



ISO 20022 Technical Committee Meeting

Tuesday 18 July 2017



Agenda

Agenda overview

Minutes from last meeting, open actions

CHESS Replacement project update by ASX

ISO 20022 project update by ASX

Update from Business Committee (verbal)

Matters for consideration

Initial report candidates for descope (Action item 23)

Usage guideline feedback

Date and Time considerations (Action item 30)

Cancel/Correct or Maintain of settlement instructions (Action item 32)

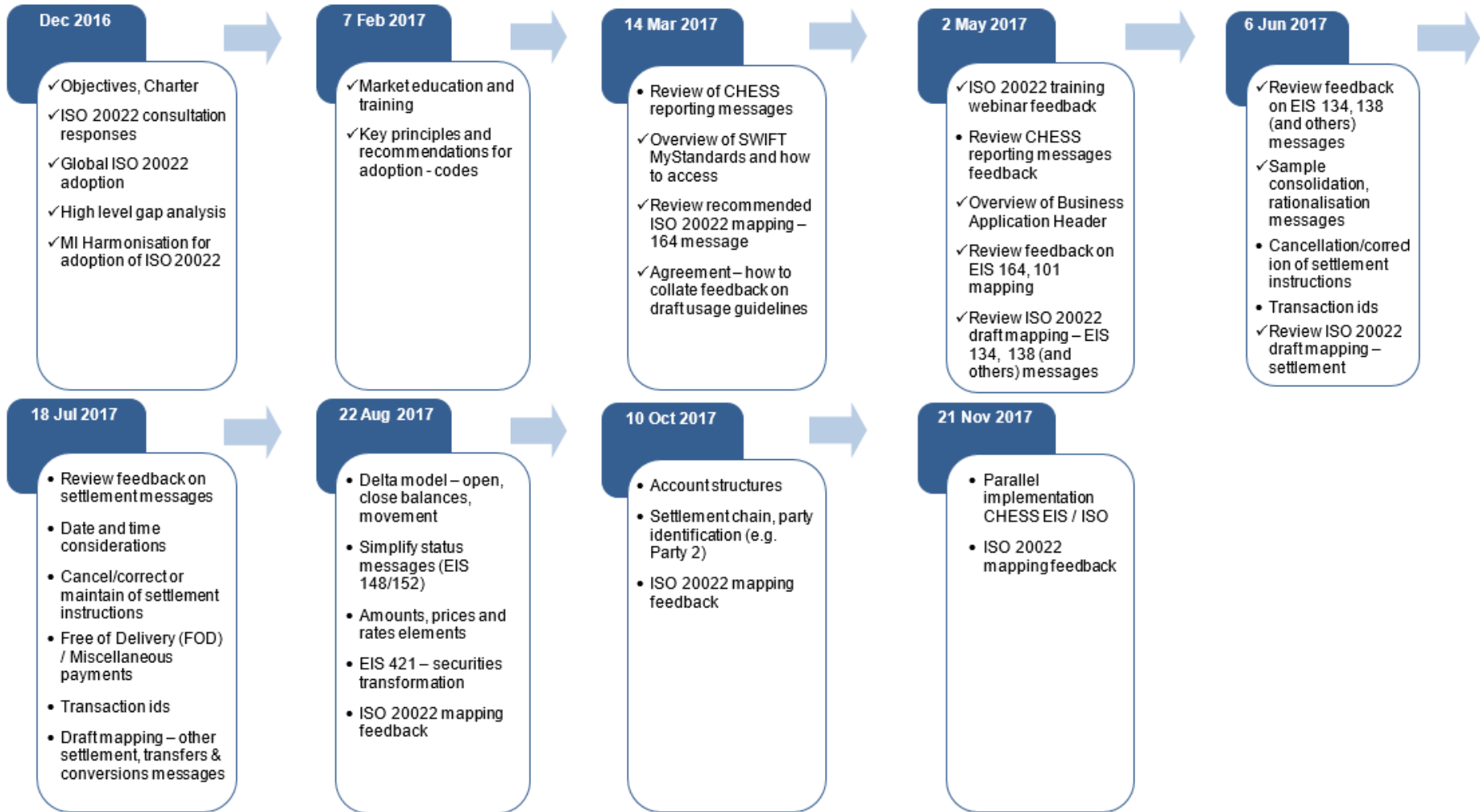
Free of Delivery (FOD) / Miscellaneous payments

Overview of Transaction ids (Action item 34)

Usage guidelines for review – transfers & further settlement usage guidelines

Next meeting

Forward agenda overview



Minutes and actions

Minutes for 6 June 2017 meeting available on [CHESS Replacement web page](#), including all open, closed action items.

Open action items:

No.	Meeting Date	Open Action Items	Owner	Due Date	Status
17	14 Mar 2017	Provide further information on party identification for issuers – UIC or BIC and proposed process.	ASX	22 Aug 2017	WIP – defer due date, updated notes provided to members
19	2 May 2017	Provide sample of demonstration of comparison between ISO 20022 and ISO 15022 messages.	Scott Oakland, JPM	On hold	On hold
20	2 May 2017	Provide details of a proposed plan including potential topics for the remaining training webinars for feedback, including identification of business vs. technical topics.	ASX	22 Aug 2017	Defer due date
23	2 May 2017	Further review of the ASX CHESS demand reporting summary and responses to questions contained in that summary.	ASX	18 Jul 2017	Refer to Matters for consideration
27	6 Jun 2017	Publish list of comments received on MyStandards with ASX responses regularly, around the time of each meeting.	ASX	Each meeting	Noted, refer Agenda item
28	6 Jun 2017	Re-publish ISO 20022 equivalent of EIS 138 with corrected default value INFO for issuer of financial instrument code.	ASX	18 Jul 2017	Closed

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Minutes and actions (cont'd)

Open action items, cont'd:

No.	Meeting Date	Open Action Items	Owner	Due Date	Status
29	6 June 2017	Review EIS 102 mapped equivalent message with Scott Oakland, JPM – optional inclusion of HIN.	ASX	18 Jul 2017	Open
30	6 June 2017	Provide further information on the use of UTC time format at next meeting covering potential circumstances.	ASX	18 July 2017	Refer Agenda item
31	6 June 2017	Publish sample consolidated (EIS 138) and rationalised (EIS 138 and 134) messages on MyStandards. Members to provide further comments via MyStandards, email.	ASX, members	18 July 2017	Refer Agenda item – new drafts for review
32	6 June 2017	Contact the users of the EIS 125 and EIS 121 to determine the reasons why the messages are being used. ASX to also provide volume metrics on the messages included in 101 cancellation/modify processing. Include in feedback to committee.	ASX	18 July 2017	Refer Agenda item
33	6 June 2017	Provide a presentation of CHES EIS mapping to ISO 20022, and typical ISO 20022 flows to assist committee discussion of key topics (e.g. rationalisation, consolidation, descope of certain processes like allegement modify). ASX would also seek input from key members about the best process going forward.	ASX	Future meetings	Refer next slide
34	6 June 2017	Add the overview of transaction ids to the July meeting agenda.	ASX	18 July 2017	Refer Agenda item

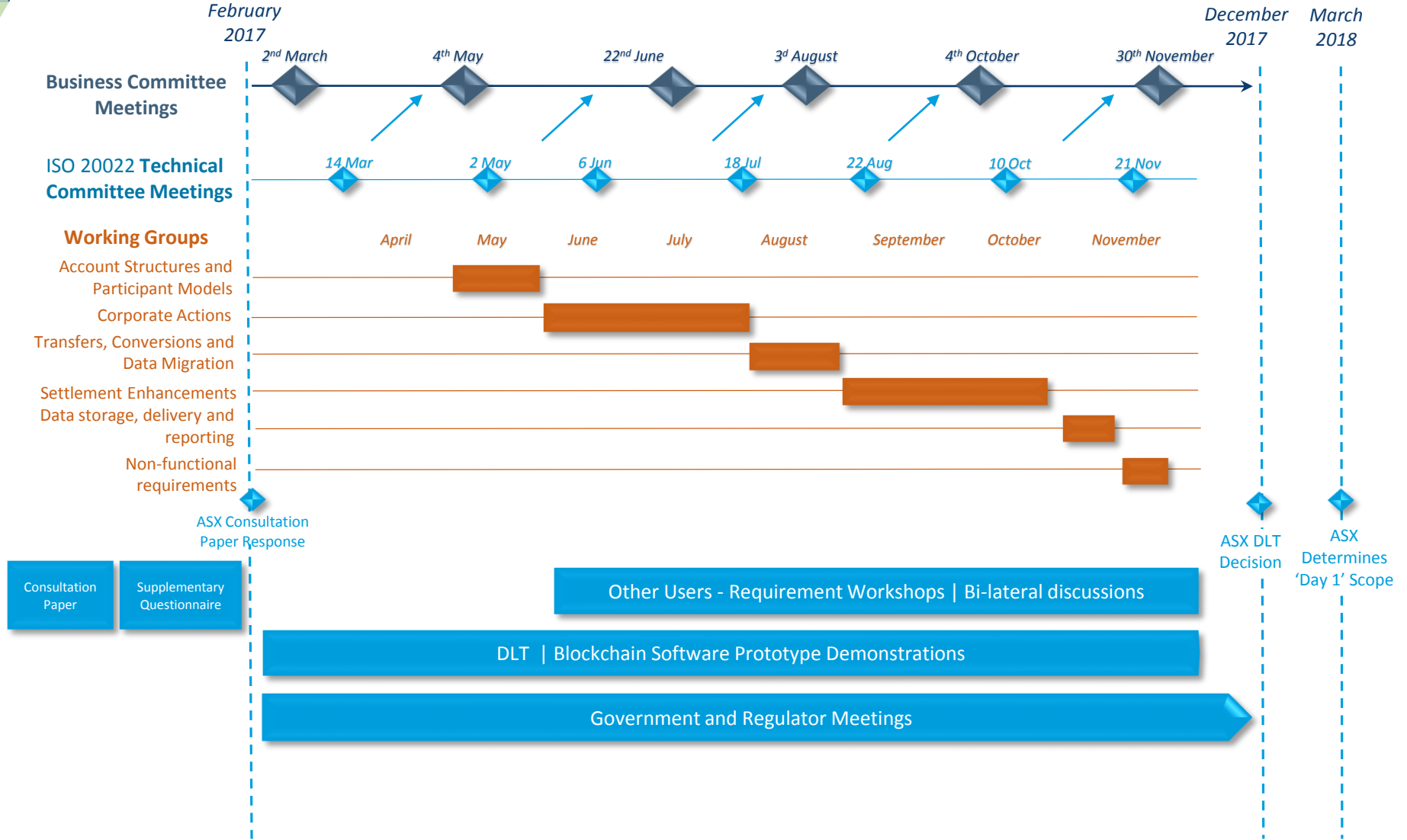
Action item 33 - ISO 20022 vs. CHES EIS presentation

Noted request to include comparative CHES EIS and ISO 20022 message flows & mapping for sets of usage guidelines shared with Technical Committee

Current approach for draft usage guideline reviews:

- Presentation slides to show comparative flows, messages and key take-outs
- Usage guidelines published on MyStandards provide annotations on field by field mapping to CHES EIS
- Refer to MUG (ISO website), where available

CHES Replacement project update



Technology (DLT) Assessment

- Our DLT investigation requires our vendor to build enterprise grade DLT based software to a selected set of core post trade processes
- The assessment of the technology provided by Digital Asset Holdings is categorised in 3 parts:
 - **Non-Functional requirements assessment** – areas including: security, throughput capacity, confidentiality/privacy, scalability, resiliency/redundancy, et al
 - **Functional requirement assessment** – use cases include: trade registration, account & sub-register creation and maintenance, core clearing and settlement activities, (settlement and/or participant) default, back-out and failure scenarios, and others
 - **Vendor assessment** – areas include: software development practice maturity, code and architecture quality, etc.
- We are tracking to our joint 2017 plan. The delivery cadence, software quality and joint development practices are meeting our high standards
- We are still targeting a decision on the technology by end of 2017

ISO 20022 project update by ASX

- SWIFT standards consultants continue detailed mapping of CHESSE EIS messages to ISO 20022 usage guidelines with progress on track:
 - all 1st drafts for **1st half 2017** tranches have been delivered to ASX, with iterative ASX review and subsequent drafts - 114 + BAH messages, with 17 messages identified as candidates for new messages.
 - ASX review of high priority draft usage guidelines continues, with preparation for Technical Committee review.
 - SWIFT mapping progress for **2nd half of 2017 tranches** in June 2017 – scope on as is basis:

CHESSE business area	# of EIS messages	CHESSE business area	# of EIS messages
Clearing & Settlement	30	mFund Service	85
Collateral Management	66	Reporting	35
	Options cover		
Takeover	22	RTGS Settlement	33
Holder Management	22	Miscellaneous	39
Holding Movement	14	TOTAL	346

Matters for consideration

Initial report candidates for descope (Action item 23)

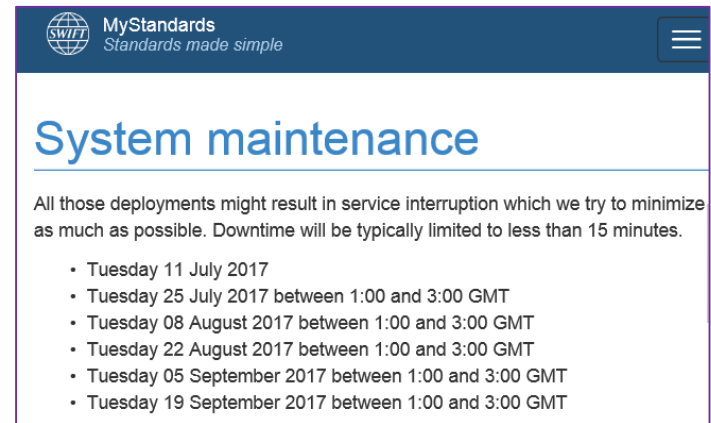
- Recommended first tranche of report candidates for descope
- No contrary feedback to descope from members

Report Id	Report Id Name	Report Description	Report Output Message /s	Report Output Message Name	Requesting Participant Type	# of report requests received since 1/5/16	Active / Inactive requests as at start of day on 07/07/17	ASX Recommendation
PFD	Payment Facility Detail	The Payment Facility Detail report provides current payment facility details that exist in the C&S system for the requesting participant	230	Payment Facility Detail	Participant Broker (CP or SP) Participant Non-Broker (SP) Participant Registry (PISP)	Nil	Nil	De-scope and not carry forward into the new CHES Replacement system
PFH	Payment Facility History	The Payment Facility History report provides historical payment facility details that exist in the C&S system for the requesting participant	232	Payment Facility History	Participant Broker (CP or SP) Participant Non-Broker (SP) Participant Registry (PISP)	Nil	Nil	De-scope and not carry forward into the new CHES Replacement system
USD	User Detail	The User Detail report provides current user details that exist in the C&S system for the requesting user	226	User Detail	Any user of the system that has a status of "Authorised"	Nil	Nil	De-scope and not carry forward into the new CHES Replacement system
USH	User History	The User History report provides current historical user details that exist in the C&S system for the requesting user	228	User History	Any user of the system that has a status of "Authorised"	Nil	Nil	De-scope and not carry forward into the new CHES Replacement system
OSL	Outstanding SLS Loan	The Outstanding SLS Loan report identifies all outstanding SLS loans at the time of the request.	274 286	Adjusted Loan Full Loan Instruction	Participant Broker (CP or SP) Participant Non Broker (SP) SLS provider	Nil	Nil	De-scope and not carry forward in its current form as the SLS service is currently no longer available.

MyStandards set up and usage

MyStandards maintenance via help page

<https://www2.swift.com/mystandards/#/help>

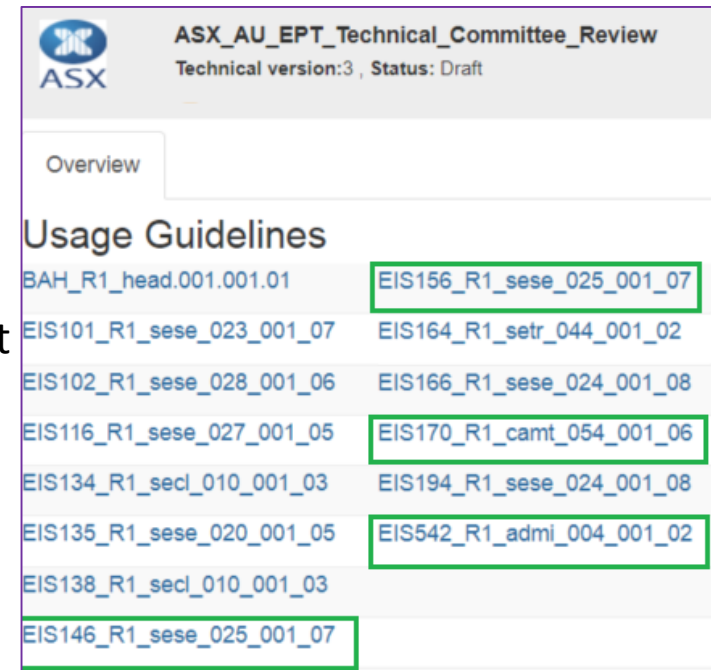


The screenshot shows the MyStandards website header with the logo and tagline "Standards made simple". Below the header is a section titled "System maintenance" with a blue underline. The text below the title states: "All those deployments might result in service interruption which we try to minimize as much as possible. Downtime will be typically limited to less than 15 minutes." A bulleted list follows, detailing maintenance dates and times: Tuesday 11 July 2017; Tuesday 25 July 2017 between 1:00 and 3:00 GMT; Tuesday 08 August 2017 between 1:00 and 3:00 GMT; Tuesday 22 August 2017 between 1:00 and 3:00 GMT; Tuesday 05 September 2017 between 1:00 and 3:00 GMT; and Tuesday 19 September 2017 between 1:00 and 3:00 GMT.

New and previous Usage Guidelines and TC comments from previous reviews

July comments by 3 firms (all vendors).

- Are other TC members reviewing the draft Usage Guidelines?
- After reviewing – please leave general comment if no specific comments



The screenshot shows the ASX AU EPT Technical Committee Review page. The header includes the ASX logo and the text "ASX_AU_EPT_Technical_Committee_Review" and "Technical version:3, Status: Draft". Below the header is a tab labeled "Overview". The main content is titled "Usage Guidelines" and displays a list of document identifiers in two columns. Several identifiers are highlighted with green boxes: BAH_R1_head.001.001.01, EIS156_R1_sese_025_001_07, EIS101_R1_sese_023_001_07, EIS164_R1_setr_044_001_02, EIS102_R1_sese_028_001_06, EIS166_R1_sese_024_001_08, EIS116_R1_sese_027_001_05, EIS170_R1_camt_054_001_06, EIS134_R1_sec1_010_001_03, EIS194_R1_sese_024_001_08, EIS135_R1_sese_020_001_05, EIS542_R1_admi_004_001_02, EIS138_R1_sec1_010_001_03, and EIS146_R1_sese_025_001_07.

MyStandards community review

- ASX responses to TC review of Settlement notifications
- excluding partial, cancelled and rescheduled

Target Message

Key Points	Reason	Impacts
Choice of secl.001 over setr.044	Trade Leg Notification used by some other Market Infrastructures. Combined nature of EIS 164 as Trade Notification and Settlement Instruction led SWIFT to recommend Trade Confirm Status Advice. Affected by any future Clearing/Settlement Participant split?	EIS 164
Same ISO base message for 2 related message events	Approach is to identify best-fit message in ISO catalogue given CHES business process and data requirements. Results in 2 different Usage Guidelines based on same base message as local market practice richer than ISO business model. Future simplification may see 1 Usage Guideline emerge	EIS 146, EIS 156

Redundancy

Key Points	Reason	Impacts
Derive Net movement rather than calculate & disseminate	Reconciliation messages (that confirm net movements) could be derived given all underlying messages are guaranteed delivery. As-is explicit model continued as provides certainly & auditability.	EIS 146, EIS 156
Carry forward of 'trade facts'	New data requirements limited to only mandatory ISO elements. May be widened to include set of data e.g. Settlement Amount and Unit Quantity. Increases change but improves usefulness/readability. Preferred?	EIS 146, EIS 156

Other Points

UTC format, BAH message chain, Transaction Id – all covered in following sections

Date and Time considerations (Action item 30)



ASX

Date and Time considerations

Universal time format, Date & Time mapping

Q: Standardize with UTC-format Date and Time (and local derived if needed)?

ASX recommendation: Less confusing if a single date and time format used throughout.

Other implementations (e.g. NPP) use UTC

A: CHES replacement shall use only UTC-format. Local time can be derived if required.

ISO 'Zulu' dateTime format

<CreDt>2017-02-27T01:35:00Z</CreDt>

BAH	element	format	Annotation
Business Message Id	<BizMsgIdr>	//YYYYMMDD	BP21 Business Date or none
Creation Date	<CreDt>	dateTime.*.Z	BP21 Processing Date & Time or System dateTime
Related.Creation Date	<CreDt>	dateTime.*.Z	Creation Date of linked BAH or none
<hr/>			
ISO.Document	element	format	Annotation
e.g. EIS 164			
Trade Origination Date	<TradOrgtnDt>	dateTime.*.Z	BP94 As At Date or none
Trade Date.Date	<TradDt><Dt>		
DateTime	<DtTm>	dateTime.*.Z	BP13 Trade Date +BP24 Trade Execution Time

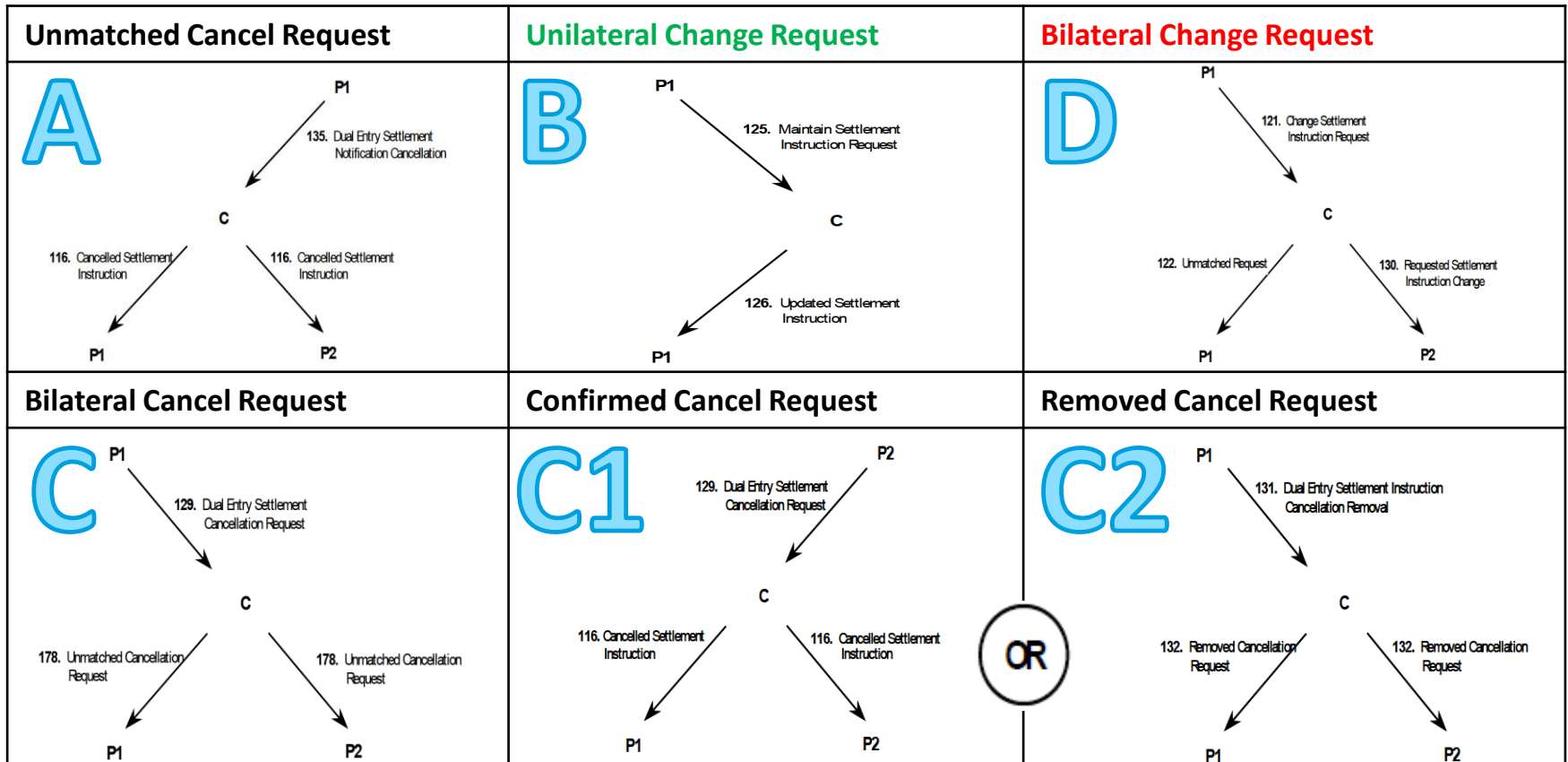
Cancel/Correct or Maintain of settlement instructions (Action item 32)



Cancellation/correction of settlement instructions - revisited

Cancel & correct instead of Bilateral Modifications, Unilateral continues

- Limited ISO support for Model B (Unilateral) and Model D (Bilateral) Change Requests
- Model B necessary for update 'without recourse' of HIN, Part-settlement or underlying reference using EIS 125 prior to Settlement Cycle
- Model D is not an ISO20022 business process and can be achieved using Model C
- 5 Participants using EIS 121 in FY2016/17, none > 2 EIS 128 cancellations effected!



Cancel & correct of settlement instructions

Withdrawal of ~~Unilateral~~ and Bilateral Change Request

If use Cancel exclusively, **no equivalent usage** in CHES Replacement for:

Model	Definition	Description
B	EIS 125	Maintain Settlement Instruction Request
B	EIS 126	Updated Settlement Instruction
D & D1	EIS 121	Change Settlement Instruction Request
D	EIS 122	Unmatched Request
D	EIS 130	Requested Settlement Instruction Change
D1	EIS 128	Adjusted Settlement Instruction
D2	EIS 123	Changed Settlement Instruction Cancellation Request
D2	EIS 118	Cancelled Change Settlement Instruction Request

To be Retained

Change Request scenarios removed. Other EIS 128 uses still valid

Demand reports affected

Cancelled Instruction (CSI) and Unmatched Instruction (USI) exclude EIS 118 & EIS 130 respectively

Free of Delivery (FOD)/
Miscellaneous payments



Free of Delivery Settlement Instructions in DvP Settlement

Withdrawal of dormant CHESSE facility in CHESSE Replacement

s24 of ASX Settlement Procedures using matched EIS 101 and specific 'PYY' security codes

Payment Type	Security Code	Payment Type	Security Code
Application Money	PYYAPP	Portfolio related	PYYPTF
Claims	PYYCLM	Securities Lending	PYYSLN
Derivatives related	PYYDER	Settlement related	PYYSET
Dividends	PYYDIV	Takeovers	PYYTKO
OTC	PYYOTC	Warrant	PYYWAR

Funds scheduled from Payer PID to Payee PID using Payment Facility on nominated Settlement Date

ISO20022 modelling of FOD EIS 101 to different Business Area (pacs - Payment C&S)

CHESSE facility not used in FY2016/17

Recommendation: Do not include equivalent Miscellaneous Payments facility in CHESSE Replacement

Overview of Transaction ids (Action item 34)



ASX

Overview of Transaction Ids

CHES As-is usage

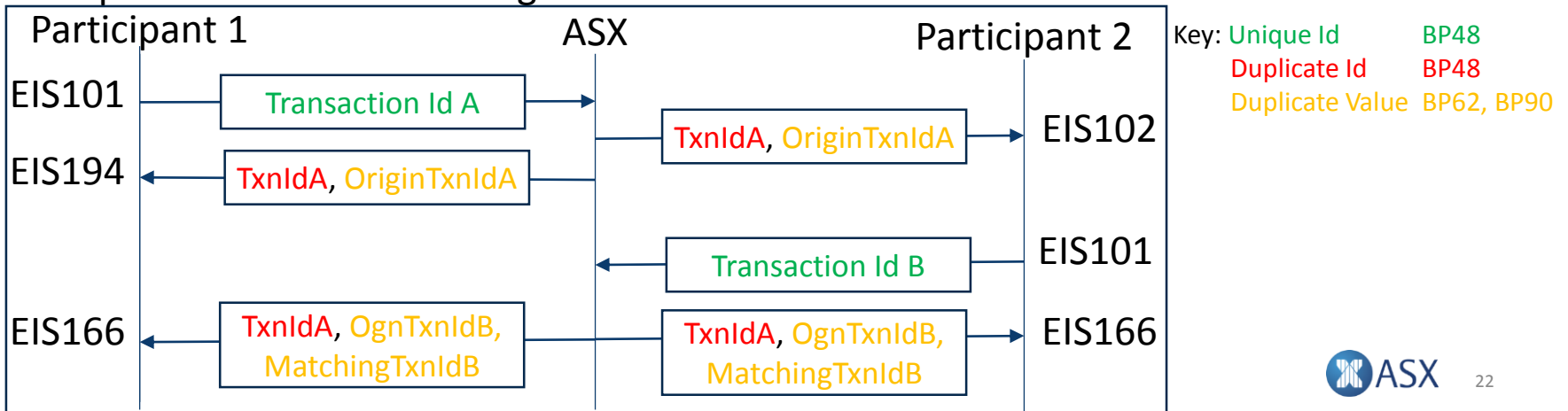
As defined in s8.3, usage examples in s6. 49 distinct event models

Identifier “to identify and refer to specific transactions”

CHES response includes original Identifier to allow match to original txn.

Messages to CHES may contain:		Messages from CHES may contain	
Transaction Id	Unique Transaction	Transaction Id	New Transaction
Target Transaction Id	Primary Transaction	Target Transaction Id	Primary Transaction
		Origin Transaction Id	Input or CHES Processing
		Cancelling, Matching and/or Updating Transaction Id	Subject Transaction

Example of Transaction Id usage



Overview of Transaction Ids

CHES Replacement with ISO20022

All **EIS fields** mapped to base message elements with extensions as required. Redundancy?

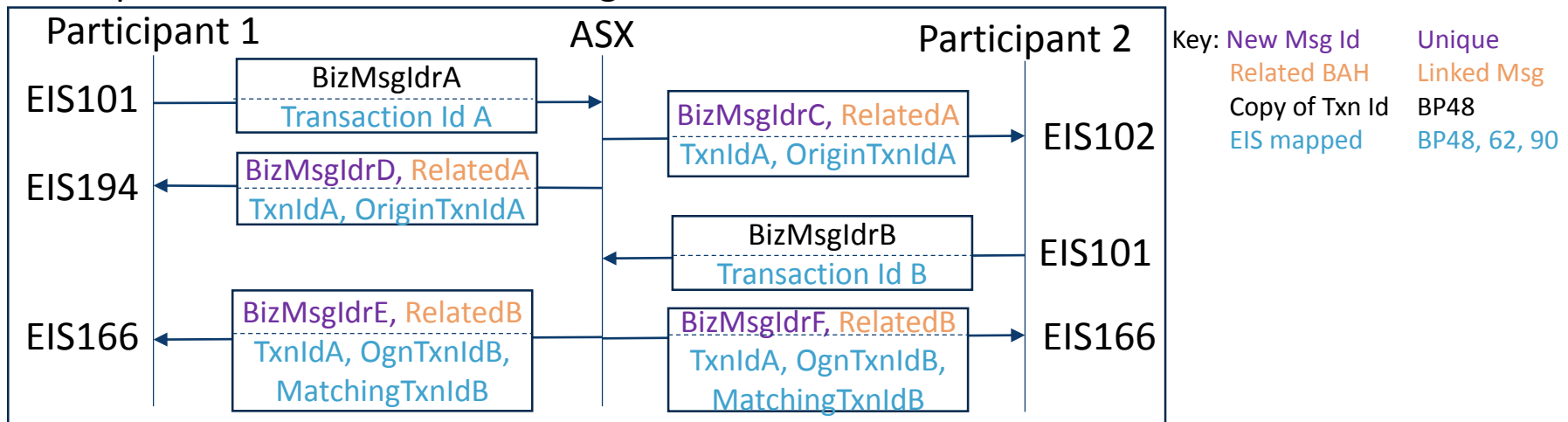
Changes from CHES As-is:

Unique Txn Id from ASX in Business Application Header (**BizMsgldr**)

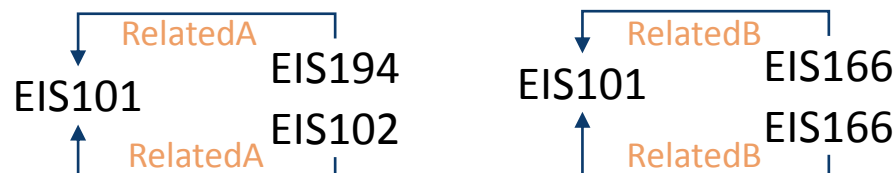
Changes for ISO adoption:

Include BizMsgldr and Related elements of any immediately previous message
e.g. Related of EIS 102 has BizMsgldr of EIS 101. This creates a BAH message chain

Example of ISO Transaction ID usage



BAH message chains



Overview of Transaction Ids

Draft EIS Field Mapping

Transaction Ids vary by EIS message, mapping to ISO varies with base message definition

CHES EIS Bit Position (BP) Tx Identifier	EIS 101 sese.023	EIS 194 sese.024	EIS 102 sese.028	EIS 166 sese.024	EIS 135 sese.020	EIS 116 sese.027
New Tx Id		BizMsgldr	BizMsgldr	BizMsgldr		BizMsgldr
BP48 Tx Id	BizMsgldr Tx Id	AcctSvcrTxId	Tx Id	AcctOwnrTxId	BizMsgldr	
BP62 Origin Tx Id		Related.BizMsgldr AcctOwnrTxId	Related.BizMsgldr	Related.BizMsgldr		Related.BizMsgldr
BP49 Target Tx Id					Tx Id	AcctOwnrTxId
BP90 Matching Tx Id				Matching Tx Id		Matching Tx Id
BP80 Cancellation Tx Id						Cancellation Request Reference

BP48, 62 may be mapped to **both BAH and ISO** document to satisfy mandatory ISO elements

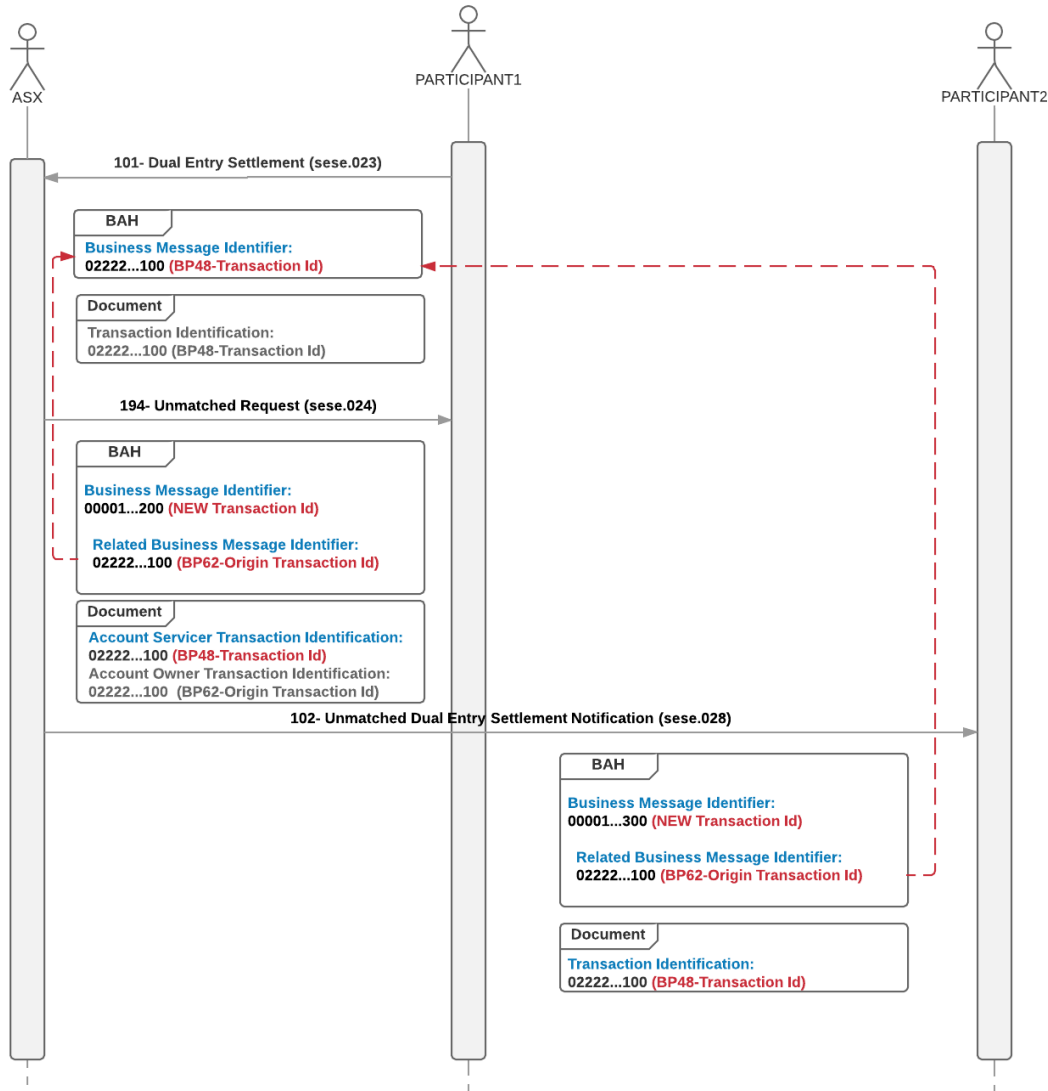
BizMsgldr format

Current format* of inbound Transaction Id i.e. UIC (5) + User-defined (9) + Accrual (00)
 BizMsgldr contains Transaction Id and Business Date if BP21 Processing Timestamp applies
 Business Date in YYYYMMDD format following ‘//’ e.g. 0140212345678900//20170630

* Subject to review given use of BIC for Participants

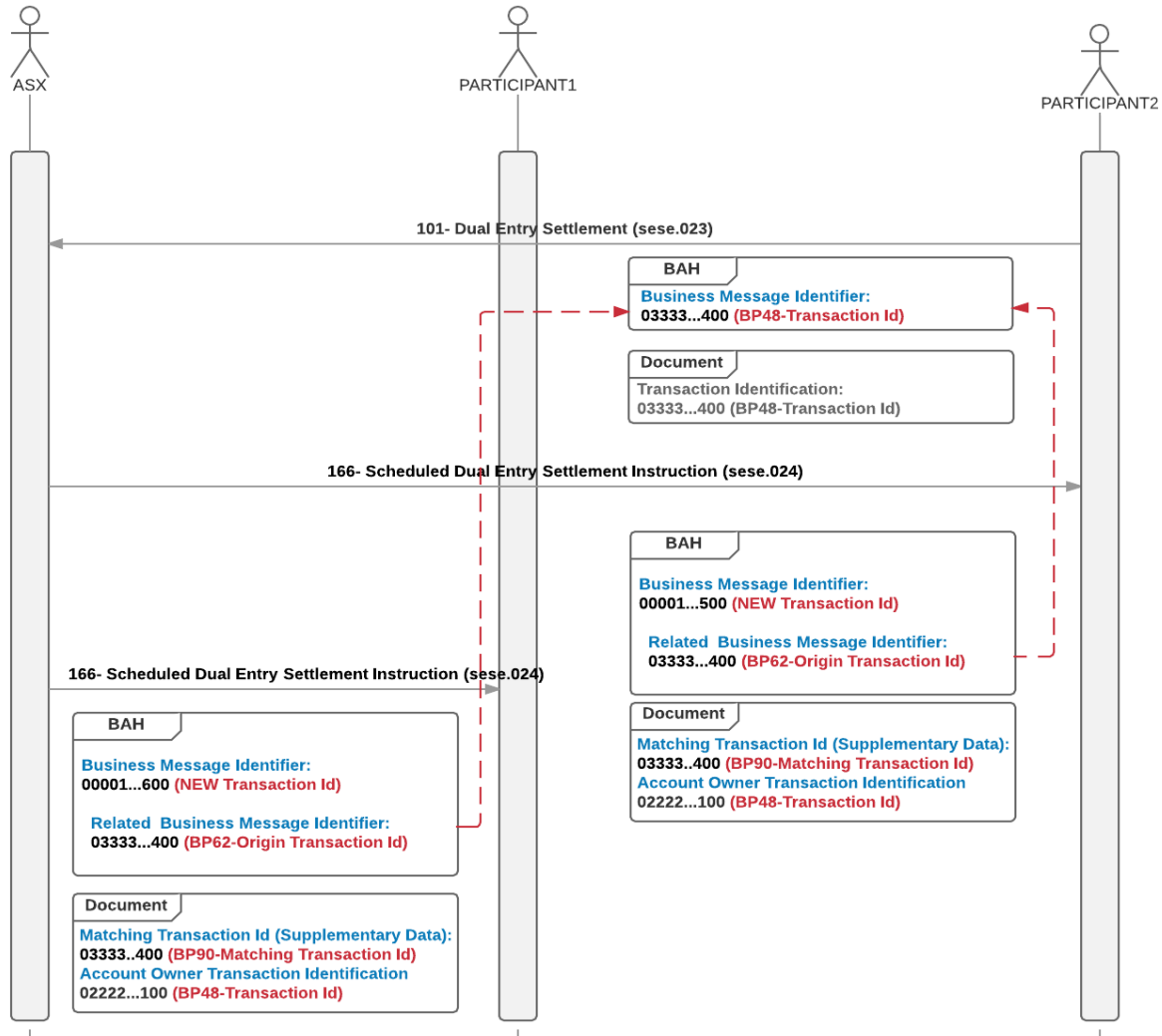
Overview of Transaction Ids

Detailed example: Unmatched Allegement



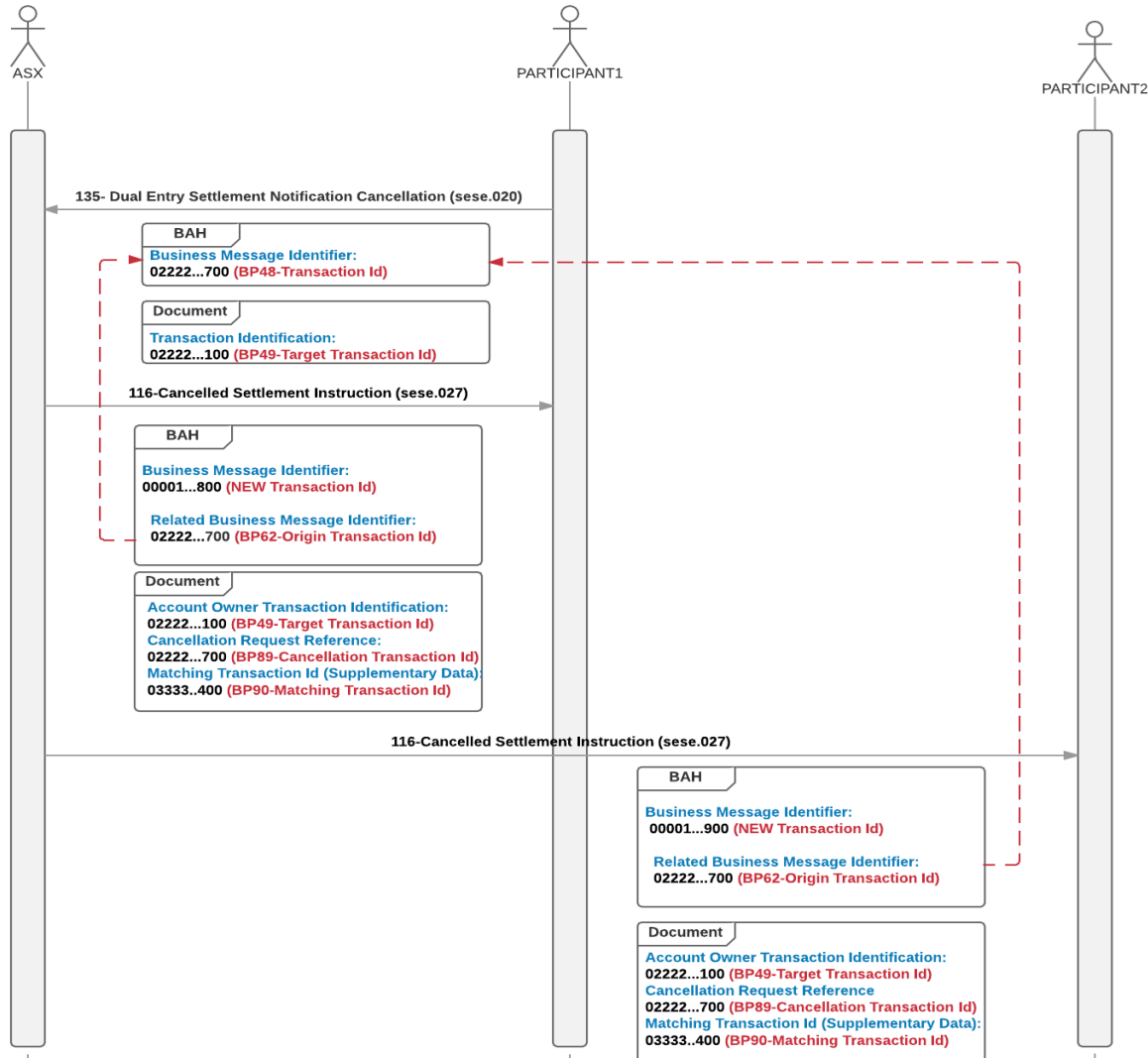
Overview of Transaction Ids

Detailed example: Matched and Scheduled



Overview of Transaction Ids

Detailed example: Cancelled Allegement



Usage guidelines for review: Transfers & further settlement usage guidelines

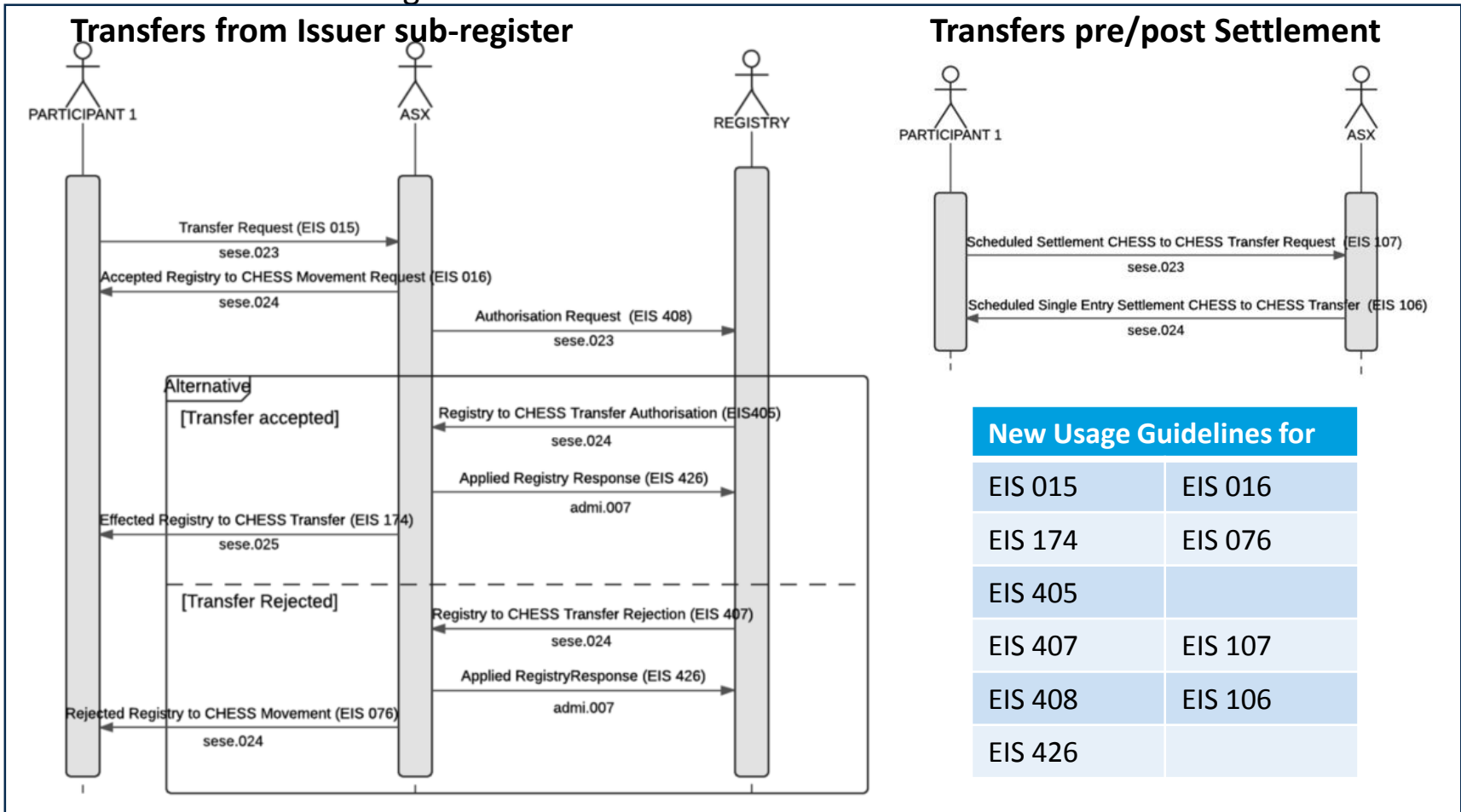


Settlement Usage Guidelines

Technical Committee Review for August 2017

Key mapping points:
 Standing/Default HIN's become mandatory
 Carry-forward 'trade facts' between Req and Auth

1. Simplified Usage Guidelines for Rationalised EIS 134 and Consolidated EIS 134 & EIS 138
2. Draft ISO 20022 Usage Guidelines available for:



Review and provide comments in MyStandards by 17 August, ahead of next Technical Committee on 22 August.

Next meeting

- Noted actions from this meeting
 - Member review of transfer and further settlement notification messages – EIS 015, 174, 405, 407, 408, 426, 016, 076, 107, 106
 - Member review of sample simplification message – EIS 138/134 (separate collection on MyStandards “sample message review”)
- Draft minutes from this meeting will be distributed for review
- Next meeting to be held on Tuesday 22 August 2017, 3pm (2 hours) - Sydney:
 - Review feedback - ISO 20022 mapping – messages in MyStandards
 - Matters for consideration:
 - Delta model – open, close balances, movement
 - Simplify status messages (EIS 148, 152)
 - Amounts, prices, rates elements
 - EIS 421 – securities transformation
- More information on CHES Replacement & Technical Committee documents:
<http://www.asx.com.au/services/chess-replacement.htm>

Or email ASX project team: CHESReplacement@asx.com.au



Thank you

