

ASX Cash Equities Clearing and Settlement Advisory Group Communique

11 March 2025

The ASX Cash Equities Clearing and Settlement Advisory Group (**Advisory Group**) met on 27 February 2025.

CHES replacement project

ASX management provided an update to the Advisory Group regarding the CHES replacement project, including in relation to the project status, assurance plan progress and key industry engagement activities expected in 2025 (in particular those industry engagement activities focused on confirming the outstanding scope for Release 2 of the CHES replacement project).

The Advisory Group congratulated ASX on its progress towards the opening of the Industry Test Environment for Release 1 of the CHES replacement project.

The Advisory Group asked ASX questions on a range of matters related to the CHES replacement project, including regarding resourcing, risk management, testing and timeline matters.

Current CHES

ASX management presented information to the Advisory Group regarding current CHES, including in relation to the CHES roadmap and the CHES Batch Settlement incident that occurred on 20 December 2024.

T+1 settlement

ASX management presented information to the Advisory Group regarding international developments related to T+1 settlement.

The Advisory Group understands that there have not been any updates to ASX's position on T+1 settlement in the context of the CHES replacement project.¹

Cash equities clearing and settlement services pricing policy

ASX management provided an update to the Advisory Group on the development of the cash equities clearing and settlement services pricing policy (**Pricing Policy**). ASX's update included a high-level summary of its proposed modifications to the Pricing Policy in response to the consultation feedback it received in late 2024.

The Advisory Group noted that it appears ASX has made encouraging progress so far in proposing amendments to address a number of the concerns raised by respondents to ASX's consultation. The Advisory Group is interested in understanding further aspects related to the development of the Pricing Policy, which are expected to be discussed at the next Advisory Group meeting.

The Advisory Group also received a briefing from PwC on the planned scope of its assurance review of ASX's related cost and revenue allocation policy.

Discussion with ASIC Commissioner and RBA Assistant Governor

ASIC Commissioner Simone Constant and RBA Assistant Governor Brad Jones joined the Advisory Group meeting for a discussion with Advisory Group members on the Advisory Group's role, operation and effectiveness. The Commissioner and Assistant Governor expressed their support for the work of the Advisory Group and thanked Advisory Group members for their efforts.

¹ The Advisory Group understands that ASX intends to proceed on the basis that if a decision is made to move to T+1 settlement, it should occur after implementation of Release 2 of CHES replacement, with the T+1 go-live date to be at least 12 months after the Release 2 go-live date, and at a minimum 18 months after a decision to transition to T+1.

Next Advisory Group meeting

The next Advisory Group meeting is scheduled to take place on 28 May 2025.

Alan Cameron AO

Independent Chair, ASX Cash Equities Clearing and Settlement Advisory Group