

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

## Business Committee Meeting

At its 20 March 2024 meeting, the Business Committee was updated on:

- T+1 settlement, including
  - An overview of the work of the Business Committee’s T+1 Working Group since the last meeting, including the status of the draft Whitepaper.
  - The impact of T+1 in the US and Canada on corporate action exception management in Australia.
- Recent CHES stress testing results and newly established market management scenarios (six guiding principles for managing extreme trade volumes events).
- The inaugural Network Forum Australasia Meeting held in March 2024 and the Australian Carbon Exchange initiative, which was a panel discussion at the meeting.
- The status of e-Statements take-up, and discussion around barriers to take-up.
- Proposed changes to the Business Committee Charter and the ASX Cash Equities Clearing and Settlement Code of Practice.
- An ASX clearing and settlement specific stakeholder impact roadmap, for members to use for planning, resourcing and funding purposes.
- An update on the CHES replacement project, including the Partnership Program and the results of two recent independent assurance reports prepared by EY, on both the assurance program for the CHES replacement project, and of the CHES replacement ‘Define and Plan’ phase.
- Service performance of CHES for the March 2024 quarter and work being done to maintain the stability of existing CHES.
- The draft Terms of Reference for the FY24 Regulatory Expectations Audit, and a summary of actions taken to address prior findings from previous Regulatory Expectations Audits.

### AGREED ACTIONS

Four of the six open actions were closed. Three new actions were raised at the meeting:

1. ASX to provide semi-annual updates regarding e-Statements take-up.
2. Holding Statements – to consider establishing a working group to review impediments to, and incentivising take up of, holding statements and other investor updates in electronic form.
3. ASX to consider whether TCS and Accenture should attend Business Committee meetings to hear from the market directly on relevant topics.

### RECOMMENDATIONS

No recommendations were made at the Committee’s March 2024 meeting.

Draft minutes from the meeting are attached.

# Agenda

## Business Committee

**Date** 20 March 2024 **Time** 12:00pm-2:00pm

**Location** ASX offices, 20 Bridge Street, Sydney/MS  
Teams

<b>1. Meeting Opening</b>	<b>Action</b>	<b>Presenter(s)</b>	<b>Time</b>	<b>Page</b>
a. Welcome, apologies and Acknowledgement of Country	Noting	Chair	5 mins	
b. Minutes of 6 December 2023 meeting	Approval	Chair		<a href="#">6</a>
<b>ITEMS FOR PRESENTATION</b>			<b>100 mins</b>	<b>Page</b>
<b>2. Clearing &amp; Settlement Services, Issuer Services</b>				
a. T+1 settlement <ul style="list-style-type: none"> <li>• T+1 Working Group and Whitepaper</li> <li>• Corporate action exception management</li> </ul>	Discussion	Andrew Jones, Karen Webb	35 mins	<a href="#">7</a>
b. CHES stress test and Market management scenarios	Discussion	Sabra Mott Suzy Munro	15 mins	<a href="#">41</a>
c. Australian Carbon Exchange initiative – overview	Discussion	Karen Webb	5 mins	<a href="#">43</a>
d. E-Statements take-up update (Q&A)	Discussion	Karen Webb, Ouafaa Daki	5 mins	<a href="#">46</a>
e. TNF Australasia Meeting 2024	Discussion	Andrew Jones	5 mins	<a href="#">52</a>
f. ASX Business Committee Charter update	Discussion	Con Korkofigas	5 mins	<a href="#">53</a>
g. ASX Stakeholder Impact Visibility roadmap	Discussion	Andrew Jones	10 mins	<a href="#">60</a>
<b>3. CHES replacement project</b>				
a. Project update	Discussion	Tim Whiteley	10 mins	<a href="#">62</a>
b. Independent Assessment of the Assurance Program for the CHES Replacement	Discussion	Roberto Fitzgerald (EY)	5 mins	<a href="#">68</a>

## Project

c.	Independent Assessment of CHES Replacement 'Define & Plan' Phase Report	Discussion	Felicity Potter (EY)	5 mins	<a href="#">69</a>
<b>QUESTIONS SESSION – ITEMS NOT FOR PRESENTATION</b>				<b>10 mins</b>	
		<b>Action</b>	<b>Attendee(s)</b>	<b>Time</b>	<b>Page</b>
<b>4. Clearing &amp; Settlement Services, Issuer Services</b>					
a.	Operational Performance: Cash Market Clearing and Settlement	Noting	Suzy Munro		<a href="#">70</a>
b.	Maintaining the stability of existing CHES	Noting	Sabra Mott		<a href="#">77</a>
c.	Regulatory Expectations Audits – summary of actions taken to address prior findings	Noting	Clive Triance		<a href="#">79</a>
d.	Regulatory Expectations Audit – draft Terms of Reference FY24	Noting	Clive Triance		<a href="#">96</a>
e.	ASX Cash Equities Clearing and Settlement Code of Practice update	Noting	Con Korkofigas		<a href="#">102</a>
<b>5. CHES replacement project</b>					
a.	Partnership Program update	Noting	Andrew Jones		<a href="#">108</a>
<b>6. Meeting closing</b>		<b>Action</b>	<b>Presenter(s)</b>	<b>5 mins</b>	<b>Page</b>
a.	Open actions	Approval	BC Secretariat		<a href="#">110</a>
b.	Forward work program	Noting	BC Secretariat		<a href="#">112</a>
c.	Any other business	Discussion	Chair		
d.	Next meeting – 26 June 2024	Noting	Chair		

## Action Items\*

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

Item number	Action	Due date	Status	Owner
23-7-2	ASX to perform further analysis to articulate benefits of moving to T+1 settlement, including margin and capital savings analysis	Dec 2024	Open	ASX
23-10-4	ASX to explore additional ways to encourage take-up of electronic statements.	Mar 2024	Closed	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.	Mar 2024	Closed	ASX
23-12-1	ASX to consider how the entitlement claim process (related to failed settlements that coincide with corporate actions) could be improved and what additional role (if any) ASX may be able to perform in facilitating the claim process.	Mar 2024	Closed	ASX
23-12-2	ASX to prepare a roadmap to provide stakeholder impact visibility across the major work streams running in tandem (such as current CHES initiatives, CHES Replacement, and T+1).	Jun 2024	Open	ASX
23-12-3	ASX to determine the timing and method of communicating the results of the breakpoint stress testing scheduled for completion end January 2024, as well as a market scenario playbook being developed.	Mar 2024	Closed	ASX
24-3-1	ASX to provide semi-annual updates regarding e-Statements take-up.	Sep 2024	Open	ASX
24-3-2	Holding statements – to consider establishing a working group to review impediments to, and incentivising take up of, holding statements and other investor updates in electronic form.	Sep 2024	Open	ASX
24-3-3	ASX to consider whether TCS and Accenture should attend Business Committee meetings to hear from the market directly on relevant topics.	Jun 2024	Open	ASX

## Business Committee Members (42)

Chair (1)

Company	Name	Job Title	Apologies
	Paul Rayson	Independent Chair	

Clearing & Settlement Participants (25)

Company	Name	Job Title	Apologies
ABN AMRO CLEARING	*Matthew McMahon	Head of Operations	Adrian Rubin
AUSIEX	Patrick Salis	Chief Executive Officer	Patrick Salis
BANK OF AMERICA	Stephen Hacker	Director, Head of Operations	
BARRENJOEY MARKETS	Louise Boreham	Head of Operations	
BNP PARIBAS	Mark Wootton	Head of Custody Product Aust & NZ	
BURRELL & CO HOLDINGS	Saskia Jo	Associate Director – Finance	
CITI	Christopher Moore	Manager – Direct Custody & Clearing	
CMC	Andrew Rogers	Director of Broking Business	
COMMSEC	Sheridan Thompson	Executive Manager, Industry Engagement & Operational Resilience	
EUROZ HARTLEYS	Anthony Brittain	Executive Director, Chief Operating & Financial Officer	
FINCLEAR SERVICES	Leigh Conder	Chief Operating Officer	
FNZ CUSTODIANS (AUSTRALIA)	Paul Beal	Head of Capital Markets	
GOLDMAN SACHS	Yen Le	Executive Director	
INSTINET AUSTRALIA	Phil Penrose	Head of Australian Operations	
J.P. MORGAN	Craig Twentyman	Custody Product Head Australia & New Zealand, Executive Director	
MACQUARIE GROUP	James Indge	Cash Equities Business Manager	
MORGANS FINANCIAL	Daniel Spokes	Director, Client Support Services	
MORGAN STANLEY	Carrie Barrack	Country Business Manager	
MORRISON SECURITIES	William Slack	Chief Executive Officer	
OPENMARKETS AUSTRALIA	Rob Forbes	Chief Operating Officer	
RBC SECURITIES AUSTRALIA	Daniel Gray	Managing Director, Head of Business & Client Services, APAC	
STATE ONE STOCKBROKING	Geoff Reilly	Chief Executive Officer	

THIRD PARTY PLATFORM	Lee Muco	Chief Executive Officer	
UBS	Conor Foley	Senior Business Manager	
WEALTHHUB SECURITIES	Anita Mead	Head of High Networth, Investment Platforms	

#### Settlement Only Participants (3)

Company	Name	Job Title	Apologies
CERTANE CT	Rose O'Rourke	Operations Manager	
CHIMAERA CAPITAL	Rochelle Pattison	Director	
HSBC	Toni Icevski	Head of Client Services, Securities Services	

#### 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)	*Yemi Oluwi	Head of Operations & Technology	Chan Arambewela
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	Judith Fox

### 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	
Andrew Jones	General Manager, Equities, Securities & Payments	
Hamish Treleaven	Chief Risk Officer	
Tim Whiteley	Chief Information Officer	
Sally Palmer	Deputy General Counsel	
Con Korkofigas	Senior Legal Counsel and Senior Manager	
Diane Lewis	General Manager, Regulatory Strategy and Executive Advisor	
Suzy Munro	General Manager, Securities & Payments Operations	
Sabra Mott	General Manager, Securities & Payments Technology	
Karen Webb	Head of Issuer Services, Securities & Payments	
Ouafaa Daki	Senior Manager, Issuer Services, Securities & Payments	Apology

### Ernst & Young

Name	Job Title	Apologies
Roberto Fitzgerald	Partner, Financial Services	
Felicity Potter	Partner, Financial Services	
Laura West	Senior Manager, Business Consulting	

### Observers

Name	Job Title	Apologies
Benjamin Cohn-Urbach	Acting Senior Executive Leader, Market Infrastructure (ASIC)	
Dodie Green	Senior Manager, Market Infrastructure (ASIC)	
Liang Chen	Analyst, Market Infrastructure (ASIC)	
Jonathan Jones	Lead Analyst, Clearing & Settlement Facilities Supervision (RBA)	

## AGENDA ITEM 1: MEETING OPENING

### a) Welcome, apologies and Acknowledgment of Country

Members, delegates, ASX management, Ernst & Young and observers were welcomed to the meeting. One new settlement only participant was welcomed onto the committee: Certane CT (represented by Rose O'Rourke). An acknowledgement of country was made.

### b) Minutes of 6 December 2023 meeting

The Chair noted that no member comments were received on the draft minutes of the 6 December 2023 meeting, which were approved without any changes.

## AGENDA ITEM 2: CLEARING & SETTLEMENT SERVICES, ISSUER SERVICES

### a) T+1 settlement

#### T+1 Working Group and Whitepaper

ASX thanked members of the T+1 Working Group for their collaborative, candid and productive contributions. The Working Group had met four times, had other information sessions, and many attended the Network Forum Australasia conference.

ASX provided an overview of the purpose and structure of the draft Whitepaper (which was provided to members prior to the meeting). The purpose of the paper is not to draw conclusions or discuss potential timing, rather to raise issues and ensure consistent understanding in assessing whether T+1 would promote the interests of the Australian market as a whole. The draft Whitepaper had been provided to members prior to the meeting to facilitate discussion and feedback (both at the meeting and in writing after the meeting). A further fatal-flaw version of the draft Whitepaper would be shared with members after the meeting for further feedback.

Member questions and discussion included:

- That participation in the T+1 Working Group had been productive and useful.
- Noting the reference to settlement in Australia being effectively T+1.5, whether ASX currently calculates capital based on 1.5 or 2 days. ASX confirmed the calculations are currently based on 2 days.
- Should the market decide T+1 is inevitable, likely timing for Australia, having regard to known CHES replacement timelines. ASX and the T+1 Working Group was closely monitoring global developments regarding T+1. The importance of foreign investment into Australia was noted. ASX intends to use the responses to the Whitepaper to inform consideration of timing, noting a mixture of binary and hybrid options regarding timing. The importance of cohesive planning for both industry and ASX was noted; noting that both CHES replacement and any move to T+1 would result in sizeable work.
- Whether a potential implementation of T+1 after CHES replacement release 2 (indicative timing 2028/29) would put Australia at a competitive disadvantage.

The Chair thanked the T+1 Working Group for their efforts to date.

#### Corporate action exception management

ASX provided an update on the impact of the move to T+1 in the US and Canada on corporate actions in Australia. ASX would endeavour to minimise the impact of US corporate action timetables having ex and record date on the same day, and support corporate action exceptions where possible, with a view to reaching the best outcome for the industry.



ASX outlined potential impacts across three categories of issuers/securities (noting this was based on ASX issuers, and ASX welcomed views from other market operators regarding impacts to their issuers):

- ETF issuers with underlying securities (or baskets with underlying securities) based in US/Canada – noting this was a sizeable group at around 150 – characterised as minimal to no impact. ETF issuers have advised they will follow Australia event timetables post the North American move to T+1 in May 2024, and where exceptions arise these will be managed.
- Non-exempt category (issuers listed in Australia that are domiciled in US/Canada, where they may also be listed) – characterised as minimal to no impact. Will continue to be required to follow ASX Listing Rules and Australian timetables post-May 2024.
- Exempt foreign category – noting this is a small group of issuers, of which a smaller sub-set regularly announce distributions – characterised as minimal impact. This group have exemptions from some ASX Listing Rules, however historically have tended to comply with such rules and timetables.

ASX had considered timetable and time-zone perspectives (noting time-zone differences for dual-listed stocks is not a new concept), and would operate under the premise going forward that if the issuer is applying the same record date in one or more markets, that record date would be the key date for ASX to support the event and ASX would apply its own ex-date per current Australian corporate action timetables. ASX's Listings Compliance and Structured Products teams would be contacting impacted issuers in April 2024 to outline potential implications and ASX's expectations going forward.

Member questions and discussion included:

- The number of US/Canadian issuers in the non-exempt category – approximately 40.
- Practicalities for the exempt foreign category, such as timing for announcements across time-zones.

## **b) CHESSE stress test and Market management scenarios**

### CHESSE stress test – results update

ASX undertook the stress test arising from commitments made in the CHESSE special report in 2023 and some RBA financial stability standard assessment recommendations, designed to evaluate the system's performance under stress market trade volumes with the objective of identifying the capacity measures that might result in a technical breakpoint or the service failing to meet its service availability target.

ASX shared the test scenarios, peak volumes tested and the results. ASX continues to monitor its key performance indicators against its lead times to improve capacity and performance of CHESSE until it is safely replaced; the capacity of CHESSE currently planned with release 1 will go live with compliance to our forecast volume metrics with 100% headroom.

Member questions and discussion included:

- Clarity regarding impact to downstream users (such as share registries) of any delays caused by extreme volumes, noting delays in getting messages from CHESSE to, for example, share registries, would cause knock-on impacts for other parties' processing and activities. ASX noted it was engaging bilaterally.
- Comparison to the record-volume day of just over 7 million trades in March 2020, acknowledgement of the progress to enhance capacity to date, and clarification whether ASX would formally publish the results of the recent stress testing, ASX acknowledged it had shared with the RBA.

### Market management scenarios – guiding principles for managing extreme trade volume events

Complementary to the technical stress testing activities, ASX provided an overview of six guiding principles that had been developed to inform decision making in the event of an extreme volume trading day where CHESSE standard

processing times extend beyond a tolerable threshold. The principles had been developed to consider the management of the event from three angles (clearing, trading and settlement activities), and one or more guiding principle may be used depending on the circumstances and timing of the market activity. Principle 1 relates to clearing, Principles 2 and 3 trading, and Principles 4, 5 and 6 settlement. ASX had commenced bilateral engagement regarding the principles.

### c) Australian Carbon Exchange initiative – overview

ASX referred to its panel discussion at the Network Forum Australasia Meeting 2024 in relation to the work ASX is undertaking with the Clean Energy Regulator to determine the viability of introducing a carbon exchange, an on-market centralised avenue to trade, clear and settle Australian carbon credit units ('ACCUs'). Existing infrastructure would be used where possible, including trade platforms, clearing and settlement through CHES, as well as supporting investors who are interested in holding ACCUs. The Clean Energy Regulator was in the process of preparing a consultation paper with ASX's input, ASX will commence bilateral engagements with stakeholders.

Members did not raise any questions.

### d) E-Statements take-up update (Q&A)

ASX provided an update on e-Statements take-up to date, just over two years into its availability, with around 12.5% of active holders in CHES having opted into e-Statements. Monthly, this currently equates to around 91% of holding statements being sent in paper form, and around 9% electronically. Four sponsoring participants had transitioned a majority of their holders, five sponsoring participants' transition to electronic delivery was in progress.

Having regard to presentation slide 11, ASX stepped through existing and possible additional mechanisms to encourage take-up, such as investor education, a dedicated ASX team to support participant transitions to electronic statements, introduction of an optional pricing model, work to support an API service for sponsoring participants, exploration of further operating rule changes and fee waivers/changes. ASX continued to waive the fee for the message sent to CHES to opt-in a holder to include their email address details.

The update generated substantive member discussion and questions, including:

- Barriers to take-up, noting that 12.5% take-up was lower than might reasonably be expected in this electronic age. A member noted they expected to be ready for July 2024 when ASX's new optional pricing model took effect, that provision of an API service was highly desirable, and future bulk-migrations of existing customers who chose to opt-in would further bolster take-up.
- Discussion around the incentives for brokers and participants, with one member noting it was the issuers who were facing the cost of the slow take-up, and their firm view that the incentive structure does not support take-up. ASX noted that the new optional pricing model which would become effective in July 2024 does provide an incentive, and in some instances for brokers yet to provide the service, it was being assessed against all other items on their existing workplans. Another member noted that they had been close to implementation but the change of approach regarding CHES replacement meant they needed to re-do and re-prioritise the work on their end.
- A member asked for specific information they could share amongst their organisation regarding savings/discount, which ASX would follow-up offline with the member.
- Discussion around whether the need for holding statements is still valid, and whether an API service could be made available to issuers via their share registries.

The Chair agreed to revisit this topic at the September 2024 Business Committee meeting, and noted two new actions arising from the discussion: ASX to provide semi-annual updates to the Committee regarding take-up of electronic holding statements (**action item 24-3-1**), and ASX to consider establishing a working group to review impediments to, and incentivising take up of, holding statements and other investor updates in electronic form (**action item 24-3-2**). The existing open action **23-10-4** was closed.

#### e) TNF Australasia Meeting 2024

ASX thanked those who attended/sponsored the conference and noted the intention to hold the conference annually. On timing, The Network Forum prefers a longer preparation period in future, and ASX invited member ideas and feedback now in anticipation of next year's conference. The Chair commented that the conference was well-received.

#### f) ASX Business Committee Charter update

Referring to the paper and the attachment in mark-up, ASX noted the proposed changes to the Charter. The proposed changes result from the formation of the Advisory Group in September 2023 and associated regulatory expectations issued by ASIC and RBA, updates for the appointment of an Independent Chair, as well as general updates to align with recently introduced charters (including the CHES Replacement Technical Committee and Advisory Group). One further drafting change not included in the paper was noted based on feedback from RBA and ASIC, that representatives of Business Committee members (i.e. specific individuals) cannot also be members of the Advisory Group.

#### g) ASX Stakeholder Impact Visibility roadmap

ASX provided an overview of the roadmap prepared in response to open action 23-12-2, containing information on current CHES, CHES replacement Release 1, CHES replacement Release 2, T+1, ClearStar, and other known industry initiatives. The roadmap was characterised as 'draft' and focused on clearing and settlement initiatives; ASX Limited would release a more comprehensive roadmap. The Chair invited feedback direct to ASX, members did not raise any questions, and **action item 23-12-2** will remain open as the document evolves.

### AGENDA ITEM 3: CHES REPLACEMENT PROJECT

#### a) Project update

ASX provided a delivery status update regarding the onboarding of the project partners, TCS and Accenture. ASX thanked those members involved in the various working groups for their active engagement.

ASX had published the consultation paper for release 1 on 14 March 2024, and invited feedback. The consultation paper for release 2 would be published in Q3 2024, and ASX intended to respond to industry in November 2024, including around high-level decisions on T+1. ASX was considering two timelines for release 2, and the timeline implications for impacted stakeholders such as software providers was noted.

Member discussion included:

- The split across release 1 and 2 from a market perspective. ASX had split the project into two phases based on feedback from the original project. Cost and time information for release 1 had been published, and cost and time information for release 2 would be published once the consultation process was completed (acknowledging it would be greater from both a time and cost perspective). Work for release 1 is heavily weighted towards Approved Market Operators (AMOs).
- Whether the project partners (TCS and Accenture) should attend Business Committee meetings to hear directly from the market, noting they did attend other forums which was a positive development from the previous project. ASX noted that the ultimate outcome and accountability for delivering the CHES replacement project lies with ASX, and ASX would work closely with its project partners regarding industry feedback. ASX took an action to consider whether its project partners (TCS and Accenture) should attend future Business Committee meetings (**action item 24-3-3**).

## **b) Independent Assessment of the Assurance Program for the CHES Replacement Project**

ASX noted this was the fifth six-monthly-review that EY had undertaken.

The EY partner noted that the December report closed out the prior assurance program, and some of the learnings from that program improved the program itself. Having regard to the design of a new assurance program for the new version of the project, EY would be assessing whether the new program is fit for purpose with a report published in June 2024 upon completion of the work. EY will be looking for learnings baked into the new program, as well as the breadth, depth, coverage, sequencing, timing, and the degree of consultation in the process.

Members did not raise any questions.

## **c) Independent Assessment of CHES Replacement ‘Define & Plan’ Phase Report**

ASX noted that the report covered the nine months of work under the ‘define and plan’ phase, to redesign the CHES replacement project. The EY partner noted the report was published in December 2023, and concluded that ASX had followed a robust and appropriate process to select a solution and supplier for the delivery of CHES replacement. The deliverables and processes were appropriate for the nature, scale and complexity of the project.

Members did not raise any questions.

## **AGENDA ITEM 4: 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**

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

### **c) Regulatory Expectations Audits – summary of actions taken to address prior findings**

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

### **d) Regulatory Expectations Audit – draft Terms of Reference FY24**

Members did not raise any questions in respect of the paper. The draft terms of reference had been circulated to members, and members were invited to provide input on the terms of reference by 5 April 2024 to the Business Committee Secretariat. Members were also invited to indicate directly to PwC or via the Business Committee Secretariat whether they wished to be interviewed as part of the upcoming annual regulatory expectations audit.

### **e) ASX Cash Equities Clearing and Settlement Code of Practice update**

ASX noted one additional change to the Code of Practice, based on feedback from the RBA and ASIC; a reference to “well regulated” would be changed to “well governed” given the document outlines commitments from ASX. Members had no objections to the proposed updates, but a member sought clarification as to ASX’s commitment under its Code of Practice to commission an annual independent review of its pricing arrangements. ASX confirmed the commitment related to an annual independent review of its governance, pricing and access arrangements

benchmarked against the Regulatory Expectations, and a copy of the annual report would be shared with the Business Committee.

#### **AGENDA ITEM 5: QUESTIONS SESSION - ITEMS NOT FOR PRESENTATION – CHESS REPLACEMENT PROJECT**

##### **a) Partnership Program update**

ASX would shortly release its consultation paper, seeking input on the milestones for the development program. Members did not raise any questions in respect of the update.

#### **AGENDA ITEM 6: MEETING CLOSING**

##### **a) Open actions**

As recorded in the action items table:

- Action items 23-10-4, 23-10-5, 23-12-1, and 23-12-3 were closed.
- Action items 23-7-2 (capital savings analysis only, with a response due back to the Committee in December 2024 owing to the complex nature of extracting the data to enable running calculations) and 23-12-2 remain open.
- Three new actions were raised in the meeting (24-3-1, 24-3-2 and 24-3-3).

##### **b) Forward work program**

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

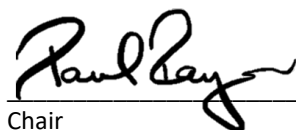
##### **c) Any other business**

No other business was raised.

##### **d) Next meeting – 26 June 2024**

The next meeting is scheduled for 26 June 2024. The meeting closed at 1:57 pm.

Signed as a correct record of the meeting.

A handwritten signature in black ink, appearing to read 'Paul Bayon', is written over a horizontal line.

Chair

28/06/2028

Date