# ISO 20022 Technical Committee Meeting

23 July 2019

ASX

# Joining by webinar

Please note that ASX is now using the GoToWebinar platform for this meeting.  Details provided by email.
Once you have registered and clicked on the link to join the webinar you will need to join the audio by phone, not PC. Each attendee will have a unique PIN assigned, as shown below.
Please follow any instructions to check your system, PC.
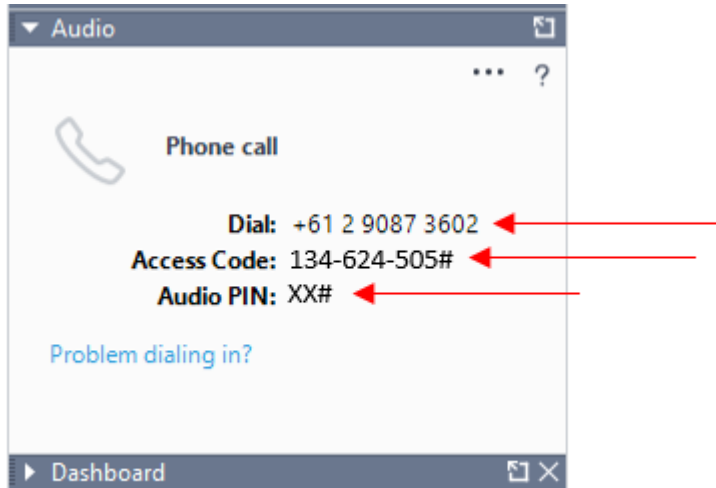


## Attendee Participation

Join audio:
- Choose Telephone and dial using the information provided

- You will need the unique 2 digit audio pin to ask questions.

If you are not speaking during the meeting, please mute your phone

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# Important information – Competition Law Policy

Committee members are reminded to have regard to their obligations under competition law. In particular, please note recent changes to the Competition and Consumer Act to prohibit 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.

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# Agenda

**1. Agenda overview**

**2. Minutes from last meeting, open actions**

**3. Matters for Consideration:**

    3a    Focus Group update – Corporate actions

    3b    Review of member feedback on published 'to-be' messages

    3c    Takeover & Buyback

    3d    Collateral creation

    3e    'To-be' messages for review

**4. Standing agenda items:**

    4a    CHESS Replacement project update by ASX

    4b    ISO 20022 project update by ASX

    4c    Update from Business Committee (verbal)

**5. Closing and next meeting**

# 2. Minutes and actions

Minutes for 25 June 2019 meeting available on CHESS Replacement web page.  Open action items:

| # | Meeting Date | Open Action Items | Owner | Due Date | Status |
|---|---|---|---|---|---|
| 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 | On hold | On hold |
| 62 | 4 Sep 2018 | ASX to review<br>1. the intended timing for housekeeping of unmatched messages, any standardisation opportunities; **(this item is closed)**<br>2. whether settlement requests could be future dated; (**this item is closed**)<br>3. ASX would also consider the visibility of holding locks to issuers on an intra-day basis. | ASX | 23 July 2019 | Open |
| 84 | 28 May 2019 | ASX will not provide backward compatibility, but will evaluate how to provide better transparency on substantive changes.<br>**25 Jun 2019: Members to provide feedback on commonly used fields they believe are relevant and substantive  for ASX to consider how it could provide better visibility on these standard field length and other characteristics.** | ASX / Members | 23 July 2019 | Open |

# 2. Minutes and actions

Minutes for 25 June 2019 meeting available on CHESS Replacement web page.  Open action items:

| # | Meeting Date | Open Action Items | Owner | Due Date | Status |
|---|---|---|---|---|---|
| 85 | 28 May 2019 | ASX to consider inclusion of investor identity (HIN) to allow a validation pre change of controlling participant transfer.<br>**25 Jun 2019: Members to provide specific feedback regarding mismatches, including statistics on the frequency and where mismatches occur and pose a risk.** | ASX / Members | 23 July 2019 | Open |
| 86 | 25 Jun 2019 | Members who are or act for payment providers to ensure awareness of the changes to payment provider related messages. ASX to consider additional engagement activities with payment providers to ensure awareness. | ASX / Members | 23 July 2019 | Open |
| 87 | 25 Jun 2019 | ASX to consider whether it could expand on the EIS messages contained within each of the business areas in the ISO 20022 Stream – Message Status table. ASX to also consider whether it can provide visibility on the draft messages under review with T2S Evaluation team, as relevant to CHESS Replacement. | ASX | 23 July 2019 | Open |

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# 3. Matters for consideration

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# 3a Focus Group update

## Corporate Actions

> Focus group 9 July 2019

> Electronic acceptance and payment for entitlement offers and holding adjustments

> Feedback due by 19 July

> Next focus group 13 August – continuation of Corporate Actions related requirements
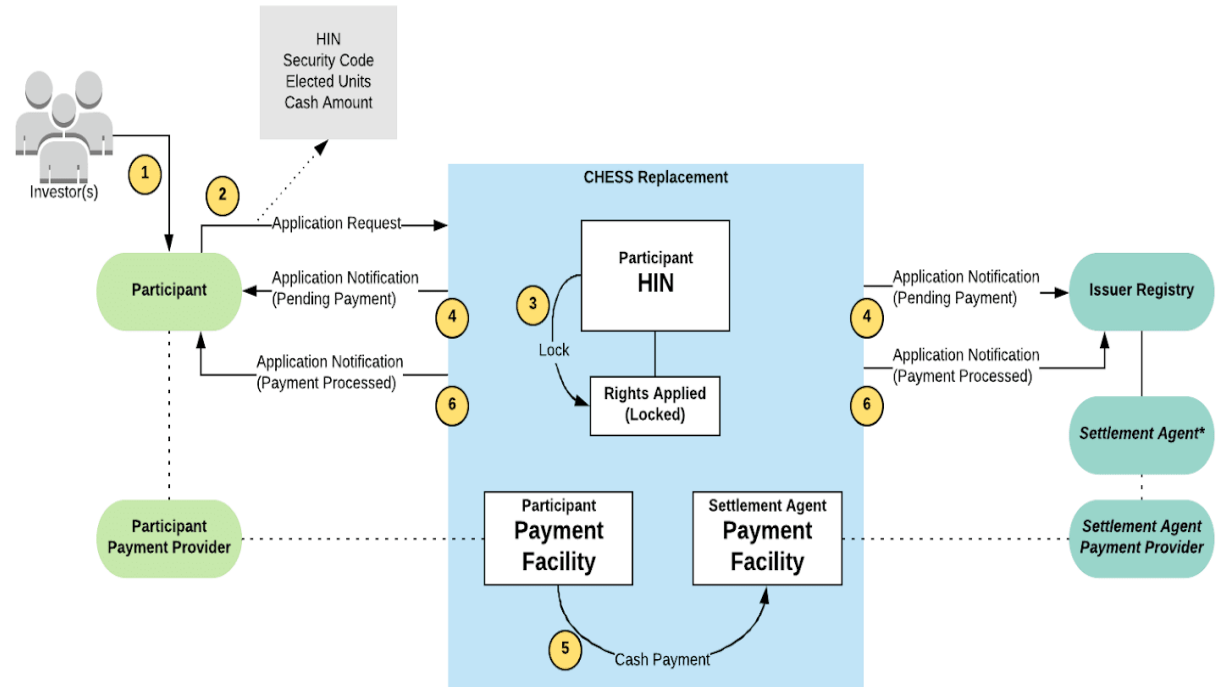
# 3b Review of member feedback on published 'to-be' messages
## Batch settlement

Messages shared during Technical Committee 25 June 2019:

- **Batch Settlement**
    - Comments on 9 guidelines by 3 members (2 Vendors, 1 Participant)
    - Total of 24 comments received which has resulted in the schema changes for the following messages:
        - sett_119
        - sett_136
    - ASX are continuing to analyse the remaining feedback and will consult with SWIFT for guidance where applicable.

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# 3c Takeover & Buyback
## Overview

## Overview

A controlling participant can pledge securities for off-market takeovers and equal-access buybacks using CHESS messaging. The securities are locked in a sub-position specific to the takeover or buyback consideration. Once the event has met any defeating conditions the securities can be claimed by a participant offeror appointed to manage the takeover or buyback.

The participant offeror can also request a acceptance of securities which must be authorized by the controlling participant. Both the controlling participant and participant offeror can also request a cancellation of the acceptance, prior to claim by the participant offeror.

## What's Changing?

- Alignment to ReferencePoint ISO 20022 Takeover & Buyback Notifications.

- The Takeover Code is replaced by Corporate Action Event ID + Option Number + Option Type.

    - This information will be published via Reference Point ISO 20022 and ASXS Bulletin.

- Reversals are now referred to as Cancellations.

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# 3c Takeover & Buyback

## 'To-be' message consolidation table

| Message Type | EIS | Message Id | ISO 20022 base message | Message Name | From | To |
|---|---|---|---|---|---|---|
| Instruction | 031- Takeover Acceptance<br>704-Takeover Acceptance Notification<br>711-Offeror Takeover Acceptance<br>036-Offeror Takeover Acceptance Notification | evnt_742 | seev.033 | Corporate Action Election | Participant, Offeror, CSP | CSP, Participant, Offeror |
| Status Advice | 032 -Effected Takeover Acceptance<br>701-Takeover Acceptance Rejection<br>038-Reversed Takeover Acceptance<br>706- Effected Offeror Transaction<br>031-Takeover Acceptance<br>704-Takeover Acceptance Notification<br>035- Offeror Takeover Acceptance Rejection<br>710-Rejected Offeror Takeover Acceptance<br>092-Offeror Takeover Acceptance Removal Notification<br>432-Cancelled Offeror Initiated TKO Acceptance Request | evnt_743 | seev.034 | C.A. Election Status Advice | Participant, Offeror, CSP | CSP, Participant, Offeror |

**Technical documentation:**

ISO 20022 Messaging – Technical Manual (TM) >

ISO 20022 Messaging - TM - EIS to ISO 20022 Cross Reference Guide

** EIS Messages highlighted in green have been mapped to two different ISO to-be messages

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# 3c  Takeover & Buyback

## 'To-be' message consolidation table

| Message Type | EIS | Message Id | ISO 20022 base message | Message Name | From | To |
|---|---|---|---|---|---|---|
| Request | 085- Takeover Acceptance Removal Request<br>702-Authorisation Request<br>707-Offeror Takeover Acceptance Removal<br>706-Effected Offeror Transaction | evnt_745 | seev.040 | Corporate Action Election Cancellation | Participant, Offeror, CSP | Participant, Offeror, CSP |
| Status Advice | 086- Acceptance Removal Request<br>703-Takeover Acceptance Removal Authorisation<br>038-Reversed Takeover Acceptance<br>706-Effected Offeror Transaction<br>705-Takeover Acceptance Removal Rejection<br>088-Rejected Takeover Acceptance Removal Request | evnt_746 | seev.041 | Corporate Action Election Cancellation Status Advice | CSP, Offeror | Participant, Offeror, CSP |
| Confirmation | 706-Effected Offeror Transaction<br>032-Effected Takeover Acceptance<br>084-Effected Participant Transaction | comm.809 | admi.007 | Transaction Acknowledgement Advice | CSP | Offeror, Participant |
| Request | 431-Takeover Transfer | hold_229 | Sese.023 | Corporate Action Related Transfer | Offeror | CSP |
| Confirmation | 034-Effected Takeover Transfer | hold_230 | Sese.025 | Corporate Action Related Transfer Confirmation | CSP | Offeror |

**Consolidation:**

22 messages were consolidated to 7 messages

- 4 New messages

- 3 Reused messages

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# 3c  Takeover & Buyback

## Participant Initiated Bid Election
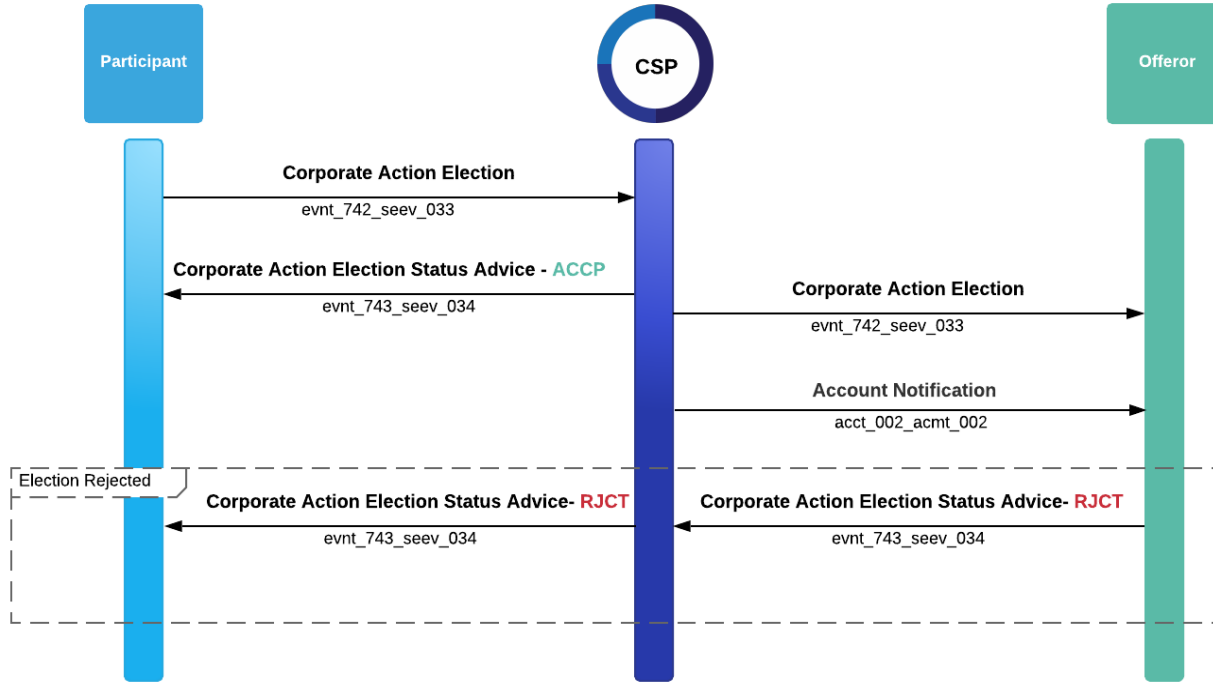
# 3c Takeover & Buyback

## Participant Initiated Bid Reversal

## Offeror Initiated Bid Election
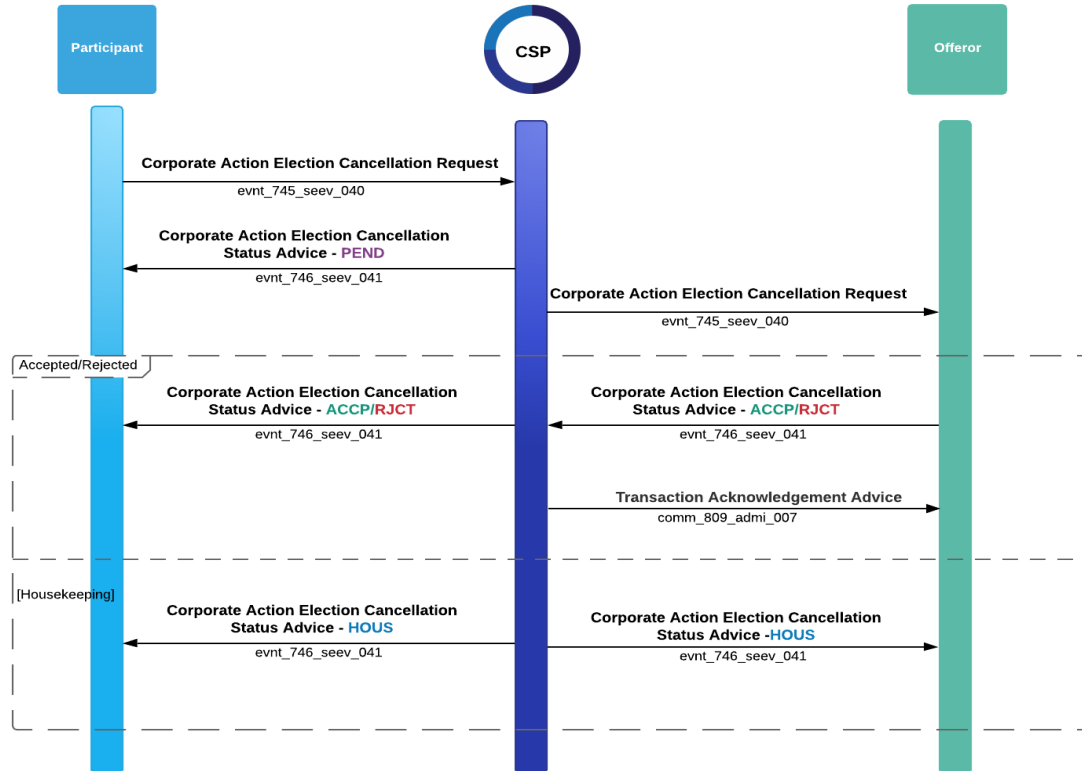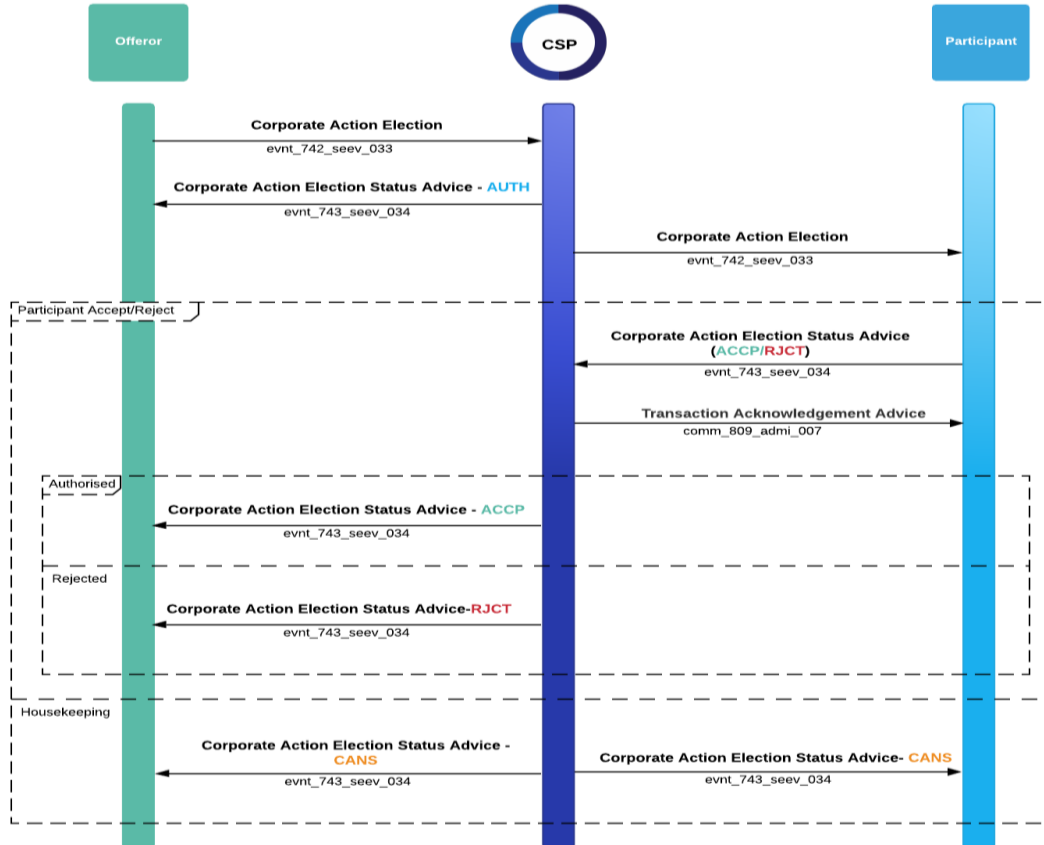
# 3c  Takeover & Buyback



## Offeror Initiated Bid Reversal

Offeror — CSP — Participant

Corporate Action Election Cancellation
evnt_745_seev_040

Corporate Action Election Cancellation
Status Advice - ACCP
evnt_746_seev_041

Corporate Action Election Cancellation
evnt_745_seev_040

## Corporate Action Related Transfer

Offeror — CSP — Participant

Corporate Action Related Transfer
hold_229_sese_023

Corporate Action Related Transfer Confirmation
hold_230_sese_025

Holding adjustment Confirmation
hold_226_seev_036

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# 3c Takeover & Buyback

### Bid Finalisation
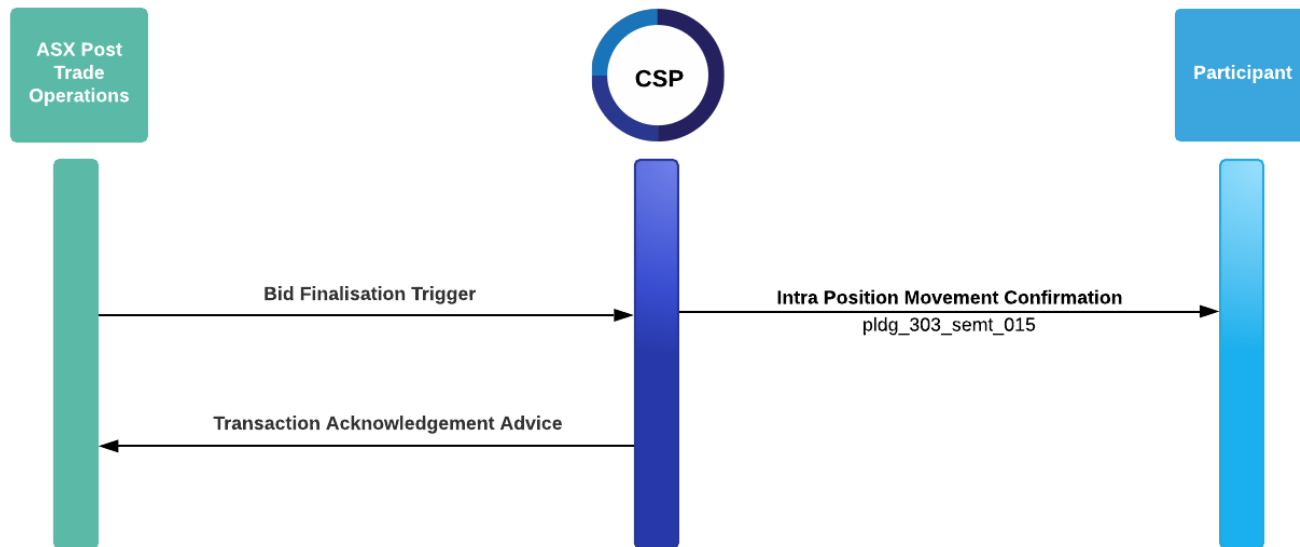
# 3c  Takeover & Buyback
## evnt_742 (Corporate Action Election)

| Lvl | Name | XML Tag | Mult | Type / Code | Restr |
|-----|------|---------|------|-------------|-------|
| 0 | Corporate Action Instruction V08 (seev.033.001.08) | <CorpActnInstr> | | | |
| 1 | Other Document Identification | <OthrDocId> | [0..*] | | [1..1] |
| 2 | Identification | <Id> | [1..1] | Choice | |
| 3 | Account Owner Document Identification | <AcctOwnrDocId> | [1..1] | text{1,35} | |
| 1 | Corporate Action General Information | <CorpActnGnlInf> | [1..1] | | |
| 2 | Corporate Action Event Identification | <CorpActnEvtId> | [1..1] | text{1,35} | |
| 2 | Event Type | <EvtTp> | [1..1] | Choice | |
| 3 | Code | <Cd> | [1..1] | text | |
| 4 | Repurchase Offer | | | BIDS | |
| 4 | Tender | | | TEND | |
| 2 | Underlying Security | <UndrlygScty> | [0..1] | | [1..1] |
| 3 | Financial Instrument Identification | <FinInstrmId> | [0..1] | | [1..1] |
| 1 | Account Details | <AcctDtls> | [1..1] | | |
| 2 | Safekeeping Account | <SfkpgAcct> | [1..1] | text{1,35} | T/C |

**Corporate Action Election:** evnt_742_seev_033

**Account owner Transaction Id  (1..1):** Transaction Id

**NEW Corporate Action Event Id (1..1)**

**NEW Event Type Code (1..1):**
- BIDS - Buyback
- TEND - Takeover

**Financial Instrument Id (1..1):** Security Code

**Safekeeping Account (1..1):** Account Identifier (HIN)

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**Corporate Action Election:** evnt_742_seev_033

| Lv | Name | XML Tag | Mult | Type / Code | Restr |
|----|------|---------|------|-------------|-------|
| 1 | Corporate Action Instruction | <CorpActnInstr> | [1..1] | | |
| 2 | Option Number | <OptnNb> | [1..1] | Choice | |
| 3 | Number | <Nb> | [1..1] | text | |
| 2 | Option Type | <OptnTp> | [1..1] | Choice | |
| 3 | Code | <Cd> | [1..1] | text | |
| 4 | Cash And Security | | | CASE | |
| 4 | Cash | | | CASH | |
| 4 | Security | | | SECU | |
| 2 | Securities Quantity Or Instructed Amount | <SctiesQtyOrInstdAmt> | [1..1] | Choice | |
| 3 | Securities Quantity | <SctiesQty> | [1..1] | | |
| 4 | Instructed Quantity | <InstdQty> | [1..1] | Choice | |
| 5 | Quantity | <Qty> | [1..1] | Choice | |
| 6 | Unit | <Unit> | [1..1] | decimal | |
| 2 | Additional Information | <AddtlInf> | [0..1] | | |
| 3 | Instruction Additional Information | <InstrAddtlInf> | [0..*] | text{1,350} | [1..1] |

**NEW Option Number (1..1):**

**NEW Option Type (1..1)**
- CASE
- CASH
- SECU

**Unit Quantity (1..1)**

**Distinct Portion Indicator (0..1)**

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| Lv | Name | XML Tag | Mult | Type / Cod | Restr |
|---|---|---|---|---|---|
| 0 | Corporate Action Instruction Status Advice V09 | <CorpActnInstrStsAdvc> | | | |
| 1 | Instruction Identification | <InstrId> | [0..1] | | [1..1] |
| 2 | Identification | <Id> | [1..1] | text{1,35} | |
| 1 | Corporate Action General Information | <CorpActnGnlInf> | [1..1] | | |
| 2 | Corporate Action Event Identification | <CorpActnEvtId> | [1..1] | text{1,35} | |
| 2 | Event Type | <EvtTp> | [1..1] | Choice | |
| 3 | Code | <Cd> | [1..1] | text | |
| 4 | Repurchase Offer | | | BIDS | |
| 4 | Tender | | | TEND | |
| 1 | Instruction Processing Status | <InstrPrcgSts> | [1..*] | Choice | [1..1] |
| 2 | Cancelled | <Canc> | [1..1] | Choice | |
| 3 | Reason | <Rsn> | [1..*] | | [1..1] |
| 4 | Reason Code | <RsnCd> | [1..1] | Choice | |
| 5 | Code | <Cd> | [1..1] | text | |
| 6 | Cancelled By System | | | CANS | |
| 2 | Accepted For Further Processing | <AccptdForFrthrPrcg> | [1..1] | Choice | |
| 6 | Identification | <Id> | [1..1] | text | T/C |
| 7 | Accepted | | | ACCP | |
| 7 | Accepted Pending authorisation | | | AUTH | |

**Corporate Action Election Status Advice:**
evnt_743_seev_034

NEW **Corporate Action Event Id (1..1)**

NEW **Event Type Code (1..1):**
- BIDS - Buyback
- TEND - Takeover

**Status (1..1 Choice):** Cancelled

Reason (1..1) >> Cancelled by System (housekeeping)

**Status :** Accepted

Reason
- ACCP: Accepted for further processing
- AUTH: Pending Authorisation

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# 3c Takeover & Buyback
## evnt_743 (Corporate Action Election Status Advice)

| Lvl | Name | XML Tag | Mult | Type / Code | Restr |
|-----|------|---------|------|-------------|-------|
| 2 | Rejected | <Rjctd> | [1..1] | Choice | |
| 3 | No Specified Reason | <NoSpcfdRsn> | [1..1] | text | |
| 4 | No Reason | | | NORE | |
| 1 | Corporate Action Instruction | <CorpActnInstr> | [0..1] | | [1..1] |
| 2 | Option Number | <OptnNb> | [1..1] | Choice | |
| 3 | Number | <Nb> | [1..1] | text | |
| 2 | Option Type | <OptnTp> | [1..1] | Choice | |
| 3 | Code | <Cd> | [1..1] | text | |
| 4 | Cash And Security | | | CASE | |
| 4 | Cash | | | CASH | |
| 4 | Security | | | SECU | |
| 2 | Status Quantity | <StsQty> | [0..1] | Choice | |
| 3 | Quantity | <Qty> | [1..1] | Choice | |
| 4 | Unit | <Unit> | [1..1] | decimal | |
| 1 | Additional Information | <AddtlInf> | [0..1] | | |
| 2 | Additional Text | <AddtlTxt> | [0..*] | text{1,350} | [1..1] |

**Corporate Action Election Status Advice:**
evnt_743_seev_034

**Status (1..1 Choice):** Rejected Reason
- NORE: No Reason

NEW **Option Number (1..1):**

NEW **Option Type (1..1)**
- CASE
- CASH
- SECU

**Unit Quantity (0..1)**

**Distinct Portion Indicator (0..1)**

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# 3c Takeover & Buyback
## evnt_745 (Corporate Action Election Cancellation)

| Lvl | Name | XML Tag | Mult | Type / Co | Restr |
|---|---|---|---|---|---|
| 0 | Corporate Action Instruction Cancellation Request V07 | <CorpActnInstrCxlReq> | | | |
| 1 | Instruction Identification | <InstrId> | [1..1] | | |
| 2 | Identification | <Id> | [1..1] | text{1,35} | |
| 1 | Corporate Action General Information | <CorpActnGnlInf> | [1..1] | | |
| 2 | Corporate Action Event Identification | <CorpActnEvtId> | [1..1] | text{1,35} | |
| 2 | Event Type | <EvtTp> | [1..1] | Choice | |
| 3 | Code | <Cd> | [1..1] | text | |
| 4 | Repurchase Offer | | | BIDS | |
| 4 | Tender | | | TEND | |
| 2 | Financial Instrument Identification | <FinInstrmId> | [0..1] | | [1..1] |
| 1 | Account Details | <AcctDtls> | [1..1] | | |
| 2 | Safekeeping Account | <SfkpgAcct> | [1..1] | text{1,35} | T/C |
| 1 | Corporate Action Instruction | <CorpActnInstr> | [1..1] | | |
| 2 | Option Number | <OptnNb> | [1..1] | Choice | |
| 3 | Number | <Nb> | [1..1] | text | |
| 2 | Option Type | <OptnTp> | [1..1] | Choice | |
| 3 | Code | <Cd> | [1..1] | text | |
| 4 | Cash And Security | | | CASE | |
| 4 | Cash | | | CASH | |
| 4 | Security | | | SECU | |

**Corporate Action Election Cancellation:**
evnt_745_seev_040

→ **Transaction Id (1..1):** Transaction Id

**NEW Corporate Action Event Id (1..1)**

**NEW Event Type Code (1..1):**
- BIDS - Buyback
- TEND - Takeover

**Financial Instrument Id (1..1):** Security Code

**NEW Option Number (1..1)**

**NEW Option Type (1..1)**
- CASE
- CASH
- SECU

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# 3c  Takeover & Buyback
## evnt_745 (Corporate Action Election Cancellation)

**Corporate Action Election Cancellation:**
evnt_745_seev_040

| Lvl | Name | XML Tag | Mult | Type / Co | Restr |
|---|---|---|---|---|---|
| 2 | Instructed Quantity | <InstdQty> | [1..1] | Choice | |
| 3 | Quantity | <Qty> | [1..1] | Choice | |
| 4 | Unit | <Unit> | [1..1] | decimal | |
| 1 | Supplementary Data | <SplmtryData> | [0..*] | | [0..1] |
| 2 | Place And Name | <PlcAndNm> | [0..1] | text{1,350} | |
| 2 | Envelope | <Envlp> | [1..1] | | T/C |
| 1 | Additional Details _ Evnt 745 | <AdtlDtls> | [1..1] | text{4} | A |
| 2 | Legal Entitlement | | | LEGL | {A} |

**Unit Quantity (0..1)**

**Cancellation Request Reason (1..1)**

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# 3c  Takeover & Buyback

## evnt_746 (Corporate Action Election Cancellation Status Advice)

| Lvl | Name | XML Tag | Mult | Type / Code | Restr |
|---|---|---|---|---|---|
| 0 | Corporate Action Instruction Cancellation Request Status | <CorpActnInstrCxlReqStsA | | | |
| 1 | Instruction Cancellation Request Identification | <InstrCxlReqId> | [0..1] | | [1..1] |
| 2 | Identification | <Id> | [1..1] | text{1,35} | |
| 1 | Other Document Identification | <OthrDocId> | [0..*] | | [1..1] |
| 2 | Identification | <Id> | [1..1] | Choice | |
| 3 | Account Servicer Document Identification | <AcctSvcrDocId> | [1..1] | text{1,35} | |
| 3 | Account Owner Document Identification | <AcctOwnrDocId> | [1..1] | text{1,35} | |
| 1 | Corporate Action General Information | <CorpActnGnlInf> | [1..1] | | |
| 2 | Corporate Action Event Identification | <CorpActnEvtId> | [1..1] | text{1,35} | |
| 2 | Official Corporate Action Event Identification | <OffclCorpActnEvtId> | [0..1] | text{1,35} | |
| 2 | Event Type | <EvtTp> | [1..1] | Choice | |
| 3 | Code | <Cd> | [1..1] | text | |
| 4 | Repurchase Offer | | | BIDS | |
| 4 | Tender | | | TEND | |
| 1 | Instruction Cancellation Request Status | <InstrCxlReqSts> | [1..*] | Choice | [1..1] |
| 2 | Cancellation Completed | <CxlCmpltd> | [1..1] | Choice | |
| 3 | Reason | <Rsn> | [1..*] | | [1..1] |
| 4 | Reason Code | <RsnCd> | [1..1] | Choice | |
| 5 | Proprietary | <Prtry> | [1..1] | | |
| 6 | Identification | <Id> | [1..1] | text | |
| 2 | Accepted | <Accptd> | [1..1] | | |
| 3 | No Specified Reason | <NoSpcfdRsn> | [1..1] | text | |
| 4 | No Reason | | | NORE | |

**Corporate Action Election Cancellation Status Advice:** evnt_746_seev_041

**Transaction Id  (1..1):** Transaction Id

NEW **Corporate Action Event Id (1..1)**

 NEW **Event Type Code (1..1):**
- BIDS - Buyback
- TEND - Takeover

**Cancellation Request Status (1..1 Choice):** Cancelled

Reason (1..1) >> HOUS

**Status :** Accepted
Reason
- NORE: No Reason

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# 3c  Takeover & Buyback

## evnt_746 (Corporate Action Election Cancellation Status Advice)

| Lvl | Name | XML Tag | Mult | Type / Code | Restr |
|---|---|---|---|---|---|
| 2 | Rejected | <Rjctd> | [1..1] | Choice | |
| 3 | No Specified Reason | <NoSpcfdRsn> | [1..1] | text | |
| 4 | No Reason | | | NORE | |
| 2 | Pending Cancellation | <PdgCxl> | [1..1] | Choice | |
| 3 | Not Specified Reason | <NotSpcfdRsn> | [1..1] | text | |
| 4 | No Reason | | | NORE | |
| 1 | Corporate Action Instruction | <CorpActnInstr> | [0..1] | | |
| 2 | Option Number | <OptnNb> | [1..1] | Choice | |
| 3 | Number | <Nb> | [1..1] | text | |
| 2 | Option Type | <OptnTp> | [1..1] | Choice | |
| 3 | Code | <Cd> | [1..1] | text | |
| 4 | Cash And Security | | | CASE | |
| 4 | Cash | | | CASH | |
| 4 | Security | | | SECU | |
| 2 | Status Quantity | <StsQty> | [0..1] | Choice | |
| 3 | Quantity | <Qty> | [1..1] | Choice | |
| 4 | Unit | <Unit> | [1..1] | decimal | |
| 1 | Additional Information | <AddtlInf> | [0..1] | | |
| 2 | Additional Text | <AddtlTxt> | [0..*] | text{1,350} | [1..1] |
| 3 | Legal Entitlement | | | LEGL | |

**Corporate Action Election Cancellation Status Advice:** evnt_746_seev_041

**Status :** Rejected
Reason
- NORE: No Reason

**Status :** Pending Cancellation
- NORE: No Reason

NEW **Option Number (1..1):**

NEW **Option Type (1..1)**
- CASE
- CASH
- SECU

**Unit Quantity (0..1)**

**Cancellation Request Reason**

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# 3c Takeover & Buyback
## hold_229, hold_230 (Corporate Action Related Transfer and Confirmation)

| Lv | Name | XML Tag | Mult | Type / | Restr |
|----|------|---------|------|--------|-------|
| 0 | Securities Settlement Transaction Instruction V07 | <SctiesSttlmTxInstr> | | | |
| 1 | Transaction Identification | <TxId> | [1..1] | text{1,35} | |
| 1 | Settlement Type And Additional Parameters | <SttlmTpAndAddtlParams> | [1..1] | | |
| 1 | Trade Details | <TradDtls> | [1..1] | | |
| 1 | Financial Instrument Identification | <FinInstrmId> | [1..1] | | |
| 1 | Quantity And Account Details | <QtyAndAcctDtls> | [1..1] | | |
| 2 | Settlement Quantity | <SttlmQty> | [1..1] | Choice | |
| 2 | Safekeeping Account | <SfkpgAcct> | [1..1] | | |
| 2 | Quantity Breakdown | <QtyBrkdwn> | [0..*] | | [0..1] |
| 3 | Lot Number | <LotNb> | [0..1] | | [1..1] |
| 4 | Identification | <Id> | [1..1] | text{1,35} | |
| 1 | Settlement Parameters | <SttlmParams> | [1..1] | | |
| 2 | Settlement Transaction Condition | <SttlmTxCond> | [0..*] | Choice | [1..1] |
| 3 | Proprietary | <Prtry> | [1..1] | | |
| 4 | Identification | <Id> | [1..1] | text | T/C |
| 5 | Issuing Agent Transfer | | | IATR | |
| 5 | Corporate Action Related Transfer | | | CORP | |
| 1 | Delivering Settlement Parties | <DlvrgSttlmPties> | [0..1] | | [1..1] |
| 1 | Receiving Settlement Parties | <RcvgSttlmPties> | [0..1] | | [1..1] |

Hold_229 (Corporate Action Related Transfer): hold_229_sese_023

*Messages presented during technical committee meeting 25 June 2019. (Warrants)*

**NEW Lot Number (0..1):** concatenation of Corporate Action Event Id and Option Number

NEW **Settlement Transaction Condition (1..1):**
- IATR: Issuing Agent Transfer
- CORP: Corporate Action Related Transfer

Similar changes have also been applied to hold_230_sese_025 Corporate Action Related Transfer Confirmation message.

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# 3d Collateral creation
## Overview

## Overview

A participant can request the lodgement of cash equities as collateral to be used as cover margin obligations for Exchange Traded Options (ETOs) positions & Cash Market Margins (CMM). If the collateral is accepted by ASX Clear then the collateral is moved into a sub-position and results in a reduction in the available holding of the specific security code on the account.

## What's Changing?

- Consolidation of message types used to create a request to lodge collateral will be the same for ETOs and CMM.

- A unique transaction id will be used across the entire workflow instead of generating a new transaction id when a request or response is received.

- Attributes of messages such as collateral rejection reason codes.

ASX

# 3d Collateral creation

## 'To-be' message consolidation table

| Message Type | EIS | Message Id | ISO 20022 base message | Message Name | From | To |
|---|---|---|---|---|---|---|
| Request | EIS027-Collateral Creation Request<br>EIS610- Collateral Request<br>EIS871-Margin Cover Creation Request<br>EIS872-Margin Cover Creation Authorisation Request | pldg_301 | semt_013 | Intra Position Movement Instruction | Participant<br><br>CSP | CSP<br><br>ASX Clear |
| Status Advice | EIS607-Accepted Collateral<br>EIS609-Rejected Collateral<br>EIS873-Margin Cover Creation Authorisation<br>EIS875-Margin Cover Creation Rejection | pldg_302 | semt_014 | Intra Position Movement Authorisation | ASX Clear | CSP |
| Confirmation | EIS028-Created Collateral<br>EIS108-Collateral Creation Acceptance Advice<br>EIS030-Reduced Collateral<br>EIS870-Accepted Margin Cover Creation Request<br>EIS878-Reduced Margin Cover | pldg_303 | semt_015 | Intra Position Movement Confirmation | CSP | Participant |
| Confirmation | EIS020-ASX Clear Accepted Collateral<br>EIS602-Effected ASX Clear Transaction<br>EIS876-Accepted Margin Cover Creation | comm_809 | admi_007 | Transaction Acknowledgement Advice | CSP | Participant |

**Consolidation:**

16 messages were consolidated to
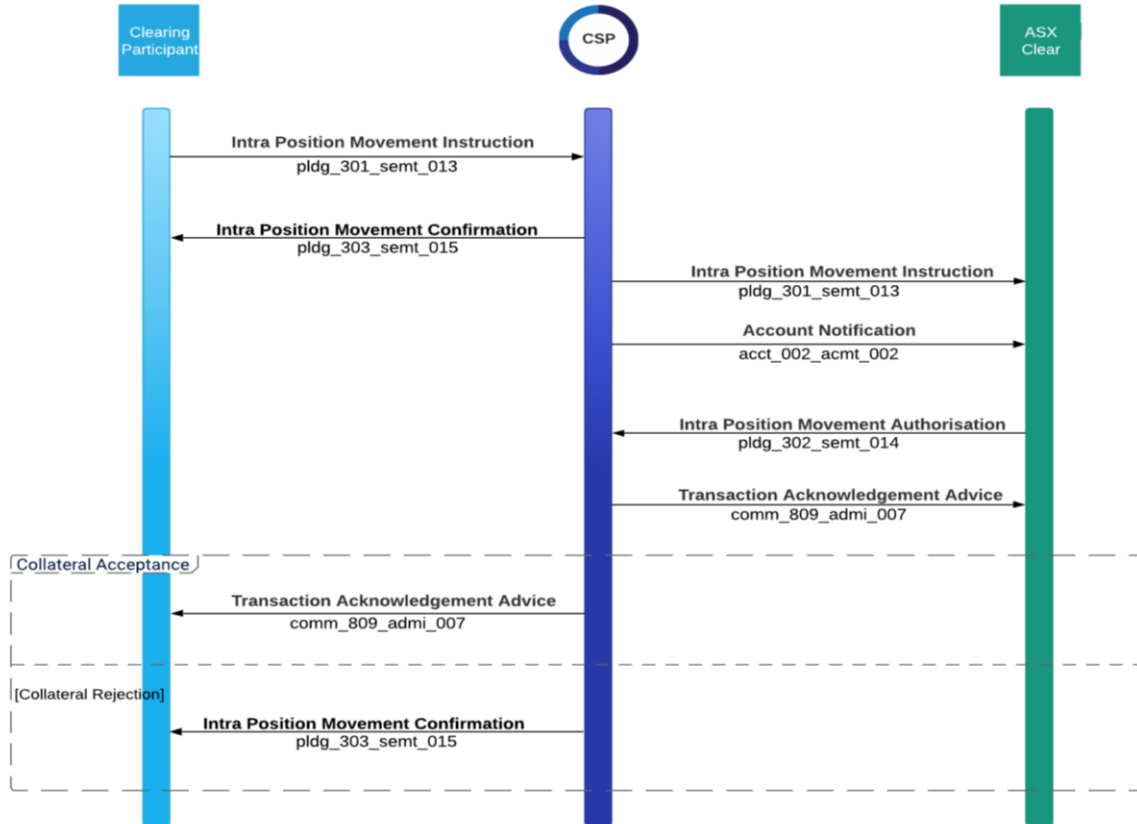
4 messages

- 3 New messages

- 1 Reused message (comm_809)

# 3d Collateral creation
## Collateral Creation Flow - ETO
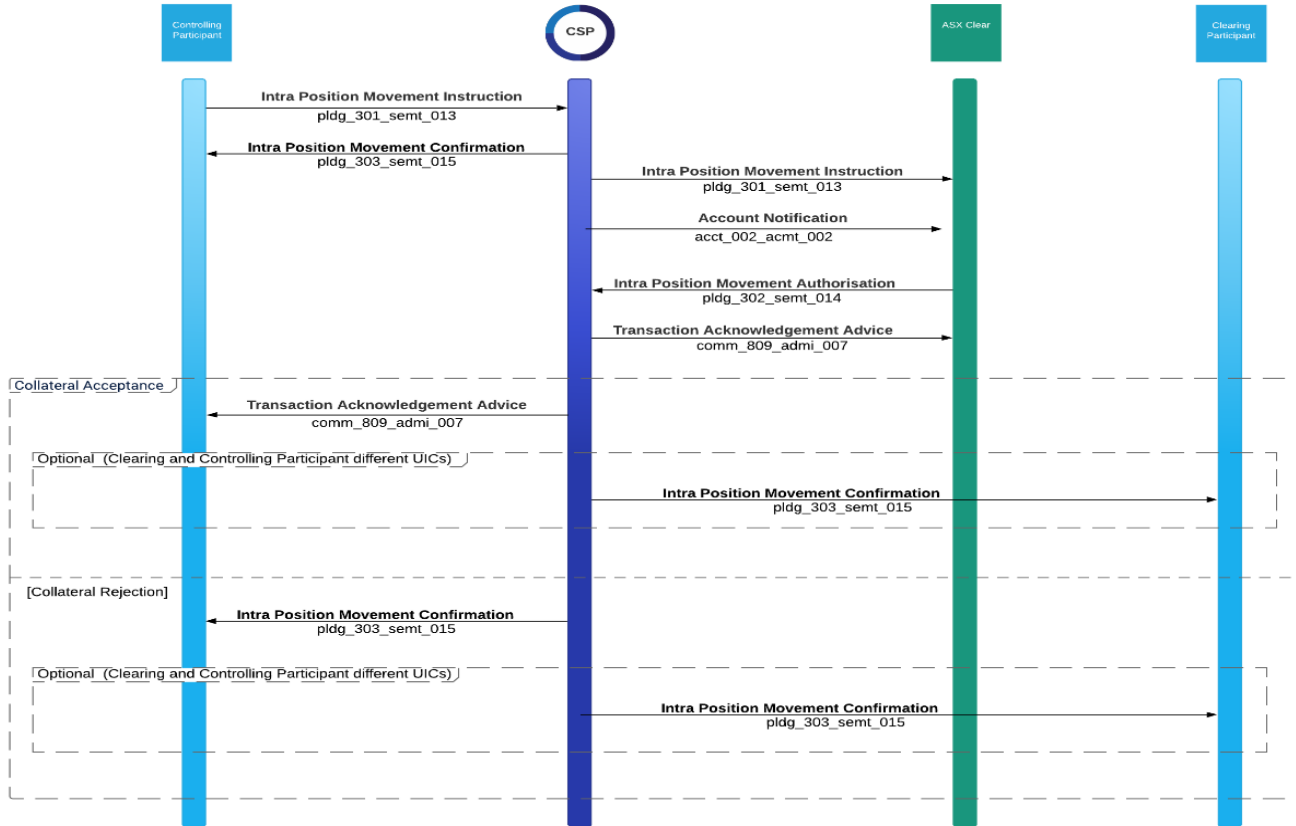
# 3d Collateral creation
## Collateral Creation Flow - CMM

# 3d Collateral creation
## Pldg_301 (Intra Position Movement Instruction)

| Lvl | Name | XML Tag | Mult | Type / Code | Restr |
|---|---|---|---|---|---|
| 0 | Intra Position Movement Instruction V04 (semt.013.001.04) | &lt;IntraPosMvmntInstr&gt; | | | |
| 1 | Transaction Identification | &lt;TxId&gt; | [1..1] | text{1,35} | |
| 1 | Safekeeping Account | &lt;SfkpgAcct&gt; | [1..1] | | |
| 2 | Identification | &lt;Id&gt; | [1..1] | text{1,35} | T/C |
| 1 | Financial Instrument Identification | &lt;FinInstrmId&gt; | [1..1] | | |
| 2 | ISIN | &lt;ISIN&gt; | [0..1] | text | |
| 2 | Other Identification | &lt;OthrId&gt; | [0..*] | | [0..1] |
| 3 | Identification | &lt;Id&gt; | [1..1] | text{1,35} | T/C |
| 1 | Financial Instrument Attributes | &lt;FinInstrmAttrbts&gt; | [0..1] | | |
| 2 | Financial Instrument Attribute Additional | &lt;FinInstrmAttrAddtl&gt; | [0..1] | text{1,350} | [1..1] |
| 1 | Intra Position Details | &lt;IntraPosDtls&gt; | [1..1] | | |
| 2 | Settlement Quantity | &lt;SttlmQty&gt; | [1..1] | Choice | |
| 3 | Unit | &lt;Unit&gt; | [1..1] | decimal | |
| 2 | Securities Sub Balance Identification | &lt;SctiesSubBalId&gt; | [0..1] | | [1..1] |
| 3 | Identification | &lt;Id&gt; | [1..1] | text{1,35} | T/C |
| 2 | Settlement Date | &lt;SttlmDt&gt; | [1..1] | Choice | |
| 3 | Date | &lt;Dt&gt; | [1..1] | date | |
| 2 | Balance From | &lt;BalFr&gt; | [1..1] | | |
| 3 | Type | &lt;Tp&gt; | [1..1] | Choice | |
| 4 | Code | &lt;Cd&gt; | [1..1] | text | |
| 5 | Blocked | | | BLOK | |
| 5 | Available | | | AVAI | |

**Intra Position Movement Instruction:**

pldg_301_semt_013 (Collateral Creation –ETO,CMM)

**Safekeeping Account (1..1):** Account Identifier (HIN)

**Financial Instrument Attributes (0..1):** Margin Lender

**Settlement Quantity (1..1) :** Unit Quantity

NEW **Securities Sub Bal Identification (1..1) :** Subposition Type

NEW **Balance From (1..1):** Balance from which the securities are moving.

# 3d Collateral creation
## Pldg_301 (Intra Position Movement Instruction)

| Lvl | Name | XML Tag | Mult | Type / Code | Restr |
|---|---|---|---|---|---|
| 2 | Balance To | <BalTo> | [1..1] | | |
| 3 | Type | <Tp> | [1..1] | Choice | |
| 4 | Code | <Cd> | [1..1] | text | |
| 5 | Blocked | | | BLOK | |
| 5 | Available | | | AVAI | |
| 3 | Quantity Breakdown | <QtyBrkdwn> | [0..*] | | [0..1] |
| 4 | Lot Number | <LotNb> | [0..1] | | [1..1] |
| 5 | Identification | <Id> | [1..1] | text{1,35} | T/C |
| 2 | Instruction Processing Additional Details | <InstrPrcgAddtlDtls> | [0..1] | text{1,350} | T/C |
| 1 | Supplementary Data | <SplmtryData> | [0..*] | | [0..1] |
| 2 | Envelope | <Envlp> | [1..1] | | T/C |
| 1 | Additional Details | <AddtlDtls> | [1..1] | | A |
| 2 | Account Identifier | <AcctId> | [0..1] | | (A) |
| 3 | Identification | <Id> | [1..1] | Choice | (A) |
| 2 | Member Identifier | <MmbId> | [0..1] | Choice | (A) |
| 3 | Proprietary Identification | <PrtryId> | [1..1] | | (A) |
| 4 | Identification | <Id> | [1..1] | text{1,35} | (A) |
| 2 | Particpant Reference | <PtcptRef> | [0..1] | text{1,35} | (A) |

**Intra Position Movement Instruction:**

pldg_301_semt_013 (Collateral Creation –ETO,CMM)

NEW **Balance To (1..1):** Balance to which the securities are moving.

**Lodgement Number (0..1):** Lodgement Number to ASX Clear to correctly record the collateral into an account of the clearing participant.

**Specific Cover (0..1):** Indicates if the collateral will be to cover single lodgement or pooled.

**Clearing Account (0..1):** Account of the clearing member.

**Clearing Member (0..1):** Identifier of the clearing member.

# 3d Collateral creation
## Pldg_302 (Intra Position Movement Authorisation)

| Lvl | Name | XML Tag | Mult | Type / Code | Restr |
|---|---|---|---|---|---|
| 0 | Intra Position Movement Status Advice V06 | <IntraPosMvmntStsAdvc> | | | |
| 1 | Transaction Identification | <TxId> | [1..1] | | |
| 2 | Account Owner Transaction Identification | <AcctOwnrTxId> | [1..1] | text{1,35} | |
| 1 | Processing Status | <PrcgSts> | [0..1] | Choice | [1..1] |
| 2 | Rejected | <Rjctd> | [1..1] | Choice | |
| 3 | Reason | <Rsn> | [1..*] | | [1..1] |
| 4 | Code | <Cd> | [0..*] | Choice | [1..1] |
| 5 | Proprietary | <Prtry> | [1..1] | | |
| 6 | Identification | <Id> | [1..1] | text | T/C |
| 6 | Issuer | <Issr> | [1..1] | text{1,35} | T/C |
| 7 | XASX | | | XASX | |
| 2 | Acknowledged Accepted | <AckdAccptd> | [1..1] | Choice | |
| 3 | No Specified Reason | <NoSpcfdRsn> | [1..1] | text | |
| 4 | No Reason | | | NORE | |

**Intra Position Movement Status Advice:**
pldg_302_semt_014 (Collateral Creation -ETO,CMM: Authorisation)

**Transaction Id (1..1)**

**Status (1..1):** Rejected >> Reason (1..1)
ASX proprietary code list:
CollateralRejectedReason_ASX_1

**Status (1..1):** Acknowledge Accepted >> No reason

ASX

# 3d Collateral creation
## Pldg_303 (Intra Position Movement Confirmation)

| Lvl | Name | XML Tag | Mult | Type / Code | Restr |
|---|---|---|---|---|---|
| 0 | Intra Position Movement Confirmation V07 | <IntraPosMvmntConf> | | | |
| 1 | Additional Parameters | <AddtlParams> | [0..1] | | [1..1] |
| 2 | Account Owner Transaction Identification | <AcctOwnrTxId> | [0..1] | text{1,35} | [1..1] |
| 2 | Corporate Action Event Identification | <CorpActnEvtId> | [0..1] | text{1,35} | |
| 1 | Account Owner | <AcctOwnr> | [0..1] | Choice | |
| 2 | Any BIC | <AnyBIC> | [1..1] | text | |
| 2 | Proprietary Identification | <PrtryId> | [1..1] | | |
| 1 | Safekeeping Account | <SfkpgAcct> | [1..1] | | |
| 2 | Identification | <Id> | [1..1] | text{1,35} | T/C |
| 1 | Financial Instrument Identification | <FinInstrmId> | [1..1] | | |
| 2 | ISIN | <ISIN> | [0..1] | text | [1..1] |
| 2 | Other Identification | <OthrId> | [0..*] | | [1..1] |
| 1 | Financial Instrument Attributes | <FinInstrmAttrbts> | [0..1] | | |
| 2 | Financial Instrument Attribute Additional Details | <FinInstrmAttrAddtlDtls> | [0..1] | text{1,350} | [1..1] |
| 1 | Intra Position Details | <IntraPosDtls> | [1..1] | | |
| 2 | Settled Quantity | <SttldQty> | [1..1] | Choice | |
| 3 | Unit | <Unit> | [1..1] | decimal | |
| 2 | Securities Sub Balance Identification | <SctiesSubBalId> | [0..1] | | [1..1] |
| 3 | Identification | <Id> | [1..1] | text{1,35} | T/C |
| 2 | Settlement Date | <SttlmDt> | [1..1] | Choice | |
| 3 | Date | <Dt> | [1..1] | date | |

**Intra Position Movement Confirmation:**
pldg_303_semt_015 (Collateral Creation –ETO,CMM)

**Transaction Id (1..1)**

**Financial Instrument Attributes (0..1):** Margin Lender

**Quantity (1..1) :** Unit Quantity

**NEW Securities Sub Bal Identification (1..1) :**
Subposition Type
Corporate Action subposition Identification

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| Lvl | Name | XML Tag | Mult | Type / Cod | Restr |
|---|---|---|---|---|---|
| 2 | Balance From | <BalFr> | [1..1] | | |
| 3 | Type | <Tp> | [1..1] | Choice | |
| 4 | Code | <Cd> | [1..1] | text | |
| 5 | Blocked | | | BLOK | |
| 5 | Available | | | AVAI | |
| 2 | Balance To | <BalTo> | [1..1] | | |
| 3 | Type | <Tp> | [1..1] | Choice | |
| 4 | Code | <Cd> | [1..1] | text | |
| 5 | Blocked | | | BLOK | |
| 5 | Available | | | AVAI | |
| 3 | Quantity Breakdown | <QtyBrkdwn> | [0..*] | | [0..1] |
| 4 | Lot Number | <LotNb> | [0..1] | | [1..1] |
| 5 | Identification | <Id> | [1..1] | text{1,35} | T/C |
| 2 | Instruction Processing Additional Details | <InstrPrcgAddtlDtls> | [0..1] | text{1,350} | T/C |
| 1 | Supplementary Data | <SplmtryData> | [0..*] | | [0..1] |
| 2 | Envelope | <Envlp> | [1..1] | | T/C |
| 1 | Additional Details | <AddtlDtls> | [1..1] | | A |
| 2 | Account Identifier | <AcctId> | [0..1] | | (A) |
| 3 | Identification | <Id> | [1..1] | Choice | (A) |
| 2 | Member Identifier | <MmbId> | [0..1] | Choice | (A) |
| 3 | Proprietary Identification | <PrtryId> | [1..1] | | (A) |
| 2 | Particpant Reference | <PtcptRef> | [0..1] | text{1,35} | (A) |
| 2 | Rejection Reason | <RjctnRsn> | [0..1] | text{4} | (A) |
| 2 | Sub Position Balance | <SubPosBal> | [0..1] | decimal | (A) |

**Intra Position Movement Confirmation:**
pldg_303_semt_015 (Collateral Creation –ETO,CMM)

NEW **Balance From (1..1):** Balance from which the securities are moving

NEW **Balance To (1..1):** Balance to which the securities are moving.

**Lodgement Number (0..1):** Lodgement Number to ASX Clear to correctly record the collateral into an account of the clearing participant.

**Rejection Reason (0..1)**
**Total Cover (0..1):** Total number of units of a security that are pledged as cover on a specific holding.

ASX

# 3e 'To-be' messages for review
## Takeover & Buyback, Collateral creation

| To-be Messages | Collections |
|---|---|
| pldg_301 | draft_pldg |
| pldg_302 | draft_pldg |
| pldg_303 | draft_pldg |
| comm_809 | draft_comm |
| evnt_742 | draft_evnt |
| evnt_743 | draft_evnt |
| evnt_745 | draft_evnt |
| evnt_746 | draft_evnt |
| hold_229 | draft_hold |
| hold_230 | draft_hold |

**MyStandards 'to-be' documentation**
    **Community:**     ASX ISO 20022 Technical Committee
    **Collection:**      ASX_AU_CHS_draft_xxxx


**Further details** (attached to Message Definitions in MyStandards)
- Message Model
- Sample .xml
  - Valid .xml samples to illustrate message structure
  - Not intended to cover full business usage
- ASX Proprietary Code list (attached to collection)


**Feedback Request:** ASX requests TC member feedback via comments in MyStandards by **Tuesday 06 August 2019** ready for ASX review

ASX

# 4. Standing agenda items

# 4a CHESS Replacement Project update

## On-track for March/April 2021 go-live of DLT-based CHESS

| Jan 2016 | Jan 2017 | Jan 2018 | Jan 2019 | TODAY | Jan 2020 | Jan 2021 |
|---|---|---|---|---|---|---|

**Evaluation and consultation** — **Build** — **Market trials and implementation**

Assessment of technology and partner, prototype built › DA & DLT selected › Enterprise-grade build › Incremental external software drops › Industry-wide testing › Go-live Mar/Apr
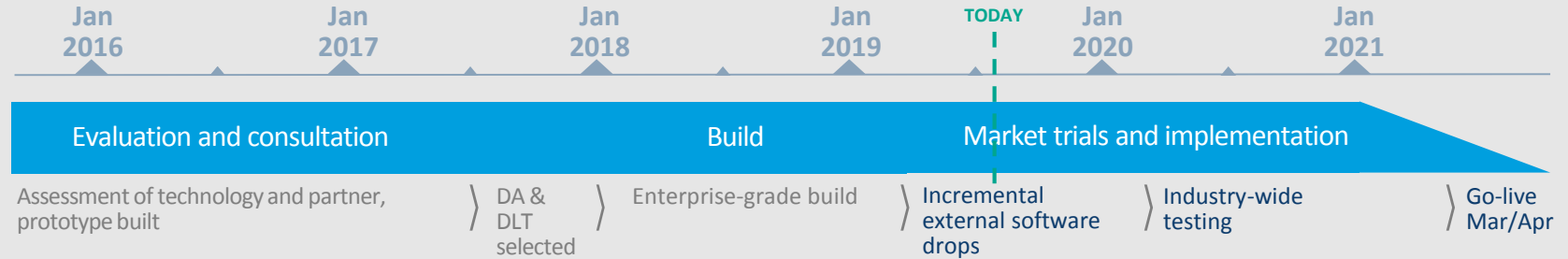
## DLT-based CHESS will offer existing functionality, new features and an option to connect to real-time source of truth data

**Current CHESS**

Upgrade to modern application →

Update to global standard messaging protocol →

Carry through existing functionality →

0101010101
0101010101
0101010101

**New CHESS system**

**+** 35 new functions requested by market

**+** Optional synchronised source of truth data store

ASX
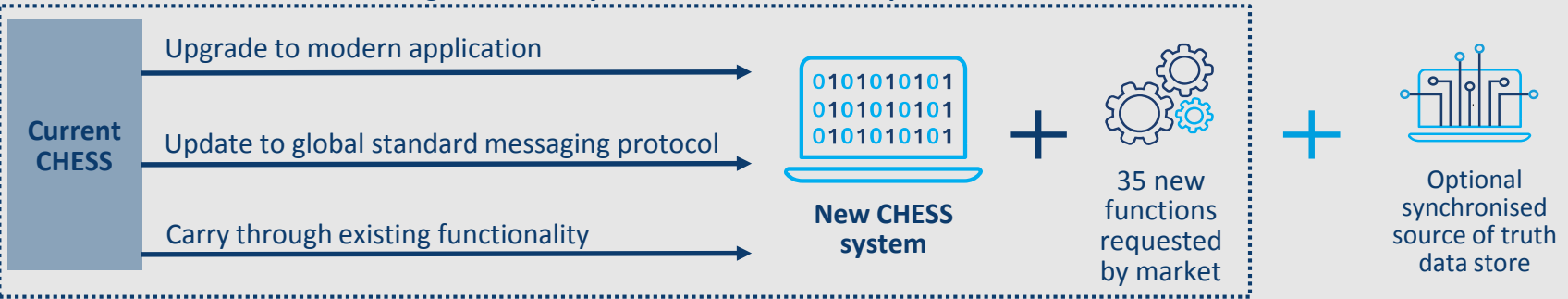
# 4b ISO 20022 project update by ASX

To-be' mapping:

> Topics in progress:

  - Settlement
  - Transfer of Novated Equity Transactions between Clearing Participants (Give-up and Take-up)
  - Holding Adjustment
  - Corporate Actions
  - mFund
  - Reports
  - Collateral
  - Takeover & Buyback


> Global ISO 20022 engagement

  - ISO 20022 Securities Standards Evaluation Group (SEG)
  - T2S Evaluation Team (sub group of SEG)
  - BAH change request
  - Business Justification for new messages

ASX

# 4b ISO 20022 Stream – Message Status
## @end June 2019

| Business area | EIS 'as-is' in scope<br>Total number of relevant EIS messages | ISO 20022 messages done | | | | | EIS 'as-is' covered in 'to-be' drops | | | Additional drafts shared with Technical Committee | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | | Drop 1 14Dec 2018 | Drop 2 29Mar 2019 | Drop 3(a) 30May 2019 | Drop 3(b) 28Jun 2019 | Total | Confirmed descoped EIS messages | Confirmed EIS messages covered in Drops** | Total EIS messaged covered | TC only: not yet in Tech Docs | Equiv. EIS |
| Account management (acct) | 14 | | 1 | 4* | | 5 | 1 | 6 | 7 | | |
| Operations Admin (admn) | 11 | | | | | | | | | | |
| Common (comm) | 2 | 3 | | | | 3 | | 2 | 2 | | |
| RTGS (gset) | 60 | | | | | | | | | | |
| Holding movement (hold) | 88 | 9 | | | 9 | 18 | | 62 | 62 | 9 | 18 |
| mFund Service (mfnd) | 73 | | | | | | | | | | |
| Pledge and Lodge Management (pldg) | 85 | | | | | | | | | | |
| Reporting (rptg) | 36 | | | | | | | | | | |
| Settlement (sett) | 51 | 16 | 2 | 3 | 9 | 21 | 4 | 22 | 26 | | |
| **Total** | **420** | **28** | **3** | **7** | **9** | **47** | **5** | **92** | **97 / 23%** | **9** | **18** |

*Removed account from DROP 1
**includes consolidation of a number of EIS messages into a lower number of equivalent ISO 20022 messages

ASX

# 4c Update from Business Committee

ASX

# 5. Closing

# 5. Closing and next meeting

> For member's attention – Technical Committee charter updated, republished on web page

> Noted actions from this meeting

> Draft minutes from this meeting will be distributed for review

> Next meeting to be held Tuesday 27 August 2019 – Sydney, webinar;

  · proposed topics to be confirmed

> Forward meeting plan – see next page

More information on CHESS Replacement & Technical Committee documents:

http://www.asx.com.au/services/chess-replacement.htm

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

# 5. Closing and forward meeting plan

**Friday 8 February 2019**
- Re-cap on upstream/downstream matters
- Re-cap on Technical Documents
- Transfers / Conversions – Participant to Issuer
- Focus Group outcomes

**Tuesday 5 March 2019**
- Meeting cancelled, pending follow up, focus group meetings

**Tuesday 26 March 2019**
- Account creation, modification, report
- Review of 'to-be' messages
- Focus Group outcomes

**Tuesday 7 May 2019**
- ISO 20022 mapping feedback
- Transfers / Conversions
- SRN / SRN balance enquiry
- Review of 'to-be' messages
- Focus Group outcomes

**Tuesday 28 May 2019**
- ISO 20022 mapping feedback
- Change of Controlling Participant, Holding adjustment, Warrants
- Review of 'to-be' messages
- Focus Group outcomes

**Tuesday 25 June 2019**
- ISO 20022 mapping feedback
- Batch Settlement
- Focus Group outcomes

**Tuesday 23 July 2019**
- ISO 20022 mapping feedback
- Takeover & Buyback, Collateral creation
- Focus Group outcomes

**Tuesday 27 August 2019**
- ISO 20022 mapping feedback
- tbc
- Focus Group outcomes

**Tuesday 1 October 2019**
- ISO 20022 mapping feedback
- tbc
- Focus Group outcomes

**Tuesday 29 October 2019**
- ISO 20022 mapping feedback
- tbc
- Focus Group outcomes

**Tuesday 26 Nov 2019**
- ISO 20022 mapping feedback
- tbc
- Focus Group outcomes

ASX

# Thank you.

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