

AUSTRALIAN PAYMENTS NETWORK LIMITED

ABN 12 055 136 519

A Company limited by Guarantee

REGULATIONS

for

COMMUNITY OF INTEREST NETWORK FRAMEWORK

(IS1)

Commenced February 2010

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ABN 12 055 136 519

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

PART 1	PRELIMINARY	1.1
1.1	Definitions.....	1.1
1.2	Interpretation	1.5
1.3	Inconsistency with Constitution or COIN Operating Manual	1.7
1.4	Governing jurisdiction	1.7
1.5	Submission to jurisdiction	1.7
1.6	Administration	1.7
1.7	Commencement	1.8
PART 2	SCOPE AND EFFECT	2.1
2.1	Effect of the COIN Regulations and the COIN Operating Manual	2.1
2.2	Framework Participants act as Principals.....	2.1
2.3	Assignment and Transfer.....	2.1
2.4	No Obligation to Engage in Business as a Framework Participant.....	2.2
PART 3	DISCLAIMERS AND LIMITATION OF LIABILITY	3.1
3.1	Representations and Warranties.....	3.1
3.2	Disclaimers.....	3.2
3.3	Exclusions	3.2
3.4	Limit of Liability	3.4
PART 4	MEMBERSHIP	4.1
4.1	Eligibility.....	4.1
4.2	Contract with COIN Service Providers	4.2
4.3	Applications for Membership as a Framework Participant.....	4.2
4.4	Transitional arrangements	4.3
PART 5	RIGHTS AND OBLIGATIONS	5.1
5.1	Obligations of Framework Participants.....	5.1
5.2	Rights to Exchange Traffic	5.1
5.3	Disputes about Agreements to Exchange	5.1
PART 6	SUSPENSION AND TERMINATION OF MEMBERSHIP OF FRAMEWORK PARTICIPANT	6.1
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
PART 7	COIN MANAGEMENT COMMITTEE	7.1
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	7.6
7.8	Written Resolution	7.7
7.9	Meetings Defined	7.7
7.10	Validity of Acts	7.7
PART 8	MEETINGS OF FRAMEWORK PARTICIPANTS	8.1
8.1	Framework Participants Meetings and the Annual Framework Participants Meeting	8.1
8.2	Framework Participants Meeting	8.1
8.3	Notice of Framework Participants 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 Framework Participants 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 Framework Participants Meeting	8.3
8.13	Adjournment of Framework Participants Meeting	8.4
8.14	Voting at Framework Participants Meeting	8.4
8.15	Passing of Resolutions	8.5
8.16	Poll	8.5
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	8.6
8.21	Validity of Vote in Certain Circumstances	8.6
8.22	Entitlement to Speak	8.6
8.23	Written Resolution	8.6
PART 9	COIN-APPROVED PAYMENT SYSTEMS	9.1
9.1	Eligibility	9.1
9.2	Application for Approval	9.1
9.3	Approval	9.1
9.4	Withdrawal of Approval	9.2
PART 10	COIN ADMINISTRATOR AND COIN OPERATIONAL MANAGER	10.1
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 Framework Participants ...	10.1
10.4	COIN Administrator Indemnity	10.2

10.5	COIN Operational Manager	10.2
PART 11	FEES	11.1
11.1	Entrance Fees	11.1
11.2	Indexation.....	11.1
11.3	Framework Fee.....	11.1
11.4	Time for Payment of Fees.....	11.1
11.5	Disputes	11.1
11.6	Gross up for GST Supplies by the COIN Administrator	11.1
11.7	Mergers, Acquisitions and Re-organisations	11.2
PART 12	COIN OPERATING MANUAL.....	12.1
12.1	COIN Operating Manual	12.1
12.2	Amendment of COIN Operating Manual	12.1
PART 13	BREACHES OF REGULATIONS AND DISPUTES	13.1
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
PART 14	NOTICES	14.1
PART 15	INFORMATION.....	15.1
15.1	Statistics.....	15.1
PART 16	MISCELLANEOUS.....	16.1
16.1	Set-Off.....	16.1
16.2	Amendments	16.1
16.3	Fundamental Changes to be approved by the Framework Participants.....	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
PART 17	INSURANCE	17.1
ANNEXURE 1	MEMBERSHIP APPLICATION FORM	1
ANNEXURE 2	PAYMENT SYSTEM APPROVAL FORM.....	1

PART 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 Framework Participants 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 Framework Participants.*

“Annual Framework Participants Meeting” has the meaning given in Regulation 8.1(a) below.

“Approved Clearing System” [deleted] Definition
deleted
Effective 19
December 2011

“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. Amended
effective 19
December 2011

“APRA” means the Australian Prudential Regulation Authority. Inserted
Effective 1
January 2014

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

“Auditor” means the audit firm (within the *Corporations Act 2001 (Cth)* definition) appointed as auditor for the COIN. Inserted
Effective 6 April
2010

“AusPayNet” means Australian Payments Network Limited (ABN 12 055 136 519).

“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 AusPayNet.

“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 AusPayNet in 2009.

“**COIN Administrator**” means AusPayNet.

“**COIN-Approved Payment System**” means a funds transfer system, approved by the COIN Management Committee in accordance with PART 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**” [deleted]

Deleted Effective
1 January 2014

“**COIN Members Meeting**” [deleted]

Deleted Effective
1 January 2014

“**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 Framework Participant and the COIN Service Provider(s) that amongst other things gives a person the ability to exchange Approved Traffic over the COIN.

“**Constitution**” means the constitution of AusPayNet as amended from time to time.

Inserted
Effective 1
January 2014

“**Corporations Act**” means the *Corporations Act 2001 (Cth)*.

Inserted
Effective 6 April
2010

“**Framework**” has the meaning set out in the Constitution.

Inserted
Effective 1
January 2014

“**Framework Participants**” means a Framework Participant 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 1
January 2014

(Note: COIN
Member has
been replaced
by Framework
Participant
throughout this
document)

“**Framework Participants Meeting**” means a meeting of the Framework Participants held in accordance with PART 8.

“**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 11.6(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 Framework Participant be wound up;
- b) an application is made to a court for an order appointing a liquidator or provisional liquidator in respect of a Framework Participant, or one of them is appointed, whether or not under an order;
- c) a Framework Participant 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 Framework Participant resolves to wind itself up or otherwise dissolve itself, or gives notice of intention to do so;
- e) a Framework Participant 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 2001 (Cth)* or any corresponding legislation, a Framework Participant is taken to have failed to comply with a statutory demand;
- g) a Framework Participant is, or makes a statement from which it may be reasonably deduced that the Framework Participant is, the subject of an event described in section 459C(2)(b) or section 585 of the *Corporations Act 2001 (Cth)* or any corresponding legislation;

- h) a Framework Participant takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation or an administrator is appointed to a Framework Participant;
- i) APRA or another body responsible for the prudential supervision of a Framework Participant assumes management and control of that Framework Participant;
- j) to the extent not otherwise provided for above, a Framework Participant goes into external administration within the meaning of the *Payment Systems and Netting Act 1998 (Cth)*; 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 Framework Participant 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 PART 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 2001 (Cth)* 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 11.6(b).

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

“**Transitional COIN Agreement**” means the agreement under which certain Framework Participants 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 2001 (Cth)* (or to a provision of a statute, code or the *Corporations Act*) means the statute, the code, the *Corporations Act 2001 (Cth)* 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 2001 (Cth)* 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;

Amended
Effective 19
December 2011

-
- (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;
 - (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 Inserted
Effective 6 April
2010
 - (xix) a reference to accounting standards is a reference to the accounting standards as defined in the *Corporations Act 2001 (Cth)* 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
- (b) Words defined in the *Corporations Act 2001 (Cth)* 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 Constitution or COIN Operating Manual

Amended
Effective
1 January 2017

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

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

Inserted
Effective
1 January 2017

1.4 Governing jurisdiction

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

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.

Amended
Effective 6 April
2010

- (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.

1.7 Commencement

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

The next page is 2.1

PART 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 Framework Participant; and
 - (ii) each Framework Participant.
- (b) The COIN has been established for the benefit of the Framework Participants and any future Framework Participants who, and in consideration of becoming Framework Participants, 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 Framework Participants 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 Framework Participant and another person).
- (b) No person other than the Framework Participant 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 Framework Participant 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 Framework Participant acquires an interest in another Framework Participant 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 Framework Participant. No action which purports to do any of the foregoing shall affect in any manner the rights and obligations of a Framework Participant under the COIN Regulations or the COIN Operating Manual.

Amended
Effective 6 April
2010

2.4 No Obligation to Engage in Business as a Framework Participant

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

The next page is 3.1

PART 3 DISCLAIMERS AND LIMITATION OF LIABILITY
3.1 Representations and Warranties

- (a) Each Framework Participant 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 Framework Participant; 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 Framework Participant;
 - (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 a Framework Participant 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 Framework Participants if the COIN Management Committee allows it to become a Framework Participant 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 Framework Participant) its own assessment and approval of the COIN Regulations and the COIN Operating Manual.
- (b) Each Framework Participant acknowledges that each other party relies on the representations and warranties in Regulation 3.1(a). Amended
Effective 6 April
2010
- (c) Each Framework Participant 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.

PART 3 DISCLAIMERS AND LIMITATION OF LIABILITY

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 Framework Participants of their obligations as a Framework Participant, or under the COIN Regulations and the COIN Operating Manual, provided that if the COIN Administrator becomes aware that a Framework Participant 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 Framework Participant and the COIN Management Committee; or
 - (ii) keep itself informed about the financial condition, affairs or creditworthiness of any Framework Participant or its standing as a Framework Participant; or
 - (iii) provide any Framework Participant with credit or other information with respect to any other Framework Participant.
- (b) Each Framework Participant 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 Framework Participant 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;

PART 3 DISCLAIMERS AND LIMITATION OF LIABILITY

- (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 Framework Participant and another person;
- (k) any change in the status, financial condition, affairs or creditworthiness of a Framework Participant or another person, including without limitation in its capacity as a Framework Participant; 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 Framework Participants in respect of, or arising out of, any one event will not exceed the amount equal to ten times the Framework fee charged to each Framework Participant under Regulation 11.3 during the twelve months preceding the month in which the liability is incurred . Amended
Effective 1
January 2014
- (b) All claims made by Framework Participants 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. Amended
Effective 6 April
2010
- (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 Framework Participants suffer losses which exceed the total aggregate limit specified in Regulation 3.4(a), the liability of the COIN Administrator to each of those Framework Participants in accordance with the COIN Regulations will be proportional to the total loss suffered by each of those Framework Participants 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.

The next page is 4.1

PART 4 MEMBERSHIP
4.1 Eligibility

To be a Framework Participant 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; or Inserted Effective 19 December 2011
 - (v) be, or be eligible to be, the administrator or operator of a COIN-Approved Payment System. Inserted Effective 30 April 2013
- (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, Framework Participants in accordance with the COIN Regulations;
- (d) agree that on becoming a Framework Participant, 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 Framework Participant;
- (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 2001 (Cth)*) and otherwise able to meet the financial and other obligations imposed on Framework Participants by the COIN Regulations and the COIN Operating Manual.

4.2 Contract with COIN Service Providers

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

4.3 Applications for Membership as a Framework Participant

- (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 Framework Participant 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 Framework Participant 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 Framework Participants of each successful Membership Application and the date on which the new Framework Participant will commence participation in the COIN.

4.4 Transitional arrangements

- (a) Those Framework Participants who joined the COIN under the Transitional COIN Agreement do not have to apply for membership as Framework Participants in accordance with Regulation 4.3.
- (b) However, each such Framework Participant 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, Framework Participants 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 Framework Participant.

The next page is 5.1

PART 5 RIGHTS AND OBLIGATIONS

5.1 Obligations of Framework Participants

Framework Participants 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, Framework Participants 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 Traffic

Amended
Effective 1
January 2020

Framework Participants may use the COIN to exchange Approved Traffic and other bilaterally agreed traffic with each other Framework Participant 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 Framework Participants 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

PART 6 SUSPENSION AND TERMINATION OF MEMBERSHIP OF FRAMEWORK PARTICIPANT

PART 6 SUSPENSION AND TERMINATION OF MEMBERSHIP OF FRAMEWORK PARTICIPANT

6.1 Notification of breach

Inserted
Effective 6 April
2010

Each Framework Participant 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 Framework Participant; or
- (b) any Insolvency Event in respect of itself or another Framework Participant.

6.2 Suspension

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

- (a) by agreement with the Framework Participant concerned;
- (b) if the Framework Participant no longer satisfies all applicable requirements for membership set out in Regulation 4.1;
- (c) if the Framework Participant 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 Framework Participant’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 Framework Participant is a member has its approval withdrawn under PART 9 and the Framework Participant 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 Framework Participant; or Inserted
Effective 6 April
2010
- (g) if the Framework Participant engages in conduct regarded by the COIN Management Committee to be contrary to the interests of the Framework Participants or the COIN. Inserted
Effective 6 April
2010

6.3 Effect of Suspension

- (a) A Framework Participant who is suspended under Regulation 6.2 is not entitled to:

PART 6 SUSPENSION AND TERMINATION OF MEMBERSHIP OF FRAMEWORK PARTICIPANT

- (i) exchange Approved Traffic with any other Framework Participant;
 - (ii) vote at any Framework Participants Meeting convened in accordance with PART 8, or any other meeting of Framework Participants 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 Framework Participant whose membership is suspended under Regulation 6.2 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 Framework Participants (by the most expeditious means reasonably available) of any suspension under Regulation 6.2.

6.4 Conditions in lieu of Suspension

- (a) If a Suspension Event occurs in respect of a Framework Participant, the COIN Management Committee may (in lieu of suspending the Framework Participant):
- (i) impose conditions on the membership of the Framework Participant; and/or
 - (ii) vary any provision of these Regulations or the COIN Operating Manual as they relate to the Framework Participant.
- (b) The rights and obligations of that Framework Participant 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 Framework Participant ceases to be a Framework Participant on:
- (i) resignation;

Amended
Effective 6 April
2010

PART 6 SUSPENSION AND TERMINATION OF MEMBERSHIP OF FRAMEWORK PARTICIPANT

- (ii) the Board terminating that Framework Participant's membership in accordance with Regulation 6.5(d).
- (b) A Framework Participant may, by notice in writing to the COIN Administrator, resign as a Framework Participant either with immediate effect or subject to notice of a period determined by the COIN Administrator. The notice is irrevocable.
- (c) A Framework Participant 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 Framework Participant, terminate the membership of that Framework Participant 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 Framework Participant and has not been remedied; or
 - (ii) the COIN Management Committee has recommended terminating that Framework Participant's membership in accordance with Regulation 13.4(a)(i); and in either case
 - (iii) the Board has provided an opportunity for that Framework Participant 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 Framework Participant 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 Framework Participant 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

PART 6 SUSPENSION AND TERMINATION OF MEMBERSHIP OF FRAMEWORK PARTICIPANT

- (iii) any fees, costs, charges and expenses which may be levied on, or which are to be reimbursed by, Framework Participants 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 Framework Participant 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 Framework Participant 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 Framework Participants and the COIN Service Provider of the termination specifying:
 - (i) the name of the Framework Participant whose membership has been terminated; and
 - (ii) the date on which the termination will take, or has taken, effect.

Amended
Effective 6 April
2010

The next page is 7.1

PART 7 COIN MANAGEMENT COMMITTEE**7.1 Composition**

- (a) Each Framework Participant which has achieved Certification under the COIN Operating Manual and has commenced transmission of production traffic over the COIN shall be entitled to appoint a member of the COIN Management Committee and to remove any such member. Amended
Effective 1 July
2015

[Transitional note: The amendment effective 1 July 2015 requiring Certification and transmission does not apply to a Committee member in office before that date]. Inserted
Effective 1 July
2015

- (b) If a Framework Participant does not choose to appoint a member of the COIN Management Committee, or if a Framework Participant 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 Framework Participant 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 Framework Participant 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 Framework Participants 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 Framework Participant.
- (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 25 in accordance with Regulations 8.2 and 8.3. Last amended
Effective 1 July
2015

- (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.
- (h) A Framework Participant 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 Framework Participant for those purposes is deemed to be a reference to the Framework Participant 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 Framework Participant 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 Framework Participants Meeting of any amendments to the COIN Regulations under Regulation 16.2;
 - (iii) the fees and charges payable by Framework Participants pursuant to PART 11 (other than the fees in Regulation 11.3);

Amended
Effective 19
December 2011

Amended
Effective 1
January 2014

- (iv) the resolution of Disputes between:
 - (A) the COIN Administrator and Framework Participants (subject to the powers of the Board under Regulation 13.2(c); and
 - (B) Framework Participants;
 - (v) supervision of the observance by Framework Participants 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 Framework Participants may, by Framework Participants' 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;

PART 7 COIN MANAGEMENT COMMITTEE

- (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 Framework Participants;
 - (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 Framework Participants; 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 Framework Participants.
- (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 Framework Participant 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 Framework Participant.
- (e) the COIN Administrator is at liberty to convey to any Framework Participant 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 Framework Participant.

7.5 Proceedings

- (a) The Board shall appoint a member of the Board as chairman of the COIN Management Committee pursuant to Article 10.3 of the Constitution (Composition of Committees of Management), 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.

Amended
Effective 1
January 2014

PART 7 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 50% 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.

Amended
Effective 1 July
2015

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;
 - (iv) that member is removed by the Framework Participant which appointed such member as a member of the COIN Management Committee, in accordance with Regulation 7.1(c);
 - (v) the Framework Participant entitled to appoint that member ceases to be a Framework Participant; or
 - (vi) the Framework Participant entitled to appoint that member becomes a Subsidiary of another Framework Participant.
- (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 Framework Participant and takes effect on the date specified by the Framework Participant, 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 Framework Participant that appointed the retiring or removed member remains entitled to appoint a member, that Framework Participant 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

PART 8 MEETINGS OF FRAMEWORK PARTICIPANTS

8.1 Framework Participants Meetings and the Annual Framework Participants Meeting

- (a) The COIN Administrator must, in addition to any other COIN meeting, hold a meeting of the Framework Participants to be called the Annual Framework Participants 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.
- (b) The purpose of the Annual Framework Participants Meeting is to provide a forum for Framework Participants to discuss any aspect of the operations of COIN and any other matters relevant to membership.

8.2 Framework Participants Meeting

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

8.3 Notice of Framework Participants 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 Framework Participants Meeting; and
 - (ii) in the case of special business, the general nature of that business,must be given to all Framework Participants and all members of the COIN Management Committee.
- (b) The non-receipt of notice of a Framework Participants Meeting by, or the accidental omission to give notice of a Framework Participants Meeting to, a Framework Participant does not invalidate any resolution passed at the Framework Participants Meeting.

8.4 Requisitioned Meeting

The COIN Management Committee must, on the requisition of 3 or more Framework Participants or of 3 or more COIN Management Committee members for the purposes of Regulation 7.1(e), immediately convene a Framework Participants 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.

PART 8 MEETINGS OF FRAMEWORK PARTICIPANTS

8.5 Objects of Requisitioned Meeting

The requisition for a Framework Participants Meeting must state the objects of the Framework Participants 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 Framework Participants 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 Framework Participants 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 Framework Participants 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 Framework Participants Meeting must give as much notice as is possible in all the circumstances of the postponement or cancellation of that Framework Participants Meeting to all persons entitled to receive notices of that Framework Participants 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 Framework Participant does not invalidate the postponement or cancellation.

8.9 Attendance at Framework Participants Meetings

- (a) Any Framework Participant may attend any Framework Participants Meeting by appointing:
 - (i) a proxy;
 - (ii) an attorney; or

PART 8 MEETINGS OF FRAMEWORK PARTICIPANTS

- (iii) a person authorised by resolution of its directors or other governing body to act on its behalf at a particular Framework Participants Meeting or at all meetings of the Framework Participants.
- (b) Unless the contrary intention appears, a reference to a Framework Participant in the succeeding provisions of this PART 8 means a Framework Participant, proxy, attorney or person authorised under Regulation 8.9(a)(iii).

8.10 Quorum

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

8.11 Failure to Achieve Quorum

- (a) Where a Framework Participants 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 Framework Participants Meeting, the Framework Participants Meeting must be dissolved.
- (b) Where a Framework Participants Meeting is convened in any other case and a quorum is not present within 30 minutes from the time appointed for that Framework Participants Meeting:
 - (i) the Framework Participants 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 Framework Participants Meeting a quorum is not present within 30 minutes from the time appointed for that Framework Participants Meeting the Framework Participants Meeting must be dissolved.

8.12 Appointment and Powers of Chairman of a Framework Participants Meeting

- (a) Subject to Regulation 8.12(b), the chairman of the COIN Management Committee must preside as chairman at every Framework Participants Meeting.

PART 8 MEETINGS OF FRAMEWORK PARTICIPANTS

- (b) Where a Framework Participants 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 Framework Participants present must elect a proxy, an attorney or a person acting on behalf of a Framework Participant pursuant to Regulation 8.9(a)(iii) as chairman of the meeting.

8.13 Adjournment of Framework Participants Meeting

- (a) The chairman of the meeting may, with the consent of any Framework Participants Meeting at which a quorum is present, and must if so directed by the Framework Participants Meeting, adjourn the Framework Participants Meeting from time to time and from place to place, but no business may be transacted at any adjourned Framework Participants Meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (b) When a Framework Participants Meeting is adjourned for 30 days or more, notice of the adjourned Framework Participants Meeting must be given as in the case of an original Framework Participants 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 Framework Participants Meeting.

8.14 Voting at Framework Participants Meeting

- (a) At any Framework Participants 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 Framework Participant.
- (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.

PART 8 MEETINGS OF FRAMEWORK PARTICIPANTS

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 Framework Participants 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 Framework Participant 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 Framework Participants Meeting or adjourned Framework Participants 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.

PART 8 MEETINGS OF FRAMEWORK PARTICIPANTS

- (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 Framework Participants Meeting or adjourned Framework Participants 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 Framework Participants Meeting or adjourned Framework Participants Meeting at which the instrument is used or the power is exercised.

8.22 Entitlement to Speak

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

The next page is 9.1

PART 9 COIN-APPROVED PAYMENT SYSTEMS

Part 9 inserted
Effective 19
December 2011

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 Framework Participants 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 PART 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 Framework Participants, specifying the effective date of withdrawal and those Framework Participants for whom this would operate as a 'Suspension Event' under Regulation 6.2(e).

The next page is 10.1

PART 10 COIN ADMINISTRATOR AND COIN OPERATIONAL MANAGER

PART 10 COIN ADMINISTRATOR AND COIN OPERATIONAL MANAGER

10.1 Appointment of COIN Administrator

- (a) AusPayNet 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 Framework Participants 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 Framework Participants Meeting for approval by the chairman of the COIN Management Committee and chairman of the Framework Participants Meeting. All minutes approved by the chairman must be made available to each member of the COIN Management Committee and each Framework Participant.

Amended
Effective 19
December 2011

10.3 COIN Administrator may enter into contracts on behalf of the Framework Participants

- (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 Framework Participants to the COIN Service Provider;

Amended
Effective 6 April
2010

PART 10 COIN ADMINISTRATOR AND COIN OPERATIONAL MANAGER

- (ii) the requirement for the COIN Administrator to inform the COIN Service Provider of the suspension or termination of any Framework Participant; 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.

10.4 COIN Administrator Indemnity

Amended
Effective 6 April
2010

- (a) The COIN Administrator is indemnified and held harmless by the Framework Participants 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 Framework Participants 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.

PART 10 COIN ADMINISTRATOR AND COIN OPERATIONAL MANAGER

- (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

PART 11 FEES**11.1 Entrance Fees**

An applicant whose application for membership is accepted must pay an entrance fee to the COIN Administrator. The entrance fee is displayed on the COIN Administrator's extranet and indexed annually in accordance with Regulation 11.2.

Amended
Effective 1
January 2014

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. The indexed amount shall be rounded to the nearest \$10 (\$5 being rounded up).

Amended
Effective 1 July
2015

11.3 Framework Fee

Each Framework Participant must pay to the COIN Administrator the fees set out below in the manner and amount and at the times determined by the Board:

Last Amended
Effective 1
January 2017

- (a) an annual Framework fee, charged in an equal amount by the COIN Administrator to each Framework Participant; and
- (b) special project funding – the Board may, in its discretion, charge Framework Participants an amount to fund COIN projects which have been recommended for funding by the Management Committee.

Inserted
Effective
1 January 2017

11.4 Time for Payment of Fees

- (a) The COIN Administrator must provide a Framework Participant with 30 days' notice of fees payable under PART 11.
- (b) Once paid, those fees are not refundable.

Inserted
Effective 1
January 2014

11.5 Disputes

Each Framework Participant must also pay to the COIN Administrator the fees, costs and expenses stipulated in PART 13.

Amended
Effective 1
January 2014

11.6 Gross up for GST Supplies by the COIN Administrator

If:

- (a) the COIN Administrator makes a Supply to a Framework Participant (in its capacity as a Framework Participant) 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 Framework Participant 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 Framework Participant for the GST on each Taxable Supply and must include in the Tax Invoice all particulars required by the GST Law.
- (e) The Framework Participant must pay the additional amount payable under Regulation 11.6(c) at the same time and manner as the GST Exclusive Consideration (or, if the GST Exclusive Consideration is not payable, within 14 days).

11.7 Mergers, Acquisitions and Re-organisations

Where, by takeover, merger or other action, an existing Framework Participant becomes a Subsidiary of or is otherwise acquired by another body corporate or that Framework Participant's business is assumed by another body corporate which is a related body corporate of that Framework Participant 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 membership as a Framework Participant within 12 months of such occurrence and is accepted as a Framework Participant, 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

PART 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 Framework Participant 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 Framework Participant 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

PART 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 Framework Participants, 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 PART 9; or

Amended
Effective 19
December 2011

(B) two or more Framework Participants,

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.

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 Framework Participant which, subsequently to the occurrence of the events giving rise to the Dispute, resigns as a Framework Participant pursuant to Regulation 6.5(b) or whose membership is terminated pursuant to Regulation 6.5(d)).

(b) Subject to Regulation 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:

Amended
Effective 6 April
2010

(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 PART 9, the Dispute must be referred to the Board instead of the COIN Management Committee. In this case, all references in this PART 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 19
December 2011

13.3 Dispute Resolution Fee and Costs

(a) Subject to Regulation 13.3(e), each Framework Participant or Payment System Administrator party to a Dispute which is referred to the COIN Management Committee pursuant to Regulation 13.2(a) must:

Amended
Effective 19
December 2011

(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

PART 13 BREACHES OF REGULATIONS AND DISPUTES

- (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.

PART 13 BREACHES OF REGULATIONS AND DISPUTES

- (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 Framework Participant or COIN Management Committee member without the consent of the parties to the Dispute.

13.4 Commencement of Proceedings

- (a) If a Framework Participant (in this PART 13, the "**Defendant Framework Participant**") 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 Framework Participant's membership; and
- (ii) resolve that proceedings be commenced and prosecuted against the Defendant Framework Participant or the Payment System Administrator by the COIN Administrator in its own right.

Amended
Effective 19
December 2011

- (b) Alternatively, any aggrieved Framework Participant which was a Framework Participant at the date of issue of the relevant certificate (other than the Defendant Framework Participant) may commence proceedings against the Defendant Framework Participant 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.

Amended
Effective 1
January 2014

13.6 Distribution of Recoveries

If any proceedings are commenced by a Framework Participant or Framework Participants 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 Framework Participants 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

PART 14 NOTICES

- (a) A notice may be given by the COIN Administrator to any Framework Participant 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 Framework Participant 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 Framework Participant 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

PART 15 INFORMATION

15.1 Statistics

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

The next page is 16.1

PART 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 Framework Participants 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 Framework Participants 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 Framework Participants

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 Framework Participants.

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 Framework Participant or another person unless expressly agreed.

Amended
Effective 6 April
2010

16.5 Representations and Warranties

The COIN Administrator is entitled to assume the correctness of any representation or warranty made by a Framework Participant 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 16.6(a)(i), 16.6(a)(iv), 16.6(a)(v) and 16.6(a)(viii) above, the First Recipient must prior to disclosure:
- (i) advise the COIN Administrator 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 the COIN Administrator.

Amended
Effective 1
January 2014

Amended
Effective 1
January 2014

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

PART 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

ANNEXURE 1 MEMBERSHIP APPLICATION FORM

ANNEXURE 1 MEMBERSHIP APPLICATION FORM

To:

The Secretary
Australian Payments Network Limited
Level 23, Tower 3, International Towers
300 Barangaroo Avenue
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 Framework Participant or, in the case of Framework Participants 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 Framework Participant; and
 - each Framework Participant; and
 - the COIN Regulations and the COIN Operating Manual have been established for the benefit of the Framework Participants and any future Framework Participants.
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.

ANNEXURE 1 MEMBERSHIP APPLICATION FORM

- the rights and obligations contained herein shall enure not only to AusPayNet , but to every other Framework Participant 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 Framework Participants 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:

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

.....
(Signature of Director)

.....
(Full name of signatory)

.....
(Full name of signatory)

ANNEXURE 2 PAYMENT SYSTEM APPROVAL FORM

Annexure 2 inserted effective 19 December 2011

ANNEXURE 2 PAYMENT SYSTEM APPROVAL FORM

To:

The Secretary
Australian Payments Network Limited
Level 23, Tower 3, International Towers
300 Barangaroo Avenue
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:

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

.....
(Signature of Director)

.....
(Full name of signatory)

.....
(Full name of signatory)