



CHES Replacement Project

**Implementation & Transition
Webinar**

13 July 2020

Housekeeping: trouble shooting

- Check your system requirements
- Audio options:
 1. Use your computer's mic and speakers ("Computer audio"). Check that your computer's audio is unmuted
 2. Use a telephone to dial in ("Phone call")
 - Phone number: **+61 3 8488 8990**
 - Access code: **807-771-977**
 - No need to enter an Audio PIN as audience is muted
 3. If you are still experiencing audio difficulties, try downloading the GoTo Webinar Application on your smart phone, and enter the Webinar ID: **840-230-843**

Further information:

<https://support.goto.com/webinar/how-to-join-attendees>

GoToWebinar Attendee System Check for Webcast Webinars

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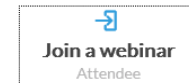


- ✔ OS - Windows 8.1
- ✔ Browser - IE 11
- ✔ Internet connection - Strong
- ✔ Flash - Enabled

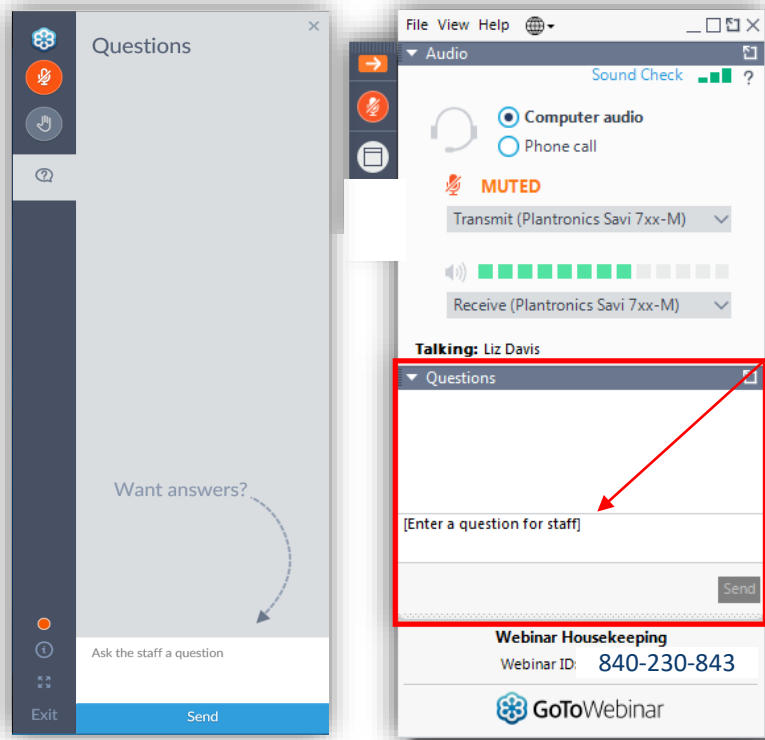
Test your system again

View System Requirements

Next steps



Housekeeping: how to submit questions



Your Participation

- To submit your text questions and comments use the Questions panel
- Note that your questions will not be seen by other attendees

For more information - refer to the webinar tips published on the ASX [CHES](#)
[Replacement web page](#)

Agenda

-
- Key points on the consultation paper
-
- Q&A
-
- Next steps
-

Presenters and introductions



Dan Chesterman
Chief Information
Officer,
Technology



Katie McDermott
General Manager,
Equity Post Trade
Services



Keith Purdie
Senior Manager,
Equity Post Trade
Services

Consultation paper

Consultation Paper and Process

Revised implementation timetable

- > ASX published its consultation paper on 30 June 2020
- > The consultation paper is focused on the timing of the revised go-live date and key project activities and milestones, including system development and testing, user testing, technical accreditation, operational readiness and operating rule amendments
- > It also sets out the forward release schedule for additional code drops to complete day 1 functional development
- > Timing considerations for new system features to be implemented following day 1 go live are also considered
- > ASX is seeking feedback from CHESSE users (inc. software vendors) on their ability to meet the revised timetable with 5 questions
- > All CHESSE users are required to respond to consultation paper to confirm if they can meet the revised timetable
- > The consultation period runs for 4 weeks with written submissions due by 28 July 2020

Consultation Paper and Process

CHES Users

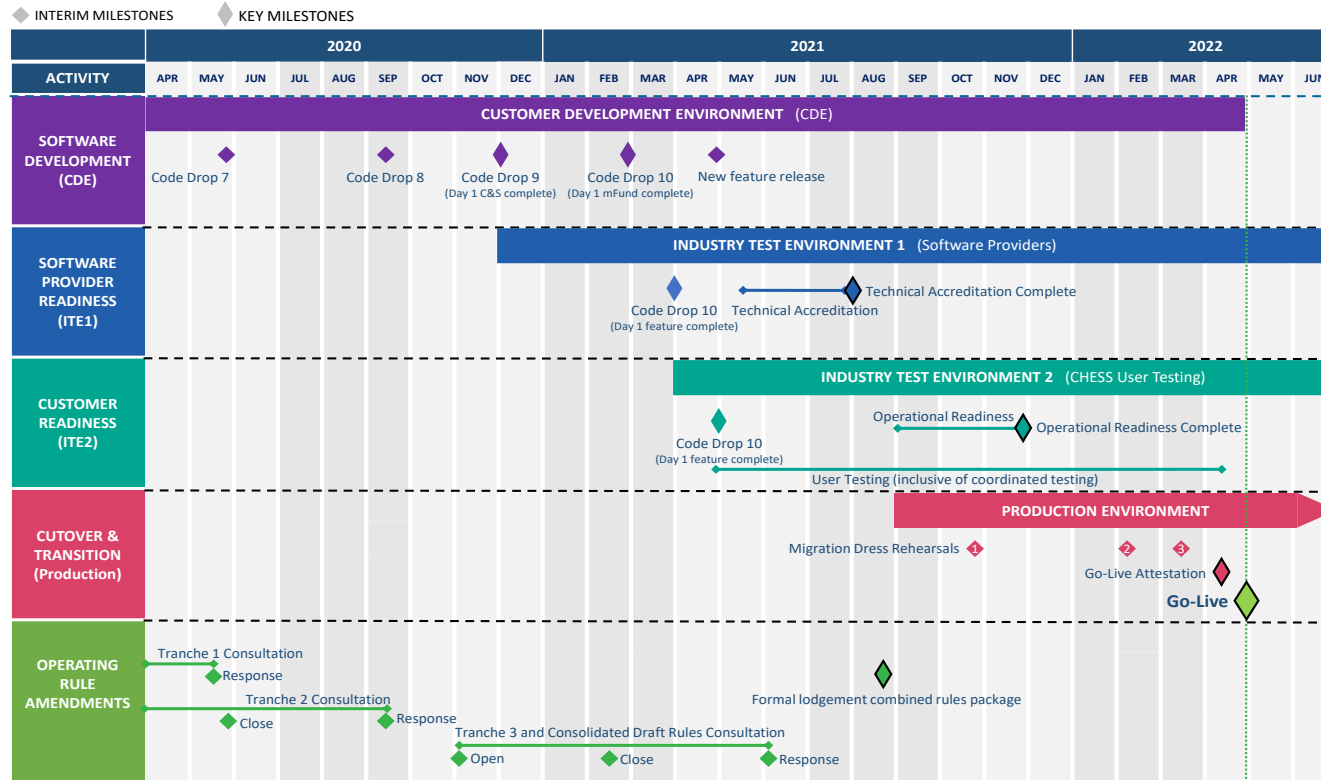
- > ASX is seeking feedback from those that must undertake technical accreditation and/or formally attest to their operational readiness. This includes:
 - > Clearing and settlement participants
 - > Product issuer settlement participants (PISPs)
 - > Approved market operators (AMOs)
 - > Payment providers
 - > Share registries
 - > Back office software developers (Vendors)
- > ASX is asking CHES users to take a 'whole of business' view in your response
- > We recognise the questions were not aimed at industry associations but welcome an opportunity to meet and discuss the revised implementation timetable, if they wish

Consultation Paper and Process

Feedback requested

- 1. Can your organisation meet the revised implementation timetable with a go-live date of April 2022?**
YES/NO.
- 2. If you answered NO to question 1, what are the challenges for your organisation in meeting the timeline?**
- 3. If you answered YES to question 1 are there any dependencies that ASX should be aware of, and what would be the impact to your organisation of a delay beyond April 2022?**
- 4. If your organisation chooses to provide feedback on the rule amendments, can your organisation meet the revised timetable for providing feedback on the further rules consultation commencing in early November 2020 as set out in section 5.3?**
YES/NO/Not applicable. If you answered no, please provide information supporting your answer.
- 5. How long after the go-live date would your organisation be ready to commence readiness activities (including technical accreditation and operational readiness) for features included in release 1.1 as set out in section 2.3?**
Specify the number of months. Please provide information supporting your answer.

Revised Implementation Timetable

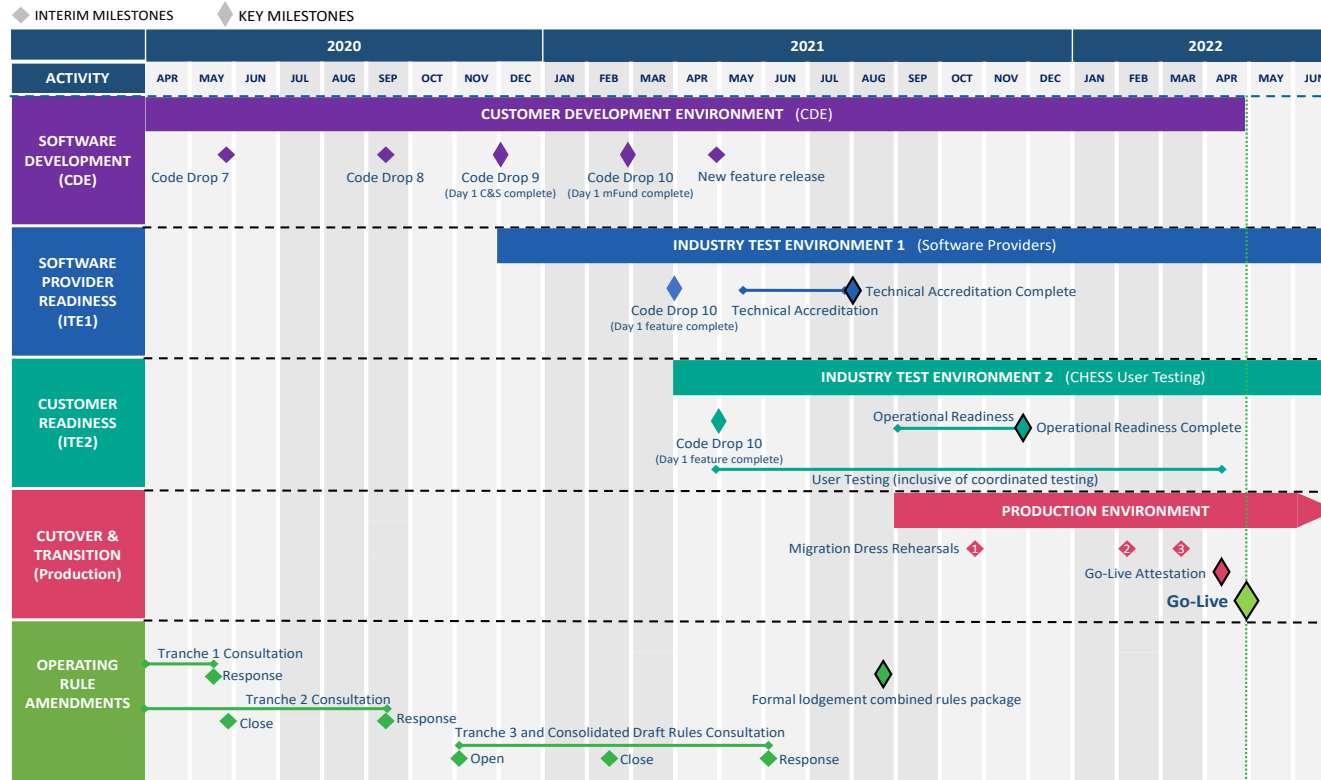


Consultation Paper and Process

Revised forward release schedule

CODE DROP	MONTH RELEASED in CDE	SCOPE
8	Mid Sep 2020	<p>Settlement:</p> <ul style="list-style-type: none"> Isolate counterparty Payment provider authorisation Change margin settlement amount <p>Corporate actions:</p> <ul style="list-style-type: none"> Calls, Code change, Class merger, Diary adjustments <p>Reporting:</p> <ul style="list-style-type: none"> Issuer end of day reporting (AMQP only)
9	End Nov 2020	<p>Account management:</p> <ul style="list-style-type: none"> Investor data and pass-through information (ABN/ACN, TFN, bank accounts) Changes for migration purposes (Holder type, 4 and 5 address lines) <p>Settlement:</p> <ul style="list-style-type: none"> Default management related messages <p>Reporting:</p> <ul style="list-style-type: none"> Demand reporting Projected reports Daily margin settlement advice Interest earned and collateral statements Issuer end of day reporting (all applicable connectivity channels)
10	End Feb 2021	<p>mFunds:</p> <ul style="list-style-type: none"> Applications <p>Redemptions</p> <ul style="list-style-type: none"> Settlement

Key points



Consultation Paper and Process

New features availability – release 1.1

- > The following features that were previously to be available on an ‘optional’ basis on day 1 with technical accreditation and operational readiness to be achieved by 31 December 2021, will now be made available in a release 1.1 after day 1 go-live
 - > Non-batch DVP bilateral settlement
 - > Electronic DRP and BSP elections, DRP enquiry
 - > Electronic acceptance of entitlement offers
 - > Electronic payments for entitlement offers
- > These features will be made available in CDE from end April 2021 for vendors and software developers that wish to commence development prior to Day1 go-live
- > Accreditation and operational readiness activities will be undertaken post day 1 go-live

Pricing for participants

- > ASX does not expect to increase fees to participants for like-for-like clearing and settlement services.
- > Replacing the CHESSE software will require some changes to the pricing model for clearing and settlement. We plan to talk with participants well before go-live on any required changes. We anticipate that this engagement will commence later in 2020.
- > Pricing guidance for access to CHESSE for clearing and settlement participants was provided in [September 2019](#), noting that Ledger API access cost is waived for three- years for a standard connection.

Pricing for issuers and share registries

- > ASX will not increase fees for issuers on like-for-like services to pay for the CHES replacement project. ASX is funding CHES replacement through its capital expenditure program, not by raising fees
- > Access to CHES for share registries via messaging (AMQP and SWIFT) will continue and a new optional access channel to CHES via ASX's distributed ledger technology infrastructure (DLT) will be introduced called Ledger API
- > Similar to the access charges for clearing and settlement participants an AMQP session is expected to cost share registries \$495 per month
- > One AMQP session can be configured for multiple issuers (UICs); further information on the capacity of one AMQP connection is expected to be made available by end of this year
- > Indicative pricing for Ledger API access for share registries is expected to be provided by end of this year

Q&A

Next steps

Next steps

Immediate steps following today's session

Review and feedback:

- > Written submissions from CHESSE users due by **28 July 2020** – see page 2 of consultation paper for submission instructions
- > Clearly indicate if you would like your response to be treated as 'confidential'
- > Webinar recording, slides and Q&A will be published on the CHESSE Replacement webpage

Next Implementation & Transition Working Group meeting:

- > Topic: CHESSE UI
- > Date: 29 July

Thank you.



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