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Description	Please complete the details below
Your Organisation Name	ABN AMRO Clearing Sydney Pty Ltd
Do you want your response to be treated as confidential?	No
What role does your organisation play in the Australian market?	Brokers, clearing and settlement participants (including retail, institutional and custodians)
What role does your organisation play in the Australian market? - Other (Please specify) - Text	

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(Should the respondent have a view please answer those questions that they consider to be applicable). This section is not mandatory.

Question Reference	Case for T+1 (reasons)	Response (free format)	Guidance Notes
Q1	<p>Would a decision to adopt, or not adopt, T+1 settlement affect the Australian market's international competitiveness as a destination for foreign investment?</p> <p>(refer to section 3.2 of Whitepaper)</p>	<p>We believe the Australian market would benefit from alignment with the US and other markets moving to T+1. Similar efforts are being seen in the EU and other jurisdictions. Currently, work is being carried out by ISLA and ICMA to discuss potential move to T1, while the UK move is estimated for 2027.</p> <p>The transition will require operational changes and a push for further automation and real time data, faster trade processing and streamline post trade workflows .</p> <p>The harmonised settlement cycle may reduce complexities for cross border transactions for example Depository Receipts.</p>	<p>(free text)</p> <p>Topic: Capital Flows</p>
Q2	<p>Would Australia staying on T+2 pose any restrictions on trading volumes for trading participants?</p> <p>(refer to section 3.2 of Whitepaper)</p>	<p>We would not expect any restrictions to trading volumes on the basis of remaining on T+2 settlement cycle.</p>	<p>(free text)</p> <p>Topic: Capital Flows</p>
Q3	<p>Can you quantify the likely impact to your organisation's fail rate of a move to T+1 (for example, based on your organisation's experience in other markets)?</p> <p>(refer to section 3.3.2 of Whitepaper)</p>	<p>We have received positive feedback from our organisations experience in the recent US T+1 settlement migration. For ASX fail rate, it would be highly dependant on the ASX lending counterparties we currently have relationships with both locally and internationally, and their ability to arrange and settle the requested stocks in time for settlement cut-off. Generally speaking borrow can be arranged under the current T+2 settlement cycle on the afternoon of T+1 and settled in time by 11am well ahead of CHES settlement cut-off. Typically current failed settlement obligations arise from counterparty missing settlement instructions, not stock lending related.</p>	<p>(free text)</p> <p>Topic: Settlement Risk</p>
Q4	<p>What is the scale of investment and technology change required for your organisation to support a move to T+1 settlement, from both a cost and lead time perspective (for those organisations involved in overseas transitions would you estimate Australia to be more/less work than specific overseas markets)?</p> <p>(refer to section 3.4 of Whitepaper)</p>	<p>We would expect considerable investment would be required from both a participant and market infrastructure perspective to accommodate bilateral matching improvements. This has been flagged as a prospective functionality in CHES replacement supported by the TCS BaNCS MI platform. Where the system can accept pre-matched settlement instructions such as those matched on a matching platform provider, eg CTM or IRESS. Currently under the T+2 settlement cycle, pre-matching starts around 2pm on T+1 and is completed by 11am on T+2. Under a T+1 settlement cycle this would be difficult to achieve due to time zone differences with international investors.</p>	<p>(free text)</p> <p>Topic: Operational Risks and Processes</p>
Q5	<p>What technology upgrades would your organisation (and clients) need to do to support T+1?</p> <p>(refer to section 3.4 of Whitepaper)</p>	<p>As per Q4, investment into connections for CTM and IRESS would be required to improve bilateral matching for T+1 settlement.</p>	<p>(free text)</p> <p>Topic: Operational Risks and Processes</p>
Q6	<p>What market-wide technology or infrastructure adoption would be needed to support a move to T+1?</p> <p>(refer to section 3.4 of Whitepaper)</p>	<p>As per Q4, investment into connections for CTM and IRESS or other similar systems would be required to improve bilateral matching for T+1 settlement.</p>	<p>(free text)</p> <p>Topic: Operational Risks and Processes</p>
Q7	<p>What could impact your organisation's capacity to move to T+1?</p> <p>(refer to section 3.4 of Whitepaper)</p>	<p>The main considerations would be our stock lending counterparties ability to provide borrow for settlement in time for T+1 cut-off. As well as fund managers (and their respective custodians) ability to pre-match settlements in time for T+1 settlement, in particular offshore investors.</p>	<p>(free text)</p> <p>Topic: Operational Risks and Processes</p>
Q8	<p>To ensure all investors have time to match instructions, what options/solutions do you consider viable, or necessary, to be in place prior to any transition to T+1, such as trade matching confirmation platforms, system/rule changes etc?</p> <p>(refer to section 3.4.1 of Whitepaper)</p>	<p>As per Q4, investment into connections for CTM and IRESS would be required to improve bilateral matching for T+1 settlement.</p> <p>Introduction of potential hold and release bilateral matching improvements as discussed in CHES BDWG meeting on 27th March 2024 would be beneficial. This could be a valuable functionality for improving matching rates in a T+1 settlement cycle. To add to this, based on feedback from our European colleagues, under the CSDR penalty fee regime, any messages on hold which fail to settle on the intended settlement date are subject to cash penalties. In CHES world these are for what we would call "no messages" and not market obligations towards the CCP. For this CSDR penalty fee there is an amount debited from the participant causing the settlement failure and credited to the participant impacted by the settlement fail.</p>	<p>(free text)</p> <p>Topic: Trading Activity and Middle Office Processes</p>
Q9	<p>From the perspective of ETF issuers which scenario best fits the needs of the Australian ETF market?</p> <p>(refer to section 3.4.2 of Whitepaper)</p>	<p>Australia remains on T+2 and the US (and potentially other major global markets) operates on T+1</p>	<p>select the applicable response from the drop down</p> <p>Topic: ETF Management</p>

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QID17	Can you tell us why?	The delay in receiving ETF final NAVs has a major impact on the capital required to settle ETF creations due to the buffer required by issuers to accommodate the use of the estimate NAV.	(free text) as to why you responded as you did for question 9 Topic: ETF Management
Q10	In the event that Australia adopts T+1, what potential measures need to be considered to alleviate the challenges for ETF issuers? (refer to section 3.4.2 of Whitepaper)	The use of a delayed settlement batch specific to ETFs may alleviate the requirement for buffers and its impact to the continued growth of this sector. The requirement of buffers on all ETF creation settlements under a T+1 settlement cycle would likely restrict future growth.	(free text) Topic: ETF Management
Q11	In the event that Australia remains on T+2, what potential measures need to be considered to alleviate the challenges for ETF issuers? (refer to section 3.4.2 of Whitepaper)		0 (free text) Topic: ETF Management
Q12	What changes would be required to the securities lending market to facilitate/enable a move to T+1 (e.g. centralised, regulatory changes)? Would the changes need to be in place prior to a move to T+1? (refer to section 3.4.3 of Whitepaper)	We agree with the proposal to move CHES cut off time to a later time and extend settlement times. Failure to do so will increase fails in the market due to shorten coverage window. This change would be required in parallel with T+1 go-live. The shortened time frame requires market participants to rely on real time data. If there are limitations this can lead the market executing T0 borrows. Please note that the US covers borrows T0. ASX consideration: CCP SBL centralised lending platform (e.g. like OCC and CBEO) can help support the liquidity and trading activity.	(free text) Topic: Securities Lending
Q13	What are the key changes that would need to be made to the CHES batch settlement process to facilitate T+1 settlement (including potentially moving the batch settlement in RITS to later in the day)? (refer to section 3.4.4 of Whitepaper)	In addition to the requirement for securities lending settlements under Q12, a later CHES batch settlement time would be essential to accommodate sufficient time for investors, securities lenders, participants to organise settlement and keep settlement fails as minimal as can be expected.	(free text) Topic: Australian Banking System
Q14	In the broader banking eco-system, what (if any) changes would be required to facilitate post-CHES batch settlement processes? (refer to section 3.4.4 of Whitepaper)	Changes to the timing of the CHES batch settlement in RITS	(free text) Topic: Australian Banking System
Q15	Please provide perspectives from investors (both retail and institutional) regarding demand to move to T+1? (refer to section 3.5.2 of Whitepaper)		0 (free text) Topic: Investors Domestic and Global
Q16	Please provide information on the impacts of a move to T+1 in Australia on global investors (including investors who use intermediaries), and what pre-conditions or tools would need to be in place to support a move to T+1? (refer to section 3.5.2 of Whitepaper)	In line with responses to Q4,Q8 and Q13, a key pre-condition would be the successful implementation of the CHES replacement project. This is due to the new proposed functionality and the improvements in the matching process it will facilitate. With this in mind investment into connections for CTM and IRESS would be required to improve bilateral matching for T+1 settlement particularly for global investors and their custodians. A later CHES batch settlement time may assist with global investors ability to instruct matching in time for settlement cut-off. Introduction of potential hold and release bilateral matching improvements as discussed in CHES BDWG meeting on 27th March 2024 would be beneficial. This could be a valuable functionality for improving matching rates in a T+1 settlement cycle, especially for global investors. To add to this, based on feedback from our European colleagues, under the CSDR penalty fee regime, any messages on hold which fail to settle on the intended settlement date are subject to cash penalties. In CHES world these are for what we would call "101" messages and not market obligations towards the CCP. For this CSDR penalty fee there is an amount debited from the participant causing the settlement failure and credited to the participant impacted by the settlement fail. Applying a similar regime to what a large proportion of global investors already deal with in Europe could also support a move to T+1.	(free text) Topic: Investors Domestic and Global

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Question Reference	Case for T+1 (reasons)	Response (free format)	Guidance Notes
Q17	For investors requiring foreign exchange to fund trades, if Australia moved to T+1 would you be able to fund AUD bank accounts in time for daily settlement, and if not, what changes or solutions would be required to make this viable? (refer to section 3.5.2 of Whitepaper)		0 (free text) Topic: Investors Domestic and Global
Q18	Please provide further information on the impacts of a move to T+1 on issuers, including changes that would be required to support issuers in a move to T+1? (refer to section 3.5.3 of Whitepaper)	CA processing. Review and streamline CA processes, especially for events like renounceable rights issues, to ensure timely notification, decision-making and processing within T+1.	(free text) Topic: Issuers / listed companies, corporate actions
Q19	How much lead-time would your organisation (including service providers) require before implementation if a decision was made to move to T+1 in Australia?	At least 12 months	(free text) Topic: Other
Q20	Is there any other feedback or information you would like to share?		0 (free text) Topic: Other