

Business Committee

11 December 2024

Important Information

Competition Law Reminder

Workshop 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.



Acknowledging Country

ASX acknowledges the Traditional Owners of Country throughout Australia. We pay our respects to Elders past and present.

Artwork by Lee Ann Hall, *My country My People*

1b

Draft minutes and report
18 September 2024

2a

Member initiated items

3a

T+1 update

3b

Pricing Policy consultation update

3c

The Network Forum Australasia

The Network Forum Australasia 2025

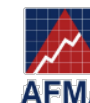
We are thrilled to announce that ASX will again serve as the host partner for [The Network Forum Australasia Meeting 2025](#) on Tuesday 4 and Wednesday 5 March 2025 in Sydney.

ASX, in collaboration with host [The Network Forum](#), are looking to curate an impressive lineup of domestic and global speakers. We have confirmed an agenda that addresses a wider and diverse range of topics and are seeking input from the industry on potential speakers.

We look forward to seeing you at the conference for an engaging and productive discussion.

DATE	Tuesday 4 March - Wednesday 5 March 2025
TIME	8.30 AM - 7.30 PM AEDT
VENUE	Exchange Square, 18 Bridge Street, Sydney
MORE INFO	Visit The Network Forum

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4a

Project update

4b

Scope objectives update

4b – Proposed Next Steps

Recommendation to the Business Committee

The proposed next steps of the CHES replacement scope objectives are categorised under one of the following:

1. Include in project scope and proceed to further detailed design

ASX plans to progress to develop detailed design and specifications with industry via BD WGs, ISO WG & I&T WGs. Electronic notification of payment advice and CUM entitlement balances will progress to further detailed design and specifications with adjusted approaches to address industry feedback.

2. Further engagement required

There are some aspects of the scope items that may require further engagement before proceeding to detailed design. These topics are planned to be taken forward via the Technical Committee and Business Committee in December 2024 and onwards into 2025.

3. Not in scope

These objectives have not received sufficient industry support and will not be brought forward through CHES Replacement at this time.

04b – Scope objectives

Topic	Functionality	Ref	Scope Objective	Source	Proposed Next Steps
Sub-register and issuer sponsored	Registration Details and Investor Information	1.1	Standardise, improve and better synchronise the data sharing between participants and share registries	Business Committee endorsed to proceed to design evaluation and consultation	Include in project scope and proceed to further detailed design
		1.2	Foreign restricted securities - review and simplify the current processes for holdings and transfers	Identified by the Technical Committee for further consideration	Include in project scope and proceed to further detailed design
	SRN Enquiry & Validation	1.3	Implement a faster and more efficient SRN enquiry process	Business Committee endorsed to proceed to design evaluation and consultation	Include in project scope and proceed to further detailed design
	Issuer Sponsored Holding Locks	1.4	Reduce settlement risk in relation to issuer sponsored sales	Business Committee endorsed to proceed to design evaluation and consultation	Include in project scope and proceed to further detailed design
	ETF Creations & Redemptions	1.5	Reduce operational risk in relation to the current ETF creation/redemption workflow	Business Committee endorsed to proceed to design evaluation and consultation (and evaluate the opportunity to make improvements in current CHES)	Include in project scope and proceed to further detailed design
	Continuous Holding Balance	1.6	Provide more efficient, reliable and faster access to holding information	Business Committee endorsed to proceed to design evaluation and consultation	Include in project scope and proceed to further detailed design
	Registry HIN Validation	1.7	Provide the ability for Share Registries to validate account details to facilitate CHES allotment of investor accepted offers	New scope objective identified via design evaluation and consultation phase	Include in project scope and proceed to further detailed design

04b – Scope objectives

Topic	Functionality	Ref	Scope Objective	Source	Proposed Next Steps
Settlement	Bilateral Matching Improvements	2.1	Reduce operational risk by ensuring Participants are able to submit and match transactions in the system as soon as practical whilst minimising the likelihood of incurring a failed settlement (e.g. being able to separately match and schedule a transaction)	Business Committee endorsed to proceed to design evaluation and consultation	Include in project scope and proceed to further detailed design
		2.2	Reduce operational risk by minimising mismatches and failed matches by increasing the data sharing and matching fields available and/or making use of information available in upstream systems	Business Committee endorsed to proceed to design evaluation and consultation	Include in project scope and proceed to further detailed design
	Standing Instructions	2.3	Reduce operational overhead in relation to payment provider authorisations by allowing for automated approvals in the system within cash limits.	Identified by the Technical Committee for further consideration	Further engagement required
	Preliminary Payment Notifications	2.4	Provide more certainty by enabling more frequent and/or configurable access to preliminary payment data.	Identified by the Technical Committee for further consideration	Further engagement required
	Bilateral Matching Improvements	2.5	Bilateral Matching – use of Transaction Basis (on and off-market)	Identified by the Technical Committee for further consideration	Further engagement required
	Settlement Improvements	2.6	Scheduled Settlement CHES to CHES Transfer Request (MT107) - support usage within a participant group structure	Business Committee endorsed to proceed to design evaluation and consultation (and evaluate the opportunity to make improvements in current CHES)	Include in project scope and proceed to further detailed design
		2.7	Deferred settlement securities – review process to ensure/improve settlement efficiencies	Identified by the Technical Committee for further consideration	Not in scope
	Payments	2.8	Payment processes for corporate actions, batch and non-batch DvP settlement processes	New scope objective identified via design evaluation and consultation phase	Further engagement required

04b – Scope objectives

Topic	Functionality	Ref	Scope Objective	Source	Proposed Next Steps
Corporate Actions	Electronic Dividend Claims	3.1	Review and enhance the current processes for automated claims (diary adjustments) to ensure it continues to meet the market needs.	Business Committee endorsed to proceed to design evaluation and consultation	Include in project scope and proceed to further detailed design
	Corporate Action Election and Acceptance Processing	3.2	Provide standardised straight through processing capability for corporate action elections and cost effective associated payments.	Business Committee endorsed to proceed to design evaluation and consultation	Further engagement required
		3.3	Reduce operational risk in relation to DRP standing instructions.	Business Committee endorsed to proceed to design evaluation and consultation	Further engagement required
	Cum Entitlement Balance Transfer	3.4	Evaluate opportunities to facilitate the transfer of entitlements (pre and/or post Record Date) ensuring this does not impact issuer schedules.	Identified by the Technical Committee for further consideration	Not in scope
	Electronic Notification of Payment Advice	3.5	Provide standardised electronic transmission of corporate action distribution information to create opportunities for automation and process improvement.	Business Committee endorsed to proceed to design evaluation and consultation	Include in project scope and proceed to further detailed design. Scope will be reduced (additional fields associated with a holding adjustment only).
	Other Corporate Action Efficiencies	3.6	Evaluate whether ASX can help with the transmission of bank account information in relation to bid offers	Business Committee endorsed to proceed to design evaluation and consultation (and evaluate the opportunity to make improvements in current CHES)	Include in project scope and proceed to further detailed design

04b – Scope objectives

Topic	Functionality	Ref	Scope Objective	Source	Proposed Next Steps
Corporate Actions	Other Corporate Action Efficiencies	3.7	Ensure holding adjustment reason codes are up to date and being used correctly	Business Committee endorsed to proceed to design evaluation and consultation (and evaluate the opportunity to make improvements in current CHES)	Include in project scope and proceed to further detailed design
	Other Corporate Action Efficiencies	3.8	Make sub-register state more readily available to participants to help improve processes in relation to de-listings	Business Committee endorsed to proceed to design evaluation and consultation (and evaluate the opportunity to make improvements in current CHES)	Include in project scope and proceed to further detailed design
	Other Corporate Action Efficiencies	3.9	Standardised electronic proxy voting	Identified by the Technical Committee for further consideration	Not in scope
	Bid Offeror Automation	3.10	Provide an electronic Bid Offeror finalisation process in relation to takeovers and buybacks	New scope objective identified via design evaluation and consultation phase	Include in project scope and proceed to further detailed design

04b – Scope objectives

Topic	Functionality	Ref	Scope Objective	Source	Proposed Next Steps
Settlement Improvements	Changes to Netting Process	4.1	Review the design for netting in the context of the solution	Carried forward from the previous project for design evaluation and consultation	Include in project scope and proceed to further detailed design
	Changes to settlement process	4.2	Review the design for settlement in the context of the solution	Carried forward from the previous project for design evaluation and consultation	Include in project scope and proceed to further detailed design
	Linking Bilateral Settlements	4.3	Settlement linking – review and evaluate solution design	Carried forward from the previous project for design evaluation and consultation	Include in project scope and proceed to further detailed design
	Settlement Lock for CHES Holdings	4.4	Settlement locking – review and evaluate solution design	Carried forward from the previous project for design evaluation and consultation	Include in project scope and proceed to further detailed design
	Non-batch DvP Bilateral Improvement	4.5	Bilateral non-batch DvP settlement – review and evaluate in the context of payment processes	Carried forward from the previous project for design evaluation and consultation	Include in project scope and proceed to further detailed design

04b – Scope objectives

Topic	Functionality	Ref	Scope Objective	Source	Proposed Next Steps
Additional scope objective items	T+1 settlement	5.1	T+1 consultation and potential impacts to the CHES replacement project	Identified for further design consideration	Not in scope
	House/Client Segregation	5.2	House/client segregation consultation and potential impacts to the CHES replacement project	Identified for further design consideration	Include in project scope and proceed to further detailed design
	Interoperability	5.3	Ensure the solution is designed to enable potential future interoperability between CCPs, SSFs and/or Subregisters	Identified for further design consideration	Include in project scope and proceed to further detailed design
	Cum entitlement balances	5.4	Review use cases for Cum Entitlement Balances and assess its continued effectiveness for the Australian market	New scope objective identified via design evaluation and consultation phase	Include in project scope and proceed to further detailed design. Simplified solution

4c

Consultation paper for Release 2

4d

Partnership Program

5

Question Session

5 – Items Not For Presentation

- > Agenda item 5a: Operational performance cash market clearing and settlement
- > Agenda item 5b: Maintaining the stability of existing CHES
- > Agenda item 5c: FY24 management accounts
- > Agenda item 5d: Australian Carbon Exchange initiative update
- > Agenda item 5e: Electronic statement take-up update
- > Agenda item 5f: Customer Impact Plan
- > Agenda item 5g: Margin and capital considerations for T+1 update
- > Agenda item 5h: FY25 annual growth threshold

5f – ASX Customer Impact Plan - Legend

Customer Plan:

A plan showing only activities where the customer is required to participate or supply resourcing and/or budget, to deliver the outcome.

Trading & Derivatives

ASX 24 Bond Roll: functional changes to de-link bond futures calendar spread from the outright contracts, during the quarterly bond roll, to support different tick increments.

ASX 24 Working Group: a new working group still to be set up to engage with stakeholders concerning ASX 24 market and the ASX 24 Trade platform.

ASX CLF: the ASX Clear (Futures) Working Group provides business updates with participants on strategic plans, design, operation and development for ASXCLF including ClearStar program and underlying projects of TradeAccept and ETD Futures clearing replacement project.

Trading Platforms Network Replacement is building new network infrastructure that will provide connectivity into both ASX Trade and ASX24 platforms.

Customer Development Environment (CDE): CDE+ includes the next version of the ASX Trade software, containing bug fixes and new features to be part of the next release of ASX Trade.

Equity Market Working Group: serves as a primary forum for consistent engagement with stakeholders concerning ASX equities market and the ASX Trade platform.

Futures Co-desk Working Group: collaborative sessions aimed at understanding participants' high-level requirements and dependencies impacted by the ASX Clear (Futures) Clearing system replacement.

Interest Rate WG: ASX led industry working group to elicit stakeholder feedback focused on relevant interest rates topics and to share product updates.

Over-the-Counter (OTC): is delivering a Clearing Platform Upgrade from version 13 to version 18.

Service Release 15 (SR15): providing new features and industry standard protocols benefiting customers.

Trade Accept is an off-market registration replacement project.

CHESSR

AMO Working Group: the first stage of CHESS Replacement (Release 1) will replace CHESS's clearing component which will primarily impact Approved Market Operators (AMOs). The AMO Working Group captures feedback across key aspects of Release 1, specifically on scope & design, and readiness.

Business Design Working Group (BDWG) – its purpose is to capture inputs from industry stakeholder representatives to help define additional scope, industry acceptance criteria and business design.

CHESS Replacement Project (CHESSR): will deliver clearing services via Release 1 (R1) and settlement, sub-register and additional clearing enhancements in Release 2 (R2).

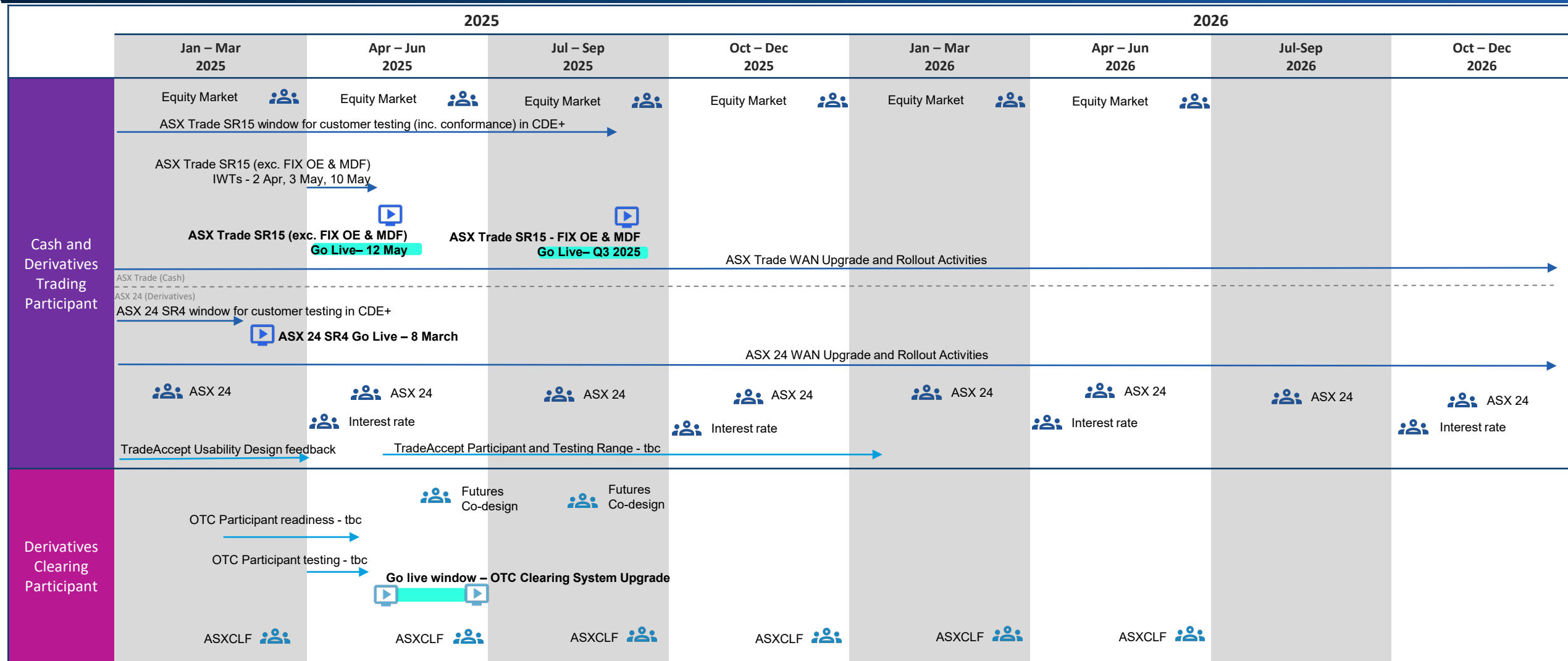
I&T Working Group: Implementation & Transition Working Group. Its purpose is to communicate and capture inputs from industry stakeholder representatives on the implementation, testing, accreditation, transition and readiness of CHESS Replacement to help shape market wide plans.

ISO Design Working Group: A key forum to communicate, understand and collaborate on the implementation of ISO 20022 in Australia's equity post trade environment.

Technical Committee: A monthly sub-committee of the ASX Business Committee for the industry to review and provide input to elements of CHESS Replacement such as project planning and design assumptions.

5f – Proposed Customer Impact Plan

As at December 2024



Trading - ASX Trade and ASX 24

CHES Replacement

Working Group / co-design groups

Go live Range

Other activity

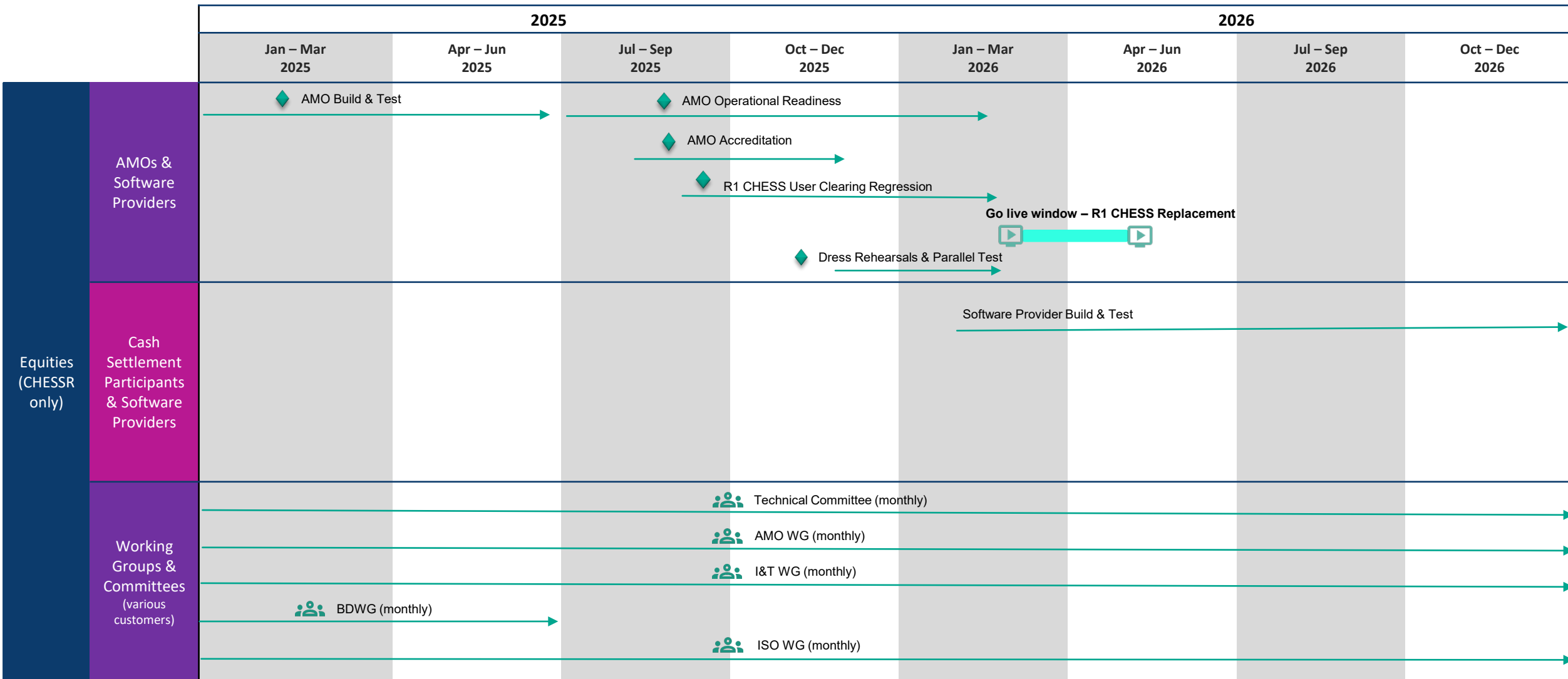
IMPORTANT: this plan is indicative as at December 2024 and is subject to change.



Derivatives – Futures & OTC

5f – Proposed Customer Impact Plan

As at December 2024



6a

Open Actions

6a – Open Actions

11 December 2024

#	Action	Due date	Status	Owner	Update
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	Propose to close	ASX	An update to the capital savings analysis will be provided as part of agenda item 5g. Further updates will be provided following consultation with the Risk Consultative Committee
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).	Dec 2024	Propose to close	ASX	An update to the ASX Customer Impact Plan will be provided as part of agenda item 5f.

6a – Keep In View

11 December 2024

Topic	Action	Due date	Status	Owner
eStatements and Holding Statements	ASX provide an update at each Business Committee meeting, alternating each meeting between an item for noting and an item for presentation with further detailed updates	Dec 2024	Open	ASX
Australian Carbon Initiative	ASX provide an update at each Business Committee meeting on the Australian Carbon Initiative.	Dec 2024	Open	ASX
Customer Impact Plan	ASX to provide the Customer Impact Plan to the Business Committee after it's been update following ASX's Quarterly Planning	Dec 2024	Open	ASX

6b

Forward work program

6b – Forward Work Program

11 December 2024

Meeting Date	Topics
12 March 2025 12.00-2.00pm	<ul style="list-style-type: none">> Current CHES - service performance, maintaining stability> CHES Replacement including Technical Committee updates and Assurance Program report> Pricing Policy Consultation Update> eStatements Update
18 June 2025 12.00-2.00pm	<ul style="list-style-type: none">> Current CHES - service performance, maintaining stability> CHES Replacement including Technical Committee updates
17 September 2025 12.00-2.00pm	<ul style="list-style-type: none">> Current CHES - service performance, maintaining stability> CHES Replacement including Technical Committee updates and Assurance Program report> eStatements Update> Annual Report on Cash Equity Clearing and Settlement Services Developments
10 December 2025 4.00-6.00pm	<ul style="list-style-type: none">> Current CHES - service performance, maintaining stability> T+1 settlement> CHES Replacement including Technical Committee updates> FY26 Annual Growth Threshold and FY25 Management Accounts> Review terms of reference> Forward work program for 2026> End of year drinks

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Thank you.

