

25 October 2016

Diane Lewis
Senior Manager, Regulatory and Public Policy
Australian Securities Exchange
20 Bridge Street
Sydney, NSW 2000
[by email only]

Dear Diane,

ASX's Replacement of CHES for Equity Post-Trade Services: Business Requirements

APCA welcomes the opportunity to comment on ASX's consultation paper, "ASX's Replacement of CHES for Equity Post-Trade Services: Business Requirements".

APCA represents the Australian payments industry. Our membership and affiliate membership encompasses Australian authorised deposit-taking institutions, retailers, card scheme operators and technology companies that participate in payment systems. We develop and administer the technical and security standards and procedures for the interbank clearing systems which form the basis of the Australian payments system.

The benefits of ISO 20022

In broad terms, and subject to appropriate coordination of its implementation, APCA supports the intention to provide ISO 20022 messaging as part of the replacement of CHES. As the consultation paper notes, ISO 20022 has been adopted by the New Payments Platform (NPP) in Australia. ASX alignment to ISO 20022 would therefore facilitate any link between CHES and NPP, for settlement or indeed for any potential overlay service.

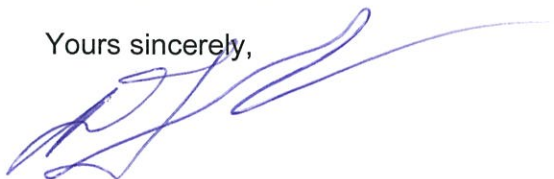
Ensuring coordination and collaboration through change

APCA supports ASX's principle of ease of integration and global interoperability. As the consultation paper notes, CHES was developed over 20 years ago. Corresponding internal systems with which it integrates reflect the technology of that time.

Any new platform will have a range of implications for payment settlement processes that will need to be carefully and collaboratively managed. In particular, integration implications – including those arising from the move to ISO 20022 messaging – will need to be explored in detail through the requirements phase. APCA recommends the use of its Equity Settlement Payment Provider Sub-Committee as a forum to assist with this requirements gathering phase, as well as on matters of transitional planning and implementation.

APCA welcomes the opportunity to assist the ASX by providing a forum for collaboration. We are happy to provide further information upon request. Please contact my colleague Andy White, General Manager, Payments Community on (02) 9216 4833 or awhite@apca.com.au for assistance.

Yours sincerely,



Dr Leila Fourie
Chief Executive Officer