



# Issuer Services: HIN Pricing - Subscription model

**Information Paper**

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## Executive Summary

### Overview

This document provides an overview of the proposed new optional fee model, being offered on a subscription basis, for the creation, modification or cancellation of sponsored Holder Identification Numbers (HINs) in CHESS via EIS 201 and EIS 203 messages.

ASX proposes to offer a simplified subscription model with fees based on the number of active sponsored holders managed in CHESS, allowing participants unlimited sponsored HIN creation, modification and cancellation if the ASX communication preference of those sponsored HINs is email. For participants that adopt this new fee model and transition their investors to electronic statements, their ASX fees for sponsored HIN creation, modification and cancellation are expected to decrease compared to the existing fee model.

This new subscription model will be optional, providing sponsoring participants with the choice to either remain under the existing fee structure or adopt the subscription model. This document provides a few examples showing comparisons with the current fee model.

### Impacted stakeholders and holder types

The proposed changes will be relevant to sponsoring participants (herein referred to as "participants" unless otherwise specified) and will not have any impact on other stakeholder groups, such as issuers.

However, ASX expects that the proposed model will further incentivise participants to support and promote take up of electronic statements by their clients, which in turn will provide a positive outcome for issuers through a reduction in statement fees.

These changes solely pertain to sponsored HINs and do not involve any modifications to the fees associated with HINs categorised as direct or entrepot holder types.

## 1. New optional Fee structure

### 1.1. Summary of existing fees

Currently, when a participant submits a request to CHES for (a) the creation of a HIN through an EIS 201 message, (b) the modifications to registration details of a HIN via an EIS 203 message or (c) the cancellation of a HIN via an EIS 203 message, a fee of \$1.50 per request (effective 1 Jan 2024) is charged to the participant, as outlined below:

Product Code	Service	Description	Message	Fee (exc. GST)
04900075	Holder Maintenance - Sponsored Holdings	Per request to create, update or cancel a Sponsored Holder.	201,203	\$1.50 effective 1 Jan 2024.

These charges are outlined in the ASX Clearing & Settlement [Schedule of Fees](#).<sup>1</sup>

Following the participant's request, the investor will be notified about the creation, modification or cancellation of the HIN through their chosen communication method, which can be either mail or email.

ASX notes that fees payable by participants for a valid EIS 203 message for the purposes of electronic communication opt-in or opt-out have already been waived. More details on the fee waiver can be found [here](#).

### 1.2. Details of the new optional fees

Participants will have the choice to opt into the HIN pricing subscription model, which involves a fixed monthly fee for each active or locked sponsored HIN with at least one holding balance greater than zero at the last business day of a given month.

However, if the communication preference for the HIN is set to mail, participants will be charged an additional \$1.50 fee [for each EIS 201 or EIS 203 message to create, update registration details for, or cancel, this HIN] along with the subscription fee if the HIN has one or more holdings with a balance greater than zero.

It is important to note that if a participant has not opted into the subscription model, the existing fee structure will still apply (refer to section 1.1).

The table below provides an overview of the new optional fee structure:

<sup>1</sup> All references to fees in this document are exclusive of GST

<b>HIN Subscription</b>	
<b>Subscription Fee</b>	\$0.02 monthly per active HIN. (An active HIN is a HIN with at least one holding balance greater than zero at the last business day of the month).
<b>HIN Creation Fee</b>	Included in the subscription fee if ASX communication preference of the HIN is email. Additional \$1.50 per creation request (EIS 201 message) if ASX communication preference of the HIN is mail.
<b>HIN Update Fee</b>	Included in the subscription fee if ASX communication preference of the HIN is email. Additional \$1.50 per modification request (EIS 203 message) if ASX communication preference of the HIN is mail.
<b>HIN Cancellation Fee</b>	Included in the subscription fee if ASX communication preference of the HIN is email. Additional \$1.50 per cancellation request (EIS 203 message) if ASX communication preference of the HIN is mail.

### 1.3. Examples

#### 1.3.1 Example 1: 70% of active HINs have selected email as their preferred ASX communication method

##### Assumptions:

- Total participant HINs: 250,000
- Total participant active HINs: 125,000 (Assuming only 50% of HINs are active).
- Number of HIN creation, modification and cancellation requests per year: 62,500 requests. This assumes one request (creation, modification or cancellation) per active HIN every 2 years and no changes on inactive HINs.
- 70% of active HINs have email as their preferred ASX communication method, i.e. for remaining 30% of active HINs, mail is the preferred ASX communication method.

##### Fee comparison:

<b>Estimated existing fee per annum</b>	\$93,750
<b><i>(Number of EIS 201 and EIS 203 requests x \$1.50)</i></b>	<i>62,500 x \$1.50</i>
<b>Estimated new optional pricing model fee per annum</b>	\$58,125
<b><i>(Number of active HINs x \$0.02 x 12) + (Number of EIS 201 and EIS 203 requests where ASX communication preference is mail x \$1.50)</i></b>	<i>(125,000 x \$0.02 x 12) + (30% x 62,500 x \$1.50)</i>

#### 1.3.2 Example 2: 35% of active HINs have selected email as their preferred ASX communication method

##### Assumptions:

- Total participant HINs: 250,000
- Total participant active HINs: 125,000 (Assuming only 50% of HINs are active).
- Number of HIN creation, modification and cancellation requests per year: 62,500. This assumes one request (creation, modification or cancellation) per active HIN every 2 years and no changes on inactive HINs.
- 35% of active HINs have email as their preferred ASX communication method, i.e. for remaining 65% of active HINs, mail is the preferred ASX communication method.

#### Fee comparison:

Estimated existing fee per annum	\$93,750
<i>(Number of EIS 201 and EIS 203 requests x \$1.50)</i>	<i>62,500 x \$1.50</i>
Estimated new optional pricing model fee per annum	\$90,937.50
<i>(Number of active HINs x \$0.02 x 12) + (Number of EIS 201 and EIS 203 requests where ASX communication preference is mail x \$1.50)</i>	<i>(125,000 x \$0.02 x 12) + (65% x 62,500 x \$1.50)</i>

#### 1.3.3 Example 3: 0% of active HINs have selected email as their preferred ASX communication method

##### Assumptions:

- Total participant HINs: 250,000
- Total participant active HINs: 125,000 (Assuming only 50% of HINs are active).
- Number of HIN creation, modification and cancellation requests per year: 62,500. This assumes one request (creation, modification or cancellation) per active HIN every 2 years and no changes on inactive HINs.
- No active HINs have email as their preferred ASX communication method, i.e. for all active HINs, mail is the preferred ASX communication method.

#### Fee comparison:

Estimated existing fee per annum	\$93,750
<i>(Number of EIS 201 and EIS 203 requests x \$1.50)</i>	<i>62,500 x \$1.50</i>
Estimated new optional pricing model fee per annum	\$123,750
<i>(Number of active HINs x \$0.02 x 12) + (Number of EIS 201 and EIS 203 requests where ASX communication preference is mail x \$1.50)</i>	<i>(125,000 x \$0.02 x 12) + (62,500 x \$1.50)</i>

#### 1.4. Effective Date

In order to provide ample time for participants to evaluate the benefits of the new optional pricing model and ensure a seamless transition for those who opt in, this paper is being published well in advance of the effective date of the new pricing model.

The new pricing structure is expected to come into effect in Q3 2024. The actual effective date will be advised to participants in further communications, including an updated schedule of fees and the arrangements for participants to opt into or opt out of the optional pricing model.

## 2. Stakeholder engagement

ASX will engage with interested participants on the new optional pricing model in advance of its effective date. To facilitate this, we will organise information sessions upon request. These sessions will provide a comparison of the existing fee structure and the anticipated fee with the new pricing model based on the participant's adoption of electronic statements.

ASX will continue working with interested participants to ensure a smooth transition to electronic statements and notifications. As part of this effort, certain fees related to opting participants' existing clients into the electronic communications will continue to be waived.