




Business Committee

Presentation materials

20 March 2024



Committee 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.





Draft minutes and report,
6 December 2023

Working Group
and Whitepaper

T+1 Settlement – Working Group and Whitepaper



Working Group
and White Paper

T+1 Settlement –
Corporate action
exception management



Working paper
and White paper

CHES stress test, Market management scenarios



Australian Carbon Exchange initiative – overview



E-Statements take-up update

Current State

Since December 2021, investors have had the option to opt-in to the electronic delivery of CHESS Holding Statements and notifications.

91%~

CHESS Holding Statements and notifications are **mailed** to investors.

4

Sponsoring participants have completed the transition of *majority or all* of their investors to electronic delivery.

9%~

CHESS Holding Statements and notifications are **electronic**.

5

Sponsoring participants are progressing the transition of their investors to electronic delivery.

3.2
million~

Active holders in CHESS

12.5%~

Investors have chosen email for ASX communication preference.

Moving forward

1.



Investors

- Continued education of investors to request electronic delivery of their CHES Holding Statements through their sponsoring participants.



- Communicate the list of sponsoring participants who support electronic delivery to investors if requested.

2.



Sponsoring Participants

- Dedicated ASX team to support participants transition to electronic statements.
- Participant Sponsored HIN Creation and Maintenance: Introduction of a new optional pricing model – Q3 2024.
- HIN creation, modification and/or cancellation fee increased to \$1.50 to align with AusPost stamp cost increase.*



- API Services to enable sponsoring participants to provide CHES Holding Statements and notifications directly to their investors.
- Explore potential changes to ASX operating rules requirement for written authority from holder for changes to communication preferences.

3.



Issuers

- Electronic statements now included in subscription fee.
- As of July 2022, new fee structure introduced to reduce cost of paper statements for Issuers from \$1.25 to \$0.50.



- Issuers will benefit from the increased adoption of electronic statements, as it will help to reduce their fees.

Milestones

Considerations



TNF Australasia Meeting 2024



Business Committee Charter update

Agenda item 2f – Business Committee Charter

Further changes following ASIC/RBA feedback

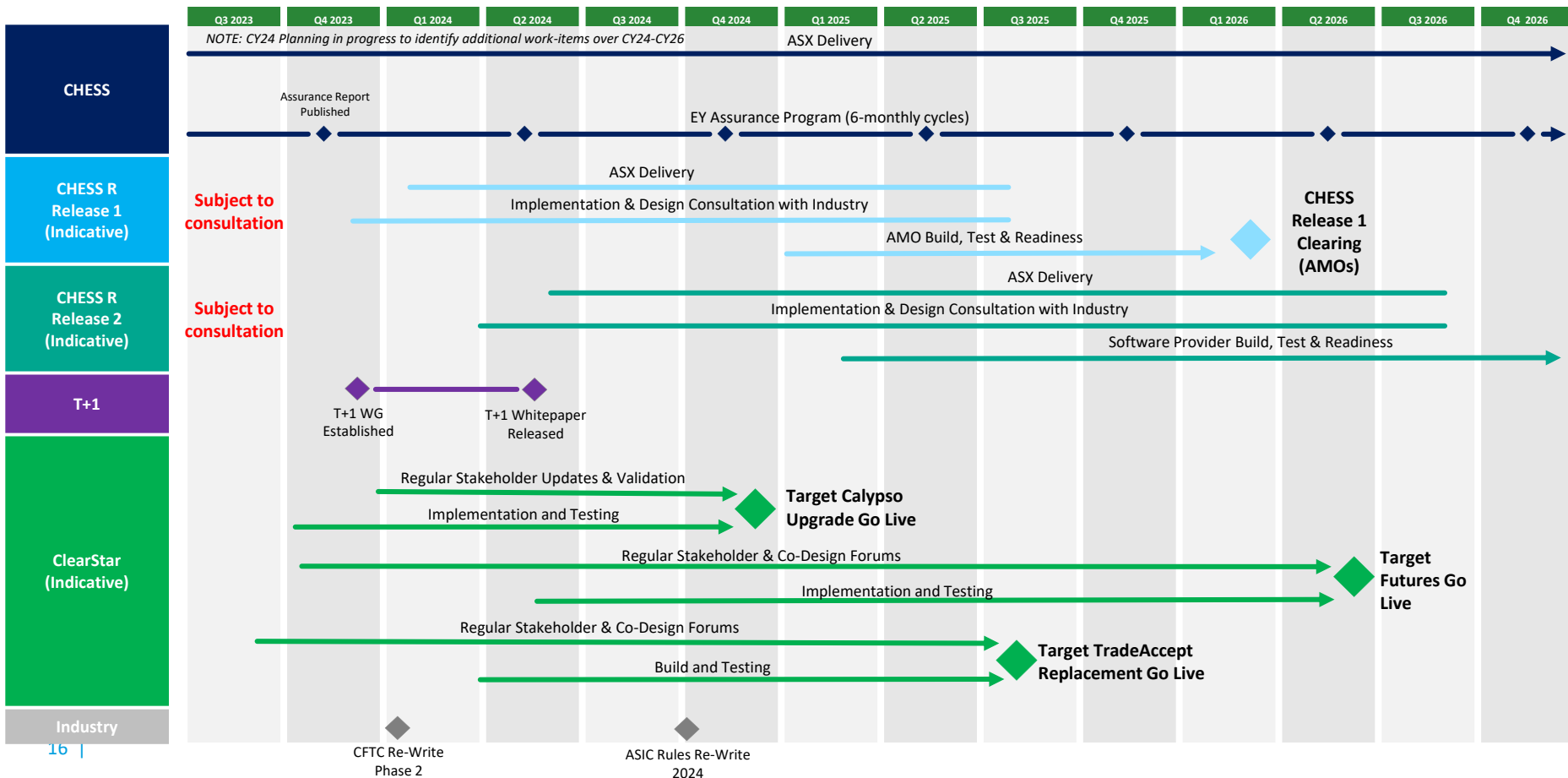
New clause 4.4

4.4 A representative of a Business Committee member that attends a meeting of the Business Committee must not also be a member of the Advisory Group. This does not apply to the Managing Director and CEO of ASX Limited if attending a Business Committee meeting as representative of ASX Limited as market operator.



ASX Stakeholder Impact Visibility roadmap

Proposed ASX C&S initiatives






CHES replacement project – Project update



Independent Assessment of the Assurance Program for the CHES Replacement Project

Roberto Fitzgerald (EY)



Independent Assessment of CHES Replacement 'Define & Plan' Phase Report

Felicity Potter (EY)



Questions Session Items not for presentation

Business Committee Chair

Questions Session – Items not for presentation

- > Agenda item 4a: Operational Performance: Cash Market Clearing and Settlement
- > Agenda item 4b: Maintaining the stability of existing CHES
- > Agenda item 4c: Regulatory Expectations Audits - summary of actions taken to address prior findings
- > Agenda item 4d: Regulatory Expectations Audit - draft Terms of Reference FY24
- > Agenda item 4e: ASX Cash Equities Clearing and Settlement Code of Practice update
- > Agenda item 5a: Partnership Program update

Agenda item 4e – ASX Code of Practice update

Further changes following ASIC/RBA feedback

Amendment to Forward – Customer and stakeholder commitments

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ASX is committed to ensuring Australia's clearing and settlement infrastructure is efficient, well capitalised, and well **governedregulated**. ASX recognises the importance of working collaboratively with customers and other stakeholders to deliver world class financial infrastructure and clearing and settlement services that meet the needs of a diverse range of users in the Australian cash equities market.

Agenda item 6a – Open actions

Item number#	Action	Due date	Status	Owner	Response
23-7-2	ASX to perform further analysis to articulate benefits of moving to T+1 settlement, including margin and capital savings analysis.	Jul 2024	Open	ASX (Colm Grace)	Margin analysis was presented to the Business Committee as agenda item 3a on 6 December 2023. Capital savings analysis: Approach to assessing impact of move to T+1 on ASXCL default fund sizing currently being considered. Currently targeting December 24 Business Committee for update on the results of this analysis.
23-10-4	ASX to explore additional ways to encourage take-up of electronic statements.	Mar 2024	Open	ASX (Karen Webb, Ouafaa Daki)	Refer to agenda item 2d.
23-10-5	ASX to collate findings from previous 3 regulatory expectations audits (FY23, FY22 and FY21) to provide visibility over the status of the findings.	Mar 2024	Open	ASX (BC Secretariat)	Refer to agenda item 4c.
23-12-1	ASX to consider how the entitlement claim process (related to failed settlements that coincide with corporate actions) could be improved and what additional role (if any) ASX may be able to perform in facilitating the claim process.	Mar 2024	Open	ASX (Suzy Munro)	Engaged with the relevant member. Agreed and noted that this is beyond ASX's remit and no further or appropriate action can be taken beyond what is already provided.
23-12-2	ASX to prepare a roadmap to provide stakeholder impact visibility across the major work streams running in tandem (such as current CHES initiatives, CHES Replacement, and T+1).	Mar 2024	Open	ASX (Andrew Jones)	Refer to agenda item 2g.
23-12-3	ASX to collate findings from previous 3 regulatory expectations audits (FY23, FY22 and FY21) to provide visibility over the status of the findings.	Mar 2024	Open	ASX (Suzy Munro, Sabra Mott)	Refer to agenda item 2b. Verbal update to be provided at the Business Committee meeting on the results of the CHES stress test, followed by Market Management on High Trading Volumes scenario.



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