



Media Release

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ASX commences industry consultation on its proposed approach to deliver CHESS replacement

Today ASX released a public consultation paper calling for feedback on the two-stage approach it has proposed for the delivery of CHESS replacement, as well as the proposed implementation plan for the clearing service, which is to be delivered in the first release.

CHESS is the clearing and settlement system for Australia's securities market, and this consultation paper follows an extensive reassessment by ASX of the solution design for a replacement of CHESS that would serve the whole market. In November 2023 ASX announced it would proceed with a product based solution design for CHESS replacement that would be delivered by global technology provider TATA Consultancy Services (TCS).

As part of that announcement, ASX confirmed it was proposing to implement the new platform in two main releases, with the clearing service to be delivered in a first release (Release 1) and the settlement and subregister services to follow in a second release (Release 2).

ASX recognises that industry support is critical to the successful delivery of CHESS replacement and the release of today's paper is the first of two consultations ASX will conduct to ensure it is engaging with stakeholders on key elements of CHESS replacement's detailed design and implementation.

ASX Group Executive Securities & Payments Clive Triance said: "Our decision to proceed with the product based solution for CHESS replacement was deeply informed by extensive stakeholder engagement, and we know that this next phase will also rely on ASX gathering feedback to drive toward an industry consensus on detailed design and implementation planning.

"This consultation paper covers the high-level project plan that has been proposed, and it will also focus on the scope and approach for Release 1 including messaging specifications, testing requirements and readiness activities."

In developing this consultation paper, we engaged with key stakeholders including those on the ASX Business Committee and the CHESS Replacement Technical Committee. ASX has also updated the Cash Equities Clearing and Settlement Advisory Group on this consultation process and expects to discuss its proposed response with the Advisory Group. The primary audience for feedback includes CHESS users such as Approved Market Operators (AMOs), software providers and clearing and settlement participants, but any interested stakeholder is welcome to contribute.

ASX has previously stated that the indicative timeframe for implementation of the first release is 2026 and that the scenarios being considered for the second release estimate implementation in 2028 or 2029.

Stakeholders wishing to provide feedback on the draft consultation will have until 24 April 2024 to make a submission. ASX will then take the time to assess the submissions and provide its response paper in June. The second consultation paper is expected to be released in Q3 2024.



The full [consultation paper](#) can be accessed via the ASX public consultations webpage, and earlier information about the CHES replacement project, including the solution design announcement, can be found at the [dedicated CHES replacement webpage](#).

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