



## MINUTES OF THE ISO 20022 TECHNICAL COMMITTEE

Tuesday 9 October 2018  
NAB offices, Melbourne; Webinar

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1. **Welcome, Agenda**

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

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  3. **CHES Replacement project update by ASX**

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  4. **ISO 20022 project update by ASX**

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  5. **Update from Business Committee**

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  6. **Matters for Consideration (Business and Technical Matters)**
    - a) MyStandards Community – ‘to-be’ usage guideline feedback
    - b) Party’s own and Counterparty identification: UIC and BIC
    - c) Unilateral and Bilateral settlement instructions
    - d) Common messages
    - e) Review of ‘to-be’ messages ready to be published

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  7. **Next Meeting - 27 November 2018 – Sydney, webinar**

## Technical Committee Members

| Company                             | Name               | Job Title  | Apologies |
|-------------------------------------|--------------------|--|-----------|
| Australian Payments Network Limited | Andy White         | Chief Operating Officer  | Apology   |
| Australian Payments Network Limited | Paul Creswick      | Security Standards Manager   |           |
| Bank of America Merrill Lynch       | Andree Hindmarsh   | Head of GMOT Australia   |           |
| Bank of America Merrill Lynch       | Jimmie Alam        |  |           |
| Bell Potter Securities              | Dean Surkitt       | Managing Director Retail   |           |
| BNP Paribas Securities              | Penelope Stafford  | Manager Settlements  |           |
| BNP Paribas Securities              | Wayne Murphy       | Project Manager  |           |
| Boardroom Limited                   | Tony Robinson      | Senior Software Engineer   |           |
| Boardroom Limited                   | Michael Mullins    | CIO  |           |
| Broadridge (Australia)              | Manoj Mathew       | Business Analyst   |           |
| Broadridge (Australia)              | Mabel Chow         | Development and Support Manager  |           |
| Broadridge (Australia)              | Tomas Kliman       | Senior Project Manager   |           |
| Broadridge (Australia)              | James Marsden      | APAC Business Development & Strategy   |           |
| Broadridge (Australia)              | Andy King          | Product Specialist   |           |
| Broadridge (Australia)              | Anil Wali          | Product Specialist   |           |
| Broadridge (Australia)              | Alok Ranjan        | Technology Specialist  |           |
| CBA Equities                        | Joel Cox           | Technical Business Analyst   |           |
| CBA Equities                        | Carolyn Webb       | 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                            | Andrew Gibson      | Director – Head of Direct Custody and Clearing Australia & NZ                |           |
| Citicorp                            | Brett Dennis       | Head of Operations – Party Clearing  |           |
| Citicorp                            | Lyall Herron       |  |           |
| Citicorp                            | Janice O'Brien     | Markets & Securities Services Technology                                     |           |
| Citicorp                            | Matthew Warner     |  |           |
| Citicorp                            | Ashok Kumar Balusa |  |           |

| Company                     | Name              | Job Title  | Apologies |
|-----------------------------|-------------------|--|-----------|
| Citicorp                    | Glenn Pahilan     |  |           |
| Citicorp                    | Stephen Rylands   | Product Manager  |           |
| CMC Markets Stockbroking    | Nikola Vanstan    | Change Manager   |           |
| Computershare               | Paul Walton       | Senior Manager, Corporate Actions & New Business Development – Investor Services   |           |
| Computershare               | Leanne Bailey     | Senior Business Analyst Product & Innovation                                       |           |
| Computershare               | Laik Tan          |  |           |
| Deutsche Securities         | Kevin Novini      |  |           |
| Digital Asset               | Fil Mackay        | Senior Product Architect   |           |
| Dion Global Solutions       | Craig Gray        | Product Manager – Australia and NZ   |           |
| Dion Global Solutions       | Nikki Gleisner    | Account Manager  |           |
| GBST                        | Sue Schafer       | Product Owner  |           |
| Goldman Sachs               | Darrel Schwarz    | Technology Vice President  |           |
| Goldman Sachs               | Josh Rice         |  |           |
| Goldman Sachs               | Nidhi Luthra      |  |           |
| HSBC Securities Services    | Gregory Wilkin    | Head of HSBC Operations  |           |
| HSBC Securities Services    | Salih Kulic       | Manager Custody  |           |
| HSBC Bank Australia Limited | Michael Macintosh | Senior Client Account Manager, Global Liquidity and Cash Management                |           |
| HSBC Bank Australia Limited | Anna Fratini      | Senior Product Manager – High Value Payments, Clearing and Financial Institutions, |           |
| HSBC Bank Australia Limited | Phyllis Yeung     | Senior Analyst   |           |
| HSBC                        | Herman Wong       | Manager, Change Management & Delivery  |           |
| HSBC                        | Edmond Chan       | Senior IT Development Manager  |           |
| HSBC                        | Cherrie Xu        | Head of IT Securities Service  |           |
| HSBC                        | Asri Asat         | Optimisation Manager, Securities Service   |           |

| Company                   | Name             | Job Title   | Apologies |
|---------------------------|------------------|---|-----------|
| HSBC                      | Chang Gao        | Business Consultant   |           |
| JP Morgan                 | Ed Lawson        | Settlements Manager   | Apology   |
| JP Morgan                 | Danny Ng         | Middle and Back office AD Manager                                       |           |
| JP Morgan                 | Scott Oakland    | Direct Custody Product Manager<br>Australia                             |           |
| JP Morgan                 | Ned Miglez       |   |           |
| 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                                    | Apology   |
| Macquarie Group           | Merrilyn Auton   | Manager Operations  |           |
| Morgans Financial         | Matt Neubauer    | Team Leader, Service Management<br>Team                                 |           |
| Morgans Financial         | Ed Strike        | IT Manager  |           |
| Morgan Stanley            | Dorothy Wilson   | Executive Director, Morgan Stanley<br>Wealth Management, ISG Technology |           |
| Morgan Stanley            | Kirsty Venters   | VP, Prime Brkrng Funding & Fin Tech                                     |           |
| Morgan Stanley            | Oscar Dela Cruz  |   |           |
| Morgan Stanley            | Andrew Fielder   |   |           |
| Morgan Stanley            | Gordon Davies    | VP/Firmwide Ops   |           |
| Morgan Stanley            | Andrew Sime      |   |           |
| NAB Asset Management      | Suresh Chinnappa | Head of Custody Service Operations                                      |           |
| National Australia Bank   | Sachin Patel     | Senior Analyst, Regulatory Affairs                                      |           |
| National Stock Exchange   | Lina Lim         | Head of Technology  | Apology   |
| Nomura Research Institute | John Ryan        | Senior Consultant   |           |
| Nomura Research Institute | Ashish Jha       |   |           |
| Northern Trust            | Yen Pan Chung    | Senior BA, Market Advocacy and<br>Innovation Research                   | Apology   |
| Securitease               | Anton Smith      | Director  |           |
| Securitease               | Chris Werry      | Business Analyst  |           |
| Securitease               | Angela Losurdo   | Business Systems Analyst  |           |
| Share Investing           | Phil Barnes      | Senior Manager, Platforms   |           |
| SWIFT Standards           | Nicole Jolliffe  | Senior APAC Standards consultant  |           |

| Company               | Name          | Job Title  | Apologies |
|-----------------------|---------------|--|-----------|
| Sydney Stock Exchange | Leo Zhang     | Manager – Market Control                                 |           |
| Sydney Stock Exchange | Omar Obol     | Market Control Officer                                   |           |
| Sydney Stock Exchange | Antony Tolfts | Listing Director   |           |
| UBS                   | Phillip Drury | Phillip Drury, Executive Director, Equities IT           |           |
| UBS                   | Duncan Earl   | Executive Director, Head of Change, UBS Group Operations |           |
| UBS                   | Neil Martin   | IT – Project Management                                  |           |
| Wealthhub Securities  | James Channon | Manager, Capital Markets Trading                         |           |

#### ASX Management

| Name                      | Job Title  | Apologies |
|---------------------------|--|-----------|
| Tim Hogben                | Chief Operating Officer (Chair of the Technical Committee) | Apology   |
| Cliff Richards            | Executive General Manager, Equity Post Trade Services      |           |
| Katie McDermott           | General Manager, Equity Post Trade Services                |           |
| Karen Webb                | Senior Manager, Equity Post Trade Services (Acting Chair)  |           |
| Russell Eyre              | Enterprise Architect                                       |           |
| Anne-Marie Fisher-Taylor  | Project Subject Specialist                                 |           |
| Darcy Wright              | Senior Business Analyst, Equity Post Trade                 |           |
| Priscilla Ferri de Barros | Senior Business Analyst, Equity Post Trade                 |           |
| Gary Hobourn              | Senior Economic Analyst, Regulatory and Public Policy      | Apology   |
| Fraser Moodie             | Manager, Integration and Connectivity, CHESS Replacement   |           |
| Karen Hamilton            | Manager, Business Analysis                                 |           |
| Chris Boyes               | Senior Business Analyst                                    |           |

The meeting commenced at 3.00pm.

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

The Chair welcomed Technical Committee members to the meeting including members attending by webinar and thanked NAB for hosting the meeting.

The Chair noted that there was a significant standards focus during the month with ASX hosting 4 days of APAC and Global SMPG meetings, followed by the Sibos conference in Sydney. ASX would be presenting a number of times to the SMPG groups who are keen to hear about CHES Replacement in particular, and it is also a good opportunity to meet with the members, some of which are also members of the Settlement Securities Evaluation Group (SEG) and the T2S Evaluation team. ASX is exhibiting and presenting at Sibos, including DLT demos, with over 7,000 delegates expected.

The Chair outlined the Agenda for the meeting, referring to the presentation slides prepared by ASX, including the forward agenda overview provided on ASX presentation slide number 5. The Chair noted that going forward ASX would include ASX functional team representation to set the scene for each topic and be available for feedback and questions. Members were requested to review the forward agenda and suggest any additional topics of interest. The plan for 2019 was not yet available, but was under consideration by ASX and the Chair noted it will likely be discussed at the next meeting.

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

The Chair noted that the minutes from the last meeting held on 4 September 2018 had been finalised and no comments had been received from members. The minutes had been distributed and published on the web page.

The Chair noted the outstanding actions from the last meeting as outlined on slide number 6 and 7 of the ASX presentation.

**Action item 20** was for ASX to provide a proposed plan for the remaining training webinars. The Chair noted that ASX would be delivering part of this training during the connectivity and integration working groups and welcomed any member suggestions of further training required. **This item remains on hold.**

**Action item 51** was for ASX to consider how impacted stakeholders could be engaged on the standards for registration details prior to the next meeting. The Chair noted that a Focus Group will be convened before the end of October to discuss registration details, and that some members of the Technical Committee can expect an invitation to the session. **This item remains open.**

**Action item 53** was for members to answer four questions if they are considering using a BIC as their party identification: whether they would use a new or existing BIC, whether the BIC was connected or non-connected, whether it was a BIC8 or BIC11, and if that BIC would apply to all activity for that organisation or actor, or for single or multiple activities. Members were requested to provide examples, if possible. The Chair thanked those participants who responded, and noted that BIC and UIC will be covered later this meeting, and therefore this item can be closed. **This item was closed.**

**Action item 56** was for ASX to provide members with more information on the Corporate Actions STP Phase 2 project. The Chair noted that the dedicated project web page is under review, and the first

Working Group meeting will be held in the next week. The Chair proposed the action be closed. **This item was closed.**

**Action item 57** was for members to review the consideration by ASX to provide a complete set of settlement obligations (net broker, gross broker) per slide #12 from the 31 July presentation and advise any feedback to ASX. The Chair noted that no further feedback had been received and thanked members for their input. ASX would come back to members when more consideration had been made. IT was likely ASX would look at this item with reporting. The Chair proposed this item be closed. **This item was closed.**

**Action item 58** was for ASX to publish proposed “to-be” messages for updates to accounts – reda\_023, reda\_020, reda\_021 for member review. The Chair confirmed that ASX would carry this action over to November as the messages weren’t ready yet for publication. **This item remains open.**

**Action item 59** was for share registries to share findings from study of registration details. Refer comments against Action item 51. **This item was closed.**

**Action item 60** was for ASX to prepare and publish a consolidated list of all actions and outcomes from Technical Committee meetings, and update after each meeting going forward. ASX will publish the list in the coming days, and appreciates feedback from Technical Committee members whether it proves suitable. **This item remains open.**

**Action item 61** was for ASX to ensure coverage of all possible scenarios for locking in the requirements, particularly those that are participant driven for certain reasons. ASX has noted this feedback and that this would be covered off in the focus group discussions. **This item was closed.**

**Action item 62** was for ASX to review the intended timing for housekeeping of unmatched messages, any standardisation opportunities, whether settlement requests could be future dated. ASX would also consider the visibility of holding locks to issuers on an intra-day basis. The Chair explained that ASX’s stance is to standardise where possible, and to housekeep on the night of the intended settlement date. Given that ASX has not yet detailed requirements for all the functionality which needs housekeeping, ASX will provide this information as it becomes available (via this forum and likely the Focus Group sessions). **This item remains open.**

**Action item 63** was for members to review ASX’s recommendations regarding changes to the sett\_101 as presented in Agenda item 6d) and provide feedback by 18 September 2018. Referring to ASX presentation slide number 8, the Project Product Specialist provided a re-cap on the questions and ASX’s previous recommendations. The Project Product Specialist noted that as a result of subsequent feedback from some members, ASX had amended the recommendation per item 1 and would not be making a change. ASX will continue to disclose the ‘SH’ trade report code on the sett\_101 message. The recommendations for items 2 and 3 remained unchanged. The Chair noted that if no further feedback, ASX would proceed based on these recommendations. No comments were raised by members. **This item was closed.**

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

The Chair invited the Executive General Manager, Equity Post Trade Services to provide an update on the project.

The Executive General Manager noted the retirement of Brendon Luscombe after 43 years in the industry, and new additions to the team including Nichole Alexander and Narelle Rutter.

The software development was on track, and the target date for the Customer Development Environment availability of April 2019 was also on track. A number of internal milestones, including ASX testing the code (in both a unit fashion, and a broader more integrated/automated sense), are also on track.

The delivery of the first tranche of technical documentation (targeting release in December 2018) was also on track - including functional specifications with supporting message specifications, technical manual for ISO 20022 messages and connectivity information. The content will be provided in a different fashion to how ASX presents content today (PDF downloadable from website). Instead it will be a Wiki style website that will provide an interactive experience for users to navigate through the website, with rich search capabilities.

The Executive General Manager noted that the DAML SDK was available in beta format. It would be available to clearing and settlement participants, and their designated vendors. ASX had held a number of workshops to accelerate understanding of the SDK, and had good feedback from those sessions.

A member asked when ASX would be providing advice on when the technical documentation will be available. The Chair advised that ASX was planning to hold a webinar before the documentation becomes available, and to explain how to navigate it. ASX noted an action to advise Technical Committee members of the confirmed date for the webinar. **(Matters Arising 1 – Action item 64)**.

The Executive General Manager outlined the various stakeholder engagement activities in progress including kick off of the Connectivity and Integration working group and Focus group meetings. The Chair also advised that ASX would be shortly published a list of all known stakeholder engagement events on the CHES Replacement webpage.

A member asked if ASX would be providing visibility on the business areas covered by the December documentation and going forward. The Chair noted that the topics for inclusion in the December documentation had already been outlined in ASX's consultation response paper. ASX would provide iterative updates on the content for each subsequent release.

A member asked if ASX would be making available the presentations from the DLT breakfast event held on 23 October and during Sibos. The Chair noted that ASX would be making this material available from the CHES Replacement web page.

### **Agenda item 4: ISO 20022 project update by ASX**

The Chair provided an update on the ISO 20022 project. The latest topics under review by the team included unilateral scheduled and bilateral scheduled message set (for discussion at this meeting), payment facilities – create and update (for discussion at next meeting), review of party identification model (for discussion at this meeting), and continued work on registration details (for discussion at the



Focus Group meeting at end of October). Work was also continuing on refining the Technical Documentation for release in December.

ASX continued its engagement in global ISO groups, with the latest Securities Standards Evaluation Group (SEG) meeting held Monday 24 September. Focus was currently on maintenance working group reviews and approvals of Standards Release 2019 change requests. The meeting also received updates from evaluation teams, including the T2S Evaluation team in which ASX is a participant. The four central banks (4CBs) sponsoring the T2S new messages had submitted revised “admi” and “reda” business area messages with the ISO registration authority for review, and the messages had been accepted for final review. ASX is also interested in further T2S messages, and is waiting to hear when the next batch of messages will be reviewed.

With regard to the change request ASX had submitted to the ISO 20022 registration authority for the Business Application Header (BAH) to include Business Date, ASX advised that it is progressing, and the Technical Support Group (TSG) reviewing the change has minuted that an additional date field will be added to accommodate ASX’s request. The next step is for the registration authority to create a resolution document, then it will be progressed ready for the next maintenance period.

ASX noted that it had progressed lodgement of the Business Justification on 14 September, to reserve new message development across business areas including cash market margining, tax reporting messaging requirements, net cash obligations, and reference data to complete the T2S message set. ASX’s request has been acknowledged as received, and it has been passed to the relevant review team for comment by the end of October.

ASX continues to work to get the MyStandards Readiness Portal set up for December.

#### **Agenda item 5: Update from Business Committee**

The Executive General Manager, Equity Post Trade Services noted that the minutes from the most recent Business Committee meeting will be published on ASX’s website. There were five main agenda items at the most recent meeting, including service performance review, regulatory expectations reporting, CHES Replacement project update, administrative matters and a schedule for the next meeting. The next meeting will be held on 29 November 2018.

The CHES Replacement project update was as outlined in Agenda item 3.

Within the service performance review, the operational performance report revealed general activity levels in line with the previous quarter, netting and settlement efficiency remain high, fail rates remain low (0.21% June quarter 2018), and there was a significant increase in mFund transactions over the June quarter 2018. There was a brief discussion on the power outage at the Reserve Bank of Australia on 30 August. A few Business Committee members had asked questions related to notification and communication in such circumstances, and the key takeaways for all stakeholders.

ASX shared the annual report on developments in cash equities clearing and settlement services per regulatory expectations for the year ending 30 June 2018.

ASX provided an update on the external audit of ASX's compliance with its regulatory expectations for cash equities clearing and settlement. The report had concluded that ASX complied in all material respects with its regulatory expectations for the year ending 30 June 2018.

ASX also assured the Business Committee that it was cognisant of participants' requests for pricing information for the CHES Replacement system. ASX confirmed there would be no access costs for the test and development environments, but heard from participants that they need information regarding cost of accessing the replacement system from a production perspective. ASX was working as fast as possible to produce connectivity pricing information.

#### **Agenda item 6: Matters for Consideration**

##### **a) MyStandards Community – 'to-be' usage guidelines feedback**

The ASX Senior Business Analyst advised that since the last Technical Committee ASX received feedback (40 comments) from 4 members on the 10 published draft guidelines. The comments related to demand unilateral and bilateral transfer, securities holding and settlement. Comments included:

- to change the Transaction ID related to the cancellation messages, noting that ASX would make that change;
- to make supplementary reference mandatory (to avoid secondary matching flag). ASX's preference was not to enforce mandatory matching at this level, and for participants to manage this.
- the Override Basis of Movement value to be optionally provided in the business message element Trade Transaction Condition. ASX agreed this value can be optionally provided.

The ASX Senior Business Analyst stepped through some of the comments, and advised that ASX would be publishing responses to the community as usual.

##### **b) Party's own and Counterparty identification: UIC and BIC**

The ASX Manager, Business Analysis outlined that participants requested the ability for CHES Replacement to be enabled to support SWIFT BICs as party identifier in addition to UICs. Currently, UICs are used to identify both own party and counterparty on bilateral CHES messages, and some participants already have BICs whilst others do not.

The Manager, Business Analysis then outlined ASX's proposed solution. ASX is not proposing that all participants need to acquire BICs. Instead, ASX are proposing to record against each participant a UIC, BIC (where available) and that participant's preference to use BICs or UICs in messages. Participants with a preference for UICs will continue to receive UICs on all messages from ASX. Participants with a preference for BICs will receive a BIC where available, else they will receive a UIC. ASX will maintain and publish a directory of UICs and BICs for all participants. BICs must be unique in the system and participants with multiple UICs but a single BIC will be required to consolidate under one UIC to utilise the BIC functionality.

The ASX Senior Business Analyst then stepped through how the BIC and UIC preference will be used in the messages. UIC and BIC can be found in two layers, the Transport layer with SWIFTNet and other channels, and the Business Message, comprising the Business Application Header (BAH) and the Document. The Analyst noted that Transport would be covered separately in the Connectivity and Integration working group.

A member asked if ASX had a clear view yet of participant preferences (to use BIC), as this would impact the transaction id for example. The Chair confirmed there was not a firm view yet and that would be an activity covered off during the development/testing phase.

Referring to ASX presentation slide number 21, the Analyst noted that on inbound ISO 20022 Business messages (BAH and Document), whether the participant chooses between UIC and BIC, ASX will not validate against the participant's preference. The Analyst noted that if the participant chooses to work with UIC, that should match the participant identification in the BAH business message identifier, transaction Id (first) and Settlement Parties <Party 1>.

Referring to ASX presentation slide number 22, the Analyst noted that for outbound ISO 20022 Business messages (BAH and Document), outbound meaning from ASX to participant, for the participant identification there is always a choice between UIC and BIC (generated based on Participant preference). For the counterparty identification, there is always a choice between UIC and BIC (generated based on preference when possible). ASX will send the message according to participant preference.

A member asked that if ASX informs the share registry about a holder and their respective participant, would ASX use UIC references, because that is probably the registry's preference to receive UIC. ASX confirmed this is the case, and added that even if ASX is accommodating the preferences for party identification within the message, participants will need to accommodate in their message build the fact that a participant will receive a BIC or UIC in some of the content – for example as part of the transaction id (accommodate flexible size up to 35 characters with different location of delimiter).

A member asked whether ASX will be providing a cross-reference for participants and others between BIC and UIC. The Chair confirmed that ASX currently publishes a participant list that references PIDs, and that ASX will do something similar, likely published within the technical documentation. A member asked whether the information will be in the node, and the Chair noted this was a consideration ASX would take into migration (**Matters Arising 2 – Action item 65**).

### **c) Unilateral and Bilateral settlement instructions**

Referring to ASX presentation slide number 23, the Manager, Business Analysis, noted that the unilateral and bilateral settlement instructions are a combination of existing CHES EIS 105 and EIS 107 to a single message and workflow (sett\_105 / USSI). The idea behind locking is to improve client protection by allowing participants to reserve units in their Direct and Sponsored HINs for the fulfilment of a specific scheduled settlement instruction. This is new and optional functionality. In terms of when a lock can be applied, a lock can occur on request on a unilateral or bilateral settlement instruction, or after a match has occurred on the bilateral settlement instruction. The Chair noted that the Focus Group in November will talk to this topic in greater detail.

A member asked whether the Focus Group will talk about the environment around locks, for example any impact to corporate actions on the registry side. The Manager, Business Analysis, confirmed that the agenda is still being formulated and is willing to accept feedback when forming that agenda. Members were asked to email ASX at the CHES Replacement mailbox. [**Matters arising 3 – Action item 66**]

A member asked whether the locking function used the current EIS 001 or EIS 107 equivalent. The Manager confirmed that ASX would need to understand what can be done to locked units (like corporate actions) and that there would be more general locks. A member asked how this was different to the EIS

107 – would it be the same premise to apply to transfers as a whole. Would this be eligible for CMM. ASX confirmed this was in discussion with its risk team.

Referring to ASX presentation slide number 24, the Manager, Business Analysis, noted several business requirements, and the field and status required for each. Trust amount is now a conditional field, based on the Participant Type (Broker/Non Broker) and Delivering/Receiving HIN. There is a new Settlement Link Id, which provides participants the choice to link instructions for the same HIN, Date, Security and Basis of Movement. The Override Tolerance allows a participant to provide a matching tolerance higher than the ASX provided tolerance. The Identification field allows a participant to request to lock securities either upon request for Unilateral and Bilateral Settlement Instructions or after matched for Bilateral Settlement Instructions.

A member asked if a request to lock was sent to ASX and the units weren't available would the participant receive a reject message. The Manager, Business Analysis confirmed that if it was an unmatched instruction and there was not enough units, the Participant would receive the reject message comm\_808. If it was a matched instruction and there was not enough units then the instruction would not be rejected, the Participant would receive sett\_106 - Settlement Instruction Response with the lock status: Not locked NOLO.

The member asked about DvP settlement outside the batch. The Manager confirmed this functionality was being addressed, to be known as Bilateral Demand Settlement Instructions (real time) and would be discussed at the next meeting.

The ASX Senior Business Analyst then stepped through the 'to-be' settlement instruction consolidation of the following message types: request; confirmation "status"; unmatched request; allegation; cancel request; cancel response; cancel status advice; cancellation withdrawal request; cancellation withdrawal response; update request and update response. ASX will publish all the umls with the transaction Id, and external code lists with samples in MyStandards.

Referring to ASX presentation slide number 32, the xml tag and type/code for the sett\_105 Settlement Instruction Request and sett\_106 Settlement Instruction Response was explained.

A member asked why ASX was creating multiple usage guidelines for the same ISO base message, instead of creating only one guideline per ISO message. The ASX Senior Business Analyst explained that ASX's approach is to combine similar business processes – for example unilateral and bilateral scheduled settlement instructions has the same elements. ASX could just create one message to settle everything unilateral, or bilateral, demand or scheduled settlement instruction, but this would require a lot of rules within the elements that the matching needs to deal with. For some scenarios elements are optional and others mandatory, and ASX has tried to consolidate as much as possible, but not so much as to make the matching too hard. ASX agreed to review the messages in light of this comment (**Matters arising 4 – Action item 67**), and the member was asked to send through the specific list of messages in question. The Chair added that ASX had shared learnings with the committee from the T2S implementation, where a single message is used but with complicated implementation in different circumstances, and re-iterated the need to strike a balance between consolidation and usability.

The ASX Senior Business Analyst outlined ASX's intentions for the safekeeping account (HIN). A member asked whether they needed to know the receiving HIN details to send the instruction. ASX confirmed that if the transaction was bilateral, ASX couldn't send the HIN in the allegation message. If unilateral then

same as for today. Another member asked about previous conversations around adding underlying/beneficial holder information, and whether that information will be recorded? The Manager, Business Analysis, noted that the introduction of the Linked Id functionality will help to support this, and that it is a topic that will be covered in greater detail in the Focus Group to be held on 7 November.

Locking Units for Settlement within the Delivering HIN after a settlement instruction has been received was explained. The unit quantity must be the same as the Settlement instruction (no partial lock will be allowed).

#### **d) Common messages**

Referring to ASX presentation slides numbered 38 to 40, the ASX Senior Business Analyst provided an update on the reject and invalid transaction common messages. ASX performs a series of Technical (Schema) and Business validations on each message received. The comm\_807 and comm\_808 messages will be published to the MyStandards community for review. A member asked if the reason codes would be the same as for CHES today or new. ASX Senior Business Analyst confirmed they would be new in 4 character format with equivalent description, as published by ASX.

#### **e) Review of 'to-be' messaging**

The ASX Senior Business Analyst provided an overview of the next set of draft messages to be published for member review including unilateral and bilateral settlement instruction and rejection messages.

ASX will advise members when the messages were available in MyStandards for review. ASX was seeking feedback by 16 November, in time for review for the next committee meeting on 27 November.

#### **Agenda item 7: Next meeting**

The Chair noted a number of existing actions and new actions from the meeting, as noted in the minutes and action list. The Chair apologised for the audio technical difficulties experienced throughout the meeting, and advised an email would be sent tomorrow seeking interest in a re-run of the meeting. Members were also reminded to review the 14 draft published messages by 16 November.

The Chair confirmed the actions arising this meeting:

- ASX to advise when calendar of stakeholder engagement events is publically available, and confirm the date for the technical documentation presentation;
- ASX will publish comments on the feedback received on the latest set of messages reviewed in MyStandards;
- ASX will notify when the list of closed actions and noted outcomes will be published. The document will be updated after each meeting;
- Regarding the comments around BIC and UIC, ASX will advise how it will publish the participant list, including one or both of those codes if they are available for each participant, the participant's preference and advise how that information will be published;
- ASX would republish the meeting presentation, noting corrections to slides numbered 27 and 28,

A member asked if all new functionality would be available in both the node and messaging options. The Manager, Business Analysis confirmed that would be the case. ASX would also provide a mapping translation for the connectivity options.

The Chair confirmed that the next meeting would be held on Tuesday 27 November 2018 in Sydney.

ASX had already proposed the agenda items for the next meeting, including demand settlement instructions, account management and payment facility.

The Chair thanked members for their input, and for participating in the meeting. The meeting closed at 4.50 pm.

Signed as a correct record of the meeting.

A handwritten signature in blue ink, appearing to read 'A Webb', written over a horizontal line.

Technical Committee Chair (Acting)

A handwritten date in blue ink, '21/11/18', written over a horizontal line.

Date

**ACTION ITEMS**

| No. | Meeting Date     | Open Action Items   | Owner   | Due Date         |
|-----|------------------|---|---------|------------------|
| 20  | 2 May 2017       | Provide details of a proposed plan including potential topics for the remaining training webinars for feedback, standard training provided by SWIFT, and including identification of business vs. technical topics.                                       | ASX     | On hold          |
| 51  | 22 May 2018      | ASX to consider how impacted stakeholders could be engaged on the standards for registration details prior to the next meeting.   | ASX     | 27 November 2018 |
| 58  | 31 July 2018     | ASX to publish proposed to be messages for updates to accounts – reda_023, reda_020, reda_021 for member review.  | ASX     | 27 November 2018 |
| 60  | 4 September 2018 | ASX to prepare and publish a consolidated list of all actions and outcomes from Technical Committee meetings, and update after each meeting going forward.  | ASX     | 9 October 2018   |
| 62  | 4 September 2018 | ASX to review the intended timing for housekeeping of unmatched messages, any standardisation opportunities, whether settlement requests could be future dated. ASX would also consider the visibility of holding locks to issuers on an intra-day basis. | ASX     | 27 November 2018 |
| 64  | 9 October 2018   | ASX to advise Members the confirmed date for Technical Documentation release in December, and the associated webinar details.   | ASX     | 27 November 2018 |
| 65  | 9 October 2018   | ASX to consider if information such as participant party identification and preferences would be available within the node (in addition to published) and confirm to members as part of migration activity.   | ASX     | 27 November 2018 |
| 66  | 9 October 2018   | Members to consider any specific topics regarding settlement, holding locks for inclusion in the agenda of the upcoming Focus group and advise ASX.   | Members | 31 October 2018  |
| 67  | 9 October 2018   | ASX to review level of consolidation for Unilateral and Bilateral settlement instructions usage guidelines.   | ASX     | 27 November 2018 |

| 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    |
| 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    |
| 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 | 6 June 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    |



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| 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 |
| 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    |
| 18  | 14 March 2017   | ASX to draft procedures for change requests to usage guidelines and code lists.   | ASX       | 2 May 2017    |
| 21  | 2 May 2017      | Provide a list of standard training topics to share. Noted this action item is combined with action item 20.                            | SWIFT     | 6 June 2017   |
| 22  | 2 May 2017      | Provide members with a copy of the presentation material from the trial training webinar held on 27 April 2017.                         | ASX       | 6 June 2017   |
| 24  | 2 May 2017      | Resolve issue with Comments function on MyStandards and advise members when fixed.  | ASX/SWIFT | 6 June 2017   |
| 25  | 2 May 2017      | Provide samples of the proposed consolidation and rationalisation scenarios for EIS 138 and EIS 134.                                    | ASX       | 6 June 2017   |
| 26  | 2 May 2017      | Provide proposal to broaden the engagement and method to seek feedback on key concepts such as consolidation/rationalisation.           | ASX       | 6 June 2017   |
| 27  | 6 June 2017     | Publish list of comments received on MyStandards with ASX responses regularly, around the time of each meeting.                         | ASX       | 18 July 2017  |
| 28  | 6 June 2017     | Re-publish ISO 20022 equivalent of EIS 138 with corrected default value INFO for issuer of financial instrument code.                   | ASX       | 18 July 2017  |
| 29  | 6 June 2017     | Review EIS 102 mapped equivalent message with Scott Oakland, JPM – optional inclusion of HIN.   | ASX       | 18 July 2017  |
| 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. | ASX       | 18 July 2017  |

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|     |               | rationalisation, consolidation, descope of certain processes like allegement modify). ASX would also seek input from key members about the best process going forward.   |              |                 |
| 34  | 6 June 2017   | Add the overview of transaction ids to the July meeting agenda.  | ASX          | 18 July 2017    |
| 31  | 6 June 2017   | Sample consolidated (EIS 138) and rationalised (EIS 138 and 134) messages published in the MyStandards community – in a separate collection “Sample Message Review”. Members to review and provide further comments via MyStandards, email.  | Members      | 22 August 2017  |
| 32  | 6 June 2017   | For Cancel/Correct & Modify, ASX recommendation revised to only do cancel/correct for bilateral modifications (and not allow modify – removal of EIS 121). ASX to contact users of EIS 121, and action remains open until all members confirmed their agreement with the recommendation. | ASX, Members | 22 August 2017  |
| 30  | 6 June 2017   | Obtain international usage comparisons on the use of UTC time format. Members to provide input from international offices where possible.  | ASX, members | 22 August 2017  |
| 35  | 18 July 2017  | ASX to publish all final draft usage guidelines in MyStandards and highlight to members those usage guidelines that need their review. SWIFT to advise if a flag is available in MyStandards to indicate particular review items.  | ASX, SWIFT   | 22 August 2017  |
| 36  | 18 July 2017  | Provide members with details of feature in MyStandards to affirm a comment.  | ASX, SWIFT   | 22 August 2017  |
| 17  | 14 March 2017 | Provide further information on party identification for issuers – UIC or BIC and proposed process.   | ASX          | 10 October 2017 |
| 37  | 18 July 2017  | Provide comparisons to other market implementations of transaction ids.  | ASX, SWIFT   | 22 August 2017  |
| 38  | 22 Aug 2017   | Review consistency of the application of UTC date, date and time, zulu format, and add item to upstream/downstream considerations log re the use of UTC for Trade Date confirmations   | ASX          | 10 October 2017 |

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|     |              | from AMOs (with flow on impact to EIS 164 equivalent).  |                    |                  |
| 40  | 22 Aug 2017  | Provide list of CHES EIS messages in scope for detailed mapping during 2 <sup>nd</sup> half of 2017, including identification of descope messages.  | ASX                | 10 October 2017  |
| 44  | 10 Oct 2017  | ASX project team to consider effective housekeeping of rights that expire worthless – and whether this could be improved.   | ASX                | 21 November 2017 |
| 45  | 10 Oct 2017  | Review recommendations put to committee in Agenda item 6c) – approach to ISO best practice exceptions and provide feedback to ASX.  | Members            | 21 November 2017 |
| 46  | 10 Oct 2017  | Review recommendation put to committee in Agenda item 6d) – inclusion of unique event id in Market Infrastructure Tx id (MITI) field.   | Members            | 21 November 2017 |
| 47  | 10 Oct 2017  | Allow for future use of Party2+ identification in messages, and ensure discussion on same point at working group meetings re business requirement.  | ASX                | 21 November 2017 |
| 19  | 2 May 2017   | Provide sample of demonstration of comparison between ISO 20022 and ISO 15022 messages.   | Scott Oakland, JPM | On hold          |
| 23  | 2 May 2017   | Further review of the ASX CHES demand reporting summary and responses to questions contained in that summary. ASX to continue review of reports and provide further candidates for descope at meetings. | Members / ASX      | 21 November 2017 |
| 39  | 22 Aug 2017  | Chair to contact members seeking feedback on the approach of the Technical Committee, any suggestions to improve the process.   | ASX                | 21 November 2017 |
| 41  | 22 Aug 2017  | Conduct bilateral discussions with share registries and mailing houses regarding structuring of registration details and associated static data.  | ASX                | 21 November 2017 |
| 42  | 22 Aug 2017  | Conduct bilateral discussions with share registries regarding current holding balance changes associated with corporate actions and proposed withdrawal of EIS 421.                                     | ASX                | 21 November 2017 |

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| 43  | 10 Oct 2017     | Provide a proposed governance method for Technical Committee input to and review of all matters tabled at the Standards Evaluation Group (SEG), including any matters raised by ASX on behalf of community.   | ASX           | 21 November 2017 |
| 48  | 21 Nov 2017     | Members to review information provided in agenda item 6d) and respond to the question – was there appetite for using xml in model 1b or 2a as presented or keep the mapping 1 to 1.   | Members       | 6 February 2018  |
| 49  | 6 February 2018 | ASX to confirm additional 'as-is' usage guidelines that could be published in Q2 and members to provide expression of interest in reviewing this set.   | ASX           | 17 April 2018    |
| 50  | 22 May 2018     | Digital Asset to review the NDA regarding the DAML SDK and respond to questions around one way vs. two way.   | DA            | 26 June 2018     |
| 52  | 22 May 2018     | ASX to give consideration to how it would advise users of any change to the external code lists and report back to members.   | ASX           | 31 July 2018     |
| 54  | 26 June 2018    | Members to review and advise ASX of any feedback on the recommendation that Transaction Date Time (<TxDtTm>) in the sett_101 message is UTC.  | Members       | 31 July 2018     |
| 55  | 31 July 2018    | A member asked where change requests for SR2019 would be visible. The Senior Manager confirmed ASX would send information on where to find the information. The information is also published on MyStandards.   | ASX           | 4 September 2018 |
| 53  | 22 May 2018     | Members to answer 4 questions if they are considering using a BIC as their party identification: whether they would use a new or existing BIC, whether the BIC was connected or non-connected, whether it was a BIC8 or BIC11, and if that BIC would apply to all activity for that organisation or actor, or for multiple activities. Examples would be helpful. | Members / ASX | 9 October 2018   |
| 56  | 31 July 2018    | Provide members with more information on the Corporate Actions STP Phase 2 project.   | ASX           | 9 October 2018   |
| 57  | 31 July 2018    | Members to review the consideration to provide a complete set of settlement obligations (net broker, gross broker - per slide #12 from 31 July presentation) and advise feedback to ASX.  | Members       | 9 October 2018   |



ASX

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| 59  | 31 July 2018     | Share registries to share findings from study of registration details at the 4 September meeting.  | Share registries | 9 October 2018    |
| 61  | 4 September 2018 | ASX to ensure coverage of possible scenarios for locking in the requirements, particularly those that are participant driven for certain reasons.    | ASX              | 9 October 2018    |
| 63  | 4 September 2018 | Members to review ASX's recommendations regarding changes to the sett_101 as presented in Agenda item 6d) and provide feedback by 18 September 2018. | Members          | 18 September 2018 |

