CHESS Replacement

Access pricing for service providers

Business Committee Update

14 July 2021

ASX

CHESS access pricing for service providers
Summary

> Pricing for access to CHESS for ASX Clear and ASX Settlement participants was announced on 3 September 2019 (see <u>letter</u> and also referenced in our <u>Participant Fact Sheet</u>).

> Service providers will have the same access channels as participants, with pricing summarised as follows:

  - Messaging (ISO 20022)

    - AMQP - $495 per session per month

    - SWIFTNet – fee agreements between SWIFT and their clients

  - Distributed ledger - Ledger API connection - $495 per month
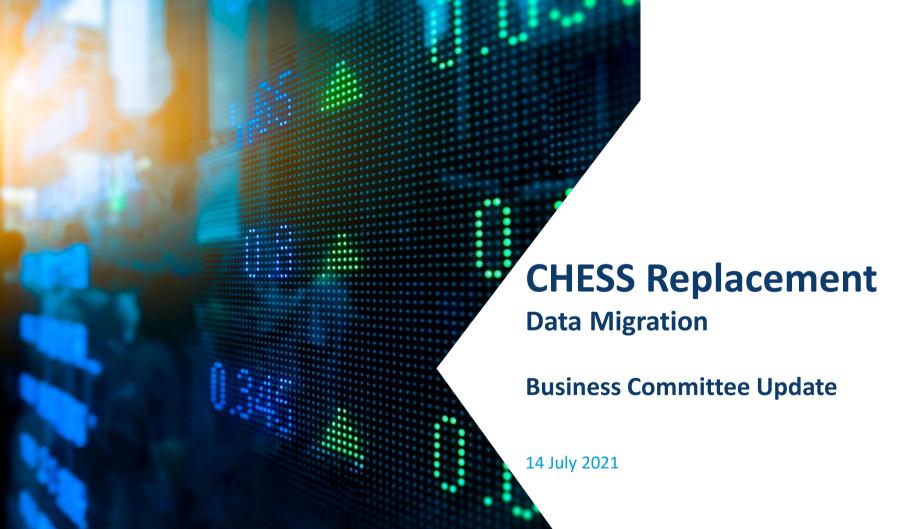
  - CHESS User Interface – $495 per month

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CHESS access pricing

Participants and service providers

Connection	Description	Per	Period	Charge	Comment
Messaging					
AMQP Session	An AMQP session consists of access to a transaction queue set (send/receive) that is configured on a UIC (Party) basis.	Per Session	Monthly	$495	The number of AMQP sessions will be determined by the customer based on their technical requirements
SWIFTNet	Standard billing methodology				
Distributed Ledger Technology					
Ledger API	API connection to CHESS application	Per connection	Monthly	$495	First Ledger API connection waived for 3 years for **participants**
Party	A new Party ID is required for each connection to an application running on the ASX DLT. For example, CHESS is one application.	Per Party ID	Monthly	$50-$250	**One Party ID waived for each CHESS party** (e.g. issuer, participant)
Browser					
CHESS UI	Browser based solution for low volume users (replacement to CHESS PC)	Per connection	Monthly	$495	

CHESS Replacement
Data Migration

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ASX impact

What activities are happening on the cut-over weekend?

> ASX will:

- Migrate all active data from CHESS to CHESS Replacement, including UICs, accounts (HINs), holdings (including sub-positions) and open scheduled settlement instructions

- Accounts

    - Accounts retain the same HIN number

    - A Holder ID (internal system identifier) will be assigned to each holder within a HIN (required for future updates)

    - CHESS 180 registration details will be mapped to ISO 20022 format

- Open scheduled settlement instructions

    - All scheduled settled instructions will be migrated including netted gross market trades, client side unilateral and bilateral scheduled instructions

    - Scheduled settlement transaction identifiers will be updated

CHESS user impact

> Sponsoring participants :

- Accounts

  - Must apply Holder IDs to existing accounts for subsequent amends and cancels

  - Must create new or amend existing accounts in ISO 20022 format

  - Optionally reflect new format of account registration details in host systems (using ASX Registration tool)

- Open (inflight) scheduled settlement instructions

  - Update the transaction ID

> Share & Unit (mFund) Registries:

- Must be able to receive any new or amended account information in ISO 20022 format

- Optionally reflect new format of account registration details in in host systems (using ASX Registration tool)

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Approach

What activities can be done in advance?

> Sponsoring participants remove dormant accounts, correct invalid country codes and remove references to invalid terms in account designation

How will ASX support you?

> ASX has provided the Registration tool to assist with converting current account registration details to the new account registration details, using the same formula as ASX

> ASX is also working with sponsoring participants who have had exceptions identified for HIN data to plan the remediation steps for cleansing any exceptions by end of this year

How can we de-risk data migration?

> Reduce weekend migration risk by minimising in-flight transactions, where possible, for cut-over

> Identify and remediate non compliant accounts in advance

> Prove, test and if necessary, refine the approach through mock migrations, inflight migration testing and a series of migration dress rehearsals

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Post cut-over

What happens post cutover?

> CHESS Users must be able to transact with the CHESS Replacement post migration via new messaging standard (ISO 20022)

What happens if there is an exception?

> Where non-compliant account doesn't have holdings or settlement obligations it will not be migrated. Sponsoring Participant will be advised so that they can create the account post go-live

> Where non-compliant account has holdings and/or settlement obligations, it will be remediated by ASX Operations. Sponsoring Participant and Issuers (Registries) will be advised of the change, so that they can apply the change to the records in their back-office system

> The dress rehearsals prior to cutover provide opportunity to rehearse the exception handling process

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Questions

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