

Stakeholder Feedback and ASX Response – mFund

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Stakeholder Feedback and ASX Response

ASX values the feedback it receives from stakeholders to determine the optimal solution design for each new business requirement. As part of its stakeholder engagement process, ASX has published a summary of the feedback it has received from stakeholders from the relevant Focus Groups and ISO 20022 Technical Committee meetings on the solution design of this new functionality.

This feedback is presented in the form of a table, and lists the key topics raised by stakeholders across both forums. The table provides a summary of stakeholder feedback and ASX’s response to that feedback, highlighting where relevant the evolution of the functional specifications of each new business requirement based on stakeholder feedback and further analysis done by ASX. While ASX has considered the issues, comments and suggestions made by each impacted stakeholder, the differing and at times conflicting needs of various stakeholder groups mean that final functional specifications may not support suggestions received or retain aspects notwithstanding concerns raised.

The table does not identify any organisation or individual who raised a particular topic or question for discussion, nor does it intend to capture individual responses received from stakeholders; rather it is intended to be a summary only.

mFund (Applications and Redemptions)

Focus Group	17 September 2019
Technical Committee	Applications - 01 October 2019 Distribution Notification Advice - 26 November 2019 Redemptions - 28 January 2020
Number of respondents (on final proposal)	1
Related presentation materials	https://www.asx.com.au/services/iso20022-technical-committee.htm

Topics	Stakeholder Feedback	ASX Response
mFund Applications and Redemptions – Settlement via RTGS Payment.	A Participant questioned the proposal to change the mFund settlement process from the existing Batch Settlement to RTGS on a line by line basis; citing increased operational risk, longer processing times and increased reconciliation overheads. In addition, the Participant noted that this proposal would incur significant cost as Issuer Registries and PISPs would be required to build an RTGS payment system.	As a result of industry consultation, ASX will retain mFund settlement within the existing Batch Settlement process.
mFund Applications and Redemptions – Unit Adjustment.	Feedback for the inclusion of reason codes to better support mFund Unit Adjustments was positive, with additional reason codes being requested.	As a result of industry feedback, CHES Replacement will support additional reasons codes including: <ul style="list-style-type: none"> • MFEE - Fee Rebate; • MRND - Rounding Differential; and • MUPR - Unmarketable Parcel Redemption.
mFund Distribution Advise Notification – to include cash only distributions in addition to Dividend Reinvestment distribution details.	The mFund Distribution Advice Notification is currently used to notify a Participant of details relating to an mFunds distribution prior to the Holding Adjustment message notifying a Participant of the adjustment to units. A Participant questioned the proposal to extend the use of the notification to include cash only distributions.	To allow for future proofing, CHES Replacement will build the solution to be asset class agnostic, covering both cash and dividend reinvestment distributions.

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