



30 June 2025

Office of General Counsel  
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By email: [futures@asx.com.au](mailto:futures@asx.com.au)

Dear Office of General Counsel,

**Re: Anomalous Order Thresholds (AOT) on ASX 24 products**

AFMA welcomes ASX's consultation on Anomalous Order Thresholds (AOT) on ASX 24 Interest Rate and Commodity Futures.

We appreciate the engagement of the ASX team with industry on the application of the AOT Thresholds and the manner in which the application can be improved.

In addition to the below members have suggested consideration of extension of Price Limits (AOT/ETR) to IR Futures where data indicates this would be workable.

We would be pleased to provide further information on any of the matters in this submission if that would be of assistance.

Yours sincerely

Damian Jeffree

**Head of Financial Markets, Exchanges and Digital**

## **Questions**

- 1. Do you support the application of the current Anomalous Order Threshold (AOT) mechanism to the ASX 24 Interest Rate Futures contracts?**

AFMA supports the extension of the current Anomalous Order Threshold (AOT) mechanism to the ASX 24 Interest Rate Futures contracts, and more generally to any contract with sufficient liquidity to provide the VWAP required for the mechanism to work as intended.

In relation to the effectiveness of the current AOT mechanism we note that it works sufficiently well and as intended in orderly liquid sessions, however, issues can arise in periods of volatility e.g. night sessions, data announcements.

Where liquidity and trading patterns are supportive we would support a shorter VWAP Lookback Period of 5 seconds and a Refresh Frequency of 3 seconds.

- 2. In your view, are there any contracts where AOT may not work effectively? Please provide rationale.**

The AOT mechanism is unlikely to work for the illiquid contracts such as the commodity contracts for which ASX does not propose AOT extension.

As highlighted in the consultation, the illiquid and volatile nature of these contracts may mean there is insufficient trading to support the AOT mechanism. For illiquid contracts there may be challenges ensuring the Reference Price is representative of the current market.

- 3. If ASX applied AOT to ASX Interest Rate Futures, what minimum notification period is required for readiness activities in your firm?**

This may vary by firm, but as a guide we suggest a 3 month notice period.

- 4. Do you agree with the proposed AOT parameters set out in Table 3 on page 11?**

We suggest a shorter VWAP Lookback Period and Refresh Frequency if the data suggests these are workable.

- 5. If you answer no to Q3, what are the parameters you would like ASX to consider?**

Where data suggests it is workable we suggest consideration be given to a shorter VWAP Lookback Period of 5 seconds and the Refresh Frequency every 3 seconds.

- 6. Do you agree with ASX's position that the current AOT mechanism is not appropriate for the ASX 24 Commodities products? If you responded no, please provide your rationale.**

Yes, AFMA agrees with the ASX's position.

- 7. Do you agree that ASX should apply a different type of Volatility Control Mechanism, for example Price Limits?**

Given the level of illiquidity in these products we cannot recommend a VCM at this time. Price Limits may create difficulties for the non-linear trading that occurs in commodity products.

- 8. What type(s) of Volatility Control Mechanism is appropriate for ASX commodities?**

Given the level of illiquidity, we cannot recommend a VCM at this time.