

ASX Cash Equities Clearing and Settlement Advisory Group Communique

25 September 2025

The ASX Cash Equities Clearing and Settlement Advisory Group (**Advisory Group**) met on 26 August 2025.

August 2025 meeting

ASX management presented information to the Advisory Group in relation to several matters, including the CHES Project, current CHES, the financial resilience and risk management practices of ASX Clear Pty Limited, international developments related to T+1 settlement,¹ and the commencement of ASX's cash equities clearing and settlement services pricing policy.

The discussion of the CHES Project involved (among other things) ASX management outlining its proposed approach to the finalisation of two key scope items for Release 2 of the CHES Project, in particular ASX's proposed approach to make:

- > Delivery vs payment settlements outside batch (**non-batch DvP**) a mandatory feature for all participants to implement (to maximise the benefit of the non-batch DvP capability) but optional to use this service.
- > Straight-through CHES processing for corporate action elections (**corporate action election STP**) a mandatory feature for share registries but optional for participants to use this service or build the functionality.

Summary of advice and recommendations regarding ASX's approach to two key outstanding elements in the scope and design of Release 2 of the CHES Project

Based on the information presented to the Advisory Group by ASX, the Advisory Group noted that it is supportive of ASX proceeding with its proposed approach to non-batch DvP and corporate action election STP, provided that ASX continues to work with stakeholders in relation to the scope and detailed design of the features and has regard to stakeholders' feedback in developing the scope and detailed design, implementation approach and assessment of operational impacts.

The Advisory Group highlighted that it considers that, subject to ASX's further stakeholder engagement and development of detailed plans, the potential incorporation of non-batch DvP and corporate action election STP as features in CHES Release 2 presents a strategic opportunity for the CHES Project to offer a range of important benefits to the overall cash equities market, including possible long-term benefits that will enable CHES to better accommodate future market needs.

The Advisory Group recommended that ASX's further stakeholder engagement is undertaken in a manner that allows stakeholders sufficient opportunity to contribute to the process and outcomes, as well as adequate time for the requisite decision-making and any associated build and testing.

The Advisory Group requested ASX to continue to provide the Advisory Group updates on its approach to non-batch DvP and corporate action election STP.

Next Advisory Group meeting

The next Advisory Group meeting is scheduled on 9 December 2025.

Alan Cameron AO

Independent Chair, ASX Cash Equities Clearing and Settlement Advisory Group

¹ 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 Project. 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.