



Media release

2 August 2024

ASX commences final of two consultations to decide scope and implementation for CHESSE replacement

ASX today released a public consultation paper which proposes the CHESSE replacement settlement and subregister services be implemented in 2029. The paper is the second of two consultations undertaken by ASX this year to gather industry feedback on scope and implementation for the project to replace Australia's cash equities clearing and settlement system (CHESSE).

Also today, ASX published its summary of feedback received on the industry whitepaper it released in April that sought input on a potential move to shorten the settlement cycle from T+2 to T+1.

Taken together, these papers underscore the ongoing stakeholder engagement ASX has been undertaking to ensure it continues to work closely with industry on the delivery of CHESSE replacement.

ASX Group Executive Securities & Payments Clive Triance said "Our commitment to transparent and collaborative consultation is central to the success of the CHESSE replacement project as well as Australia's approach to T+1.

"The proposal to implement CHESSE replacement across two main releases reflects how we've listened to industry feedback. The staged approach to implementation, where we are delivering the clearing services first in Release 1, followed by delivery of settlement, subregister and additional clearing enhancements in Release 2 is designed to manage several factors, including materially reducing delivery risk and allowing for industry readiness."

Stakeholder input provided via working groups and other forums is incorporated in the consultation paper published today and is reflected as part of the functional scope of Release 2. Industry driven improvements outlined in the consultation paper include items such as continuous netting, account segregation and corporate action elections.

Responses to the industry whitepaper on T+1 settlement were also a key input into the consultation paper, helping inform the proposed sequencing of CHESSE replacement implementation stages and the potential move to T+1.

"The majority of responses from industry suggest a clear preference to avoid implementing T+1 at the same time as Release 2 of CHESSE replacement," Mr Triance said.

"In light of the feedback received to the industry whitepaper and having regard to the experiences of transitioning to T+1 in other markets we have presented a number of options on timing to transition to T+1 in Australia, and outlined the risks and benefits of each of the options."



If a decision is made to move to T+1, the paper recommends the option where that would take place at an appropriate time after the implementation of CHES replacement Release 2.

ASX confirmed in June that the delivery of Release 1 is expected to occur in H1 2026. This consultation paper proposes that Release 2 be delivered in 2029, aligning with indicative timeframes previously communicated.

Next steps in consultation process

We encourage feedback from CHES users and software providers (including both external vendors and CHES users developing in-house systems), as well as other interested stakeholders on the proposals outlined in the consultation paper.

ASX is seeking stakeholder feedback by Friday, 13 September 2024. ASX will then take time to review submissions and proposes to provide a consultation response paper in Q4 2024.

The full [consultation paper](#) can be accessed via the ASX public consultations webpage and earlier information about the CHES replacement project can be found at the dedicated [CHES replacement webpage](#). A summary of [feedback to the T+1 Whitepaper](#) can be found at the dedicated [T+1 webpage](#). The proposals outlined in the consultation paper are informed by ongoing industry engagement with the [CHES replacement Technical Committee](#) and its working groups, the [ASX Business Committee](#) and the T+1 Working Group.

Background

CHES is the clearing and settlement system for Australia's cash equities market. ASX is undertaking a project to replace CHES and in November 2023 ASX announced it would proceed with a product based solution design for CHES replacement that would be delivered by global technology provider TATA Consultancy Services (TCS).

Further enquiries:

Media

Mark Roberts
Head of Communications
T +61 2 9227 0010
M +61 466 328 581
E mark.roberts@asx.com.au

Analysts/Investors

Simon Starr
GM, Investor Relations and Sustainability
T +61 2 9227 0623
M +61 416 836 550
E simon.starr@asx.com.au