# Agenda

## ASX Business Committee

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| **Date** | Wednesday, 16 September 2026 |
| **Time** | 12:00pm – 2:00pm |
| **Location** | Level 27, 39 Martin Place Sydney or MS Teams |

| Agenda Item | | Action | Presenter(s) | Est Time | Page |
|---|---|---|---|---|---|
| **1. Meeting Opening** | | | | **10 min** | |
| **a.** | Welcome, Open, Acknowledgement of Country | Noting | Chair | | |
| **b.** | Minutes of 27 May 2026 meeting | Approval | Chair | | **7** |
| **Items For Presentation** | | | | **90 min** | |
| **2. Business Committee Member Items** | | | | | |
| **a.** | Advisory Group update | Discussion | Alan Cameron | 10 mins | **8** |
| **a.** | Member initiated items | Discussion | Business Committee | 5 mins | |
| **3. Clearing & Settlement Services, Issuer Services** | | | | | |
| **a.** | CHESS batch settlement delay PIR | Discussion | Stephen Kelly | 10 mins | **9** |
| **b.** | Annual review of revenue from CS Services | Discussion | Stephen Hammon | 10 mins | **11** |
| **c.** | Statements Working Group | Discussion | Karen Webb | 5 mins | **12** |
| **d.** | Share Sale Fraud Working Group | Discussion | Con Korkofigas | 5 mins | **16** |
| **e.** | ASX Industry Tokenisation Working Group | Discussion | Andrew Jones<br>Ricky Budd | 5 mins | **17** |
| **f.** | CHESS Industry-Wide Resilience Exercise update | Discussion | Cardiff Smith | 5 mins | **19** |
| **g.** | Clearing Risk Liquidity Framework update | Discussion | Colm Grace | 5 mins | **22** |
| **4. CHESS Project** | | | | | |
| **a.** | CHESS Project update | Discussion | Triona Quinlan | 5 mins | **23** |
| **b.** | Corporate action election functionality for development | Recommendation | Chris Boyes | 15 mins | **31** |
| **c.** | CHESS Replacement Technical Committee Charter changes | Recommendation | Nikola Vanstan | 5 mins | **35** |
| **Question Session – Items Not For Presentation** | | | | **15 min** | |
| **5. Clearing & Settlement Services, Issuer Services, CHESS Project** | | | | | |
| **a.** | CHESS Project Assurance Plan Update | Noting | Michelle Dal Pozzo | | **42** |
| **b.** | Cash market margining | Noting | Chris Boyes | | **44** |
| **c.** | Annual CHESS Roadmap | Noting | Stephen Hammon | | **46** |
| **d.** | Operational performance cash market clearing and settlement | Noting | Stephen Kelly | | **47** |
| **e.** | Partnership Program update | Noting | Nikola Vanstan | | **56** |
| **6. Meeting Closing** | | | | **10 min** | |

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|---|---|---|---|---|
| **a.** | Open actions | Approval | Chair | **57** |
| **b.** | Forward work program | Noting | Chair | **59** |
| **c.** | Any other business | Discussion | Chair | |
| **d.** | Next meeting – 10 December 2026 | Noting | Chair | |

**Business Committee Members (46)**

**Chair (1)**

| Company | Representative | Title | Delegate / Apology |
|---|---|---|---|
| | Paul Rayson | Independent Chair, ASX Business Committee | |

**Clearing and Settlement Participants (25)**

| Company | Representative | Title | Delegate / Apology |
|---|---|---|---|
| ABN AMRO Clearing | Adrian Rubin | Chief Executive Officer, APAC | |
| Australian Investment Exchange Limited (AUSIEX) | Peter Robinson | Head of Operations | |
| Bank of America Merrill Lynch | Stephen Hacker | Director, Head of Operations | |
| Barrenjoey | Louise Boreham | Head of Operations | |
| BNP Paribas | Gary O'Brien | Head of Clearing and Custody Product, Asia Pacific | |
| Burrell & Co Holdings | Saskia Jo | Associate Director – Finance | |
| CITI | Lyall Herron | Custody & Clearing Product Manager, Australia & New Zealand | |
| CMC | Andrew Rogers | Director of Broking Business | |
| CommSec | Sheridan Thompson | Executive Manager, Industry Engagement & Strategy | |
| Euroz Hartleys | Anthony Brittain | Executive Director, Chief Operating & Financial Officer | |
| FinClear Services Pty Ltd | Leigh Conder | Chief Operating Officer | |
| FNZ Custodians (Australia) | Michael Hawke | Head of Sales and Trading, Customer Relationships | |
| Goldman Sachs | Yen Lee | Head of ANZ Operations | Marton Laszlo |
| Instinet Australia | Phil Penrose | Head of Australian Operations | |
| J.P. Morgan | Craig Twentyman | Custody Product Head Australia & New Zealand, Executive Director | Steve Hackers |
| Macquarie Group | James Indge | Cash Equities Business Manager | |

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| Morgans Financial | Daniel Spokes | Director, Client Support Services | |
| Morgan Stanley | Carrie Barrack | Country Business Manager | |
| Morrison Securities | Jodie Nair | Operations Manager | |
| Openmarkets Australia | Rob Forbes | Chief Operating Officer | |
| Phillip Securities (Australia) Limited | Craig Semmens | Chief Executive Officer/Executive Director | |
| RBC Securities Australia | Daniel Gray | Managing Director, Head of Business & Client Services, APAC | |
| Third Party Platform | Lee Muco | Chief Executive Officer | |
| WealthHub Securities | Anita Mead | Head of High Networth, Investment Products | |
| UBS | Conor Foley | Senior Business Manager | |

**Settlement Only Participants (3)**

| Company | Representative | Title | Delegate / Apology |
|---|---|---|---|
| Certane CT Pty Ltd | Rose O'Rourke | Operations Manager | |
| Chimaera Capital | Rochelle Pattison | Director | |
| HSBC | Simon Siluk | Senior Product Manager | |

**Approved Market Operators (4)**

| Company | Representative | Title | Delegate / Apology |
|---|---|---|---|
| Australian Securities Exchange (ASX) | Ben Jackson | General Manager, Market Operations | |
| TMX Australia Exchange (TMX) | John Williams | Director Australian Equity Operations | |
| National Stock Exchange (NSX) | Richard Atkins | Market Operations & Technology | |
| Sydney Stock Exchange (SSX) | George Wang | Executive Director | |

**Industry Associations (6)**

| Company | Representative | Title | Delegate / Apology |
|---|---|---|---|
| Australian Custodial Services Association (ACSA) | Robert Poulter | Chair of the ACSA Operations Working Group | |
| Australasian Investor Relations Association (AIRA) | Ian Matheson | Chief Executive Officer | |
| Australian Shareholders' Association (ASA) | Rachel Waterhouse | Chief Executive Officer | |

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| Governance Institute of Australia (GIA) | Catherine Maxwell | General Manager, Policy & Advocacy | |
| Stockbrokers and Investment Advisers Association (SIAA) | Maria Lykouras | Chief Executive Officer | Michelle Huckel |
| The Australian Financial Markets Association (AFMA) | Damian Jeffree | Senior Director of Policy | |

**Registries (4)**

| Company | Representative | Title | Delegate / Apology |
|---|---|---|---|
| Automic | Sue Julian | Chief Operating Officer | |
| BoardRoom | Tharun Kuppanda | Head of Risk, Compliance and Regulatory Partnerships | |
| Computershare | Paul Walton | Chief Operating Office, Issuer Services Australia | |
| MUFG Pension & Market Services | David Farr | Managing Director, Corporate Markets ANZ | |

**Issuers (1)**

| Company | Representative | Title | Delegate / Apology |
|---|---|---|---|
| Betashares | Debbie Bennet | Chief Operating Officer | |

**Technology Service Providers (2)**

| Company | Representative | Title | Delegate / Apology |
|---|---|---|---|
| Broadridge | James Marsden | Managing Director, Post Trade Asia Pacific | |
| Securitease | Cliff Richards | Managing Director | |

**ASX Representatives (12)**

| Company | Representative | Title | Delegate / Apology |
|---|---|---|---|
| Australian Securities Exchange (ASX) | Andrew Jones | Acting Group Executive, Securities & Payments | |
| Australian Securities Exchange (ASX) | Cardiff Smith | General Manager, Customer and Technical Operations | |
| Australian Securities Exchange (ASX) | Chris Boyes | Head of Product, Securities and Payments | |
| Australian Securities Exchange (ASX) | Colm Grace | General Manager, Clearing Risk | |
| Australian Securities Exchange (ASX) | Con Korkofigas | Senior Legal Counsel and Senior Manager | |

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| Australian Securities Exchange (ASX) | Diona Rae | Chief Operating Officer | |
| Australian Securities Exchange (ASX) | Karen Webb | General Manager, Equities Post Trade, Securities and Payments | |
| Australian Securities Exchange (ASX) | Michelle Dal Pozzo | Senior Program Manager, Assurance | |
| Australian Securities Exchange (ASX) | Nikola Vanstan | Manager, CHESS User Relationships | |
| Australian Securities Exchange (ASX) | Sally Palmer | Deputy General Counsel | |
| Australian Securities Exchange (ASX) | Stephen Hammon | General Manager, Business Management & Planning, Securities & Payments | |
| Australian Securities Exchange (ASX) | Stephen Kelly | General Manager, Clearing & Settlements Operations | |
| Australian Securities Exchange (ASX) | Tim Whiteley | Chief Information Officer | |
| Australian Securities Exchange (ASX) | Triona Quinlan | General Manager, Technology Delivery | |

### Invited Guests (1)

| Company | Representative | Title | Delegate / Apology |
|---|---|---|---|
| | Alan Cameron | Independent Chair, Cash Equities Clearing and Settlement Advisory Group | |

### Observers (10)

| Company | Representative | Title | Delegate / Apology |
|---|---|---|---|
| Australian Securities and Investments Commission (ASIC) | Nick Hughes | Senior Specialist - Technology, Market Infrastructure, Markets Group | |
| Australian Securities and Investments Commission (ASIC) | Annaliese Fitzgerald | Analyst – Technology, Markets Infrastructure, Markets Group | |
| Australian Securities and Investments Commission (ASIC) | Liang Chen | Analyst, Market Infrastructure | |
| Australian Securities and Investments Commission (ASIC) | Vivienne Tannock | Senior Executive Leader, Markets Infrastructure, Markets Group | |
| Reserve Bank of Australia (RBA) | Cameron Dark | Senior Manager | |
| Reserve Bank of Australia (RBA) | Chrissy D’Amico | Lead Analyst, International Supervision and Policy | |

# Agenda

### Auditors (2)

| Company | Representative | Title | Delegate / Apology |
|---|---|---|---|
| Ernst & Young | Roberto Fitzgerald | Partner | |
| Ernst & Young | Juan Carlos Martin De Los Santos | Director | |

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|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **Minutes of 27 May 2026 meeting** |
| **Agenda item no.** | 1b |
| **Purpose** | To present the draft minutes of the previous meeting for approval of the Business Committee |
| **Prepared by** | Business Committee Secretariat |
| **Action** | For approval |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

**BACKGROUND**

The draft minutes of the 27 May 2026 Business Committee meeting were distributed to members on 11 June 2026 and can be located here.

The Business Committee is requested to approve the draft minutes.

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|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **Advisory Group update** |
| **Agenda item no.** | 2a |
| **Purpose** | To provide an update to Business Committee members on the Cash Equities Clearing and Settlement Advisory Group |
| **Prepared by** | Business Committee Secretariat |
| **Action** | For noting |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

The Independent Chair of the Cash Equities Clearing and Settlement Advisory Group will provide a verbal update at the 16 September Business Committee meeting.

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|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **Batch Settlement Delay 9 July 2026 – post incident review** |
| **Agenda Item No.** | 3a |
| **Purpose** | To update the Committee on the key output of the batch settlement delay post incident review |
| **Prepared by** | Stephen Kelly, General Manager, Clearing and Settlement Operations |
| **Action** | For Discussion |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not Applicable |

## BACKGROUND

This paper provides a summary of the CHESS Batch Settlement delay that occurred on 9 July 2026, the findings arising from the Post Incident Review, and the actions being implemented to strengthen operational resilience across payment provider interactions supporting CHESS batch settlement.

## INCIDENT SUMMARY

On 9 July 2026, CHESS Batch Settlement was delayed when a CHESS payment provider was unable to release settlement funds after its settlement obligation exceeded an internal sub-limit within the Reserve Bank Information and Transfer System (RITS). This delayed completion of the CHESS settlement batch until the sub-limit was increased.

ASX identified the issue during settlement processing and activated incident management procedures. Operations staff worked closely with the payment provider, RITS Helpdesk, and participants while the issue was investigated and resolved. Once the payment provider had addressed the exceeded payment sub-limit and the settlement funds were released, CHESS Batch Settlement completed successfully. The overall delay to settlement was approximately 90 minutes.

## IMPACTS

The incident resulted in a delay to CHESS Batch Settlement and the completion of settlement obligations across the market. Settlement was completed successfully once the issue affecting the release of funds was resolved. No technology failure, data integrity issue or loss of settlement integrity occurred. Regulators and participants were notified throughout the incident in accordance with established incident management processes.

## ASX MANAGEMENT ASSESSMENT

The incident arose from payment provider processes and controls rather than any failure of ASX systems or settlement processing. Settlement completed successfully following resolution of the payment approval issue and no deficiencies were identified within CHESS processing, settlement calculations, or ASX technology systems.

## ROOT CAUSE AND FINDINGS

The post incident review determined that the underlying cause of the incident originated outside of ASX and was associated with processes operated by a payment provider and the participant it supports.

Specifically:

- The participant and its payment provider did not identify and escalate the requirement for increasing the sub-limit sufficiently in advance of batch settlement processing.
- Internal approval, delegation, and escalation arrangements within the payment provider delayed the timely authorisation of the required limit adjustment once the issue had been identified.
- Existing contact arrangements maintained by ASX did not provide direct access to senior representatives within the payment provider who could assist in expediting resolution of the issue during the critical settlement window.
- The incident highlighted an opportunity to improve payment provider understanding of the end-to-end CHESS batch settlement process, including key settlement timing milestones, escalation points, and dependencies between CHESS and RITS.

The review did not identify any deficiencies in CHESS processing, settlement calculations, or ASX technology systems. Settlement processing proceeded as designed once the payment approval issue was resolved.

## ACTIONS

While the root cause of the incident was external to ASX, opportunities were identified to further strengthen operational resilience and industry preparedness.

Enhanced Escalation Arrangements

- ASX is reviewing and updating escalation contacts maintained for payment providers, including identification of senior representatives who can assist with time critical settlement matters where operational contacts are unavailable or unable to facilitate resolution. Periodic validation of escalation contact details will be incorporated into existing review processes.

Payment Provider Education and Engagement

- ASX will engage with payment providers to reinforce understanding of the end-to-end CHESS batch settlement process, including key settlement milestones, notification points, escalation windows, and responsibilities during exceptional settlement events. This engagement will focus on increasing awareness of how payment limits, internal approvals and escalation processes can impact timely settlement outcomes and reduce the risk of similar incidents occurring in the future.

## ACTIONS

Business Committee members are requested to note the circumstances of the incident, the findings of the post incident review, and the actions being undertaken to strengthen payment provider engagement and escalation arrangements supporting CHESS settlement.

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|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **Annual review of revenue from CS Services** |
| **Agenda item no.** | 3b |
| **Purpose** | To provide an update to Business Committee members on the Cash Equities Clearing and Settlement Advisory Group |
| **Prepared by** | Business Committee Secretariat |
| **Action** | For noting |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

The ASX General Manager, Business Management & Planning will provide a verbal update on the annual review of Clearing and Settlement services pricing outcomes under the Pricing Policy.

A market notice detailing the outcomes is expected to be published in late-September 2026 and will be shared with Business Committee members.

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|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **Statements Working Group** |
| **Agenda Item No.** | 3c |
| **Purpose** | To update members on the current status of electronic statements take-up and the activities of the Statements Working Group |
| **Prepared by** | Karen Webb, General Manager, Equities Post Trade<br>Resan Ovat, Senior Manager, Issuer Services |
| **Action** | For Discussion |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

## BACKGROUND

The Statements Working Group (SWG) was formed in 2024, and has met 14 times since, most recently on 13 August 2026. The SWG's purpose is to drive the uptake of electronic communications, with **35%** of holding statements issued electronically for the month of **August 2026**.

## ELECTRONIC STATEMENT STATISTICS

As at end August 2026:

- Continued positive momentum, with increasing opt-ins to electronic CHESS Statements across three major retail brokers and intermediaries of four large clearing and settlement service providers, contributing to a steady **~1%** month-on-month increase in total opted-in HINs.
- **7** of the top **10** Participants by number of HINs have been continuously active in contributing to the uptake.
- The share of CHESS Holding Statements delivered electronically to holders has increased slightly since April 2026 to 35**%** (Chart 1).
- The total number of HINs opted into electronic communications is increasing at a slow rate (Chart 2) with:
    - **20.0%** of total non-zero HINs opted in at end **August 2026; and**
    - **23.5%** of total non-zero and zero HINs opted in at end **August 2026.**

Chart 1 – Percentage of CHESS Holding Statements delivered electronically per month

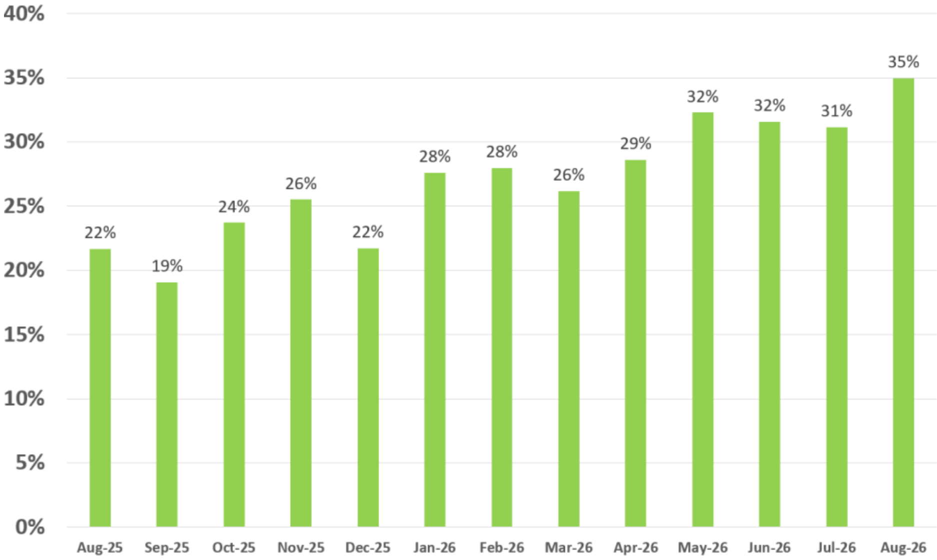
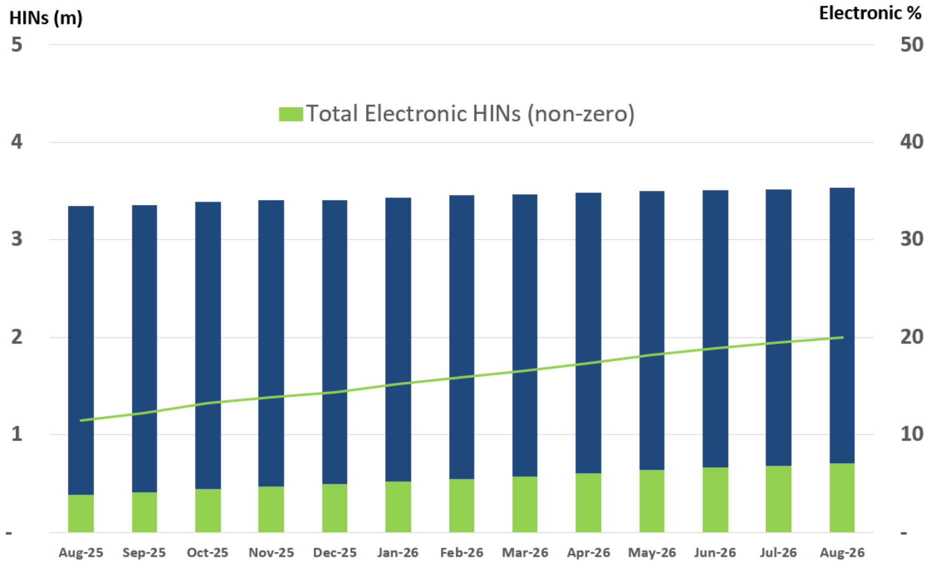



Chart 2 – HINs (non-zero) – electronic vs. total



### TARGETED AWARENESS CAMPAIGNS

ASX continues to execute a communication program to raise awareness of the availability of electronic communications with investors and participants, including the following planned activities for second half of 2026:

- **Social media**
    - LinkedIn, X - September, October and November 2026 (Target: Investors)
- **Newsletters**
    - Electronic CHESS Statements information in monthly ASX Investor Update – August 2026 (Target: Investors)
    - SIAA Newsletter – Information advertisement – September 2026 (Target: Participants)
    - Listed@ASX – November 2026 (Target: Issuers and their Investors)
- **Newspapers**
    - AFR/SMH/Age – Information advertisement – September 2026 (Target: Investors)
    - AFR – Information advertisement – September, October 2026 (Target: Participants)
- **Forums**
    - ASX Investor Day – November 2026 (Target: Investors)
- **Mail delivery of CHESS statements**
    - Insertion of flyer into selected batches of monthly holding statement mail outs for September, October and November 2026. The flyer has been simplified for this round of mail outs, following investor feedback.

### ASX STATEMENTS SERVICE CHANGE PROGRAM

ASX continues to deliver a program of enhancements to the ASX CHESS statements portal and related services. The most recent updates in late July 2026 focused on improving on account access experience for investors.

### BULK OPT-IN

While settings have been put in place by ASX to support bulk opt-in of existing investors by participants, no bulk opt-in transitions have been scheduled to date. ASX is actively monitoring threshold % of opt-ins for each participant to identify those that may benefit from the optional HIN pricing model.

More information has been published for the information of participants on this web page: Coordination of bulk opt-in of HINs to electronic Holder communications

### STATEMENTS WORKING GROUP

The SWG last met on 13 August 2026. The focus for this meeting was:

- An update on the initiative to redact HINs/SRNs from investor communications. Prior to the meeting ASX shared an updated information paper for member review and discussion at the meeting. In response to feedback received at the previous meeting, ASX had also provided as part of the meeting an update on ASX's review of ASX's listing and operating rules and procedures for requirements relating to the inclusion of HIN/SRN in investor communications, and where those requirements could be amended to support the proposal to redact HIN/SRN information (apart from initial communications to investors). ASX has identified one listing rule that requires amendment (rule requirements for inclusion of SRN on routine investor communications by issuers), with work proceeding to seek regulatory approval of the amendment. Members have been asked to provide any feedback on the information paper by end August and ASX expects the information paper would be published after informal lodgement of the amendment request with

ASIC and ASX's issue of a 'no action' position in respect of the listing rule. ASX will continue to keep the Statements Working Group updated as to progress.

- An update on ASX's statements work program and service update, as well as communication campaigns.
- Updates from other groups, including the Share Sale Fraud Working Group.
- Further discussion on considerations for ASX's proposal to remove CHESS paper statements and notifications.

**FORWARD MEETING PLAN**

The SWG is scheduled to meet four times in 2026. The next meeting will occur on 1 December 2026.

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|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2025 |
| **Agenda title** | **Share Sale Fraud Working Group Update** |
| **Agenda Item No.** | 3d |
| **Purpose** | To update the Committee on the share sale fraud working group established to respond to increased share sale fraud activity |
| **Prepared by** | Con Korkofigas, Senior Manager and Senior Legal Counsel |
| **Action** | For Discussion |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

**BACKGROUND**

The Share Sale Fraud Working Group (**SSFWG**) was established in early 2025 in response to increased share sale fraud activity.

It brings together a broad collection of industry representatives supporting investor shareholdings on Australian equity markets and relevant regulatory agencies to combat such activity, including by enhancing knowledge and information sharing.

**SSFWG MEETINGS SINCE MAY BUSINESS COMMITTEE**

The SSFWG met on 23 June 2026.

The meeting's focus was on fraud scenarios in the previous quarter and a follow up on a data sharing item.

Matters covered include:

- Several scam incidents involving Bitcoin ETFs, with investors coaxed into purchasing and then redeeming the ETFs to Bitcoin via off market redemption processes, following which scammers took control of the cryptocurrency wallet and moved the Bitcoin to other parties.
- Significant pump and dump activity involving volatile Hong King listed penny stocks, including a recent incident where the stock moved from 10 cents to $3 over the course of two weeks before the scammers sold down.
- Proactive monitoring by participants of social media sites for stocks the target of manipulation and for take-down of sites used by scammers, noting however a several-day delay for sites to action.
- A member's update on their organisation's review of its information sharing framework for fraud events. While concluding they were able to share general information, and had success in obtaining consent from affected customers to share their personal information, privacy restrictions otherwise limited the situations they could share personal information to stop a fraud.

The SSFWG secretariat also commenced emailing SSFWG members between meetings to provide timely notice of details of frauds and scams detected and shared by a member for that purpose.

The SSFWG also met on 8 September 2026, with a verbal update on that SSFWG meeting to be provided to members at the Business Committee meeting.

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|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **ASX Industry Tokenisation Working Group** |
| **Agenda Item No.** | 3d |
| **Purpose** | To provide an overview and update the Business Committee on ASX's Industry Tokenisation Working Group |
| **Prepared by** | Ricky Budd, Senior Manager, Equities |
| **Action** | For Discussion |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

## SUMMARY

ASX has commenced an Industry Tokenisation Working Group to inform a public discussion paper on the opportunities, risks and practical adoption considerations for tokenisation in Australian financial markets. The initiative is designed to be industry-led and use-case focused, drawing on targeted market engagement and global insights to identify where tokenisation may support improved efficiency, transparency and innovation across existing and emerging market processes.

The introductory session was held on 26 August 2026 with strong industry participation, and future sessions will examine priority use cases across fixed income, derivatives, cash equities, capital raising, asset issuance and market access.

## BACKGROUND

Tokenisation is receiving increasing global attention from market operators, regulators, financial institutions and technology providers. As the technology develops, the focus is shifting from whether tokenisation can work, to where it can deliver tangible value for market participants.

As a steward of critical market infrastructure, ASX plays an important role in supporting the operation of our financial markets and has a responsibility to monitor trends and technologies that may affect the future of market infrastructure.

Accordingly, ASX has established an Industry Tokenisation Working Group to support the development of an industry-informed discussion paper on the opportunities, risks and potential pathways for tokenisation in Australian financial markets. The initiative is intended to bring together a broad cross-section of the market ecosystem, including issuers, investors, intermediaries, market infrastructure providers, custodians and registries, to explore where tokenisation may support improved efficiency, transparency and innovation across existing and emerging market processes.

Insights gathered through the Working Group will be synthesised into a public discussion paper, expected to be released in late 2026. The discussion paper will outline industry perspectives on potential benefits, challenges, adoption pathways and priority areas for further exploration, and will help inform ASX and the Industry's ongoing consideration of tokenisation in Australian financial markets.

The Working Group and discussion paper are not intended to endorse any specific technology, market structure or implementation approach, nor does it represent a commitment by ASX or Industry to develop or deploy tokenisation-enabled services.

## APPROACH

The discussion paper will be informed via a series of targeted industry sessions, supported by input from The Value Exchange on global tokenisation developments, emerging use cases and international market initiatives. Each session will focus on priority market segments and practical requirements, including tokenised assets, settlement and post-trade processes, collateral management, cash considerations, market models and interoperability with existing market infrastructure.

## KICK OFF SESSION

The introductory session was held on 26 August 2026 and was well attended by 87 industry participants joining the session. The objectives of the kick-off session were to establish a shared understanding of the global tokenisation landscape and emerging market developments, seek high-level alignment and discussion on key considerations that should guide future sessions, and leverage industry feedback to identify priority areas for deeper examination through subsequent Working Group sessions.

Industry participants raised a broad range of strategic and implementation-focused questions, centred on the future role of exchanges in a tokenised financial system, the challenges market infrastructure providers will need to address, and how tokenisation fits within the wider transformation of global financial markets. There was interest in the evolution of settlement, liquidity and collateral models, including perspectives on pre-funding requirements, the use of stablecoins as margin, and the role of wholesale CBDC and tokenised central bank money. Participants also sought views on the role of public blockchains, such as Ethereum, including potential interoperability with regulated market infrastructure, as well as broader market structure considerations, including liquidity fragmentation. Finally, attendees were keen to understand the expected adoption pathway and indicative timelines for DLT-enabled solutions and tokenised market ecosystems.

Feedback from the session will be used to refine the focus areas for subsequent discussions and ensure the Working Group remains anchored in practical industry requirements and potential pathways for adoption.

## NEXT STEPS

Future sessions will move progressively from scene-setting to deeper industry discussion on specific use cases and implementation considerations. To encourage active discussion and practical feedback, ASX intends for future sessions to be held in person where possible, with MS Teams available to support broader participation.

Future sessions include:

| Date | Session | Location | Time |
|---|---|---|---|
| 9 Sep | Fixed Income | ASX office / MS Teams | 2.00pm – 3.30pm |
| 23 Sep | Derivatives Clearing | ASX office / MS Teams | 2.00pm – 3.30pm |
| 14 Oct | Cash Equities | ASX office / MS Teams | 2.00pm – 4.30pm |
| 28 Oct | IPO Process / Capital Raising | ASX office / MS Teams | 3.00pm – 5.00pm |
| 11 Nov | Asset Issuance & Products | ASX office / MS Teams | 2.00pm – 4.00pm |
| 25 Nov | Trading / Market Access | ASX office / MS Teams | 2.00pm – 4.00pm |

Session dates and times subject to change.

Please contact Tokenisation@asx.com.au for more information or to express interest in joining the working group sessions.

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|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **CHESS Industry-Wide Resilience Exercise** |
| **Agenda Item No.** | 3f |
| **Purpose** | To update Business Committee members on the industry-wide cyber scenario test |
| **Prepared by** | Business Committee Secretariat |
| **Action** | For Discussion |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

The ASX General Manager Customer and Technical Operations will seek for expressions of interest on the CHESS Industry-Wide Resilience Exercise at the 16 September 2026 Business Committee meeting.

**ATTACHMENTS**

Attachment 1: CHESS Industry-Wide Resilience Exercise EOI

# 03f - Expression of Interest (EOI) and Lead Planner Nominations

**ASX will shortly issue an EOI communication inviting organisations to register interest, hear more about the exercise and nominate a single point of contact to act as your organization's lead planner.**

## Program Update

- Retrospect Labs engaged to support design, facilitation, Gauntlet delivery and reporting; ASX retains participant coordination and approvals.
- Scope and objectives have moved into scenario design, with a business-resilience focus on CHESS ecosystem decision-making, coordination, communications and recovery.
- Current focus is finalising EOI registration, defining ongoing stakeholder engagement model and readiness approach.

## Request from Participating Organizations

- **Nominate a lead planner / point of contact**

  Operational representative with appropriate authority to coordinate organizational participation, mobilize stakeholders and oversee exercise readiness throughout the program.
- **Attend EOI briefing and follow-up sessions**

  Understand objectives, expected commitment, support model and Gauntlet onboarding approach.
- **Support readiness and design input**

  Identify relevant roles to attend the exercise: business, operations, cyber, technology and Finance/Treasury ; coordinate logistics for their teams, provide feedback on constraints and scenario relevance.

**Current State**
- **EOI Registry**
- **Lead Planner Nominations**

›

**What's Next**
- **Lead Planner Information session**
- **Exercise Formal Registration**

›

**Future State**
- **Lead planner familiarisation, orientation and readiness activities**
- **ASX FAQ and Drop-in Sessions**



ASX

# 03f - ASX CHESS Ecosystem Resilience Exercise

## The roadmap below sets out the expected engagement path from Expression Of Interest (EOI) nomination through to exercise readiness, delivery and post-exercise learnings.

**1 — Sep 2026** (We are here)

**EOI & nomination**

**Next external comms**

Register interest and nominate a Lead Planner / primary contact.

EOI Registration: 15 Sep - 1 Oct

**2 — Nov 2026**

**Briefing & expectations**

**Following EOI**

Attend induction session covering objectives, exercise structure, participant commitment and support model.

**3 — Nov 2026 – Mar 2027**

**Internal coordination**

**Planning period**

Identify organisational participants across business, operations, technology, cyber and governance.

**4 — Feb - Apr 2027**

**Platform & readiness**

**Pre-exercise readiness**

Complete familiarisation, onboarding and readiness activities, including drop-in & Gauntlet orientation sessions where required.

**5 — 4 May 2027**

**Exercise delivery**

**Planned May 2027**

Coordinate organisational participation during the facilitated tabletop exercise

**6 — Jun - Jul 2027**

**Debrief & learnings**

**Post-exercise**

Support observations, feedback and lessons learned to strengthen sector resilience.

Ongoing Communication with participating organisations

**Business Committee message**

**Nominating a lead planner is the first readiness step, it gives ASX a single contact and keeps preparation consistent across organisations**

| | |
|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **Clearing Risk Liquidity Framework update** |
| **Agenda Item No.** | 3g |
| **Purpose** | To update Business Committee members |
| **Prepared by** | Key Yong Tee, Interim Head of Capital & Credit |
| **Action** | For Discussion |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

The ASX General Manager, Clearing Risk will provide an update on a proposed on a proposed initiative to strengthen liquidity risk management expectations for clearing participants at the 16 September Business Committee meeting.

| | |
|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **CHESS Project update** |
| **Agenda Item No.** | 4c |
| **Purpose** | To provide Business Committee members with an update on the CHESS project, industry engagement activities and the CHESS Project support model |
| **Prepared by** | Triona Quinlan, General Manager, Technology Delivery |
| **Action** | For discussion |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

## EXECUTIVE SUMMARY


CHESS Release 2 has returned to GREEN following the successful on-time deployment of Drop 2 to the CHESS Release 2 Industry Test Environment and the mitigation of the key delivery risks that previously drove the AMBER status.

Current delivery focus is on completing Drop 3 testing by late September 2026, progressing Drop 5 analysis and build readiness, and maintaining industry testing momentum across software providers.

Industry engagement continues through the Technical Committee, working groups, targeted issuer engagement. Pulse survey feedback was broadly positive, with ASX progressing actions to improve meeting efficiency, clarify requested industry actions and support earlier planning through technical documentation where feasible.


## CHESS RELEASE 2 PROJECT UPDATE

The overall status of CHESS Release 2 has returned to GREEN. This reflects the successful deployment of Drop 2 to ITE2 on 6 July 2026 and the closure of the delivery risk relating to condensed Drop 2 delivery timeframes. The GREEN status is supported by continued progress across the remaining delivery drops, while recognising that Drop 5 complexity and industry readiness dependencies remain key areas for active management.

### Drop 2: Settlement Instructions, Settlement and Pass Through Investor Data

Drop 2 code was successfully deployed to ITE2 for industry testing on 6 July 2026. This was a material delivery milestone because it enabled software providers to continue build and functional testing against the next tranche of Release 2 capability and supported the Project’s return to GREEN status.

### Drop 3: Clearing Update, Payments, Issuer Sponsored and Registry Processes

Drop 3 functional and non-functional testing is in progress and is targeted for completion by late September 2026. Completion of Drop 3 will enable the next software provider build and test phase and is therefore a key near-term milestone for maintaining Release 2 delivery momentum.

To support industry readiness for Drop 3, ASX published the Drop 3 User Technical Documentation in March 2026, enhanced test tooling for issuer-sponsored and registry processes, and introduced assisted testing services for operational scenarios.

### Drop 4: Change of Controlling Participant and Portfolio Transfers, Holding Adjustments and Batch Payments

Verification and validation activities for the Drop 4 BaNCS build were completed in mid-August 2026, with all core end-to-end workflows successfully demonstrated. Drop 4 build activities were completed in August 2026, and ASX testing is expected to commence in September 2026 following completion of Drop 3 testing. Drop 4 User Technical Documentation was published in early July 2026.

### Drop 5: Corporate Actions and Collateral

Drop 5 is expected to be the largest and most complex Release 2 drop. It introduces corporate actions and collateral management scope and complex messaging integration. Completion of Drop 5 business requirement specifications and commencement of build activities are targeted for September 2026. The Drop 5 User Technical Documentation milestone has moved to October 2026 due to the complexity of the requirements. Given its impact on downstream testing, industry planning and confidence in readiness, Drop 5 will remain a key area of management focus.

### Drop 6: Known Issues, Change Requests, ASX Operational and Business Processes

The Project is planning Drop 6 to address remaining industry-impacting defects, change requests and non-critical internal operational and business processes. Drop 6 will provide a clearer baseline for residual scope and will support final planning for later Release 2 delivery activities.

## INDUSTRY TESTING

The software provider build and test phase commenced on 30 March 2026 as planned. This is the first stage of industry testing, allowing software providers to connect to ITE2, complete development and perform functional testing. All 24 software providers have successfully connected to ITE2.

Industry testing momentum increased from August 2026. All 24 software providers are now testing Drop 1 ISO messages, 15 of 24 are testing Drop 2 messages, and 5 software providers have tested all available Drop 2 messages. This demonstrates that all core workflows and message types are capable of being tested.

The second Industry Timeline Checkpoint is scheduled for November 2026. Its purpose is to formally seek industry perspectives on potential risks or issues in meeting major milestones, including go-live. At this stage, no industry risks have been raised regarding readiness to meet upcoming major milestones. ASX will provide Business Committee members with the key outputs from the checkpoint at the 10 December 2026 Business Committee meeting.

## KEY RISKS

At the 27 May 2026 Business Committee, the Project noted one delivery risk relating to condensed timeframes for Drop 2 delivery. This risk has now been closed following successful deployment of the Drop 2 codebase for the software provider build and test phase in early July 2026. The Project is now managing the following key risks.

| Area | Risk | Management response | Residual exposure |
|---|---|---|---|
| Delivery | Drop 5 build timeline may be impacted by feature complexity and size of drop scope. | The Project is working with BaNCS to align Drop 5 scope and capacity, including opportunities to accelerate delivery, increase resourcing and prioritise scope. Delivery timelines are being reviewed to protect industry milestones. | Medium |
| Delivery | Increased support query volumes may delay responses to industry and affect readiness confidence. | Externally impacting issues are being communicated through industry working groups. ASX continues to monitor open support cases and aged case volumes. | Medium |
| Delivery | Delays in rules consultation activities may affect readiness for go-live. | The Operating Rules timeline is under review to identify contingency options and mitigate risk to future activity. | Medium |

| | | | |
|---|---|---|---|
| Delivery | Industry readiness schedule delays could affect major milestones, including go-live. | ASX will facilitate annual industry timeline checkpoints to assess risks to critical milestones. The next checkpoint is scheduled for November 2026, and industry is expected to proactively raise delivery risks, including impacts from competing organisational priorities. | Medium |
| Delivery | Industry readiness may be affected by the TMX acquisition of Cboe. | ASX is seeking to understand the timing and plan for the Cboe TMX acquisition and re-platform so the impact can be assessed against the Release 2 timeline. The risk will be reassessed when planning details are confirmed. | Medium |
| Delivery | Some CHESS Users may not be ready for new mandatory functionality by Release 2 go-live. | Some new functionality may not be enabled immediately following go-live and could be incrementally phased over time. | Low |

## INDUSTRY ENGAGEMENT

ASX continues to engage industry through the Technical Committee, supporting working groups, targeted issuer engagement and survey feedback mechanisms. These channels provide structured visibility of delivery progress, testing, scope, implementation, migration, cutover and readiness activities across software providers, CHESS Users and issuers.

### Technical Committee and working groups

The Technical Committee operates on a monthly cadence and remains the primary engagement channel for CHESS Users and software providers. It provides updates on project status and governance, key risks and issues, scope, implementation options, testing, cutover, migration and readiness activities. It also oversees the Business Design Working Groups, AMO Working Groups, Implementation and Transition Working Groups, and ISO Design Working Groups.

| Meeting | Key areas covered |
|---|---|
| 6 June 2026 | Release 2 project delivery and industry testing updates; H1 2026 Pulse Survey results; next steps for Corporate Action Elections functionality. |
| 9 July 2026 | Release 2 delivery and testing updates; key Drop 2 features; Drop 4 User Technical Documentation workflows and messages. |
| 6 August 2026 | Corporate Action Elections proposed final solution design; targeted collateral management engagement; proposed Technical Committee Charter changes. |

Since the 27 May 2026 Business Committee meeting, ASX has also conducted three Business Design Working Group sessions, three Implementation and Transition Working Group sessions, and three ISO Design Working Group sessions covering CHESS UI, connectivity and resilience, Corporate Action Elections, migration scope, collateral management, accreditation, test tooling, parallel test concepts and Drop 5 ISO messages.

### Issuer Services Engagement

ASX is commencing dedicated engagement with issuers through the establishment of an Issuer Working Group. The group will provide issuers with updates on CHESS Release 2 changes that may affect business operations and relevant ASX consultations, including pricing and the CHESS Release 2 Operating Rules and Procedures. The first Issuer Working Group session is expected to commence in late October 2026.

## H1 2026 Industry Pulse Survey

ASX completed the H1 2026 Industry Pulse Survey to assess the effectiveness of industry engagement activities and confidence in the CHESS Project's ability to meet its overall objectives. Survey results were broadly positive across all assessed metrics.

Qualitative feedback asked ASX to maintain monthly Technical Committee engagement while reducing meeting duration, continue improving the clarity of requested industry actions, and consider earlier provision of engagement topics and project documentation in line with the published schedule to support member planning and readiness. ASX has considered this feedback and is progressing actions against all suggested improvement areas in H2 2026.

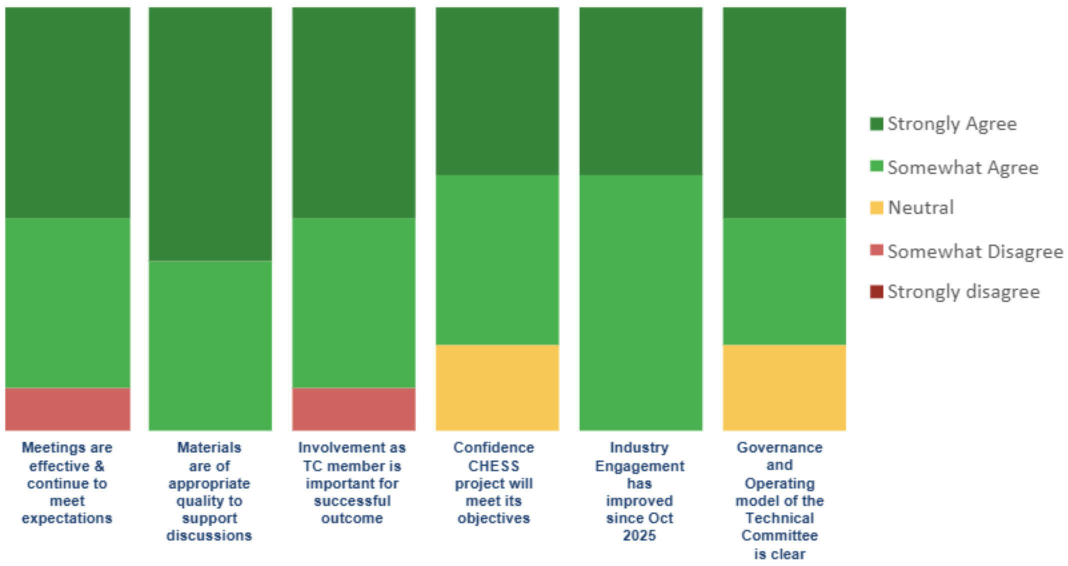
## Attachments

- **Attachment 1:** CHESS Release 2 Pulse Survey Results, providing supporting evidence of industry confidence and engagement feedback.
- **Attachment 2:** CHESS Release 2 Indicative Drop Roadmap, providing the indicative delivery sequence and dependency view across remaining drops.

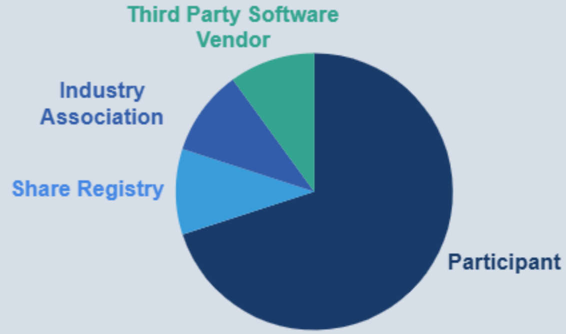
**Attachment 1**: CHESS Release 2 Pulse Survey Results

# 07 – H1 2026 Pulse Survey

## Technical Committee - Engagement Effectiveness




## Participants by Cohort




- 10 respondents
- A member provided feedback on the volume and effectiveness of current Technical Committee engagement (refer to slide 42)

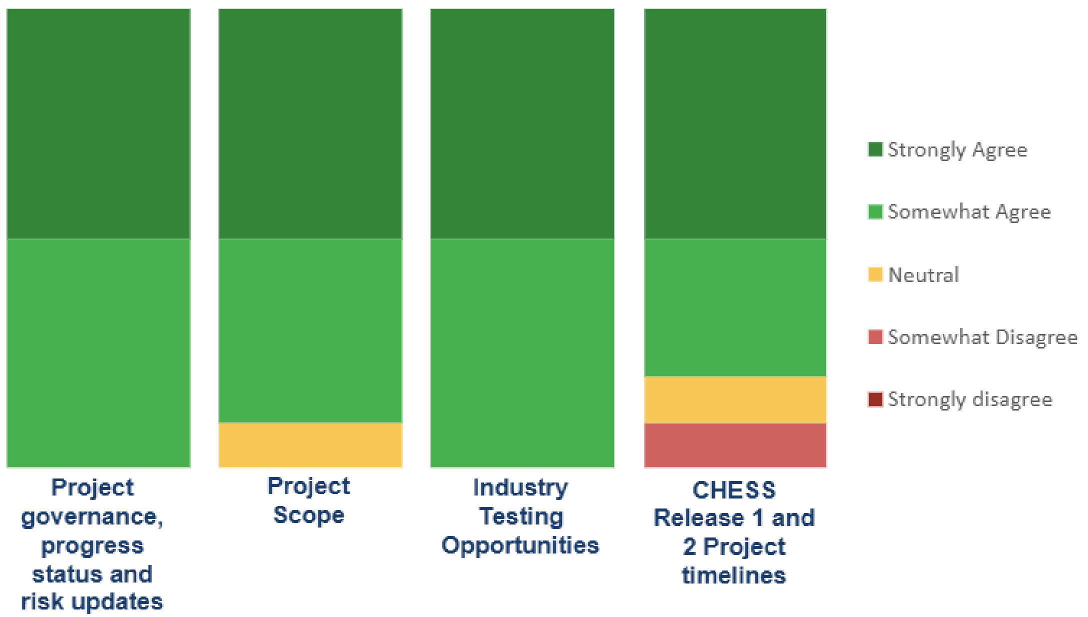


ASX

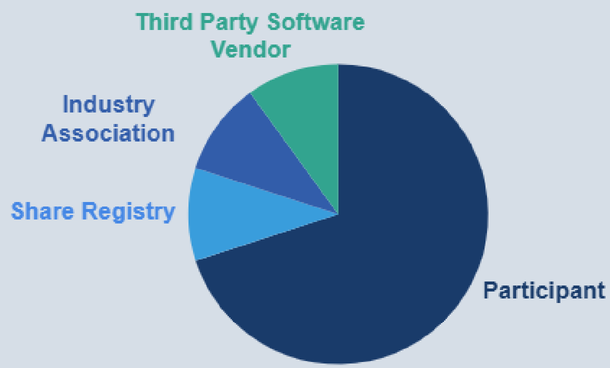
For noting | For discussion | For recommendation

# 07 – H1 2026 Pulse Survey

## Technical Committee - Adequacy of Information




## Participants by Cohort




- 10 respondents
- A member advised that the scope and requirements for CHESS Release 2 testing must be finalized as priority (refer to slide 43)

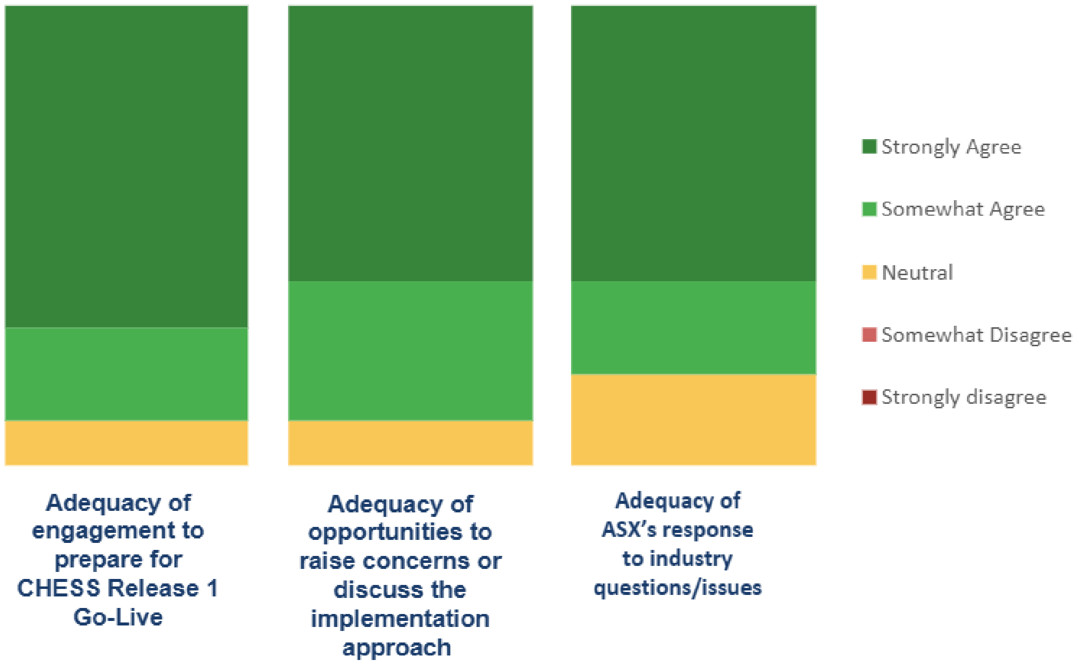


ASX

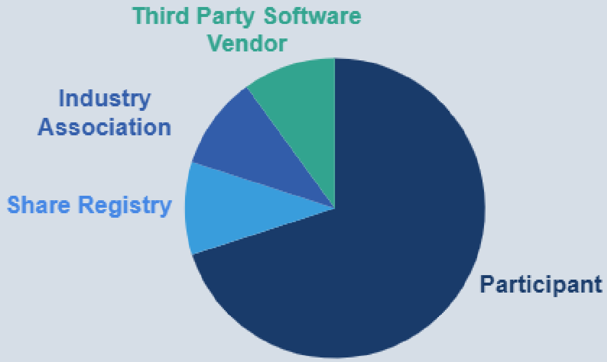
# 07 – H1 2026 Pulse Survey

For noting | For discussion | For recommendation

## CHESS Release 1 Implementation – Industry Engagement




## Participants by Cohort




- 10 respondents
- No qualitative feedback was provided on industry engagement for CHESS Release 1 implementation



ASX

**Attachment 2**: CHESS Release 2 Indicative Drop Roadmap

# Indicative CHESS Release 2 Scope Roadmap

| | Drop 1 | Drop 2 | Drop 3 | Drop 4 | Drop 5 | Drop 6 |
|---|---|---|---|---|---|---|
| **Feature Scope** | • Participant and Registry/issuer Setup<br>• Accounts and holdings<br>• Unilateral non-batch instructions<br>• Account and holding balance reporting | • Settlement instructions<br>• Batch settlement (excluding payments)<br>• Pass-through investor data | • Trade registration & netting<br>• Issuer sponsored processes<br>• Cum entitlement balance and holding movement reporting<br>• Claims and adjustments<br>• Corporate actions tranche A (cash) | • Change of controlling Participant & portfolio transfer<br>• Holding adjustments<br>• Batch Payments (→)<br>• Batch exceptions (including default management and backout)<br>• RITS batch integration<br>• Corporate actions tranche B (securities) | • ETO/CMM collateral<br>• Daily margin advice<br>• Offer administration facility<br>• Corporate action elections without payment<br>• Corporate action elections with payment<br>• Corporate actions tranche C (remaining)<br>• RITS RTGS integration<br>• SWIFT for Payment Providers (→) | • Bug fixes and CRs<br>• Additional ASX internal operational and business processes |
| **User Journeys** | 1. **Participants** can test the full account lifecycle (create & update, lock and cancel)<br>2. **Participants** can perform simple transfers between accounts they administer<br>3. **Registries** and **Participants** can receive account and holding balance reports | 1. **Participants** can match and schedule settlement instructions<br>2. **Participants** can settle instructions in a daily batch (excluding payment provider and payment services flows), including unit failure<br>3. **Participants** and **Registries** can test pass through investor data | 1. **Participants** can receive market trades in ISO 20022, novate, net and schedule for settlement<br>2. **Participants** and **Registries** can test issuer sponsored flows<br>3. **Participants** and **Registries** can receive corporate action and holding movement reporting<br>4. **Participants** obligations are adjusted to account for fails and adjustments<br>5. **Participants** can reserve balances and specify trust amounts | 1. **Participants** can perform change of controlling Participant and portfolio transfers<br>2. **Registries** can process corporate actions including performing holding adjustments<br>3. **Payment providers** can manage payment facilities and authorise funds for batch payments (→)<br>4. **Participants** and **Payment Providers** can test remaining batch settlement processes (such as, backout, cancellation and close-out) | 1. **Participants** can lodge non-cash collateral and ETO cover and adjust margin<br>2. **Participants** and **Registries** can test takeovers, buybacks and bank account communications<br>3. **Participants** and **Registries** can test option elections without payment (DRP/BSP)<br>4. **Participants** and **Registries** can test option elections with payment (Rights, SPPs)<br>5. **Participants** can test non-batch payment processes | *To be determined* |
| **Status** | • Technical documentation published<br>• Drop 1 Software Provider Build & Test phase commenced 30 March 2026 | • Technical documentation published<br>• Drop 2 Software Provider Build & Test phase commenced 6 July 2026 | • Technical documentation published<br>• Drop 3 Software Provider Build & Test phase expected to commence late-September 2026 | • Technical documentation published | • Technical documentation expected to be published in October 2026 | *To be determined* |

←/→ Movements between drops
✦ Scope clarifications

Blue denotes an update since last presented
Indicative roadmap – subject to change

ASX

16

| | |
|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **CHESS Project: Update on detailed design for corporate action elections functionality** |
| **Agenda Item No.** | 4b |
| **Purpose** | To provide Business Committee members with the final solution design propose for corporate action election functionality for CHESS Release 2 |
| **Prepared by** | Chris Boyes, Head of Product, Securities and Payments |
| **Action** | For recommendation |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | The Business Committee RECOMMENDS the final solution design of corporate action election functionality to support industry with software development activities for CHESS Release 2 |

## OVERVIEW

Corporate action election processes remain largely dependent on manual and fragmented workflows involving issuers, share registries, custodians, brokers and investors. Industry participants have highlighted various challenges associated with using inconsistent formats, multiple interfaces and information channels. This can result in communication gaps, increased manual intervention and a heightened risk of operational errors. These challenges are amplified by the scale and diversity of the Australian market, which comprises more than 2,000 listed or quoted issuers and over 6,000 corporate action events administered yearly across Australia's current share registries, varying in size and sophistication.

While CHESS currently supports limited electronic functionality for selected event types and provides reference and holdings data services, most corporate action notifications, elections and payment-related activities continue to occur outside CHESS through registry-managed processes. The absence of a consistent, end-to-end electronic framework increases operational risk, can impact the timeliness and accuracy of investor elections, and contributes to a fragmented client experience across the market.

## CORPORATE ACTION ELECTION SOLUTION DESIGN

ASX is recommending that participants and share registries develop end-to-end Straight Through Processing (**STP**) capability for corporate action elections as part of Release 2 of the CHESS Project. Under this model, brokers and custodians would be able to submit election instructions directly through CHESS for optional corporate action events, with election messages routed to the relevant registry in a standardised, real-time format. This would reduce reliance on manual processes, paper forms and email-based communications, improving operational efficiency, data quality and consistency across the Australian market.

The final scope for industry development as set out below is intended to automate the lifecycle for corporate action events with the greatest operational risk (DRPs) and friction (Rights Issues and SPPs) while establishing a foundation that could be extended to other events in the future:

- **DRP standing and event specific instructions** - enable participants to submit dividend election preferences and related bank account details through CHESS, supporting both standing instructions and event-specific instructions while allowing share registries to accept or reject the instruction.
- **Elections for Rights issues** - enable participants to electronically submit, manage and pay for Rights Issue elections through CHESS.
- **Elections for Share Purchase Plans** - enables electronic submission, validation, payment and reporting of Share Purchase Plan elections through CHESS.

- **Communication of beneficial holder information on a per election basis** - Enables the inclusion of beneficial holder information as part of the Corporate Action election instructions, particularly for omnibus and nominee account structures.
- **Communication of distribution calculations for elections made via CHESS at a beneficial holder level** - enables share registries to communicate allocation, scale-backs and refund outcomes for elections submitted through CHESS.
- **Non-batch payments (DRP and corporate actions)** - provides a standardised CHESS payment capability that supports aggregated payment processing via RITS RTGS

ASX has recommended industry adopt ISO 20022 messaging standards, with the analysis work for corporate action elections messages and workflows currently progressing through the Technical Committee and associated working groups. This is intended to align Australia's corporate action processing with international market practices and structured data exchange between market participants and share registries. Similar STP models have been operating successfully in major overseas markets for a number of years, including North America and Europe, and would provide greater consistency between domestic and international investors while supporting the modernisation objectives of the CHESS Project.

Development of the functionality will be mandatory for share registries and those participants that support client election activities where an acceptable fully electronic or STP process is not already in place (for example, BPAY or a comparable automated arrangement). In addition, participants whose operating models do not include the provision of election functionality or may instead direct clients to engage the share registry to make elections, will not be required to implement the functionality. An exemption process will support specific participant scenarios where appropriate. Availability of the functionality will also be provided through the CHESS User Interface for low volume users.

**SUMMARY OF INDUSTRY ENGAGEMENT**

Below is a table summarising key industry engagement activity throughout the development of the final solution design for corporate action election functionality, including planned upcoming activities to be presented at the September 2026 Business Committee meeting.

| Date | Industry Engagement |
|---|---|
| July 2023 | **Scope Refinement Workshop** to identify and validate potential scope enhancements that could improve corporate action processing |
| October 2023 | **Business Committee** to recommend progressing the industry identified corporate action scope objectives to the next phase of design evaluation and consultation |
| September – November 2024 | **Consultation Paper** to seek feedback on the proposed corporate action election and acceptance scope and inclusion to Release 2 of the CHESS Project |
| December 2024 | **Business Committee** to provide an update that ASX planned to develop detailed design and specifications for corporate action scope items |
| February – August 2025 | **Technical Committee and associated Working Groups** to seek feedback to assess industry impacts and benefits, likely take-up and the proposed adoption model for corporate action election functionality, |
| September 2025 | **Business Committee** to recommend development of corporate action election functionality to be mandatory for share registries and optional for participants. |
| October 2025 – April 2026 | **Technical Committee and associated Working Groups** to refine the design, phasing and enablement approach for corporate action election functionality |
| May 2026 | **Business Committee** to provide an update on the proposed solution design and revised considerations to make development mandatory for participants without acceptable electronic arrangements |

| | |
|---|---|
| June – August 2026 | **Technical Committee, associated Working Groups and Industry Association Workshops** to address residual industry feedback on the proposed solution design and revised development proposal for participants |
| September 2026 (to be held) | **Business Committee** to recommend the final solution design of corporate action election functionality for industry development |

**ASX RESPONSE TO INDSUTRY FEEDBACK ON THE SOLUTION DESIGN**

ASX presented the proposed solution design to the Business Committee at the 27 May 2026 meeting for feedback. Following the session, ASX held targeted industry engagement sessions from June 2026 to August 2026 and made key changes to address the following industry feedback themes:

- **Enablement Approach** - Participants and share registries provided feedback on the potential impacts to the CHESS Release 2 implementation timeline due to the enablement of complex corporate action election functionality. To manage this, corporate action election functionality will continue to be delivered as part of CHESS Release 2 but will be operationally enabled at an agreed date following Release 2 Go-Live, which is expected to be 3-6 months following Go-Live. This enablement approach prioritises the implementation of core CHESS Release 2 scope objectives and minimises potential implementation risks to Go-Live.
- **End-to-End Automation** - Participants and share registries have continued to emphasise that the solution must be fully automated for the investment to be worthwhile, including the communication of beneficial holder information and distribution confirmations for elections made through CHESS. ASX has revised its approach to investigate a solution after Go-Live and plans to implement scope to communicate beneficial holder information via standardised ISO messaging. This will be operationally enabled at an agreed date following Go-Live. ASX and industry have both acknowledged the effort and benefits involved with this scope inclusion.
- **Risk Reduction** - Share registries have indicated that one of the scope objectives for the new solution should be to reduce overall market risk by ensuring that critical and/or confidential information is not disseminated or manually entered incorrectly. ASX intends to implement a fully automated process for the creation of events with information sourced directly from market announcements and by enabling share registries to transmit bank account information using CHESS through standardised ISO messaging. This is expected to reduce the potential for manual entry errors, improve the security of confidential information, and support a more consistent, timely and reliable process across the market.
- **Industry Readiness** - Participants noted that enablement would also be dependent on software provider support, availability of APIs and readiness of upstream and downstream systems. Share Registries noted that development to support the solution design, specifically beneficial holder information may require substantial change or build effort. ASX is planning to provide additional time for accreditation of corporate action election functionality and hold a corporate action industry checkpoint following the operational readiness phase in Q3 CY2028 to assess industry readiness to enable the new functionality.
- **Industry Take-up** - Share registries have continued to provide feedback that the functionality should be mandatory and consistently adopted across the participant cohorts to enable the industry benefits. ASX has mandated development as mandatory for participants and established an exemption process for participants that operate acceptable fully electronic processes or if the provision of corporate action election functionality is not provided to clients as part of their operating model. ASX considers this approach strikes an appropriate balance between achieving market-wide standardisation while recognising differing participant business models.

Overall support to develop corporate action election functionality as part of CHESS Release 2 continues to remain strong from retail participants, institutional participants, custodians and share registries particularly where it creates a standardised corporate action election process across the market.

**NEXT STEPS**

Business Committee members are requested to note the solution design for corporate action election functionality set out in Attachment 1 and further note:

- The industry engagement process undertaken by ASX and the range of detailed feedback provided by the industry
- ASX's response to the key industry feedback themes
- The information contained within Attachment A is planned to be used as the key input for the Drop 5 CHESS User Technical Documentation and made available for Drop 5 industry testing targeted for late-March 2027.

ASX is expected to commence consultation on proposed changes to the ASX Settlement Operating Rules from April 2027.

**ATTACHMENT(S)**

Attachment 1: Corporate Action Election Functionality Solution Design

| | |
|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **Proposed Technical Committee Charter Changes** |
| **Agenda Item No.** | 4c |
| **Purpose** | To provide an overview of proposed amendments to the Technical Committee Charter |
| **Prepared by** | Steven Hannan, Senior Manager Stakeholder Engagement<br>Business Committee Secretariat |
| **Action** | For recommendation |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

## BACKGROUND

The CHESS Replacement Technical Committee (**Technical Committee**) was established as an industry forum for ASX to communicate and provide visibility to, and seek expert views and input from, impacted stakeholders on the safe and successful delivery of the CHESS Project and for impacted stakeholders to obtain input that informs their own decision making.

As the CHESS Project has progressed into build and industry testing for CHESS Release 2, it has become increasingly important that Technical Committee members are able to assess the delivery and industry-readiness implications of potential changes occurring beyond the CHESS Project. Key initiatives or proposed changes impacting cash equities clearing and settlement infrastructure (including business-as-usual changes to current CHESS) could create interdependencies that affect the sequencing, scope and readiness of CHESS Release 2 delivery. The proposed updates to the Technical Committee Charter will provide the Technical Committee with the ability to receive and evaluate the impacts of this information on the delivery of the CHESS Project.

## PROPOSED UPDATES TO THE CHARTER

At the 6 August 2026 Technical Committee meeting, ASX presented two proposed amendments to the Charter. ASX advised that the proposed amendments were administrative in nature and invited members to provide feedback via the CHESS Project inbox ahead of recommendation at the September 2026 Business Committee meeting. No member feedback was recorded at the meeting or following.

The proposed amendments are summarised below:

- **Additional role responsibility** - for the Technical Committee to provide members with an overview of key initiatives or proposed changes impacting cash equities clearing and settlement infrastructure to enable members to review and evaluate the impacts of this information on the delivery of the CHESS Project.

- **Naming convention change** - Change the name of the forum from the ‘CHESS Replacement Technical Committee’ to the ‘CHESS Project Technical Committee’

The changes to the Charter are shown in mark-up in **Attachment 1**.

## NEXT STEPS

The updated Charter is being tabled for feedback, with Business Committee members and their representatives invited to provide any comments or to raise any questions on the proposed updates to at the 16 September Business Committee meeting or via the Business Committee Secretariat inbox.

## ATTACHMENT(S)

Attachment 1: Updated ASX Technical Committee Charter

# ASX CHESS Project Technical Committee – Charter

## 1. Purpose

1.1. The CHESS Project Technical Committee is an industry forum for:

a. ASX to obtain input from impacted stakeholders to inform ASX Management and the Boards of ASX Clear and ASX Settlement in relation to its decision making and help solve issues in the replacement of ASX's Clearing House Electronic Sub-register System (CHESS)

b. ASX to communicate and provide visibility to, and seek expert views and input from, impacted stakeholders on the safe and successful delivery of the CHESS Project

c. Impacted stakeholders to obtain input that informs their own decision making

1.2. The CHESS Project Technical Committee is a sub-committee of the Business Committee.

## 2. Roles of the CHESS Project Technical Committee

2.2 The CHESS Project Technical Committee will:

a. Provide a forum for industry engagement to review, debate and provide input in relation to project planning, design assumptions and scope (noting this does not preclude formal industry consultation where relevant), and industry benefits

b. Provide ASX and members with an understanding of the practical effects on impacted stakeholders of any changes to industry process, options and sequencing of readiness activities

c. Provide members with an understanding of the key project risks, issues, constraints and diverse industry demands

d. Provide members with an overview of key initiatives or proposed changes impacting cash equities clearing and settlement infrastructure to enable members to review and evaluate the impacts of this information on the delivery of the CHESS Project

e. Receive timely communication and reporting of project status including tracking to project milestones, stakeholder participation in readiness activities, progress statistics and assurance activities

f. Consider the implementation approach, including the risks and benefits of various transition options to appropriately manage industry risks.

## 3. Membership

3.1 The membership of the CHESS Project Technical Committee is intended to be representative of impacted stakeholders (those who have to undertake readiness activities for a successful go-live).

3.2 Members of the CHESS Project Technical Committee will include:

a. The CHESS Project Technical Committee Chair

b. The Business Committee Chair

c. One nominated representative per Business Committee member (other than Business Committee members representing industry associations); attendance of representatives of Business Committee industry association members at the CHESS Project Technical Committee is addressed in clause 3.5

d. Third party software vendors

Note in relation to clauses 3.2c and 3.2d above participation is optional. ASX management (including representatives from the CHESS Project team such as subject matter specialists, business analysts and legal counsel) will attend as appropriate.

3.3 ASX, in consultation with the Business Committee, will appoint members of the CHESS Project Technical Committee.

3.4 The nominated members should be actively involved in the CHESS Project, and have the appropriate skills and business responsibilities to actively contribute to achieving the purposes of the CHESS Project Technical Committee. Members are expected to have project expertise to provide meaningful contribution to and discussion on the project planning, scope, risks and issues, with deep operational and technical understanding of cash equities clearing and settlement to actively contribute to achieving the purposes of the CHESS Project Technical Committee.

3.5 ASX, in consultation with the Business Committee, will appoint observers representing Business Committee industry association members. ASIC and RBA will also attend as observers.

3.6 The CHESS Project Technical Committee may invite other parties to join meetings of the CHESS Project Technical Committee to discuss specific matters, as required by project delivery phases and topics. This decision shall be made on the basis of broad consensus of members of the CHESS Project Technical Committee.

3.7 If a member or observer is unable to attend a meeting, the Chair should be advised prior to the meeting. Members and observers may nominate a suitably qualified alternate to attend a meeting.

3.8 Members and observers will not be remunerated for participating in the CHESS Project Technical Committee.

## 4. Responsibilities of CHESS Project Technical Committee members

4.1 Each member of the CHESS Project Technical Committee is expected to actively contribute to the work of the CHESS Project Technical Committee including being available to participate in meetings of the CHESS Project Technical Committee.

4.2 Each member must:

a. Be actively and constructively engaged in meetings of the CHESS Project Technical Committee and the delivery of the CHESS Project in a manner that appropriately balances efficiency and safety, whilst meeting industry and stakeholder expectations

b. Share with the CHESS Project Technical Committee appropriate and useful information relevant to the safe and successful delivery of the CHESS Project

c. Act honestly and in good faith, and exercise a reasonable degree of care and diligence, in the exercise of their role

d. Treat as confidential any materials, information, views, opinions, recommendations, resolutions and minutes of meetings provided for or during meetings of the CHESS Project Technical Committee or otherwise for the purposes of the CHESS Project Technical Committee's operation, until made public by ASX, and not use them for purposes other than for the exercise of its responsibilities as member of the CHESS Project Technical Committee (unless expressly permitted by ASX)

e. This Charter does not prohibit a member from seeking input, in confidence, from within their organisation or from the stakeholder cohort they form part of, to exercise their responsibilities as a member of the CHESS Project Technical Committee.

## 5. Responsibilities of Business Committee members appointing representatives to the Technical Committee

5.1 Each Business Committee member agrees to, and permits the representative nominated by it, to devote the necessary resources, time and expertise to the activities of the CHESS Project Technical Committee as may be required from time to time:

- So as to ensure that the Business Committee member, and the representative nominated by the Business Committee member, comply with their respective obligations and responsibilities under this Charter
- Which are necessary to enable the purposes of the CHESS Project Technical Committee to be realised and met.

5.2 It is understood that each representative of a Business Committee member will bring the perspective of the member that nominated them or, in the case of a representative of ASX, ASX's own interests, to bear on CHESS Project Technical Committee discussions in addition to their broader industry perspective. A representative of a Business Committee member must disclose to the CHESS Project Technical Committee any interests or relationships (extraneous or additional to their organisation's interests and relationships) that the representative considers could reasonably be considered to have the capacity to influence that representative's decisions. This disclosure must include details of the nature and extent of the relevant interest or relationship and be given at a meeting as soon as practicable after the representative becomes aware of the interest or relationship.

5.3 Business Committee members are reminded to have regard to their obligations under competition law. The *Competition and Consumer Act 2010* (Cth) prohibits a corporation from engaging with one or more persons in a concerted practice that has the purpose, effect or likely effect of substantially lessening competition.

## 6. Obligations of ASX and Business Committee

6.1 ASX and the Business Committee will:

a. Consider in good faith the views of the CHESS Project Technical Committee and its members

b. Treat as confidential any materials, information, views, opinions, recommendations, resolutions and minutes of meetings provided for or during meetings of the CHESS Project Technical Committee or otherwise for the purposes of the CHESS Project Technical Committee's operation, until made public by ASX.

6.2 Comments provided in CHESS Project Technical Committee meetings will not be attributed to a specific member for any written reports prepared, including reports to the Business Committee, unless a member consents to the member's comments being attributed in any particular instance.

6.3 ASX recognises there may be specific concerns that Business Committee members do not wish to raise in a group forum. ASX continues to welcome bilateral discussions.

## 7. Chair of the CHESS Project Technical Committee

7.1 ASX shall appoint the Chair of the CHESS Project Technical Committee.

7.2 The role of the Chair is to:

a. Convene, set the agenda for, and preside over meetings of the CHESS Project Technical Committee

b. Take a leadership role in facilitating discussion and, where possible, identifying a consensus amongst CHESS Project Technical Committee members on matters being considered by the CHESS Project Technical Committee

c. Report to the Business Committee on the CHESS Project Technical Committee's discussions

d. Provide copies of the minutes of the CHESS Project Technical Committee to the subsequent meeting of the Business Committee and the boards of ASX Clear Pty Limited and ASX Settlement Pty Limited.

## 8. Meetings of the CHESS Project Technical Committee

8.1 The CHESS Project Technical Committee will initially meet monthly or as scheduled in alignment with the CHESS Project forward engagement plan following consultation with members.

8.2 Agendas may be tailored to cover specific business areas of the CHESS Project, with discussions requiring a sub-set of members (for example, a specific meeting to discuss share registry function). Members are able to propose agenda topics through the CHESS Project Technical Committee Chair. The Chair will endeavour to provide the agenda and presentation material or papers to all members at least one week prior to each meeting.

8.3 ASX will provide the facilities to convene meetings, and will provide the Secretariat to support the CHESS Project Technical Committee. The meetings will generally be held at ASX Offices, Sydney, with video conferencing facilities.

8.4 A quorum for a meeting of the CHESS Project Technical Committee is a majority of its members and the Chair.

8.5 Minutes of all meetings of the CHESS Project Technical Committee will be prepared by the Chair and Secretariat and circulated to members for comment and approval.

8.6 The minutes should record the nature of the discussions, as well as identifying any clear design principles and priorities identified and agreed by the CHESS Project Technical Committee. This includes indicating if these views are held by all members or, if not, the balance of different views amongst members (without attribution to specific members except with consent).

**Change Control**
This document will be reviewed annually and changes will be captured in the table below:

| Author | Comment | Effective date |
|---|---|---|
| ASX | Updates to include an additional role responsibility and change the name of the Technical Committee | |
| ASX | Draft for discussion with Business Committee members | 25 January 2023 |
| ASX | Updates to address comments from Business Committee members on 30 January 2023 | 15 February 2023 |
| | | |

| | |
|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **CHESS Project Assurance Plan Update** |
| **Agenda Item No.** | 5a |
| **Purpose** | To provide an update on progress relating to the assurance plan for the CHESS Project |
| **Prepared by** | Michelle Dal Pozzo, Senior Program Manager, Assurance |
| **Action** | For Noting |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

## BACKGROUND

The purpose of this paper is to provide an update on the status and progress of the CHESS Project assurance plan since the previous update to the February 2026 Business Committee Meeting.

### Status of the Assurance Plan – CHESS Release 1

All assurance reviews required for CHESS Release 1 go-live were completed by the required governance milestones and in accordance with the agreed assurance plan.

### Status of the Assurance Plan – CHESS Release 2

Assurance activities are progressing to planned timeframes. A Project Health Check is in progress, and six assurance reviews have been completed on CHESS Release 2. Details of completed assurance reviews are included in Table 1.

Based on the completed assurance activities, one low rated delivery risk and two low rated delivered risks are open.

An annual refresh of the CHESS Release 2 assurance plan is in progress. The key purpose of the refresh is to progressively build out the assurance plan for a two-year time horizon and to confirm the assurance reviews and their timings remain aligned to the risk profile and current schedule of the project.

### June 2026 Independent Expert Report on the CHESS Project assurance plan

EY's six-monthly independent expert report required under licence conditions from ASIC was finalised in June 2026. The report provided conclusions regarding the completed assurance plan for Release 1, governance over the assurance plan for Release 2 and completed assurance reviews on Release 1 and Release 2 in the six-month period. No findings or recommendations for remediation were made. The report was publicly released on 20 August 2026 and is available here.

**Table 1: Summary of completed reviews for CHESS Release 2**

| Assurance Review | Month Completed |
| --- | --- |
| Release 2 Architecture Technology Roadmap Review | August 2026 |
| Release 2 Security Design Interim Review | April 2026 |
| Penetration Test – Industry Test Environment (ITE2) | February 2026 |
| Release 2 Independent Test Assessment – Stage 1 Review | February 2026 |
| Release 2 Industry Test Approach Review | October 2025 |
| Release 2 Delivery Approach and Requirements & Design Processes Review | October 2025 |

| | |
|---|---|
| **CHESS Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **Operationalising client account segregation and margin requirements for third-party clearing arrangements** |
| **Agenda item no.** | 5b |
| **Purpose** | To provide Business Committee members with an update on ASX's initial analysis on supporting client account segregation and margining in third-party clearing scenarios |
| **Prepared by** | Business Committee Secretariat |
| **Action** | For noting |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

## BACKGROUND

In response to Action Item 25-9-3 raised at the 11 February 2026 Business Committee meeting, and continued at the May 2026 Business Committee meeting, ASX advised members that supporting the ability for Clearing Participants to use funds provided by Trading Participants to pay cash market margin would require changes to ASX's operational processes and systems, and remained subject to further internal review.

ASX has since progressed its analysis and has determined that this is feasible via the optional segregated account structure (refer to Figure 1) for Clearing Participants that provide third-party clearing services to Trading Participants to be delivered in CHESS Project Release 2, subject to the considerations below.

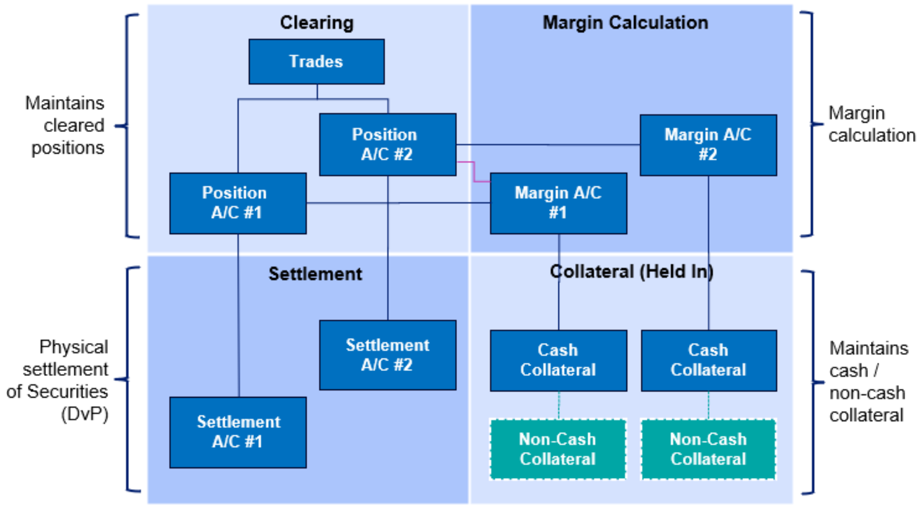
## ASX CONSIDERATIONS

### CHESS Release 2 Implementation

The optional segregated account structure would be supported by new Position Account functionality to be delivered as part of CHESS Release 2. The new Position Account functionality would enable the positions of an underlying Trading Participant to be segregated through the clearing and settlement processes from the positions of other Trading Participants, with margin also optionally calculated at the individual Trading Participant account level. The proposed structure would:

- allow a Clearing Participant to apply a specific Trading Participant's house monies to meet that Trading Participant's margin obligations, and
- enable a Clearing Participant and relevant individual Trading Participant to clearly identify the trading activity and margin paid in connection with that Trading Participant's account.

**Figure 1 – Optional Segregated Account Structure**




### ASX Risk Management and Collateral Management Systems Uplift

In addition to CHESS, ASX may also require changes in the risk management system (**RMS**) and collateral management system (**CMS**) to facilitate margin calculation on a segregated basis. This is expected to be scoped and sequenced alongside the CHESS Release 2 delivery, subject to further analysis.

### Regulator and Operating Rules Engagement

ASX's intention is to commence regulatory engagement on the optional segregated account structure for third party clearing arrangements in relation to the solution design, industry feedback, and regulatory considerations, including the treatment of client monies under the Corporations Act 2001 (Cth) in late-September 2026.

Amendments to the ASX Clear Operating Rules (**ASXCORs**) and ASX Settlement Operating Rules (**ASXSORs**) will be required to support these changes. Consultation with industry on the proposed amendments to the ASXCORs and ASXSORs to implement the revised third-party clearing arrangements is planned to commence in 2027.

## NEXT STEPS

The Business Committee is invited to note ASX's update and any further members who are interested in the new account structure are invited to reach out directly to ASX via the Business Committee Secretariat inbox for further information.

| | |
|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **Annual CHESS Roadmap** |
| **Agenda Item No.** | 5c |
| **Purpose** | To provide an update on ASX's annual review and update to the CHESS roadmap, and EY's independent assessment |
| **Prepared by** | Stephen Hammon, General Manager, Business Management & Planning, Securities & Payments |
| **Action** | For Noting |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

In 2023, ASX Clear Pty Limited and ASX Settlement Pty Limited first published the CHESS Roadmap. Since then, annual updates through the CHESS Roadmap Report have provided ongoing visibility (2024 and 2025).

In 2026, ASX Clear and ASX Settlement have again followed the annual review process to complete the annual review of the CHESS roadmap.

ASX's 2026 CHESS Roadmap Update Report of ASX Clear Pty Limited and ASX Settlement Pty Limited is published here. The report notes ASX's progress in replacing CHESS and sets out the important work that continues to ensure the ongoing support and maintenance of CHESS until CHESS is safely replaced in entirety.

Key updates in the 2026 report include:

- The CHESS Roadmap has been updated to track and monitor six new initiatives, with completion dates ranging between July 2026 and July 2028.
- As at April 2026, the current CHESS program of work has completed 42 CHESS Roadmap initiatives, comprising:
    - All 27 initiatives in the April 2023 CHESS Roadmap
    - Five of the seven initiatives added to the CHESS Roadmap in 2024
    - 10 of the 15 new initiatives added to the CHESS Roadmap in 2025

EY's sixth six-monthly progress report in relation to its independent assessment over the CHESS Roadmap and Roadmap Refresh is published here.

| | |
|---|---|
| **Committee** | Business Committee |
| **Meeting date** | August 2026 |
| **Agenda title** | **Operational performance - cash market clearing and settlement services** |
| **Agenda item no.** | 5a |
| **Purpose** | To report on key performance metrics for ASX's clearing and settlement services |
| **Prepared by** | Stephen Kelly, General Manager, Clearing & Settlement Operations |
| **Action** | For noting |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

1. **Purpose of Paper**

   To provide an update to the non-ASX directors on key performance metrics for ASX's clearing and settlement services.

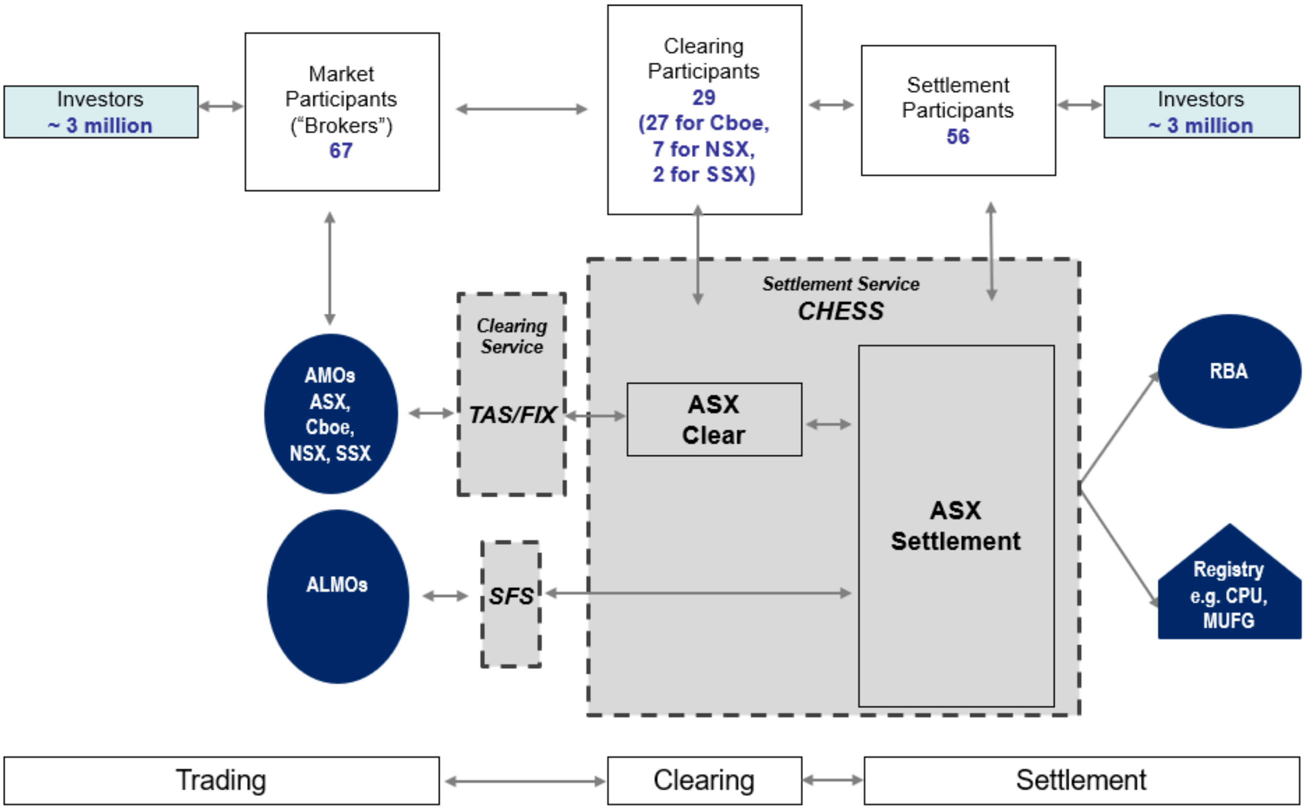
2. **Recommendation**

The non-ASX directors of the CS Boards are asked to note this paper.

3. **Report**

**Overview**

# Market Structure Overview




The clearing and settlement of equities perform a critical role in the operation of Australia's financial markets, helping to reduce counterparty and systemic risk, and provide transaction efficiency and certainty for end investors.

Core processes that provide these benefits include novation, netting and settlement.

## SERVICE AVAILABILITY

### Settlement Service (CHESS)

ASX's critical settlement processes continue to be supported by its core system, CHESS. A key metric for monitoring system availability is the percentage of system uptime as measured against target availability times. The service availability target for CHESS is 99.80%.

The average monthly system availability for CHESS was 100% during the June 2026 quarter and the September 2026 quarter[1].

The average monthly availability of CHESS has been 100% between August 2016 and August 2026.

### Clearing Service (from 20 April 2026)

From 20 April 2026, CHESS Replacement R1 went live with the new Clearing Service, which now performs the equity clearing functions, including novation and netting. These clearing services were previously performed within CHESS prior to this date.

The service availability target for the Clearing Service is 99.95%.

From commencement on 20 April 2026 through the September 2026 quarter[1], the Clearing Service achieved 100% average monthly service availability.

## TRADE ACCEPTANCE SERVICE AND SETTLEMENT FACILITATION SERVICE

The Trade Acceptance Service (TAS) is operated by the Clearing Service and provides a single point for the submission of equity trades into the clearing and settlement process. All Approved Market Operators (AMOs), including ASX Trade, Cboe, NSX and SSX, are connected to TAS. The Settlement Facilitation Service (SFS) continues to support the settlement processing of accepted trades through CHESS.

The service availability target for TAS and SFS is 99.80%, consistent with CHESS.

The average monthly system availability for TAS and SFS was 100% during the June 2026 quarter and the September 2026 quarter.

The average monthly availability of TAS and SFS has been 100% between August 2016 and August 2026.

## SETTLEMENT PERFORMANCE

A performance metric for monitoring the CHESS Batch Settlement is the failure performance, which is a measure of the failed settlement instructions that occurred during Batch.

The daily average fail performance is slightly lower at 0.115% in September 2026 quarter[1], compared to 0.161% average for the previous twelve months between September 2025 and August 2026, and lower compared to 0.151% over the 3-year period from September 2023 to August 2026.

Equity Post Trade Operations review daily settlement data for recurring trends in the settlement failure rate to monitor and ensure that there are no systemic issues.

[1] As at 31 August 2026

| Month | Aug-26 | Jul-26 | Jun-26 | May-26 | Apr-26 | Mar-26 |
|---|---|---|---|---|---|---|
| Average Fail Rate | 0.101% | 0.128% | 0.126% | 0.121% | 0.120% | 0.134% |
| Average Fail Rate (excl. Unilateral) | 0.071% | 0.093% | 0.091% | 0.084% | 0.078% | 0.088% |
| Average Value Based Fail Rate | 0.078% | 0.084% | 0.138% | 0.088% | 0.063% | 0.082% |
| Average Initial Fail Rate | 0.014% | 0.014% | 0.014% | 0.017% | 0.014% | 0.017% |
| Maximum Fail Rate | 0.163% | 0.317% | 0.358% | 0.343% | 0.527% | 0.385% |
| Minimum Fail Rate | 0.052% | 0.042% | 0.046% | 0.064% | 0.039% | 0.073% |
| # of days Fail rate > 0.300% | 0 | 2 | 1 | 1 | 1 | 1 |
| Batch Settlement Extensions | 0 | 0 | 0 | 0 | 2 | 0 |
| Fallback of Payment Provider | 0 | 0 | 3 | 0 | 0 | 0 |
| Average No. of Settlement Instruction | 144,381 | 135,827 | 154,864 | 144,447 | 146,206 | 157,498 |

**REPORTING ON CLEARING AND SETTLEMENT SERVICE PERFORMANCE**

The key metrics for novation, netting efficiency and settlement efficiency for the three consecutive quarters to September 2026[1] are reported in Attachment A. This is supported by charts demonstrating a longer reporting period in Attachment B.

## 4. ASX incidents impacting operational performance

There were no ASX incidents impacting operational performance during the period.

## 5. Risks or Issues

The information above does not raise any specific risks of issues. The AMO risk profile is reported in the separate Business Update paper.

**ATTACHMENTS**

Attachment A Summary metrics relating to the performance of the ASX clearing and settlement service
Attachment B Performance of the ASX clearing and settlement services from January 2022 to August 2026

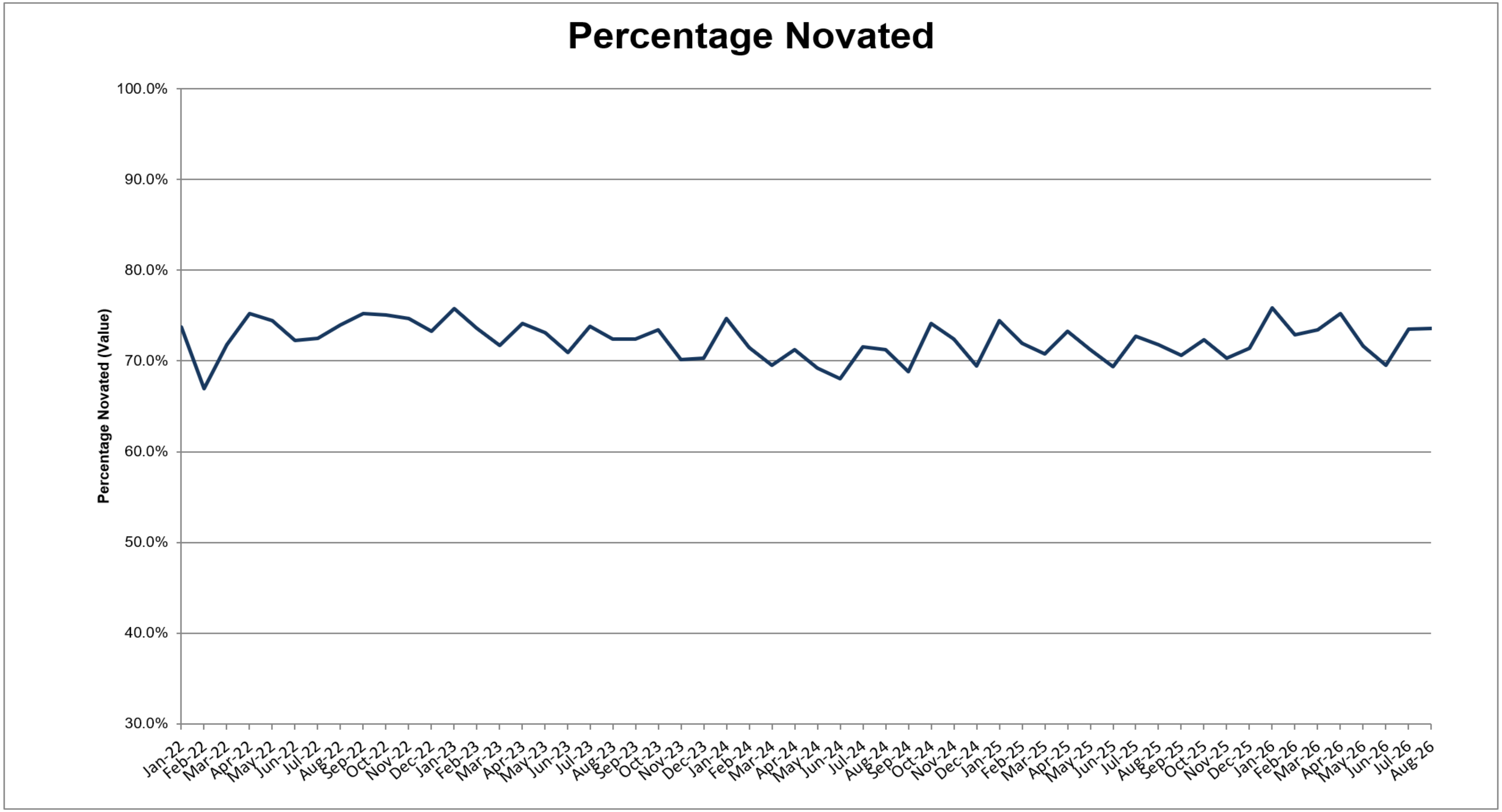
## ATTACHMENT A – SUMMARY METRICS RELATING TO THE PERFORMANCE OF THE ASX CLEARING AND SETTLEMENT SERVICE

| | September 2026 Quarter[1] | June 2026 Quarter | March 2026 Quarter |
|---|---|---|---|
| System Availability (CHESS) | 100% | 100% | 100% |
| System Availability (TAS) | 100% | 100% | 100% |
| **Trade registration** | | | |
| Total Trades Accepted (ASX) | 130,852,452 | 189,522,158 | 185,166,040 |
| Total Trades Accepted (Cboe) | 40,622,269 | 57,812,544 | 57,953,999 |
| Total Trades Accepted (NSX) | 40 | 105 | 86 |
| Total Trades Accepted (SSX) | 0 | 0 | 0 |
| Daily Average Trades across all AMOs | 3,897,154 | 3,989,271 | 3,921,292 |
| Highest Daily Trade Registration across all AMOs | 5,051,814 | 4,903,746 | 5,660,609 |
| Highest Consecutive 2 Days Trade Registration across all AMOs | 9,638,066 | 9,573,649 | 10,118,485 |
| **Clearing** | | | |
| Daily Average Traded Value (On and Off Market) | $10.52 billion | $11.71 billion | $11.67 billion |
| Daily Average Cleared Value | $7.73 billion | $8.43 billion | $8.62 billion |
| Percentage Novated | 73.54% | 72.13% | 74.04% |
| Netting Efficiency (Value) | 70.69% | 70.77% | 70.38% |
| Netting Efficiency (Volume) | 99.37% | 99.36% | 99.31% |
| Daily Average Cleared Value Post-Netting | $3.15 billion | $3.40 billion | $3.53 billion |
| **Batch Settlement** | | | |
| Daily Average Settled Value (Including Non-Novated) | $16.63 billion | $18.75 billion | $18.17 billion |
| Settlement Efficiency (Value) | 99.92% | 99.90% | 99.90% |
| Average Daily CHESS Fail Rate (% Rescheduled to the next settlement date) | 0.11% | 0.12% | 0.15% |
| Average Value Based Fail Rate (% Rescheduled to the next settlement date) | 0.08% | 0.10% | 0.08% |

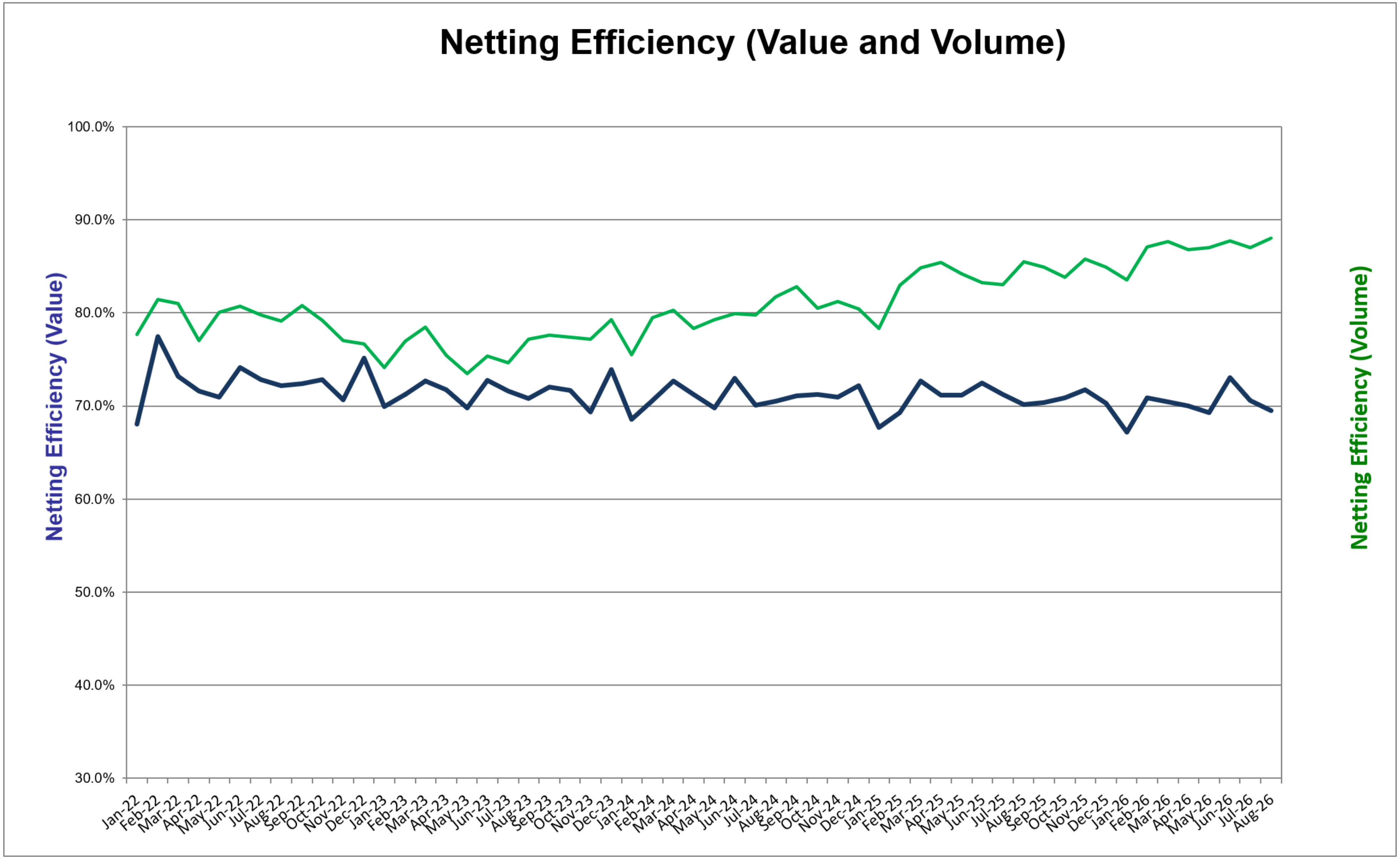
As of March 2022 quarter, Traded Volume includes transactions (for all AMOs) with settlement status "I" (e.g. crossings, informational)

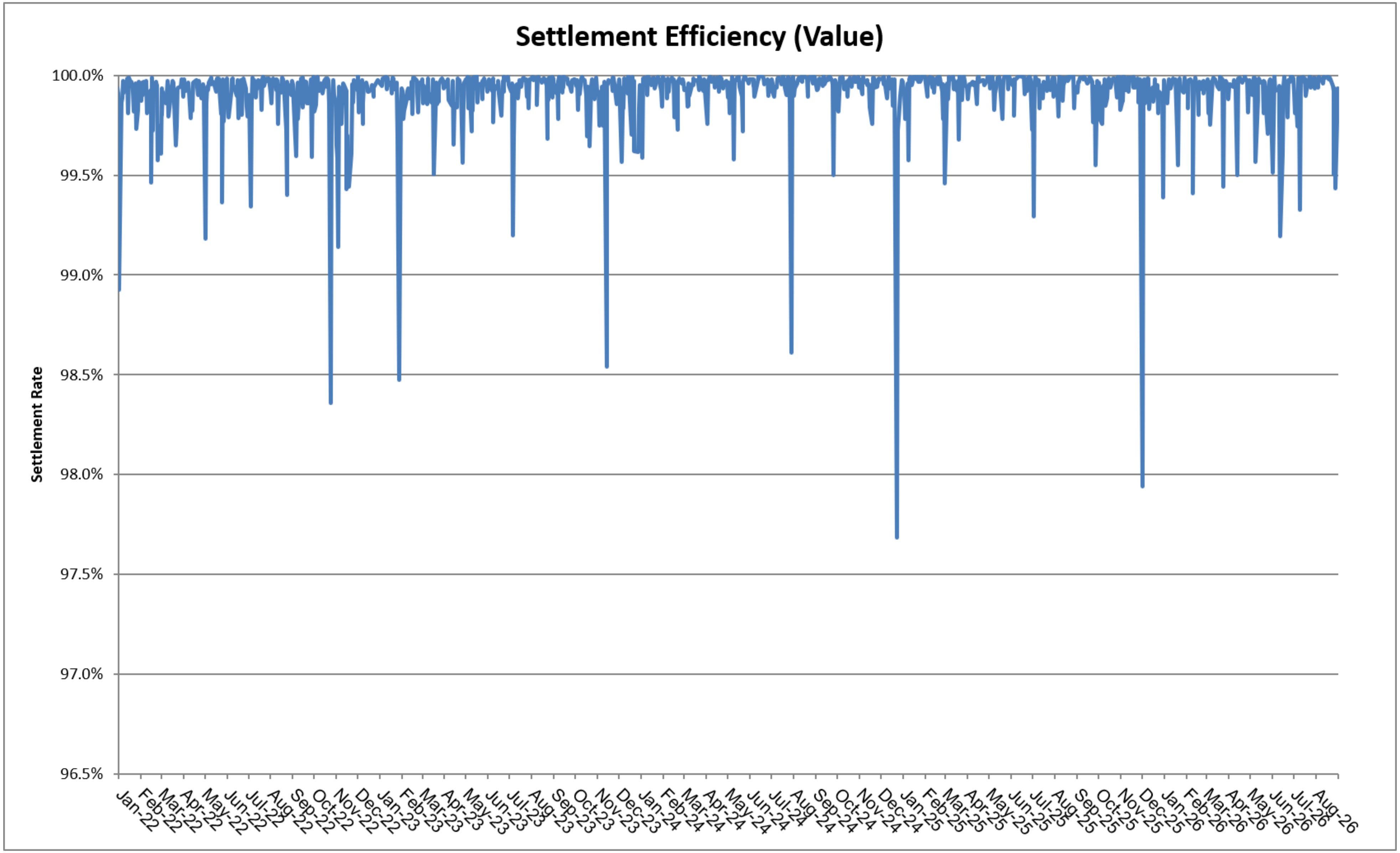
[1] As at 31 August 2026

**ATTACHMENT B – PERFORMANCE OF THE ASX CLEARING AND SETTLEMENT SERVICES FROM JANUARY 2022 TO AUGUST 2026**




As of March 2022 quarter, Traded Volume includes transactions (for all AMOs) with settlement status “I” (e.g. crossings, informational)


Netting Efficiency (Value and Volume)
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
Netting Efficiency (Value)
Netting Efficiency (Volume)
Jan-22
Aug-26


Settlement Efficiency (Value)
Settlement Rate
100.0%
99.5%
99.0%
98.5%
98.0%
97.5%
97.0%
96.5%
Jan-22
Feb-22
Mar-22
Apr-22
May-22
Jun-22
Jul-22
Aug-22
Sep-22
Oct-22
Nov-22
Dec-22
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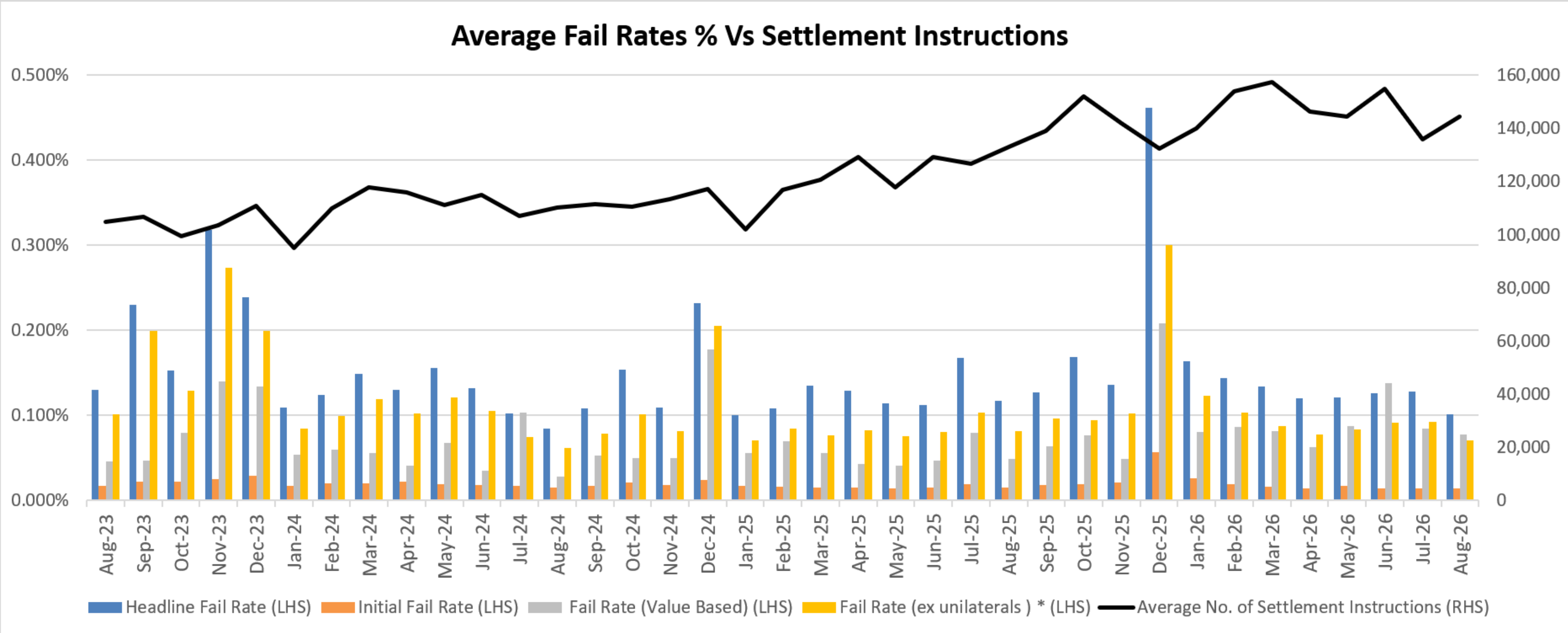
Average Fail Rates % Vs Settlement Instructions
0.500%
0.400%
0.300%
0.200%
0.100%
0.000%
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
Aug-23
Sep-23
Oct-23
Nov-23
Dec-23
Jan-24
Feb-24
Mar-24
Apr-24
May-24
Jun-24
Jul-24
Aug-24
Sep-24
Oct-24
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Jun-25
Jul-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
Jun-26
Jul-26
Aug-26
Headline Fail Rate (LHS)
Initial Fail Rate (LHS)
Fail Rate (Value Based) (LHS)
Fail Rate (ex unilaterals ) * (LHS)
Average No. of Settlement Instructions (RHS)

| | |
|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **Partnership Program update** |
| **Agenda item no.** | 5e |
| **Purpose** | To provide members with an update on the CHESS Project Partnership Program |
| **Prepared by** | Business Committee Secretariat |
| **Action** | For noting |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

## PARTNERSHIP PROGRAM UPDATE

On 16 February 2023, ASX announced the establishment of the CHESS Project Partnership Program (**Partnership Program**), a forward-looking incentive program of up to $70 million, designed to encourage continued participation in the CHESS Project. The Partnership Program consists of two components – the Participant Rebate Pool and the Development Incentive Pool (**DIP**).

- The Participant Rebate Pool of $15 million has been paid to Clearing and Settlement (**CS**) participants proportionately based on CS fees paid to ASX during the period of 1 January 2023 to 30 June 2023. The rebate was designed to provide support through a one-off fee reduction. All payments under the Participant Rebate Pool have now been made to eligible participants.
- The DIP of up to $55 million is available to certain stakeholders who are developing technology applications to connect and interact with the CHESS system, that meet the eligibility criteria (**Program Participants**). The DIP was divided into two tranches covering Release 1 and Release 2 of the CHESS system. Credit notes were issued in the amount of $19 million for tranche 1.

### Development Incentive Pool

The final tranche of the DIP is allocated across two program milestones, with the following eligibility criteria:

- **Milestone 1** – entry into the CHESS Project Release 1 Industry Test Environment and successful completion of a specified subset of test scenarios by 19 June 2026.
- **Milestone 2** – successful completion of technical accreditation of eligible Program Participants' technology application(s) by ASX. Assessment of Milestone 2 is expected to commence in the third quarter of calendar year 2027. This may be subject to change should there by any adjustment to the relevant project milestones.

ASX notified all Program Participants of their eligibility for Milestone 1 of the DIP in July 2026 and issued credit notes in the amount of $21.75 million to all Program Participants by early-August 2026.

The Milestone 2 credit notes of $14.25 million, will be the final amounts distributed under the Partnership Program.

| | |
|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **Open actions** |
| **Agenda Item No.** | 6a |
| **Purpose** | To provide responses to open actions and recommend their closure, where applicable |
| **Prepared by** | Business Committee Secretariat |
| **Action** | For approval |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

Two new open actions were raised at the 27 May meeting for ASX to seek Business Committee member interest in the ASX Industry Tokenisation Working Group (**26-5-1**) and for Business Committee members to provide feedback on the solution design for corporate action election functionality (**26-5-2**).

ASX is proposing to close both open actions and will provide updates at the 16 September Business Committee meeting.

## ACTION ITEMS

| Item number# | Action | Due date | Status | Owner | Response |
|---|---|---|---|---|---|
| 26-5-1 | ASX to seek Business Committee member interest to form the Tokenisation Working Group to develop an industry discussion paper. | Sep 2026 | Propose to close | ASX (Andrew Jones) | The first Tokenisation Working Group meeting was held on 26 August 2026. Refer to agenda 3d for the Working Group update and overview of the forward engagement schedule of meetings |
| 26-4-2 | Business Committee members to provide feedback on the solution design or on potential issues that could impede take up for corporate action elections functionality | Sep 2026 | Propose to close | Business Committee<br>ASX (Chris Boyes) | Refer to agenda item 4b for ASX's recommendation on the solution design for corporate action election functionality |

## KEEP IN VIEW ITEMS

| Topic | Action | Due date | Status | Owner |
|---|---|---|---|---|
| eStatements and Holding Statements | ASX to provide an update at each Business Committee meeting on the electronic take up of Statements and Holding Statements | September 2026 | Open | ASX |
| ASX Public Consultations and Responses | ASX to provide an overview on its consultations impacting Clearing and Settlement, Issuer Services or the CHESS Project | December 2026 | Open | ASX |

| | |
|---|---|
| **Committee** | Business Committee |
| **Meeting date** | 16 September 2026 |
| **Agenda title** | **Forward work program** |
| **Agenda item no.** | 6b |
| **Purpose** | To update the Business Committee on the forward work program for 2026 |
| **Prepared by** | Business Committee Secretariat |
| **Action** | For noting |
| **Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):** | Not applicable |

## BACKGROUND

The Business Committee has met 3 times in CY2026 with the next and final planned to be held on 10 December 2026.

Other than the standard items (minutes of previous meeting etc.) and subject to input from members on additional items or items to be removed, the forward work program for 2026 Business Committee meetings is expected to be:

| Date | Topics |
|---|---|
| **10 December 2026**<br>4.00-6.00pm | • Current CHESS - service performance, maintaining stability<br>• CHESS Project including Technical Committee updates<br>• Annual review of Clearing and Settlement services pricing outcomes under the Pricing Policy<br>• Working Group updates<br>• Forward work program for 2027<br>• End of year drinks |

An overview of the forward work program for CY2026 will be provided at the 10 December Business Committee meeting.

Members are invited to suggest topics for inclusion or removal in the forward work program at any time by contacting the Business Committee Secretariat at BC.Secretariat@asx.com.au.