



Share Registry Readiness Working Group

Questions from webinar | 2 March 2022

The following table provides ASX's response to relevant questions asked by the Share Registry Readiness working group members during the webinar held on 2 March 2022. Please email chessreplacement@asx.com.au if you have any additional questions or require further clarification.

Topic	Question	Answer
ITE1	Is bilateral testing possible in the ITE1 environment?	Bilateral testing with other counterparts is only available in ITE2.
ITE1 - Accreditation	Should we have already locked in an accreditation testing timeframe??	No not yet, but each organisation will need to arrange and agree that timeframe for accreditation bilaterally with ASX's Customer Technical Support (CTS) team.
ITE2	If we are actively testing in ITE1, do we hold off until the end of the implementation window to enter ITE2?	Share registries are asked to refrain from onboarding and testing in ITE2 until you have completed technical accreditation in ITE1.
ITE2	If the ITE2 environment is to be reset what advance warning and method of communication is expected? Should we expect ITE1 to also be reset?	ITE1 may be required to be reset in the case of upgrades or maintenance (planned or unplanned). We aim to provide a minimum of 5 days' notice for any reset in either ITE1 or ITE2
ITE2	What is the difference between ITE1 and ITE2?	The difference other than data sets etc is the user base. ITE1 is an environment for software developers and those developing in house, whilst ITE2 is an environment for production users. Share Registries are quite unique in that they generally have an overlap in each environment due to in-house development and role as a CHES user. Should ASX make any upgrades to software, these will be made in ITE1 first to allow vendors and those developing in house to test that software before it is migrated into ITE2.

Topic	Question	Answer
ITE2	Will other groups be entering ITE2 as soon as available (those organisations who do not have access to ITE1).	Yes, ASX focus is on those organisations who have not had the opportunity to test against the CHES Replacement system. There are a lot of CHES users dependent on software vendors and therefore their first opportunity to test is ITE2 and we want to focus on those testing core aspects of the system including changes to netting and settlement
IWT	We would like to see unsolicited reporting across the full portfolio of securities as a minimum, how could this be achieved?	The subset of securities that are proposed to be marked as not available for testing, as well as those securities assigned to each share registry for isolated testing can be assigned to each share registry as the destination point to allow for such unsolicited reporting. The subset of securities that won't be available for each share registry to receive unsolicited reporting on is that subset assigned for isolated participant testing. This subset will only be a small subset of securities per share registry.
Operational Readiness Scenarios	Given partial conversions have different operating requirements to full conversions (standing instruction management) will each scenario be tested?	Neither accreditation nor operational readiness will cover all possible scenarios of each individual workflow however individual organisations are free to test should they wish to, either bilaterally or in isolation.

Topic	Question	Answer
Data Remediation	<p>ASX indicated data cleansing was at 25% completion with 17 participants having now completed this task. Do you have an indication as to when the data cleansing will be completed and is this now running behind schedule given previous communication suggested this would be completed by end 2021?</p>	<p>The data remediation work that was referenced in the March 2021 I&T Webinar was originally targeted to be completed by end of 2021. Affected Participants received their first batch of exceptions (referred to as ‘Phase 1’) from April 2021. However, additional testing on the remaining exceptions (‘Phase 2’), which relied on unmasked production data, meant that ASX were not able to provide affected Participants with the complete set of their exceptions until early December 2021. ASX communicated directly with these participants on the progress of our reporting and advised that the timeline for this remediation had moved out to the end of March 2022 to allow them additional time to complete this work.</p> <p>The completion rate (>25%) reported in the February 2022 webinar reflects that while we have seen 17 firms already remove their reported exceptions, there is a concentration with a few larger retail participants. Given the client communications and approvals required to facilitate the change of registration details, these firms had advised ASX that they would commence their remediation only once they had a complete set of data. Based on the feedback from the remaining affected participants, we expect to see a steep reduction in the exceptions total over March.</p> <p>The impact of any slippage means impacted parties will have to cleanse data in parallel to other CHES user readiness activities. It is also important to call out more broadly on ASX’s data clean-up activities, that in addition to the removal of the registration detail exceptions that participants have also cancelled >1m dormant HINs since December 2019. This was mostly driven by the fee waiver program for bulk cancellations that ASX communicated in the I&T Webinar in November 2019 to encourage the clean-up of the current production data prior to the cutover to the new system and is not captured in the data remediation completion rate.</p>

Topic	Question	Answer
Future topics	Topics for discussion as a group should include governance, “a big-bang cutover”, MDRs and production level security for non-production environments.	<p>ASX appreciates this feedback. In terms of the cutover weekend, ASX intends to publish a paper that talks to the rationale for a single cutover weekend. Once the paper has been published we can table this topic for discussion at a future Share Registry readiness working group or at an implementation and transition working group webinar. On production level security concerns for MDR’s we will discuss this more broadly in another working group however all MDRs will use unmasked production data to validate the migration and cutover process. The use of unmasked production data will:</p> <ul style="list-style-type: none"> • Expose potential data quality exceptions where remediation may be required from either ASX or Participants, meaning the exception handling process will be fully rehearsed. • Allow for meaningful customer reports to be generated for review by CHESSE Users • Provide CHESSE users the opportunity to complete or execute a number of post MDR day 1 test scenarios <p>As previously communicated, any environment that CHESSE users use to connect to ASX’s ‘to be prod’ environment for MDRs must have appropriate level of security controls in place. ASX will use the ‘to-be’ Production environment with production level security controls. An independent security assessment will be performed to confirm adequate ASX security controls are in place. ASX expects that CHESSE users will have production level security implemented in the environment to be used for MDRs and that CHESSE users will perform adequate levels of security testing appropriate for a production environment.</p>