

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

Business Committee Meeting

At its 11 October 2023 meeting, the Business Committee was updated on:

- The intentions of the new Independent Chair, next steps regarding Business Committee membership, and the newly established Advisory Group.
- Global developments regarding T+1 settlement, and updated Business Committee survey results on the potential transition to T+1 settlement.
- ASX's amended proposed optional fee model for participant sponsored HIN creation and maintenance, and the status of work on cash market house/client segregation.
- The CHES replacement project, including a project update, scope recommendations from the CHES Replacement Technical Committee and the Partnership Program.
- Service performance of CHES for the September 2023 quarter, work being done to maintain the stability of existing CHES, and ASX's CHES action program.
- Regulatory expectations reporting including the FY23 cash market clearing and cash market settlement management accounts, FY24 annual growth threshold, FY23 annual report on cash equity clearing and settlement services developments, and the findings of the FY23 regulatory expectations audit completed by PwC.

KEY ISSUES DISCUSSED

- The importance of planning and preparation in Australia for North America's migration to T+1 settlement, a call from members for ASX to take a leadership position to drive decisions for the Australian market, discussion around implications for foreign investment flows and support for detailed analysis to support the business case for change in Australia, including risks, constraints, timing and benefits.
- The level of adoption of electronic holding statements to date, and member interest in how the incentives for take-up could be improved.
- The 15 scope objectives recommended by the CHES Replacement Technical Committee for inclusion into the detailed design evaluation and consultation of the CHES replacement project. There was broad consensus from the Business Committee to endorse the recommendation and proceed to make a recommendation to the ASX Clear and ASX Settlement Boards.
- Practical implications for the operation of the Business Committee and the Advisory Group, especially around the confidentiality constraints around the Advisory Group, how overlapping scope will be managed, and ability for both groups to make recommendations to the Boards of ASX Clear and ASX Settlement.

AGREED ACTIONS

Two of the three open actions were closed (the remaining open action has a December due date). Five new actions were raised at the meeting:

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.
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.
3. ASX to provide answers bilaterally to member questions regarding the optional pricing proposal for participant sponsored HIN creation and maintenance.
4. ASX to explore additional ways to encourage take-up of electronic statements.
5. ASX to collate findings from previous 3 regulatory expectations audits (FY23, FY22 and FY21) to provide visibility over the status of the findings.

RECOMMENDATIONS

The Business Committee recommends to the Boards of ASX Clear and ASX Settlement the inclusion of 15 CHES Replacement Scope Objectives into the detailed design evaluation and consultation of the CHES Replacement project.

UPDATE ON RECOMMENDATIONS FROM LAST MEETING

Not applicable.

Minutes from the meeting are attached.

Agenda

Business Committee

Date	11 October 2023	Time	12:00pm- 2:00pm	
Location	ASX offices, 20 Bridge Street, Sydney/MS Teams			
1. Meeting Opening	Action	Presenter(s)	Time 10 mins	Page
a. Welcome, apologies and Acknowledgement of Country, new Chair	Noting	Andrew Jones & Chair		5
b. Minutes of 19 July 2023 meeting	Approval	Chair		6
ITEMS FOR PRESENTATION			90 mins	
2. Clearing & Settlement Services, Issuer Services				
a. T+1 settlement	Discussion	Karen Webb	10 mins	7
b. Participant Sponsored HIN Creation & Maintenance Optional Pricing Proposal - update	Discussion	Ouafaa Daki & Karen Webb	10 mins	39
c. Cash market House/Client segregation	Discussion	Nick Wiley	5 mins	47
3. CHES replacement project				
a. Project update	Discussion	Tim Whiteley & Katie McDermott	10 mins	48
b. CHES Replacement - Technical Committee scope recommendations	Recommendation	Tim Whiteley	35 mins	52
4. BC Member initiated item(s) – No requests received.				
5. Governance				
a. Membership structure survey results	Discussion	Nick Wiley	10 mins	63
b. Advisory Group (Verbal update)	Discussion	Andrew Jones	10 mins	66
QUESTIONS SESSION – ITEMS NOT FOR PRESENTATION			15 mins	
	Action	Attendee(s)	Time	Page
6. Clearing & Settlement Services, Issuer Services				
a. Operational Performance: Cash Market Clearing and Settlement	Noting	Suzy Munro		67
b. Maintaining the stability of existing CHES	Noting	Sabra Mott		75

c.	Update on CHES action program	Noting	Hamish Treleaven	78
7.	CHES replacement project			
a.	Partnership Program update	Noting	Katie McDermott	81
8.	Regulatory expectations			
a.	Management Accounts FY23	Noting	Nick Wiley	83
b.	Annual Growth Threshold	Noting	Nick Wiley	84
c.	Annual Report on Cash Equity Clearing and Settlement Services Developments	Noting	Nick Wiley	85
d.	Regulatory Expectations FY23 Audit	Noting	Hamish Treleaven	95
9.	Meeting closing	Action	Presenter(s)	5 mins
a)	Open actions	Approval	BC Secretariat	98
b)	Forward work program	Noting	BC Secretariat	100
c)	Any other business	Discussion	Chair	
d)	Next meeting – 6 December 2023	Noting	Chair	

Action Items*

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

Item number#	Action	Due date	Status	Owner
23-7-1	ASX to consider how it represents figures and statistics in future, in the context of both the T+1 survey and CHES Replacement Partnership Program, for example to consider weighting member responses to reflect market share or size	Oct 2023	Closed	ASX
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
23-7-3	ASX to re-circulate to members the CHES Replacement Project Objectives discussed at the March 2023 meeting, by way of high-level outline of ASX's principles for decision-making, with elaboration of the objective of supporting opportunities for industry efficiency and growth (as described by the ASX Project Director, CHES Replacement Project at 19 July Business Committee meeting), noting that this objective refers to a replacement system architecture that facilitates certain benefits for the market as a whole (and is not intended to refer to the development of new commercial services by ASX).	Oct 2023	Closed	ASX
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
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
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
23-10-4	ASX to explore additional ways to encourage take-up of electronic statements.	Mar 2024	Open	ASX
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.	Dec 2023	Open	ASX

Business Committee Members (31)

Chair (1)

Company	Name	Job Title	Apologies
	Paul Rayson	Independent Chair	

Clearing & Settlement Participants (15)

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	
BNP PARIBAS	Mark Wootton	Head of Custody Product Aust & NZ	
CITI	Christopher Moore	Manager – Direct Custody & Clearing	
CMC	Andrew Rogers	Director of Broking Business	
COMMSEC	Stephen Norton*	Chief Operating Officer	Sheridan Thompson, Executive Manager, Industry Engagement & Operational Resilience
FINCLEAR SERVICES	Leigh Conder	Chief Operating Officer	
GOLDMAN SACHS	Marton Laszlo*	Executive Director	Yen Le, Executive Director
J.P. MORGAN	Craig Twentyman	Custody Product Head Australia & New Zealand, Executive Director	
MACQUARIE GROUP	James Indge	Cash Equities Business Manager	
MORGANS	Daniel Spokes	Director, Client Support Services	
MORGAN STANLEY	Carrie Barrack	Country Business Manager	
THIRD PARTY PLATFORM	Arnie Selvarajah	Chief Executive Officer	Apology
UBS	Conor Foley	Senior Business Manager	

Settlement Only Participants (2)

Company	Name	Job Title	Apologies
HSBC	Toni Icevski	Head of Client Services, Securities Services	
NAB	Anita Mead	Head of Business Management, Self Directed Wealth	

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	Apology
Andrew Jones	General Manager, Securities & Payments	
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	
Chris Boyes	Senior Product Manager, Securities and Payments	

Ernst & Young

Name	Job Title	Apologies
Roberto Fitzgerald	Partner, Financial Services	

Observers

Name	Job Title	Apologies
Benjamin Cohn-Urbach	Acting Senior Executive Leader, Market Infrastructure (ASIC)	
Dodie Green	Senior Manager, Market Infrastructure (ASIC)	
Rhea Choudhary	Graduate (RBA)	

AGENDA ITEM 1: MEETING OPENING

a) Welcome, apologies and Acknowledgment of Country, new Chair

Members, delegates, ASX management, Ernst & Young and observers were welcomed to the meeting. An acknowledgement of country was made. It was noted that Leigh Conder had replaced David Ferrall as the representative for FinClear Services, and Andrew Gibson had replaced David Travers as the representative for ACSA.

The new independent Chair outlined his commitment to the role, committed to being a good listener and available to members, and to help the industry work through issues and topics and to build consensus on important matters. The Chair also welcomed member suggestions for agenda items and improvements in how the Committee operates.

The Chair noted that Committee members all play a key role in providing input and advice to the ASX on all matters relating to clearing and settlement, and that while members represent their respective businesses, they collectively also represent the industry and its members' expertise and contribution that supports the efficient and reliable functioning of the current infrastructure but also guides investment in future developments, which include CHES replacement.

b) Minutes of 19 July 2023 meeting

The Chair noted that ASX had received no comments on the draft minutes of the 19 July 2023 meeting, which were approved without any further changes.

AGENDA ITEM 2: CLEARING AND SETTLEMENT SERVICES, ISSUER SERVICES

a) T+1 settlement

The ASX Senior Manager, Issuer Services, Securities and Payments provided an update on global developments, including the United States of America, Canada, Mexico, Europe and the United Kingdom. ASX would circulate details of the European Securities and Markets Authority's recent call for evidence paper. In the context of work the Value Exchange is doing regarding North America, ASX would also circulate their latest survey outcomes regarding global preparation for T+1 in North America (**action item 23-10-1**).

ASX made a number of observations regarding readiness and impact of the upcoming move to T+1 in North America, and ASX's focus for the Australian market.

Regarding action item 23-7-2, a written update was provided in the meeting paper. Action item 23-7-1 had been addressed, with an updated version of the T+1 survey results circulated to members via the meeting papers, reflecting responses weighted by FY23 contribution to clearing and settlement revenue. Key callouts from the weighting exercise were outlined in detail in the paper and summarised at the meeting.

ASX sought member views on the value of the weighting exercise and whether the weighting of the survey results resulted in any changes to members' views on the conclusions drawn from the survey. There was a high amount of member engagement, with member questions and discussion around:

- Interest to understand direct feedback from ETF issuers (noting ASX had been engaging directly with ETF issuers regarding North America's move to T+1 and their challenges regarding product creation).
- The importance of ASX taking a leadership position to drive decisions in Australia and acknowledgement that there will always be different views amongst the market.
- The proposition that Australia risks a reduction in international investment flows if Australia remains on T+2 relative to other global markets on T+1 settlement.
- Assuming the inevitability of a move to T+1 in Australia, a suggestion for consideration via a risk lens (i.e. what are the risks arising from a faster transition in Australia, what are the risks arising from not transitioning or from a slower

transition in Australia), and given the inevitability of a mixture of winners and losers, the importance of different mitigation strategies. The Chair agreed that a decision framework would need to cover risks, constraints, timing and benefits.

- The medium to high costs anticipated for clearing and settlement participants, the need for industry to understand the business case (costs and benefits), noting this is a very detailed question that needs to be explored by the industry and an offer from an industry association to facilitate these discussions.
- Whether, as part of ASX's response to open action 23-7-2, the analysis would include cost of capital for ASX, and whether this might result in lower CHES clearing fees. ASX's Chief Risk Officer noted that at this stage, and without having completed the analysis, the central counterparty's capital requirements will be more driven by the riskiest open positions and there are some days when, even under a T+1 settlement cycle, the risk created by those positions still stays close to the maximum that it had been under T+2. ASX would present the detailed findings once the detailed analysis had been completed.
- Anticipated difficulties (and further work to manage) shunting stock between the United States and Australia.
- A request for analysis on all potential levers that can be used in Australia to make T+1 in Australia viable for offshore investors, such as mapping of European and American time zones to maximise the number of productive hours for offshore investors.
- Interest to understand the relative prioritisation from ASX of CHES replacement and T+1, noting both involve very complex change management.
- Support to progress engagement and consultation around the already identified desirable enablers for transition (electronic trade confirmation, stock lending arrangements, removal of cum entitlement balance, payment options such as the New Payments Platform) in parallel while observing the North American experience, and prior to the second half of 2024.
- The importance of Australia and New Zealand continuing to engage and work closely together, and ultimately to align future transition(s).
- A request for members to consider, based on their client base, whether Australia moving to T+1 may result in a reduction in flows from international investors (given Australia is one of the first in the 24 hour clock).

The Chair acknowledged the constructive conversation, the importance of this topic for the forward work program, and requested input from members around how best to coordinate and structure the work to progress the topic going forward (for example leveraging existing industry working groups or establishing new working groups to report back to the Business Committee) (**action item 23-10-2**).

b) Participant Sponsored HIN Creation & Maintenance Optional Pricing Proposal - update

Referring to the paper and presentation materials distributed in advance, the ASX Senior Manager, Issuer Services, Securities and Payments noted the proposed optional pricing model for sponsored HIN creation and modification had been extended to include HIN cancellation.

Member discussion and feedback included:

- Interest to understand how the optional pricing model applies to existing HINs, including whether historical fees would be refunded when an existing HIN moves onto the subscription model.
- The low adoption of electronic statements to date and the lack of incentive for brokers to facilitate their clients' move to electronic statements, with a member questioning whether additional incentives or actions are required to increase take-up. ASX acknowledged broker support for the service is key to increasing take-up.
- Questions from members on the scope and operation, as well as suggestions for improvement, of the proposed optional pricing model.

The ASX General Manager, Securities and Payments agreed to provide answers bilaterally to questions which there was not time to cover in the meeting (**action item 23-10-3**).

The Chair recorded an action for ASX to explore additional ways to encourage take-up of electronic statements (**action item 23-10-4**).

c) Cash market House/Client segregation

The ASX General Manager, Equity Post Trade and Payments confirmed that the market consultation on the case for introducing house/client segregation in the cash market that ASX had foreshadowed at the last meeting had been put on hold. ASX was acting upon request from the Reserve Bank of Australia (RBA), noting the RBA would be performing a deep dive on the topic as part of its FY24 assessment against the Financial Stability Standards which would inform next steps.

AGENDA ITEM 3: CHESSE REPLACEMENT PROJECT

a) Project update

The ASX Project Director, CHESSE Replacement Project noted ASX continued to work towards all deliverables to meet the planned fourth quarter project announcement, including working closely with the newly formed Advisory Group.

Regarding **open action 23-7-3**, and having regard to presentation material, the ASX Project Director, CHESSE Replacement Project explained the solution decision framework, including high level principles for decision making and project objectives.

There was member interest to understand whether ASX had narrowed its thinking regarding the four archetypes cited (fix CHESSE replacement, build custom solution, product based solution and legacy CHESSE), and whether the Advisory Group was providing strategic input on the solution decision framework. The ASX Project Director, CHESSE Replacement Project confirmed no decision had yet been made, rather all considerations and recommendations were being considered, and it was reasonable to expect the Advisory Group was considering the strategy.

b) CHESSE Replacement - Technical Committee scope recommendations

The ASX Project Director, CHESSE Replacement Project thanked the industry for their contributions and the discussions to date, noting different interests across the industry and the complex nature of the issues being solved for.

The General Manager, Business Design, CHESSE Replacement Project introduced the recommendation of the CHESSE Replacement Technical Committee to the Business Committee, reflected in the proposed recommendation to the Boards of ASX Clear and ASX Settlement, to progress 15 scope objectives to the detailed design consultation for the CHESSE replacement project. The General Manager, Business Design, CHESSE Replacement Project summarised the work that the industry and ASX had completed to get to this point, the further work required on the objectives, and the four scope recommendation proposal categories. The scope objectives were described as deliberately high-level, to enable more detailed design within the evaluation and design phase of the project.

The Chair opened for member feedback and discussion.

- A member noted that an informed assessment of cost/benefit of individual scope items would be subject to details of the solution design, and noting the scenario could unfold once solution design is known that the complexity of a scope item may outweigh the benefit derived from it. The ASX Project Director, CHESSE Replacement Project confirmed there would be further industry consultation regarding scope after the solution design decision, and that industry stakeholders would have the opportunity to provide feedback on cost/benefit of scope items with knowledge of the solution design.

- A member asked whether any scope changes are being contemplated for current CHES, to bring forward the timeframe and provide practical benefit prior to CHES replacement, noting scope objective 3.5 (electronic notification of payment advice) might be timely given consultation regarding the future of the ASX Managed Fund Settlement Service. The General Manager, Business Design, CHES Replacement Project confirmed ASX would look for opportunities to enhance current CHES in terms of providing industry value, where technical change is not required, and ASX would further investigate the specific comment regarding scope objective 3.5.
- A member noted their perspective that a lot of further work and analysis needs to go into each scope objective to get to a root cause analysis, and questioned ASX's timing to confirm a decision by the end of the year. The member noted their concern that a lot of the scope felt like a moving target, and that scope changes/moving targets were one of the hallmarks of the project's failure the first time around. A root cause analysis may also result in a fix which could be made prior to CHES replacement. Another member added that the next level of detail was extremely important to each of the scope objectives. The ASX Senior Product Manager, Securities and Payments confirmed ASX had deliberately kept the scope objectives high level so as not to solutionise too early in the process.
- A member reiterated a key purpose of the CHES replacement project, from an issuer and investor perspective, is cost reduction, and encouraged members to consider the scope objectives with this perspective. ASX noted that the benefits or opportunities associated by industry stakeholders with the scope objectives are set out in the business canvasses attached to the pack.

The Chair proposed the recommendation to the Committee, as set forth in the Agenda paper, for determination. The Chair noted that as no member objected to the proposed recommendation, it was the Chair's determination that a broad consensus of members present supported the **recommendation** to the Boards of ASX Clear and ASX Settlement to include 15 CHES Replacement Scope Objectives identified in the Agenda paper into the detailed design evaluation and consultation of the CHES Replacement project. The Chair thanked members for the significant amount of work to get to this point.

AGENDA ITEM 4: BUSINESS COMMITTEE MEMBER INITIATED ITEM(S)

No requests were received. The Chair invited, both at the meeting and in writing after the meeting, suggested items and topics for future discussion.

AGENDA ITEM 5: GOVERNANCE

a) Membership structure survey results

The ASX General Manager, Equity Post Trade and Payments spoke to the membership structure survey conducted, responses received, and proposed next steps, as outlined in the paper. ASX would proceed to invite all clearing participants and general settlement participants who are not currently represented on the committee to join.

b) Advisory Group

The ASX General Manager, Securities and Payments advised that membership of the Advisory Group had been published on ASX's website and the first meeting of the Advisory Group had occurred. ASX outlined how the two forums differ, and will co-exist. Both can make recommendations to the Boards of ASX Clear and ASX Settlement.

Member feedback and questions included:

- Positive feedback about the first two stakeholder consultation meetings prior to the first official meeting of the Advisory Group.

- Noting the confidentiality of discussion at the Advisory Group, how information and perspectives of the Advisory Group could and would be shared with the Business Committee (and vice versa), given the related mandates of both forums. The ASX General Manager, Securities and Payments envisaged this occurring via engagement between the two independent Chairs, publication of Business Committee agendas, papers and minutes and publication of matters discussed at the Advisory Group via ASX's website (and discretion for publication of non-confidential matters). The independent Chairs would work through any requests from members for updates from the respective forums.
- How the operation and setup of the two bodies can be used constructively to avoid a scenario where any recommendation has been made and the other group is not informed and pursues an inconsistent path. The ASX General Manager, Securities and Payments noted that the Advisory Group had been dedicating time to understanding the operation of the Business Committee and the CHES Replacement Technical Committee.
- Whether members would have visibility over the topics being considered at the Advisory Group (acknowledging the next layer of detail may be confidential). The ASX General Manager, Securities and Payments confirmed this was the intention.
- The process should the Advisory Group and Business Committee make inconsistent recommendations to the Boards of ASX Clear and ASX Settlement; both would be presented to the Boards for their consideration and decision making, with explanation provided where a recommendation is not adopted.

AGENDA ITEM 6: QUESTIONS SESSION – ITEMS NOT FOR PRESENTATION – CLEARING AND SETTLEMENT SERVICES, ISSUER SERVICES

a) Operational Performance: Cash Market Clearing and Settlement

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

b) Maintaining the stability of existing CHES

A member asked for assurance that CHES had been tested to 10 million trades, noting their understanding that ASX would be testing to greater than 10 million trades to establish the 'break point'. The member noted they had improved their own systems since the record March 2020 trade volumes such that their own system could handle increased capacity. The ASX General Manager, Securities and Payments advised that ASX would be conducting 'break point' testing in CHES this calendar year. A member asked whether the industry could do anything to assist ASX with this testing in current CHES. The ASX General Manager, Securities and Payments took the question on notice.

c) Update on CHES action program

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

AGENDA ITEM 7: QUESTIONS SESSION – ITEMS NOT FOR PRESENTATION – CHES REPLACEMENT PROJECT

a) Partnership Program update

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

AGENDA ITEM 8: QUESTIONS SESSION – ITEMS NOT FOR PRESENTATION – REGULATORY EXPECTATIONS

a) Management Accounts FY23

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

b) Annual Growth Threshold

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

c) Annual Report on Cash Equity Clearing and Settlement Services Developments

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

d) Regulatory Expectations FY23 Audit

A member reiterated their question from the prior (July) meeting, whether PwC could attend a meeting to report on their findings. The ASX Chief Risk Officer confirmed ASX had discussed the member's request with PwC and they had indicated they did not consider it appropriate given that the engagement was between ASX and PwC. The ASX Chief Risk Officer agreed to again pass on the request from the member to PwC. The member also requested ASX present a summary of findings from previous audits to provide visibility of status, which the ASX Chief Risk Officer agreed to (**action item 23-10-5**).

AGENDA ITEM 9: MEETING CLOSING

a) Open actions

The Chair closed actions 23-7-1 and 23-7-3. Four new actions were raised throughout the meeting, as recorded in the action item table.

b) Forward work program

Referring to the forward work program included in the meeting papers, the Chair welcomed feedback and suggestions for agenda items for future meetings.

A member requested a representative from the Advisory Group attend the next meeting, to provide a short overview on the work of the Advisory Group, including CHES replacement and T+1 settlement. The Chair acknowledged the suggestion.

c) Any other business

No other business was raised.

c) Next meeting – 6 December 2023

The next meeting is scheduled for 6 December 2023. The meeting closed at 1.50 pm.

Signed as a correct record of the meeting.



Chair

8 December 2023

Date