



CHES Replacement Project

Implementation & Transition
Working Group

7 October 2020

Housekeeping: troubleshooting

- 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: **599-899-352**
 - 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: **980-231-643**

Further information:

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

GoToWebinar Attendee System Check for Webcast Webinars

Looks good! You can join a webinar.

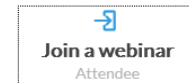


- ✔ OS - Windows 8.1
- ✔ Browser - IE 11
- ✔ Internet connection - Strong
- ✔ Flash - Enabled

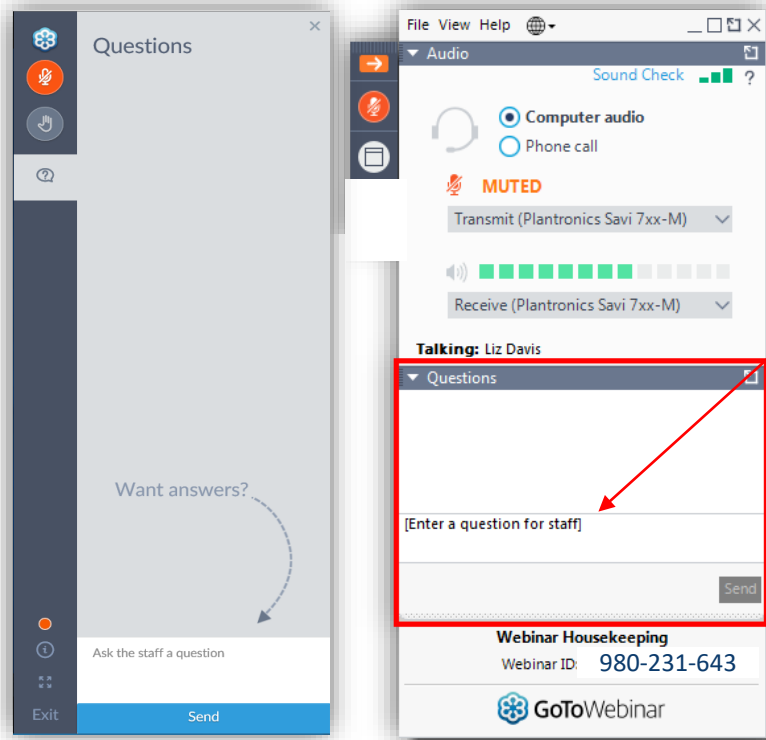
Test your system again

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

> CDE 8

> Electronic CHESS holding statements

> ASX website changes

> Q&A

> Next steps

Presenters and introductions

Keith Purdie - Senior Manager, Stakeholder Engagement, Equity Post Trade Services

Fraser Moodie - Senior Manager, Connectivity & Integration, Equity Post Trade Services

Andrew Jones - General Manager, Strategic Partnerships

Elizabeth Towler - General Manager, Marketing

CHESS Replacement post COVID-19 consultation

We are in the process of incorporating industry feedback into the post COVID replan

COVID-19 adjusted draft plan considerations

- WFH, travel and collaboration challenges
- More time for users and ASX to complete build
- Functionality changes resulting from user working groups



CHESS user consultation feedback

- Increased Day 1 scope to enable digitisation and STP
- Increased Day 1 'bursting' capacity reflecting March volumes
- Increased industry testing to de-risk cutover
- Consideration of some key users preferring more time
- Consideration of other industry infrastructure upgrades eg. SWIFT



Updated plan

- Incorporating consultation feedback
- Increased scope, capacity and testing will extend the project
- Announcement of updated plan late October 2020

CDE 8 Update

CDE 8 – Release



The eighth drop of code into the Customer Development Environment (CDE 8) is now available.

[CDE](#) supports early access development and low volume transaction and functional testing, following the iterative development of the technical solutions.

Accordingly, the technical documentation has been updated to include:

- Release notes for CDE 8, including available functionality
- Updated seeded data required for testing CDE 8 functionality
- Updated test tools to support CDE 8 functionality
- Minor updates to CDE testing details
- Known issues and limitations with CDE 8

CDE 8 – New Features

CDE 8 contains several new features

- > Corporate Actions
 - Diary Adjustments
 - Call Payment (Partly Paid Securities)
 - Code Change
 - Class Merger
- > Isolate Counterparty
- > CMM – (Part 1 of 2) Change Margin Settlement Amount
- > Payment Provider Approval for RTGS Payments (Part 1 of 2)
- > Holding Administration Locks
- > End of Day Reporting for Share Registries

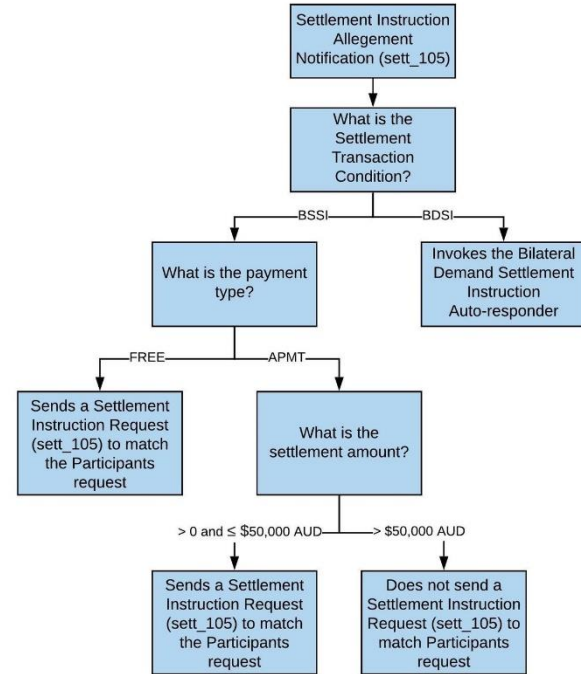
CDE 8 – New Test Tooling

Auto-responders

- Bilateral Scheduled Settlement Instructions
- Cash Market Margin (CMM) - Change Margin Settlement Amount

Self-Serve tools

- Holding Administration Locks
- Payment Providers (Bilateral Demand Settlement Instructions)



Bilateral Scheduled Settlement – Auto-responder workflow

CDE 8 – Spotlight on Share Registries

Share Registry EOD Reporting

- Total Security Balance (TSBL)
- Total Cum Entitlement Balance (TCEB)
- Cum Entitlement Balance (CEBL)
- Holding Movement (HMVT)
- Cum Entitlement Movement (CEMV)

Share Registries can use a combination of pre-seeded accounts and the Holding Adjustment Notification (hold_226) to generate workflow for all these reports.

From CDE 4 each CDE reset contains a simulated workflow for

- SRN Balance Enquiry
- Transfer and Conversion

Self Service Tooling

- Holding Administration Locks (CDE 8)
- Account Creation (CDE 10)
- SRN Balance Enquiry (CDE 10)
- Transfers and Conversions (CDE 10)

Electronic CHESS Holding Statements

CHESS Holding Statements - Overview

Electronic delivery targeted to go live this year

- > ASX maintains the sub-registry for all broker sponsored holdings in listed companies
- > Investors track any movements in their sponsored holdings from CHESS Holding Statements sent out at the end of any month when a transaction occurs
- > ASX posts ~14m CHESS Holding Statements and ~1m notifications each year to investors
- > An electronic delivery option will be provided for investors with a targeted 'go-live' later this year
- > Three key stakeholder groups
 - **Issuers:** pay for statements sent to investors
 - **Broker participants:** Maintain investor relationships and have carried out KYC on investors
 - **Investors:** receive statements confirming activity on their HIN and notice of any change of their details
- > This presentation will give an overview of the electronic delivery solution proposed for CHESS Holding Statements

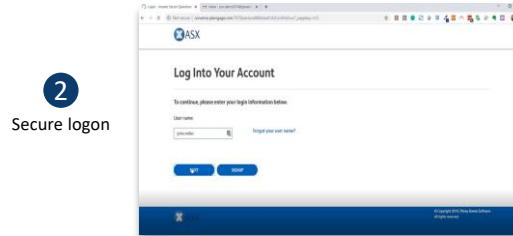
CHES Holding Statements – investor solution

Statements will be stored for investors to access

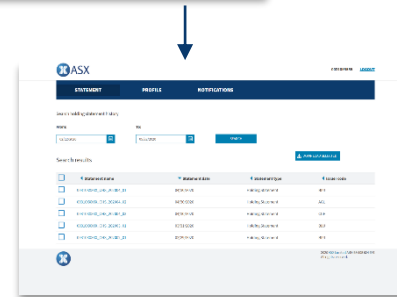
- Investors who elect for electronic delivery via their broker will receive CHES Holding Statements monthly and detail change notifications in real time by email
- A new CHES Holding Statements investor portal will securely store statements in searchable format for at least 12 months
- Paper statements will continue to be sent to investors who prefer them



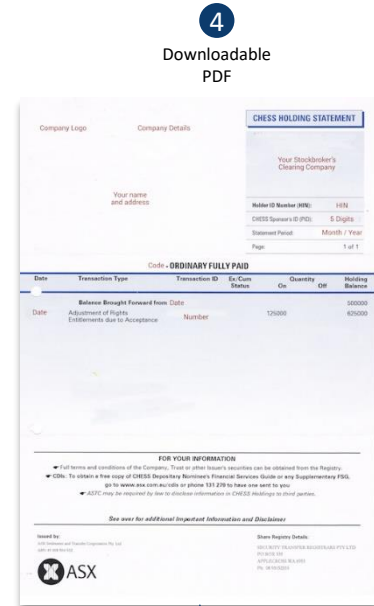
1
Email
notification



2
Secure logon



3
Searchable
archive

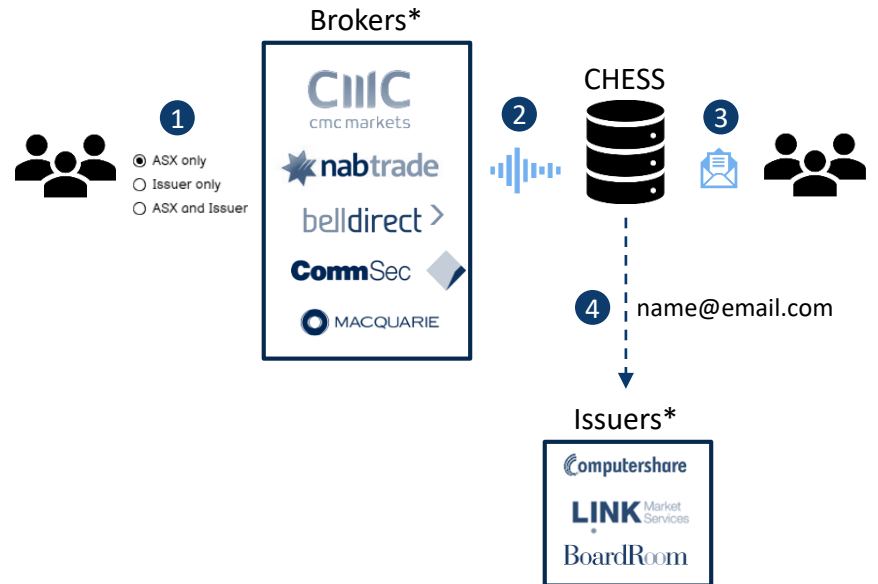


4
Downloadable
PDF

CHES Holding Statements – broker solution

Brokers can provide emails to CHES via messaging

- 1 Investors will elect for electronic delivery via their broker
 - Consent may include that email addresses can be provided to issuers via CHES
- 2 Brokers will send email address and consent election to CHES via messaging (CHES EIS 201 and 203 messages)
 - Brokers will be electronically notified of bounced emails and returned mail (rather than paper notifications that are currently provided)
- 3 CHES will generate data used to email and post statements to investors
- 4 Issuers have requested access to emails collected by CHES to supplement their own shareholder data.
 - CHES can provide these emails to issuers with the consent of brokers and investors
 - CHES will also inform registries if investors would prefer all communications to be electronic



* Examples only

Other changes

Technology allows other enhancements

- > The look and feel of statements will change
 - More contemporary design
 - More freeform text and messaging
- > Sponsoring participants will have access to a portal showing returned mail details (paper and electronic). No more boxes of returned mail

Woodworth Group Limited
ABN: 88 001 217 527
Place of Incorporation: NSW
Line 4 Other information about something else quick brown fox jumps over
Line 5 Other information about something else quick brown fox jumps over
Line 6 Other information about something else How how brown cow
Line 7 Other information about something else Over and Over and Over and Over and Over and

CHES HOLDING STATEMENT

For statement enquiries contact
Your CHES Sponsor:
Commonwealth Securities
Locked Bag 22
Australia Square
Sydney NSW 2000
T: 13 33 33

Holder ID Number (HIN): 0000000001
CHES Sponsor's ID (PID): 01402
Statement Period: January 2020
Page: 1 of 1

WES - ORDINARY FULLY PAID

Date	Transaction Type	Transaction ID	Ex/Cum Status	On	Off	Holding Balance
13 Nov 19	Movement of Securities due to	01			11011	29083

Placeholder issuer message (150 characters)
Placeholder issuer message (150 characters)

For more information about your CHES holding statements please visit asx.com.au/statements
Please see overleaf for additional important information.

Share Registry Detail:
Computer Share Investor Services Pty Ltd
GPO Box 6482
Perth WA 6000 AUS
PH: 1300 557 010

Issued by: ASX Settlement Pty Limited
ABN 60 084 504 312
20 Bridge Street, Sydney
P.O. Box 9327 Australia Square NSW 1212

ASX

CHES Holding Statements – pricing model

Electronic delivery targeted to go live this year

- > Current pricing model is event based, \$1.25 per CHES Statement
- > New pricing model goals:
 - Deliver savings to issuers
 - Encourage take-up of email delivery
 - Align ASX and stakeholders increased electronic delivery to investors
 - Support the continued delivery of a high quality service to investors
- > Pricing model will be announced shortly, after regulatory consultation
- > ASX is working to remove barriers to the uptake of electronic CHES Holding Statements, including the cost associated with updating email addresses.

Other considerations

Registries

- > Emails passed through to issuers and registries should be used for 'registry purposes' only
- > How will registries act upon an investor preference coming from a sponsoring participant that all communications should be electronic?
- > How will a registry deal with a conflict between an email provided by a sponsoring participant and one that they have already collected?

Sponsoring participants

- > Take-up will be dependent on investors' consent and sponsoring participants' capability to deliver emails to CHES (all sponsoring participants will be able to do this by the time of CHES replacement)

Next steps

- > We are engaging with a number of CHESSE users over the next 2-3 months
- > Pricing will likely be finalised and released to the market in November
- > For more information on CHESSE Holding Statements please contact:
 - **Andrew Jones:** andrew.jones@asx.com.au
 - **Giri Tenneti:** giri.tenneti@asx.com.au

ASX Website changes

New asx.com.au

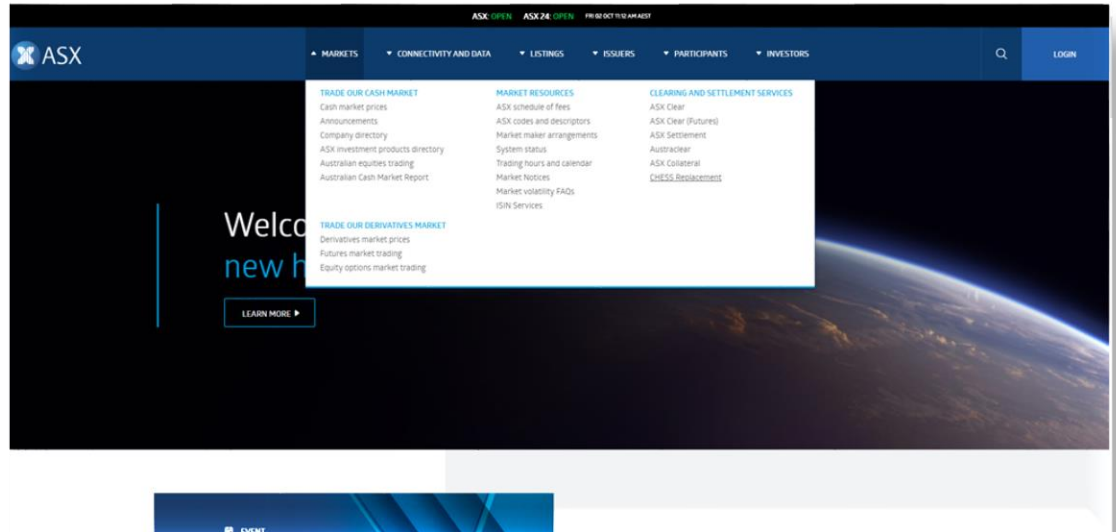
Mobile optimised and dynamic.
asx.com.au/new



Introduction to ASX's new website

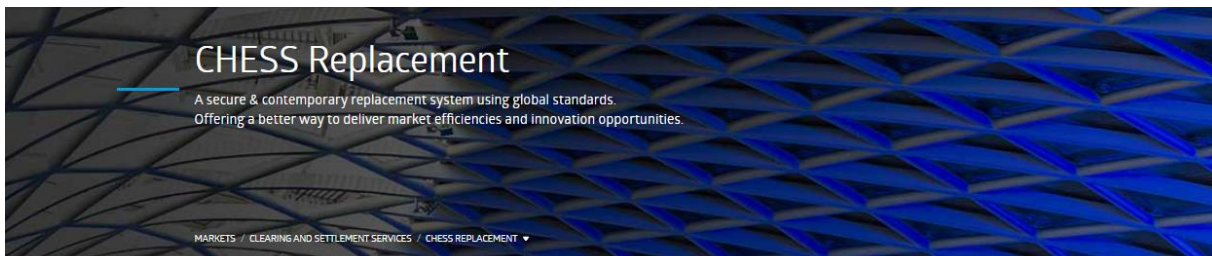
It's time to switch to our new website: www2.asx.com.au

- > **Live Monday 12th October**
- > Search engines will index the new site.
- > Any saved bookmarks will automatically redirect to the relevant page on the new site.



CHESS Replacement on the new asx.com.au

www2.asx.com.au/markets/clearing-and-settlement-services/chess-replacement



Building core and contemporary infrastructure to advance Australia's reputation as a leading economy

ASX is replacing CHESS, its well-functioning but ageing clearing and settlement system, with enhanced technology that will create new opportunities for the Australian market. When it goes live in April 2021, the new system will offer richer functionality, adopt global standards and use contemporary technology.

It will also provide the option of accessing distributed ledger technology (DLT), which will deliver information more efficiently and stimulate competition by enabling anyone to build new services.

ASX has a history of innovating and upgrading systemically important systems. It is part of what we do. We believe this new system - sitting on new infrastructure - will create a foundation for the next decade and beyond.

Latest updates

The latest CHESS Replacement newsletter has been published for September 2020, and can be accessed [here](#). New subscribers can be added to the distribution list by contacting CHESSReplacement@asx.com.au.

On 24 September 2020, ASX released its [response to feedback](#) received on the tranche 2 draft rule amendment consultation.

On 14 September 2020, ASX published the eighth drop of code into the Customer Development Environment (CDE 8). Release notes providing full details can be found [here](#).

On 4 September 2020, ASX published its reply to questions from the 26 August Implementation & Transition working group webinar on inflight transactions, accounts & registration details. A copy of the Q&A, webinar recording and presentation materials are available [here](#).

CHES Replacement on the new asx.com.au

CHES Replacement resources

CHES Replacement resources

Keep up to date with the latest development on the ASX CHES Replacement project

CLEARING AND SETTLEMENT SERVICES / CHES REPLACEMENT / CHES REPLACEMENT RESOURCES ▾

Stay up to date

ASX will provide information on the ASX CHES Replacement project to market stakeholders through a variety of resources including webinars, online communications and technical documentation.

- ▶ Stakeholder engagement forums
- ▶ Technical documentation
- ▶ Stakeholder communications
- ▶ Frequently asked questions
- ▶ Useful links

CHES Replacement on the new asx.com.au

Engagement forums

Engagement forums

Key forums for engaging with stakeholders

CHES REPLACEMENT / STAKEHOLDER ENGAGEMENT / ENGAGEMENT FORUMS ▾

Implementation & Transition Working Group

Upcoming events

Date and time	Topic	Attendees	Venue/Format
Wednesday 7 October 2020 2pm-3pm	Electronic CHES Holding Statements	By invitation	Webinar
Wednesday 28 October 2020 2pm-3pm	TBC	By invitation	Webinar
Wednesday 25 November 2020 2pm-3pm	TBC	By invitation	Webinar
Wednesday 16 December 2020 2pm-3pm	TBC	By invitation	Webinar

▾ Past events

Date and time	Topic	Venue/Format	Presentation Material	Webinar Recording	Webinar Q&A
Wednesday 26 August 2020, 2pm-3:30pm	Inflight transactions, accounts and registration details	Webinar	I&T - 26 August 2020	I&T - 26 August 2020	I&T - 26 August 2020
Wednesday 29 July 2020, 2pm-3pm	CHES User Interface	Webinar	I&T - 29 July 2020	I&T - 29 July 2020	I&T - 29 July 2020
Monday 13 July 2020, 2pm-3:30pm	Consultation paper on the revised implementation timeline	Webinar	I&T - 13 July 2020	I&T - 13 July 2020	I&T - 13 July 2020

CHES Replacement on the new asx.com.au

Engagement forums

ISO 20022 Technical Committee

The ISO 20022 Technical Committee comprising ASX (Chair) and industry representatives has been formed to focus on CHES messaging and the adoption of ISO 20022 messaging. The adoption of ISO 20022 is a major workstream for the CHES Replacement project and members of the Committee will be involved in the detailed work associated with this workstream. The key objectives, activities and governance of the Committee are outlined in the [Charter](#).

The Committee has met regularly from December 2016 with invitations distributed by ASX. The meeting schedule and documents are provided below.

▼ Past events

Meeting Date and Time*	Meeting agenda and attendees	Meeting documents	Meeting minutes
Tuesday 7 April 2020 3pm-5pm	Meeting agenda (pdf)	Meeting presentation (pdf)	Meeting Minutes (pdf)
Tuesday 25 February 2020 3:00-5:00pm	Meeting agenda (pdf)	Meeting presentation (pdf)	Meeting Minutes (pdf)
Tuesday 28 January 2020 3:00-5:00pm	Meeting agenda (pdf)	Meeting presentation (pdf)	Meeting Minutes (pdf)
Tuesday 10 December 2019 3:00pm	Meeting agenda (pdf)	Meeting presentation (pdf)	Meeting Minutes (pdf)
Tuesday 26 November 2019 3:00pm	Meeting agenda (pdf)	Meeting presentation (pdf)	Meeting minutes (pdf)
Friday 1 November 2019 2:00pm	Meeting agenda (pdf)	Meeting presentation (pdf)	Meeting minutes (pdf)
Tuesday 1 October 2019 3:00pm	Meeting agenda (pdf)	Meeting presentation (pdf)	Meeting minutes (pdf)
Tuesday 27 August 2019 3:00pm	Meeting agenda (pdf)	Meeting presentation (pdf)	Meeting minutes (pdf)
Tuesday 23 July 2019 3:00pm	Meeting agenda (pdf)	Meeting presentation (pdf)	Meeting minutes (pdf)
Tuesday 25 June 2019	Meeting agenda (pdf)	Meeting presentation (pdf)	Meeting minutes (pdf)

CHES Replacement on the new asx.com.au

Stakeholder communications

Stakeholder communications

Communications regarding the CHES Replacement project

CHES REPLACEMENT / CHES REPLACEMENT RESOURCES / STAKEHOLDER COMMUNICATIONS ▾

CHES Replacement communications

The following lists communications since December 2018 about the CHES Replacement project.

Date of publication	Details	Reference materials
25-Sept-2020	ASX CHES Replacement Project Newsletter - September 2020	Newsletter - September 2020
4-Sept-2020	Implementation & Transition Working Group Q&A - 26 August 2020	Q&A - 26 August 2020
31-Aug-2020	ASX CHES Replacement Documentation Release - August 2020	Release Notes
25-Aug-2020	ASX CHES Replacement Project Newsletter - August 2020	Newsletter - August 2020
7-Aug-2020	Implementation & Transition Working Group Q&A - 29 July 2020	Q&A - 29 July 2020
31-July-2020	ASX CHES Replacement Documentation Release - July 2020	Release Notes
28-July-2020	ASX CHES Replacement Project Newsletter - July 2020	Newsletter - July 2020
27-July-2020	ASX CHES Replacement fact sheet for participants	Fact sheet
23-June-2020	ASX CHES Replacement fact sheet for issuers	Fact sheet
29-May-2020	Technical Documentation - CDE 7 code drop	Release Notes
>> Mar-2020	Response to consultation feedback received on Transition 1 draft rule amendments	Response

Questions

Next Steps

Review and feedback:

- Webinar recording, slides and Q&A will be published on the CHES Replacement webpage
- Provide feedback by contacting CHESReplacement@asx.com.au – use “I&T webinar” as the subject heading
- Feedback welcome by COB Wednesday, 21 October 2020

Next Implementation & Transition Working Group meeting:

- Date: TBC

Thank you

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