

# Stakeholder Feedback and ASX Response – Demand and Settlement Instructions

## 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.

## Demand and Settlement Instructions

Focus Group	7 November 2018
Technical Committee	27 November 2108
Number of respondents (on final proposal)	10
Related presentation materials	<a href="https://www.asx.com.au/services/iso20022-technical-committee.htm">https://www.asx.com.au/services/iso20022-technical-committee.htm</a>
Related Day 1 <a href="#">Consultation Paper</a> Requirement(s)	2.2.7 – Pre-Settlement – Bilateral transaction matching 2.2.5 – Pre-Settlement – Settlement lock for CHESS holdings 2.2.11 – Settlement – Non-batch DvP bilateral settlement 2.2.12 – Settlement message enhancements 2.5.5 – Linking bilateral settlements

## ASX Documentation

Topics	Stakeholder Feedback	ASX Response
Bilateral transactions - supplementary reference field	Stakeholders views on this topic varied. While some stakeholders supported mandating a supplementary reference field to better facilitate settlement of securities lending transactions, others were of the view that this field should continue to remain an optional field. Rationale for continued optionality included the burden on participants to define a supplementary reference between counterparties, changes to technology systems to enable storage and transmission of this reference, and current lack of a mandatory suitable standard client identifier. Some stakeholders were of the view that for this proposal to be mandated by ASX, the Australian Securities Lending Association (ASLA) should also support this proposal.	Following collaboration with ASLA, and in response to feedback received, ASX will not be mandating the supply and matching of supplementary reference fields. Instead, these fields will be available to participants for matching purposes on an optional basis.
Bilateral transactions - tolerance models for settlement value	Stakeholders provided feedback on the new ASX schedule of tolerances and the appropriateness of the proposed upper and lower limits. Stakeholders generally supported the proposed tolerance regime. Some stakeholders suggested alignment with different upper and lower tolerance thresholds based on their own internal tolerance limits.	As feedback suggested changes to the upper and lower limits of tolerance levels, ASX conducted additional analysis to explore these suggestions. This analysis determined that the market as a whole is best served by retaining the tolerance levels under the new ASX schedule of tolerances provided to the Focus Group. However, ASX is open to revisiting these levels post industry testing if requested by market participants.
ISO 20022 messages mapping	Following walkthrough of business process in Focus Group, and associated ISO 20022 messages via Technical Committee, some stakeholders provided feedback on the published draft ISO messages and their proposed mapping made available in the MyStandards ASX ISO 20022 Technical Committee Closed User Group on MyStandards. Such feedback included: <ul style="list-style-type: none"> <li>• Mapping of the Transaction Identification element</li> <li>• Cancellation message and its mapping</li> <li>• Mapping of the Holder indicator element</li> </ul>	Schema changes have been made on the final ISO 20022 messages relating to these business processes in line with stakeholder feedback.

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