

Agenda

Business Committee

Date	6 December 2023	Time	4:00pm-6:00pm
Location	ASX offices, 20 Bridge Street, Sydney/MS Teams		

1. Meeting Opening	Action	Presenter(s)	Time	Page
a. Welcome, apologies and Acknowledgement of Country	Noting	Chair	5 mins	
b. Minutes of 11 October 2023 meeting	Approval	Chair		5
ITEMS FOR PRESENTATION			100 mins	Page
2. BC Member initiated item(s)				
a. Advisory Group (verbal update)	Discussion	Alan Cameron AO	15 mins	6
3. Clearing & Settlement Services, Issuer Services				
a. T+1 settlement <ul style="list-style-type: none"> • Working group • Margin analysis • Corporate action exception management 	Approval & Discussion	Clive Triance, Karen Webb & Colm Grace	30 mins	7
b. Post Trade Conference Q1 2024 (verbal update)	Noting	Clive Triance	5 mins	13
c. HIN pricing update (verbal update)	Discussion	Ouafaa Daki	5 mins	14
4. CHES replacement project				
a. Response from Boards of ASX Clear and ASX Settlement to Committee recommendation	Noting	Chair	5 mins	15
b. Project update	Discussion	Tim Whiteley & Katie McDermott	35 mins	20
c. Partnership Program update	Discussion	Katie McDermott	5 mins	25
QUESTIONS SESSION – ITEMS NOT FOR PRESENTATION			10 mins	
	Action	Attendee(s)	Time	Page
5. Clearing & Settlement Services, Issuer Services				
a. Operational Performance: Cash Market Clearing and Settlement	Noting	Suzy Munro		27
b. Maintaining the stability of existing CHES	Noting	Sabra Mott		35

6. Meeting closing	Action	Presenter(s)	5 mins	Page
a. Open actions	Approval	Chair		38
b. Forward work program	Noting	Chair		40
c. Any other business	Discussion	Chair		
d. Next meeting – 20 March 2024	Noting	Chair		

End of Year Drinks

Business Committee members are invited to stay for drinks to thank members for their participation throughout 2023

Business Committee Members (41)

Chair (1)

Company	Name	Job Title	Apologies
	Paul Rayson	Independent Chair	

Clearing & Settlement Participants (25)

Company	Name	Job Title	Apologies
ABN AMRO CLEARING	Adrian Rubin	Chief Executive Officer APAC	
AUSIEX	Patrick Salis	Chief Executive Officer	
BANK OF AMERICA	Stephen Hacker	Director, Head of Operations	
BARRENJOEY MARKETS	Louise Boreham	Head of Operations	
BNP PARIBAS	Mark Wootton	Head of Custody Product Aust & NZ	
BURRELL & CO HOLDINGS	Saskia Jo	Associate Director – Finance	
CITI	Christopher Moore	Manager – Direct Custody & Clearing	
CMC	Andrew Rogers	Director of Broking Business	
COMMSEC	Sheridan Thompson	Executive Manager, Industry Engagement & Operational Resilience	
EUROZ HARTLEYS	Anthony Brittain	Executive Director, Chief Operating & Financial Officer	
FINCLEAR SERVICES	Leigh Conder	Chief Operating Officer	
FNZ CUSTODIANS (AUSTRALIA)	Paul Beal	Head of Capital Markets	
GOLDMAN SACHS	Yen Le	Executive Director	
INSTINET AUSTRALIA	Phil Penrose	Head of Australian Operations	
J.P. MORGAN	*Paul Cooper	Head of Australia Market Operations	Craig Twentyman
MACQUARIE GROUP	James Indge	Cash Equities Business Manager	
MORGANS FINANCIAL	Daniel Spokes	Director, Client Support Services	
MORGAN STANLEY	Carrie Barrack	Country Business Manager	
MORRISON SECURITIES	William Slack	Chief Executive Officer	
OPENMARKETS AUSTRALIA	Rob Forbes	Chief Operating Officer	
RBC SECURITIES AUSTRALIA	Daniel Gray	Managing Director, Head of Business & Client Services, APAC	
STATE ONE STOCKBROKING	Geoff Reilly	Chief Executive Officer	

THIRD PARTY PLATFORM	Lee Muco	Chief Executive Officer	
UBS	Conor Foley	Senior Business Manager	
WEALTHHUB SECURITIES	Anita Mead	Head of High Networth, Investment Platforms	

Settlement Only Participants (2)

Company	Name	Job Title	Apologies
CHIMAERA CAPITAL	Rochelle Pattison	Director	
HSBC	Toni Icevski	Head of Client Services, Securities Services	

Approved Market Operators (4)

Company	Name	Job Title	Apologies
ASX	Jamie Crank	General Manager, Trading, Markets	
CBOE	John Williams	Director Australian Equity Operations	
NATIONAL STOCK EXCHANGE (NSX)	Chan Arambewela	Chief Operating Officer	
SYDNEY STOCK EXCHANGE (SSX)	Steven Larkins	General Manager, SSX Market Operations	

Industry Associations (6)

Company	Name	Job Title	Apologies
The Australian Financial Markets Association (AFMA)	Damian Jeffree	Senior Director of Policy	
Australasian Investor Relations Association (AIRA)	Ian Matheson	Chief Executive Officer	
Australian Custodial Services Association (ACSA)	Andrew Gibson	ACSA Director and Executive Sponsor, ACSA Operations Working Group	
Australian Shareholders' Association (ASA)	Fiona Balzer	Policy & Advocacy Manager	
Governance Institute of Australia (GIA)	Megan Motto	Chief Executive Officer	
Stockbrokers and Investment Advisers Association (SIAA)	Judith Fox	Chief Executive Officer	

Registries (3)

Company	Name	Job Title	Apologies
BOARDROOM	Martin Jones	General Manager Corporate Governance & Director	
COMPUTERSHARE	Scott Hudson	General Manager – Market Liaison	
LINK MARKET SERVICES	Peter Jackson	Chief Operating Officer	

* Delegate

ASX Management

Name	Job Title	Apologies
Clive Triance	Group Executive, Securities & Payments	
Andrew Jones	General Manager, Securities & Payments	Apology
Hamish Treleaven	Chief Risk Officer	
Tim Whiteley	Project Director, CHES Replacement Project	
Sally Palmer	Deputy General Counsel	
Con Korkofigas	Senior Legal Counsel and Senior Manager	
Katie McDermott	General Manager, Business Design, CHES Replacement Project	
Diane Lewis	General Manager, Regulatory Strategy and Executive Advisor	
Suzy Munro	General Manager, Securities and Payments Operations	
Sabra Mott	General Manager, Securities and Payments Technology	
Nick Wiley	General Manager, Equity Post Trade and Payments	
Karen Webb	Senior Manager, Issuer Services, Securities and Payments	
Ouafaa Daki	Senior Manager, Issuer Services, Securities and Payments	
Colm Grace	General Manager, Clearing Risk Policy and Management	

Invited Guest

Name	Job Title	Apologies
Alan Cameron AO	Independent Chair, Advisory Group	

Ernst & Young

Name	Job Title	Apologies
Roberto Fitzgerald	Partner, Financial Services	
Mike Orman	Partner, APAC FS Technology Leader	

Observers

Name	Job Title	Apologies
Benjamin Cohn-Urbach	Acting Senior Executive Leader, Market Infrastructure (ASIC)	
Dodie Green	Senior Manager, Market Infrastructure (ASIC)	
Andia Petropoulos	Senior Analyst, Market Infrastructure (ASIC)	
Kylie Stewart	Senior Manager, Financial Market Infrastructure, Domestic and Payments (RBA)	
Tatiana Moiseeva	Lead Analyst, Financial Market Infrastructure, Domestic and Payments (RBA)	
Elizabeth Kandelas	Manager, Financial Market Infrastructure, Domestic and Payments (RBA)	
Gordana Bloom	Senior Analyst, Financial Market Infrastructure, Domestic and Payments (RBA)	

Committee	Business Committee
Meeting date	6 December 2023
Agenda title	Minutes of 11 October 2023 meeting
Agenda Item No.	1b
Purpose	To present the draft minutes of the previous meeting for approval of the Business Committee
Prepared by	Business Committee Secretariat
Action	For approval
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

BACKGROUND

The draft minutes of the 11 October 2023 Business Committee meeting were distributed to members on 30 October 2023 for review. The draft minutes incorporating comments received by the deadline of 10 November 2023 are published at <https://www.asx.com.au/content/dam/asx/about/business-committee-agendas/2023/asx-business-committee-draft-minutes-11-october-2023.pdf>.

The Business Committee is requested to approve the draft minutes.



Committee	Business Committee
Meeting date	6 December 2023
Agenda title	Advisory Group
Agenda Item No.	2a
Purpose	To provide members with an update on the newly formed Cash Equities Clearing and Settlement Advisory Group
Prepared by	Business Committee Secretariat
Action	For discussion
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

The Chair of the Advisory Group will provide a verbal update at the December Business Committee meeting regarding the Cash Equities Clearing and Settlement Advisory Group, and there will be an opportunity for member questions.

Committee	Business Committee
Meeting date	6 December 2023
Agenda title	T+1 Settlement
Agenda Item No.	3a
Purpose	To provide members with an update on T+1 settlement engagement activities and overview of the potential impact to clearing margins from a move to T+1 settlement
Prepared by	Senior Manager, Issuer Services, Securities and Payments (Karen Webb) General Manager, Clearing Risk Policy and Management (Colm Grace)
Action	T+1 Working Group: For approval Margin analysis and Corporate Actions Exceptions Management: For discussion
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

3a.1 Engagement activities and new T+1 working group

T+1 settlement has been considered by the Business Committee on numerous occasions over the past 12 months, and the Committee has indicated that it wants ASX to provide greater leadership in driving industry discussion on this topic.

The Independent Chair suggested at the October 2023 meeting that ASX and Committee members should consider how best to coordinate and structure work outside of the Business Committee on T+1 settlement, such as leveraging existing working groups or establishing new ones to work through detail and report back to the Committee (Open Action 23-10-2).

ASX proposes that the Business Committee should establish a Working Group, to be known as the 'T+1 Working Group', to consider and report back to the Committee on matters related to settlement cycle compression in the Australian cash equities market, as determined from time to time by the Committee. ASX has reached out initially to AFMA, SIAA and ACSA on the concept of the T+1 Working Group, and these industry associations have indicated their support for the Working Group.

ASX proposes that the T+1 Working Group should comprise up to 8 members of the Business Committee, should be chaired by ASX, and that members of the Working Group should be selected by the Independent Chair of the Business Committee. The Independent Chair wrote to all Business Committee members on 15 November 2023 seeking expressions of interest to join the working group. As at 28 November 2023, 14 expressions of interest have been received by ASX, and the Independent Chair will present his selection of Working Group members at the Business Committee meeting on 6 December.

The initial terms of reference for the T+1 Working Group, set out below, are proposed for approval by the Business Committee:

The T+1 Working Group is to consider the case for and against shortening the settlement cycle in the Australian cash equities market and prepare a document for public release ('Whitepaper') for the purpose of soliciting the views of a broad range of stakeholders.

The focus of the Whitepaper is to be on strategic considerations which should be taken into account in forming a view on whether shortening the settlement cycle promotes the interests of the Australian market as a whole. It is not expected that the Whitepaper should detail options for implementation of a shorter settlement cycle or consider

implementation timing – these matters would be considered subsequently, if the strategic question is resolved in favour of shortening the settlement cycle.

The T+1 Working Group is requested to report back to the Business Committee with a draft Whitepaper at the Business Committee's March 2024 meeting, for consideration by the Committee prior to public release.

The proposed basis for formation, proceedings and reporting of the T+1 Working Group is set out in Annexure A to this paper (as a draft 'Basis of Operation'), for approval by the Business Committee.

3a.2 Cash Market Margin Analysis

ASX has now completed the analysis of the impact on Cash Market Margining (CMM) of moving from T+2 to T+1, the results of which are set out below. This analysis is in response to Open Action 23-7-2 "ASX to perform further analysis to articulate benefits of moving to T+1 settlement, including margin and capital savings analysis". It is important to note that these margin implications are one of many factors for consideration on whether to transition to T+1 settlement, and this analysis is provided in direct response to the open action.

The analysis consisted of calculating the hypothetical daily margin requirement over a 3 year period from September 2020 to August 2023 assuming all actual historical trades were settled on a T+1 basis rather than T+2. These hypothetical T+1 requirements were calculated at both the overall ASX Clear (central counterparty or CCP) level and the individual clearing participant level and compared to the actual T+2 requirements. The numbers are based on Close of Business (COB) yet-to settle novated trades as currently CMM is an end-of-day calculation only. No adjustment has been made for the possibility of increased levels of failed settlements (which would increase the volume of yet-to-settle trades and increase margins relative to the hypothetical figures calculated).

Impact at the overall CCP level

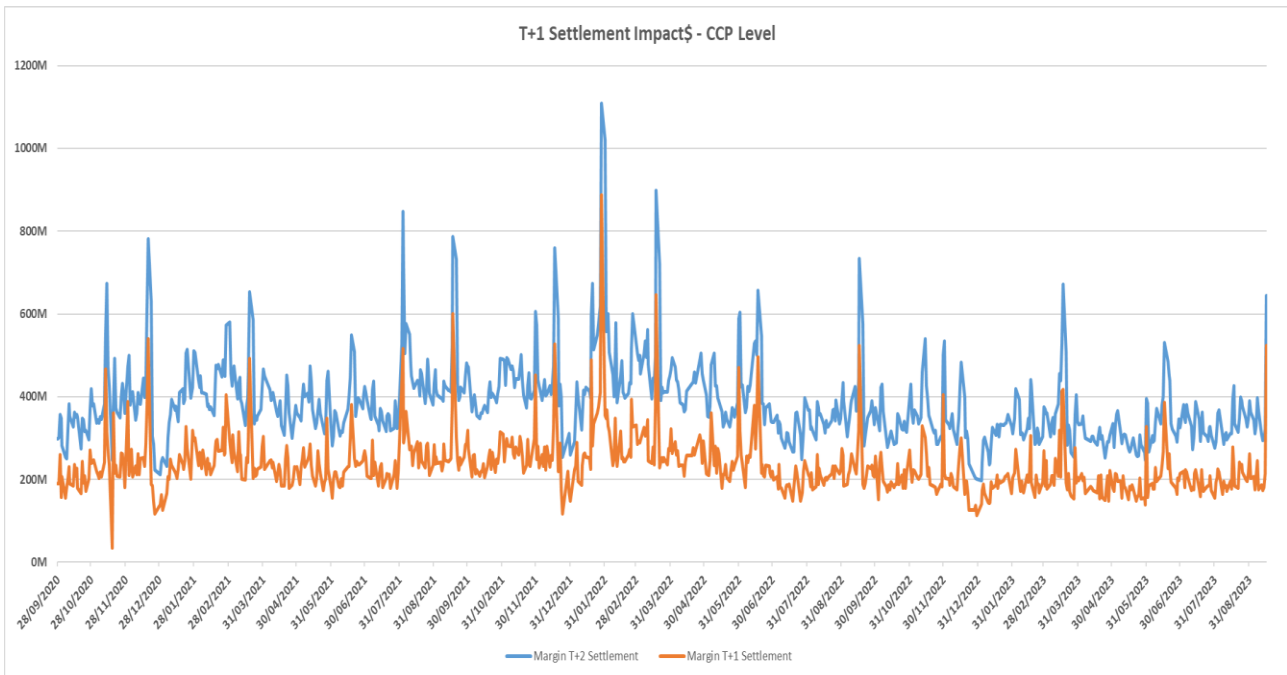
Chart 1 compares the total daily CMM on T+2 vs T+1 over the 3 year period. As would reasonably be expected, on a daily basis the T+1 CMM is typically smaller than the T+2 margin. In some instances, however, the T+1 margin value is very close to (but still less than) the T+2 value. This reflects the current methodology for calculating CMM which uses the higher of margin calculated on:

- All yet-to-settle trades - in effect the last 2 days of trading activities (today and yesterday)¹
- Assuming the completion of the next CHES batch settlement batch – in effect today's trading activities only ("assumed settlement" approach). This is equivalent to calculating margin on a T+1 basis.

This methodology is intended to mitigate the impact of significant offsets between trades settling on successive days, which would otherwise result in significant under-margining on completion of the CHES Settlement batch on the first of the two days (given CMM is an end-of-day calculation only).

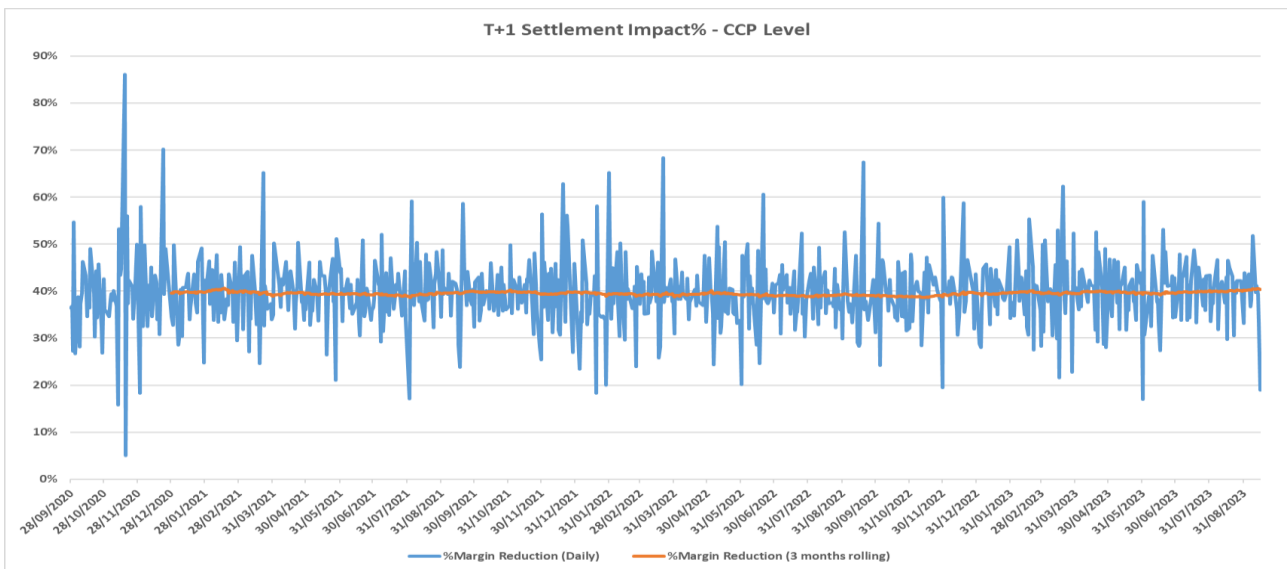
¹ Plus failed settlements which have been re-scheduled

Chart 1: CCP CMM T+1 vs T+2: \$ impact



As shown in Chart 2 below, the daily % reduction in total CMM (blue line) can fluctuate quite substantially day-to-day. However, the rolling 3 month average daily reduction (red line) is very stable at 40%.

Chart 2: CCP CMM T+1 vs T+2 % reduction



This average reduction in CMM of 40% over the three year period can be rationalised in terms of the impact of two principal but offsetting factors:

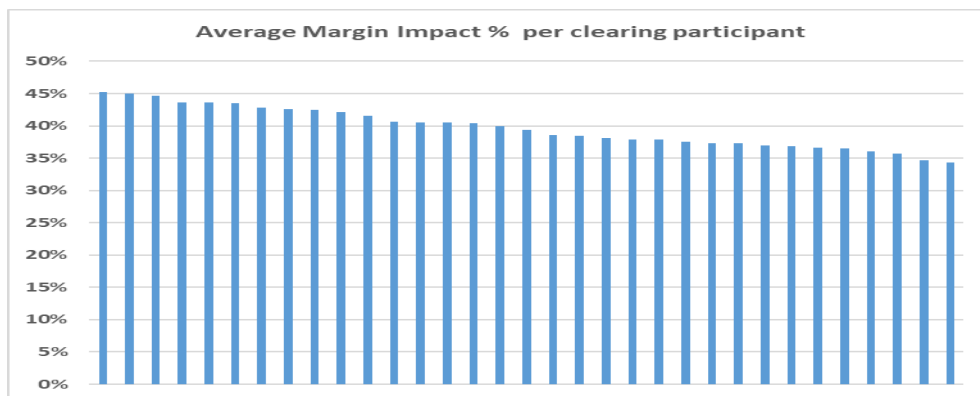
- The first is the reduction in the number of (end of day) yet-to-settle trades due to the move to T+1 which would reasonably be expected to be 50% and thereby result (on average) in an equivalent 50% reduction in margin.
- The second is the impact of the assumed settlement component of the existing CMM calculation (which effectively reflects T+1 settlement) which is used where the margin calculated on a T+1 basis is higher than on a T+2 basis.

Impact at the individual Clearing Participant level

The average % impact on individual participants has also been calculated and is shown in Chart 3 below (individual clearing participant names are not shown but impact on individual participants are available on request to the Business Committee Secretariat).

The average % reduction per individual participant over the 3 year period is very similar to the overall 40% CCP reduction – the largest % reduction is 5% higher at 45% whilst the smallest reduction is 35%.

Chart 3: Individual participant CMM T+1 vs T+2 % reduction



This analysis shows that on average, for every \$10m of CMM currently required, a clearing participant could expect to see a \$4m reduction in margin resulting in an annual funding cost saving of \$200k (assuming a funding rate of 5%).

Equivalently, the overall funding cost savings across all clearing participants (using the Q1 FY24 average CMM of \$341m) would be approximately \$7m. This estimated saving does not include the cost to the industry of any increase in the level of failed settlements resulting from the move to T+1.

As noted above, the margin benefit of settlement cycle compression to T+1 needs to be viewed in the broader context of the technology, operational, risk management and other implications of T+1 for the wider group of stakeholders that would be affected by this change. The purpose of the Whitepaper to be developed by the T+1 Working Group of the Business Committee is to provide that broader context.

Implications on the default fund

The implications of a move to T+1 on the size of the ASX Clear default fund (currently \$250m) are more difficult to quantify than for CMM.

The size of the default fund is determined by the exposures of the CCP to individual clearing participants – under the RBA’s regulatory capital requirements, the default fund should be large enough to cover the default of the two clearing participant with the largest exposures under “*extreme but plausible market conditions*” (i.e. stressed exposures). This is referred to as the “Cover 2” requirement.

It is difficult to anticipate the impact on stressed exposures to individual clearing participants of the move to T+1 given the potential loss in offsets between trades settling on different days and the reduction in CMM from participants. In addition, the size of the default fund is very much determined by the distribution over time of the “Cover 2” stressed exposures and in particular the “tail” of this distribution (i.e. the largest exposures over time). It is possible, for example, that moving to T+1 may reduce the average “Cover 2” requirement over time but may leave unaffected (or even increase) the spikes in the “Cover 2” requirement resulting in an unchanged (or possibly increased) default fund.

In addition, the ASX Clear default fund also covers exposures from clearing equity derivatives which are currently settled on a T+1 basis and which will not be directly affected by the move of cash markets to T+1.

Further, the move to T+2 from T+3 in 2016, did not result in a reduction in the size of the default fund which was maintained at \$250m.

Given the complexities involved, in 2024 ASX will look to start quantifying the daily “Cover 2” requirement assuming T+1 settlement and report back to the Committee once a sufficient time-series of data has been generated.

3a.3 Other T+1 news and Corporate Actions Exception Management review

- Citi have released the latest in a series of papers on Securities Services Evolution, including continued commentary on T+1 settlement considerations. The paper is available here https://www.citibank.com/mss/docs/Citi_Securities_Services_Evolution_2023.pdf
- New Zealand Stock Exchange representatives have flagged with ASX plans to release a Post Trade Questionnaire before the end of the year including discussion on the considerations for a transition to T+1 Settlement.
- ASX will provide a verbal update at the meeting on the work in progress to review the potential exceptions/impacts to Australian stakeholders from the transition to T+1 settlement in the US and Canada – focused on corporate actions.

Annexure A

T+1 Working Group of the ASX Business Committee

Proposed Basis of Operation

Purpose

The purpose of the T+1 Working Group is to carry out focused analysis and to provide insights to the ASX Business Committee on settlement cycle compression, in accordance with Terms of Reference determined by the ASX Business Committee from time to time. The Working Group is not a decision making forum and will report to the ASX Business Committee on its deliberations.

Formation and membership

ASX will seek expressions of interest from all Committee members to participate in the T+1 Working Group, upon initial establishment of the group and any subsequent re-constitution of the whole group.

A Committee member may nominate an individual employed by the same institution (or in the case of a Business Committee member representing an industry association, an individual employed by a member institution), with appropriate expertise, to represent their organisation on the T+1 Working Group.

The Independent Chair of the Business Committee will take into account expressions of interest from Committee members duly received by ASX, and will seek as far as practicable to achieve appropriate representation from a broad cross-section of stakeholder interests represented on the Committee.

Subject to the above, the total size of the T+1 Working Group, and the appointment or removal of members of the T+1 Working Group at any time, will be the prerogative of the Independent Chair of the Business Committee in his or her discretion.

Meetings and proceedings

Meetings of the T+1 Working Group will be convened and chaired by ASX.

Meetings of the T+1 Working Group will not be minuted, however the Chair of the T+1 Working Group will report to the Business Committee on the activities of the Working Group.

The T+1 Working Group may, by consensus of Working Group members, invite any third party to join meetings of the Working Group, or share information with any third party for comment or input, where the Working Group considers this will promote the objectives of the Working Group within its Terms of Reference.

Terms of Reference

The activities of the T+1 Working Group will be in pursuance of Terms of Reference endorsed by the Business Committee.

The Chair of the T+1 Working Group will report to the Business Committee in writing on the fulfilment of the Working Group's Terms of Reference. If the T+1 Working Group is for any reason unable to reach consensus on the Chair's report, the Chair shall make a majority report to the Business Committee and any member of the Working Group may make a dissenting report.

The T+1 Working Group may, by consensus of Working Group members, request modification of its Terms of Reference by written submission to the Business Committee.



Committee	Business Committee
Meeting date	6 December 2023
Agenda title	Post Trade Conference Q1 2024
Agenda Item No.	3b
Purpose	To provide members with an update on a Post Trade Conference to be held in Sydney in Q1 2024.
Prepared by	Clive Triance, Group Executive, Securities and Payments
Action	For noting
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

ASX will provide an update at the Business Committee meeting regarding a [TNF](#) and ASX Post Trade conference to be held in Sydney in Q1 2024.



Committee	Business Committee
Meeting date	6 December 2023
Agenda title	HIN Pricing Update
Agenda Item No.	3c
Purpose	To provide members with an update on the new proposed optional HIN pricing subscription model and related fees.
Prepared by	Senior Manager, Issuer Services, Securities and Payments (Ouafaa Daki)
Action	For discussion
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

ASX will provide an update at the Business Committee meeting related to the new proposed optional HIN pricing subscription model and related fees, including the availability of an information paper.



Committee	Business Committee
Meeting date	6 December 2023
Agenda title	CHES Replacement – Response from Boards of ASX Clear and ASX Settlement to Committee recommendation
Agenda Item No.	4a
Purpose	To provide Business Committee members with an update on the recommendation made at the October 2023 meeting
Prepared by	Business Committee Secretariat
Action	For noting
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

At the 11 October Business Committee meeting, the Business Committee endorsed 15 Scope Objectives that the CHES Replacement Technical Committee (a sub-committee of the Business Committee) had recommended for endorsement by the Business Committee for inclusion in the detailed design consultation to be undertaken next year regarding CHES Replacement project scope.

The recommendation of the Business Committee to the Boards of ASX Clear and ASX Settlement that the 15 Scope Objectives should be included in the detailed design evaluation and consultation of the CHES Replacement project was made by broad consensus of the Committee members present at the meeting held on 11 October.

Attachment A sets out the response from the Boards of ASX Clear and ASX Settlement.



27 November 2023

Mr Paul Rayson
Chairman
ASX Business Committee

Dear Paul

BUSINESS COMMITTEE RECOMMENDATION

I refer to the Business Committee's recommendation to the Boards of ASX Clear Pty Limited (**ASX Clear**) and ASX Settlement Pty Limited (**ASX Settlement**), from the Committee's meeting on 11 October 2023.

The Business Committee recommended that the 15 Scope Objectives set out in **Attachment A** be included in the detailed design evaluation and consultation of the CHES Replacement project.

The Boards of ASX Clear and ASX Settlement accept the Business Committee's recommendation to include the 15 Scope Objectives as part of the next phase of design evaluation and consultation.

The Boards of ASX Clear and ASX Settlement note that the 15 Scope Objectives:

- > were generated through the Technical Committee, a sub-committee of the Business Committee, and reflect industry identified functionality constraints; and
- > are raised for further consideration as to whether such constraints can be addressed through the new CHES Replacement solution, and in some instances also through existing CHES.

On behalf of the Boards of ASX Clear and ASX Settlement, I wish to thank the Business Committee and Technical Committee members for their time and careful consideration in identifying the Scope Objectives.

The Scope Objectives support further engagement with industry on the detailed design evaluation and consultation to occur as part of the next phase of work. This phase will include assessing the potential to deliver enhancements across industry identified constraints as part of the CHES Replacement project scope. Relevantly, this includes defining any business requirements sought to be generated in relation to the Scope Objectives.

We are committed to conducting this phase in a transparent manner. As part of evaluating and consulting on the design of the CHES Replacement solution, we will include consideration of whether it can achieve the Scope Objectives' enhancement and efficiency benefits for the market.

The announcement on 20 November 2023 of the CHES Replacement technology solution will also assist with this detailed design work and the assessment of feasibility of any related business requirements.

The Boards of ASX Clear and ASX Settlement look forward to receiving updates from the Business Committee as that work is progressed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephen Knight', written in a cursive style.

Stephen Knight
Chair, ASX Clear Pty Limited and ASX Settlement Pty Limited

Attachment A – Business Committee Recommendation

Topic	Functionality	Ref	Scope Objective	Rationale	Proposal
Sub-register and issuer sponsored	Registration Details and Investor Information	1.1	Standardise, improve and better synchronise the data sharing between participants and share registries	ASX proposes continued assessment of the way information is shared during the design process, supported by benefits developed via industry associations.	<i>Proceed to CHES Replacement design evaluation and consultation</i>
	SRN Enquiry & Validation	1.3	Implement a faster and more efficient SRN enquiry process	ASX proposes a review of the end-to-end process in relation to SRN enquiries and issuer sponsored sales to identify any improvements that can be made.	<i>Proceed to CHES Replacement design evaluation and consultation</i>
	Issuer Sponsored Holding Locks	1.4	Reduce settlement risk in relation to issuer sponsored sales		<i>Proceed to CHES Replacement design evaluation and consultation</i>
	ETF Creations & Redemptions	1.5	Reduce operational risk in relation to the current ETF creation/redemption workflow	ASX proposes evaluating with affected stakeholders what changes could improve the process for ETF creation and redemption, including whether any improvements are appropriate for the current system.	<i>Proceed to CHES Replacement design evaluation and consultation (and evaluate the opportunity to make improvements in current CHES)</i>
	Continuous Holding Balance	1.6	Provide more efficient, reliable and faster access to holding information	ASX proposes to review access to holding balances in the context of the selected solution and connectivity channels.	<i>Proceed to CHES Replacement design evaluation and consultation</i>
Settlement	Bilateral Matching Improvements	2.1	Reduce operational risk by ensuring participants are able to submit and match transactions in the system as soon as practical whilst minimising the likelihood of incurring a failed settlement (e.g. being able to separately match and schedule a transaction)	ASX proposes to facilitate a re-review of the matching rules, criteria and processes in the context of the selected solution.	<i>Proceed to CHES Replacement design evaluation and consultation</i>
		2.2	Reduce operational risk by minimising mismatches and failed matches by increasing the data sharing and matching fields available and/or making use of information available in upstream systems		<i>Proceed to CHES Replacement design evaluation and consultation</i>

Topic	Functionality	Ref	Scope Objective	Rationale	Proposal
	N/A	2.6	Scheduled Settlement CHES to CHES Transfer Request (MT107) - support usage within a participant group structure	ASX proposes to review the whether this request can be considered in the context of the current system and continue to consider for CHES Replacement.	<i>Proceed to CHES Replacement design evaluation and consultation (and evaluate the opportunity to make improvements in current CHES)</i>
Corporate Actions	Electronic Dividend Claims	3.1	Review and enhance the current processes for automated claims (diary adjustments) to ensure it continues to meet the market needs.	ASX proposes to re-review of the diary adjustment processes in the context of the selected solution, including identification of any improvements that can be made.	<i>Proceed to CHES Replacement design evaluation and consultation</i>
	Corporate Action Election and Acceptance Processing	3.2	Provide standardised straight through processing capability for corporate action elections and cost effective associated payments.	Corporate Action Elections were previously in scope for CHES Replacement Day 2, and DRP Elections are still a part of the scope baseline. ASX proposes to facilitate a re-evaluation of the process design, supported by benefits developed via industry associations. Consideration should be given to critical path and release scheduling, and benefits should be supported by industry associations.	<i>Proceed to CHES Replacement design evaluation and consultation</i>
		3.3	Reduce operational risk in relation to DRP standing instructions.		<i>Proceed to CHES Replacement design evaluation and consultation</i>
	Electronic Notification of Payment Advice	3.5	Provide standardised electronic transmission of corporate action distribution information to create opportunities for automation and process improvement.	Corporate Action Distribution information is currently used in CHES for mFund securities. ASX proposes to facilitate an evaluation of the feature in relation to other instruments. Consideration should be given to critical path and release scheduling, and benefits should be supported by industry associations.	<i>Proceed to CHES Replacement design evaluation and consultation</i>
	Other Corporate Action Efficiencies	3.6	Evaluate whether ASX can help with the transmission of bank account information in relation to bid offers	ASX proposes to review the transmission of bank account information in the context of the current system and continue to evaluate for CHES Replacement.	<i>Proceed to CHES Replacement design evaluation and consultation (and evaluate the opportunity to make improvements in current CHES)</i>
	Other Corporate Action Efficiencies	3.7	Ensure holding adjustment reason codes are up to date and being used correctly	A review of the holding adjustment reason codes was previously undertaken for CHES Replacement. ASX proposes for this to be re-reviewed and additionally evaluated in the context of current CHES.	<i>Proceed to CHES Replacement design evaluation and consultation (and evaluate the opportunity to make improvements in current CHES)</i>

Topic	Functionality	Ref	Scope Objective	Rationale	Proposal
	Other Corporate Action Efficiencies	3.8	Make sub-register state more readily available to participants to help improve processes in relation to de-listings	Additional security state notifications was previously included in CHES Replacement. ASX proposes this remains in scope and is also reviewed in the context of current CHES.	<i>Proceed to CHES Replacement design evaluation and consultation (and evaluate the opportunity to make improvements in current CHES)</i>

Committee	Business Committee
Meeting date	6 December 2023
Agenda title	CHES Replacement – Project update
Agenda Item No.	4b
Purpose	To provide Business Committee members with a project update on CHES Replacement
Prepared by	Clive Triance, Group Executive, Securities and Payments Tim Whiteley, Project Director, CHES Replacement Katie McDermott, General Manager, Business Lead, CHES Replacement
Action	For discussion
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

BACKGROUND

CHES is the core system that performs the processes of clearing, settlement, asset registration and other post trade services which are critical to the orderly functioning of the market. Following the November 2022 pause to the CHES Replacement project, ASX took the opportunity to reassess all technology solutions to replace the current CHES system.

SUMMARY

Key project updates:

- On 20 November 2023, ASX formally entered into an agreement with TCS for the delivery of its TCS BaNCS Market Infrastructure (MI) product. ASX has also engaged Accenture to act as a solution integrator to support project delivery. The full market announcement and supporting information paper can be found [here](#).
- Prior to the solution decision by the relevant ASX boards, the recently established industry Advisory Group was informed of the proposed solution design and project partners and were afforded the opportunity to make recommendations and/or provide advice to the Boards of ASX Clear and ASX Settlement.
- On 21 November 2023, ASX held an industry webinar to support the CHES Replacement solution announcement and inform industry about the indicative plans for industry consultation.
- As confirmed to the industry in ASX’s webinar, ASX will commence industry consultation on the CHES replacement implementation plan in the first quarter of 2024. Following the publication of the consultation on the implementation plan for CHES replacement, ASX will communicate with eligible Partnership Program participants to determine the milestones for additional payments from the Development Incentive Pool.
- Since the last Business Committee, ASX hosted two CHES Replacement Technical Committee meetings, including an ad hoc virtual Technical Committee following the solution decision announcement. The next meeting is scheduled for 7 February 2024.

PROJECT STATUS

ASX entered into an agreement with TATA Consultancy Services (TCS) for the delivery of a product to replace CHES. This product offers a modular technology platform for clearing and settlement services. Given the scale and complexity of the CHES replacement project, ASX also appointed Accenture as solution integrator to provide additional capability and capacity to support project delivery.

High Level Solution Overview

TCS is a recognised global technology services provider and the selected product, TCS BaNCS MI, is leveraged to support clearing and/or settlement services in multiple markets worldwide, including Finland, South Africa, and New Zealand, and is currently being implemented in Canada.

The TCS BaNCS MI product has been significantly developed over recent years to accommodate diverse clearing and settlement models and account structures used in different regions globally. This includes support of direct holding structures which is expected to minimise the amount of customisation required to support the Australian market. The TCS BaNCS MI product's design is well suited to supporting the introduction of new features and services in the future.

ASX proposes to implement the TCS BaNCS MI product in two main releases, with the clearing component to be delivered in a first release, and the settlement and sub-register components to follow in a second release.

Stakeholder input has been key to informing the decision to select a product-based solution and selecting TCS and Accenture as the relevant providers. The next formal consultation (refer **Attachment 2**) with stakeholders will commence in the first quarter of 2024 and will cover the high-level project plan and an indicative timeline for the releases, including the design, scope, and timing for each of the releases.

The indicative timeframe for implementation of the first release (the clearing component) is 2026, and the scenarios being considered for the second release (the settlement and sub-register component) estimate implementation in 2028 or 2029 (refer **Attachment 1**).

The delivery timeframes are subject to a number of factors including stakeholder consultation and detailed planning.

NEXT STEPS / STAKEHOLDER ENGAGEMENT

In addition to the continuation of the Technical Committee, beginning in 2024, ASX will commence targeted industry consultation on (refer **Attachment 2**):

1. Release 1 including:

- Industry testing approach, cutover and migration approach, and delivery timeline
- The phased delivery leveraging Release 1 to provide a standard FIX interface for all AMOs for trade registration. Release 1 also delivers the technical enablement which de-risks Release 2 implementation and delivers towards the target solution
- Market impacts for Release 1 limited due to backward compatibility enabling the current CHES interfaces and workflows to remain for all CHES users other than AMOs.

2. Release 2 including:

- Business scope items and their business design
- Demonstration of how TCS' solution fits to deliver the market objectives leveraging its product solution and leading practices
- Market impacts and activities required by CHES users and software providers
- Industry testing approach, cutover and migration approach, and delivery timeline
- Opportunities to mitigate risks further through various activities (e.g. phased implementation of ISO messages for clearing, industry parallel testing, etc)

KEY PROJECT RISKS

Amongst other potential identified risks, ASX considers the impact of T+1 transition and industry agreement on the project plan as the current material external risks. The project team will continue to monitor and report all industry related project risks.

TECHNICAL COMMITTEE

The Technical Committee remains an important market engagement channel for the CHES Replacement project. Meetings continue on a monthly basis to a published timetable.

At the 8 November 2023 Technical Committee meeting an update was presented on progress against the previous milestone plan. A member had requested a review of the two ISO 20022 transmission formats (XML and ASN.1) to determine if the project's use of ISO 20022 XML was still valid. A detailed comparison of the ISO 20022 transmission formats was presented to members. The analysis favoured maintaining the use of ISO 20022 XML for the following reasons:

- ISO 20022 XML messages can be accommodated within the bandwidth constraints of ASX. Participants can also elect out of the outbound message signing which would halve the required bandwidth.
- Adopting a widely used industry format such as ISO 20022 XML aligns to the CHES Replacement project's objectives (refer to the 22 February Committee), including:
 - Enabling opportunities for industry efficiencies and growth;
 - Reducing rework and supporting the reuse of previously completed ISO 20022 XML work; and
 - Avoiding the addition of any unnecessary project complexity.
- Switching to ASN.1 or offering ASN.1 as an alternate format would require stronger evidence of potential XML usage performance issues. An analysis of both decoding performance and bandwidth requirements did not find any strong evidence for this.

An overview of the Scope Objective recommendation presented at the 11 October 2023 Business Committee was also provided, noting that broad consensus was achieved and subsequently endorsed for CS Board consideration. Additionally, Members were provided the opportunity to offer feedback on a proposed operating model for the Technical Committee moving forward into CY24. This included a view of proposed Business Design and ISO Design Working Groups to support the detailed design phase of the project.

At the ad-hoc 24 November 2023 meeting, the Technical Committee was provided detail on the:

- Solution Decision Announcement
- High level project plan
- Industry Consultation approach (for feedback)

Following the session, Members were also provided with a pulse survey as ASX endeavours to actively monitor and improve stakeholder engagement.

Previous Technical Committee agendas, presentation materials and minutes can be found [here](#).

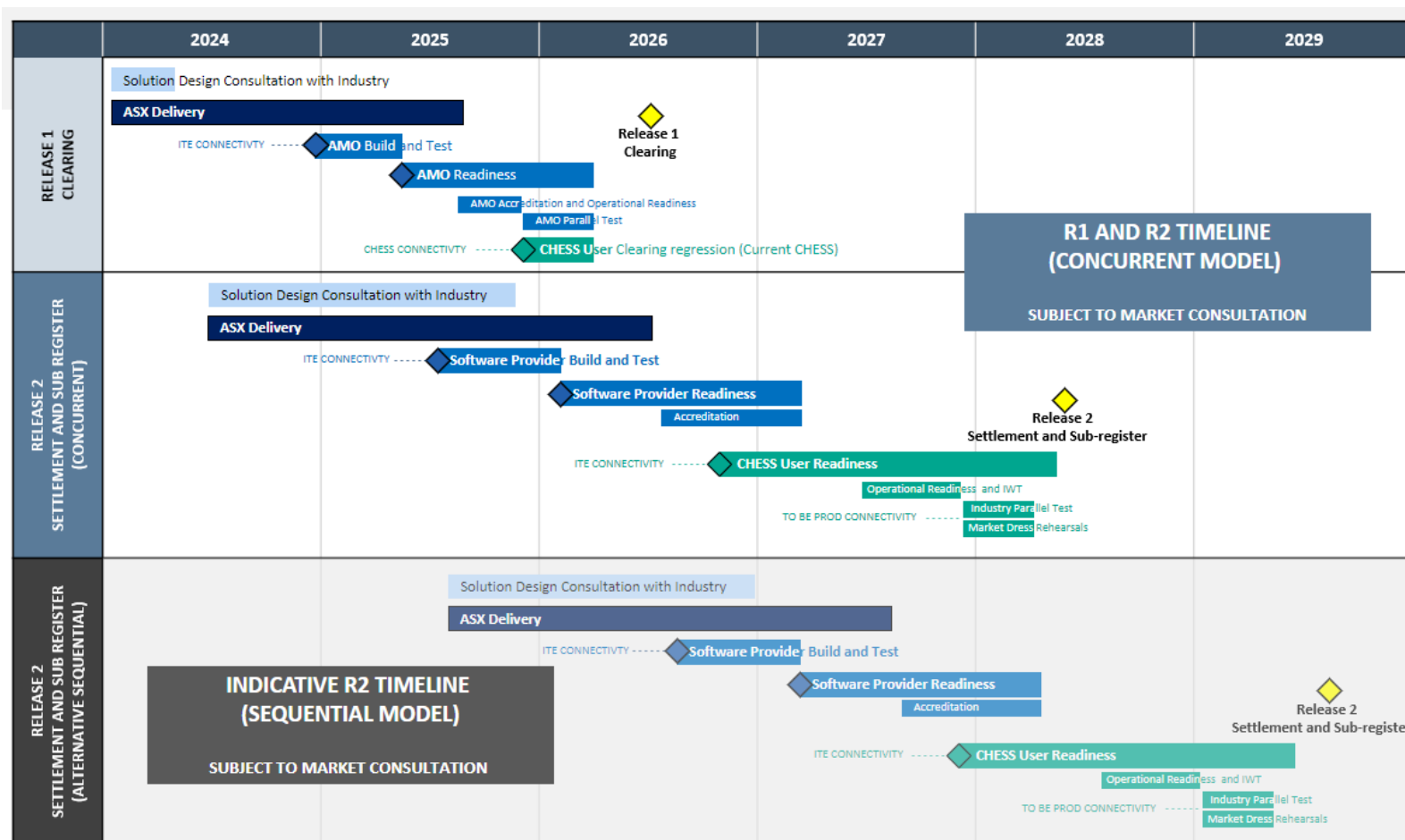
ATTACHMENTS

Attachment 1: High Level Project Plan

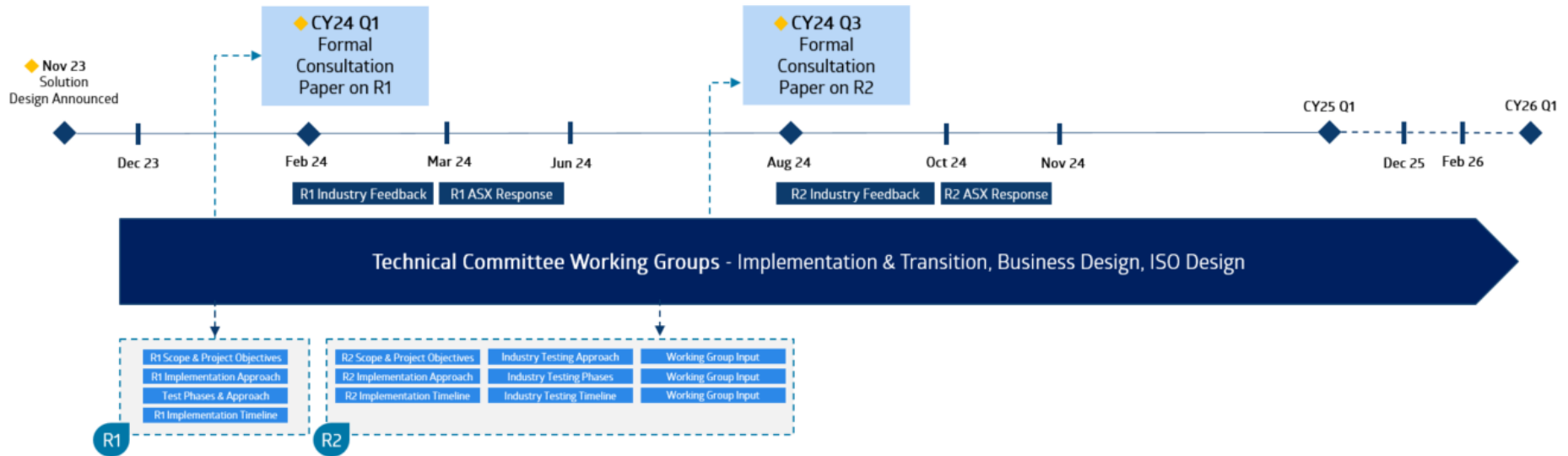
Attachment 2: CY2024 Industry Engagement



Attachment 1: High Level Project Plan



Attachment 2: CY2024 Industry Engagement



Committee	Business Committee
Meeting date	6 December 2023
Agenda title	CHES Replacement project – Partnership Program update
Agenda Item No.	4c
Purpose	To provide Business Committee members with a project update on the CHES Replacement Partnership Program (Partnership Program)
Prepared by	Clive Triance, Group Executive, Securities and Payments Katie McDermott, General Manager, Business Design, CHES Replacement
Action	For discussion
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

BACKGROUND

The Partnership Program is designed to recognise the important work that continues to be undertaken on a go-forward basis as ASX, together with industry, work together toward the successful progress and completion of the CHES replacement project.

Further information on ASX’s Partnership Program, including all eligibility criteria, can be found [here](#).

PARTNERSHIP PROGRAM STATUS

Participant Rebate Pool

The Participant Rebate Pool comprises \$15 million, distributed proportionately to eligible clearing and settlement participants based on C&S fees paid to ASX via a one-off fee reduction.

Key updates include:

- To date, ASX has issued rebates to the value of \$13,500,407.55 from the \$15 million available.
- 50 of 60 entities have accepted the invitation to participate in the Participant Rebate Pool.
- Seven organisations are pending the return of their signed paperwork before receiving their rebate.
 - Five of these organisations were awaiting the CHES Replacement solution decision announcement before participating.
- Three organisations have indicated that they will not participate in this facility. Reasons included:
 - perception of small reward compared to the effort required to participate; and
 - changing business model in 2024.
- ASX expects to finalise the remaining payments in the next few months, which would complete its obligation to eligible C&S participants as this part of the Partnership Program

Development Incentive Pool

The Development Incentive Pool is a forward-looking incentive program, making up to \$55 million available to entities developing at least one technology application to connect to and interact with the CHES replacement solution. An initial \$20 million was allocated for the first instalment paid from the Development Incentive Pool, and the remaining \$35 million allocated to payments that will be tied to future program milestones. The timing and nature of these milestones will be known after the publication of a revised project plan following the completion of the CHES Replacement solution redesign process.

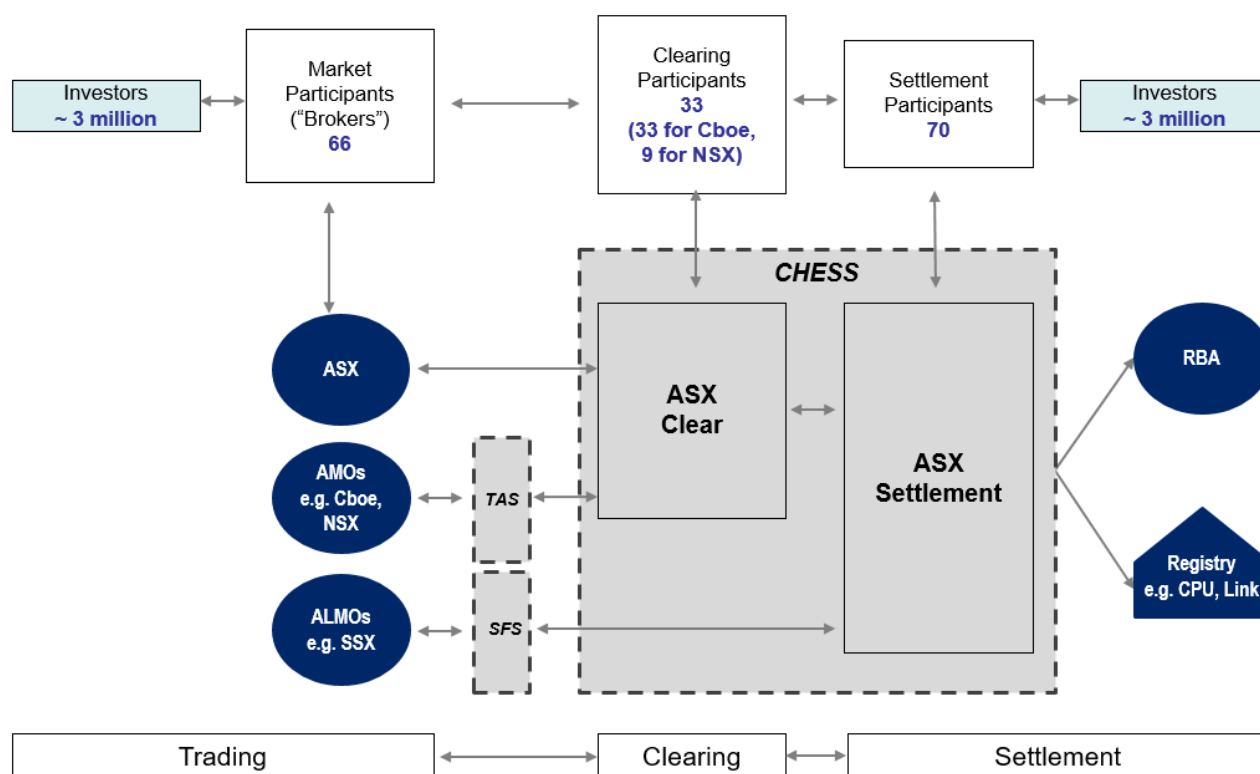
Key updates include:

- To date, ASX has paid \$15,250,000 from the initial \$20 million instalment.
- 19 of 23 eligible entities have accepted the invitation to participate in the Development Incentive Pool:
 - Two organisations are pending the return of their signed paperwork before their initial payment can be made.
 - Two organisations are awaiting the CHES Replacement solution decision announcement before participating.
- ASX will commence industry consultation on the implementation plan in the first quarter of 2024. Following the publication of the implementation plan for CHES replacement, ASX will communicate with eligible program participants to determine the milestones for additional payments from the Development Incentive Pool.
- The milestones for additional payments are expected to be based on certain critical path project milestones under the CHES replacement project. As Release 1 primarily impacts AMOs and they were not deemed eligible for the Partnership Program, and there is no development activity for other software providers in Release 1, the relevant milestones are expected to be related to Release 2 activities. For example, milestones may include an eligible program participant entering into Industry Test Environment 1, completing technical accreditation, and/or the go-live of Release 2.

Committee	Business Committee
Meeting date	6 December 2023
Agenda title	Operational Performance: Cash Market Clearing and Settlement
Agenda Item No.	5a
Purpose	To report on key performance metrics for ASX's clearing and settlement services
Prepared by	Suzy Munro, General Manager, Securities & Payments Operations
Action	For noting
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

Overview

Market Structure Overview



The clearing and settlement of equities performs a critical role in the operation of Australia's financial markets, helping to reduce counterparty and systemic risk, and provide transaction efficiency and certainty for end investors.

Core processes that provide these benefits include novation, netting and settlement.

Service availability

ASX's critical processes of novation, netting and settlement are supported in ASX's core system CHES. A key metric for monitoring systems availability is the percentage of systems uptime as measured against target availability times. The service availability target for CHES is 99.80%.

For the December 2023¹ quarter, the average monthly system availability was 100% for CHES. The average monthly availability of CHES has been 99.99% between November 2011 and October 2023.

Trade Acceptance Service and Settlement Facilitation Service

The CHES system performs the clearing and settlement functions for the Trade Acceptance Service (TAS) for Cboe and NSX to submit trades into CHES and the Settlement Facilitation Service (SFS) for SSX.

The TAS and SFS availability target is 99.80%.

For the December 2023¹ quarter, the average monthly system availability was 100% for the TAS and SFS. The average monthly availability of the TAS and SFS has been 99.99% between November 2011 and September 2023.

Settlement Performance

A performance metric for monitoring the CHES settlement batch is the fail performance.

For the December 2023¹ quarter, the daily average fail performance has decreased to 0.153% and averaged 0.211% for the previous twelve months, between November 2022 and October 2023.

The daily average fail performance was 0.253% over the 3-year period from November 2020 and October 2023.

ASX Settlement Operations review daily settlement data for recurring trends in the settlement failure rate to monitor and ensure that there are no systemic issues.

Month	October	September	August	July	June	May
Average Fail Rate	0.153%	0.230%	0.130%	0.169%	0.165%	0.156%
Maximum Fail Rate	0.260%	1.599%	0.249%	0.360%	0.307%	0.253%
Minimum Fail Rate	0.108%	0.061%	0.066%	0.079%	0.083%	0.109%
Average Value Based Fail Rate	0.079%	0.047%	0.046%	0.101%	0.064%	0.065%
Average Initial Fail Rate	0.022%	0.022%	0.017%	0.019%	0.023%	0.021%
Average Fail Rate (ex unilaterals)	0.129%	0.199%	0.101%	0.127%	0.131%	0.126%
# of days Fail rate > 0.50%	0	1	0	0	0	0
Batch Settlement Extensions	0	0	0	0	2	1
Fall back of Payment Provider	0	1	0	0	1	1

Reporting on clearing and settlement service performance

The key metrics for novation, netting efficiency and settlement efficiency for the December 2023¹ quarter are reported in **Attachment A**. They are also supported by charts demonstrating a longer reporting period in **Attachment B**.

Members are invited to raise any questions in respect of this paper either before the 6 December 2023 Business Committee meeting or during the Questions Session of that meeting.

¹ As of 31 October 2023

Attachment(s)

Attachment A: Summary metrics relating to the performance of ASX's clearing and settlement service

Attachment B: Performance of ASX's clearing and settlement services from January 2022 to October 2023

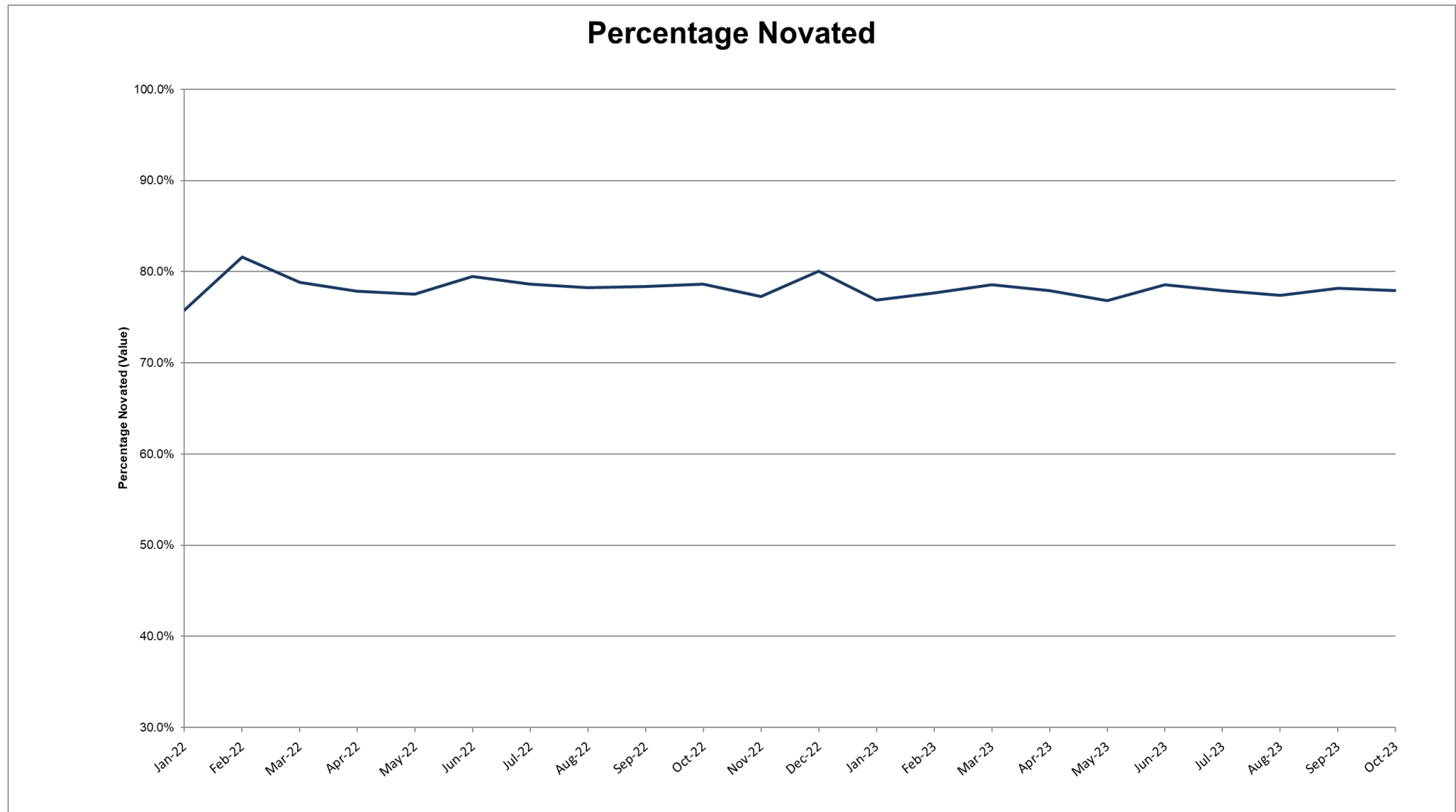
ATTACHMENT A – SUMMARY METRICS RELATING TO THE PERFORMANCE OF ASX'S CLEARING AND SETTLEMENT SERVICE

	December 2023 ¹ Quarter	September 2023 Quarter	June 2023 Quarter
System Availability (CHESS)	100%	100%	100%
System Availability (TAS)	100%	100%	100%
Trade registration			
Total Trades Accepted (ASX)	30,964,393	92,439,576	82,745,651
Total Trades Accepted (Cboe)	10,081,679	29,664,794	27,456,422
Total Trades Accepted (NSX)	19	66	118
Daily Average Trades across all AMOs	1,865,731	1,878,530	1,806,593
Highest Consecutive 2 Days Trade Registration across all AMOs	4,450,173	4,685,823	4,341,836
Clearing			
Daily Average Traded Value (On and Off Market) *	\$9.42 billion	\$9.83 billion	\$10.20 billion
Daily Average Cleared Value *	\$7.34 billion	\$7.65 billion	\$7.94 billion
Percentage Novated *	77.9%	77.7%	77.7%
Netting Efficiency (Value) *	71.6%	71.4%	71.4%
Netting Efficiency (Volume) *	98.8%	98.8%	98.7%
Daily Average Cleared Value Post-Netting	\$2.08 billion	\$2.18 billion	\$2.26 billion
Settlement			
Total Settlements (SSX)	0	0	0
Total Value of Settlements (SSX)	\$0	\$0	\$0
Batch Settlement			
Daily Average Settled Value (Including Non-Novated)	\$11.09 billion	\$11.24 billion	\$12.18 billion
Settlement Efficiency (Value)	99.92%	99.94%	99.92%
Average Daily CHESS Fail Rate (% Rescheduled to the next settlement date)	0.153%	0.175%	0.183%
Average Value Based Fail Rate (% Rescheduled to the next settlement date)	0.079%	0.064%	0.079%

Commencing March 2022 quarter, Traded Volume now includes transactions (for all AMOs) with settlement status "I" (e.g. crossings, informational)

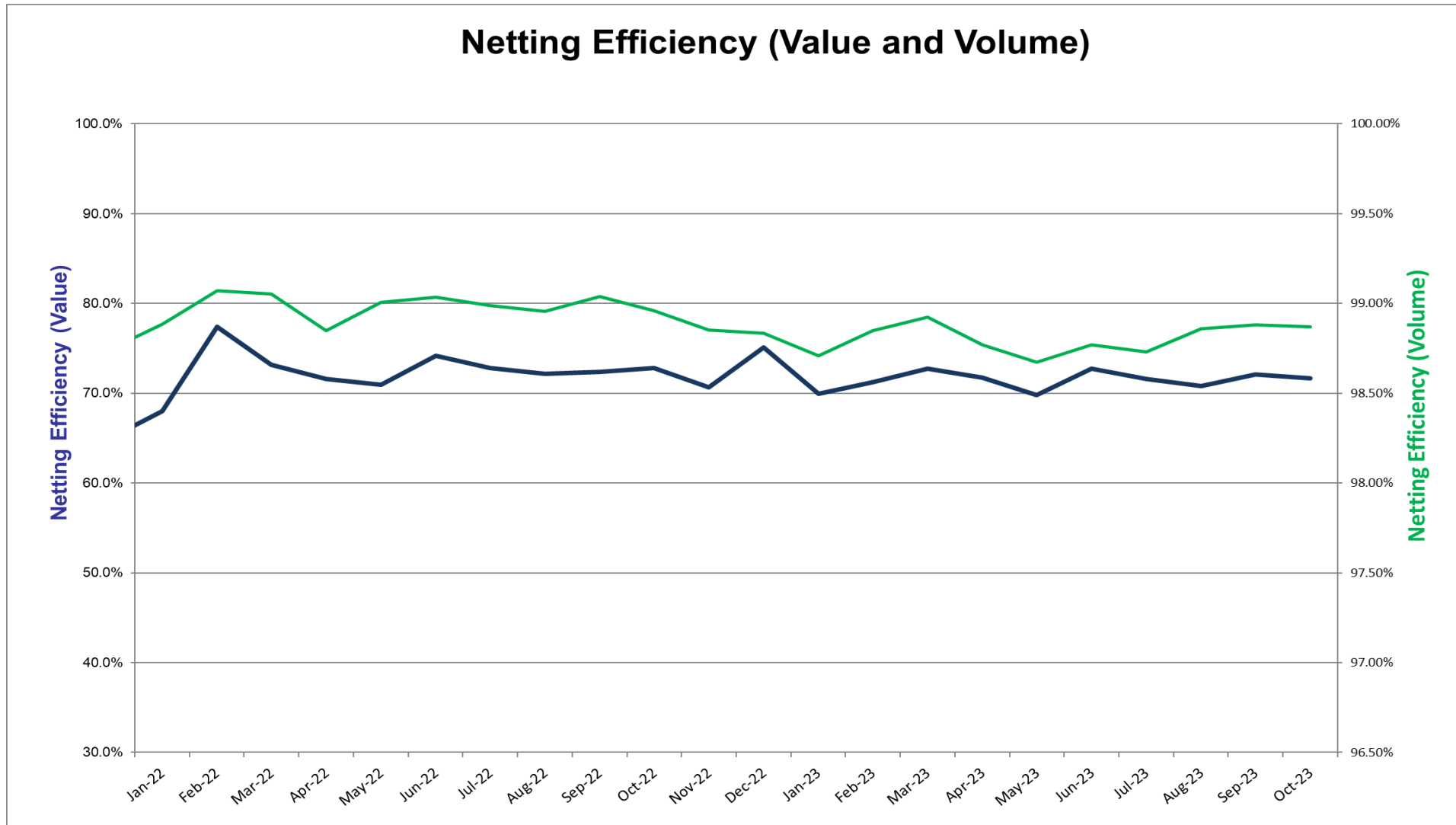
1. As of 31 October 2023

ATTACHMENT B – PERFORMANCE OF ASX'S CLEARING AND SETTLEMENT SERVICES FROM JAN 2022 TO OCT 2023

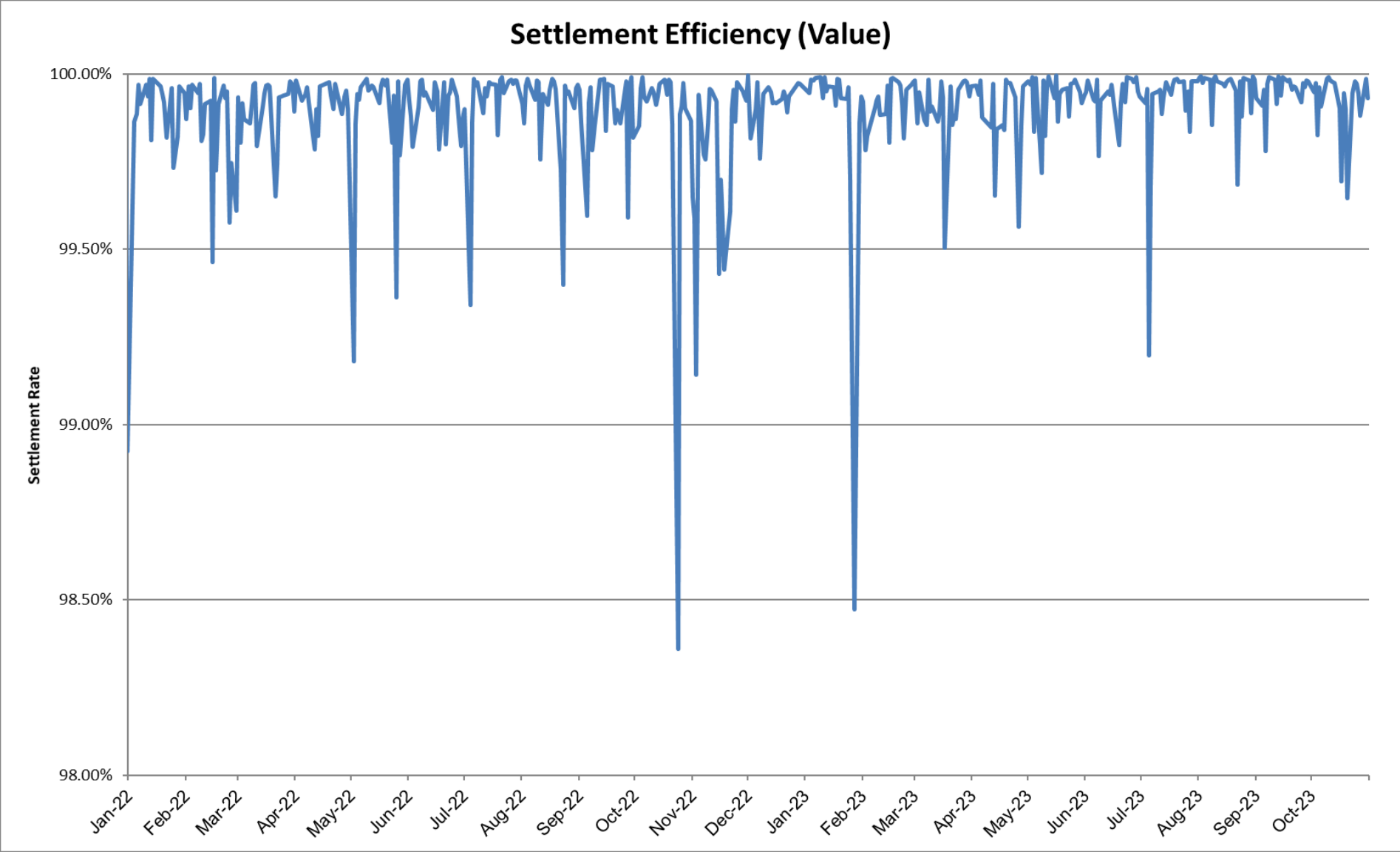


Commencing March 2022 quarter, Traded Volume now includes transactions (for all AMOS) with settlement status "I" (e.g. crossings, informational)

Netting Efficiency (Value and Volume)

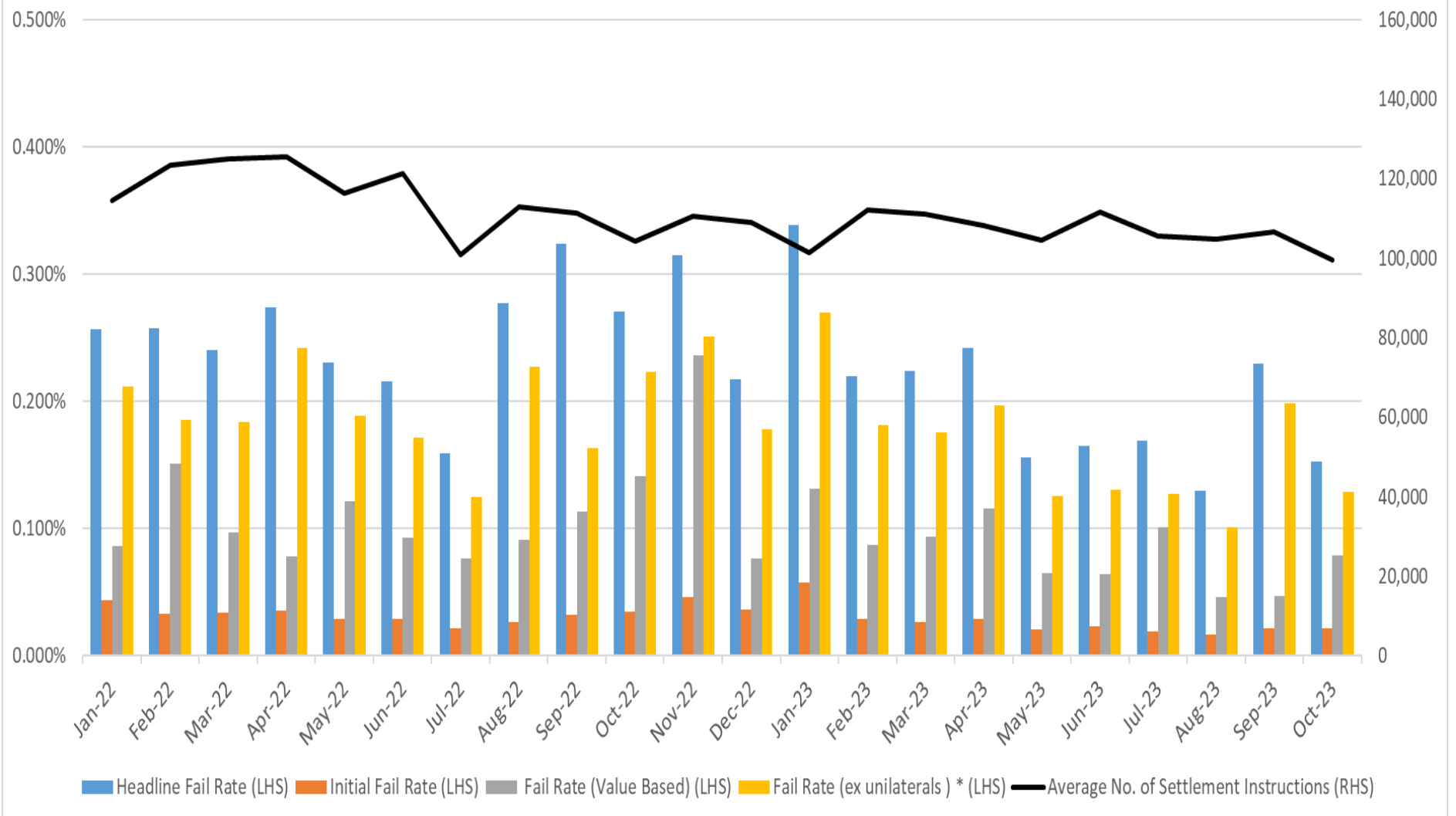


Commencing March 2022 quarter, Traded Volume now includes transactions (for all AMOS) with settlement status "I" (e.g. crossings, informational)



Commencing March 2022 quarter, Traded Volume now includes transactions (for all AMOS) with settlement status "I" (e.g. crossings, informational)

Average Fail Rates % Vs Settlement Instructions



Committee	Business Committee
Meeting date	6 December 2023
Agenda title	Maintaining the stability of existing CHES
Agenda Item No.	5b
Purpose	To provide Business Committee members with an update on the programme of work to ensure existing CHES continues to provide the level of service, reliability and resilience required by the market until CHES replacement is implemented
Prepared by	Sabra Mott, General Manager, Technology, Securities & Payments
Action	For noting
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

OVERVIEW

The CHES service continues to operate within key performance indicators, achieving service level objectives for all of CY2023 to date:

- 100% availability
- No major incidents (Severity 1 or Severity 2)
- 100% headroom on 10 million tested trade registration capacity, Trades per day (Cash Market) includes NSX and CBoE: 2,329,856 peak day volume in October 2023 (Recorded peak in CY 2022 at 4,586,844 and historical peak on 13 March 2020 at 7 million). Refer to Outlook section below on most recent forecast and stress test.
- No failed changes or changes resulting in incidents during October 2023
- Successful disaster recovery test completed on 13 May 2023 with next disaster recovery test planned for 11 May 2024.

The CS Facilities have established operational risk management frameworks with appropriate systems, policies, procedures and controls to identify, monitor and manage operational risk.

The objectives of the frameworks extend to, but are not limited to, targets for system availability, scalable capacity adequate to handle increasing volumes, physical and information policies that address potential vulnerabilities and threats, business continuity arrangements for timely recovery of operations and availability of well-trained and competent personnel.

Internal audits and independent external expert reviews are undertaken of operations, management processes and internal control mechanisms.

Outlook

ASX continues to invest in the ongoing supportability and maintenance requirements of current CHES.

- The “Special Report” on prescribed matters relating to CHES was provided to ASIC on 28 April 2023 (accompanied by a CS Board attestation) and an Audit Report prepared by EY to ASIC on 31 May 2023. ASX’s focus is to deliver the 27 initiatives outlined in the “Special Report”. Nine out of 27 have completed to date. ASX has engaged EY to provide assurance with respect to the roadmap progress which has commenced.

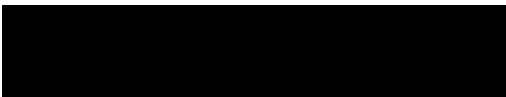
- Initiatives planned in FY24 that would have customer impact considerations are:

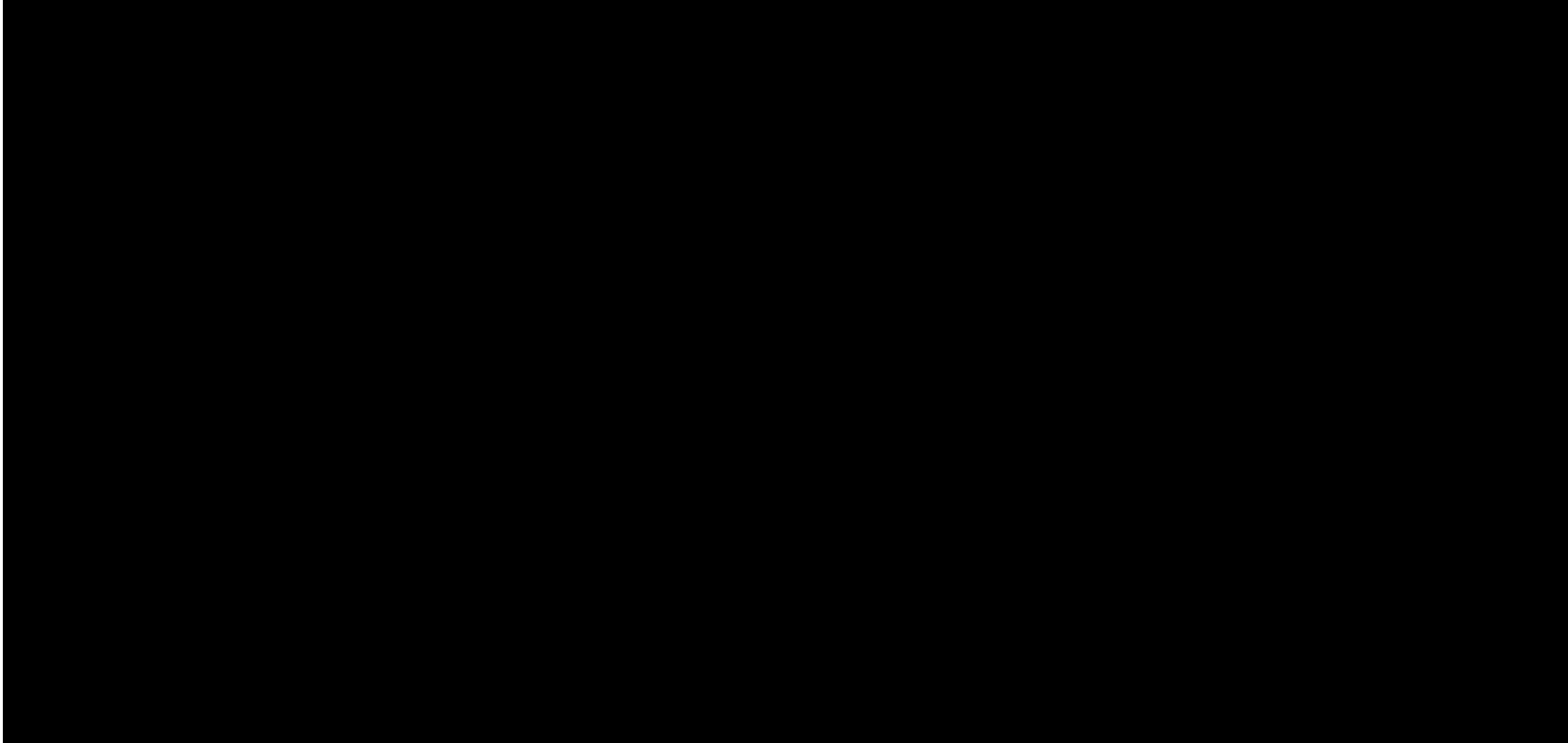
Initiative Short Description	Customer Impact (Y/N)	Indicative Date
Upgrade hardware security module (HSM) devices (i.e. encryption devices)	Y (UAT)	Completed
Migrate all customers VPN access from v3 to v4	Y (internet customers only)	Completed
CHESS Access – upgrade the programming language and MQ series version	Y	June 2024
Migration of trade signals off CORE	Y (clearing participants)	TBC

Other initiatives are to ensure the scalability and useful life of current CHESS continues until CHESS replacement can be safely implemented.

- The breakpoint stress test of current CHESS has commenced including a weekly peak volume of 12.5 million and another weekly peak volume of 15 million to identify any bottlenecks both technical and/or business impacts. A report is due by January 2024 to the Reserve Bank of Australia which will detail the bottlenecks identified during the breakpoint stress test.
- ASX has implemented a new Business Volume Forecast Model for predicting the volume of trades to be registered through CHESS (the new model includes “Trend” and “Jump” components). The 2 year forecast of stress (peak) volume is 7.1 million trades per day (all AMOs) as of 31 October 2023.

Members are invited to raise any questions in respect of this paper either before the 6 December 2023 Business Committee meeting or during the Questions Session of that meeting.





Committee	Business Committee
Meeting date	6 December 2023
Agenda title	Open actions
Agenda Item No.	6a
Purpose	To provide responses to open actions and recommend their closure, where applicable
Prepared by	Business Committee Secretariat
Action	For approval
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

BACKGROUND

One action item from the 19 July 2023 Business Committee meeting remains open, with an update provided in the table below.

Five new action items were raised at the 11 October 2023 Business Committee meeting. Responses to the four action items due in December are included in the table below.

The Business Committee is requested to approve the closure of action item 23-10-1, 23-10-2 and 23-10-3.

Item number#	Action	Due date	Status	Owner	Response
23-7-2	ASX to perform further analysis to articulate benefits of moving to T+1 settlement, including margin and capital savings analysis.	Dec 2023	Open	ASX (Karen Webb, Hamish Treleaven)	Margin analysis presented as part of agenda item 3a. The analysis to identify default fund capital savings is more complex and will be provided at a meeting in 2024.
23-10-1	ASX to circulate two links regarding T+1 settlement: the European Securities and Markets Authority's Call for Evidence paper, and the Value Exchange's recent survey outcomes regarding global preparation for T+1 in North America.	Dec 2023	Open	ASX (Karen Webb)	Circulated via email on 17 October 2023.
23-10-2	ASX and members to consider how best to coordinate and structure work outside of the Business Committee on T+1 settlement, such as leveraging existing working groups or establishing new ones to work through detail and report back to the Business Committee.	Dec 2023	Open	ASX and members (Paul Rayson)	Update presented as part of agenda item 3a, verbal update to also be provided at the meeting on 6 December 2023.

23-10-3	ASX to provide answers bilaterally to member questions regarding the optional pricing proposal for participant sponsored HIN creation and maintenance.	Dec 2023	Open	ASX (Andrew Jones)	ASX has met with one member to discuss their questions, and has reached out to the other member to setup time.
23-10-4	ASX to explore additional ways to encourage take-up of electronic statements.	Mar 2024	Open	ASX (Ouafaa Daki)	Not due yet.
23-10-5	ASX to collate findings from previous 3 regulatory expectations audits (FY23, FY22 and FY21) to provide visibility over the status of the findings.	Mar 2024	Open	ASX (BC Secretariat)	Due date amended to Mar 2024.

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

Committee	Business Committee
Meeting date	6 December 2023
Agenda title	Forward work program
Agenda Item No.	6b
Purpose	To update the Business Committee on the forward work program for 2024
Prepared by	Business Committee Secretariat
Action	For noting
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

BACKGROUND

ASX proposes four meetings of the Business Committee in 2024. Calendar invitations will be issued after the 6 December 2023 meeting.

Other than the standard items (minutes of previous meeting etc.) and subject to input from members on additional items or items to be removed, the forward work program for 2024 Business Committee meetings is expected to be:

Date	Topics
20 March 2024 12.00-2.00pm	<ul style="list-style-type: none"> • Current CHES - service performance, maintaining stability • T+1 settlement • CHES Replacement including Technical Committee updates and Assurance Program report • Regulatory Expectations audit – Terms of Reference • Business Committee Charter, Code of Practice updates
26 June 2024 12.00-2.00pm	<ul style="list-style-type: none"> • Current CHES - service performance, maintaining stability • T+1 settlement • CHES Replacement including Technical Committee updates
18 September 2024 12.00-2.00pm	<ul style="list-style-type: none"> • Current CHES - service performance, maintaining stability • T+1 settlement • CHES Replacement including Technical Committee updates and Assurance Program report • Regulatory Expectations audit • Annual Report on Cash Equity Clearing and Settlement Services Developments • FY25 Annual Growth Threshold and FY24 Management Accounts
11 December 2024 4.00-6.00pm	<ul style="list-style-type: none"> • Current CHES - service performance, maintaining stability • T+1 settlement • CHES Replacement including Technical Committee updates • Forward work program for 2025 • End of year drinks

Members are invited to suggest topics for inclusion or removal in the forward work program at any time by contacting the Business Committee Secretariat at BC.Secretariat@asx.com.au.