



30 August 2023

**Joseph Longo**

Chair  
Australian Securities and Investments Commission  
Level 5, 100 Market Street  
SYDNEY NSW 2000]

**Michele Bullock**

Deputy Governor  
Reserve Bank of Australia  
65 Martin Place  
SYDNEY NSW 2000]

By email

**Re: REGULATORY EXPECTATIONS FOR ASX CASH EQUITIES CLEARING AND SETTLEMENT ADVISORY GROUP**

ASX acknowledges the regulatory expectations for the ASX Cash Equities Clearing and Settlement Advisory Group (Advisory Group) set out in the letter from the Australian Securities and Investments Commission (ASIC) and the Reserve Bank of Australia (RBA) dated 29 August 2023.

ASX Clear and ASX Settlement undertake to comply with these expectations and will proactively engage with ASIC and RBA in relation to the consideration given to the input received from the Advisory Group.

The directors of ASX Clear and ASX Settlement are committed to supporting the establishment and efficient functioning of the Advisory Group, and commit to providing the necessary resources for the Advisory Group and its Independent Chair to execute their advisory functions. This includes providing adequate secretariat support.

The Advisory Group will provide important input into key strategic decisions concerning clearing and settlement and will contribute to the successful replacement of CHES. This will include the Independent Chair of the Advisory Group reporting to the boards of ASX Clear and ASX Settlement on Advisory Group discussions and communicating recommendations reflecting the broad consensus of the Advisory Group.

In accordance with the expectations of the regulatory agencies, ASX Clear and ASX Settlement will not make any final decisions on key strategic clearing and settlement issues (including CHES replacement) until the Advisory Group has had a reasonable opportunity to consider these issues.

The directors of ASX Clear and ASX Settlement value this important opportunity for stakeholder consultation and look forward to receiving input from the Advisory Group. The directors commit to consider seriously input received, taking into consideration the important role the Advisory Group plays in representing the interests of the overall cash equities market.

The directors of ASX Clear and ASX Settlement are accountable for the compliance by those entities with their CS facility licence obligations, including providing fair and effective services, complying with the Financial Stability Standards and doing all other things necessary to reduce systemic risk (to the extent that it is reasonably practicable to do so). The directors will have regard to these obligations in considering the recommendations of the Advisory Group to ensure continued regulatory compliance of ASX Clear and ASX Settlement. If any recommendations given by the Advisory Group are not accepted, the directors will provide a comprehensive written response to the Advisory Group and the regulatory agencies.

Following approval from the boards of ASX Clear and ASX Settlement on 2 August 2023, we welcome the appointment of Alan Cameron AO as Independent Chair of the Advisory Group.

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The first meeting of the Advisory Group will be held on 31 August 2023, and we look forward to this opportunity to enhance industry consultation in the lead up to the next key milestone for the CHES replacement project.

Yours sincerely

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**Mr Stephen Knight**

Chair, ASX Clear Pty Limited and ASX Settlement Pty Limited