

# ASX CHESS Project Partnership Program

## Update on the Development Incentive Pool Milestone 1 Requirements

November 2025

### Summary

This update provides information regarding the previously identified milestones for additional financial support payments to be made under ASX's Partnership Program's 'Development Incentive Pool'.

### Background

On 16 February 2023, ASX announced the establishment of the Partnership Program, a \$70M forward-looking incentive program designed to encourage continued participation in the CHESS Project. The Partnership Program comprises both the Participant Rebate Pool and Development Incentive Pool.

The Development Incentive Pool was established to encourage active engagement of eligible Participants and support the technical development, integration, and operational changes necessary for successful onboarding to the new CHESS system.

### Future Milestones

As communicated in [ASX's response to consultation feedback](#) in November 2024, the future Development Incentive Pool disbursements are structured around key project milestones, ensuring funds are allocated in a way that aligns with tangible progress and demonstrable outcomes. By supporting industry stakeholders, ASX aims to foster and accelerate Release 2 readiness across the industry.

An overview of the key project milestones and associated payments is set out in the table below:

**Table 1:** Development Incentive Pool Milestones and Payments (based on CHESS Release 2 Project Timeline)

Milestone	Description	Allocation of Funds	Expected Timing*
1	Entry into the equivalent of the previous CHESS replacement Industry Test Environment 1 (CHESS Project Industry Test Environment 2 (ITE2)) – and successful completion of a specified subset of test scenarios (i.e. successfully send at least 50 instances of any one or more of the Release 2 Drop 1 CHESS ISO messages) by <b>19 June 2026</b>	60% of the remaining Development Incentive Pool funds (up to \$21M)	Q2 2026**
2	Successful completion of technical accreditation of eligible Program Participants' technology application(s) by ASX	40% of the remaining Development Incentive Pool funds (plus any remaining Development Incentive Pool funds following Milestone 1)	Phase commencing in Q3 2027

\* This expected timing is based on the CHESS Project Release 2 timeline and may be subject to change due to a range of factors as implementation progresses.

\*\* Please note the expected timing has been updated from the expected timing of Q1 2026 previously communicated in November 2024.

### Milestone 1 Requirements

To be eligible for payment of Milestone 1, Program Participants will need to connect to the ITE2 and successfully send at least 50 instances of any one or more of the Release 2 Drop 1 CHESS ISO messages to the CHESS replacement system.

Information regarding how to connect to ITE2 will be provided in the CHESS Project's Release 2 Connectivity Guide currently planned to be published in early-December 2025. The user documentation for CHESS Release 2 Drop 1 was published in August 2025 and is available [here](#). A list of the Release 2 Drop 1 CHESS ISO messages will also be communicated to Program Participants.

CHESS Release 2 Drop 1 covers:

- Accounts and Holdings
- Participant and Registry / Issuer Setup
- Unilateral Non-Batch Instructions
- Account and Holding Balance Reporting.

Connection to ITE2 and the successful sending of at least 50 Release 2 Drop 1 CHESS ISO messages to the CHESS replacement system by Program Participants will be subject to verification by ASX.

Detailed expectations relating to Milestone 1 will be communicated to existing Program Participants as outlined in 'Next Steps'.

## Milestone 1 Timing

To advance Industry development and progress for CHESS Release 2, ASX has now determined, and gives notice, that Program Participants must complete all required activities associated with Milestone 1 by **19 June 2026** to be eligible for payment under Milestone 1. After that time ASX will validate the number of Program Participants who are eligible for payment under Milestone 1 and to determine the value of any payment to be made to each eligible Program Participant. Accordingly, the expected timing and payment for Milestone 1 will be Q2 2026.

ASX will notify all current Program Participants as soon as reasonably practicable should any modifications occur to the CHESS Project's delivery schedule or to the CHESS ISO Messages included in Release 2 Drop 1, resulting in subsequent adjustments to the requirements for Milestone 1 (including changes to timing for completion and/or payment under Milestone 1).

## Milestone 1 Allocation

ASX has allocated up to \$21M for Milestone 1. Following the completion of Milestone 1, any remaining Partnership Program funds will be allocated to Milestone 2. A Program Participant that does not meet the requirements for Milestone 1 will remain eligible to seek to participate in Milestone 2 (noting that payments will only be made under Milestone 2 to Program Participants that meet the eligibility criteria for Milestone 2).

## Eligibility Criteria

ASX remains committed to principles of consistency and fairness, ensuring that all entities meeting the eligibility criteria may participate. While new entrants are welcome, they will only be eligible for future payments - no retrospective allocations will be made.

As previously communicated, to qualify for participation in the Development Incentive Pool, a Program Participant is required to develop a minimum of one technology application designed to connect and interact with the CHESS replacement solution. The technology application(s) will undergo technical accreditation by ASX. As part of the Partnership Program eligibility process, Program Participants must provide detailed information to ASX about their development activities, including the number and specific name(s) of the technology application(s) they plan to develop.

If a Program Participant meets the eligibility criteria for the Development Incentive Pool, it is categorised as either a Tier 1, Tier 2 or Tier 3 Program Participant based on the number of new CHESS ISO messages being developed by that Program Participant for the CHESS Project. The allocated tier determines the amount to which the Program Participant is entitled for the payment under the Development Incentive Pool. Where a Program Participant is developing two or more applications to be accredited which fall within Tier 3 or above, that Program Participant will be eligible to receive payments under the Development Incentive Pool equal to 1.5 times the amount determined under the allocated tier.

In May 2023, in response to feedback from the market, ASX determined that it was appropriate to broaden the scope of the Development Incentive Pool to include additional stakeholders who will:

- engage in major internal development efforts to prepare their systems and operations for integration with vendor systems that support key CHESS Project milestones; and
- transmit and receive more than 5 million CHESS messages annually.

Potential new entrants are asked to contact their existing ASX stakeholder engagement representative for assistance (or via [CHESSreplacement@asx.com.au](mailto:CHESSreplacement@asx.com.au)) to determine billable, clearing and settlement CHESS message numbers. Annual CHESS message calculations are based on a 12-month rolling calculation.

## Next Steps

Program Participants will be notified by December 2025 with information regarding the formal arrangements for Milestone 1. ASX will continue to engage with Program Participants and communicate further updates on the Partnership Program through existing industry engagement forums.

## Background on the Partnership Program

The Partnership Program represents a contribution of up to a total of \$70M across eligible stakeholders through two components:

- Participant Rebate Pool of \$15M, from which amounts were automatically paid to Clearing and Settlement (C&S) Participants, distributed proportionately based on C&S fees paid to ASX by those Participants during the period of 1 January 2023 to 30 June 2023. The rebate was designed to provide support through a one-off fee reduction. ASX issued rebates of \$15M from the \$15M available under the Participant Rebate Pool in 2023.
- Development Incentive Pool of up to \$55M, available to Program Participants that meet the eligibility criteria. ASX allocated \$20M to initial payments in May 2023. To date, ASX has distributed \$17.8M from the \$20M allocation set aside for the initial payment under the Development Incentive Pool.

## Further Enquiries

### CHESS Project

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