

**AUSTRALIAN PAYMENTS CLEARING ASSOCIATION LIMITED**  
ABN 12 055 136 519

A Company limited by Guarantee

**REGULATIONS**  
for  
**COMMUNITY OF INTEREST NETWORK**  
**(IS1)**

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ABN 12 055 136 519

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<b>1</b>	<b>PRELIMINARY</b> .....	<b>1.1</b>
1.1	Definitions.....	1.1
1.2	Interpretation.....	1.4
1.3	Inconsistency with COIN Operating Manual.....	1.6
1.4	Governing jurisdiction.....	1.6
1.5	Submission to jurisdiction.....	1.7
1.6	Administration.....	1.7
1.7	Commencement.....	1.7
<b>2</b>	<b>SCOPE AND EFFECT</b> .....	<b>2.1</b>
2.1	Effect of the COIN Regulations and the COIN Operating Manual.....	2.1
2.2	COIN Members act as Principals.....	2.1
2.3	Assignment and Transfer.....	2.1
2.4	No Obligation to Engage in Business as a COIN Member.....	2.2
<b>3</b>	<b>DISCLAIMERS AND LIMITATION OF LIABILITY</b> .....	<b>3.1</b>
3.1	Representations and Warranties.....	3.1
3.2	Disclaimers.....	3.2
3.3	Exclusions.....	3.2
3.4	Limit of Liability.....	3.4
<b>4</b>	<b>MEMBERSHIP</b> .....	<b>4.1</b>
4.1	Eligibility.....	4.1
4.2	Contract with COIN Service Providers.....	4.2
4.3	Applications for Membership.....	4.2
4.4	Transitional arrangements.....	4.3
<b>5</b>	<b>RIGHTS AND OBLIGATIONS</b> .....	<b>5.1</b>
5.1	Obligations of COIN Members.....	5.1
5.2	Rights to Exchange Approved Traffic.....	5.1
5.3	Disputes about Agreements to Exchange.....	5.1
<b>6</b>	<b>SUSPENSION AND TERMINATION OF COIN MEMBERSHIP</b> .....	<b>6.1</b>
6.1	Notification of breach.....	6.1
6.2	Suspension.....	6.1
6.3	Effect of Suspension.....	6.1
6.4	Conditions in lieu of Suspension.....	6.2
6.5	Termination.....	6.2
<b>7</b>	<b>COIN MANAGEMENT COMMITTEE</b> .....	<b>7.1</b>
7.1	Composition.....	7.1
7.2	Member Unable or Unwilling to Act.....	7.2
7.3	Responsibilities.....	7.2
7.4	Powers and Duties.....	7.3
7.5	Proceedings.....	7.4
7.6	Voting Entitlement.....	7.5
7.7	Vacation of Office.....	7.5
7.8	Written Resolution.....	7.6
7.9	Meetings Defined.....	7.6
7.10	Validity of Acts.....	7.7
<b>8</b>	<b>MEETINGS OF COIN MEMBERS</b> .....	<b>8.1</b>
8.1	COIN Members Meetings and the Annual COIN Members Meeting.....	8.1
8.2	COIN Members Meeting.....	8.1
8.3	Notice of COIN Members Meeting.....	8.1

8.4	Requisitioned Meeting .....	8.1
8.5	Objects of Requisitioned Meeting.....	8.2
8.6	Convening Requisitioned Meeting.....	8.2
8.7	Expenses of Requisitioned Meeting.....	8.2
8.8	Postponement or Cancellation of Meeting .....	8.2
8.9	Attendance at COIN Members Meetings.....	8.2
8.10	Quorum.....	8.3
8.11	Failure to Achieve Quorum.....	8.3
8.12	Appointment and Powers of Chairman of a COIN Members Meeting.....	8.3
8.13	Adjournment of COIN Members Meeting .....	8.4
8.14	Voting at COIN Members Meeting.....	8.4
8.15	Passing of Resolutions .....	8.4
8.16	Poll.....	8.4
8.17	Voting Entitlement.....	8.5
8.18	Objection to Voting Qualification .....	8.5
8.19	Appointment of Proxy .....	8.5
8.20	Deposit of Proxy and Other Instruments .....	8.5
8.21	Validity of Vote in Certain Circumstances .....	8.6
8.22	Entitlement to Speak .....	8.6
8.23	Written Resolution .....	8.6
<b>9</b>	<b>COIN-Approved Payment Systems.....</b>	<b>9.1</b>
9.1	Eligibility.....	9.1
9.2	Application for Approval.....	9.1
9.3	Approval.....	9.1
9.4	Withdrawal of Approval.....	9.2
<b>10</b>	<b>COIN ADMINISTRATOR AND COIN OPERATIONAL MANAGER.....</b>	<b>10.1</b>
10.1	Appointment of COIN Administrator .....	10.1
10.2	COIN Administrator to attend and minute COIN Management Committee meetings .....	10.1
10.3	COIN Administrator may enter into contracts on behalf of the COIN Members.....	10.1
10.4	COIN Administrator Indemnity.....	10.2
10.5	COIN Operational Manager .....	10.2
<b>11</b>	<b>FEES.....</b>	<b>11.1</b>
11.1	Entrance Fees .....	11.1
11.2	Indexation .....	11.1
11.3	Operating Fees .....	11.1
11.4	Disputes.....	11.1
11.5	Gross up for GST Supplies by the COIN Administrator .....	11.1
11.6	Mergers, Acquisitions and Re-organisations.....	11.2
<b>12</b>	<b>COIN OPERATING MANUAL.....</b>	<b>12.1</b>
12.1	COIN Operating Manual .....	12.1
12.2	Amendment of COIN Operating Manual .....	12.1
<b>13</b>	<b>BREACHES OF REGULATIONS AND DISPUTES .....</b>	<b>13.1</b>
13.1	Definitions and Interpretations.....	13.1
13.2	Resolution of Disputes.....	13.2
13.3	Dispute Resolution Fee and Costs .....	13.2
13.4	Commencement of Proceedings .....	13.4
13.5	Costs.....	13.4
13.6	Distribution of Recoveries.....	13.5
13.7	Loss Apportionment.....	13.5
<b>14</b>	<b>NOTICES .....</b>	<b>14.1</b>
<b>15</b>	<b>INFORMATION .....</b>	<b>15.1</b>
15.1	Statistics .....	15.1
<b>16</b>	<b>MISCELLANEOUS .....</b>	<b>16.1</b>
16.1	Set-Off .....	16.1
16.2	Amendments.....	16.1
16.3	Fundamental Changes to be approved by the COIN Members .....	16.1
16.4	Exclusion of Fiduciary and Trustee Relationships.....	16.1
16.5	Representations and Warranties .....	16.2

16.6 Confidentiality .....	16.2
16.7 Expenditure.....	16.3
<b>17 INSURANCE .....</b>	<b>17.1</b>
<b>ANNEXURE 1 – MEMBERSHIP APPLICATION FORM.....</b>	<b>A1.1</b>
<b>ANNEXURE 2 – PAYMENT SYSTEM APPROVAL FORM.....</b>	<b>A2.1</b>

## 1 PRELIMINARY

### 1.1 Definitions

- (a) Terms used in the COIN Regulations not defined in this regulation have the meaning given to them in the Regulations or Procedures of a COIN-Approved Payment System. Amended  
Effective 19  
December 2011

- (b) The following definitions apply to the COIN Regulations:

**Agreement to Exchange** means an agreement between two COIN Members to exchange some or all Approved Traffic over the COIN.

*Note: an Agreement to Exchange may be:*

- *created by the rules, regulations and/or procedures of a COIN-Approved Payment System, access code or other regulatory instrument; and/or* Amended  
Effective 19  
December 2011
- *contained in a bilateral agreement between COIN Members.*

**Annual COIN Members Meeting** has the meaning given in Regulation 8.1(a) below.

**APCA** means the Australian Payments Clearing Association Limited (ABN 12 055 136 519).

#### **Approved Clearing System**

**Approved Traffic** means the electronic messages and/or files specified in the regulations, procedures or like document(s) for a COIN-Approved Payment System or any other traffic approved by the COIN Management Committee, including (for the avoidance of doubt) all traffic approved under previous versions of these Regulations. Definition  
deleted  
Effective 19  
December 2011  
Amended  
effective 19  
December 2011

**Audit** has the meaning in the *Corporations Act*. Inserted  
Effective 6 April  
2010

**Auditor** means the audit firm (within the *Corporations Act* definition) appointed as auditor for the COIN. Inserted  
Effective 6 April  
2010

**Banking Business Day** means a day that is a "Settlement Day" as defined in the RITS Regulations. Inserted  
Effective 6 April  
2010

**Board** means the board of directors of APCA.

**Clearing/Settlement Agent** means a person that clears and/or settles Items (or the equivalent) in a COIN-Approved Payment System on behalf of another person. Amended  
effective 19  
December 2011

**COIN** means the Community of Interest Network established by APCA in 2009.

**COIN Administrator** means APCA.

**COIN-Approved Payment System** means a funds transfer system, approved by the COIN Management Committee in accordance with Regulation 9, which facilitates the circulation of money, and includes any instruments and procedures that relate to the system.

Inserted  
Effective 19  
December 2011

**COIN Management Committee** - See Part 7.

Amended  
Effective 6 April  
2010

**COIN Members** means a COIN Member under the Transitional COIN Agreement or a body corporate whose Membership Application has been accepted pursuant to Regulation 4.3(f) and in each case whose membership has not been terminated pursuant to Regulation 6.5.

Inserted  
Effective 6 April  
2010

**COIN Members Meeting** means a meeting of the COIN Members held in accordance with Regulation 8.

Amended  
Effective 6 April  
2010

**COIN Operating Manual** means the practices, procedures, standards and/or specifications published pursuant to Regulation 12.1.

Amended  
Effective 6 April  
2010

**COIN Operational Manager** - See Regulation 10.5.

Inserted  
Effective 6 April  
2010

**COIN Service Provider** means any person(s) appointed as such in accordance with the COIN Regulations.

Inserted  
Effective 6 April  
2010

**COIN Service Provider Agreement** means any agreement between the COIN Administrator and the COIN Service Provider with respect to the COIN.

**Commencement Date** means 1 February 2010.

**Connectivity Agreement** means an agreement between a COIN Member and the COIN Service Provider(s) that amongst other things gives a person the ability to exchange Approved Traffic over the COIN.

**Corporations Act** means the *Corporations Act 2001 (Cwth)*.

Inserted  
Effective 6 April  
2010

**GST** has the meaning in the GST Law. It also includes any amount imposed as additional tax, interest, penalty, fine or other charge payable in respect of GST.

Amended  
Effective 6 April  
2010

**GST Exclusive Consideration** means any amount payable (or deemed to be payable) under the COIN Regulations or the COIN Operating Manual in connection with any Taxable Supply (other than amounts payable under Regulation 11.5(e)) and the GST exclusive value of any non-monetary consideration provided in connection with the Supply.

Inserted  
Effective 6 April  
2010

**GST Law** - See meaning in the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*.

**GST Rate** means the rate of GST under the GST Law.

**Guidelines** means the guidelines developed and amended by the COIN Management Committee from time to time that relate to matters that may be considered for approval of COIN-Approved Payment Systems.

Inserted  
Effective 19  
December 2011

**Insolvency Event** means the happening of any of these events:

Inserted  
Effective 6 April  
2010

- a) an application is made to a court for an order or an order is made that a COIN Member be wound up;
- b) an application is made to a court for an order appointing a liquidator or provisional liquidator in respect of a COIN Member, or one of them is appointed, whether or not under an order;
- c) a COIN Member enters into, or resolves to enter into, a scheme of arrangement or composition with, or assignment for the benefit of, all or any class of its creditors, or it proposes a reorganisation, moratorium or other administration involving any of them;
- d) a COIN Member resolves to wind itself up or otherwise dissolve itself, or gives notice of intention to do so;
- e) a COIN Member is or states that it is unable to pay its debts when they fall due;
- f) as a result of the operation of section 459F(1) of the *Corporations Act* or any corresponding legislation, a COIN Member is taken to have failed to comply with a statutory demand;
- g) a COIN Member is, or makes a statement from which it may be reasonably deduced that the COIN Member is, the subject of an event described in section 459C(2)(b) or section 585 of the *Corporations Act* or any corresponding legislation;
- h) a COIN Member takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation or an administrator is appointed to a COIN Member;
- i) the Australian Prudential Regulation Authority or another body responsible for the prudential supervision of a COIN Member assumes management and control of that COIN Member;
- j) to the extent not otherwise provided for above, a COIN Member goes into external administration within the meaning of the *Payment Systems and Netting Act 1998*; or

- k) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction.

**Membership Application** means the Membership Application set out in Annexure 1 to these Regulations.

**Payments Service Provider** means a person who provides payment or payment related processing services to an existing or prospective COIN Member who is a member of a COIN-Approved Payment System or who needs to provide settlement data to the Reserve Bank of Australia.

Amended  
Effective 19  
December 2011

**Payment System Administrator** means a person who is responsible for the control, management and administration of a COIN-Approved Payment System or a payment system for which approval is sought under Regulation 9.

Inserted  
Effective 19  
December 2011

**Regulations or the COIN Regulations** means these Regulations (including, without limitation, the annexures and schedules to these Regulations) as amended from time to time. A reference to a particular Regulation has a corresponding meaning.

**Settlement Services** means services provided by the Reserve Bank of Australia through its settlement file transfer facility.

Inserted  
Effective 19  
December 2011

**Subsidiary** means another entity which is a subsidiary of the first within the meaning of the *Corporations Act* or is a subsidiary of or otherwise controlled by the first within the meaning of any approved accounting standard.

**Supply** - See the meaning in the GST Law.

**Suspension Event** - See Regulation 6.2.

**Tax Invoice** means a tax invoice complying with the requirements of the GST Law.

**Taxable Supply** - See Regulation 11.5(b).

**Telstra** means Telstra Corporation Limited (ABN 33 051 775 556).

**Transitional COIN Agreement** means the agreement under which certain COIN Members became members of the COIN prior to these Regulations.

## 1.2 Interpretation

- (a) In the COIN Regulations:
- (i) words importing any gender include the other genders;

- 
- (ii) the word person includes an individual, a committee, a partnership, a joint venture, a firm, a body corporate, an unincorporated association, a government agency or an authority;
- (iii) the singular includes the plural and vice versa;
- (iv) “writing” and cognate expressions include all means (including without limitation any electronic form or medium) by which words are able to be reproduced in a tangible and permanently visible form;
- (v) references to a “document” include any notice, certificate, instrument, agreement or document in writing of any kind;
- (vi) a reference to a statute, code or the *Corporations Act* (or to a provision of a statute, code or the *Corporations Act*) means the statute, the code, the *Corporations Act* or the provision as modified or amended and in operation for the time being, or any statute, code or provision enacted in lieu thereof and includes any regulation or rule for the time being in force under the statute, the code, the *Corporations Act* or the provision;
- (vii) a document (including this agreement) includes any variation or replacement of it;
- (viii) a regulation, annexure or schedule is a reference to a regulation in or annexure or schedule to the COIN Regulations unless otherwise specified;
- (ix) a particular person includes a reference to the person’s executors, administrators, successors and substitutes (including, persons taking by novation) and permitted assigns;
- (x) a group of persons or things is a reference to any two or more of them jointly and to each of them individually;
- (xi) Australian dollars, dollars, \$, A\$ or AUD is a reference to the lawful currency of Australia;
- (xii) if a period of time dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (xiii) a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (xiv) if an act is to be done by a person on or by a given day is done after 17.30 hours on that day, it is taken to be done on the next day;
- (xv) a party means a party to the COIN Regulations and the COIN Operating Manual;

Amended  
Effective 19  
December 2011

(xvi) if an event under the COIN Regulations or the COIN Operating Manual must occur on a stipulated day which is not a Banking Business Day then the stipulated day will be taken to be the next Banking Business Day;

(xvii) the words “include”, “including”, “for example” or “such as” are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;

(xviii) a reference to a time of day is a reference to Sydney time; and

(xix) a reference to accounting standards is a reference to the accounting standards as defined in the *Corporations Act* and a reference to an accounting term is a reference to that term as it is used in those accounting standards, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia.

Inserted  
Effective 6 April  
2010

Inserted  
Effective 6 April  
2010

- (b) Words defined in the *Corporations Act* have, unless the contrary intention appears, the same meaning in the COIN Regulations.
- (c) Headings are inserted for convenience and do not affect the interpretation of the COIN Regulations.
- (d) If the whole or any part of a provision of the COIN Regulations or the COIN Operating Manual is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of the COIN Regulations or the COIN Operating Manual has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This Regulation has no effect if the severance alters the basic nature of the COIN Regulations or is contrary to public policy.
- (e) Each reference in the COIN Regulations to any obligation of a person to comply with the COIN Regulations or the COIN Operating Manual or any other document is to be construed as an obligation to comply with those documents to which that person is a party.

### **1.3 Inconsistency with COIN Operating Manual**

If a provision of the COIN Operating Manual is inconsistent with a provision of the COIN Regulations, the provision of the COIN Regulations prevails.

### **1.4 Governing jurisdiction**

The COIN Regulations and the COIN Operating Manual are governed by the law of New South Wales.

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**1.5 Submission to jurisdiction**Inserted  
Effective 6 April  
2010

Each party:

- (a) irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them; and
- (b) waives any right it has to object to an action being brought in those courts including, without limitation, by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

**1.6 Administration**

- (a) The COIN Administrator may delegate some or all of its administrative responsibilities to a third party subject to the third party's consent.
- (b) In delegating its administrative responsibilities to a third party, the COIN Administrator must:
  - (i) monitor compliance with the obligations delegated; and
  - (ii) ensure that the terms of the delegation are consistent with the COIN Administrator's obligations under the COIN Regulations and the COIN Operating Manual.
- (c) In fulfilling its role, any third party is bound to comply with any duties and obligations of the COIN Administrator imposed by the COIN Regulations and the COIN Operating Manual.
- (d) Should the COIN Administrator delegate its administrative responsibilities it remains responsible for fulfilling its obligations under the COIN Regulations and the COIN Operating Manual.

Amended  
Effective 6 April  
2010**1.7 Commencement**

The COIN Regulations and the COIN Operating Manual take effect from the Commencement Date.

**The next page is 2.1**

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## 2 SCOPE AND EFFECT

### 2.1 Effect of the COIN Regulations and the COIN Operating Manual

- (a) The COIN Regulations and the COIN Operating Manual constitute a contract under seal between:
- (i) the COIN Administrator and each COIN Member; and
  - (ii) each COIN Member.
- (b) The COIN has been established for the benefit of the COIN Members and any future COIN Members who, and in consideration of becoming COIN Members, acknowledge that they are bound to:
- (i) comply with the COIN Regulations and the COIN Operating Manual; and
  - (ii) fulfil and perform every obligation and duty imposed on them by or pursuant to the COIN Regulations and the COIN Operating Manual.

Amended  
Effective 6 April  
2010

### 2.2 COIN Members act as Principals

- (a) In incurring rights and obligations under the COIN Regulations and the COIN Operating Manual, each party acts as a principal, notwithstanding any other fact, matter or circumstance (including, without limitation, any actual or constructive notice of any agency or trustee relationship between a COIN Member and another person).
- (b) No person other than the COIN Member which assumes rights or incurs obligations under the COIN Regulations and the COIN Operating Manual (including any person asserting rights as a principal on whose behalf such a COIN Member acts) may enforce those rights or assume those obligations.

Amended  
Effective 6 April  
2010

### 2.3 Assignment and Transfer

The rights and obligations of each party under the COIN Regulations and the COIN Operating Manual are incapable of being assigned (whether at law, in equity or otherwise, save where a COIN Member acquires an interest in another COIN Member through a takeover, scheme of arrangement or merger), charged, transferred or the subject of any trust or other fiduciary obligation which may affect or abrogate the personal liability of that COIN Member. No action which purports to do any of the foregoing shall affect in any manner the rights and obligations of a COIN Member under the COIN Regulations or the COIN Operating Manual.

Amended  
Effective 6 April  
2010

**2.4 No Obligation to Engage in Business as a COIN Member**

No COIN Member is obliged, solely on account of being a COIN Member, to engage with any other COIN Member in business of any kind.

**The next page is 3.1**

### 3 DISCLAIMERS AND LIMITATION OF LIABILITY

#### 3.1 Representations and Warranties

- (a) Each COIN Member represents and warrants to each other party that:
- (i) it has not relied on any representation made by any other party to induce it to become a COIN Member; Amended Effective 6 April 2010
  - (ii) it has the power and authority to execute the Membership Application and comply with its obligations under the Membership Application, the COIN Regulations and the COIN Operating Manual; Amended Effective 6 April 2010
  - (iii) it has made its own appraisal of the criteria to be satisfied in order for a person to become a COIN Member;
  - (iv) its obligations under the COIN Regulations and the COIN Operating Manual are valid and binding and are enforceable against it according with their terms;
  - (v) no Insolvency Event has occurred with respect to it; Inserted Effective 6 April 2010
  - (vi) there are no reasonable grounds to suspect that it is unable to pay its debts as and when they are due and payable;
  - (vii) it does not become COIN Member as trustee;
  - (viii) it has disclosed to the COIN Administrator all facts relating to it, the COIN Regulations and the COIN Operating Manual and all things in connection with them which are material to the assessment of the nature and amount of risk undertaken by the other COIN Members if the COIN Management Committee allows it to become a COIN Member and do anything in connection with the COIN; and
  - (ix) it has made (without reliance on or inducement to or from the COIN Administrator or any other COIN Member) its own assessment and approval of the COIN Regulations and the COIN Operating Manual.
- (b) Each COIN Member acknowledges that each other party relies on the representations and warranties in Regulation 3.1(a). Amended Effective 6 April 2010
- (c) Each COIN Member agrees to notify the COIN Administrator of anything that happens which would mean it could not truthfully repeat all the representations and warranties in Regulation 3.1(a) by reference to the then current circumstances.

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### 3.2 Disclaimers

- (a) Each party agrees that neither the COIN Administrator, nor any of their officers, employees or agents has any duty or responsibility, either initially or on a continuing basis, to:
- (i) keep itself informed about the performance by the COIN Members of their obligations as a COIN Member, or under the COIN Regulations and the COIN Operating Manual, provided that if the COIN Administrator becomes aware that a COIN Member has breached its obligations under the COIN Regulations and the COIN Operating Manual, the COIN Administrator will bring the matter to the attention of that COIN Member and the COIN Management Committee; or
  - (ii) keep itself informed about the financial condition, affairs or creditworthiness of any COIN Member or its standing as a COIN Member; or
  - (iii) provide any COIN Member with credit or other information with respect to any other COIN Member.
- (b) Each COIN Member acknowledges that no officer, employee or agent of the COIN Administrator has any authority to make any representations or give any warranties in relation to the liability of the COIN Administrator with respect to the operation of COIN which are inconsistent with the COIN Regulations and the COIN Operating Manual.

Amended  
Effective 6 April  
2010

### 3.3 Exclusions

Without limiting Regulation 3.1 or any other provision of the COIN Regulations or the COIN Operating Manual, the COIN Administrator will not be liable for any loss to any person or damage to persons or property, whether such loss or damage is direct or consequential (including but not limited to loss of profits), howsoever arising out of:

- (a) any act or omission by any COIN Member or any other person other than the COIN Administrator, its officers, employees or agents (including without limitation any errors or delays, any breach of warranty or undertaking or representation, any breach of the COIN Regulations and the COIN Operating Manual or the terms of any other document relating to the COIN, any Insolvency Event, any failure to settle any obligations arising out of any transaction, any fraud or any forgery);
- (b) the exercise, or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy under the COIN Regulations and the COIN Operating Manual;

- (c) any act or omission done by, or any refusal to do any act by, the COIN Administrator, its officers, employees or agents in good faith and without negligence or in reliance on any act, conduct or consent of any other person or on any instructions, information or document provided to the COIN Administrator, its officers, employees or agents by any other person;
- (d) any fraud or forgery on the part of any officer, employee or agent of the COIN Administrator outside the scope of their employment with the COIN Administrator, except to the extent to which the COIN Administrator would have been responsible at common law for such fraud or forgery;
- (e) the failure of the COIN Administrator, its officers, employees or agents to receive any instructions, information or document from any other person, unless the failure has resulted from a negligent act or omission of the COIN Administrator;
- (f) the terms of any representation, instructions, information or document given to the COIN Administrator, its officers, employees or agents by any other person;
- (g) any error or omission in any document issued by the COIN Administrator, other than an error or omission resulting from a negligent act or omission of the COIN Administrator;
- (h) any technological failure of any sort (including without limitation any telephone, computer or electrical failure) whether arising in connection with Transactions or otherwise;
- (i) any unauthorised access to, or participation in the COIN by any person, other than an officer, employee, or agent of the COIN Administrator;
- (j) any contractual arrangements between any COIN Member and another person;
- (k) any change in the status, financial condition, affairs or creditworthiness of a COIN Member or another person, including without limitation in its capacity as a COIN Member; or
- (l) any suspension or closure of the COIN by the COIN Administrator in accordance with the COIN Regulations.

Inserted  
Effective 6 April  
2010

**3.4 Limit of Liability**

- (a) If, notwithstanding Regulations 3.1 to 3.3 inclusive, any liability is incurred by the COIN Administrator in relation to the COIN, the aggregate amount of that liability in respect of all claims made by COIN Members in respect of, or arising out of, any one event will not exceed the highest aggregate amount of periodic operating fees paid by any COIN Member in accordance with Regulation 11.3 during the twelve months preceding the month in which the liability is incurred or, if the COIN Regulations have not been in effect for twelve months preceding that month, then during the period preceding that month during which the COIN Regulations have been in effect.
- (b) All claims made by COIN Members against the COIN Administrator in relation to the COIN must be made within 90 days of the occurrence of the event which it is alleged gives rise to the claim against the COIN Administrator.
- (c) For the purposes of Regulation 3.4(a) all inter-related events which give rise to the COIN Administrator's liability under the COIN Regulations or the COIN Operating Manual or otherwise will be treated as one event.
- (d) If any 2 or more COIN Members suffer losses which exceed the total aggregate limit specified in Regulation 3.4(a), the liability of the COIN Administrator to each of those COIN Members in accordance with the COIN Regulations will be proportional to the total loss suffered by each of those COIN Members respectively.
- (e) Nothing in this Part 3 affects the scope or interpretation of Regulations 3.1 to 3.4 nor implicitly creates or evidences any duties or responsibilities of the COIN Administrator, or any of its officers, employees or agents.

Amended  
Effective 6 April  
2010

**The next page is 4.1**

## 4 MEMBERSHIP

### 4.1 Eligibility

To be a COIN Member a person must:

- (a) either:
- (i) be, or be eligible to be, a member of a COIN-Approved Payment System; or Amended  
Effective 19  
December 2011
  - (ii) be, or propose to be and be capable of operating as, a Clearing/Settlement Agent for a member of a COIN-Approved Payment System; or Amended  
Effective 19  
December 2011
  - (iii) be, or propose to be and be capable of operating as a Payments Service Provider; or
  - (iv) be the Reserve Bank of Australia in its capacity as a provider of Settlement Services. Inserted  
Effective 19  
December 2011
- (b) be able to comply with any applicable laws, the COIN Regulations and the COIN Operating Manual, including without limitation, any certification requirements (if applicable) under Rule 3.10 of the COIN Operating Manual;
- (c) agree to pay all fees, costs, charges and expenses which may be levied on, or which are to be reimbursed by, COIN Members in accordance with the COIN Regulations;
- (d) agree that on becoming a COIN Member, the COIN Regulations and the COIN Operating Manual will constitute a contract under seal between them and:
- (i) the COIN Administrator; and
  - (ii) each current and future COIN Member;
- (e) demonstrate, to the reasonable satisfaction of the COIN Administrator that its business practices and operations will be sound and secure and will not adversely affect the integrity, security, efficiency, reliability and stability of the COIN; and Amended  
Effective 6 April  
2010
- (f) be solvent (within the meaning given to that term in the *Corporations Act*) and otherwise able to meet the financial and other obligations imposed on COIN Members by the COIN Regulations and the COIN Operating Manual.

## 4.2 Contract with COIN Service Providers

Before a COIN Member can commence participation in the COIN it must enter into a Connectivity Agreement with the COIN Service Provider(s).

## 4.3 Applications for Membership

- (a) Membership Applications must be addressed to the COIN Administrator and must be substantially in the form of Annexure 1 or such other form that the COIN Management Committee may approve from time to time. Applicants must:
- (i) comply with all the conditions of application as are specified in the COIN Regulations;
  - (ii) provide sufficient information to demonstrate that the Applicant satisfies the requirements contained in Regulation 4.1; and
  - (iii) promptly supply any other information which the COIN Management Committee may reasonably require.
- (b) Where a Membership Application complies with the COIN Regulations and a COIN Member is eligible on the basis of Regulation 4.1(a)(i) and 4.1(a)(ii), the COIN Administrator will accept the Membership Application on behalf of the COIN Management Committee.
- (c) Where a Membership Application otherwise complies with the COIN Regulations and a COIN Member is potentially eligible on the basis of Regulation 4.1(a)(iii), the COIN Administrator must promptly forward a copy of each Membership Application to the members of the COIN Management Committee. All Membership Applications received by the COIN Management Committee must be promptly considered by the COIN Management Committee which shall accept for membership an Applicant which complies with the conditions for membership specified in the COIN Regulations.
- (d) A person who has applied for membership but has not been informed by the COIN Administrator of the result of its Membership Application may withdraw the Membership Application at any time.
- (e) If a Membership Application does not comply with the COIN Regulations, the COIN Administrator must notify the Applicant. Any such Applicant is entitled:
- (i) within 3 months to challenge that decision pursuant to Part 13; or
  - (ii) at any time to lodge a fresh Membership Application for membership in accordance with the COIN Regulations.

- (f) If a Membership Application is accepted, the COIN Administrator must promptly notify the Applicant. The COIN Administrator must also promptly notify all COIN Members of each successful Membership Application and the date on which the new COIN Member will commence participation in the COIN.

#### **4.4 Transitional arrangements**

- (a) Those COIN Members who joined the COIN under the Transitional COIN Agreement do not have to apply for COIN Membership in accordance with Regulation 4.3.
- (b) However, each such COIN Member must agree in writing as soon as reasonably practicable:
  - (i) to be bound by the COIN Regulations and the COIN Operating Manual;
  - (ii) to pay all fees, costs, charges and expenses which may be levied on, or which are to be reimbursed by, COIN Members in accordance with the COIN Regulations; and
  - (iii) that the COIN Regulations and the COIN Operating Manual constitute a contract under seal between them and:
    - (A) the COIN Administrator; and
    - (B) each current and future COIN Member.

**The next page is 5.1**

## **5 RIGHTS AND OBLIGATIONS**

### **5.1 Obligations of COIN Members**

COIN Members must:

- (a) comply with any applicable laws, the COIN Regulations and the COIN Operating Manual, including without limitation, any certification requirements (if applicable) under Rule 3.10 of the COIN Operating Manual;
- (b) pay all fees, costs, charges and expenses which may be levied on, or which are to be reimbursed by, COIN Members in accordance with the COIN Regulations;
- (c) not adversely affect the integrity, security, efficiency, reliability and stability of the COIN;
- (d) comply with any applicable provisions in the COIN Service Provider Agreement(s); and
- (e) supply the COIN Administrator or the COIN Management Committee with all information requested by the COIN Administrator or the COIN Management Committee from time to time within a reasonable time from the date of the request.

### **5.2 Rights to Exchange Approved Traffic**

COIN Members may use the COIN to exchange Approved Traffic with each other COIN Member with whom they have an Agreement to Exchange, but only to the extent described in the Agreement to Exchange.

### **5.3 Disputes about Agreements to Exchange**

If there is a dispute between two COIN Members as to whether or not they have entered into an Agreement to Exchange then, for the purposes of Regulation 5.2 above, no Agreement to Exchange will exist until the dispute had been resolved.

**The next page is 6.1**

## 6 SUSPENSION AND TERMINATION OF COIN MEMBERSHIP

### 6.1 Notification of breach

Inserted  
Effective 6 April  
2010

Each COIN Member must as soon as practicable notify the COIN Administrator if they become aware of:

- (a) a breach of the COIN Regulations or COIN Operating Manual by themselves or another COIN Member; or
- (b) any Insolvency Event in respect of itself or another COIN Member.

### 6.2 Suspension

The COIN Management Committee may suspend a COIN Member for a specified or indefinite period of time in the following circumstances (each a “**Suspension Event**”):

- (a) by agreement with the COIN Member concerned;
- (b) if the COIN Member no longer satisfies all applicable requirements for membership set out in Regulation 4.1;
- (c) if the COIN Member breaches its obligations under the COIN Regulations or the COIN Operating Manual and fails to rectify the breach or provide an explanation of its conduct satisfactory to the COIN Management Committee (in its sole discretion) within 30 days of receipt of a request from the COIN Administrator to rectify the breach or provide such an explanation; Amended  
Effective 6 April  
2010
- (d) if the COIN Member's membership of a COIN-Approved Payment System is suspended or terminated; Amended  
Effective 19  
December 2011
- (e) if the COIN-Approved Payment System of which the COIN Member is a member has its approval withdrawn under Regulation 9 and the COIN Member is not a member of another COIN-Approved Payment System; Inserted  
Effective 19  
December 2011
- (f) the occurrence of an Insolvency Event in respect of the COIN Member; or Inserted  
Effective 6 April  
2010
- (g) if the COIN Member engages in conduct regarded by the COIN Management Committee to be contrary to the interests of the COIN Members or the COIN. Inserted  
Effective 6 April  
2010

### 6.3 Effect of Suspension

- (a) A COIN Member who is suspended under Regulation 6.1 is not entitled to:
  - (i) exchange Approved Traffic with any other COIN Member;

- (ii) vote at any COIN Members Meeting convened in accordance with Part 8, or any other meeting of COIN Members convened in accordance with the COIN Regulations, except to the extent approved by the COIN Management Committee;
  - (iii) vote at meetings of the COIN Management Committee, but may continue to attend and participate in such meetings (to the extent that they were so entitled prior to the suspension), during the period of suspension under Regulation 6.1.
- (b) A COIN Member whose membership is suspended under Regulation 6.1 is not excused from discharging its obligations under the COIN Regulations or the COIN Operating Manual, except as expressly provided in or pursuant to the COIN Regulations or the COIN Operating Manual.
- (c) The COIN Administrator will notify all COIN Members (by the most expeditious means reasonably available) of any suspension under Regulation 6.1.

#### **6.4 Conditions in lieu of Suspension**

- (a) If a Suspension Event occurs in respect of a COIN Member, the COIN Management Committee may (in lieu of suspending the COIN Member):
- (i) impose conditions on the membership of the COIN Member; and/or
  - (ii) vary any provision of these Regulations or the COIN Operating Manual as they relate to the COIN Member.
- (b) The rights and obligations of that COIN Member under these Regulations and/or the COIN Operating Manual shall be subject to any such conditions or variation.
- (c) The COIN Management Committee may at any subsequent time vary or revoke any such conditions or variation.

#### **6.5 Termination**

- (a) A COIN Member ceases to be a COIN Member on:
- (i) resignation;
  - (ii) the Board terminating that COIN Member's membership in accordance with Regulation 6.5(d);
- (b) A COIN Member may, by notice in writing to the COIN Administrator, resign as a COIN Member either with immediate effect or subject to notice of a period determined by the COIN Administrator. The notice is irrevocable.

Amended  
Effective 6 April  
2010

- (c) A COIN Member may not resign except by giving notice in accordance with Regulation 6.5(b);
- (d) The Board (after consultation with the COIN Management Committee) may, by notice in writing to a COIN Member, terminate the membership of that COIN Member either with immediate effect or subject to notice of a period determined by the Board, if and only if the following pre-conditions have been fulfilled:
  - (i) a Suspension Event has occurred in respect of that COIN Member and has not been remedied; or
  - (ii) the COIN Management Committee has recommended terminating that COIN Member's membership in accordance with Regulation 13.4(a)(i); and in either case
  - (iii) the Board has provided an opportunity for that COIN Member to make submissions to the Board regarding such termination.
- (e) The Board is not obliged to give any reasons for such decision and may revoke any such notice at any time before it becomes effective.
- (f) Any resignation or termination of the Membership of a COIN Member shall not affect any right or liability arising under the COIN Regulations or the COIN Operating Manual before that resignation or termination takes effect or arising in respect of any act, matter or thing occurring prior to that time. A COIN Member who resigns pursuant to Regulation 6.5(b) or whose Membership is terminated pursuant to Regulation 6.5(d) will continue to be bound by the COIN Regulations and the COIN Operating Manual in respect of:
  - (i) any act, matter or thing occurring prior to the time such resignation or termination takes effect or as a result of such resignation or termination;
  - (ii) any right or liability under the COIN Regulations or the COIN Operating Manual which relates to or may arise at any future time from any breach of the COIN Regulations or the COIN Operating Manual which occurred prior to or on the date of termination; and
  - (iii) any fees, costs, charges and expenses which may be levied on, or which are to be reimbursed by, COIN Members in accordance with the COIN Regulations or the COIN Operating Manual in respect of periods which commence prior to the time such resignation or termination takes effect or which relate to any such act, matter or thing.
- (g) A COIN Member who resigns or whose membership is terminated is not entitled to be repaid all or part of any entrance, operating or other fee which has been paid by it.

- (h) A COIN Member who resigns or whose membership is terminated is obliged to immediately notify the COIN Service Provider of the termination, specifying the date upon which the termination will take, or has taken, effect and requesting discontinuance of their connection to the COIN.
- (i) On termination of a membership, the COIN Administrator will as soon as practicable notify all other COIN Members and the COIN Service Provider of the termination specifying:
- Amended  
Effective 6 April  
2010
- (i) the name of the COIN Member whose membership has been terminated; and
- (ii) the date on which the termination will take, or has taken, effect.

**The next page is 7.1**

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## **7 COIN MANAGEMENT COMMITTEE**

### **7.1 Composition**

- (a) Each COIN Member shall be entitled to appoint a member of the COIN Management Committee and to remove any such member.
- (b) If a COIN Member does not choose to appoint a member of the COIN Management Committee, or if a COIN Member subsequently removes a member of the COIN Management Committee, or if that member's office is otherwise vacated in accordance with Regulation 7.7, the appointing COIN Member may exercise the right of appointment (either in the first instance or in order to appoint a replacement) at a later date.
- (c) Each appointment and removal of a member of the COIN Management Committee must be made in writing signed by the relevant COIN Member and, in the case of an appointment, endorsed with the nominee's consent. The written appointment or removal must be forwarded to the COIN Administrator.
- (d) The COIN Administrator shall immediately notify all members of the COIN Management Committee and all COIN Members of the appointment or removal of a COIN Management Committee member and of the date upon which that appointment or removal takes effect, to be no more than 7 days from receipt by the COIN Administrator of the written appointment or removal from the COIN Member.
- (e) Any 3 COIN Management Committee members may requisition a COIN Members Meeting in accordance with Regulations 8.4 and 8.5 to propose an amendment to the COIN Regulations in relation to the composition of the COIN Management Committee under Regulation 7.1(a), the voting entitlement of members of the COIN Management Committee under Regulation 7.6, the entrance fees and operating fees under Regulations 11.1 and 11.3 and the voting entitlement at COIN Members Meetings under Regulation 8.17.
- (f) In the absence of any such requisition, the chairman of the COIN Management Committee shall convene a COIN Members Meeting to propose such an amendment when the number of members of the COIN Management Committee reaches 20 or on 1 September 2012, whichever is the sooner, in accordance with Regulations 8.2 and 8.3.
- (g) The COIN Management Committee must, on the requisition of those COIN Management Committee members in 7.1(e) immediately convene a COIN Members Meeting to be held as soon as practicable, but in any case, not later than 2 months after the receipt by the COIN Management Committee or COIN Administrator of the requisition or proposal to consider that resolution, in accordance with Regulation 8.4.

Amended  
Effective 19  
December 2011

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- (h) A COIN Member and its Subsidiaries are deemed to be a single entity for the purposes of determining membership of the COIN Management Committee and voting rights and, accordingly, a reference to a COIN Member for those purposes is deemed to be a reference to the COIN Member and its Subsidiaries acting jointly.

## 7.2 Member Unable or Unwilling to Act

- (a) If any member of the COIN Management Committee is so located or circumstanced that it is not reasonably practicable for any necessary notice or other communication to be given to that member in relation to the meetings, deliberations or other affairs of the COIN Management Committee or for that member to attend any one or more meetings of the COIN Management Committee (in this Regulation, an “**Inability**”), then the relevant COIN Member may nominate another person who is qualified to be a member of the COIN Management Committee to be an alternate member of the COIN Management Committee for so long as the Inability subsists.
- (b) Any such nomination must be in writing and forwarded to the COIN Administrator.
- (c) An alternate member may exercise any powers which the member may exercise and is deemed for all purposes to be a member of the COIN Management Committee during the period of the Inability.

## 7.3 Responsibilities

- (a) The COIN Management Committee is responsible for the effective operation and management of the COIN, including without limitation:
- (i) technical and efficiency standards;
  - (ii) governance and operating procedures, policies and guidelines, including COIN Regulations, COIN Operating Manual and Guidelines, subject to the approval of the COIN Members Meeting of any amendments to the COIN Regulations under Regulation 16.2;
  - (iii) the fees and charges payable by COIN Members pursuant to Part 11 for the purpose of recovering the costs and expenses of administering the COIN;
  - (iv) the resolution of Disputes between:
    - (A) the COIN Administrator and COIN Members (subject to the powers of the Board under Regulation 13.2(c); and
    - (B) COIN Members;

Amended  
Effective 19  
December 2011

- (v) supervision of the observance by COIN Members of the COIN Regulations and the COIN Operating Manual;
  - (vi) appointment and removal of the COIN Administrator;
  - (vii) agreement with the COIN Administrator of the scope and responsibilities of any COIN Operational Manager to be appointed by the COIN Administrator under Regulation 10.5(a)(ii);
  - (viii) other matters expressly referred to in the COIN Regulations and the COIN Operating Manual; and
  - (ix) such other matters as are necessary, desirable or expedient for the better and more secure, efficient and equitable operation of the COIN.
- (b) In discharging its responsibilities under the COIN Regulations and the COIN Operating Manual, the COIN Management Committee may delegate its powers, duties and authorities to one or more sub-committees of the COIN Management Committee or, with the consent of the COIN Administrator and/or COIN Operational Manager, to the COIN Administrator and/or COIN Operational Manager.

#### **7.4 Powers and Duties**

- (a) Subject to the COIN Regulations and the COIN Operating Manual, the COIN Management Committee has all powers as are necessary, desirable or expedient to enable the COIN Management Committee to properly perform its obligations under the COIN Regulations and the COIN Operating Manual.
- (b) The COIN Members may, by COIN Members' resolution, impose such conditions or restrictions as they think fit (whether by giving directions or otherwise) on the exercise of the powers of the COIN Management Committee.
- (c) In the performance of their duties, the members of the COIN Management Committee must:
  - (i) at all times act honestly in the exercise of his or her powers and the discharge of the duties of his or her office;
  - (ii) at all times exercise a reasonable degree of care and diligence in the exercise of his or her powers and the discharge of his or her duties;
  - (iii) at all times have regard to the interests of all COIN Members;

- (iv) not make improper use of information acquired by virtue of his or her position as a member of the COIN Management Committee to gain, directly or indirectly, an advantage for himself or herself or for any other person or to cause detriment to the COIN Administrator or the COIN Members; and
  - (v) not make improper use of his or her position as a member of the COIN Management Committee to gain, directly or indirectly, an advantage for himself or herself or for any other person or to cause detriment to the COIN Administrator or the COIN Members.
- (d) In addition to any other rights, powers and privileges to which he or she may be entitled, each member of the COIN Management Committee is at liberty to convey to the COIN Member which appointed that member, such reports of the deliberations and decisions of the COIN Management Committee which such member may think fit. Such member may also in his or her absolute discretion (but without imposing any obligation to do so) seek expressions of opinion from that COIN Member.
- (e) the COIN Administrator is at liberty to convey to any COIN Member such reports of the deliberations and decisions of the COIN Management Committee which the COIN Administrator may think fit. The COIN Administrator may in its absolute discretion (but without imposing any obligation to do so) seek an expression of opinion from any COIN Member.

## **7.5 Proceedings**

- (a) The Board shall appoint a member of the Board as chairman of the COIN Management Committee for such period as it determines.
- (b) The COIN Management Committee may meet and adjourn as it thinks proper. The chairman of the COIN Management Committee may at his or her discretion (and shall at the request in writing of any 2 members of the COIN Management Committee) convene meetings of the COIN Management Committee.
- (c) Except as provided to the contrary in the COIN Regulations or unless such notice is waived by all members of the COIN Management Committee, 7 days' notice of each meeting of the COIN Management Committee shall be given to each member at his or her usual business address. The COIN Administrator should ensure that each member of the COIN Management Committee has received notice of each meeting. The non-receipt of notice of a meeting of the COIN Management Committee by, or the accidental omission to give notice of a meeting of the COIN Management Committee to, a member does not invalidate any resolution passed at the meeting of the COIN Management Committee.

- (d) Where a meeting of the COIN Management Committee is held and the chairman is not present within 15 minutes from the time appointed for the commencement of the meeting or is unable or unwilling to act, the members present may elect one of their number to be chairman of the meeting.
- (e) The quorum for a meeting of the COIN Management Committee is 75% of the number of members of the COIN Management Committee for the time being.
- (f) Questions arising at a meeting of the COIN Management Committee are to be answered in the affirmative if 66.67% or more of the votes is cast in favour of the question. Any such decision is for all purposes a decision of the COIN Management Committee.
- (g) A declaration by the chairman of the COIN Management Committee that a resolution has been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minutes of the proceedings of the COIN Management Committee is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- (h) The COIN Management Committee may permit such other person as it sees fit to attend any meeting of the COIN Management Committee either in an advisory capacity or as an observer, but such allowance does not give that person any entitlement to vote and must not disrupt the proceedings of the meeting.

## **7.6 Voting Entitlement**

Each member of the COIN Management Committee will be entitled to cast one vote.

## **7.7 Vacation of Office**

- (a) The office of a member of the COIN Management Committee becomes vacant if:
  - (i) that member dies or becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
  - (ii) that member resigns his or her office by notice in writing to the COIN Administrator;
  - (iii) that member is absent without the consent of the chairman of the COIN Management Committee from meetings of the COIN Management Committee held during a period of 6 months and is removed by the COIN Management Committee;

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- (iv) that member is removed by the COIN Member which appointed such member as a member of the COIN Management Committee, in accordance with Regulation 7.1(c);
  - (v) the COIN Member entitled to appoint that member ceases to be a COIN Member; or
  - (vi) the COIN Member entitled to appoint that member becomes a Subsidiary of another COIN Member.
- (b) A notice of removal under Regulation 7.7(a)(iii) must be in writing and signed by the chairman of the COIN Management Committee and takes effect upon its receipt by the COIN Administrator. A notice of removal under Regulation 7.7(a)(iv) must be in writing and signed by the relevant COIN Member and takes effect on the date specified by the COIN Member, in accordance with Regulation 7.1(d).
- (c) Where the office of a member of the COIN Management Committee becomes vacant pursuant to Regulation 7.7 and the COIN Member that appointed the retiring or removed member remains entitled to appoint a member, that COIN Member may appoint an alternative, in accordance with Regulation 7.1(b).

## **7.8 Written Resolution**

- (a) If all the members of the COIN Management Committee who are eligible to vote on a resolution have signed a document containing a statement that they are in favour of a resolution of the COIN Management Committee in terms set out in the document, a resolution in those terms is deemed to have been passed at a meeting of the COIN Management Committee held on the day on which the document was last signed by a member of the COIN Management Committee.
- (b) For the purposes of Regulation 7.8(a), 2 or more separate documents containing statements in identical terms each of which is signed by one or more members of the COIN Management Committee who are eligible to vote on the resolution are together deemed to constitute one document containing a statement in those terms signed by those members of the COIN Management Committee on the respective days on which they signed the separate documents.

## **7.9 Meetings Defined**

For the purposes of the COIN Regulations, a meeting of the COIN Management Committee means:

- (a) a meeting of the COIN Management Committee assembled in person on the same day at the same time and place; or

- (b) the members of the COIN Management Committee communicating with each other by any technological means by which they are able simultaneously to hear each other and to participate in discussion notwithstanding that they (or one or more of them) are not physically present in the same place,

and a member participating in the meeting under paragraph (b) is deemed to be present (including for the purposes of constituting a quorum) and entitled to vote at the meeting.

#### **7.10 Validity of Acts**

All acts done by any meeting of the COIN Management Committee or by any person acting as a member are, notwithstanding that it is afterwards discovered that there was some defect in the appointment of a person to be a member or to act as a member, or that a person so appointed was disqualified, as valid as if the person had been duly appointed and were qualified to be a member of the COIN Management Committee.

**The next page is 8.1**

## **8 MEETINGS OF COIN MEMBERS**

### **8.1 COIN Members Meetings and the Annual COIN Members Meeting**

- (a) The COIN Administrator must, in addition to any other COIN meeting, hold a meeting of the COIN Members to be called the Annual COIN Members Meeting, at least once in every calendar year and within the period of 5 months of the end of each of the COIN Administrator's financial years, provided that the COIN Administrator is not obliged to hold an Annual COIN Members Meeting in the first calendar year in which the COIN takes effect.
- (b) The purpose of the Annual COIN Members Meeting is to provide a forum for COIN Members to discuss any aspect of the operations of COIN and any other matters relevant to membership.

### **8.2 COIN Members Meeting**

The COIN Management Committee or the COIN Administrator may whenever they think fit convene a COIN Members Meeting.

### **8.3 Notice of COIN Members Meeting**

- (a) At least 14 days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which notice is given) specifying:
  - (i) the place, day and the hour of the COIN Members Meeting; and
  - (ii) in the case of special business, the general nature of that business,must be given to all COIN Members and all members of the COIN Management Committee.
- (b) The non-receipt of notice of a COIN Members Meeting by, or the accidental omission to give notice of a COIN Members Meeting to, a COIN Member does not invalidate any resolution passed at the COIN Members Meeting.

### **8.4 Requisitioned Meeting**

The COIN Management Committee must, on the requisition of 3 or more COIN Members or of 3 or more COIN Management Committee members for the purposes of Regulation 7.1(e), immediately convene a COIN Members Meeting to be held as soon as practicable but, in any case, not later than 2 months after the receipt by the COIN Management Committee of the requisition.

### **8.5 Objects of Requisitioned Meeting**

The requisition for a COIN Members Meeting must state the objects of the COIN Members Meeting and must be signed by the requisitionists and forwarded to the COIN Administrator. A requisition may consist of several documents in like form each signed by one or more of the requisitionists.

### **8.6 Convening Requisitioned Meeting**

If the COIN Management Committee does not, within 21 days after the deposit of the requisition, proceed to convene a COIN Members Meeting the requisitionists or any of them, may themselves, in the same manner as nearly as possible as that in which meetings are to be convened by the COIN Management Committee, convene a meeting, but a meeting so convened may not be held after the expiration of 3 months from the date the requisition is delivered to the COIN Administrator.

### **8.7 Expenses of Requisitioned Meeting**

Any reasonable expenses incurred by the requisitionists by reason of the failure of the COIN Management Committee to convene a COIN Members Meeting must be paid to the requisitionists by the COIN Administrator.

### **8.8 Postponement or Cancellation of Meeting**

- (a) The COIN Management Committee and/or COIN Administrator may postpone or cancel a COIN Members Meeting whenever they think fit (other than a meeting convened as the result of a requisition under Regulation 8.4 or by requisitionists under Regulation 8.6). The COIN Management Committee and/or COIN Administrator postponing or cancelling a COIN Members Meeting must give as much notice as is possible in all the circumstances of the postponement or cancellation of that COIN Members Meeting to all persons entitled to receive notices of that COIN Members Meeting.
- (b) The non-receipt of notice of a postponement or cancellation by, or the accidental failure to give notice of a postponement or cancellation to, a COIN Member does not invalidate the postponement or cancellation.

### **8.9 Attendance at COIN Members Meetings**

- (a) Any COIN Member may attend any COIN Members Meeting by appointing:
  - (i) a proxy;
  - (ii) an attorney; or
  - (iii) a person authorised by resolution of its directors or other governing body to act on its behalf at a particular COIN Members Meeting or at all meetings of the COIN Members.

- (b) Unless the contrary intention appears, a reference to a COIN Member in the succeeding provisions of this Part 8 means a COIN Member, proxy, attorney or person authorised under Regulation 8.9(a)(iii).

### **8.10 Quorum**

No business may be transacted at any COIN Members Meeting unless a quorum is present of 50% of all COIN Members.

### **8.11 Failure to Achieve Quorum**

- (a) Where a COIN Members Meeting is convened in accordance with Regulation 8.4 or 8.6 and a quorum is not present within 30 minutes from the time appointed for the COIN Members Meeting, the COIN Members Meeting must be dissolved.
- (b) Where a COIN Members Meeting is convened in any other case and a quorum is not present within 30 minutes from the time appointed for that COIN Members Meeting:
  - (i) the COIN Members Meeting must be adjourned to such day, time and place as the COIN Management Committee or COIN Administrator determines or if no determination is made by them to the same day in the next week at the same time and place; and
  - (ii) if at the adjourned COIN Members Meeting a quorum is not present within 30 minutes from the time appointed for that COIN Members Meeting the COIN Members Meeting must be dissolved.

### **8.12 Appointment and Powers of Chairman of a COIN Members Meeting**

- (a) Subject to Regulation 8.12(b), the chairman of the COIN Management Committee must preside as chairman at every COIN Members Meeting.
- (b) Where a COIN Members Meeting is held and the chairman of the COIN Management Committee is not present within 15 minutes from the time appointed for the commencement of the meeting or is unable or unwilling to act, the members of the COIN Management Committee present must elect one of their number to be chairman of the meeting, or, if no such member is present or if all such members present decline to take the chair, the COIN Members present must elect a proxy, an attorney or a person acting on behalf of a COIN Member pursuant to Regulation 8.9(a)(iii) as chairman of the meeting.

**8.13 Adjournment of COIN Members Meeting**

- (a) The chairman of the meeting may, with the consent of any COIN Members Meeting at which a quorum is present, and must if so directed by the COIN Members Meeting, adjourn the COIN Members Meeting from time to time and from place to place, but no business may be transacted at any adjourned COIN Members Meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (b) When a COIN Members Meeting is adjourned for 30 days or more, notice of the adjourned COIN Members Meeting must be given as in the case of an original COIN Members Meeting.
- (c) Except as provided by Regulation 8.13(b), it is not necessary to give any notice of an adjournment or of the business to be transacted at any adjourned COIN Members Meeting.

**8.14 Voting at COIN Members Meeting**

- (a) At any COIN Members Meeting a resolution put to the vote of the meeting must be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
  - (i) the chairman of the meeting; or
  - (ii) a COIN Member.
- (b) Unless a poll is properly demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, or carried unanimously or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

**8.15 Passing of Resolutions**

A resolution is taken to be carried if more than 66.7% of the total votes cast in respect of the resolution are cast in favour of the resolution. The chairman of the meeting shall not have a casting vote.

**8.16 Poll**

- (a) If a poll is properly demanded, it must be taken in such manner and (subject to Regulation 8.16(b)) either at once or after an interval or adjournment or otherwise as the chairman of the meeting directs. The result of the poll is the resolution of the COIN Members Meeting in respect of the matter for which the poll was demanded.
- (b) A poll demanded on the election of a chairman of the meeting or on a question of adjournment must be taken immediately.

- (c) The demand for a poll may be withdrawn.

### **8.17 Voting Entitlement**

Each COIN Member is entitled to one vote.

### **8.18 Objection to Voting Qualification**

- (a) An objection may be raised to the qualification of a voter only at the COIN Members Meeting or adjourned COIN Members Meeting before the vote objected to is given or tendered.
- (b) Any such objection must be referred to the chairman of the meeting, whose decision is final.
- (c) A vote not disallowed under such an objection is valid for all purposes.

### **8.19 Appointment of Proxy**

- (a) An instrument appointing a proxy must be in writing under the hand of the appointor or of its attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (b) An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.
- (c) An instrument appointing a proxy is deemed to confer authority on the proxy to demand or join in demanding a poll.
- (d) An instrument appointing a proxy must be in the form approved by the COIN Management Committee or the COIN Administrator from time to time.
- (e) A proxy may vote on a show of hands or on a poll.

### **8.20 Deposit of Proxy and Other Instruments**

An instrument appointing a proxy is not to be treated as valid unless the instrument, and an original or certified copy of the power of attorney or other authority (if any) under which the instrument is signed, is or are received by the COIN Administrator before the time for holding the COIN Members Meeting or adjourned COIN Members Meeting at which the person named in the instrument proposes to vote.

### **8.21 Validity of Vote in Certain Circumstances**

A vote given in accordance with the terms of an instrument of proxy or of a power of attorney is valid notwithstanding the revocation of the instrument (or of the authority under which the instrument was executed) or of the power, if no intimation in writing of the revocation or transfer has been received by the COIN Administrator before the commencement of the COIN Members Meeting or adjourned COIN Members Meeting at which the instrument is used or the power is exercised.

### **8.22 Entitlement to Speak**

Each COIN Member and each member of the COIN Management Committee is entitled to attend all COIN Members Meetings and is entitled to speak at those meetings.

Amended  
Effective 19  
December 2011

### **8.23 Written Resolution**

A resolution in writing signed by the COIN Members entitled to cast more than 90% of all votes which could be cast at a COIN Members Meeting is as valid and effectual as if it had been passed at a COIN Members Meeting duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more COIN Members.

**The next page is 9.1**

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## **9 COIN-Approved Payment Systems**

### **9.1 Eligibility**

- (a) The COIN Management Committee may approve payment systems that it considers to be regulated and administered to a standard such that its members would not diminish the integrity and efficiency of the COIN.
- (b) Those matters that the COIN Management Committee may consider in deciding to approve a payment system are set out in the Guidelines.

### **9.2 Application for Approval**

- (a) Payment System Administrators must address applications for approval to the COIN Administrator in the form of Annexure 2 or such other form that the COIN Management Committee may approve from time to time.
- (b) Applicants must supply any other information which the COIN Administrator and/or COIN Management Committee may reasonably require.

### **9.3 Approval**

- (a) The COIN Administrator must promptly forward each application to the members of the COIN Management Committee.
- (b) At its absolute discretion the COIN Management Committee may require an applicant to obtain at its own expense an independent external audit (by an auditor acceptable to the COIN Management Committee) in respect of the integrity of the payment system for which approval is sought.
- (c) The COIN Management Committee shall promptly consider all such applications and shall inform the Payment System Administrator promptly if an application is approved and the date upon which the approval becomes effective.
- (d) The COIN Management Committee must then inform all COIN Members and the COIN Administrator of the successful application for approval and the date upon which that approval will be effective.
- (e) If the COIN Management Committee does not approve an application from a Payment System Administrator, the applicant may challenge that decision under Regulation 13 within 3 months or may lodge a fresh application for approval.

**9.4 Withdrawal of Approval**

- (a) The COIN Management Committee may notify a Payment System Administrator of an intention to seek withdrawal of approval of a COIN-Approved Payment System if it considers that it is no longer regulated and administered in a way such that its members would not diminish the integrity and efficiency of the COIN, by reference to the matters set out in the Guidelines.
- (b) The Board (after consultation with the COIN Management Committee) may, by notice in writing to the Payment System Administrator, withdraw approval of a COIN-Approved Payment System, subject to a notice period determined by the Board, if the following pre-conditions have been fulfilled:
  - (i) The COIN Management Committee has given the notification in sub-paragraph (a) above and the Payment System Administrator has not remedied the regulation and administration of the payment system to the satisfaction of the COIN Management Committee, by reference to the matters set out in the Guidelines within a reasonable period; and
  - (ii) The COIN Management Committee has recommended withdrawing approval; and
  - (iii) The Board has provided an opportunity for that Payment System Administrator to make submissions to the Board regarding such withdrawal.
- (c) The Board is not obliged to give any reasons for such decision.
- (d) On withdrawal of approval, the COIN Administrator will as soon as practicable notify all COIN Members, specifying the effective date of withdrawal and those COIN Members for whom this would operate as a 'Suspension Event' under Regulation 6.2(e).

**The next page is 10.1**

## **10 COIN ADMINISTRATOR AND COIN OPERATIONAL MANAGER**

### **10.1 Appointment of COIN Administrator**

- (a) APCA is appointed COIN Administrator.
- (b) The COIN Administrator is vested with the powers, duties and authorities specified in the COIN Regulations and the COIN Operating Manual.
- (c) In addition and with the consent of the COIN Administrator, the COIN Management Committee may vest in the COIN Administrator such additional powers, duties and authorities as it may from time to time determine.

### **10.2 COIN Administrator to attend and minute COIN Management Committee meetings**

- (a) The COIN Administrator is entitled to attend all meetings of the COIN Management Committee and all COIN Members Meetings and may be heard on any matter.
- (b) The COIN Administrator must prepare minutes of each meeting of the COIN Management Committee and each COIN Members Meeting for approval by the chairman of the COIN Management Committee and chairman of the COIN Members Meeting. All minutes approved by the chairman must be made available to each member of the COIN Management Committee and each COIN Member.

Amended  
Effective 19  
December 2011

### **10.3 COIN Administrator may enter into contracts on behalf of the COIN Members**

- (a) Subject to (b) below, the COIN Administrator may enter into contracts related to the COIN if and only if the COIN Management Committee has approved any such contract.
- (b) The COIN Administrator must enter into a contract with the COIN Service Provider, which contract shall be approved by the Board.
- (c) The COIN Service Provider Agreement will set out certain rights and obligations of the COIN Administrator in respect of the provision of the COIN, including (but not limited to):
  - (i) the requirement for the COIN Administrator to consent to new COIN Members to the COIN Service Provider;
  - (ii) the requirement for the COIN Administrator to inform the COIN Service Provider of the suspension or termination of any COIN Member; and
  - (iii) the ability for the COIN Administrator to access various information and analysis tools and to provide information received in accordance with the COIN Service Provider Agreement to any COIN Operational Manager.

Amended  
Effective 6 April  
2010

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#### 10.4 COIN Administrator Indemnity

Amended  
Effective 6 April  
2010

- (a) The COIN Administrator is indemnified and held harmless by the COIN Members against all liability, claims, actions, loss damage, costs and expenses (including legal costs) brought against or incurred by the COIN Administrator in any way arising from or in connection with:
  - (i) the COIN;
  - (ii) the COIN Regulations;
  - (iii) the COIN Operating Manual;
  - (iv) its role as COIN Administrator;
  - (v) any contract entered into in accordance with Regulation 10.3; and/or
  - (vi) any fact, matter or circumstance related to (i) to (iv) above.
- (b) All amounts payable to, or likely to be payable to the COIN Administrator pursuant to Regulation 10.4(a) may be collected from COIN Members in accordance with Regulation 11.3.

#### 10.5 COIN Operational Manager

- (a) The COIN Administrator:
  - (i) may, in accordance with Regulation 10.3, appoint a third party to be the COIN Operational Manager; and
  - (ii) must agree to the scope and responsibilities of the COIN Operational Manager with the COIN Management Committee before any appointment is made pursuant to this Regulation 10.5(a).
- (b) The COIN Administrator may appoint a third party to be the COIN Operational Manager without complying with Regulation 10.5(a) if there is an urgent need to do so.
- (c) Any appointment by the COIN Administrator pursuant to Regulation 10.5(b) above:
  - (i) must be for as short a period as reasonably practicable; and
  - (ii) may only be extended by an appointment complying with Regulation 10.5(a).

**The next page is 11.1**

## 11 FEES

### 11.1 Entrance Fees

- (a) Subject to Regulation 11.2, each COIN Member must pay to the COIN Administrator an entrance fee of \$1,000 in respect of COIN within 14 days of the date on which the COIN Administrator advises the Applicant pursuant to Regulation 4.3(f) that its Membership Application has been accepted by the COIN Management Committee or, in the case of a COIN Member who joined the COIN under the Transitional COIN Agreement, within 14 days of the Commencement Date.
- (b) Entrance fees paid to the COIN Administrator are to be applied by the COIN Administrator towards the payment of those costs and expenses of the COIN which would otherwise be borne by the COIN Members pursuant to Regulation 11.3.

Amended  
Effective 19  
December 2011

### 11.2 Indexation

The entrance fee specified in Regulation 11.1 and the dispute resolution fee specified in Regulation 13.3 are to be indexed on an annual basis by the COIN Administrator by reference to change in the cost of living, as measured by the Consumer Price Index or other relevant data, as determined by the COIN Management Committee.

### 11.3 Operating Fees

- (a) Each COIN Member must pay to the COIN Administrator a periodic operating fee representing an equal share per COIN Member of the costs or anticipated costs of administering the COIN over the relevant period, taking into account the availability of funds from other sources including from preceding periods.
- (b) The periodic operating fee is payable in the manner and at the times determined by the COIN Administrator from time to time.

### 11.4 Disputes

Each COIN Member must also pay to the COIN Administrator the fees, costs and expenses stipulated in Part 13. Any fees received by the COIN Administrator pursuant to Regulation 13.3 are to be applied towards the payment of those costs and expenses of the COIN Administrator which would otherwise be borne by the COIN Members pursuant to Regulation 11.3.

### 11.5 Gross up for GST Supplies by the COIN Administrator

If:

- (a) the COIN Administrator makes a Supply to a COIN Member (in its capacity as a COIN Member) under the COIN Regulations or the COIN Operating Manual; and

- 
- (b) the COIN Administrator is required to pay GST under the GST Law in respect of that Supply (a “**Taxable Supply**”),

then

- (c) the COIN Member must pay to the COIN Administrator an additional amount equal to the GST Exclusive Consideration multiplied by the GST Rate, without deduction or set-off of any other amount.
- (d) The COIN Administrator must issue a Tax Invoice to each COIN Member for the GST on each Taxable Supply and must include in the Tax Invoice all particulars required by the GST Law.
- (e) The COIN Member must pay the additional amount payable under Regulation 11.5(c) at the same time and manner as the GST Exclusive Consideration (or, if the GST Exclusive Consideration is not payable, within 14 days).

### **11.6 Mergers, Acquisitions and Re-organisations**

Where, by takeover, merger or other action, an existing COIN Member becomes a Subsidiary of or is otherwise acquired by another body corporate or that COIN Member's business is assumed by another body corporate which is a related body corporate of that COIN Member or another body corporate formed as a result of that action (in this Regulation, that other body corporate being an "**Owner**") and the Owner applies for COIN Membership within 12 months of such occurrence and is accepted as a COIN Member, the COIN Management Committee may (but is not obliged to do so), upon receipt of such information as the COIN Management Committee may reasonably require, waive the fee which would otherwise be payable by the Owner pursuant to Regulation 11.1.

**The next page is 12.1**

## **12 COIN OPERATING MANUAL**

### **12.1 COIN Operating Manual**

- (a) The COIN Management Committee will determine and publish from time to time the COIN Operating Manual containing practices, procedures, standards and/or specifications relating to all or any aspects of the COIN.
- (b) Each COIN Member agrees and acknowledges that it is bound by the COIN Operating Manual, as amended from time to time.

### **12.2 Amendment of COIN Operating Manual**

- (a) The COIN Management Committee may vary any practice, procedure, standard or specification previously determined and published under Regulation 12.1, provided that:
  - (i) if such variation relates to a matter of principle or a fundamental term such variation must also be approved in accordance with (or a consequence of) an amendment to the COIN Regulations; and
  - (ii) any variation of a grammatical, cosmetic, typographical or minor nature to the COIN Operating Manual previously determined and published under Regulation 12.1(a) which, in the reasonable opinion of the COIN Administrator, will not prejudice any COIN Member or operations in connection with COIN, may be made by the COIN Administrator.
- (b) Any variation made by the COIN Administrator must be notified to the COIN Management Committee within 30 days of the making of the variation. The COIN Management Committee must publish all variations from time to time in accordance with Regulation 12.1(a).

**The next page is 13.1**

## 13 BREACHES OF REGULATIONS AND DISPUTES

### 13.1 Definitions and Interpretations

(a) The following words have the following meanings in this Part 13 unless the contrary intention appears.

(i) **"Dispute"** means a dispute or difference between:

(A) the COIN Administrator, the COIN Management Committee, any delegate of the COIN Management Committee, any one or more COIN Members, which for the purposes of this Part only includes persons/entities that have applied for membership of the COIN and any Payment System Administrator seeking approval under Regulation 9; or

Amended  
Effective 19  
December 2011

(B) two or more COIN Members,

arising out of, or in any way connected with the COIN Regulations or the COIN Operating Manual including, without limitation, a dispute or difference:

(C) arising out of, or in any way connected with, any decision of the COIN Management Committee or any delegate of the COIN Management Committee;

(D) as to any sum of money claimed to be payable pursuant to, or any liability or obligation or other matter to be ascertained or dealt with or which arises under, Regulation 6.5(f); or

(E) arising out of, or in any way connected with, the non-payment or alleged non-payment of any sum of money otherwise payable or alleged to be otherwise payable pursuant the COIN Regulations or the COIN Operating Manual.

(ii) **"Dispute Resolution Certificate"** means a certificate evidencing a determination made under this Part 13 signed by the chairman of the COIN Management Committee or more than 50% of members of the COIN Management Committee.

(b) A reference in this Part 13 to:

(i) a determination by a person includes a decision by that person;

(ii) proceedings includes actions, suits and proceedings at law, in equity or otherwise.

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**13.2 Resolution of Disputes**

- (a) Subject to Regulation 13.2(b) and 13.2(c) all Disputes must be referred in writing to a meeting of the COIN Management Committee for determination by the COIN Management Committee. A determination of the COIN Management Committee in relation to a Dispute must be evidenced by a Dispute Resolution Certificate and a determination so evidenced will be binding upon all parties to the Dispute (including, without limitation, any COIN Member which, subsequently to the occurrence of the events giving rise to the Dispute, resigns as a COIN Member pursuant to Regulation 6.5(b) or whose membership is terminated pursuant to Regulation 6.5(d)).
- (b) Subject to Regulations 13.2(c) 13.3(c), no proceedings may be commenced in any court of law or equity or otherwise in relation to any Dispute unless:
- (i) the Dispute has first or already been referred to the COIN Management Committee pursuant to Regulation 13.2(a);
  - (ii) the Dispute has been determined by the COIN Management Committee; and
  - (iii) the determination has been evidenced by a Dispute Resolution Certificate in accordance with Regulation 13.2(a).
- (c) Where the Dispute is a challenge to a decision in respect of a Membership Application under Regulation 4.3(e)(i) or an application for approval of a payment system under Regulation 9, the Dispute must be referred to the Board instead of the COIN Management Committee. In this case, all references in this Regulation 13 to the COIN Management Committee (except in the definition of 'Dispute') shall be construed as and shall have the effect of references to the Board.

Amended  
Effective 6 April  
2010

Amended  
Effective 19  
December 2011

**13.3 Dispute Resolution Fee and Costs**

- (a) Subject to Regulation 13.3(e), each COIN Member or Payment System Administrator party to a Dispute which is referred to the COIN Management Committee pursuant to Regulation 13.2(a) must:
- (i) pay to the COIN Administrator, within 14 days of the date on which the Dispute is first referred to the COIN Management Committee, a dispute resolution fee which, subject to Regulation 11.2, shall be \$5,000; and

Amended  
Effective 19  
December 2011

- (ii) pay to the COIN Administrator, within 14 days of determination of the Dispute by the COIN Management Committee, and (in such proportions as the COIN Management Committee shall determine are reasonable and appropriate in all the circumstances) all costs and expenses incurred by the COIN Administrator in relation to that referral (including, without limitation, all costs and expenses (on a solicitor and own client basis) incurred in obtaining legal, financial, actuarial or accountancy advice and administrative costs reasonably incurred by the COIN Administrator).
- (b) For the avoidance of doubt, the COIN Management Committee may determine that all costs and expenses referred to in Regulation 13.3(a)(ii) are to be paid by any one party to the relevant Dispute.
- (c) If the parties to a Dispute settle the Dispute prior to determination of it by the COIN Management Committee, they may withdraw the Dispute from the COIN Management Committee by each giving written notice of that withdrawal to the COIN Administrator.
- (d) If a Dispute is withdrawn from the COIN Management Committee pursuant to this Regulation 13.3(a); and the parties concerned have agreed, confidentially or otherwise, as to the apportionment among them of costs and expenses referred to in Regulation 13.3(a)(ii), then the parties involved may notify the COIN Administrator in writing, within 7 days of the date on which all notices of withdrawal of the Dispute under this Regulation 13.3(a) are received by the COIN Administrator (the "**Withdrawal Date**") of the agreed apportionment of those costs and expenses and the COIN Administrator will render invoices in accordance with the notified agreed apportionment payable within 14 days of the Withdrawal Date.
- (e) If a Dispute has been withdrawn by the parties concerned pursuant to Regulation 13.3(a) and those parties have not reached agreement as to the apportionment of the COIN Administrator's costs and expenses connected with referral of the Dispute or have not notified the COIN Administrator of any agreed apportionment of those costs and expenses in accordance with this Regulation, the COIN Administrator may render to those parties invoices for recovery of those costs and expenses requiring each party to pay to the COIN Administrator within 14 days of the Withdrawal Date an equal portion of those costs and expenses.
- (f) The COIN Administrator must keep confidential to itself and its employees and advisers all information provided to it with respect to settlement of a Dispute, including without limitation, information about any agreement between the parties to the Dispute as to apportionment of the COIN Administrator's costs and expenses, but excluding the fact that a settlement has been agreed and may not disclose that information to any COIN Member or COIN Management Committee member without the consent of the parties to the Dispute.

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### 13.4 Commencement of Proceedings

(a) If a COIN Member (in this Part 13, the "**Defendant COIN Member**") or a Payment System Administrator fails or refuses to give effect to a determination of the COIN Management Committee in relation to a Dispute, which determination is evidenced by a Dispute Resolution Certificate, the COIN Management Committee may:

Amended  
Effective 19  
December 2011

(i) recommend to the Board terminating that COIN Member's membership; and

(ii) resolve that proceedings be commenced and prosecuted against the Defendant COIN Member or the Payment System Administrator by the COIN Administrator in its own right.

Amended  
Effective 19  
December 2011

(b) Alternatively, any aggrieved COIN Member which was a COIN Member at the date of issue of the relevant certificate (other than the Defendant COIN Member) may commence proceedings against the Defendant COIN Member and request the assistance of the COIN Administrator in relation to such proceedings in which event the COIN Management Committee may require the COIN Administrator to provide whatever administrative assistance the COIN Management Committee determines should be rendered by the COIN Administrator to facilitate the conduct of such proceedings.

### 13.5 Costs

All:

(a) costs (including costs as between solicitor and own client) and disbursements incurred by the COIN Administrator in relation to any proceedings commenced and prosecuted in accordance with Regulation 13.4;

(b) administrative costs reasonably incurred by the COIN Administrator in relation to any such proceedings;

(c) costs (including disbursements) and damages which may be awarded against the COIN Administrator in relation to any such proceedings (or be payable by the COIN Administrator as the result of any settlement of any such proceedings); and

(d) liabilities and losses arising from any such proceedings which are suffered or incurred by the COIN Administrator,

are to be treated as costs and expenses of administration, or incurred in connection with COIN for the purposes of Regulation 11.3 and are to be taken into account in calculating the periodic operating fees payable by all COIN Members pursuant to Regulation 11.3.

### **13.6 Distribution of Recoveries**

If any proceedings are commenced by a COIN Member or COIN Members pursuant to this Part 13, and the COIN Administrator renders administrative assistance pursuant to Regulation 13.4(b) to facilitate the conduct of those proceedings, then any award of damages or costs in favour of that or those COIN Members must first be applied to reimburse the COIN Administrator for those costs incurred by it in rendering such administrative assistance.

### **13.7 Loss Apportionment**

In all cases where a loss has to be met by reason of:

- (a) a conflict of opinion as to which of the parties to the Dispute was responsible for the loss; or
- (b) the inability of any one or more of the parties to obtain reimbursement from or recourse against a customer,

the COIN Management Committee will have authority to determine where the loss, and how the apportionment of the loss, will fall having regard to the merits of the individual case.

**The next page is 14.1**

**14 NOTICES**

- (a) A notice may be given by the COIN Administrator to any COIN Member or other person receiving notice under the COIN Regulations either by:
- (i) serving it personally; or
  - (ii) sending it by post, telex or facsimile transmission to the address shown in the Register or the address supplied by that person to the COIN Administrator for the giving of notices; or
  - (iii) sending an electronic mail message to an email address supplied by the COIN Member or that person to the COIN Administrator for the giving of notices or by publishing the notice on the COIN Administrator's extranet or website in a manner accessible by the COIN Member or that person receiving notice.

(Note: Publication on the COIN Administrator's extranet or website must be accompanied by an electronic communication to the recipient(s) of the notice advising of the publication.)

- (b) Where a notice is sent by post, service of the notice is deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and the notice is deemed to have been served on the business day after the date of its posting.
- (c) Where a notice is sent by telex or facsimile transmission, service of the notice is deemed to be effected by properly addressing the telex or facsimile transmission and transmitting same and to have been served in the case of a facsimile transmission on the business day following its despatch, and in the case of a telex transmission on the business day following receipt by the sender of the answerback of the addressee.
- (d) Where a notice is sent by electronic mail or published on the COIN Administrator's extranet or website, the notice is deemed to be served on the business day following its despatch or publication.

**The next page is 15.1**

## **15 INFORMATION**

### **15.1 Statistics**

- (a) Each COIN Member must at the request of the COIN Management Committee or the COIN Administrator provide to the COIN Administrator all reasonable information relating to that COIN Member's transaction volumes, transaction values, data volumes, file volumes and other matters relevant to COIN and the COIN Members' use of it. Amended  
Effective 6 April  
2010
- (b) On a written request from an Auditor, each COIN Member must provide to the Auditor, without unnecessary delay, any information and documents in the possession or control of that COIN Member that the Auditor reasonably requires to conduct an Audit.

**The next page is 16.1**

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## **16 MISCELLANEOUS**

### **16.1 Set-Off**

Nothing in the COIN Regulations shall be construed so as to negate or exclude any right of set-off which may otherwise arise.

### **16.2 Amendments**

- (a) Subject to Regulation 16.2(b), the COIN Regulations may be amended from time to time by a resolution passed at a meeting of the COIN Members convened in accordance with Part 8, provided that the COIN Management Committee has recommended the amendments.
- (b) Any amendment of the COIN Regulations is effective from the date specified by the COIN Management Committee, being not before the earlier of:
  - (i) the date on which the amendment is approved by the COIN Management Committee; or
  - (ii) the date which is 30 days after the date of the first meeting of the COIN Management Committee at which the amendment (as approved by a meeting of the COIN Members convened in accordance with Part 8.) is tabled by the chairman of the COIN Management Committee.
- (c) Any amendment to the COIN Regulations must contain an editorial note setting out the effective date of such amendment.

### **16.3 Fundamental Changes to be approved by the COIN Members**

Fundamental changes to the COIN and/or matters associated with it, including but not limited to:

- (a) the appointment of an additional and/or replacement COIN Service Provider; or
- (b) any change that would increase the annual costs and expenses (actual or budgeted) of operating, or in connection with, the COIN by more than 100%;

must be approved by a resolution of COIN Members.

### **16.4 Exclusion of Fiduciary and Trustee Relationships**

No party shall, by reason only of the COIN Regulations, COIN Operating Manual or another document relating to COIN, have a fiduciary relationship with, or be trustee for, a COIN Member or another person unless expressly agreed.

Amended  
Effective 6 April  
2010

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## 16.5 Representations and Warranties

The COIN Administrator is entitled to assume the correctness of any representation or warranty made by a COIN Member and is not required to conduct independent enquiries or to conduct searches of public registers to confirm the correctness of any representation or warranty.

## 16.6 Confidentiality

- (a) All Confidential Information is confidential to the recipient of that information and its employees and each such recipient must ensure that Confidential Information is not disclosed to any other person except:
- (i) any existing, prospective or potential contractors or consultants and any participants in a tender process initiated by or for that recipient;
  - (ii) with the consent of the provider of that information (which consent must not be unreasonably withheld);
  - (iii) (in the case of statistics) on a basis which does not identify the provider of the information;
  - (iv) if required to be disclosed by law or required by any stock exchange or supervisory authority which is responsible for the prudential supervision of the recipient;
  - (v) in connection with legal proceedings or disputes in which the recipient is a party;
  - (vi) if the information is generally and publicly available;
  - (vii) its legal advisers and auditors for the purpose of considering or advising upon the Confidential Information; or
  - (viii) to a related body corporate of the recipient.
- (b) Except to the extent that it would contravene a law or stock exchange listing requirement, in respect of disclosure by a recipient (the “**First Recipient**”) of Confidential Information to a further recipient (the “**Second Recipient**”) pursuant to subparagraphs (a)(i),(a)(iv), (a)(v) and (a)(viii) above, the First Recipient must prior to disclosure:
- (i) advise APCA in writing; and
  - (ii) obtain from the Second Recipient an undertaking to abide by the requirements of this Regulation 16.6. The undertaking obtained should, wherever possible, be enforceable directly by APCA.

## **16.7 Expenditure**

The expenses incurred by the COIN Management Committee, any sub-committee of the COIN Management Committee, any member of those committees, or any other person in the performance of their duties under the COIN Regulations and the COIN Operating Manual must be in accordance with the financial budgets of the COIN Administrator which have been approved by the COIN Management Committee or otherwise determined by the COIN Administrator (either specifically or on a general basis).

**The next page is 17.1**

## **17 INSURANCE**

The COIN Administrator may pay or agree to pay, whether directly or through an interposed entity, a premium for a contract insuring a person who is or has been a member of the COIN Management Committee against liability incurred by the person in that capacity, including a liability for legal costs, unless:

- (a) the COIN Administrator is forbidden by statute to pay or agree to pay the premium; or
- (b) the contract would, if the COIN Administrator paid the premium, be made void by statute.

**The next page is A1.1**

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**ANNEXURE 1 – MEMBERSHIP APPLICATION FORM****To:**

The Secretary  
 Australian Payments Clearing Association Limited  
 Level 6  
 14 Martin Place  
 Sydney NSW 2000

**Re:** Membership of COIN**From:**

Full Name of Applicant \_\_\_\_\_  
 ABN \_\_\_\_\_  
 Place of Incorporation \_\_\_\_\_  
 Registered Office Address/  
 Principal Place of Business in Australia \_\_\_\_\_  
 \_\_\_\_\_ Postcode \_\_\_\_\_

**Participating Membership (if applicable):**

Name of Contact Person: \_\_\_\_\_  
 Telephone Number: \_\_\_\_\_  
 Fax number: \_\_\_\_\_  
 Preferred Start Date: \_\_\_\_\_

*(This is the preferred date on which the Applicant wishes to be admitted as a COIN Member or, in the case of COIN Members who joined the COIN under the Transitional COIN Agreement, be bound by the COIN Regulations).*

1. The above-named body corporate ("**Applicant**") hereby applies for membership of the COIN.
2. The Applicant acknowledges that:
  - the COIN Regulations and the COIN Operating Manual constitute a contract under seal between:
    - the COIN Administrator and each COIN Member; and
    - each COIN Member; and
  - the COIN Regulations and the COIN Operating Manual have been established for the benefit of the COIN Members and any future COIN Members.
3. The Applicant acknowledges and agrees that if this application is accepted then subject to and in consideration of that acceptance:
  - they are bound to:
    - comply with the COIN Regulations and the COIN Operating Manual; and
    - fulfil and perform every obligation and duty imposed on them by or pursuant to the COIN Regulations and the COIN Operating Manual.

- the rights and obligations contained herein shall enure not only to APCA , but to every other COIN Member who has agreed to observe and comply with the COIN Regulations and COIN Operating Manual.
4. The following information is enclosed with this application to demonstrate that the Applicant satisfies the applicable requirements for membership which are contained in Regulation 4.1. This information is not required in relation to COIN Members who joined the COIN under the Transitional COIN Agreement.

*[list information and documents enclosed with the application]*

**EXECUTED by THE APPLICANT**

by or in the presence of:

)  
)  
)  
)

.....  
(Signature of Secretary/Director)

.....  
(Signature of Director)

.....  
(Full name of signatory)

.....  
(Full name of signatory)

**ANNEXURE 2 – PAYMENT SYSTEM APPROVAL FORM**

**To:**

The Secretary  
Australian Payments Clearing Association Limited  
Level 6  
14 Martin Place  
Sydney NSW 2000

**Re:** Approval of a Payment System

**From:**

Full Name of Payment System Administrator \_\_\_\_\_  
Name of Payment System \_\_\_\_\_  
ABN \_\_\_\_\_  
Place of Incorporation \_\_\_\_\_  
Registered Office Address/ \_\_\_\_\_  
Principal Place of Business in Australia \_\_\_\_\_  
Postcode \_\_\_\_\_

Name of Contact Person: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_  
Fax number: \_\_\_\_\_  
Preferred Approval Date: \_\_\_\_\_

*(This is the preferred date on which the Applicant wishes approval of a Payment System to be effective.)*

1. The above-named Payment System Administrator hereby applies for approval for the Payment System.
2. The following audit report is enclosed with this application.

**EXECUTED by THE APPLICANT**

by or in the presence of:

)  
)  
)  
)

.....  
(Signature of Secretary/Director)

.....  
(Signature of Director)

.....  
(Full name of signatory)

.....  
(Full name of signatory)