



19 June 2024

Clive Triance
ASX Group Executive, Securities and Payments
ASX Limited
20 Bridge Street
Sydney NSW 2000

By email: EquityPostTrade@asx.com.au

Dear Clive,

Cboe Australia (**Cboe AU**) appreciates the opportunity to respond to the ASX Whitepaper *Considerations for accelerating cash equities settlement in Australia to T+1*.

Cboe AU welcomes industry consideration of the benefits, risks, and costs of transitioning to a T+1 settlement cycle. As a licensed market operator handling 20 percent of trading in Australian equities, Cboe AU has no current position on the length of the settlement cycle and accordingly our comments regarding the introduction or timing of T+1 settlement in Australia are limited to noting:

- the importance of Australia's capital markets remaining globally competitive and not falling out of line with global standards;
- that Cboe's globally consistent technology platform has successfully transitioned to T+1 in the United States and Canada;
- that Cboe AU is ready and willing to help facilitate a transition to T+1 settlement in Australia if industry wishes for this to occur; and
- that any transition to T+1 settlement must not compromise on the delivery of the most critical priority for clearing and settlement in Australia: CHES replacement.

The successful completion of phase 1 and 2 of CHES replacement as soon as safely possible is essential to the effective functioning and stability of the Australian financial system, is in the interests of all stakeholders and the market as a whole, and is necessary to provide resilient, performant, and interoperable infrastructure to the market for the years to come.

For that reason, Cboe AU is concerned that some of the options discussed in the paper may result in resources and funding being diverted from CHES replacement to T+1 settlement. Any proposed transition to T+1 settlement within the timeline of the CHES replacement project must be accompanied by a comprehensive cost-benefit analysis that considers the interests of all stakeholders and the market as a whole, particularly by reference to the potential for delays to CHES replacement. ASX must also be able to demonstrate to industry how it will be able to manage delivery of the two projects without compromising on the quality of delivery of either one. Finally, any additional costs associated with running the two projects concurrently should be borne exclusively by ASX, as the alternative would leave industry once again bearing the cost of CHES replacement failures.



Cboe AU thanks ASX for the opportunity to make this submission. If you have any questions, please contact Michael Somes (0401 395 950) or me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Asika', with a long, sweeping flourish extending to the right.

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