

Business Committee Report to the Boards of ASX Clear and ASX Settlement

Business Committee Meeting

At its 13 April 2022 meeting, the Business Committee was updated on:

- the operating performance of CHES for the March quarter 2022
- the CHES replacement project, including updates on project progress, the announcement about changes to the software release schedule in ITE1 and implications for the commencement of accreditation and project milestones, and an independent assessment of ASX's assurance program for the implementation of the program; and
- the take-up rate of electronic CHES holding statements

KEY ISSUES DISCUSSED

Members were briefed on the CHES replacement announcement about changes to the software release schedule in ITE1 and implications for the commencement of accreditation and project milestones. There were questions and discussions on the increased risk to the industry if the April 2023 implementation date still holds and the need for ASX to provide certainty on the timeline for key project milestones, including go-live, as soon as possible. There was also discussion on periods in the calendar year that could be challenging for CHES users if the go-live date were to be revised. EY attended to discuss the independent assessment of ASX's assurance program report and to answer members' questions which included when external stakeholders will be consulted as part of the assurance program.

The committee discussed the trajectory for the take-up of electronic CHES holding statements and the reasons why adoption has not been higher.

An update was also provided on recent developments for the adoption of a T+1 settlement cycle in other markets.

AGREED ACTIONS

There was one new action raised from the meeting.

Minutes from the meeting are attached.



ASX

Agenda

Business Committee

Date	13 April 2022	Time	12:00pm- 2:00pm
Location	ASX offices – Level 1, 20 Bridge Street, Sydney		

1. Minutes and Actions	12:00pm- 12:20pm
a) Minutes from the 8 December 2021 Business Committee Meeting	
Open actions	
2. Service Performance	12:20pm- 12:30pm
a) Cash Market Clearing and Settlement - Operating Performance	
3. CHES Replacement	12:30pm- 1:35pm
a) Project progress update	
b) Project timeline and milestones	
c) Independent assessment of ASX's Assurance Program Report	
4. Service Enhancements	1:35pm- 1:50pm
a) Electronic CHES holding statements	
5. Other Matters	1:50pm- 2:00pm
a) Forward work program	
b) AOB	
c) Next meeting – 13 July 2022	

Action Items*

*For historical action items please refer to archived minutes [here](#).

Item number#	Action	Due date	Status	Owner
2021 Jul (1)	Given the CHESSE batch settlement delay on 4 May 2021, ASX to confirm CHESSE replacement will continue to segregate mFund obligations (including payments) from the settlement of cash equities in the CHESSE batch	Oct 2021	Completed	ASX
2021 Jul (2)	ASX to provide further background on the cause for a delay to ASX 24 payments on 4 May 2021, including whether there was a link to the CHESSE batch settlement delay on the same day	Oct 2021	Completed	ASX
2021 Jul (3)	ASX to consider how to engage with participants regarding analysis on the increase in settlement fail rates.	Oct 2021	Completed	ASX
2021 Jul (4)	ASX to engage bilaterally with a member regarding their objection to the presentation format of company logos on the proposed electronic CHESSE holding statements	Oct 2021	Completed	ASX
2021 Oct (1)	GIA to share their insights and experiences from their recent data migration and cutover activities as potential learnings for the CHESSE replacement project	Dec 2021	Completed	GIA
2021 Dec (1)	ASX to follow up bilaterally with Chi-X on the planning and timeframe to manage any potential industry impacts with Chi- X's planned move to the Cboe platform prior to CHESSE replacement go-live	April 2022	Completed	ASX
2021 Dec (2)	ASX to table contingency planning for CHESSE replacement for discussion at a future business committee meeting	July 2022	Completed	ASX
2021 Dec (3)	ASX to table at the April 2022 meeting the current take-up and the trajectory rate for investors opting in for electronic CHESSE holding statements to determine possible next steps	April 2022	Completed	ASX
2021 Dec (4)	ASX to include T+1 in the forward work program for further discussion; in the interim any member feedback on the materials presented would be welcomed	April 2022	Completed	ASX & BC Members
2022 Apr (1)	ASX to consider forums in which non-cash equity conversations can be undertaken, including Austraclear and recent issues and challenges for market repo transactions	July 2022		ASX

Business Committee Members

Company	Name	Job Title	Apologies
ABN AMRO Clearing	Barry Parker*	Chief Executive Officer	Matthew McMahon
AFMA	Damian Jeffree	Senior Director of Policy	
ASX	Val Mathews	Business Committee Chair and Chief Customer and Operating Officer	
ASX	Helen Lofthouse	Group Executive, Markets	Helen Lofthouse
AIRA	Ian Matheson	Chief Executive Officer	
ACSA	David Travers	Chief Executive Officer	
ASA	Fiona Balzer	Policy & Advocacy Manager	
AUSIEX	TBC		
BOFA	Stephen Hacker	Director, Head of Operations	
Bell Potter Securities	Robert Tesoriero	Settlements Manager	Robert Tesoriero
BNP Paribas	Mark Wootton	Head of Custody Product Aust & NZ	
BoardRoom	Martin Jones	General Manager Corporate Governance & Director	
Cboe	Mike Aikins	Chief Operating Officer, APAC	
Citi	Christopher Moore	Manager – Direct Custody & Clearing	
CMC	Andrew Rogers	Director of Broking Business	
CBA (CommSec)	Sheridan Thompson	Head of Industry Engagement & Process Improvement	
Credit Suisse	Winston Loke	Australian Equities COO	
FinClear Services	Leigh Conder	Chief Operating Officer	Leigh Conder
Goldman Sachs	Yen Le	Executive Director	
GIA	Megan Motto	Chief Executive Officer	
HSBC	Toni Icevski	Head of Client Services, Securities Services	
J.P. Morgan	Jonathan Evans	Head of Custody & Markets Operations	
Link Market Services	Peter Jackson	Chief Operating Officer	
Macquarie Group	James Indge	Cash Equities Business Manager	
Morgan Stanley	Rebecca Hill	Chief Operating Officer	
Morgans	Daniel Spokes	Director, Client Support Services	
NAB	Anita Mead	Head of Business Management, Self-Directed Wealth	
NSX	Chan Arambewela	Chief Operating Officer	
SIAA ¹	Judith Fox	Chief Executive Officer	
Sydney Stock Exchange	Michael Go	Chief Executive Officer	
UBS	Scott Hanlon	Head of Operations, Executive Director	Scott Hanlon

* Delegate

¹ Stockbroker & Investment Advisers Association

Name	Job Title	Apologies
Tim Hogben	Group Executive, Securities and Payments	
Daniel Moran	General Counsel	Apology
Hamish Treleaven	Chief Risk Officer	
Dan Chesterman	Group Executive, Technology and Data, and CIO	Apology
Sally Palmer	Deputy General Counsel	Apology
Katie McDermott	General Manager, Equity Post Trade, Securities and Payments	
Diane Lewis	General Manager, Head of Regulatory Affairs	
Andrew Jones	General Manager, Issuer Services, Securities and Payments	
Suzy Munro	General Manager, Clearing and Settlement Operations	Apology
Karen Webb	Senior Manager, Issuer Services, Securities and Payments	
Keith Purdie	Senior Manager, Equity Post Trade, Securities and Payments	

Observers

Name	Job Title	Apologies
Dodie Green	Senior Manager, Market Infrastructure, (ASIC)	
Andia Petropoulos	Senior Analyst, Market Infrastructure (ASIC)	
Matt Gibson	Senior Manager, Financial Market Infrastructure, Domestic and Payments (RBA)	
Stephanie Bolt	Manager, Financial Market Infrastructure, Domestic and Payments (RBA)	

AGENDA ITEM 1: MINUTES AND ACTIONS

The Chair welcomed members and delegates to the meeting and noted three recent membership changes; Pershing is now listed as FinClear Services, Chi-X is now listed as Cboe Australia, and Christopher Moore was welcomed as the member for Citi, replacing Lyall Herron. An industry member also noted SAFAA's name change to Stockbrokers and Investment Advisers Association.

There were apologies from Leigh Conder (FinClear Services), Scott Hanlon (UBS), Robert Tesoriero (Bell Potter) and Helen Lofthouse (ASX Trade). Barry Parker (ABN AMRO), was represented by a delegate, Matthew McMahon.

The Chair noted Roberto Fitzgerald and Juan Carlos from Ernst & Young (EY) attended the meeting as guests to present on the findings from their Independent assessment of ASX's Assurance Program (agenda item 3b).

Also attending as observers were ASIC representatives, Dodie Green and Andia Petropoulos, and RBA representatives, Matt Gibson and Stephanie Bolt.

The agenda, papers and presentation materials were distributed to all members in advance of the meeting.

a) Minutes from 8 December 2021 Business Committee Meeting

The Chair noted that ASX received two comments on the draft minutes circulated, a correction to a company name which was amended, and a point of clarification on the forward work program. The minutes of the 8 December 2021 meeting were approved without any further changes.

b) Open actions

With regard to the four open actions raised at the last meeting, the following updates were provided:

- Action: ASX to follow up bilaterally with Cboe Australia (formerly known as Chi-X) on the planning and timeframe to manage any potential industry impacts with Chi-X's planned move to the Cboe platform prior to CHES replacement go-live.

ASX confirmed regular engagement with Cboe regarding connectivity to CHES for the purposes of the Trade Acceptance Service, and discussions about the planned transition to the Cboe platform, including testing and readiness for CHES replacement. Cboe have since confirmed the platform migration timetable and have a comprehensive engagement plan in place with participants for any feedback. Cboe's COO for APAC confirmed the next key date for industry consultation was planned for 10 May 2022. Accordingly, the action has been recorded as closed.

- Action: ASX to table contingency planning for CHES replacement for discussion at a future Business Committee meeting.

The Chair confirmed this is planned to be tabled at the July Business Committee meeting, as noted on the forward work program. Accordingly, the action has been recorded as closed.

- Action: ASX to table at the April 2022 meeting the current take-up and the trajectory rate for investors opting in for electronic CHES holding statements to determine possible next steps.

The Chair advised this would be addressed as part of agenda item 4a. Accordingly, the action has been recorded as closed.

- Action: ASX to include T+1 in the forward work program for further discussion; in the interim any member feedback on the materials presented would be welcomed.

There was no further feedback from members and the Chair advised this would be included as part of the forward work program. Accordingly, the action has been recorded as closed.

AGENDA ITEM 2: SERVICE PERFORMANCE

a) Cash Market Clearing and Settlement - Operating Performance

In the absence of the ASX General Manager, Clearing and Settlement Operations, the ASX Group Executive, Securities and Payments provided an update on the operating performance of the cash market clearing and settlement services for the March 2022 quarter:

- System availability for the Trade Acceptance Service and Settlement Facilitation Service were at 100% for the quarter
- The daily average fail rate has decreased to 0.251% and averaged 0.282% for the previous twelve months. The maximum fail rate during that quarter was 0.652% in February, also lower than the highs from the previous quarter
- There was a 16% increase in trades registered
- Percentage of trades novated increased to 78.7% versus the more usual rate of ~72%
- Value of netting efficiency increased to 72.8% versus the more usual rate of ~65%, and volume of netting efficiency was 98.9%.

The ASX Group Executive, Securities and Payments also noted:

- FNZ Custodians were admitted as an ASX Clear and Settlement participant on 21 February 2022, and commenced trading activity on 7 March 2022
- key statistics around the BHP stock unification including a ~25% increase in settlement instructions over three consecutive days. This also coincided with a lower than average fail rate.

Members did not raise any questions in respect of the update.

AGENDA ITEM 3: CHESSE REPLACEMENT

a) & b) Project timeline, milestones and progress update

The ASX Group Executive, Securities and Payments referred to the presentation shared in advance of the meeting to provide an update on the 28 March 2022 announcement about changes to the software release schedule in ITE1 and implications for the commencement of accreditation and project milestones (agenda item 3b). The key sentiment from stakeholders following the announcement was that while there was some disappointment, stakeholders were aligned to delivering CHESSE replacement safely rather than implementing on time with some risk. However, it is important ASX provides certainty around the implementation date soon. Stakeholders have recently scaled-up project resourcing in preparation for commencement of CHESSE user readiness activities and a delay would have a direct impact on costs. Some stakeholders also noted that the announcement provided some relief to their own project timeline in order to meet key milestone dates.

It was noted in accordance with best governance practices, and for a program of this size and complexity, ASX continually raise and assess potential risks with supporting mitigants to manage the impact. ASX is committed to providing full transparency of the risk register to both the ASX Boards and the regulatory agencies. EY have also undertaken three project governance reviews which have included considering risk and issue management and made several recommendations that ASX has since addressed. However, where material risks do arise that cannot be mitigated against, ASX is committed to provide the market with the relevant updates.

The ASX Group Executive, Securities and Payments summarised the key points from the presentation and the 28 March 2022 announcement including:

- testing of functional and non-functional indicators are meeting expectations
- 25 out of 27 software providers have been successfully onboarded to ITE1
- the delay of 2½ months has been caused by the late receipt of the next drop of code, v1.3, for software providers to undertake accreditation activities
- accreditation can start after software providers have completed their own development and testing to v1.3
- ITE1 defects raised by software providers to date is in line with expectations; fixes to customer defects will be applied in the next drop of software which is also the candidate for accreditation
- learnings from ITE1 are being applied to ITE2, including adjusting the approach for onboarding
- following an increase in retail activity and growth in HINs over the last 12-18 months, the range of non-functional testing scenarios by ASX have been revised
- the opening of ITE2 has been deferred from 18 April 2022 to 27 April 2022 to accommodate feedback around the Easter and ANZAC holiday period and will open with a dedicated period for onboarding
- CHES user testing will be delayed, until v1.3 of the code that includes all customer facing functions can be deployed to ITE2
- The first market dress rehearsal, MDR1, scheduled for October 2021 will be deferred
- ASX expects a further drop of code, v1.4, however the changes in v1.4 will not affect software providers' accreditation activities
- Market dress rehearsals and industry wide testing will commence after v1.4 has been deployed i.e. with the code that will be the production candidate
- Further stakeholder engagement activities will commence in May including additional guidance on the go-live date; any changes will consider periods in the year that are more challenging around increased activity and risk e.g. corporate actions activity.

An industry association member noted that the market may not be accepting of the increased risk, if April 2023 still holds as the implementation date. The ASX Group Executive, Securities and Payments confirmed that ASX would not be reducing the critical path at the cost of industry readiness activities or moving any increased responsibility onto the market.

A participant member asked about the nature of stakeholder consultation and when it will start and finish. The ASX Senior Manager, Equity Post Trade Services provided an update as to the next steps which will include working group meetings with CHES users in May as well as providing an opportunity for stakeholders to provide written feedback. It was noted that ASX has not yet specified when engagement was expected to complete and for the outcomes to be known. The ASX Group Executive, Securities and Payments explained that ASX was looking to provide the market with certainty as soon as possible, and the consultation would not span over several months, to assist organisations with their own planning. In the meantime, ASX has focused on providing certainty with near term project milestones including the commencement of accreditation activities and ITE2 connectivity and onboarding. The timeline for other key project milestones such as the commencement of CHES user testing, MDRs and industry wide testing are key inputs into assessing the go-live date which will be subject to stakeholder input and feedback. The participant member acknowledged the response and explained that software vendors are unable to make a commitment on when they can deliver code to customers until ASX provide further certainty on the timeline.

A participant member sought validation on the implementation date for go-live or at the very least confirmation that April 2023 is no longer feasible. The ASX Group Executive, Securities and Payments noted that ASX hoped to provide more certainty on the go-live feasibility in early May.

A registry member asked about any potential impacts to operating rule amendments and possible delays. The ASX Group Executive, Securities and Payments confirmed there is no anticipated impact and that this continues to track to plan with ASX to provide its response to consultation in June 2022.

The ASX General Manager, Equity Post Trade, Securities and Payments provided a project update (agenda item 3a) noting the publication of operational readiness scenarios with over 740 scenarios covering all CHES user cohorts.

The Chair invited member feedback on any periods in the calendar year that would be challenging for a revised implementation date. A registry member noted the second half of the year is not ideal for seasonal corporate action processing which runs from July to end November e.g. dividend reinvestment plans, annual general meetings and proxy voting. Accordingly, May or June would be preferable. An industry association member noted custodians would want to avoid May and June (due to the lodgement of audited statements). The ASX General Manager, Equity Post Trade, Securities and Payments noted the feedback is useful and the challenges it may present in balancing cohort specific preferences to implement CHES replacement safely and securely.

A participant member noted that their software vendor would not be able to deploy code until later in 2022 and that the participant would then need nine months to test before they would be ready for go-live.

Another participant member asked what other factors are being considered in the decision-making on a revised implementation date, other than industry appetite to meet April 2023. The ASX Group Executive, Securities and Payments explained there are a range of factors being considered including timing for the next release of software code (v1.4), and that all functional and non-functional requirements are met.

The Chair summarised the need for ASX to provide certainty on the go-live date, that implementation risk will not be transferred onto the market as a result of any change, and reiterated the importance of seeking and balancing everyone's perspective as part of the stakeholder engagement process.

c) Independent assessment of ASX's Assurance Program Report

ASX's Chief Risk Officer introduced the topic and provided context before inviting EY to talk to the report. This included noting it is common practice to have independent assurance programs for significant projects of this size and nature to independently assess how the project is progressing, whether it is being managed well and is on track for successful delivery and completion, and to respond to any findings from any previous independent reviews.

The assurance project for CHES replacement consists of about 40 independent reviews across a variety of topics and executed at key project milestones. The reviews, their findings and the project's response are reported to the project's executive steering group, to the boards of ASX Clear and ASX Settlement and to the regulatory agencies. The reviews serve as significant inputs into decisions made at key project milestones and whether the project should advance to the next phase.

Separately, following ASIC's investigation into the ASX Trade outage in November 2020 and the additional licence conditions imposed on ASX Clear and ASX Settlement, one of the licence conditions was to appoint an independent expert to effectively assess and report on the CHES replacement assurance program with EY appointed as the independent expert. EY have since delivered their first report which was made public and is available on ASX's website. The report was also separately shared with members.

ASX's Chief Risk Officer also explained that EY will continue to provide reports every six months, in June and December, through to completion of the project. A report will also be provided two weeks before go-live and two reports, six months and 12 months, after go-live as part of a post implementation review. The reports will be made public and EY will continue to attend future Business Committee meetings to provide the findings and to keep members updated on the assurance review including tracking the closing out of any findings.

The EY Partner explained the first step was on the design to ensure the assurance program was fit for purpose, had the right frequency of reporting on progress, and the appropriateness of the framework for go-live. The design report, which was made public on 28 February 2022 and shared with members, also includes considering sufficient assurance activities are performed to cover both the risks and deliverables of the program, the nature and timing of the work and whether it is both sufficiently 'broad' and 'deep.' It also considers whether the program is being appropriately

governed to ensure the assurance program achieves what it says it will do and that major risks are being reported and managed.

Overall, EY found the assurance program was fit for purpose. However, there were three recommendations to be addressed by ASX, with EY to report on their closure in June, and what, if anything, is still outstanding.

The EY Director explained there were no significant gaps in terms of the breadth of topics covered to ensure all key risks and elements are being considered and appropriately reviewed. In terms of the nature and depth of the assurance activities, EY had some recommendations. Firstly, it was recommended to enhance the scope of each individual review by expanding the indicative scope beyond a single statement so there is a clear view on expectations for the key areas of focus for each future review. A response to the question 'is the program ready to go to the next milestone?' was also recommended every time the project is reaching a key milestone.

In terms of governance and change management, EY acknowledged the assurance program needs to be able to adapt with any changes in the project. It was also recommended to uplift current processes in managing the different governance aspects of the program and provide additional clarity in terms of expectations so there is a very clear view on the expected inputs that the assurance program needs to provide.

An industry association member asked about contingency planning after noting in Appendix A, ASX assurance program summary, that contingency planning in the 2020 project replan was part of the scope of the independent assurance review, however contingency planning is yet to be tabled with members. The member also asked about stakeholder interviews that have been internal to date and when external stakeholder interviews will form part of future assurance framework reporting. EY explained the inclusion of external stakeholders in future reviews is in scope albeit the timing still needs to be decided. ASX's Chief Risk Officer explained an independent assessment of another replan is likely and will follow the same process as the 2020 replan.

A member asked if the March 2022 deadlines are being re-examined or if some of them are now complete. ASX's Chief Risk Officer explained the assurance program adjusts as the project moves or as the status of the project changes. Therefore, some timelines have been pushed out as a consequence and the assurance reviews at specific milestones have also moved accordingly.

AGENDA ITEM 4: SERVICE ENHANCEMENTS

a) Electronic CHES holding statements

Referring to a presentation shared during the meeting, the ASX General Manager, Issuer Services, Securities and Payments, provided an update on the take-up rate of electronic CHES holding statements. Key points from the presentation included:

- 12 participants have started to opt their customers into electronic CHES holding statements
- In February 2022, around 2,500 electronic statements were distributed electronically to just under 300 holders
- By end of March 2022, just under 1,500 holders had opted into electronic statements, around a fivefold increase month on month
- There is broad commercial support for electronic statements from major (larger) participants but they were yet to opt in. This is more a timing issue as opposed to being unsupportive. One large participant, Openmarkets, is expected to go-live shortly, and several others have also signalled their intention to go-live soon
- Take-up rate of electronic statements is expected to be around a 10% increase on average every six months with a target of 55% by FY 2024. However, it was noted the take-up rate will not be linear and instead will be more irregular e.g. one large participant could have a disproportionate impact.

The ASX General Manager, Issuer Services, Securities and Payments also provided an update on the new pricing model for issuer services, which is expected to go-live on 1 July 2022. It was noted the new pricing model reduces the fees for CHES holding statements delivered in paper form by more than 50%, from \$1.25 to \$0.50. Fees for electronic statements will continue to be waived.

A registry member asked as to the reasons why the take-up is not higher. The ASX General Manager, Issuer Services, Securities and Payments explained that software providers need to have the ability to send the requisite message with the email field populated. Participants also have to integrate the software with their CRM systems to be able to track investors and whether they have opted in or out. The sponsoring participant will also need to assess the legal consent required from investors and each participant will approach this differently e.g. does the investor need to provide positive consent versus a negative consent. Consideration also needs to be given to the privacy terms and conditions that investors have signed up to and whether or not that allows for holders or investors to be defaulted into electronic statements. Participants also need to assess this work against any other priorities or competing demands. Another member supported the sentiment and the need for participants to balance IT resource allocation for industry change, including CHES replacement activities with other priorities. The registry member acknowledged the reply but noted the expectation registries had for a quicker take up than the target projection.

A market operator member asked as to the percentage of electronic statements produced versus the overall total of statements distributed. The ASX General Manager, Issuer Services, Securities and Payments noted this is small in the context of approximately two million statements produced a month.

An industry association member asked with regards to participants who have opted in, how they are promoting the email option to investors and if they are giving clients the option to allow their email address to be passed through to issuers. The ASX General Manager, Issuer Services, Securities and Payments explained that participants who have opted in are non-Business Committee members and therefore are unable to respond in the meeting, but advised the majority have permissioned email addresses to be passed through to issuers. A participant member also noted that their software vendor, GBST, is close to being ready which is about 60% of the market.

A registry member asked if paper statements can include a callout or advertisement for holders to talk with their sponsoring broker to opt-in for electronic statements. The ASX General Manager, Issuer Services, Securities and Payments explained this can be accommodated but consideration needs to be given to the timing i.e. brokers need to be ready to support this otherwise it will be an ineffective marketing exercise. However, this is part of the future roadmap to increase take up.

AGENDA ITEM 5: MARKET TRENDS AND INSIGHTS

a) Forward Work Program

The ASX Senior Manager, Issuer Services, Securities and Payments provided an update on T+1 in other jurisdictions. In February, India started to gradually phase in T+1 settlement for the two largest exchanges, NSE and BSE. Also in February, the US Securities and Exchange Commission (SEC) voted to propose rule changes that would reduce risk in the clearing and settlement of securities. Sponsors of the change - DTCC, SIFMA and ICI - have also commenced industry workshops that included a call to action. The SEC have proposed a 31 March 2024 implementation. The SEC expects a 41% reduction in margin requirements as well as operational efficiencies.

A change to the US settlement cycle will also impact other markets, including Australian investors who trade in the US. Impacts include a reduction to the corporate actions timetable. ASX and members should consider reaching out to the sponsors on the international considerations.

The sponsors have also confirmed Canada will align with the US, adopting the same implementation date. It is undecided if South American countries will follow suit but it was noted that they aligned the last time there was a change to settlement cycles. Mexico also followed suit.

T+1 will continue to be a topic for the forward work program.

Referring to the forward work program, the Chair noted a full agenda for the July meeting with a number of topics in scope including contingency planning, ASX's response to rule amendments, clearing and settlement pricing and terms of reference for the regulatory expectations audit. The CHES replacement timeline will also be in scope for the next meeting. Accordingly, the Chair asked members to provide feedback on their priorities including the option to extend the meeting as well as any other topics that should be considered by the Committee. An industry association member suggested extending the next meeting rather than deprioritising items.

b) Other matters

A participant member raised a matter as it relates to client migration challenges for market repo transactions in Austraclear following the go-live in November 2021 and participants having to adopt manual processing, defeating the purpose of straight-through-processing for instructing and settling market repos. The Chair noted the charter for the Business Committee is for cash equities clearing and settlement matters but agreed to take away how ASX can help facilitate a broader conversation on this topic.

An industry association member asked about the next steps in publishing the pricing for clearing and settlement fees for CHES replacement. The ASX Group Executive, Securities and Payments explained ASX is targeting to publish 12 months prior to go-live. However, it will not be possible to publish in April 2022 and more likely targeting end June 2022, subject to ACCC's review.

The Chair noted that ASX reviews Business Committee membership annually and considers potential changes to representative membership on a rotational basis. As part of the annual membership review, ASX will be looking to make any changes in advance of the next meeting in July.

The Chair summarised the new action from this meeting.

The Chair thanked the Committee for their contributions and conversation.

c) Next meeting – 13 July 2022

The next meeting is scheduled for 13 July 2022.

The meeting closed at 1.32 pm.

Signed as a correct record of the meeting.

A handwritten signature in black ink, appearing to be 'Anthony', written over a horizontal line.

Chair

14 July 2022

Date