

AUSTRACLEAR INSIGHT



Quarterly Newsletter, October 2010 – Issue 4

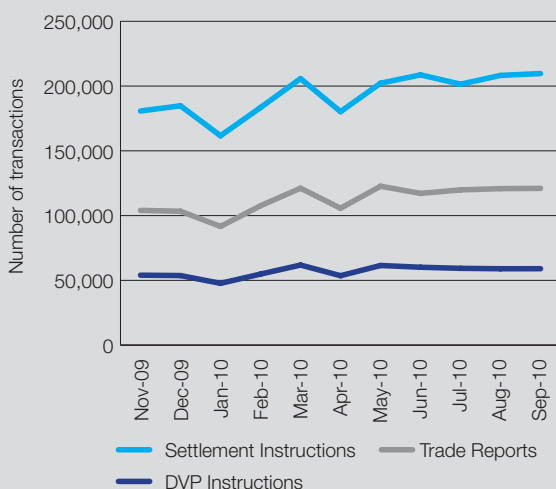
The Austraclear System Enhancement Project Update

The Austraclear System Enhancement project has been separated into two parts with Part 1 of the project primarily covering user enhancements and Part 2 mainly covering internally requested operational efficiency enhancements.

The development of Part 1 of the project is well underway however the inclusion of additional market requirement changes and broader requirements for some of the scheduled enhancements have impacted the expected go live and Industry Wide Testing (IWT) dates. It is currently anticipated that the IWT phase for Part 1 of the project will now occur in the 2nd Quarter of 2011 with an implementation date likely in the 3rd Quarter 2011.

With regard to Part 2 of the project, ASX has finalised the project scope and is currently engaging with its software developer on finalising an implementation timeframe.

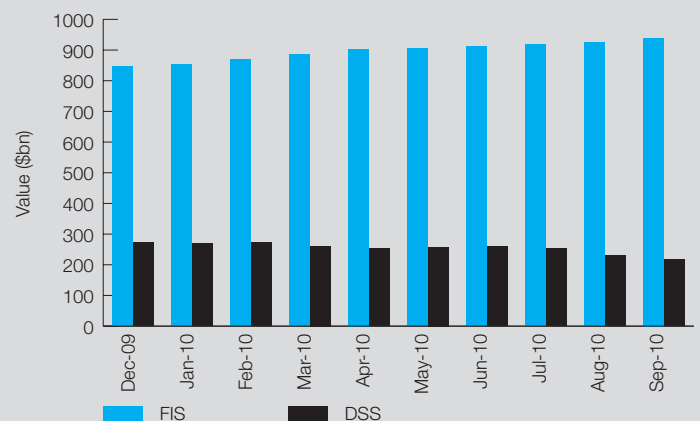
Total process volumes for Austraclear



Part 1 Technical workshop update

The timing of the technical workshops covering new SWIFT & Host to Host Lite functionality is dependent on the staggered delivery schedule of SWIFT & Host to Host Lite related enhancements within the project. Recent updates to the

Value of total amount lodged – Fixed Income (FIS) & Discount Securities (DSS)



timing of this work have resulted in a change to the original schedule for the first workshop. This workshop (which will cover the Series Creation/Deposit of Securities via SWIFT & Host to Host Lite, Cash Confirmation of Debit / Confirmation of Credit and Security Details Messages via SWIFT) will now commence in the week of the 22nd November 2010.

A more detailed agenda, background papers and location details will be provided ahead of the workshop.

A second technical workshop will focus on the new Corporate Action Notification SWIFT message protocols and functionality that is being developed within Part 1 of the project. The commencement date for this workshop is yet to be determined - ASX will provide Austraclear Participants with a progress update in a future newsletter.

The workshops will provide Austraclear Participants' SWIFT & Host to Host Lite technical staff with information on potential change requirements for their internal systems to facilitate use of new message types.

If you or an interested colleague would like to attend the first of these series of workshops please contact Alan Rafter at Alan.Rafter@asx.com.au or on 03 9617-8745.

2009

ASX TESTING JANUARY 10 – APRIL 11

PROJECT TIMELINE

DESIGN & DEVELOPMENT OCTOBER 09 – DECEMBER 10

Part 1 Corporate Action Enhancement Focus

Part 1 of the project covers a number of system enhancements that aim to improve the timeliness and quality of corporate action information provided to security holders. The following section provides more detailed information on some of the more significant corporate action related enhancements:

Additional Corporate Action Details for Holders

In order to provide more Corporate Action related information to security holders within the Austraclear system, an enhancement will be implemented to two existing screens used by security holders:

1. In the "View Holdings" screen, two columns, "Next CA Record Date" and "Next CA Payment Date" will be added to provide Holders with more information about upcoming Corporate Actions.
2. In the 'View Corporate Action Holder Positions' screen, six columns will be added containing information about the corporate action benefit, coupon rate, yield / price per hundred, corporate action operation type, number of days in period (used to calculate the corporate action) and last updated date and time.

Extend the Price Per Hundred (PPH) decimal precision

For Austraclear system calculations for Corporate Action benefits, there will be an increase in the stored and displayed decimal precision of the PPH from 8 decimal places to 10 decimal places.

The introduction of this enhancement will improve the calculation precision for corporate action benefits where individual holdings are greater than one billion dollars.

New SWIFT MT564 – Corporate Action Notification Messages

In order to facilitate straight-through-processing of corporate

action payments, Austraclear will introduce an MT564 notification message that will be distributed to security holders as follows:

1. Upon the creation date of the corporate action
2. Upon the record date of the corporate action
3. After the record date - If the corporate action is updated and/or modified
4. If the corporate action is cancelled

An MT564 Message will be generated for each benefit of a corporate action – i.e. if a coupon payment and a principal redemption are associated with the same corporate action then two separate MT564 Notifications will be generated.

A participant that has been set up in the Austraclear System for SWIFT message use has the ability to elect to receive or not receive these notifications.

New Corporate Action related reports

A number of new corporate action related reports are also being developed to ensure that security holders have access to more detailed corporate action information including information on corporate action amendments. These reports will be generated during and at the end of the current business day and will be accessible by direct download from the system.

1. Corporate Action Creation Date Report – lists corporate actions that were created on the current business day and is generated by the system prior to the Day session and is available to participants after that time (i.e.; Day session starts at 9:15AM).
2. Corporate Action Record Date Report - lists all corporate actions with record date on current business day and is generated by the system in the Pre-Morning session at 6.55AM.
3. Corporate Action Intraday Amendments Report – lists all corporate actions that have been modified on the day the report is being generated, with a payment date of the current business day. The report is generated by the system prior to the start of the Day 2 Session at 1PM.
4. Corporate Action End of Day Amendments Report – lists all corporate actions that have been modified on the day

2010

2011

INDUSTRY WIDE TESTING MAY – JUNE 2011

GO-LIVE Q3 2011

the report is being generated, with a record date of today or prior to today. The report is generated by the system at the end of the business day.

If you require additional information on any of the individual enhancements detailed above please email Alan.Rafter@asx.com.au

Austraclear Straight Through Processing

Straight through processing (STP) provides financial market organisations an opportunity to significantly increase operational efficiency. The Austraclear System has been developed to facilitate STP activity through the use of SWIFT messaging and through Austraclear's own Host to Host Lite functionality. SWIFT based STP functionality is generally more suited to larger organisations with existing SWIFT connectivity and internal operational systems that are geared to SWIFT usage. Host to Host Lite provides Austraclear Participants with a cost effective alternative to SWIFT based STP. In upcoming issues ASX will provide more detailed information on the Host to Host Lite functionality currently available within Austraclear.

SWIFT and Austraclear

The Austraclear System has a direct interface with the SWIFT network. This allows users of both systems to send messages via SWIFT that are received by the Austraclear System and are automatically translated into System transactions without the need to re-key information or connect to an Austraclear Graphical User Interface (GUI).

The Austraclear System currently supports a comprehensive range of SWIFT incoming transactional messages through the Austraclear Swift Common Gateway (ASCG). The following is a list of these message types :

- **MT103** Single Customer Credit Transfer (Cash Payment)
- **MT192** Request for Cancellation (of Cash Payment)
- **MT202** General Financial Institution Transfer (Cash Payment)
- **MT210** Notice to Receive (Cash Receipt)
- **MT292** Request for Cancellation of MT202 and MT210
- **MT300** Foreign Exchange Confirmation (incoming to ASX)
- **MT540** Security Receive Free (Discount Security & Fixed Income Securities)

- **MT541** Security Receive Against Payment Trade & Repo (Discount Security & Fixed Income Securities)
- **MT542** Deliver Free (Discount Security & Fixed Income Securities)
- **MT543** Deliver with Payment Trade & Repo (Discount Security & Fixed Income Securities)
- **MT549** Request for Statement/Status Advice

The interface also provides optional return confirmation messages advising that an original message has been accepted or rejected by the ASCG and the status of the trade once accepted (i.e. either matched or unmatched etc).

The system also has the capability to generate settlement confirmation messages to a sub participant (for foreign exchange, fixed income & discount securities transactions only).

Real-time response messages currently supported by the ASCG are as follows:

- **MT198** Response to MT 1xx Messages (SMT 102 and SMT103)
- **MT298** Response to MT 2xx Messages (SMT 102 and SMT103)
- **MT398** Response to MT 3xx Messages (SMT 102 and SMT103)
- **MT598** Response to MT 5xx Messages (SMT 102, SMT103)
- **MT300U** Foreign Exchange Confirmation (return from ASX)
- **MT544** Settlement Confirmation for Receive Free
- **MT545** Settlement Confirmation for Receive Against Payment
- **MT546** Settlement Confirmation for Deliver Free
- **MT547** Settlement Confirmation for Deliver with Payment

An ASCG enabled sub participant can elect to receive all, some or none of the return confirmation messages. This receipt/non-receipt is requested by the sub participant and maintained by the Austraclear Help Desk and can be modified upon request by the sub participant.

The ASCG also provides enabled sub participants with the ability to receive MT535 - (Statement of Holding) messages that report on securities held within a sub participant's portfolio.

These statement messages can be requested throughout the day via a statement request message or can be automatically generated at specific system sessions (i.e.; Interim & End of Day).

Again receipt or non-receipt of the statement messages is maintained by Austraclear Help Desk and can be modified upon request by the sub participant.

Application to the ASX SWIFT Common Gateway (ASCG)

To join the ASCG Interface you must be:

- 1) A current participant of ASX Austraclear
- 2) A current member of the SWIFT network with a live BIC (Bank Identifier Code).

For admission to the ASCG Interface please contact Alan Rafter at Alan.Rafter@asx.com.au or on 03 9617 8745 or the Austraclear helpdesk on 1300 362 257 or via email at exigo@asx.com.au

For more information on SWIFT please refer to www.swift.com

For information relating to ASCG message fees please refer to www.sfe.com.au/content/aboutsfe/fees/fees003.pdf or contact Alan Rafter at Alan.Rafter@asx.com.au or on 03 9 617 8745.

For information relating to the ASX SWIFT protocol specifications please refer to: www.asx.com.au/professionals/pdf/austraclear/technical/austraclear_system_swift_message_protocols.pdf

For any other queries please contact the Austraclear helpdesk on 1300 362 257 or via email at exigo@asx.com.au

ASX Austraclear Biography Section

This issue and upcoming issues of Austraclear Insight will provide an individual profile of Clearing & Settlement staff members so that you can get to know us a little better.



Ash Moosa – Manager, Business Development – Clearing & Settlement Services

Ash has worked in the Australian Financial Services Industry over the past 23 years, including roles in clearing and settlement, corporate actions, client services & relationship management, fund accounting and related project management responsibilities in front to back office investment manager services. Prior to joining the ASX in 2010, Ash had previously worked for global custodian banks, multi-sector and multi-asset class investment managers as well as more recent exposure to the self managed super fund industry.

In his current role, Ash will be responsible for customer relationship management, the promotion of existing services and the development of new services for clearing and settlement.

Further Information

Austraclear Coupon payments, series setup & registry information: cad@asx.com.au or **(02) 8298 8476**

Austraclear Issuing Payment Agent (i.e.; Issuer Representative ACCL21 or ACLR22) information: ipa@asx.com.au or **(02) 8298 8479**

Austraclear System General Enquiries: exigo@asx.com.au or Austraclear System Help Desk on **1300 362 257**

Austraclear Commercial Paper, connection and participant information: exigo@asx.com.au or Austraclear System Help Desk on **1300 362 257** or **(02) 8278 8474**

Austraclear Admission & Participation: participants@asx.com.au or contact Gareth Maiden on **(02) 9227 0787**

Austraclear Business Development: Alan.Rafter@asx.com.au or **(03) 9 617 8745**

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