

# ASX CHESS Replacement

Implementation & Transition Working Group

2 October 2024





# 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*



# Housekeeping

## Troubleshooting

- > Please mute yourself when not speaking
- > Please use the 'raise hand' feature on MS Teams if you would like to ask a question
- > Please introduce yourself when talking for the benefit of all members
- > Dial in details (audio only):
  - +61 2 7208 4607
  - Phone Conference ID: 458 640 66#
- > Presentation materials were distributed before the meeting and will be published on the website

# 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.

# Agenda

01 Welcome, Open Actions & Feedback

02 Release 1 – Deferred Settlement

03 Release 1 – Readiness Progress Update

04 Release 2 – Industry Test Approach Engagement

05 Release 2 – Consultation Paper Update

06 Forward Engagement and AOB

# 01

## Welcome, Open Actions & Feedback

*For discussion*

# 01 – Open Actions

October 2024

#	Topic	Action	Raised	Due	Owner	Status
1	R2 Risk Mitigation	ASX to present the assessment of additional options, seeking industry input on viability and risk assessment. Discussion required on day 1 non settlement day, and incremental release of market settlements.	11 July TC	2 October I&TWG	ASX	Propose to Close
2	R2 Risk Mitigation	Working Group members to provide any additional feedback or suggestions on industry testing or otherwise to further de-risk Release 2 to <a href="mailto:CHESSReplacement@asx.com.au">CHESSReplacement@asx.com.au</a>	5 June I&TWG	-	I&T Member Organisations	Propose to Close
3	R2 Timeline	Working Group members to provide feedback on latest R2 timeline	4 July I&TWG	-	I&T Member Organisations	Propose to Close
4	R2 Risk Mitigation	ASX to revert with cohort-level risk assessment of staging options & engage with cohorts as required to validate risk assessment	6 August I&TWG	2 October I&TWG	ASX	Propose to Close, Refer to Slide 27.
5	R2 Operating Rule Changes	ASX to revert with timeline and approach to rule change consultation	6 August I&TWG	2 October I&TWG	ASX	In Progress

# 02

## Release 1 – Deferred Settlement



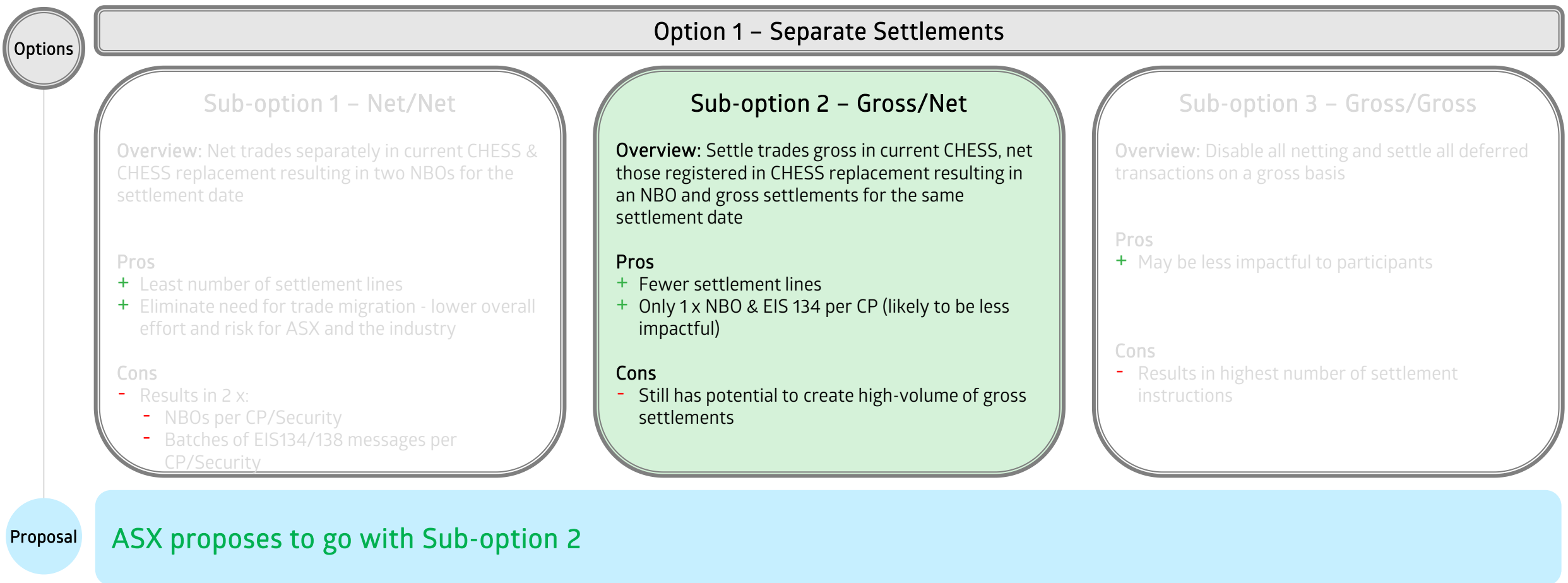
# 02 – Deferred Settlement

## Recap

- > In the I&T WG meeting in August 2024, options for handling Deferred Settlement trading (should it occur over the R1 go-live period) were presented
- > Deferred settlement trades are currently held gross and netted on S-1 when they reach settlement date
- > If the deferred settlement trading period of a security spans the Release 1 go-live date, an approach is needed to determine how to deal with the trades matched prior to and post go-live
- > Two general options were presented:
  - **Option 1:** Manage deferred settlement trades in the system where they were captured (i.e. current CHES vs CHES replacement) with two resulting sets of settlement instructions (either net or gross)
  - **Option 2:** Migrate trades captured in the current CHES system to the CHES replacement system to allow them to net all deferred settlement trades on S-1
- > A sub-option of Option 1 (separate settlements) was proposed as the best candidate, whereby trades would be settled gross or net based upon whether these were reported to CHES or CHES replacement respectively – see next slide.

# 02 – Deferred Settlement – Option 1 (split approach)

## Sub-options of Option 1



## 02 – Deferred Settlement

- > To date no significant operational or technical issues have been identified with this approach for either CHES, CHES replacement or any of the vendor systems
- > Based upon feedback and follow-up discussions, and subject to any additional issues being identified, **Sub-option 2 has been determined as the optimal approach**
- > To understand whether there are any operational or technical issues, a set of test cases will be developed to verify the Deferred Settlement end-to-end processing, including Participant systems.

# 03

## Release 1 – Readiness Engagement Update

*For discussion*



# 03 – Forward Agenda for Release 1 Industry Testing I&TWG Topics



Scope	Structure	Targeted Schedule
<p>AMO Working Group will discuss in detail the requirements for each phase. I&amp;T WG playbacks will provide an overview on proposed approaches, including:</p> <ul style="list-style-type: none"> <li>&gt; Activity &amp; Progress Tracking</li> <li>&gt; AMO Accreditation</li> <li>&gt; Operational Readiness</li> <li>&gt; Cutover &amp; Migration.</li> </ul> <p>I&amp;T WG deep dive sessions proposed for:</p> <ul style="list-style-type: none"> <li>&gt; Clearing Regression</li> <li>&gt; Cutover Runbook</li> </ul>	<p>I&amp;TWG Overviews:</p> <ul style="list-style-type: none"> <li>&gt; Agenda item approach and overview presented by ASX</li> <li>&gt; Interactive industry Q&amp;A.</li> </ul> <p>Deep Dives:</p> <ul style="list-style-type: none"> <li>&gt; Agenda item proposed approach and overview presented by ASX</li> <li>&gt; Industry discussion &amp; workshop to identify Risks, Issues, Dependencies, Assumptions &amp; Gaps</li> <li>&gt; Finalised approach documented, presented to I&amp;TWG, and published in the relevant guide.</li> </ul>	<p>I&amp;TWG Overviews:</p> <ul style="list-style-type: none"> <li>&gt; Forward agenda proposed and details provided by ASX in relevant I&amp;TWG agenda approximately 1 week prior to meeting.</li> </ul> <p>Deep Dives:</p> <ul style="list-style-type: none"> <li>&gt; Forward agenda proposed and details provided by ASX approximately 1-3 weeks before scheduled deep dive</li> <li>&gt; Industry feedback to details provided to be sent to ASX in advance of deep dive (enabling the deep dive to focus on areas requiring further consideration)</li> <li>&gt; Clearing Regression – proposed Q2 2025</li> <li>&gt; Cutover Runbook– proposed Q3 2025</li> </ul>

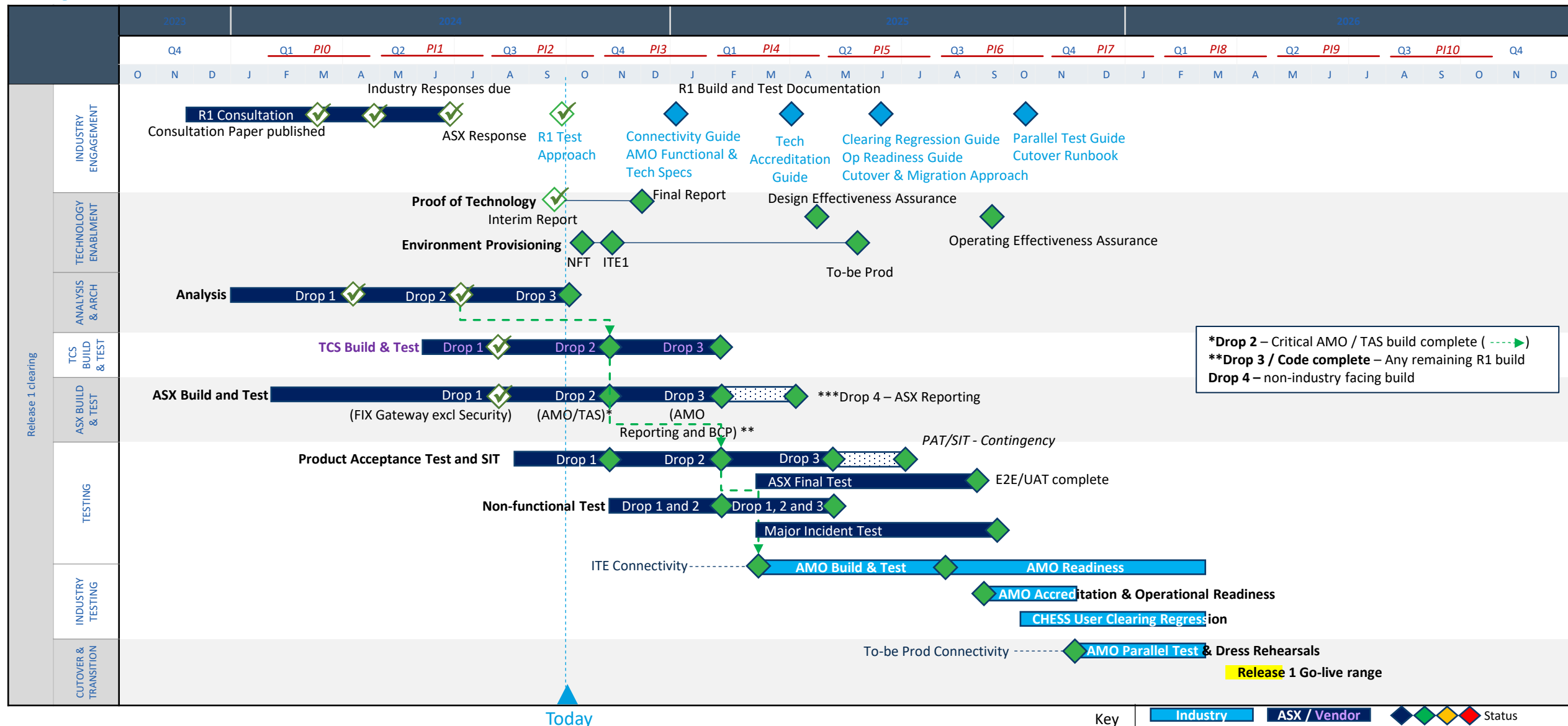
# 03 – Release 1 Industry Readiness Activities – Forward Plan

## Upcoming and completed Release 1 readiness activities

Activity	Subject	Purpose	Planned Date	Status
Publish Documentation	Release 1 Industry Test Approach	Describe the detailed industry test approach and expected activities of each involved party, as well as timing, entry and exit criteria and expected test outcomes of all Release 1 industry test phases	Q3 2024	Published 6 Sept 2024
Publish Documentation	Release 1 FIX Specifications	Provide a detailed specification of all FIX messages, including message structures, rules, and message flow diagrams. Market-relevant specifications will be published in iterations as ASX analyses and completes designs for each drop	Q3-Q4 2024	
Publish Documentation	Release 1 Connectivity Guide	Detail the technical connectivity requirements to connect to the CHES replacement system, including connectivity method(s), network details and security details	Q4 2024	
Engagement Activity	Release 1 Activity and Progress Tracking Overview	Interactive session to provide an overview and discuss ASX proposed test phase activity and progress tracking approach	Q1 2025	
Engagement Activity	Release 1 AMO Accreditation Overview	Interactive session to provide an overview and discuss the prerequisites and process for performing AMO Accreditation	Q1 2025	
Publish Documentation	Release 1 AMO Accreditation Guide	Provide detail on the CHES replacement AMO Accreditation phase, expectations regarding conduct and expected results including the Accreditation process, connectivity, and message scenarios	Q1 2025	
Engagement Activity	Release 1 Clearing Regression Deep Dive	Deep dive workshop to provide an overview and discuss the prerequisites and process for performing Clearing Regression activities, identify and understand industry requirements on topics requiring further consideration, and finalise approach to Clearing Regression	Q2 2025	
Publish Documentation	Release 1 Clearing Regression Test Guide	Detail the minimum ASX-specified Clearing Regression test scenarios, key activities and expectations regarding conduct and expected results including entry and exit criteria	Q2 2025	
Engagement Activity	Release 1 Operational Readiness Overview	Interactive session to provide an overview and discuss the prerequisites and process for confirming Operational Readiness	Q2 2025	
Publish Documentation	Release 1 Guide to Operational Readiness Phase	Detail the Operational Readiness scenarios including mandatory success criteria	Q2 2025	
Engagement Activity	Release 1 Cutover & Migration Approach Overview	Interactive session to provide an overview and discuss the approach to Cutover & Migration	Q2 2025	
Publish Documentation	Release 1 Cutover and Migration Approach	Detail the minimum ASX-specified Clearing Regression test scenarios, key activities and expectations regarding conduct and expected results including entry and exit criteria	Q2 2025	
Engagement Activity	AMO Parallel Test Overview	Interactive session to provide an overview and discuss the approach to Parallel Test	Q2 2025	
Publish Documentation	Release 1 Guide to AMO Parallel Test	Provide detail on the Parallel Test phase, key activities and expectations and expected results including entry and exit criteria	Q3 2025	
Engagement Activity	R1 Cutover Deep Dive	Deep dive workshop to provide an overview and discuss the prerequisites and process for performing Cutover activities, identify and understand industry requirements on topics requiring further consideration, and finalise approach to structuring Cutover Runbook	Q3 2025	
Publish Documentation	R1 Cutover Runbook	Provide AMOs with key tasks and milestones, with an outline of detailed steps including planned timing. The runbook will be used in dress rehearsals and refined as required ahead of the final go-live event. Note that the cutover runbook will also include the steps required to rollback	Q3 2025	

# 03 – Updated Release 1 Indicative Project Timeline – October 2024

## High level overview of the indicative timeline



# 04

## Release 2 – Industry Test Approach Engagement

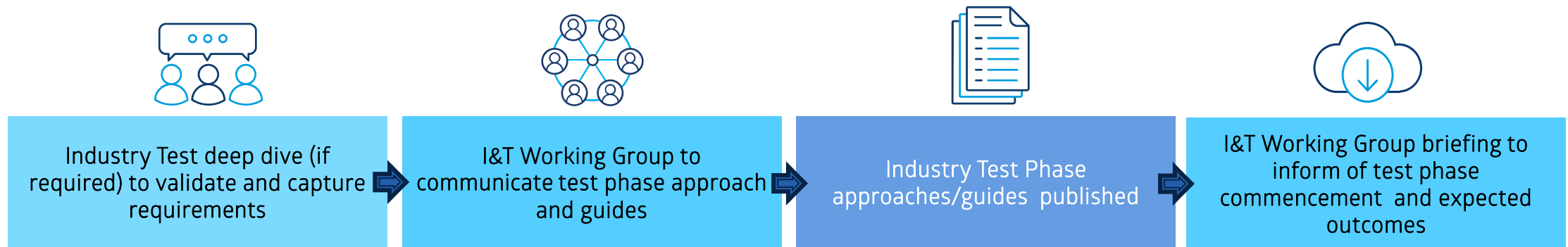
*For discussion*



# 04 – Forward Agenda for Release 2 Industry Testing I&T Working Group Topics

Proposed R2 Industry Test engagement activities will be communicated following the CP2 response.

Various R2 deep dives are anticipated to be scheduled on topics including industry testing requirements, parallel testing and Go-Live rollback to identify and understand industry requirements. I&T Working Groups will include discussion sessions on approach, phase commencement and expected outcomes for each phase.



Monthly I&T WG: Ongoing Industry Test Phase Q&A



**Note:** The first of the Industry Test Focus Groups for Release 2 will be scheduled in **February and March 2025** to identify and understand industry requirements for test environment tooling & ASX support throughout each of the R2 industry test phases

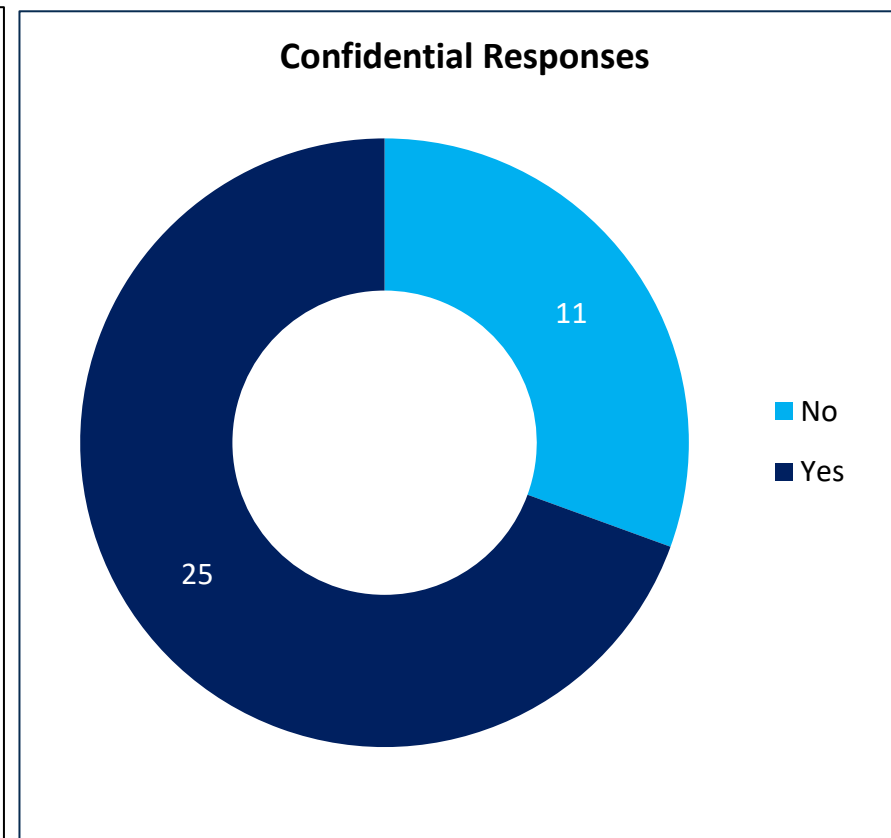
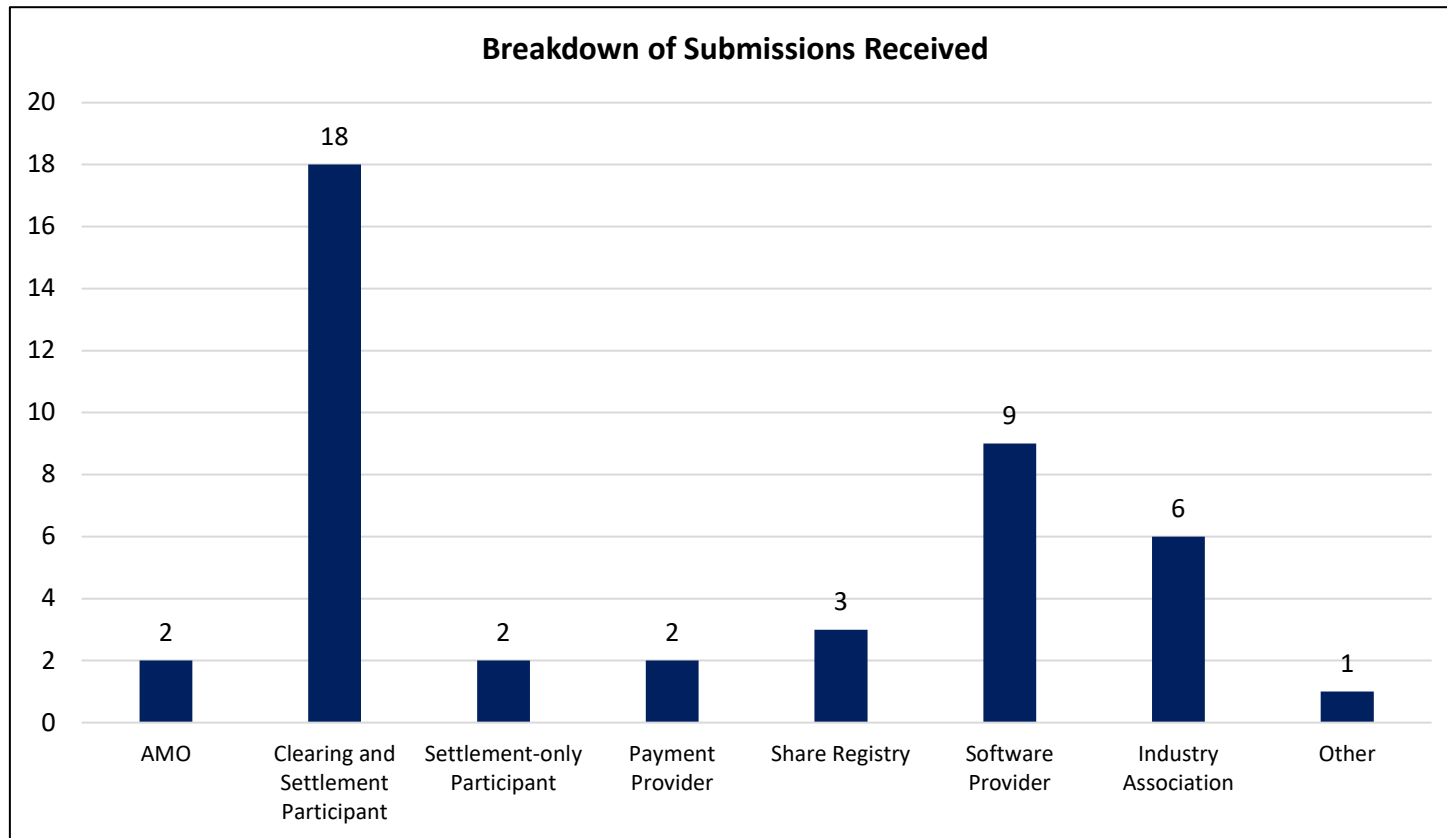
# 05

## Release 2 – Consultation Paper Update

*For discussion*

# 05 – Consultation Paper Update

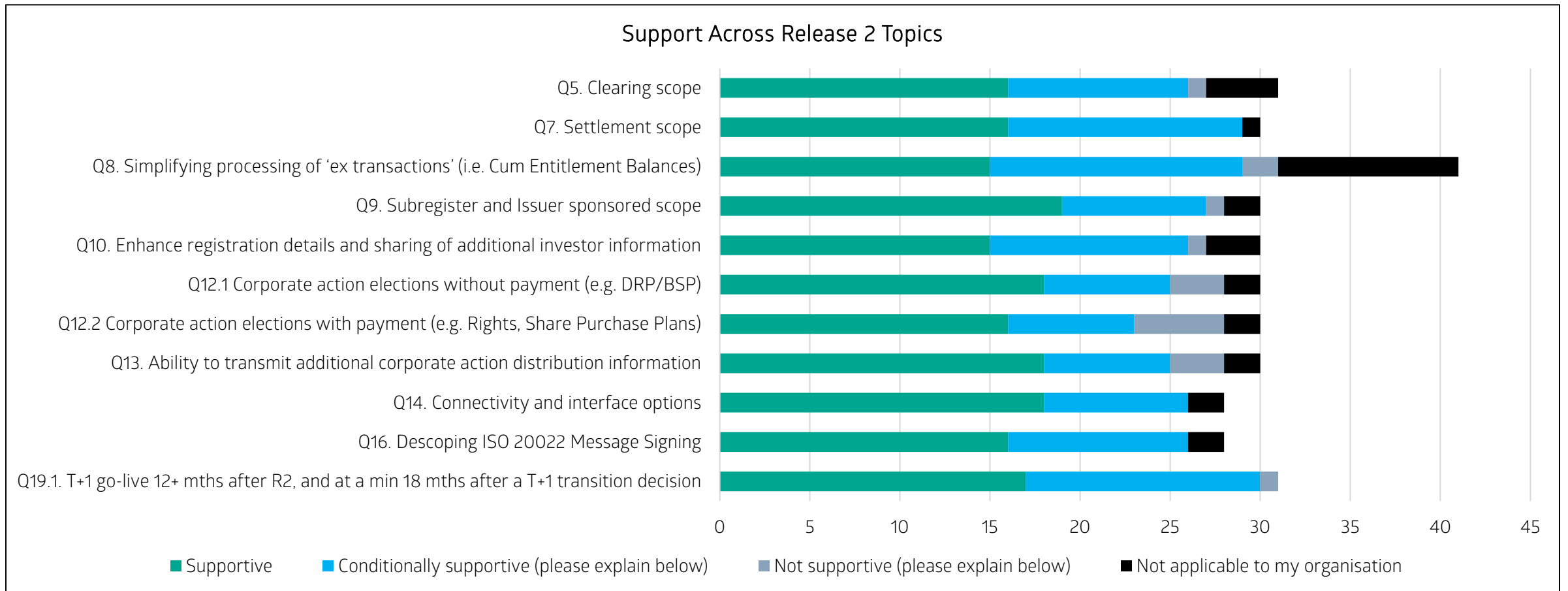
ASX has received 36 responses to the CP2 with 1 extension pending



**Note:** Numbers represented in the breakdown of submission received (graph) will differ from total number of submissions as some organisations may represent more than one cohort.

# 05 – Consultation Paper Update

## General support or conditionally supportive of Release 2 design and scope



Note: Numbers represented differ from total number of submissions as some organisations represent more than one cohort.



# 05 – Consultation Paper Update

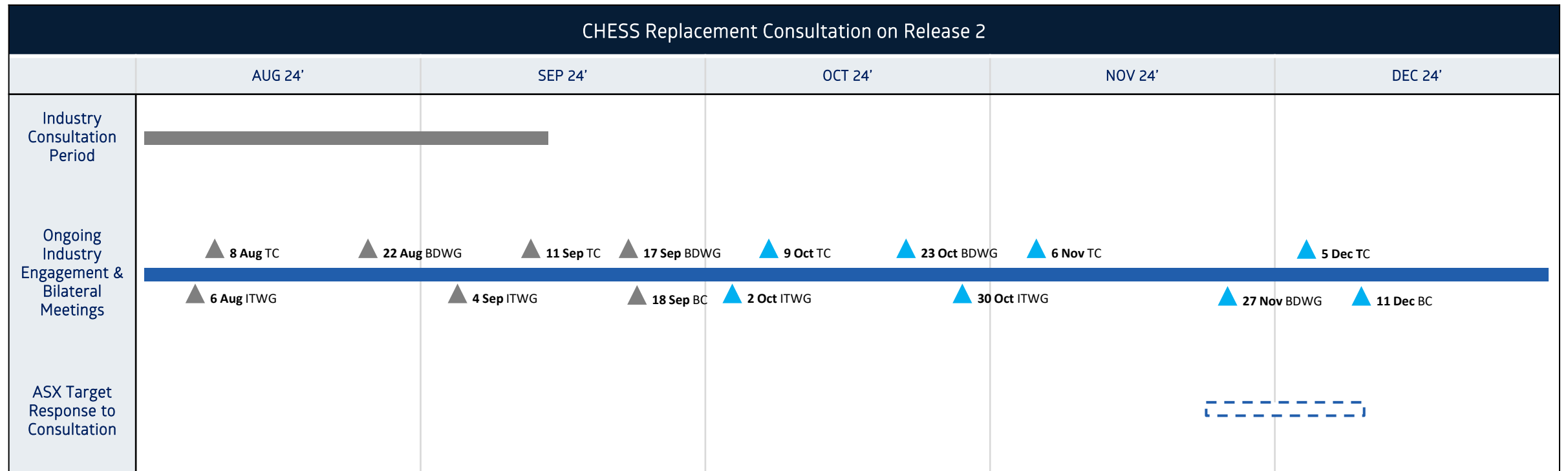
## Indicative Insights

General Support	Alterations to Accommodate Breadth of Industry Views	Amendments to Accommodate Industry Feedback
<ul style="list-style-type: none"><li>&gt; <b>T+1 Settlement</b> - Majority support for sequencing a transition to T+1 after CHES replacement</li><li>&gt; <b>Interoperability</b> – Majority support for approach and noted that this only becomes a topical issue once / when there is a competitor in the market</li><li>&gt; <b>Single Release</b> – Majority supported the current approach. There are a number of bi-laterals scheduled with organisations to discuss the approach in more detail</li><li>&gt; <b>Settlement Scope</b> – Majority support for activities proposed for ownership transfer of securities and the corresponding payments</li><li>&gt; <b>ISO 20022 Message Signing</b> – Industry consensus not to proceed with this, given the additional controls in place</li></ul>	<ul style="list-style-type: none"><li>&gt; <b>Day 1 Functionality</b> – Core vs enhancements. Some respondents suggested that focusing on core functionality would de-risk go live, while others wanted to see new functionality delivered as part of day 1</li><li>&gt; <b>Introduction of APIs</b> – General support for the availability of APIs, while we work through exactly which APIs will be built and released</li><li>&gt; <b>Go-Live Months to Avoid</b> – Respondents provided a comprehensive list of dates to avoid which included a vast range from financial year end, holiday periods and corporate half and full year result periods (including associated corporate action periods)</li></ul>	<ul style="list-style-type: none"><li>&gt; <b>Industry Testing</b> – Respondents noted that additional time may be required for development and integration of internal and vendor supplied systems. We're working through potential solutions to enable and support user requirements</li><li>&gt; <b>Corporate Actions</b> – Enhanced functionality requires additional industry engagement.</li></ul>

# 05 – Consultation Approach

## Key Points

- > ASX plans to formally respond to the feedback received in Q4 2024
- > ASX is continuing its engagement through the existing working groups and forums to work with the industry on topics requiring further industry engagement.

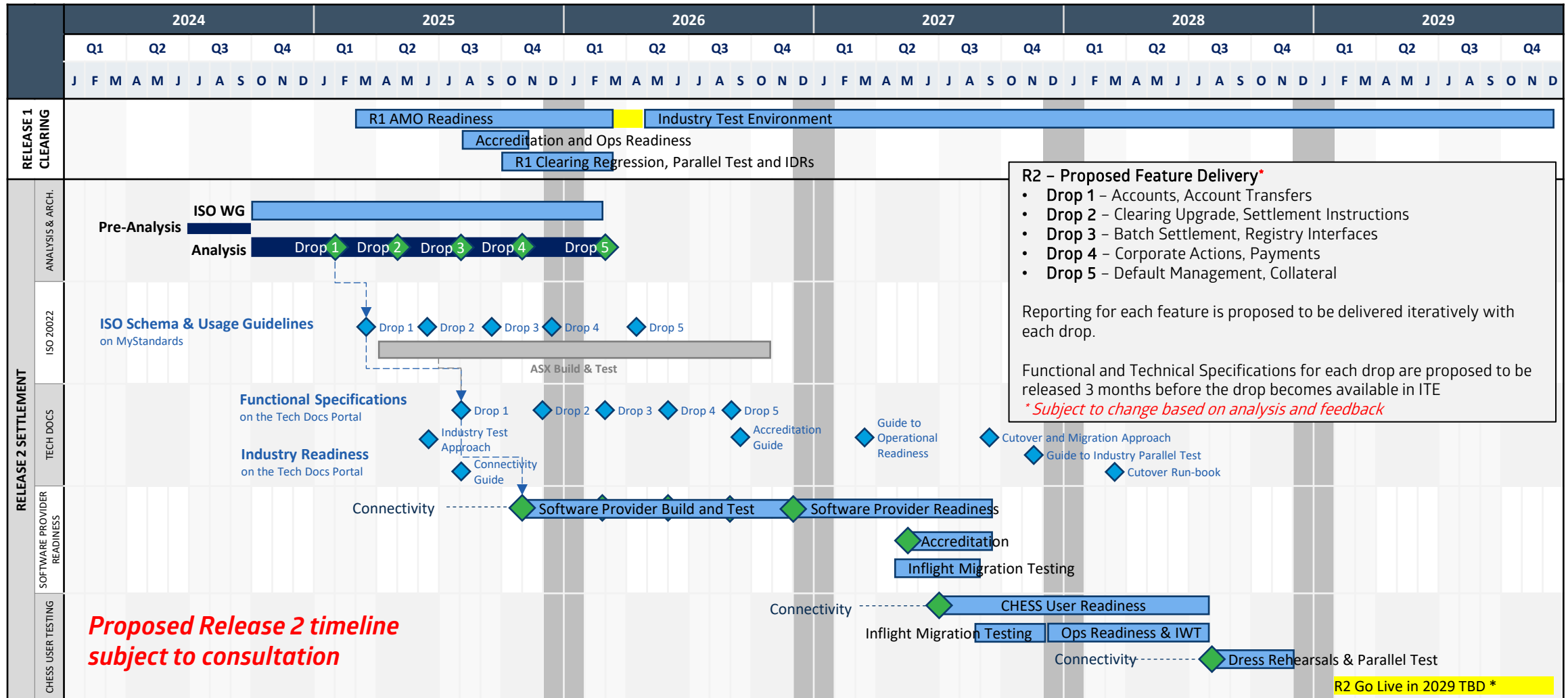


**ITWG** – Implementation & Transition Working Group    
 **BDWG** – Business Desing Working Group    
 **BC** – ASX Business Committee    
 **TC** – CHES Replacement Technical Committee

# 05 – Proposed Release 2 Timeline

Proposed R2 timeline subject to industry consultation & assessment.

ASX is considering a number of scenarios for the timing of Release 2 in 2028 and 2029. One 2029 scenario is set out below:



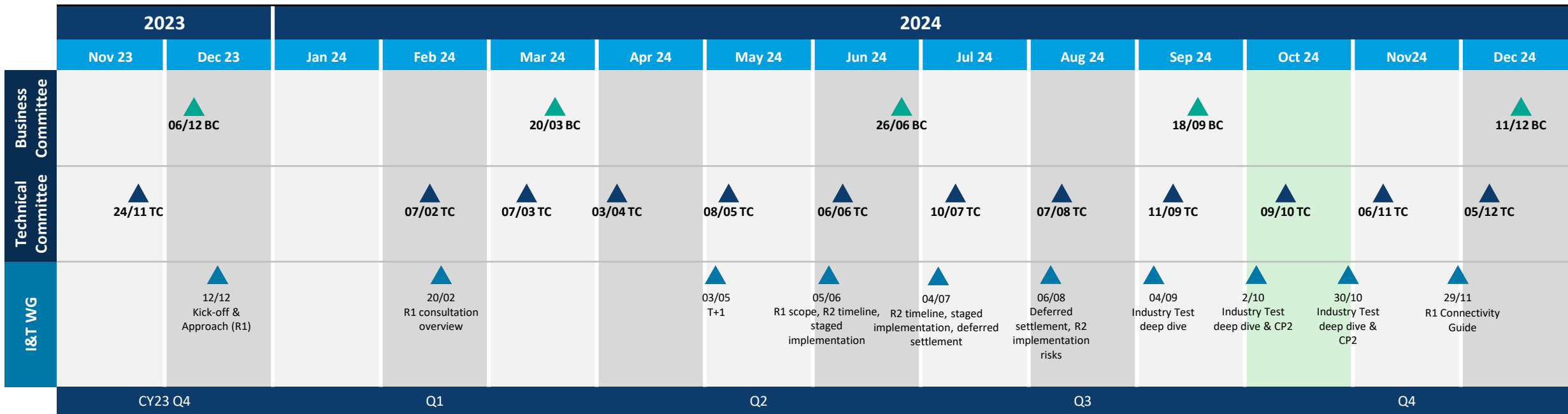
# 06

## Forward Engagement & AOB

*For discussion*

# 06 – Upcoming Engagement

What's on the Implementation & Transition WG horizon?



Month	Date	Time
<b>Business Committee</b>		
December meeting	Wednesday 11 Dec	4pm - 6pm

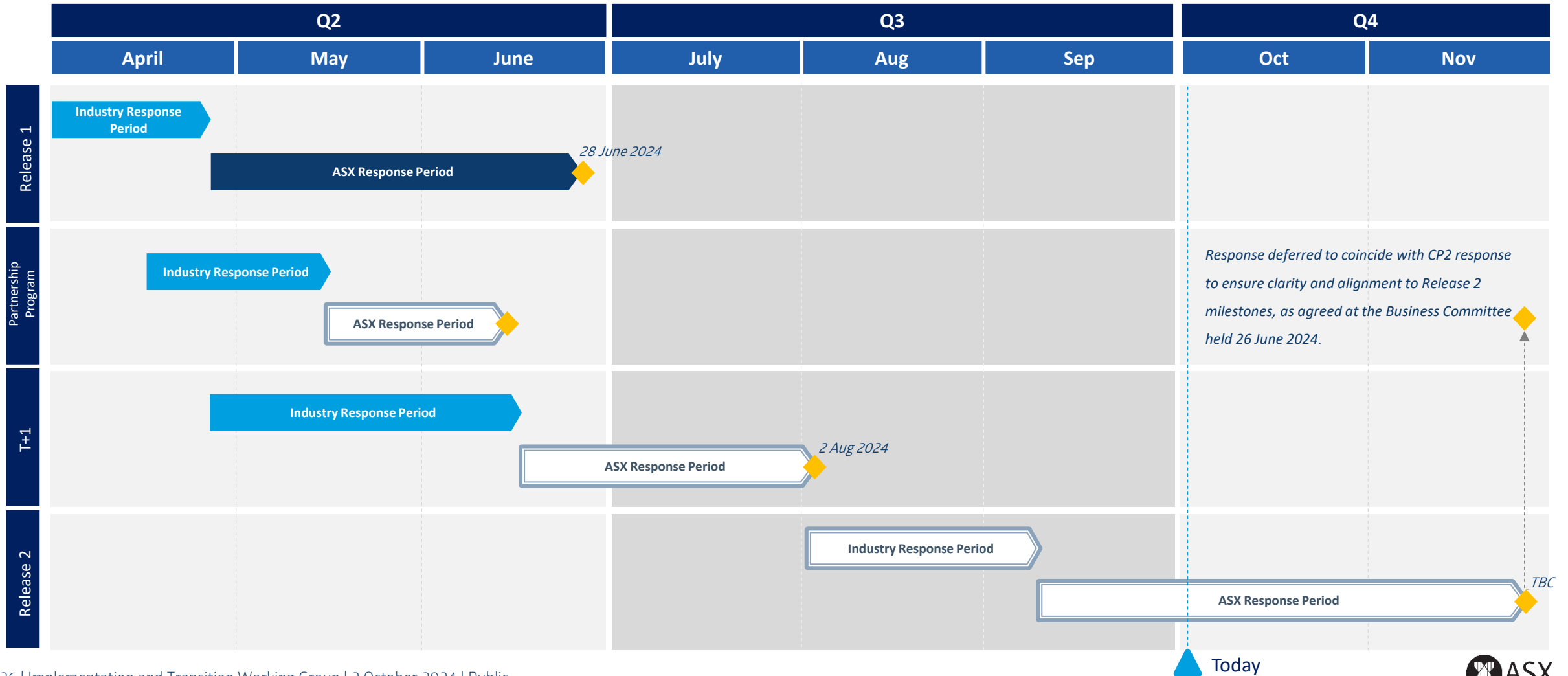
Month	Date	Time
<b>Technical Committee</b>		
October meeting	Wednesday 9 Oct	2pm – 4pm
November meeting	Wednesday 6 Nov	2pm – 4pm
December meeting	Thursday 5 Dec	2pm – 4pm

Note: Meeting timelines are indicative and subject to change.

# 06 – Public Consultation Update

## Indicative inflight & planned CY 2024 public consultation

KEY: ■ Inflight Industry ■ Inflight ASX □ Planned ◆ ASX Response



# Appendix A – Cohort Assessment for Staging Release 2



# Staged Implementation

## Staging by Participant

Options	Enablers	Current CHES	CHES Replacement	Benefits (Operational Risk Reduction)	ASX	RBA / Banks	Clearing & Settlement Participant	Settlement Only Participant	Issuer Registry
<b>Enhanced</b>	<ul style="list-style-type: none"> <li>Stateful universal centralised message translation requiring complex rules</li> <li>Supplementary temporary interfaces</li> </ul>	<ul style="list-style-type: none"> <li>EIS messaging</li> </ul>	<ul style="list-style-type: none"> <li>All data and business logic</li> </ul>	<ul style="list-style-type: none"> <li>Incident vectors constrained to one or a small number of Participants at a time</li> <li>Single release</li> </ul>	<ul style="list-style-type: none"> <li>Not technically viable</li> </ul>	<ul style="list-style-type: none"> <li>N/A – since not technically viable at ASX</li> </ul>	<ul style="list-style-type: none"> <li>N/A – since not technically viable at ASX</li> </ul>	<ul style="list-style-type: none"> <li>N/A – since not technically viable at ASX</li> </ul>	<ul style="list-style-type: none"> <li>N/A – since not technically viable at ASX</li> </ul>
<b>Like-for-like</b>	<ul style="list-style-type: none"> <li>Centralised universal message translation</li> <li>3 phase approach (Phase 0, 1, 2)</li> <li>Restricted to 'like-for-like' for Phase 1</li> </ul>	<ul style="list-style-type: none"> <li>EIS messaging</li> </ul>	<ul style="list-style-type: none"> <li>All data and business logic</li> </ul>	<ul style="list-style-type: none"> <li>Incident vectors constrained to one or a small number of Participants at a time</li> </ul>	<ul style="list-style-type: none"> <li>Significantly increases market impact and delivery risk, without addressing original concern of single-cutover avoidance</li> <li>Requires like-for-like message translation capability for all EIS messages</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay for ISO 20022 RITS uplift (assumes migrated by Phase 1)</li> </ul>	<ul style="list-style-type: none"> <li>Multi-year delay for enhancement release</li> <li>Phase 0 requires current CHES release</li> <li>Single cutover events for Phase 0 and Phase 2</li> </ul>	<ul style="list-style-type: none"> <li>Multi-year delay for enhancement release</li> <li>Phase 0 requires current CHES release</li> <li>Single cutover events for Phase 0 and Phase 2</li> </ul>	<ul style="list-style-type: none"> <li>Multi-year delay for enhancement release</li> <li>Phase 0 requires current CHES release</li> <li>Single cutover events for Phase 0 and Phase 2</li> </ul>
							<ul style="list-style-type: none"> <li>Potential to rollback to EIS if Phase 1 cutover to ISO 20022 fails</li> </ul>	<ul style="list-style-type: none"> <li>Potential to rollback to EIS if Phase 1 cutover to ISO 20022 fails</li> </ul>	<ul style="list-style-type: none"> <li>Potential to rollback to EIS if Phase 1 cutover to ISO 20022 fails</li> </ul>

Note: All options will have an impact to project timelines with specifics to be determined post analysis of each option



Summary of risk relative to Release 2 as one release

# Staged Implementation

## Staging by Issuer

Options	Enablers	Current CHES	CHES Replacement	Benefits (Operational Risk Reduction)	ASX	RBA / Banks	Clearing & Settlement Participant	Settlement Only Participant	Issuer Registry
<b>Staging by Issuer</b>	<ul style="list-style-type: none"> <li>• CHES users connect to two systems</li> <li>• 2<sup>nd</sup> settlement batch</li> <li>• Data synchronisation (Accounts)</li> </ul>	<ul style="list-style-type: none"> <li>• EIS messaging</li> <li>• All holdings, obligations and logic for Issuers that have not migrated</li> <li>• Account maintenance and data (master)</li> </ul>	<ul style="list-style-type: none"> <li>• ISO 20022 messaging</li> <li>• All holdings, obligations and business logic for Issuers that <b>have</b> been migrated</li> <li>• Account data (replicated)</li> </ul>	<ul style="list-style-type: none"> <li>• Potentially initial reduced market wide impact from incidents occurring in new systems (assuming small number of issuers are initially transitioned)</li> </ul>	<ul style="list-style-type: none"> <li>• Arguable reduction in operational risk offset by need to operate two systems for settlement, increased market risks and delivery risk</li> <li>• Operation of two settlement batches (possible rule framework change)</li> <li>• Some build required (merging data for reporting/risk management, account replication from CHES to CHES Replacement)</li> </ul>	<ul style="list-style-type: none"> <li>• Potential build required</li> <li>• Technical and/or operational process changes to support second batch</li> </ul>	<ul style="list-style-type: none"> <li>• Some build required (connectivity to both current CHES [EIS] and CHES Replacement [ISO 20022])</li> <li>• Technical and operational process changes to support second batch</li> <li>• Potential batch (cash) netting inefficiency loss depending on how issuers are rolled out</li> </ul>	<ul style="list-style-type: none"> <li>• Some build required (connectivity to both current CHES [EIS] and CHES Replacement [ISO 20022])</li> <li>• Technical and operational process changes to support second batch</li> <li>• Potential batch(cash) netting inefficiency loss depending on how issuers are rolled out</li> </ul>	<ul style="list-style-type: none"> <li>• Potential build required (depending on registry)</li> <li>• Technical and/or operational process changes to support both CHES and CHES Replacement</li> </ul>

Note: All options will have an impact to project timelines with specifics to be determined post analysis of each option



Summary of risk relative to Release 2 as one release

# Staged Implementation

## Staging by Function

Options	Enablers	Current CHES	CHES Replacement	Benefits (Operational Risk Reduction)	ASX	RBA / Banks	Clearing & Settlement Participant	Settlement Only Participant	Issuer Registry
<b>Clearing – with EIS backwards compatibility Release 1 baseline</b>	<ul style="list-style-type: none"> <li>Interoperability between CHES replacement (clearing) and current CHES (settlement)</li> <li>EIS backwards compatibility for Clearing</li> </ul>	<ul style="list-style-type: none"> <li>EIS messaging</li> <li>Subregister (accounts/holdings)</li> <li>Settlement (matching/obligations management/batch)</li> </ul>	<ul style="list-style-type: none"> <li>AMO Interface (FIX)</li> <li>Trade acceptance and registration</li> <li>Trade cancellation</li> <li>Netting</li> </ul>	<ul style="list-style-type: none"> <li>Solves trade scalability in shortest timeframe</li> <li>Isolates majority of ASX and AMO build from market build</li> </ul>	<ul style="list-style-type: none"> <li>ASX operating two systems in Production</li> <li>Solves trade scalability in shortest timeframe</li> </ul>	<ul style="list-style-type: none"> <li>No impact</li> </ul>	<ul style="list-style-type: none"> <li>Shielded from impact by backwards compatibility messaging (will require testing)</li> <li>Solves trade scalability in shortest timeframe</li> </ul>	<ul style="list-style-type: none"> <li>Shielded from impact by backwards compatibility messaging (will require testing)</li> </ul>	<ul style="list-style-type: none"> <li>No impact</li> </ul>
<b>Clearing – with optional 2022 and/or CHES UI</b>	<ul style="list-style-type: none"> <li>ISO 2022 messaging</li> <li>TCS BaNCS UI</li> </ul>	<ul style="list-style-type: none"> <li>As above</li> </ul>	<ul style="list-style-type: none"> <li>As above + optional ISO 2022 version of clearing messages and CHES UI</li> </ul>	<ul style="list-style-type: none"> <li>Ability to validate trade notifications in Productions before R2</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> <li>Supporting both EIS and ISO 2022</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay for ISO 2022 RITS uplift</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> <li>Optional participation</li> <li>Parallel run EIS &amp; ISO 2022</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> </ul>
<b>Settlement – Bilateral with message translation</b>	<ul style="list-style-type: none"> <li>CHES users must (optionally) interface to EIS and ISO20022</li> <li>Data synchronisation (Accounts)</li> <li>Centralised message translation for bilateral messages only</li> </ul>	<ul style="list-style-type: none"> <li>All data and logic, except bilateral matching</li> </ul>	<ul style="list-style-type: none"> <li>ISO20022 bilateral matching (101, 135, 102, 194, 166, 116)</li> <li>Allegements</li> <li>Data synchronisation (Accounts)</li> </ul>	<ul style="list-style-type: none"> <li>Incident vectors constrained to one or a small number of Participants at a time, but only for this specific function</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> <li>Requires like-for-like message translation &amp; routing capability for subset of EIS messages</li> <li>Non-retail account data replication</li> <li>Supporting both EIS and ISO 2022</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay for ISO 2022 RITS uplift</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> <li>Restricted to “like-for-like”</li> <li>Requires subsequent release for enhanced process</li> <li>Optional CHES user build to support EIS and ISO20022 concurrently</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> <li>Restricted to “like-for-like”</li> <li>Requires subsequent release for enhanced process</li> <li>Optional CHES user build to support EIS and ISO20022 concurrently</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> </ul>

Key | Neutral De-risk Med increase in risk High increase in risk

Summary of risk relative to Release 2 as one release

# Staged Implementation

## Staging by Function

Options	Enablers	Current CHES	CHES Replacement	Benefits (Operational Risk Reduction)	ASX	RBA / Banks	Clearing & Settlement Participant	Settlement Only Participant	Issuer Registry
<b>Subregister – Account maintenance</b>	<ul style="list-style-type: none"> <li>CHES users must interface to EIS and ISO 20022</li> <li>Data Synchronisation (Accounts)</li> </ul>	<ul style="list-style-type: none"> <li>All data and logic, except bilateral matching</li> </ul>	<ul style="list-style-type: none"> <li>ISO 20022 Account maintenance</li> <li>Accounts (master)</li> </ul>	<ul style="list-style-type: none"> <li>Isolates migration to new account model from other functionality</li> </ul>	<ul style="list-style-type: none"> <li>Requires synchronous retail account replication (complexity)</li> <li>&gt;12 months delay (additional release and test phases)</li> <li>Supporting both EIS and ISO 20022</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay for ISO 20022 RITS uplift</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> <li>Mandated CHES user build to support EIS and ISO 20022 concurrently</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> <li>Mandated CHES user build to support EIS and ISO 20022 concurrently</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> <li>Mandated CHES user build to support EIS and ISO 20022 concurrently</li> </ul>
<b>Subregister – Holdings</b>	<ul style="list-style-type: none"> <li>CHES users must interface to EIS and ISO 20022</li> <li>Settlement to Subregister interoperability</li> </ul>	<ul style="list-style-type: none"> <li>All data and logic, except accounts and holdings</li> </ul>	<ul style="list-style-type: none"> <li>ISO20022 Account maintenance, holdings/ subposition maintenance demand transfers</li> <li>Accounts &amp; Holdings</li> </ul>	<ul style="list-style-type: none"> <li>Isolates migration of holding related functionality from other functionality</li> </ul>	<ul style="list-style-type: none"> <li>Requires substantial changes to current CHES to support settlement &lt;-&gt; sub-register interoperability</li> <li>Introduces complexity and risk into batch settlement process</li> <li>&gt;24 months delay (additional release and test phases)</li> <li>Supporting both EIS and ISO 20022</li> </ul>	<ul style="list-style-type: none"> <li>&gt;24 months delay for ISO 20022 RITS uplift</li> <li>Complexity in batch settlement process</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> <li>Mandated CHES user build to support EIS and ISO20022 concurrently</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> <li>Mandated CHES user build to support EIS and ISO20022 concurrently</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> <li>Mandated CHES user build to support EIS and ISO20022 concurrently</li> </ul>
<b>Pass-through transactions</b>	<ul style="list-style-type: none"> <li>CHES users must (optionally) interface to EIS and ISO 20022</li> <li>Data synchronisation (Accounts/Holdings)</li> </ul>	<ul style="list-style-type: none"> <li>All data and logic, except validation of pass-through messages</li> </ul>	<ul style="list-style-type: none"> <li>ISO 20022 SRN enquiry and investor details</li> <li>Accounts and holding (replicated)</li> </ul>	<ul style="list-style-type: none"> <li>Incident vectors constrained to one or a small number of Participants at a time, but only for these specific functions</li> </ul>	<ul style="list-style-type: none"> <li>Requires synchronous retail account replication (complexity)</li> <li>12 months delay (additional release and test phases)</li> <li>Requires like-for-like message translation &amp; routing capability for subset of EIS messages</li> <li>Supporting both EIS and ISO 20022 interfaces</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay for ISO 20022 RITS uplift</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> <li>Optional CHES user build to support EIS and ISO20022 concurrently</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> <li>Optional CHES user build to support EIS and ISO20022 concurrently</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12 months delay (additional release and test phases)</li> <li>Optional CHES user build to support EIS and ISO20022 concurrently</li> </ul>

Key | Neutral De-risk Med increase in risk High increase in risk

Summary of risk relative to Release 2 as one release

# Appendix B – Closed Actions

# Closed Actions

## Previously closed actions

#	Topic	Action	Raised	Due	Owner	Status
1	Industry Test Approach	ASX to provide an update on when the industry test approach will become available	11 July TC	6 August I&TWG	ASX	CLOSED
2	Deferred Settlement	ASX to provide further detail on deferred settlement for further consideration	5 June I&TWG	4 July I&TWG	ASX	CLOSED
3	Deferred Settlement	Working Group members to review pre-read content from 4 July I&TWG and provide feedback to <a href="mailto:CHESSReplacement@asx.com.au">CHESSReplacement@asx.com.au</a>	4 July I&TWG	6 August I&TWG	I&T Member Organisations	CLOSED
4	Staged Implementation	ASX to include additional industry benefit analysis to capture industry perspectives on staging options	4 July I&TWG	6 August I&T WG	ASX	CLOSED
5	R2 Timeline	ASX to update Release 2 timeline to incorporate any T+1 assumptions and analysis requirements	5 June I&TWG	4 July I&TWG	ASX	CLOSED
6	Reporting	ASX to revert with timeline for reporting drops	6 August I&TWG	4 September I&TWG	ASX	CLOSED



# Questions



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Thank you.

