.</td></tr> <tr> <td>D</td><td>This is a temporary code assigned to a warrant trading on a <u>deferred settlement</u> basis. The warrant will revert to its original code on the first day of normal trading after deferred settlement ends.</td></tr> <tr> <td>K or Q</td><td>MINIs</td></tr> <tr> <td>L</td><td>Guaranteed Stop Loss (GSL) MINIs</td></tr> <tr> <td>M</td><td>Listed Protected Loan</td></tr> <tr> <td>F</td><td>New Product Types</td></tr> </table> <p>In relation to warrant codes, there is no standard time frame for reusing codes that have previously been allocated to securities. This means that a given ASX warrant code may be reused within a period of 2 months.</p>	Warrant Group	Description	W, V, U or T	Trading style warrants including equity calls and puts, index calls and puts, currency calls and puts.	I or J	Instalments	S	Self-Funding Instalments (SFIs) and Structured Investment Products (SIPs – these include longer-term investment style products).	E	Endowments	X, Y or Z	Warrants which have significantly different structures to any of the above. Examples include equity and index knock-out warrants and Capital Plus Warrants.	D	This is a temporary code assigned to a warrant trading on a <u>deferred settlement</u> basis. The warrant will revert to its original code on the first day of normal trading after deferred settlement ends.	K or Q	MINIs	L	Guaranteed Stop Loss (GSL) MINIs	M	Listed Protected Loan	F	New Product Types
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Valid Values	N/A																						