



BUSINESS COMMITTEE REPORT TO THE BOARDS OF ASX CLEAR AND ASX SETTLEMENT

BUSINESS COMMITTEE MEETING

At its 3 August 2017 meeting, the Business Committee was updated on the:

- operating performance of CHES for the June Quarter 2017;
- corporate action working group's inputs to business requirements for CHES replacement;
- proposed timeframe and arrangements for Corporate Action STP Phase 2;
- timeline for incorporating stakeholder input into the consideration of CHES replacement; and
- Technical Committee's progress in mapping CHES messages to the ISO20022 message standards.

BUSINESS COMMITTEE RECOMMENDATIONS TO THE ASX CLEARING AND SETTLEMENT BOARDS

The Committee requested ASX management present to the Boards a recommendation that representatives of approved market operators (AMOs) be invited to future CHES replacement working groups.

KEY ISSUES DISCUSSED

The Committee discussed outputs from the corporate action working group, noting the 8+ business requirement inputs which will emerge. It was noted that some issues, such as cum entitlement balances and deferred settlement trading would be considered further in subsequent working groups. There was also a discussion about membership of the working groups, particularly around AMO attendance.

The Committee was briefed on the proposal to create a new Corporate Action STP Phase Two working group, involving a range of interested stakeholders, in 2018 to investigate the scope for a range of efficiencies.

There was discussion about the CHES replacement matters that will be covered in the final two Business Committee meetings this year – a high level assessment of a DLT-based solution and a prioritisation of the business requirements for the new system coming out of the working group processes.

AGREED ACTIONS

1. That the recommendation on AMO invitations to the CHES replacement working groups be submitted to the Boards as a recommendation of the Business Committee.
2. ASX will establish a new working group in early 2018 to progress work on Corporate Action STP Phase 2.
3. ASX will provide a report to the October Business Committee meetings on the high-level assessment of DLT technology and a report to the November meeting on the prioritisation of day one business requirements for CHES replacement.

Minutes from the meeting are attached.