

Implementation & Transition Working Group

Questions from webinar | 13 July 2020

The following table provides ASX's response to relevant questions asked by Implementation & Transition working group members before and during the webinar held on 13 July 2020. Please email chessreplacement@asx.com.au if you have any additional questions or require further clarification.

Topic	Question	Answer
Connectivity	Please advise when stakeholders will receive production user agreements for consideration?	CHES users will be required to select their new connectivity option or options which may have some associated terms and conditions. However, this is still being worked through, and ASX will provide a timeline in due course.
Connectivity	When will all ITE2 & Production system requirements be made available? Noting that we require at least 3 months notice in order to complete.	ASX understands the lead time it can take to implement network connectivity, and network details will be provided at least 3 months in advance of the opening of ITE2 and 'to-be' Production. Where it makes practical sense, ASX will configure both ITE2 and 'to-be' Production at the same time.
Connectivity	How do we test report writing from the node?	For Ledger API access, any demand report can be accessed through the Ledger API in the same way as if using ISO 20022 messaging. CHES users can also use the Ledger API to access state on the ledger, either as their primary access to CHES or in addition to traditional messaging. Ledger API supports the ability to transact or stream data, the DAML Extractor (part of the DAML SDK) provides an off-the-shelf tool allowing for the ability to stream data into a client hosted database.
Connectivity	Can any example be given for a directly connecting system versus standard approach? [<i>Interpreted as the difference between Ledger API and ISO 20022 connectivity</i>]	ASX noted this was a large topic, with much relevant information published on its technical documentation website and invited a bilateral discussion. Some key differences include: <ul style="list-style-type: none"> • Ledger API allows for transacting with an equivalence to ISO 20022, however additionally provides access to state updates on the ledger. • Ledger API also provides for multiple concurrent connections including read only sessions.

Connectivity	When will the ITE1 connectivity details be shared to those who have submitted the request for connectivity?	Q4 2020, noting some activities can only be tested near the opening of ITE1 in December 2020. Software developers who have already submitted an ITE1 order form have no further action, and whilst ASX is still receiving ITE1 order forms it is not actioning them until Q4 2020.
Connectivity	Will we have visibility on which stakeholders will have access via node vs. messages? Will issues that come to light across all access modes be made available to all?	<p>CHES users' chosen connection methods are a matter for them and ASX.</p> <p>Any known issues, their impact and where applicable, an identified workaround, will be published to a "known issues and limitations" page on our CHES replacement documentation portal.</p>
Code drops	Given these are proposed dates - can remaining code drops 8 & 9 and ITE1 availability come in any sooner?	ASX does not expect to make the remaining code drops or ITE1 available any sooner. Given it's not just the software that comes with those drops it is environment upgrades, tooling and internal testing that all need to be completed. Where one item comes in early it is not always possible to bring forward all the dependencies.
Code drops	Noting ITE1 on page 15 of the consultation paper lists "End of day & demand reporting" – please clarify this will be available in ITE2?	Although different environments have different levels of support, test data and tools available, the functionality available in ITE1 and ITE2 will be equivalent, including Demand and End of Day reporting.
CDE	Once ITE is available, will CDE continue for development testing for market participants, and until when?	<p>At this stage, there is no end-date for CDE, but ASX expects most software providers will naturally migrate into ITE1 once available. ITE1 is a higher-level environment; it will have some security features, CHES UI and a longer up-time than CDE.</p> <p>Development for release 1.1 will commence in CDE.</p>

CDE	Will the ASX remove access to CHESS users currently using CDE now?	<p>No, we've discussed in previous sessions that we will migrate software providers from CDE to ITE1 but we are not looking to remove access for those wishing to continue to develop and test in CDE. ITE1 is primarily a higher environment with more non-functional features.</p> <p>Release 1.1 will initially be made available in CDE only so software providers will need to maintain a presence to develop against those new functions initially.</p> <p>If you have CDE access today, it will not be revoked. Equally, if on a periodic basis ASX identify an environment is not being used we may reach out to you to discuss decommissioning it, and if you have access to CDE and no longer require it please let us know.</p>
ITE	What caused the delay in ITE1 given ASX has said it was on track for July release up until this document produced?	The preparation activities for the opening ITE have been impacted by COVID-19 which has considerably slowed some build and integration activities and its vendors (Digital Asset and VMware) which had assumed that teams would be physically co-located during this highly collaborative period. The impact is that ASX and its vendors needed additional time to prepare for the opening of ITE.
ITE	When will ITE2 forms be available for the April 2021 availability?	Per section 4.1.5 of the consultation paper, ITE2 order forms will be available on ASX's technical documentation website from Q4 2020.
ITE	What are the key differences between ITE1 and ITE2? It was mentioned ITE1 is for software developers only, what does it mean exactly? e.g. Our users still can access ITE1 via CHESS UI and our internal app?	<p>ITE1 is an evolution of CDE into a single dedicated software provider environment; ITE1 is intended for those developing software (i.e. vendors and those building in-house systems that connect directly to the new CHESS system).</p> <p>Architecturally and functionally ITE1 and ITE2 will look very similar, however they are targeted at different cohorts.</p> <p>The CHESS UI will be available across both ITE1 and ITE2.</p>

ITE	Can ITE1 be made available to market participants using third party software? This will help us to establish the connectivity and have earlier integration testing with vendor application with rest of the upstream application stack at client end. This will be needed to have earlier feedback and plan the gap implementation.	No, with ASX's rationale being on establishing the building blocks (i.e. ensuring third party software can interact correctly with CHES). If a market participant is using a third party component there is nothing to prevent them getting a release from their client and testing the connectivity points between those two pieces of software prior to the opening of ITE2. User Testing in ITE2 will allow those using third party software to do their own testing.
Environments	How close to a production environment will ITE1 and ITE2 be, and how active will ASX's partners be (e.g. VMware, Digital Asset)?	ITE1 and ITE2 will be deployed using the production design Distributed Ledger topology. These environments are under ASX change control, meaning that vendor access will only be for issue investigation and resolution if required. VMware and Digital Asset are involved in the provision of solution components, maintenance and support functions.
Environments	As Mandatory Dress Rehearsal Environment is going to be effectively a pre prod then prod environment does ASX expect participants to have a standalone test environment for this testing which will under current timelines run whilst ITE2 and Business testing are running in parallel?	That is correct, a standalone environment will be required for Dress Rehearsals. CHES users should plan to have a copy of their production environment for use for MDR's and this is to reduce the impact to production and to support 'roll forward activities' into the following week if required.
Environments	Single Integrated test environment, does this mean that all production systems like reference point, signal B will be in this environment as current in prod?	There are no plans to support Signal B or ReferencePoint in either of the ITE test environments. ASX has previously shared this information with interested parties, and responded to a similar question as part of the 27 May Q&A .

Performance	We have asked our vendor to undertake performance testing; given ITE1 is not “on production grade infrastructure” – can the ASX clarify the performance testing that will be occurring?	Your vendor will be able to undertake performance testing in ITE1 and ASX will provide more information on this in due course.
Operational Readiness	Given proposed timing of Operational Readiness and MDRs: Please confirm Operational Readiness won’t need to use any converted data, only new accounts created for Operational Readiness?	Operational readiness will not require any converted data. Outside of some basic seeding of publicly published data by ASX (e.g. UICs and securities codes), all data in the ITE2 environment will be generated directly by CHESS users. CHESS users will be responsible for setting up their own account/settlement scenarios.
Operational readiness	We are uncertain around the time required to complete Operational Readiness activities (both functional & non-functional).	The timetable published in the consultation paper provides 3 months for formalised operational readiness activities, Sep-Nov 2021, with certain activities during this period coordinated by ASX across the market. ITE2 will also be open for a longer period than the 3 months of formalised operational readiness activities and include ASX co-ordinating and supporting a number of market-wide activities during the user test window and prior to the commencement of operational readiness.
Accreditation	Can vendors commence Technical Accreditation earlier than mid-May 2021 given ITE1 is available earlier? We could use ASX Technical Accreditation scripts available from December 2020.	For technical accreditation, it’s too early to make that decision now, but there may be some flexibility. If ASX were able to start this process earlier, then it would notify/make it available to all software providers.

<p>Accreditation</p>	<p>In reference to section 3.3 of the consultation paper on Technical Accreditation, please explain why a system “fit for purpose” attestation is not required by vendors?</p> <p>Having a vendor system pass ASX Message Accreditation based on message formats is only a portion of what makes a vendor built system functional. We see this as an integral validation that should be included as part of the Technical Accreditation process.</p>	<p>Technical accreditation is very much focused on the interfacing of systems that connect directly to CHES – to ensure they can successfully connect and demonstrate they can send and receive messages/commands in the correct format.</p> <p>This is consistent with how ASX accredits CHES software today, as well as all other interfaces (e.g. ASX Trade or Austraclear).</p> <p>The business processing of each message within back office/host systems is beyond ASX’s reach into vendor systems. The responsibility ultimately resides with each organisation to ensure their systems - either internal or vendor developed - meet the appropriate operational readiness requirements and relevant operating rules.</p> <p>Vendors providing software for CHES today are already aligned at ensuring that their systems match up to their end clients’ business needs. ASX encourages all vendors to review the operational readiness scripts when available, and to review if not test them (where applicable) in ITE1 to support their end clients.</p>
<p>Accreditation</p>	<p>Is it possible to release draft or sample connectivity testing scenario earlier? Similar to messaging accreditation scripts published on ASX website today.</p>	<p>In terms of messaging accreditation, ASX has been incrementally publishing message accreditation scripts on the technical documentation website, with around half now published and the remainder targeted to be published by end November 2020.</p> <p>In terms of connectivity scripts, these are being worked on internally, noting the additional complexity around the mechanisms to allow clients to test failover and error conditions. Connectivity scripts will be released at the end of 2020.</p>

Testing	<p>We are keen for an end to end Corporate Action (CA) testing environment as currently CDE lacks the ability to do this – We envisaged this was ITE1 now proposed for December. Will (or can) the extra CA testing functionality and testing tools be made available in our CDE so that complex CA scenarios can be tested earlier than December when ITE1 comes online?</p>	<p>CDE8 will include code change, class merger and diary adjustments, along with associated reporting. This substantially completes all corporate actions processing. There will be another set of corporate events loaded into CDE8 to allow for end to end corporate action testing (when used in conjunction with the holding adjust upload tool).</p> <p>CDE9 will include the pass through of bank account and TFN information which supports corporate action processing, but this drives share registry functions outside of CHES.</p> <p>Software providers are asked to contact ASX if they would like to see anything in addition to the above, for further discussion.</p>
Testing	<p>In reference to section 3.2 of the consultation paper on System Testing, why are ASX now stipulating when software should be deployed & tested? It is our opinion software providers delivering software in many iterations throughout their development process is advantageous to ourselves, our software provider and ultimately beneficial for our Operational Readiness processes.</p>	<p>Third party vendors will need to deliver accredited software to their clients in ITE2 for user testing to commence from May 2021.</p> <p>However, software providers can choose to make their software available for user testing at various intervals along the development cycle to help users prepare in advance of ITE2 opening.</p>
Tools	<p>Will the ‘trade Ingest tool’ noted as being made available in ITE1 be likewise available for CHES users in ITE2?</p>	<p>Yes, the trade ingest tool will be available in ITE1 and ITE2.</p> <p>The consultation paper stated that ASX would not be carrying forward the daily canned trades feature from CDE into ITE1 or ITE2, as the trade ingest tool provides more flexibility in user testing.</p> <p>For ITE2, ASX is also asking AMOs to provide trading participant access to support front to back testing, on an optional basis.</p>
Testing	<p>Please clarify the test setup for ITE2. Will it have similar limitations like CHES test kit today?</p>	<p>In terms of test kits for ITE2, given ITE2 is primarily aimed at preparing CHES users for production it will likely be modelled closer to a production setup than a CHES test kit. However, this detail still needs to be worked through and ASX will provide more information in due course.</p>

Testing	Has the term Industry Wide Testing been replaced with CHES User Testing?	<p>IWT was an umbrella term that encompassed systems testing and user testing, as well as capturing coordinated market testing of certain events such as a corporate action event. It really captured that period when CHES users as well as vendors were testing.</p> <p>Since establishing two distinct environments for ‘industry wide testing’ with software developers now having exclusive access to the industry test environment (ITE1) for system testing prior to admitting CHES users to start user testing in ITE2, the language has evolved to refer to system testing and user testing in their respective environments, ITE1 and ITE2.</p> <p>The language we will be using most commonly going forward is the terms contained on the timeline slide (ASX presentation slide number 10).</p>
Test tools	When will the auto responder be available for bilateral scheduled settlements?	Today in CDE7 there is a bilateral demand scheduled settlement auto-responder, and from CDE8 a bilateral scheduled settlement auto-responder will be available.
Test kits	Does a test kit apply to ITE2 or will it be closer to production like and support production PIDs, securities and events?	Test kits will be closer to a production setup (consistent with feedback ASX has received to date).
Test kits	When will the Participants receive their ITE Test kits?	ITE1 test kits will be provided to software providers prior to the opening of ITE1 in December 2020
Bug fixes	What is the plan for bug fixing beyond code drop 10?	Bug fix releases will be scheduled with the urgency dictated by the impact to customer testing. They will be scheduled taking any potential disruption to customer testing into account.
Data conversion / rules	A) Please provide greater clarity on the conversion requirements of all existing and new data elements that have been changed or introduced i.e. registration and other data elements that have changed under the new standard?	<p>ASX have published detailed specifications on registration details which can be found here. ASX will make available a registration details tool to facilitate participants and registries conversion of CHES registration details from the old format to the new ISO 20022 format. Further details on this tool, including the algorithm for mapping old to new, will be made available in due course.</p> <p>ASX is also giving further consideration to whether any aspects of the conversion of existing holder records or other data elements to the new system should be supported by transitional rule amendments</p>

	B) We request detail on the legal framework for data conversion in advance of the tranche 3 settlement rule consultation period.	as part of the tranche 3 rule amendments, which are proposed to be consulted on in early November (as set out in ASX’s consultation paper released 30 June 2020).
Data conversion/migration/cleansing	We can’t see any formal functional testing of data conversion before the 3 x Migration Dress Rehearsals (MDRs) which are bound to a weekend?	<p>Agree, no formal functional testing of data conversion is planned prior to the Migration Dress Rehearsals. ASX intends to perform its own internal dress rehearsals prior to the first MDR to prove out the accuracy of its own internal runbook and associated testing.</p> <p>ASX appreciates that this does not provide an opportunity earlier for CHES users to perform functional testing against data converted from CHES to the new system.</p> <p>ASX has taken this question away but wanted to acknowledge it, noting that there are really two key considerations here:</p> <ol style="list-style-type: none"> 1. How can software providers be better placed to test changes to inflight transactions prior to their clients and 2. How can CHES users test out subsequent workflow where data has been modified.
Migration testing	Will there be an opportunity in a coordinated environment for stakeholders to perform a migration test and run test scenarios (full suite of functionally) on migrated data?	<p>The phase and environment reserved for CHES users to conduct functional testing is during User Testing and Operational Readiness in ITE2.</p> <p>ASX is exploring opportunities to leverage Migration Dress Rehearsal environments to conduct further activities. More information will be provided around these opportunities in Q4 2020.</p>
MDRs	What is ASX’s definition of success for each dress rehearsal?	<p>Success criteria for each dress rehearsal will be based on the success criteria planned for Go Live. Criteria will be around meeting migration reconciliation targets, successfully performing planned tasks within the time allocated, and successfully performing any verification tasks needed to prove the cutover was successful and the business is ready to operate.</p> <p>A series of Go / No Go checkpoints will be scheduled in the lead up to and during the event, with the final checkpoint aiming to meet Go Live success criteria.</p>

MDRs	Will Migration Dress rehearsals be carried out on existing production snapshot and once migration dress rehearsals is successful, will that environment be rolled out as Production Environment?	Migration dress rehearsals will occur in the to-be production environment – i.e. the same environment that will be used for production. MDRs 1, 2 and 3 will occur on a snapshot of production, noting that the MDRs will not necessarily correlate to a production snapshot of the same date, more likely a snapshot of a previous production date. The MDR environment will then become production on cut-over.
MDRs / go-live planning	If the first or second dress rehearsal shows there is a market participant that is not ready (even though they may have met the accreditation requirements), is there a fall back plan for a date after April 2022?	ASX has not yet announced any contingency plans for the go-live weekend or the no/go criteria.
Go live planning	What are the contingency plans for the go live implementation weekend and go / no go criteria?	Contingency plans for the go live implementation weekend and go / no go criteria will be developed and refined through the customer readiness process in 2H 2021.
Operational support	Will ASX provide support through the 2020 and 2021 Christmas/New year periods or will there be shutdown periods invoked by ASX?	There will not be shutdown periods invoked by ASX, and ASX will provide customer support over 2020 and 2021 Christmas/New Year periods, acknowledging that there may be fewer resources but that ASX would provide clear guidance on the support that will be available.
CHESS UI	When will the CHESS PC [<i>interpreting as new User Interface</i>] be released and will it be available in CDE environment?	The CHESS User Interface (UI), which in part replaces CHESS PC, will be available from the start of ITE1. It will not be made available in CDE. The next Implementation and Transition Working Group meeting on 29 July 2020 will be focused on the CHESS UI.

APGs	Please provide visibility on the content and timeline for each of the industry procedures drops?	<p>ASX has been releasing APG content progressively each month.</p> <p>To date, documentation released on ASX's technical documentation website includes information on participation, accounts, transfer and conversion, trade processing and settlement. Some corporate actions information has also been released, noting more will be released in the future.</p> <p>Topics yet to be released include cash market margining, collateral for derivatives products, primary market facility, mFund, reconciliation and reporting. ASX stated in the consultation paper that all APG content would be released by the end of 2020.</p>
APGs	Where in the timeline is the completion date and finalisation of the APG?	Section 4.2.2 of the Consultation Paper states completion is targeted for end of 2020 for the updated ASX Settlement Procedural Guidelines (APG).
Rules	Where is APG in Operating rule amendments and where is the review of complete rules prior to submission?	The APGs are separate to the Operating Rule Amendments, and they do not form part of the consultation on rule amendments. All rule amendments for the new system will be part of the further and final consultation (on tranche 3 and consolidated rules package), planned for release in early November 2020.
Rules	Rules for transition across CHES and CHES Replacement are not presented. What is the best guess for transitional rules release?	As stated in section 5.3 of the Consultation Paper, the tranche 3 rule amendments (for consultation end November 2020) will cover transitional rules, including addressing timing for enlivening rules for new features which form part of release 1.1, and migration aspects for cutover to the new system.
Rules	Where in the operating amendments timeline is the final review of the consolidated rules package prior to lodgement with ASIC?	As stated in the Consultation Paper, the consolidated rules package for the new system will be part of the further and final consultation planned for release in early November 2020. The consultation period will run for 15 weeks, closing in mid-February 2021. ASX plans to formally lodge the combined rules package with ASIC in August 2021. Following the regulatory clearance process, a final set of rule changes will be released. This is anticipated to be by the end of September 2021.

<p>Corporate actions</p>	<p>Are the changes that are being made to STP2 being made to Reference Point? ASX has always stated that STP2 is not a replacement for Reference Point and that Reference Point will supply all necessary corporate actions information.</p>	<p>The ISO 20022 corporate action notifications being implemented by the Corporate Actions STP Phase 2 project have taken into account CHES Replacement requirements, and will provide users with necessary information. The intra-day/end of day ReferencePoint csv product is not changing. For users that don't have access to the ISO 20022 service, there may be circumstances where ASX also provides a Market Notice to ensure users have the necessary information. ASX provided an overview of where to find key information for each corporate action event during its Implementation & Transition webinar held on 27 May 2020 - refer pages 33-42 of the presentation.</p>
<p>SWIFT annual upgrades</p>	<p>Following go live of CHES Replacement, will the market need to participate in yearly SWIFT Standalone upgrades?</p> <p>Will vendor systems using AMQP to CHES Replacement be impacted by yearly SWIFT Standalone upgrades?</p>	<p>The current focus is on the implementation schedule, and ASX is yet to determine the cadence for a post go live service release schedule, including any ISO 20022 standards updates.</p> <p>ASX acknowledge that the accepted norm for SWIFT MT messages is a compulsory annual upgrade each year in November (and this process is followed by Austraclear, for example). While the global change and update schedule for ISO 20022 (MX) base messages is now aligned from a timing perspective with the MT upgrades, they are not compulsory. More than one version can be in use globally, though each implementation should only use a single version at any one time.</p> <p>However, as a market we ideally should keep within a few versions of the latest version. ASX set Standards Release 2017 as the version for the definition of the ISO 20022 messages for CHES Replacement development through to go live and production. (There are some minor exceptions to this, with some messages using later versions.) We will determine a plan for catching up to the latest version, and release schedules post go live. We would also have to take into consideration the date to be determined for Release 1.1 in that planning.</p> <p>As the ISO messages are equally defined and used on both SWIFT and AMQP channels, any change will impact users of both channels.</p>
<p>ISO</p>	<p>What is the prospect of Standard Release 2017 expiring before release 1.1? If so who is going to manage that communication given ISO 20022 Technical Committee is finished?</p>	<p>Standard Release 2017 will not expire (this is not the concept of ISO 20022 to date). Pending confirmation of the date of release 1.1, ASX will consider a practical plan for CHES and CHES users for a catch-up process to the latest Standard Release version.</p>

Node benefits	Please advise when ASX will provide details on the benefits of taking a node for issuers/registrars.	<p>The benefits associated with any particular access method whether ISO 20022 messaging via ASX's AMQP channel, the non-ASX SWIFT channel or the Ledger API depend on the uses cases that may be developed in DAML applications.</p> <p>Therefore, it is the CHES user that is best positioned to determine the benefit profile for a DAML application they may wish to develop and host on ASX's DLT infrastructure.</p> <p>In general, common DLT / blockchain and DAML use-case characteristics include those:</p> <ul style="list-style-type: none"> • with multi-party workflows; • where deterministic outcomes are desired; • where granular data privacy controls are desired; • where 'chain-of-evidence' or provenance is desired; and • where double-spend elimination is desired.
Node benefits	Why aren't issuers getting what ASX is proposing as a benefit from the DLT?	ASX published a fact sheet for issuers, available here .
Pricing	When will ASX provide details of transactional pricing for existing and new services?	ASX does not expect to increase fees for like-for-like clearing and settlement services. These fees are under development and subject to regulatory review after which these will be published at least 12 months before the go-live date of the relevant service.
Pricing	When will ASX provide costings for node access?	<p>ASX provided indicative system access pricing for participants in September 2019. This included outlining that Ledger API (node) access costs for participants are waived for 3 years for a standard connection.</p> <p>ASX expects to confirm the cost of Ledger API access for share registries later in 2020.</p>
Pricing	What about payment provider charges for RITS RTGS etc?	We anticipate providing further details on pricing later in 2020.
Pricing	May I know any indicative pricing for CHES UI?	We anticipate releasing further information on pricing for access to CHES UI later this year.

<p>eStatements</p>	<p>What is meant by “statements and notifications” or to be more precise ASX communications and how is ASX intending to provide this? Also why is a mobile number required if we elect to have Electronic delivery of CHES documents?</p>	<p>“Statements and notifications” refers to CHES Holding Statements and notifications of changes of account details under an investors’ HIN.</p> <p>An electronic delivery option for CHES Holding Statements and notifications will be provided to investors who elect to go electronic via their broker participant. We are targeting for this option to be available from the end of 2020.</p> <p>Broker participants will need to message CHES with the investor’s election and email address. Email to the HIN holder will be the primary method of communicating these statements.</p> <p>Mobile numbers are not required for delivery of CHES Holding Statements.</p>
<p>Release 1.1</p>	<p>What date will version 1.1 be dropped to [which] ITE? Is there a warranty period ITE must stay at version 1.0 for a set period?</p>	<p>As stated on page 11 of the Consultation Paper, release version 1.1 will not be made available in ITE1 or ITE2 for Day 1 go-live. ITE1 and ITE2 will stay at version 1.0 through to go-live, and for a warranty period after that.</p>
<p>Release 1.1</p>	<p>Is there a Go-live date for version 1.1?</p>	<p>No. The go-live is subject to feedback from the consultation – we have asked question 5 to assist in setting an appropriate date. ASX would expect to be able to say more as to the target go-live date for Release 1.1 features in its reply to consultation feedback.</p>
<p>Release 1.1</p>	<p>What ITE environment will receive version 1.1 drop - both? Or will one be kept for production support?</p>	<p>The features that are outlined for Release 1.1 will be made available in CDE from end April 2021 (i.e. they will not be made available in ITE1 or ITE2).</p> <p>These will form part of a subsequent process for technical accreditation and operational readiness and will go live after day 1.</p> <p>ITE will only have the day 1 features available for testing. Anything not day 1 will not be available in the ITE environments until a point in time that will be determined as part of the consultation process (and in response to question 5).</p> <p>The process is to move new software versions up through the environments being ITE1 and then ITE2 before being released to production. Production support will require a separate environment.</p>

Release 1.1	Please confirm that the version 1.1 build requirements will be mandated for registries & system providers to complete?	As per previous advice, all CHES users will be required to use an accredited system, which means all systems connected to CHES must be able to support these features. This can include the CHES User Interface for those users that expect very low volumes. In addition, the rules provide further guidance on requirements which CHES users must comply with in relation to these features (in particular tranche 2 of operating rule amendments set out a number of these obligations).
Release 1.1	Why has the DRP/BSP and entitlement acceptance and payment functions been deferred? And what is the expected time for the first release post implementation?	<p>In response to customer feedback, Non-batch DvP bilateral settlement, DRP elections and electronic acceptance and payment of entitlement offers functionality was initially advised as 'Optional' for Day 1, with a view of making them 'Mandatory' (i.e. must use an accredited system and adhere applicable rules) post go-live.</p> <p>This created complexity during this transition period between go-live, and when such features must be supported in an accredited system. To remove such complexity and allow for all stakeholders to focus on Day 1 activities, these features will now be made available in Release 1.1. The timing of this release is subject to consultation, and we encourage all vested parties to provide their feedback via the consultation process.</p>
Release 1.1	What can ASX do before go-live to support participants who are ready to test Day 1.1 functionality?	Testing for release 1.1 will occur in CDE, based on several factors including how all participants in the market were tracking with their development (including payment providers who have considerable development for this functionality). ASX encouraged attendees to provide feedback via the consultation if they have a different view with regard to version 1.1.
Release 1.1	What is the rationale for not supporting testing for Day 1.1 before go-live? Is this not penalising participants who were on track to hit the previous timeline?	ASX's intention is not to penalise participants who were tracking to plan, however, ASX is attempting to manage feedback/progress of all stakeholders. It is important to maintain the same version in ITE1 and ITE2 that the market will go-live with. ASX did receive significant feedback around providing release 1.1 functionality on an optional basis for Day 1 go-live, however, this was not feasible when multiple parties to a workflow required responses to messaging. ASX deemed it too complicated and risky to proceed with an optional period, and ASX seeks feedback regarding the timing of release 1.1 as part of the consultation.

Release 1.1	Is ASX committed to deliver Day 1.1 functionality?	Yes, ASX is committed to delivering release 1.1 functionality. The question is as to the timing, and ASX encourages all with a vested interest to provide feedback on their preferred timing as part of their consultation response.
Business requirements	What changes were requested by users? All changes I am aware of were because of either incomplete or inaccurate requirements.	All significant new and materially changed functionality has been consulted on via focus groups and the ISO 20022 technical committee. A comprehensive list of topics, dates, and where applicable, presentation materials and minutes, is available on the CHES Replacement website here under section ‘Stakeholder Engagement – Calendar of events’. The consultation paper for the revised timetable also provides a summarised list of key changes resulting from consultation under section 1.1.
Business requirements	What aspects of ASX development required additional time?	The consultation paper sets forth the key reasons for revising the implementation timetable under section 1. This includes the list of features in section 1.1 where ASX received feedback from CHES user focus groups that requires additional time for ASX to complete the development of the CHES replacement application.
Business requirements / rules	What is meant by Centralised Data Capture and storage in 2.3, what how is ASX intending to now store rather than pass through? Where in the rules is this covered and what protections are there under the rules.	<p>The requirement provided by industry via 2017 working groups, as documented in the ‘CHES Replacement New Scope and Implementation Plan’ April 2018 (section 2.2.3), contemplated the capture and storage of additional information linked to a CHES holding which can be used to better support corporate actions processing, compliance with regulatory obligations or enhanced investor services as requested by stakeholders (where applicable). The additional information contemplated included TFN, ABN and bank account details.</p> <p>As a result of feedback through the stakeholder engagement processes, ASX has sought to deliver such enhancements to corporate actions processing and compliance with regulatory obligations in the new system through e.g:</p> <ul style="list-style-type: none"> • Simplification of the pass-through of TFN, Bank Account, ABN and ACN via a single, consolidated message (‘Investor Data and Foreign Tax Status message’) • Ability for a participant to provide additional information in relation to the foreign tax status of non-individual and individual investors for FATCA and CRS reporting in relation to mFund products. <p>The new system will otherwise represent limited changes to the way existing holder data is collected and linked to a CHES holding, with new ISO messaging fields of entity type (i.e. natural person or not) and ownership type (whether held jointly or not), relating to information inherent in CHES today, required to be populated by participants.</p>

		<p>Where ISO messaging in the new system allows for the recording of additional holder information linked to a CHES holding on an optional basis by participants (non-mandatory fields) which ASX does not need for a particular purpose for Day 1, ASX will request participants in the User Technical Documentation that this information is not provided to CHES.</p> <p>Further information on the above “Centralised Data Capture and Storage” business requirement and related rule amendments, are contained in ASX’s consultation paper on the Tranche 1 rule amendments (refer rows 5, 6 and 12 of the Summary in Annexure A) as well as in additional information provided by ASX on this aspect in response to consultation feedback received contained in ASX’s response to Tranche 1 consultation feedback (refer to row 3 of the Summary in Annexure A).</p> <p>For completeness, enhancements to corporate actions processing under the new business requirements for electronic elections for DRPs and BSPs, entitlement acceptance for entitlement offers and electronic payment for entitlement offers (2.2.16 – 2.2.18 of the ‘CHES Replacement New Scope and Implementation Plan’ April 2018) are being addressed separately through functionality developed for those business requirements (refer rows 1 to 16 of the Summary in Annexure A of the Tranche 2 consultation paper).</p>
<p>Functionality</p>	<p>Why is ASX providing a DRP Enquiry function, that we will set as either “Y” or “N” and we would advise the reg, where in tech notes do I see anything about registries providing the same when clients update information which I hold with them?</p>	<p>All functional specifications relating to the CHES Replacement system are available on the technical documentation website. This includes specifications in relation to updates made on DRP elections directly with an Issuer, available here: https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/188844722/Issuer+Registry+Initiated+DRP+BSP+Election+Process</p>
<p>Functionality</p>	<p>We still lack a complete end to end process view for most functions which is imperative for us to know before we can cost enhancements or BAU.</p>	<p>The technical documentation portal provides comprehensive coverage for all CHES Replacement related functional and technical componentry and features, including:</p> <ul style="list-style-type: none"> • Functional Specifications • Message Specifications • UMLs and Process Flows • Business Rules

		<ul style="list-style-type: none"> • Connectivity documentation • Environments, Testing and Release Notes • CHES Settlement Procedure Guidelines (APG)
Functionality	How is ASX providing Standardised registration details when at a minimum the current solution cannot enforce even AUS post standards?	<p>The standardisation of registration details in the CHES Replacement system includes:</p> <ul style="list-style-type: none"> • Allowing for up to 4 holders to align with ATO specifications (as opposed to 3 currently) • Captures, passes on and returns registration details in a structured and standardised format (as opposed to current single 180 character field) • Adheres to ASCII 32 standard • Adheres to ISO 20022 messaging standards
Functionality	For electronic corporate action elections I would like to be able to elect via CHES and still pay by either a Bpay file at EOD to registry issuer (value date of the acceptance) or an NPP overlay to do the same. RITS RTGS cost may be prohibitive to provide this functionality.	<p>Gross line-by-line payments ('CHES-RTGS') has been consulted on via several focus groups, with solutions reflective of, and changed as a result of industry feedback, including in relation to the following features:</p> <ul style="list-style-type: none"> • Choice of / preferred payment channel for settlement of gross line-by-line payments • Use of payment facilities vs. bank account details when interfacing to RITS for CHES-RTGS • Settlement of mFunds via batch or on a gross basis via CHES-RTGS <p>The ability to pay for capital raising events by BPay will remain an option available to Participants and Security-holders.</p>
Non-functional requirements	Could we have more information of the additional effort to cater for the March record volumes? I had thought that the new CHES system already had significant headroom over current CHES.	<p>Under its regulatory obligations, ASX has always maintained significant headroom in its operational systems to manage volatile times, and exceeds those obligations by having additional capacity well over twice the historic peak. Given the new record number of daily trades on 13 March, more than double the previous record, ASX is appropriately revising the requirements for the replacement system to ensure ASX continues to provide sufficient capacity headroom to meet its regulatory obligations.</p>