



ASX CHES Replacement project webinar

Q1 update

30 March 2017



Presenters and introductions



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Reminder to submit questions

The screenshot displays a webinar interface for ASX. The main content area, titled 'Slides', features the following text:

- ASX CHESS Replacement project webinar**
- Q1 update**
- 30 March 2017
- ASX logo

On the left, a 'Contact Us' form is visible with the following details:

- To: CHESSReplacement@asx.com.au
- From: [Redacted]
- Subject: Query from ASX CHESS Replacement project update
- Body: [Redacted]
- Security code: 12907
- Field: Please enter security text

On the right, an 'Ask a Question' form is highlighted with a red circle. It contains a large text input area and a 'Submit' button.

At the bottom of the interface, there is a navigation bar with icons for help, chat, Q&A, user profile, and email.

Agenda

CHES Replacement project objectives

Stakeholder engagement

Consultation feedback:

- Key themes and differences

Forward work plan roadmap 2017:

- Forward work plan objectives – business requirements
- Working group descriptions

ISO 20022 messaging

Where to find information and summary

Q&A



CHES Replacement project objectives



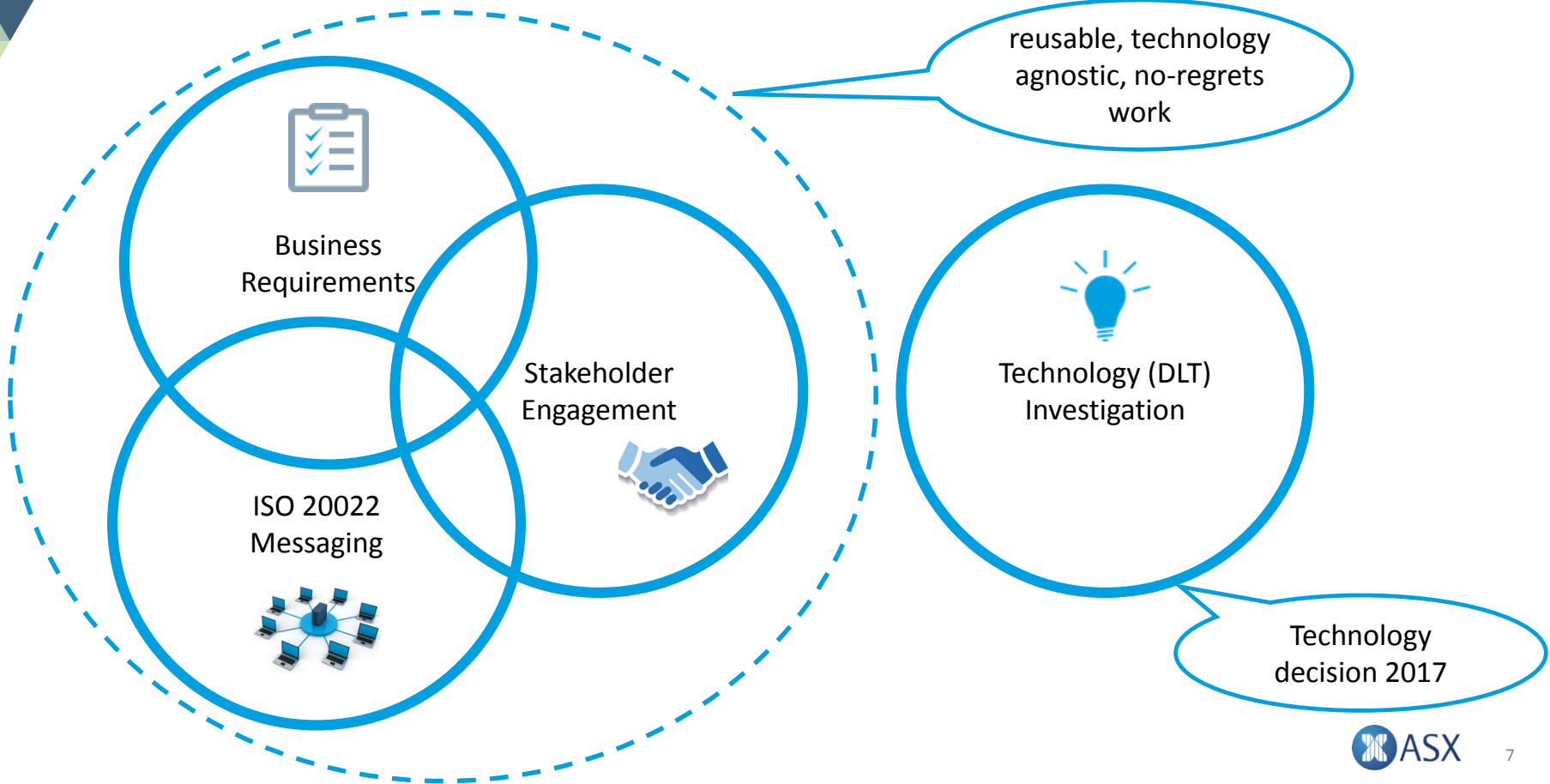
CHESS Replacement project objectives

CHESS Replacement must:

- Deliver a safe, secure and internationally competitive infrastructure
- Be for the benefit of the Australian market
- Not preclude competition at any level
- Be based on contemporary technology

This aims to deliver cost and risk reductions and to lay a foundation for further innovation.

How we've structured the work...



Stakeholder engagement



Who are our Stakeholders?

Stakeholders for the project include those who govern, oversee, operate and who are impacted either directly or indirectly from the operation of CHES and its related functions



Consultation feedback



Consultation feedback – key themes and differences

Consistent consultation feedback

- Support for adoption of international standard messaging
- Support for 'Day 1' functional changes that reduce intermediaries operating costs
- No significant concerns with DLT

Mixed consultation feedback

- Transition from CHESSE messaging to ISO 20022 standard messaging
- Settlement period choices
- Account structures and participation models
- Differing priorities on potential functional system enhancements

Forward work plan roadmap 2017



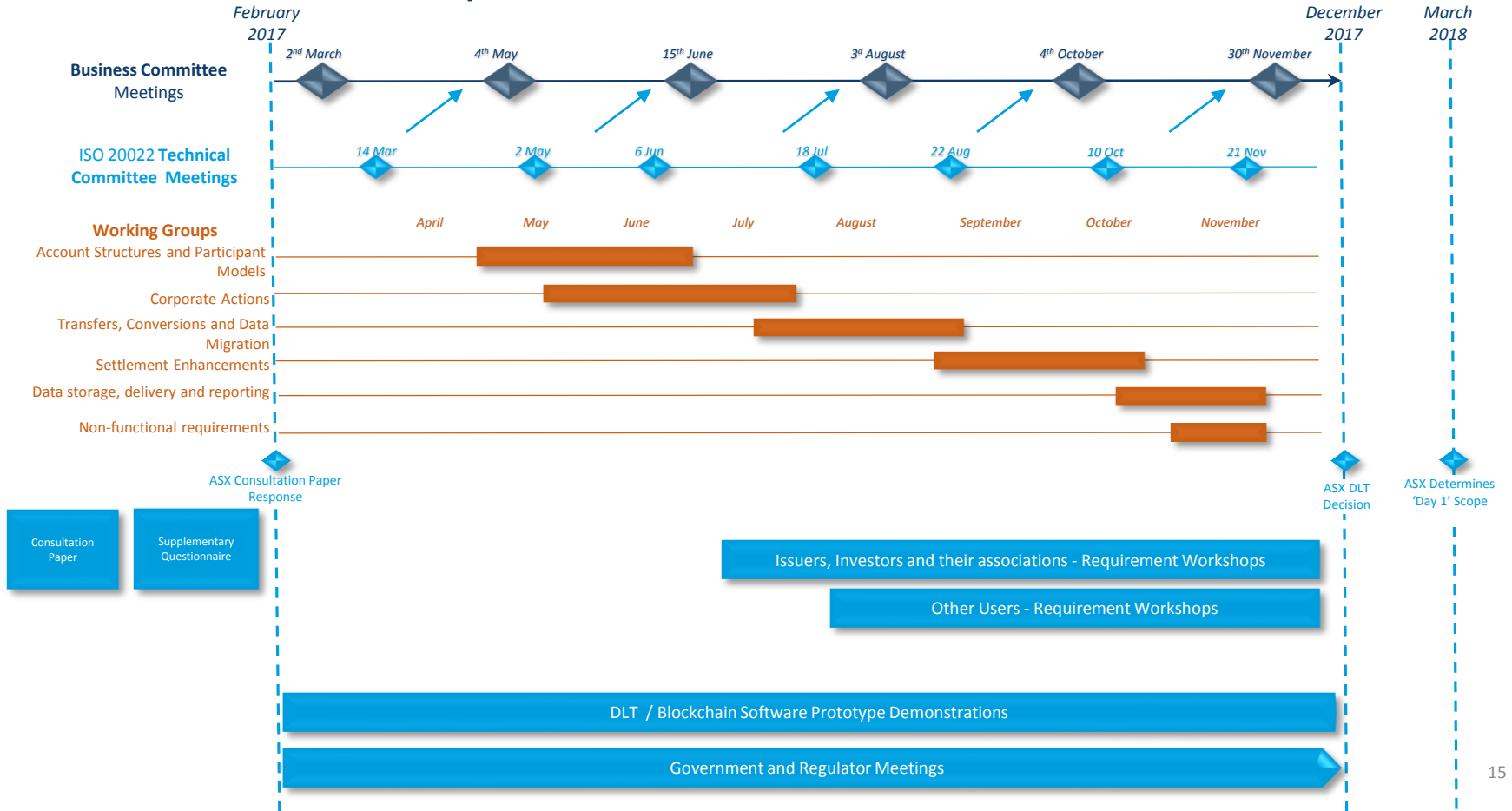
Forward work plan objectives – business requirements

- Help provide ASX with a set of prioritised high level business requirements for ‘users’ by the end of 2017
- Assist ASX to determine what additional or different services users of CHESSE would like ASX to provide
- Working groups will not design solutions nor will they need to describe business requirements in low level detail

Working group descriptions

- Account structures and participant models
- Corporate actions
- Transfers, conversions and data migration
- Settlement enhancements
- Data storage, delivery and reporting
- Non-functional requirements

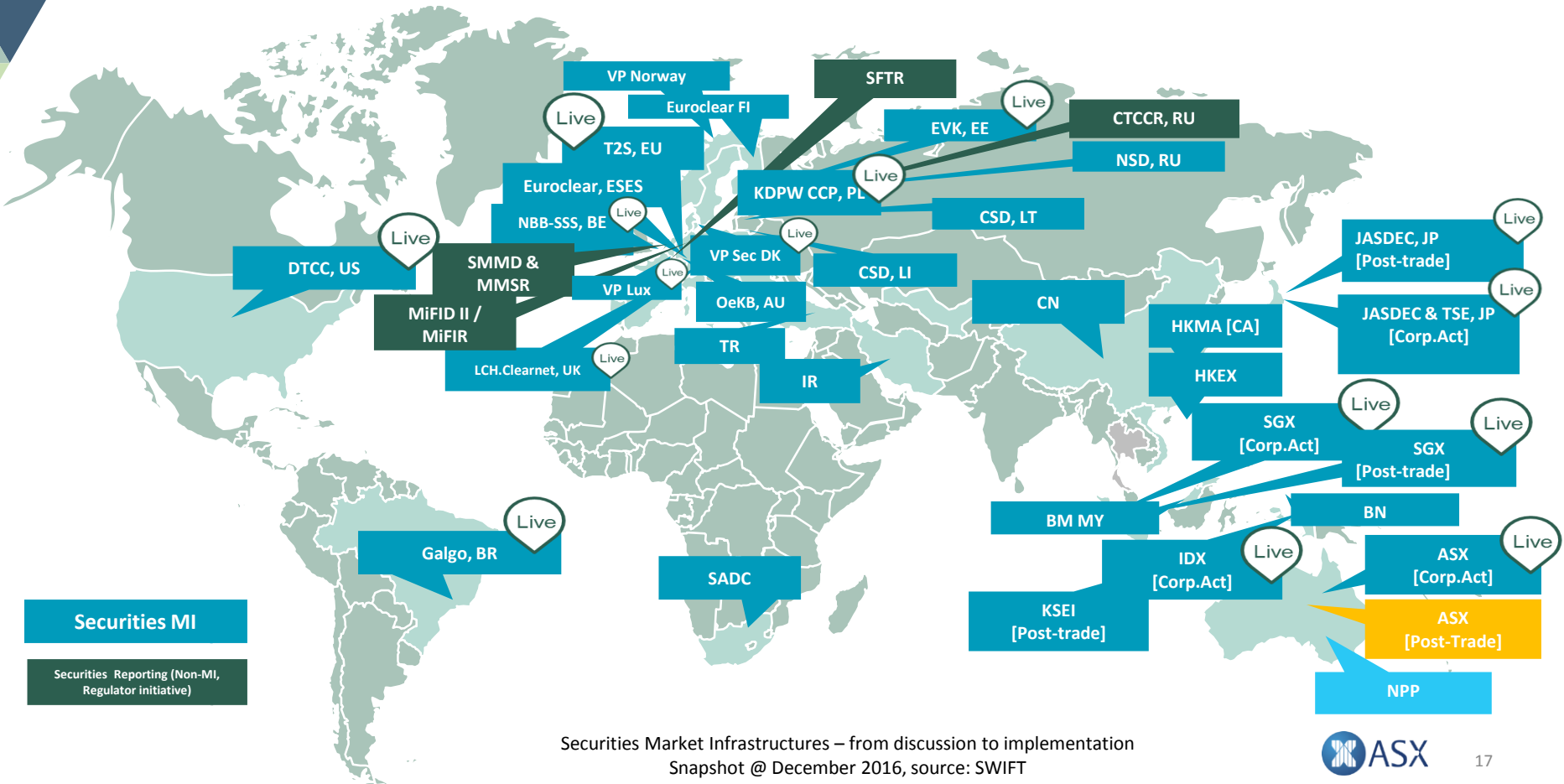
ASX Forward work plan 2017



ISO 20022 messaging



Why are we adopting ISO 20022?



Securities MI
Securities Reporting (Non-MI, Regulator initiative)

Securities Market Infrastructures – from discussion to implementation
Snapshot @ December 2016, source: SWIFT



Consultation responses – ISO 20022

Consistent **support** for adoption of international standard

- Alignment with NPP standard, other markets
- Mindful of diminished benefit if it becomes “Australianised”
- Range of knowledge and capability across the industry in ISO 20022

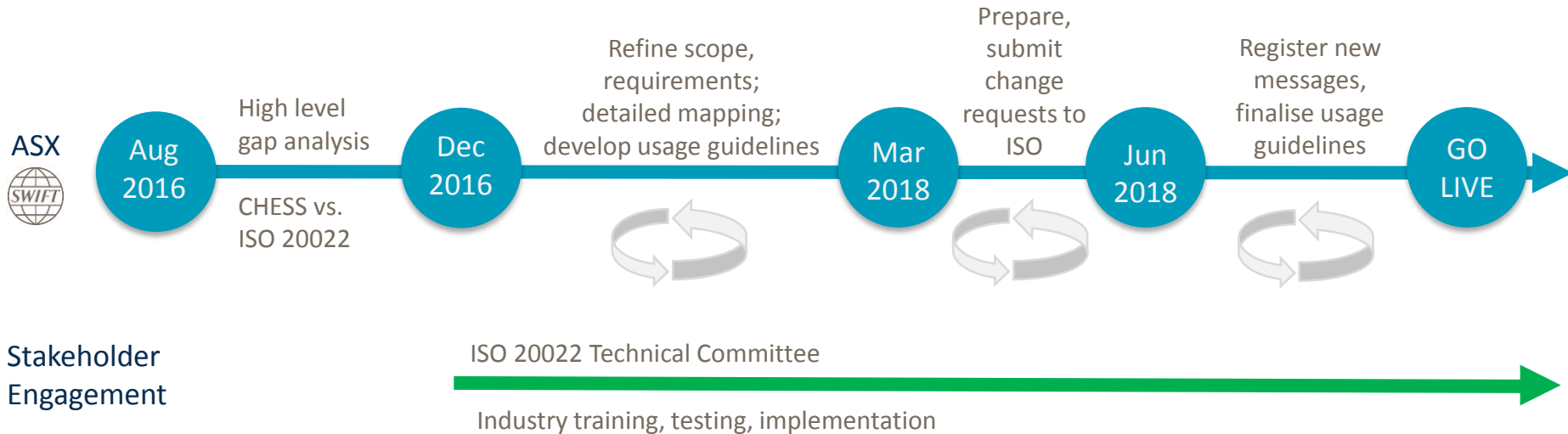
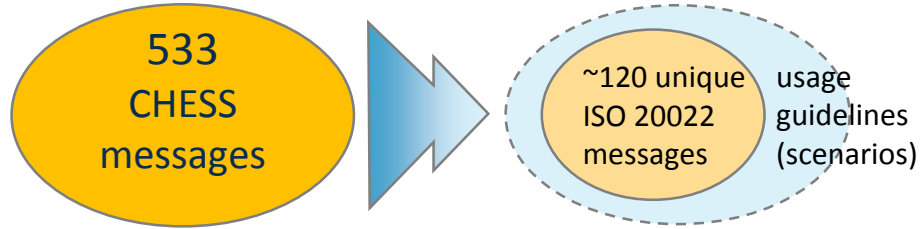
Mixed responses regarding **transition** from CHES messaging to ISO 20022 standard messaging

- Initial cost vs. expected benefit
- Big bang vs. transition period with parallel messaging
- Reliance on vendors to assist with adoption and transition
- More clarity required on scope, phasing, messages or processes that won't be ISO 20022
- ASX provided interface options should be maintained
- Range of indicative time frames to implement, pending more detailed information from ASX

Respondents expect further consultation on **implementation model**

- Expect ASX support a range of connectivity and network options

The ISO 2022 adoption process



Where to find information and summary

- More information available on the CHESSE Replacement website:
<http://www.asx.com.au/chessreplacement>
Or email ASX project team: CHESSEReplacement@asx.com.au
- ASX has published summary of consultation responses (6th March, 2017)
- Ongoing engagement throughout 2017 (quarterly webinars, ISO 20022 Technical Committee meetings, forward working groups, DLT demonstrations and bilateral opportunities)
- The presentation and recording of this webinar will be available on the above webpage as soon as possible
- Next date for webinar in Q2 will be advised

Q&A



Please use

webinar facility to post questions

We will allow 10 minutes in the agenda for questions and answers



Thank you

