



## **MINUTES OF THE ISO 20022 TECHNICAL COMMITTEE**

Tuesday 14 March 2017

ASX offices, 20 Bridge Street, Sydney; Webinar

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- 1. Welcome, Agenda**
- 2. Minutes from last meeting, actions**
- 3. CHES Replacement project update by ASX**
- 4. Update from Business Committee**
- 5. ISO 20022 project update by ASX**
- 6. SWIFT MyStandards, usage guideline review**
  - a) Overview of SWIFT MyStandards and how to access**
  - b) Review recommended ISO 20022 mapping: CHES 164 message – Notified Trade**
  - c) Providing and collating feedback on usage guidelines**
- 7. Review of CHES reporting messages**

## ATTENDEES

MEMBERS		
Company	Name	Job Title
Australian Payments & Clearing Association (APCA)	Paul Creswick	Security Standards Manager
Bank of America Merrill Lynch	Andree Hindmarsh	Head of GMOT Australia
Bell Potter Securities	Dean Surkitt	Managing Director Retail
BNP Paribas Securities	Narelle Rutter	Head of Local Custody & Clearing Operations
BNP Paribas Securities	Wayne Murphy	Project Manager
Boardroom Limited	Tony Robinson	Senior Software Engineer
Boardroom Limited	Michael Mullins	CIO
Broadridge (Australia)	John Greenhow	General Manager, Australia
Broadridge (Australia)	Manoj Mathew	Business Analyst
CBA Equities	Joel Cox	Technical Business Analyst
CBA Equities	Carolyn Webb (by phone)	Test Manager
CBA Equities	Ben Lowe	Manager Settlements
Chi-X Australia	Mike Aikins	Head of Solution Development
Chi-X Australia	Suketu Adhvaryu	Senior Solution Architect
Citicorp	Miles O'Connor	Director, Direct Custody & Clearing Securities Markets & Securities Services
Citicorp	Brett Dennis	Head of Operations – Party Clearing
Citicorp	Vlad Medvedev	
Citicorp	Lyall Herron	
Citicorp	Janice O'Brien (by phone)	Markets & Securities Services Technology
Citicorp	Matthew Warner	
Citicorp	Ashok Kumar Balusa	
Citicorp	Glenn Pahilan	
Computershare	Paul Walton	Senior Manager, Corporate Actions & New Business Development – Investor Services
Computershare	Leanne Bailey	Senior Business Analyst Product & Innovation
Deutsche Securities	Luke McLeod	VP, Securities Operations Technology, Program Manager
Dion Global Solutions	Craig Gray (by phone)	Product Manager – Australia and New Zealand
Dion Global Solutions	Nikki Gleisner	Account Manager
GBST	Andrew Murdoch	Product Specialist, GBST Capital Markets
GBST	Sue Schafer (by phone)	Product Owner
Goldman Sachs	Darrel Schwarz	Technology Vice President
Goldman Sachs	Nichole Alexander	Operations Vice President
HSBC Securities Services	Gregory Wilkin	Head of HSBC Operations
JP Morgan	Ed Lawson	Settlements Manager

<b>MEMBERS</b>		
<b>Company</b>	<b>Name</b>	<b>Job Title</b>
JP Morgan	Danny Ng	Middle and Back office AD Manager
JP Morgan	Scott Oakland	Direct Custody Product Manager Australia
JP Morgan	Daniel Smith	VP, Network Management
JP Morgan	Lesley Henderson	Technology Product team
Link Group	Ian Batterham	Business Applications Architect
Link Market Services	Sue Julian	National Manager, Corporate Actions
Macquarie Group	Paul Bragg	Senior Manager Equities Clearing ANZ
Macquarie Group	Merrilyn Auton	Manager Operations
Morgans Financial	Matt Neaubauer	Team Leader, Service Management Team
Morgans Financial	Ed Strike	IT Manager
Morgan Stanley	Oscar Dela Cruz	
Morgan Stanley	Andrew Fielder	
Morgan Stanley	Gordon Davies	VP/Firmwide Ops
Morgan Stanley	Kirsty Venters (by phone)	VP, Prime Brkrng Funding & Fin Tech
NAB Asset Management	Suresh Chinnappa	Head of Custody Service Operations
National Stock Exchange	Scott Evans	General Manager & Company Secretary
National Stock Exchange	Lina Lim	Head of Technology
Nomura Research Institute	John Ryan	Senior Consultant
Securitease	Anton Smith	Director
Share Investing	Phil Barnes	Senior Manager, Platforms
Stockbrokers & Financial Advisers Association Limited (SAA)	Andrew Green	Chief Executive
Stockbrokers & Financial Advisers Association Limited (SAA)	Danielle Henderson	Chair of SAA CHES working group
SWIFT Standards	Mieko Morioka (by phone)	Senior APAC Standards consultant
SWIFT Standards	Nicole Jolliffe	Senior APAC Standards consultant
SWIFT	Chermaine Lee	SWIFT Project Coordinator
Sydney Stock Exchange	Jadeah Dogias	Supervisor – Market Control
Sydney Stock Exchange	Leo Zhang	Business Analyst
UBS	Phillip Drury	Phillip Drury, Executive Director, Equities IT
UBS	Duncan Earl	Executive Director, Head of Change, UBS Group Operations
Wealthhub Securities	James Channon	Manager, Capital Markets Trading

<b>ASX Management</b>	
<b>Name</b>	<b>Job Title</b>
Tim Hogben	Chief Operating Officer (Chair of the Technical Committee)
Cliff Richards	General Manager, Equity Post Trade Services
Karen Webb	Manager, Equity Post Trade Services

<b>ASX Management</b>	
<b>Name</b>	<b>Job Title</b>
Rodd Kingham	Senior Manager, Equity Post Trade Services
Russell Eyre	Enterprise Architect
Anne-Marie Fisher-Taylor	Architect CSD Development
Darcy Wright	Senior Business Analyst, Equity Post Trade
Gary Hobourn	Senior Economic Analyst, Regulatory and Public Policy

## **APOLOGIES**

<b>MEMBERS</b>		
<b>Company</b>	<b>Name</b>	<b>Job Title</b>
Australian Payments & Clearing Association (APCA)	Andy White	General Manager, Payments Community
Morgan Stanley	Dorothy Wilson	Executive Director Morgan Stanley Wealth Management, ISG Technology
Sydney Stock Exchange	David Lawrence	Company Secretary

The meeting commenced at 3.05pm.

#### **Agenda item 1: Agenda overview**

The Chair welcomed Technical Committee members to the meeting including members attending by webinar.

The Chair outlined the Agenda for this meeting, referring to the presentation slides prepared by ASX. The agenda included an overview of the proposed forward plan of meeting topics.

#### **Agenda item 2: Minutes from last meeting, actions**

The Chair noted that the minutes from the last meeting held on 7 February 2017 had been finalised, and that there had been no feedback from members on the circulated draft minutes. The minutes have been published on the ASX CHES Replacement web page.

The Chair noted the outstanding actions from the last meeting as outlined on slides numbered 4 and 5 from the ASX presentation.

**Action item 2** was for ASX to provide members with information on how to access SWIFT MyStandards. The Chair noted that there was an agenda item on MyStandards later in the meeting. **This item was closed.**

**Action item 4** was for ASX to provide members with the list of the current scope of messages scheduled for detailed mapping during the first half of 2017. The list was provided to members with the meeting documents on Monday 13 March 2017. **This item was closed.**

**Action item 5** was for ASX and SWIFT to schedule a training webinar for the attendance by members. The Chair noted this item would be discussed later in the meeting. **This item was closed.**

**Action item 6** was for ASX to add a link on the CHES Replacement web page to relevant ISO 20022 information websites. **This item was closed.**

**Action item 7** was for SWIFT to provide more details on access to online education available at swift.com. This information prepared by SWIFT was provided to members with the meeting documents on Monday 13 March 2017. **This item was closed.**

**Action item 8** was for ASX to provide members with the current list of Market Identification Codes (MICs). ASX has provided a link to this list from the CHES Replacement web page. **This item was closed.**

**Action item 9** was for ASX and SWIFT to provide members with more information on the use of BIC vs. UIC as the party identification code. ASX provided a summary document on this matter to members on Monday 13 March 2017. The Chair summarised the key points from the document and asked the ASX Enterprise Architect to provide an overview of the key points. The ASX Enterprise Architect described the current use of PID or UIC, and provided an overview of the various BIC types and how they are issued. The overview emphasised the distinction between party identification for routing (e.g. connected BIC for SWIFTNet) vs. identification of a party within a message (could be a non-connected BIC). In conclusion either BIC or UIC could be used for identification within a message, selection of BIC would mean some form of migration for go live.

The Chair reiterated the group's wish to adopt global standards, and asked for member's input on using BIC vs. UIC.

A member confirmed their preference as a global bank to use BIC, as they do use it as a common identifier. They also had a preference to use BIC as the single identifier from day 1 implementation. The use of the free of charge (non-connected) BIC seemed a desirable solution.

A member asked what the cost for obtaining a BIC was (vs. UIC) and when would this be paid? A SWIFT representative confirmed the relative cost for connected (recurring EUR1,250 pa fee per BIC, and additional network charges) vs. non-connected (free), and where there is a charge it is applied by SWIFT as the registration authority. The member asked what the example would be for a user to pay for a BIC. The SWIFT representative replied you need to pay for a BIC if connected and use the SWIFT Network.

The Chair noted that there was no decision yet re the transport network, and that ASXNet was an option. Consultation responses indicated that SWIFTNet would be desirable for some participants, and that if SWIFTNet was used, a connected BIC would be applicable for routing.

A member asked if connected BIC was similar to the AIC concept used in CHES. The ASX Enterprise Architect confirmed this was similar, AIC identifies access points, and UIC identifies party. BIC allows for identification of both.

A member asked should the summary document say “will be” additional charges for a connected BIC rather than “maybe”. The Chair confirmed that was correct. [Note this depends on each participants own circumstances]

A member noted general support for the move to global standards including identifiers and asked how the transition arrangements would work for a move to BIC. The ASX Enterprise Architect noted that there were several approaches. Firstly, a big bang, where we turn off UIC one day, and turn on BIC the next day. Secondly, ASX could allow CHES message backward compatibility and ASX would manage the translation for CHES to ISO 20022 messages. Noted that there were broader discussions required on the go live approach, and this also depends on migration tools available to ASX and vendors/participants. The meeting agreed there was a need for future discussion on the options for transition, including identifiers. The Chair noted that a future agenda item would be scheduled on this point. **[Matters Arising 1/Action item 15]**

The Chair asked a SWIFT representative how the naming convention for BIC worked. The SWIFT representative confirmed the number was sequentially allocated but could have some approximate institution name representation. A member shared their own BIC example and that is was usually the case for international organisations that the BIC had some representation of their name. Brokers could have a similar convention. The member drew a comparison to the proposed ASX ISIN changes, and that it would be a matter of getting reference tables in place. The member confirmed that the BIC was a one off set up and once set up it operated very smoothly.

A member asked if the different BIC types looked the same for one entity. SWIFT confirmed that the names can look similar or different and noted that a non-connected BIC (BIC 1) always ends in a 1. A member noted the PID was a known unique identifier and recognisable, and asked if the use of BIC had the potential to create confusion. The Chair noted that mapping tables could be provided.

A member asked if there would be any impact on broker ids (trade). The Chair confirmed this would potentially need mapping between broker id and BIC or development on the front end. The Chair noted that discussions in this group could have potential consequences elsewhere. The Chair noted that upstream and downstream impacts should be tracked to remain cognisant of changes, and to engage with the relevant groups. **[Matters Arising 2/Action item 16]**

A member asked if the change to BIC was just in relation to participants, and didn't include issuers. The Chair confirmed that was correct.

The ASX Enterprise Architect noted that with respect to issuers using a BIC, the unconnected BIC registration allowed for a third party to apply, so depending on operational logistics ASX could apply on behalf of issuers. It was likely that if participants had a BIC8 (for connectivity) that the same BIC could be used in the message content, and that an additional unconnected BIC would not be required.

**The meeting agreed to the use of BIC as an identifier for participants in ISO 20022 message content, in place of PID or UIC.** The Chair confirmed that the decision regarding the identification of issuers was pending further discussion, and would remain at UIC for now. ASX will provide the committee with further information on the potential process to register and use BIC in place of UIC for issuers. **This item was closed with a new action item raised to track the decision for the identification of issuers. [Matters Arising 3/Action item 17]**

**Action item 10** was for Market Operators to advise the preferred MIC to be presented in trade related messages as the "Place of Trade". ASX had not received any information from Market Operators and **this item remains open.**

**Action item 11** was for ASX to conduct analysis on whether the identification of a financial instrument is a fixed value or true value of the proprietary code issuer. ASX provided a summary document on this matter to members on Monday 13 March 2017. The Chair summarised the key points from the document, and the ASX recommendation to adopt a standard default identifier for the issuer of a financial instrument proprietary code – as "INFO", rather than identifying the individual market operator applicable to each security code.

A member asked if this default identifier applied across all Market Operators. The Chair confirmed that would be the case, and that the market would not be identified. A member asked what would happen if a user put another value in this field? The ASX Senior Business Analyst confirmed that the message would be rejected by ASX if a value other than "INFO" was populated in this field.

A member asked what the treatment would be for securities that are dual listed. The Chair confirmed the same approach would apply.

A member asked more generally if there was a place to find the operator/issuer associated with a security. The Manager Equity Post Trade Services confirmed this information was available in reference data provided by ASX.

**The meeting confirmed agreement with the use of the default value "INFO". This action item was closed.**

**Action item 12** was for ASX to provide a list of proposed codes (for example, condition codes and basis of movement codes) in ISO 20022 format (4 character) mapped against CHES codes. ASX provided a summary document on this matter to members on Monday 13 March 2017, and the Chair summarised the key points from the document.

A member agreed that 4 character codes should be used if there was good mapping with external code list. The Chair noted the proposed condition codes are not mapped to ISO external code list – they are new.

A member agreed that global codes should be used where possible with the resulting globalisation benefits, but there was a need to appreciate the upstream and downstream impact.

A member also asked how ASX would circulate the impact of code changes. The Chair noted that it did not have the information applicable to assess the impact to each participant's systems.

A member asked what happens if there were differences between the ASX and registered codes and the process for registration? The ASX Senior Business Analyst re-stated the registration process for codes – the use of codes in extensions and to publish an external code list (DSS).

A member asked about the impact for members that used ISO 15022 in their own operations – should the committee be cognisant of backward translation issues and promote any related change requests to 15022? The Chair agreed this matter should be discussed further. **[refer Matter Arising 2/Action item 16]**

A member asked what would happen if a Market Operator wanted to add new condition codes for example? ASX confirmed the codes would be added to the DSS, and that there were existing processes to review and change code lists for the CHESSE EIS. The Chair noted an action to document a process for future change requests. **[Matters Arising 4/ Action item 18]**

As discussed for Action item 9, the Chair proposed that a new register of items be developed to track and discuss upstream and downstream compatibility. **[refer Matter Arising 2/Action item 16]**

**The members agreed with the principle to adopt 4 character codes and publish these codes in a DSS. The action item was closed, with the noted action to track upstream/downstream impacts.**

**Action item 13** was for ASX to add a general update on the CHESSE Replacement project to the standing agenda for Technical Committee meetings. **This has been actioned and was closed.**

**Action item 14** was for ASX to check the date for this Technical Committee meeting and advise members of any change. **This has been actioned and was closed.**

### **Agenda item 3: CHESSE Replacement project update by ASX**

The Chair invited the General Manager, Equity Post Trade Services to provide an update on the CHESSE Replacement project. The General Manager provided an overview of ASX's published Public Consultation Feedback Summary on the CHESSE Replacement business requirements.

In summary, the key themes of consistent market feedback were:

- Support for the adoption of international standard messaging;
- Support for 'Day 1' functional changes that reduce intermediaries operating costs;
- No significant concerns with Distributed Ledger Technology (DLT).

Mixed feedback was received on a number of points including:

- The transition from CHESSE messaging to ISO 20022 messaging and the coexistence period, with further work to be done on designing effective transitional arrangements;
- Settlement period choices, with the need for more information;
- Account structures and participation models;
- Priorities on potential functional system enhancements.

In its response, ASX had outlined six action plans to address consultation feedback, and as outlined on slide number 6 of the ASX presentation, ASX has prepared the 2017 CHESSE Replacement Business Requirements Forward Work Program including additional working groups to discuss 6 key topics. ASX would provide external documentation by March 2018 on the determined 'Day 1' scope for CHESSE Replacement.

A member queried the working groups' focus on articulation of the business requirement and not the solution – The General Manager confirmed that ASX would provide a summary of the solution to the group at the appropriate time. A member asked if the Business Committee decides what's in scope for day 1. The Chair confirmed this was ASX's decision but would take into account the priorities of the broad stakeholder group. A member asked how nominations



for membership of the working groups would work. The General Manager confirmed invitations would go to Business Committee members for nominations, and to other relevant organisations.

#### **Agenda item 4: Update from Business Committee**

The Chair noted that the last Business Committee meeting held in early March included an update on CHES Replacement and the Forward Work Plan.

The meeting also touched on the vision for CHES Replacement and views shared amongst the Business Committee members. Key themes expressed during the meeting included a general endorsement to move to global standards, a desire to lower direct costs, a reluctance to invest in the replacement if there was no significant change, and a general interest to move forward.

#### **Agenda item 5: ISO 20022 project update by ASX**

The Chair referred to slide number 7 of the ASX presentation and noted that ASX and SWIFT work continues on the ISO 20022 mapping. The team were focused on technical and business delivery.

#### **Agenda item 6: SWIFT MyStandards, usage guideline review**

##### **a) Overview of MyStandards, access**

The Chair invited a representative from SWIFT to provide an introductory presentation on the SWIFT MyStandards portal for the information of the members. (refer to the separate SWIFT presentation)

##### **b) Review recommended ISO 20022 mapping – CHES EIS 164 – Notified Trade**

The Chair invited the ASX Senior Business Analyst to present with SWIFT an overview of the current EIS description of the 164 – Notified Trade message, with a walkthrough of the ISO 20022 excel schema document, identifying key themes.

The presentation noted key areas for members' awareness that would be important reference for their own review of the ISO 20022 usage guidelines. These included the annotations noting the mapping to current CHES EIS fields, the ability to filter removed elements, examples of Data Source Scheme Extensions (e.g. code lists), the view of multiplicity, where multiple EIS fields may map to a single ISO 20022 element (e.g. date and time), credit and debit indicators, schema elements and the view of a supplementary data extension. Refer to ASX slides number 10-17 for this overview.

##### **c) Providing and collating feedback**

ASX noted that it would initially provide two draft ISO 20022 usage guidelines for members to review in the newly created CHES Replacement community in SWIFT MyStandards. The usage guidelines would describe the ISO 20022 equivalents of the CHES EIS 164 and 101. Feedback could be provided by using the comments functionality in the portal, with a summary provided in slides numbered 18 and 19 in the ASX presentation.

A member asked how to gain access to the community? The Manager, Equity Post Trade Services confirmed that instructions would be provided to members as soon as possible following the meeting.

#### **Agenda item 7: Review of CHES Reporting messages**

The Chair introduced the agenda item to review CHES Reporting messages, and the document that had been provided to members prior to the meeting. Referring to slide # 20 in the ASX presentation, the Chair discussed the key strengths, weaknesses and opportunities of the current CHES reporting messages function, as identified by SWIFT in the High

Level Gap Analysis. As a result ASX was keen to review the reporting requests and output and had provided statistics on usage and recommendations for reports to carry forward or descope. ASX had only received one response prior to the meeting. **The Chair asked for members to review the document and provide responses by 28 March.**

A member asked if there was any view regarding providing API access, other forms of reporting besides messaging? The member also asked if this was worth considering in line with the working group discussion later this year. The Chair confirmed that this review and feedback was not wasted effort and would assist ASX to refine scope and prepare for further discussions.

#### **Next meeting, more information**

The Chair summarised the key action items from the meeting and noted that draft minutes from the meeting would be circulated to members for review.

The Chair confirmed that ASX would provide instructions on how to access MyStandards, and requested members review messages 164 and 101 (due date 18 April).

The Chair noted that ASX and SWIFT could schedule the initial training webinar on 26, 27 or 28 April and asked for any preferences from the members. As no preferences were provided, the Chair suggested that ASX would set the date and confirm this to members.

The Chair provided an overview of the planned topics for the next Technical Committee meeting including, the Business Application Header, Transaction ids, review of the feedback received on the 164 and 101 mapping, and review of the 134 and 138 mapping.

The Chair confirmed that subsequent meetings would provide the webinar format, and ASX would provide further information on scheduling one of the meetings in Melbourne.

The Chair thanked members for their input, and for participating in the meeting. The meeting closed at 5.00pm.

Signed as a correct record of the meeting.

A handwritten signature in black ink, appearing to be 'A. J. ...', written over a horizontal line.

Technical Committee Chair

The date '24 April 2017' handwritten in black ink, positioned above a horizontal line.

Date

## ACTION ITEMS

No.	Meeting Date	Open Action Items	Owner	Due Date
10	7 February 2017	Market Operators to advise the preferred MIC to be presented in trade related messages as the “Place of Trade”.	ASX, Chi-X, NSX, SSX	14 March 2017
15	14 March 2017	Schedule future agenda item to discuss transition arrangements, including any changed values (e.g. party identifiers).	ASX	2 May 2017
16	14 March 2017	Create register of matters that may impact upstream, downstream systems or processes, including codes, identifiers and ISO 15022.	ASX	2 May 2017
17	14 March 2017	Provide further information on party identification for issuers – UIC or BIC and proposed process.	ASX	2 May 2017
18	14 March 2017	ASX to draft procedures for change requests to usage guidelines and code lists.	ASX	implementation

No.	Meeting Date	Closed Action Items	Owner	Closed Date
1	13 December 2016	Amend the Charter to reflect that the Chair “will” (instead of “may”) forward copies of the minutes to the Business Committee for endorsement. ASX to publish and distribute final Charter.	ASX	13 December 2016
2	13 December 2016	Provide members with information on how to access SWIFT MyStandards.	ASX	14 March 2017
3	13 December 2016	Provide members with an overview of ISO 20022 training options.	ASX/SWIFT	7 February 2017
4	7 February 2017	Provide members with list of current scope of messages for detailed mapping during first half 2017.	ASX	14 March 2017
5	7 February 2017	Schedule training webinar for the attendance by members and seek and review feedback after the initial webinar.	ASX / SWIFT	14 March 2017
6	7 February 2017	Add link to relevant ISO 20022 information websites to the CHES Replacement web page.	ASX	14 March 2017

No.	Meeting Date	Closed Action Items	Owner	Closed Date
7	7 February 2017	Provide more details on access to online education available at swift.com.	SWIFT	14 March 2017
8	7 February 2017	Provide members with the current list of Market Identification Codes (MICs)	ASX	14 March 2017
9	7 February 2017	Provide members with more information on the use of BIC vs. UIC as the party identification code.	ASX / SWIFT	14 March 2017
11	7 February 2017	ASX to conduct analysis on whether the identification of a financial instrument is a fixed value or true value of the proprietary code issuer.	ASX	14 March 2017
12	7 February 2017	Provide list of proposed code (i.e. condition or BOM) in ISO 20022 format (4 character) mapped against CHES codes.	ASX	14 March 2017
13	7 February 2017	Add a general CHES Replacement update to the standing agenda for meetings.	ASX	14 March 2017
14	7 February 2017	Check the next Technical Committee meeting date planned for March and advise members of any change.	ASX	14 March 2017