



Business Committee

Presentation materials

6 December 2023

Committee members are reminded to have regard to their obligations under competition law. In particular, please note that the Competition and Consumer Act prohibits a corporation from engaging with one or more persons in a concerted practice that has the purpose, effect or likely effect of substantially lessening competition.



T+1 Settlement

T+1 Working Group membership - 16

- > Chair – Andrew Jones (**ASX**)
- > Industry Associations (4)
 - **AFMA** – Damian Jeffree
 - **ACSA** – Andrew Gibson
 - **SIAA** – Judith Fox
 - **AIRA** – Ian Matheson
- > Share registries (2)
 - **Boardroom** – Martin Jones
 - **Computershare** – Scott Hudson
- > AMOs (1)
 - **Cboe Australia** – Benjamin Phillips
- > Local/retail brokers (4)
 - **CommSec** – William Berriman
 - **WealthHub** – Julie Mason
 - **Morgans Financial** – Daniel Spokes
 - **FinClear** – Leigh Conder
- > Global/custodians (4)
 - **BNP Paribas** – Mark Wootton
 - **Goldman Sachs** – Marton Laszlo
 - **UBS** – Conor Foley
 - **Citi** – Christopher Moore

T+1 Settlement Compression

Global moves to T+1



Live January 2023



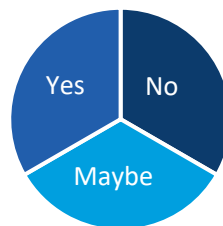
Target go live May 2024



Consultation, report in 2024



Recommendations by Dec 2024

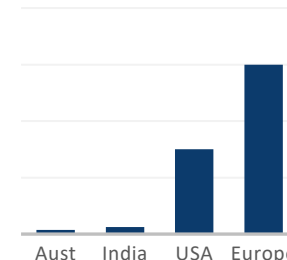


Early consultation has commenced, market has mixed views

Australian status



T+1 working group convening Dec 2023



Australia has some of the lowest settlement fail rates

Potential benefits

- Reduced Market Risk
- Enhanced Liquidity
- Increased Efficiency
- Reduced Credit Risk
- Alignment with Global Standards and timing
- Opportunities for Technological Advancement

Australian approach

- Discussion paper (H1 2024)
- Stakeholder engagement
- Regulatory engagement
- Australian market “Business Case”
- Technology capability
- Timing and implementation

Australian specific issues

- Australia is already T+1.5
- Consider Australia’s timezone
- Global capital flows and FX
- Securities Lending
- Settlement fail rates
- CHES replacement sequencing
- Co-ordination with NZX



HIN pricing update

ASX Clearing & Settlement Schedule of Fees update

Recently, Australia Post announced an increase in the cost of a standard stamp, raising it from **\$1.20** to **\$1.50** effective **1 January 2024**.

Consequently, ASX will adjust the participant request fee that result in holder notifications from **\$1.25** to **\$1.50** effective **1 January 2024**.

The change in fees applies to the product codes and associated services listed below:

- **04900065**: Re-issue of current Holding statement – message request (per CHES message request 503)
- **04900075**: Holder Maintenance – Sponsored Holding (per CHES message request 201, 203)
- **04900085**: Change of controlling participant – message request (per CHES message request 245)
- **02300016**: Bulk holder Cancellation – Sponsored Holders (per HIN request)
- **04900240**: Sponsored Holder Offer Acceptance (per Offer Acceptance, per CHES message request 082,704)

The updated ASX Clearing & Settlement Schedule of Fees and Issuer Services Schedule of Fees are now available. No impact to issuer fees.

HIN Pricing Subscription Update

- The “Optional HIN Pricing” Information document will be published on Thursday 7 December and emailed to sponsoring participants.
- This document provides an overview of the proposed new optional fee model, which is being offered on a subscription basis, for the creation, modification, or cancellation of sponsored HINs. It also includes a few examples showing comparisons with the current fee model.
- ASX will engage with interested participants on the new optional pricing model for HIN creation and maintenance in advance of the changes. To facilitate this, we will organise information sessions upon request. Participants will have the opportunity to compare the cost of their existing fee structure with the new optional model.



Questions Session

Items not for presentation

Business Committee Chair

Questions Session – Items not for presentation

- > Agenda item 5a: Operational Performance: Cash Market Clearing and Settlement
- > Agenda item 5b: Maintaining the stability of existing CHES

Disclaimer

This document provides general information only. ASX Limited (ABN 98 008 624 691) and its related bodies corporate (“ASX”) makes no representation or warranty with respect to the accuracy, reliability or completeness of the information. To the extent permitted by law, ASX and its employees, officers and contractors shall not be liable for any loss or damage arising in any way (including by way of negligence) from or in connection with any information provided or omitted or from anyone acting or refraining to act in reliance on this information.

© 2023 ASX Limited ABN 98 008 624 691