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21 November 2008

Michele Bullock
Head, Payments Policy Department
Reserve Bank of Australia
65 Martin Place
Sydney 2000

Dear Michele,

Consultation on variation of the Financial Stability Standard for Central Counterparties: Oversight of Overseas Facilities

Attached please find ACH and SFECC's submission on the consultation on variation of the Financial Stability Standard for Central Counterparties regarding the oversight of overseas Facilities.

As we note in the submission, ACH and SFECC welcome the opportunity to comment on the consultation paper and regard the consultation as timely given the "increasing evidence of cross-border provision of clearing and settlement services". We also find ourselves in agreement with several of the themes in the consultation paper.

However, our submission proposes an alternative regulatory framework – based on a mutual recognition framework supported by annual assessment – which we believe would be a more efficient and appropriate solution.

I look forward to meeting with you to discuss this alternative and to working together on this topic.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Anne Brown', with a horizontal line underneath.

Anne Brown
Chief Risk Officer

Australian Securities Exchange

Australian Stock Exchange
Sydney Futures Exchange

Australian Clearing House
SFE Clearing Corporation

ASX Settlement and Transfer Corporation
Austraclear