

Agenda



ASX Business Committee

Date	Wednesday, 17 September 2025
Time	12:00pm – 2:00pm
Location	ASX offices, 20 Bridge Street, Sydney/MS Teams

Agenda Item	Action	Presenter(s)	Est Time	Page
1. Meeting Opening			5 min	
a. Welcome, Open, Acknowledgement of Country	Noting	Chair		
b. Minutes of 18 June 2025 meeting	Approval	Chair		7
Items For Presentation			100 min	
2. Business Committee Member Items				
a. International pricing comparison report update	Discussion	Stephen Hammon	5 mins	8
3. Clearing & Settlement Services, Issuer Services				
a. T+1 Update	Discussion	Barnaby Nelson (The Value Exchange) Andrew Jones	15 mins	9
b. CHES incident communications and batch settlement decisions	Discussion	Andrew Jones Glenn Kennedy	15 mins	31
c. Current CHES update	Discussion	Andrew Jones	10 mins	35
d. ASX Clearing Risk Roadmap	Discussion	Stephen Hammon Paul Lamb	15 mins	36
e. CHES Depository Nominee services service enhancements	Discussion	Karen Webb	5 mins	43
f. Statements Working Group update	Discussion	Karen Webb	5 mins	46
g. Share Sale Fraud Working Group update	Discussion	Con Korkofigas	5 mins	51
h. Business Committee membership nominations	Discussion	Glenn Kennedy	5 mins	52
4. CHES Project				
a. CHES Project update	Discussion	Triona Quinlan	10 mins	54
b. CHES Project: Finalisation of two key scope items for Release 2	Recommendation	Andrew Jones	10 mins	62
Question Session – Items Not For Presentation			10 min	
5. Clearing & Settlement Services, Issuer Services, CHES Project				
a. Assurance Plan update	Noting	Diona Rae		83
b. Independent Assessment of the Assurance Plan for the CHES Project for FY25	Noting	Roberto Fitzgerald (EY)		86

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c.	Operational performance cash market clearing and settlement	Noting	Andrew Jones	87
d.	Customer Impact Plan	Noting	Glenn Kennedy	95
e.	Updated Business Committee Charter & Membership Policy	Noting	Con Korkofigas	101
f.	Securities Lending Reporting update	Noting	Con Korkofigas	102
6. Meeting Closing				5 min
a.	Open actions	Approval	Chair	103
b.	Forward work program	Noting	Chair	106
c.	Any other business	Discussion	Chair	
d.	Next meeting – 4 December 2025	Noting	Chair	

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Business Committee Members (42)

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)	Patrick Salis	Chief Executive Officer	
Bank of America Merrill Lynch	Stephen Hacker	Director, Head of Operations	
Barrenjoey	Louise Boreham	Head of Operations	
BNP Paribas	Mark Wootton	Head of Custody Product Aust & NZ	
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 Le	Executive Director	
Instinet Australia	Phil Penrose	Head of Australian Operations	
J.P. Morgan	Craig Twentyman	Custody Product Head Australia & New Zealand, Executive Director	
Macquarie Group	James Indge	Cash Equities Business Manager	
Morgans Financial	Daniel Spokes	Director, Client Support Services	
Morgan Stanley	Carrie Barrack	Country Business Manager	
Morrison Securities	William Slack	Chief Executive Officer	
Openmarkets Australia	Rob Forbes	Chief Operating Officer	
Phillip Securities (Australia) Limited	Craig Semmens	Chief Executive Officer/Executive Director	

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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 Network, 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	Harpreet Ahuja	Head of Securities Services, Australia & New Zealand, Markets & Securities Services	

Approved Market Operators (4)

Company	Representative	Title	Delegate / Apology
Australian Securities Exchange (ASX)	Ben Jackson	General Manager, Market Operations	
Cboe Australia Pty Ltd	John Williams	Director Australian Equity Operations	
National Stock Exchange (NSX)	Chan Arambewela	Chief Operating Officer	
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)	Rachael Waterhouse	Chief Executive Officer	
Governance Institute of Australia (GIA)	Catherine Maxwell	General Manager, Policy & Advocacy	
Stockbrokers and Investment Advisers Association (SIAA)	Judith Fox	Chief Executive Officer	Michelle Huckel

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The Australian Financial Markets Association (AFMA) Damian Jeffree Senior Director of Policy

Registries (3)

Company	Representative	Title	Delegate / Apology
BoardRoom	Michael Mullins	Chief Information Officer	
Computershare	Josh Collard	Senior Manager, Regulatory & Market Initiatives	
MUFG Pension & Market Services	David Farr	Managing Director, Corporate Markets ANZ	

ASX Representatives (13)

Company	Representative	Title	Delegate / Apology
Australian Securities Exchange (ASX)	Andrew Jones	General Manager, Equities, Securities & Payments	
Australian Securities Exchange (ASX)	Clive Triance	Group Executive, Securities & Payments	
Australian Securities Exchange (ASX)	Con Korkofigas	Senior Legal Counsel and Senior Manager	
Australian Securities Exchange (ASX)	Diane Lewis	General Manager, Regulatory Strategy and Executive Advisory	
Australian Securities Exchange (ASX)	Diona Rae	Chief Operating Officer	
Australian Securities Exchange (ASX)	Glenn Kennedy	Head of Equities Engagement, Securities & Payments	
Australian Securities Exchange (ASX)	Karen Webb	General Manager, Issuer Services, Securities & Payments	
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)	Steven Hannan	Senior Manager, Stakeholder Engagement, Securities & Payments	
Australian Securities Exchange (ASX)	Tim Whiteley	Chief Information Officer	
Australian Securities Exchange (ASX)	Triona Quinlan	General Manager, Technology Delivery	

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Invited Guests (2)

Company	Representative	Title	Delegate / Apology
The Value Exchange	Barnaby Nelson	Chief Executive Officer	

Observers (7)

Company	Representative	Title	Delegate / Apology
Australian Securities and Investments Commission (ASIC)	Benjamin Cohn-Urbach	Senior Executive Leader, Market Infrastructure	
Australian Securities and Investments Commission (ASIC)	Hema Raman	Senior Specialist, Market Infrastructure	
Australian Securities and Investments Commission (ASIC)	Derek Scott	Senior Specialist, Market Infrastructure	
Australian Securities and Investments Commission (ASIC)	Liang Chen	Analyst, Market Infrastructure	
Australian Securities and Investments Commission (ASIC)	Nick Hughes	Senior Specialist - Technology, Market Infrastructure Markets Group	
Reserve Bank of Australia (RBA)	Nick Rowbotham	Acting Manager, Domestic Supervision and Resolution Payments Policy Department	
Reserve Bank of Australia (RBA)	Simon Truong	Lead Analyst, Domestic Supervision and Resolution, Payments Policy Department	

Auditors (2)

Company	Representative	Title	Delegate / Apology
Ernst & Young	Roberto Fitzgerald	Partner, Financial Services	
Ernst & Young	Laura West	Senior Manager, Business Consulting	

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	Minutes of 18 June 2025 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 18 June 2025 Business Committee meeting were distributed to members on 24 July 2025. The draft minutes incorporates a comment received by a member and are published at [here](#).

The Business Committee is requested to approve the draft minutes.

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	International pricing comparison report update
Agenda Item No.	2a
Purpose	To provide a verbal update on the progress on the international pricing comparison report
Prepared by	Business Committee Secretariat
Action	For Discussion
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

A Business Committee member requested for an update on the progress on the international pricing comparison report which will be provided by ASX verbally at the 17 September Business Committee meeting.

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	T+1 update
Agenda Item No.	3a
Purpose	To provide members with an update on the global developments on moving to T+1 settlement
Prepared by	Business Committee Secretariat
Action	For Discussion
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

Barnaby Nelson (The Value Exchange) will provide a T+1 global overview to Business Committee members at the 17 September Business Committee meeting.

ATTACHMENT

Attachment 1: T+1 overview for ASX

T+1 global overview

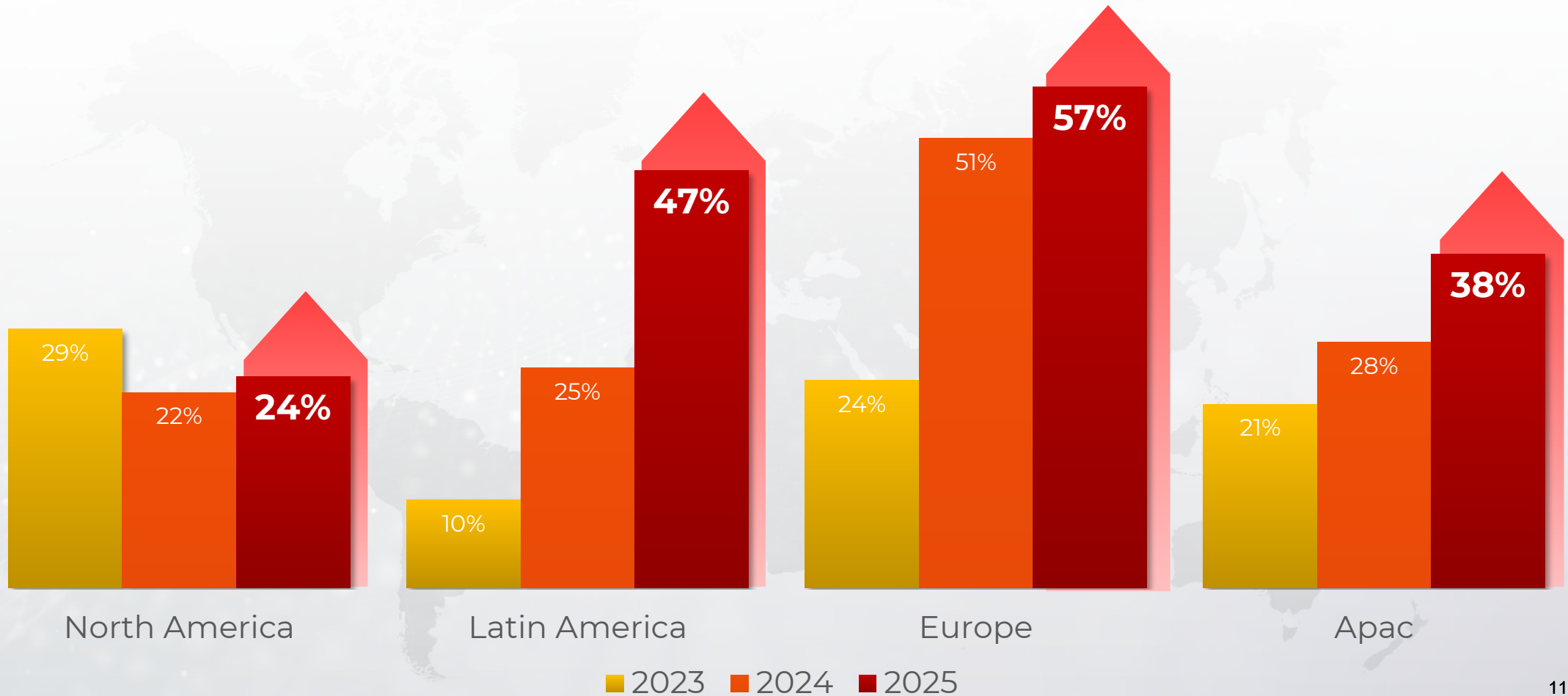
ValueExchange update (August 2025)

T+1 is dominant in every region

T+1 is a growing in significance for everyone in every region YoY



% of respondents citing T+1 and Accelerated Settlements as their most significant post-trade change in 2025
(by region and year)



The T+1 roadmap: 2.5 years to prepare for the big wave



VX approximate expectation of T+1 transition date by market

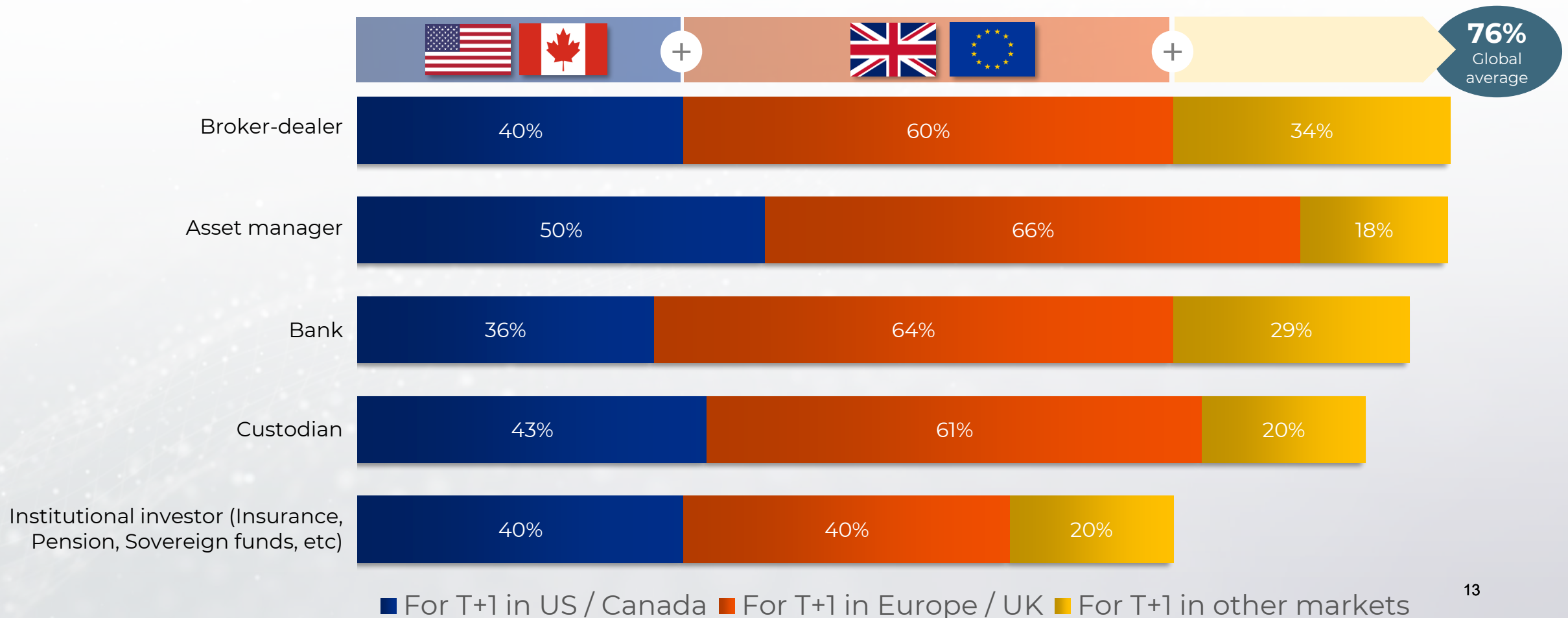


The cumulative load is huge

Across every region, firms are running T+1 projects with Asset Managers leading the charge



% of respondents with active T+1 projects
(by segment and T+1 zone)



02

**T+1 in the US:
One year on**

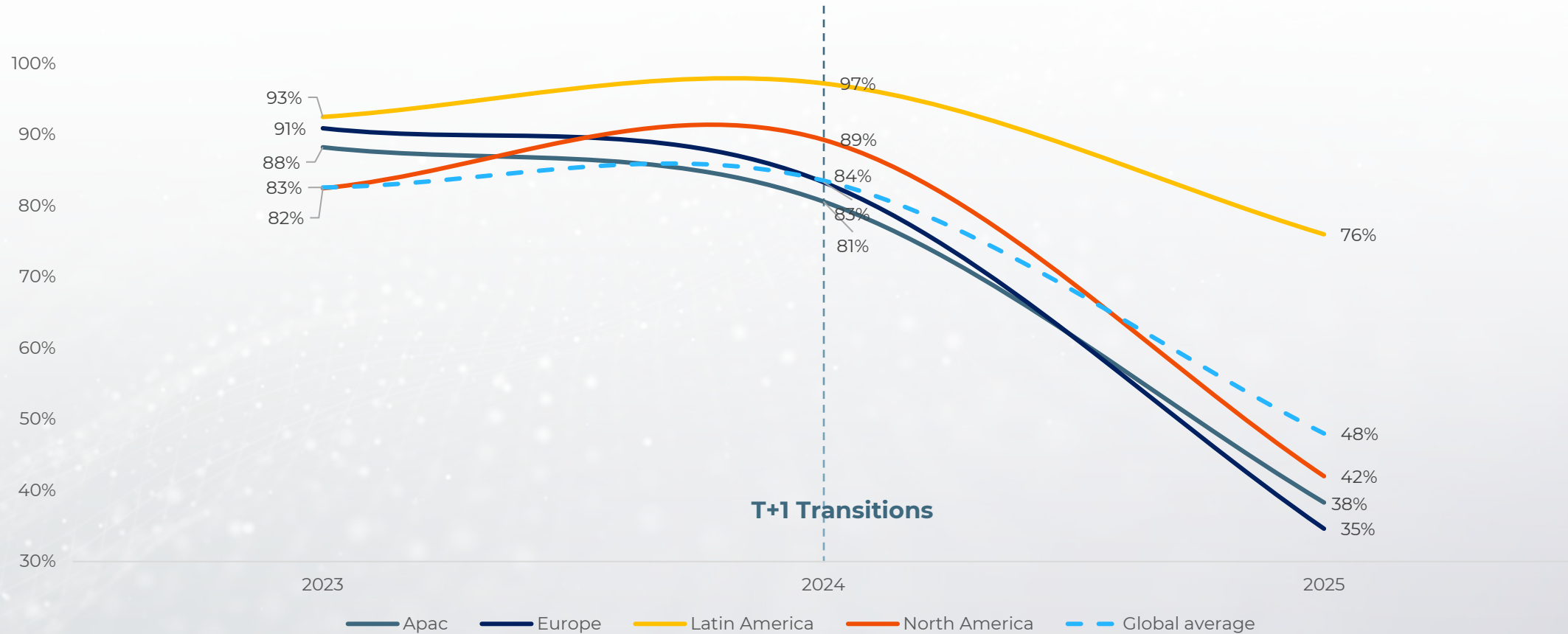


T+1: One year on

48% of firms are still running projects for the North American T+1



% of respondents with active T+1 projects for North America
(by T+1 zone)

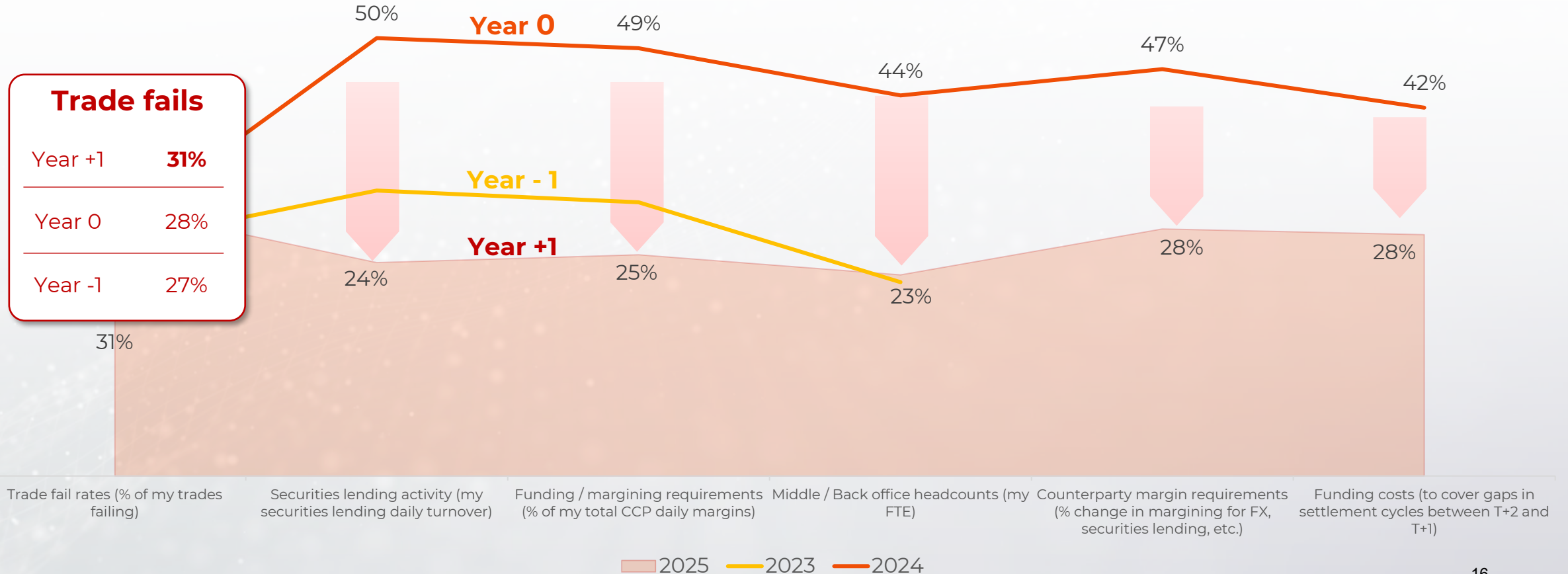


T+1 before and after



27% of respondents are still feeling a significant impact from the North American transitions in 2024. Pressures on trade fails has risen

% of respondents significantly impacted by T+1 in North America
(by survey year)



03

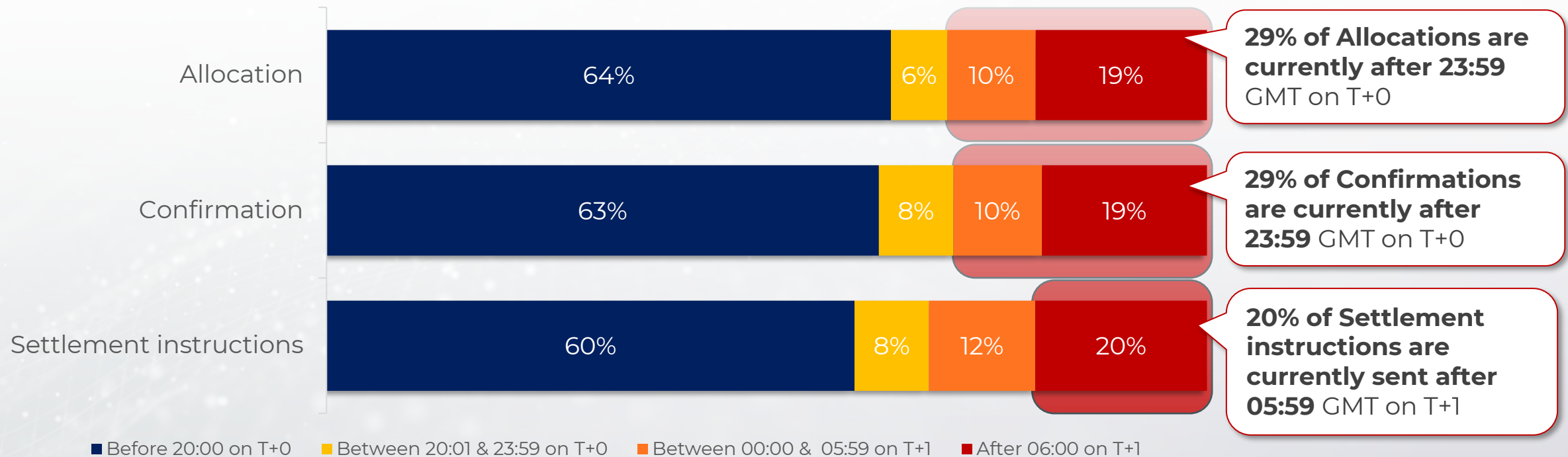
T+1 in the UK: Making the most of 2025



29% of allocations and confirmations need to be accelerated before December 2026



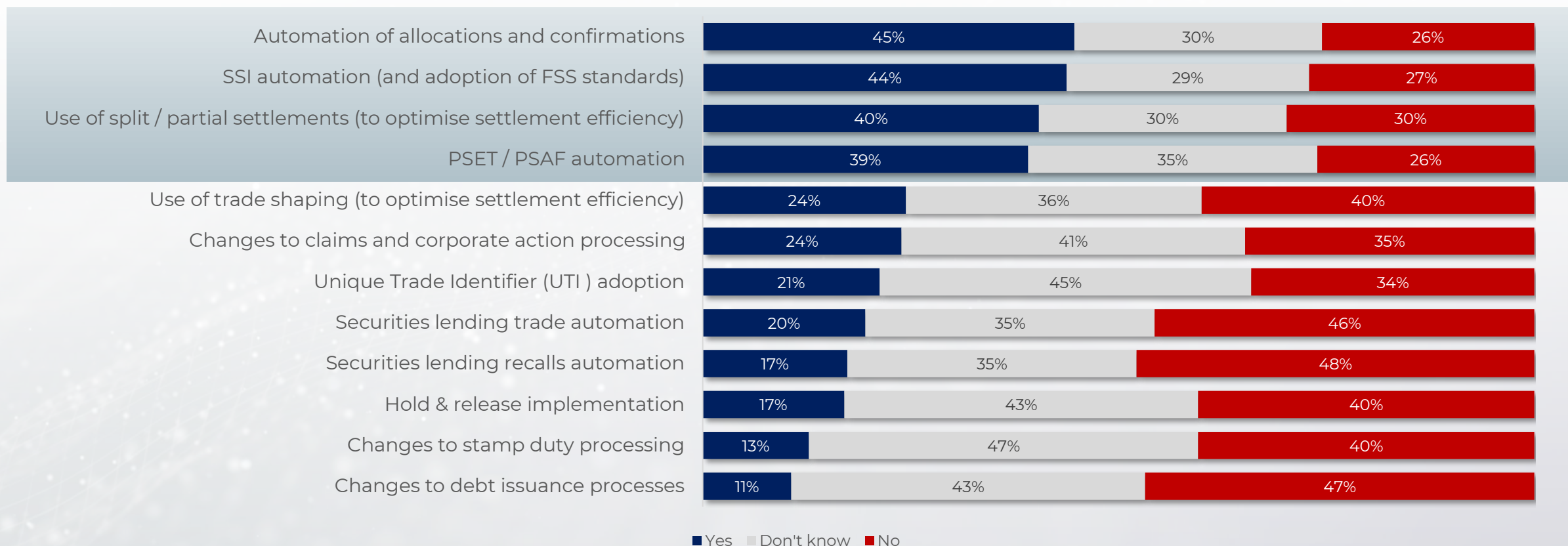
Distribution of messaging volumes by time-frame today (for UK)



Whilst plans are still taking shape, almost 40% of the industry is already focused on middle office automation, SSI automation and settlement automation



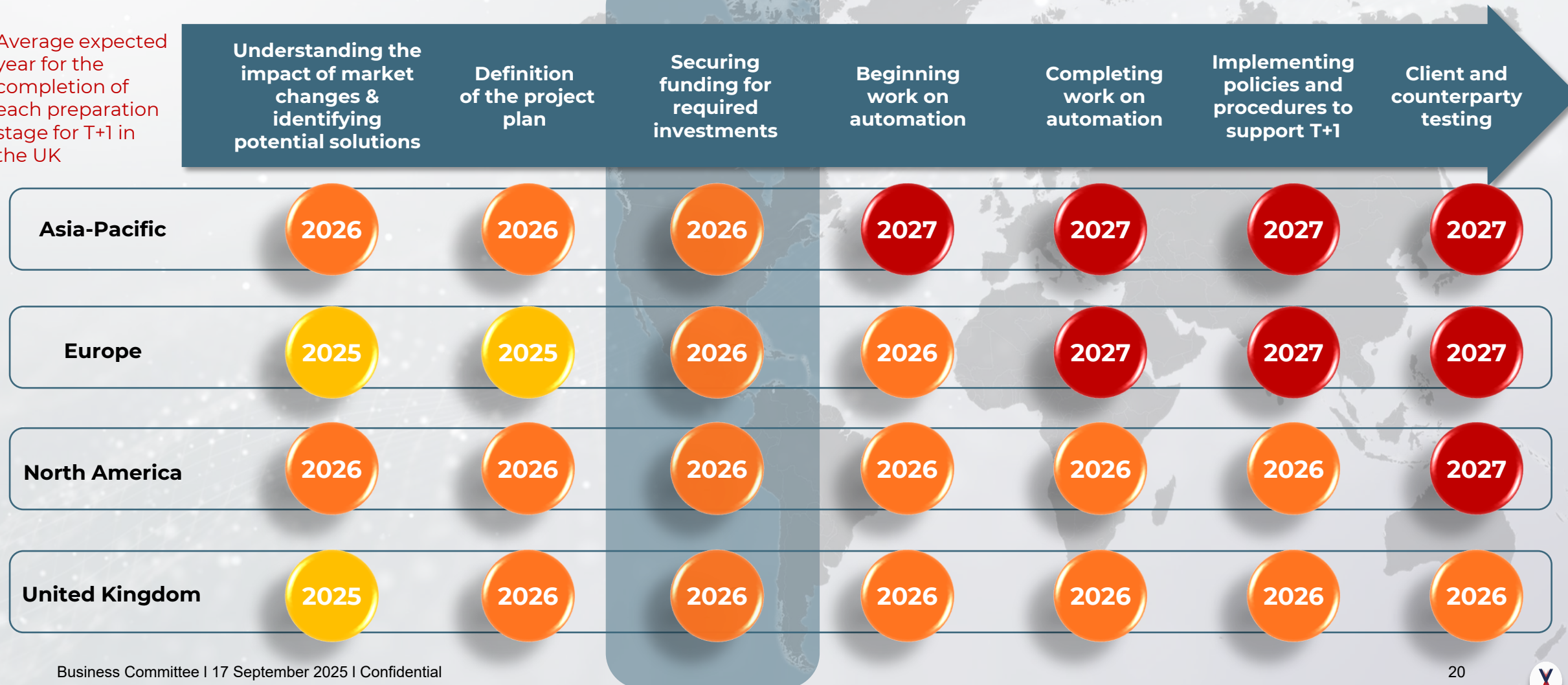
Planned areas of investment for T+1 in the UK (% of respondents planning to invest in each area, by nature of plans)



Work on T+1 in the UK looks set to begin in 2026



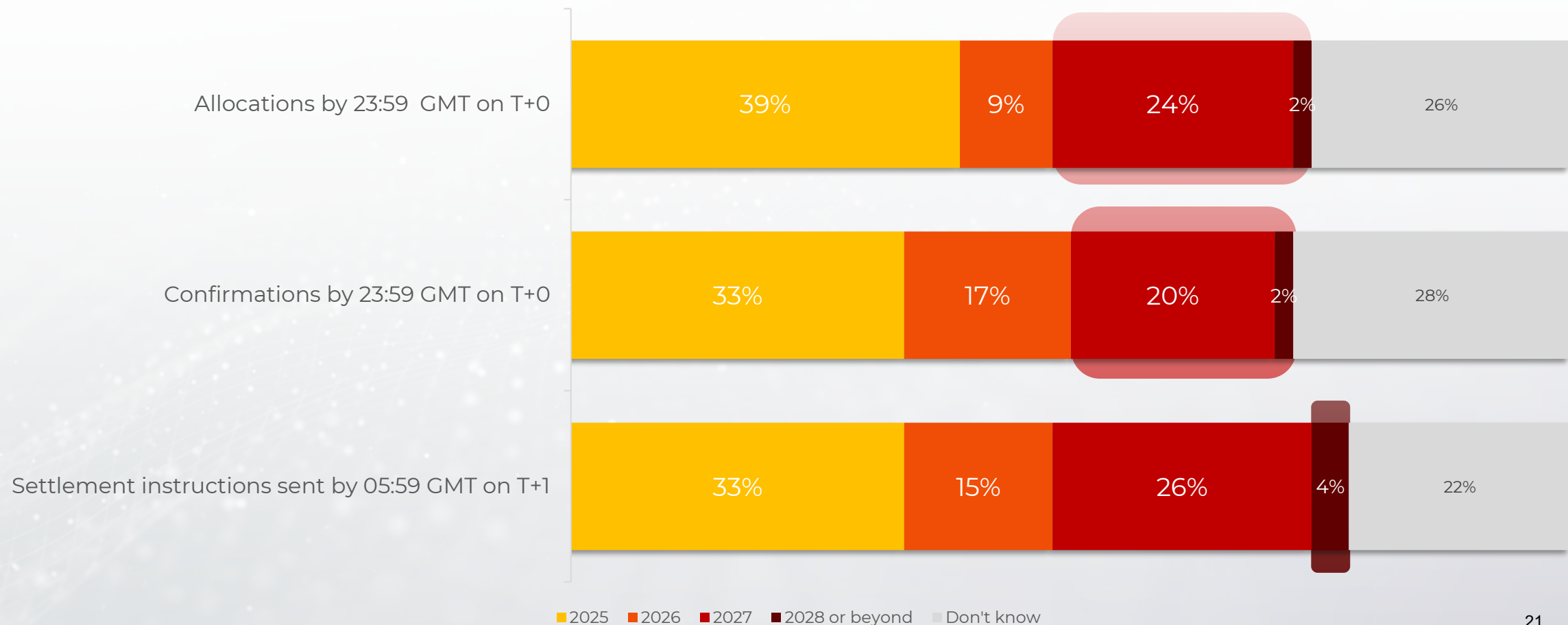
Average expected year for the completion of each preparation stage for T+1 in the UK



Up to 26% of firms are already scheduled to miss the 2026 market deadline for allocations on T+0



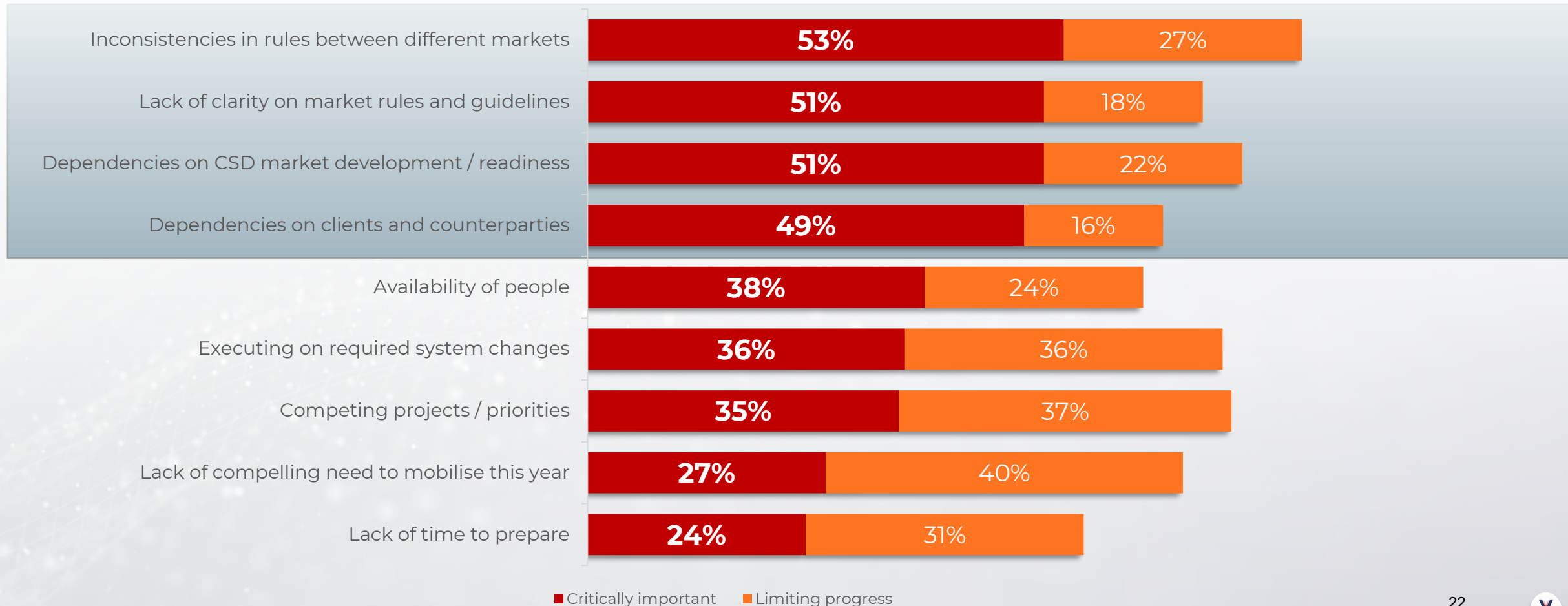
Expected compliance dates versus market messaging guidelines (% of respondents by year)



More than 50% of respondents are still unclear about the rules of T+1 in the UK – and fear inconsistencies with Europe



% of respondents struggling with each area in their preparations for T+1 in the UK



04

















Asia-Pacific

A new set of challenges

T+1 in Asia-Pacific: Where are we today?



FMI / Market	Status
 India	Pending confirmation by local brokers of being able to manage T+0
 Australia	Market outreach complete, targeting CHES + 18 months (likely 2030)
 Hong Kong	Key considerations report released; T+1 technical readiness at CCASS by end 2025
 Singapore	Key considerations report due in Q4 2025
 Japan	“Study group” ongoing (5 meetings). JFSA to publish a view by May 2026
 Taiwan	TDCC initial outreach to participants in 2024
 New Zealand	Confirmed desire to move in sync with Australia (likely 2030)
 Korea	[No update]
 Malaysia	Working group meetings begun in Q3 2025
 Thailand	[No update]
 Indonesia	[No update]
 Philippines	[No update]
 Pakistan	Moving to T+1 on Feb 9 th 2026
 Sri Lanka	[No update]

T+1 in Asia-Pacific



What will be the same?



SSIs and onboarding pressures



Clearing fund benefits



Affirmations / trade matching



FX pressures



Securities lending pressures



Global clients

What will be different?



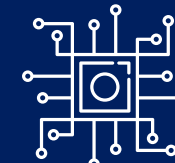
No fails markets



T+0 familiarity



T+0.5
(and more batches?)



Market technology



Regional entities



Regional coordination



T+1 in Asia-Pacific



No fails markets

99.8%
settlement
efficiency

Mandatory
buy-in
regimes



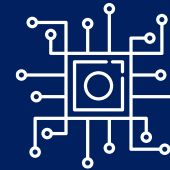
T+0 familiarity

T+0 for the
Stock
connect
since 2014:
technology
and
procedures
to support
4-hour
settlements



T+0.5 (and more batches?)

11:00 to 13:00
settlement
cut offs
across key
markets
(triggering
settlement
and FX
pressures)



Market technology

Innovative
trade
matching
platforms
(e.g.
Synapse)

Split
settlement
model in
Japan and
tech refresh



Regional entities

Prime
brokerage
in Asia often
run from UK
/ US –
triggering
end of day
challenges
and funding
gaps



Regional coordination

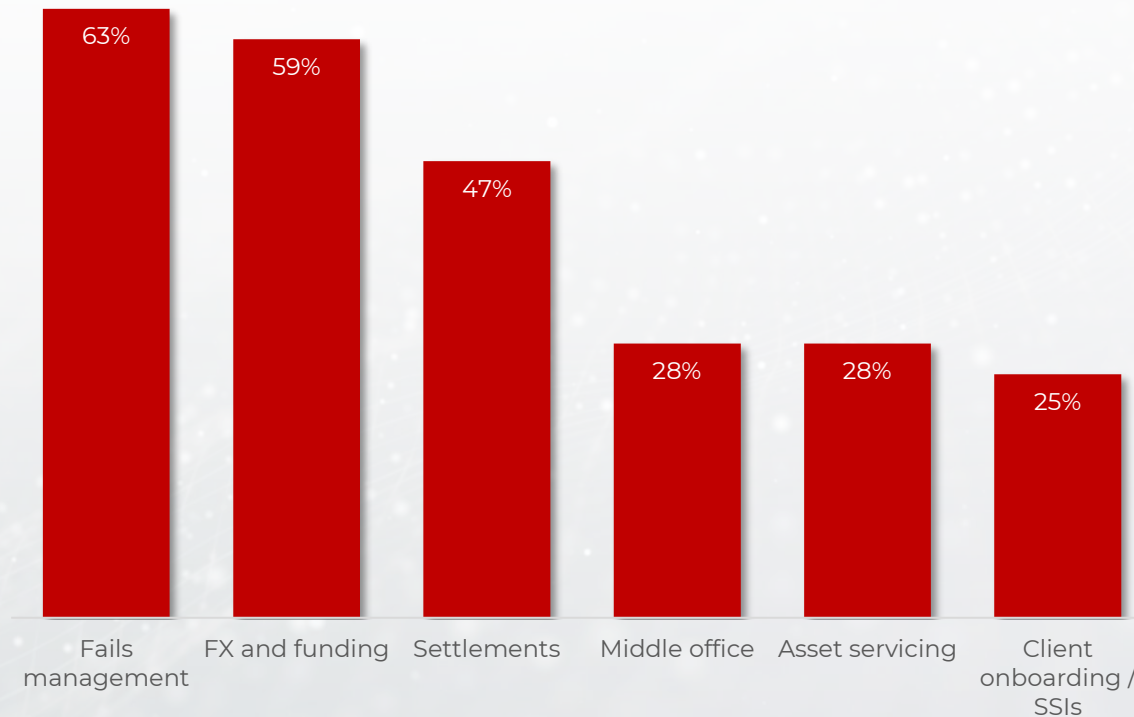
T+2 to T+1
funding
gaps as
highly
undesirable
in Asia: how
to
coordinate?



Fails and funding: the two central axes of T+1 in Asia Pacific



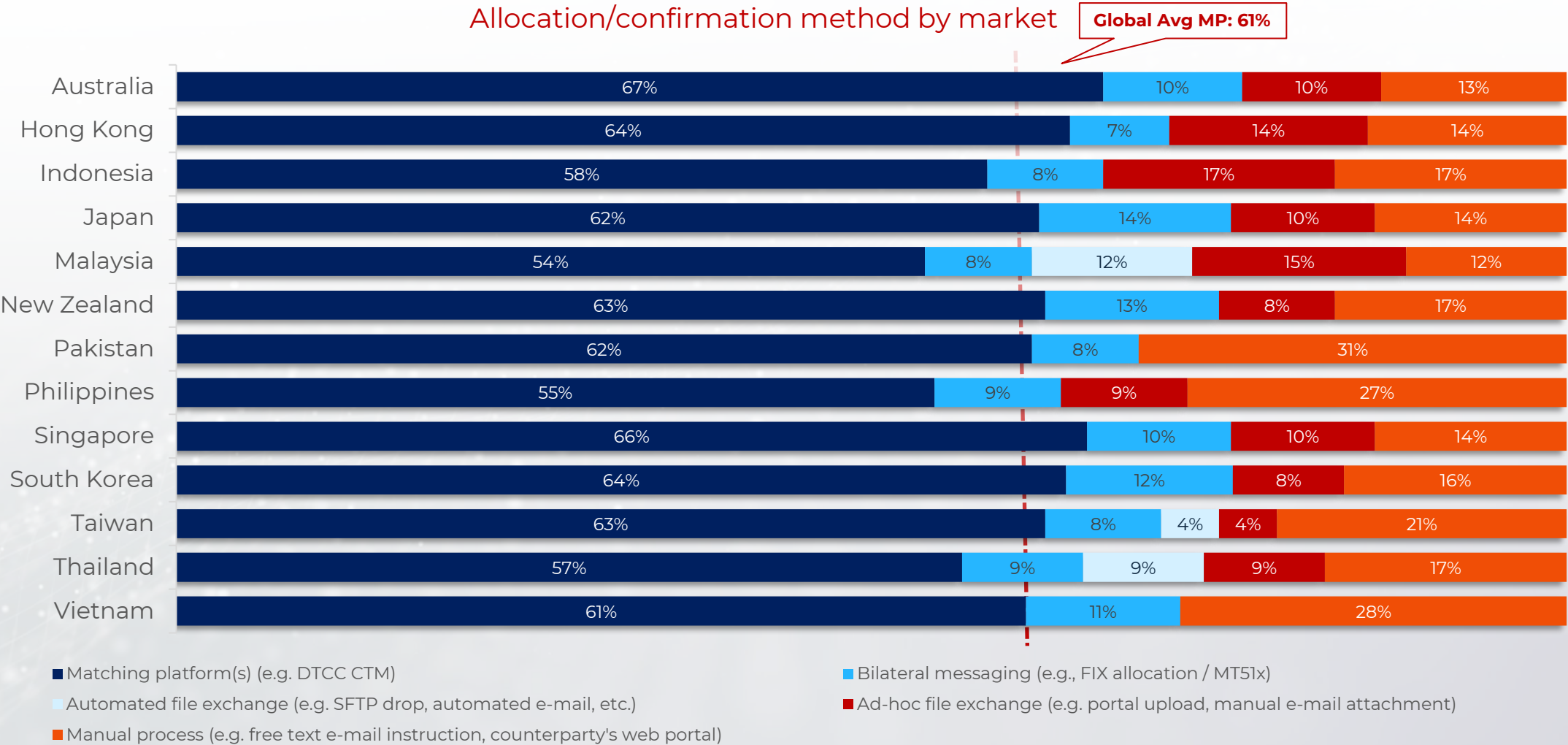
Key pressure points in T+1 transition (Tier 1 APAC markets inc. Australia)



Key risks in T+1 transition (Tier 1 APAC markets inc. Australia)



Trade matching: how to get middle and back offices working together?



How best to transition in APAC?



Preferred transition approach for T+1 in APAC (% of respondents selecting each option)



Thank you!

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Committee	Business Committee
Meeting date	17 September 2025
Agenda title	ASX response to External PIR Recommendations
Agenda Item No.	3b
Purpose	To provide an update on the progress made by ASX in addressing the CHES Batch Settlement incident external Post-Incident Review (PIR) recommendations
Prepared by	Glenn Kennedy, Head of Equities Engagement, Securities and Payments
Action	For Discussion
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	N/A

Background

Following the 20 December 2024 CHES Batch Settlement Incident, ASX engaged KPMG to conduct an external Post-Incident Review (PIR). The PIR focused on Participant feedback regarding ASX's communication processes and operational impact on Participants throughout the Incident. Feedback was gathered through a series of interviews with Participant representatives and relevant ASX stakeholders.

The findings from the review emphasised the importance of timely and transparent communication, robust contingency planning, and structured decision-making during operational incidents:

- **Communication:** The review highlighted the need for timely, transparent, and consistent updates to market participants during incidents. Participants expressed the importance of reliable information flows to support decision-making and operational readiness.
- **Contingency Planning and Procedures:** The PIR underlined the value of clearly defined procedures and robust contingency plans. Participants and stakeholders indicated that uncertainty during incidents could be mitigated by predetermined protocols and well-communicated frameworks for incident management.
- **Decision-Making:** Establishing clear guidelines for decision-making during critical events was seen as essential to maintaining industry confidence and operational stability.

Industry feedback has informed the following actions taken by ASX:

- **Batch Settlement Decision point:** Introduction of a 3:30 PM as a key point for decision making and industry notification as to whether to reschedule the batch settlement in the event of a future, similar incident. This measure is intended to enhance certainty and allow greater time for contingency planning by Participants including arranging alternative liquidity and funding arrangements (if required). While 3:30pm is generally considered an important decision point and a critical time for deciding to reschedule the settlement batch, industry feedback was that the decision should take into account the estimated time required to resolve any outstanding issues and the likelihood of successfully addressing them. A brief delay after 3:30pm may be appropriate if a resolution appears imminent.

- **Review of Batch Settlement Timing:** consideration was given in to the feasibility of starting batch settlement earlier in the day. However, given operational and industry complexities, the decision was made to maintain the current settlement schedule (ie, batch commencing at 11:30am).
- **Documented guide for communication:** ASX has documented key aspects of incident communications for CHESS.
- **Education around how to subscribe to SMS and/or email alerts for ASX's System Status Page.**

Implementation of a decision point to reschedule batch settlement in the event of an incident

Participant feedback received through the external KPMG PIR process was for ASX to consider a 'Major Event Notification' to reschedule Batch Settlement at a generally understood point in time in the afternoon in the event of a future, similar incident and where a solution is unable to be implemented in a reasonable timeframe.

Specifically, feedback from the Industry indicated that a Major Event Notification to reschedule Batch Settlement at a generally understood decision point will provide greater certainty and allow adequate time for contingency planning. This declaration could be triggered if satisfactory diagnosis of the problem or a firm solution timeline remains unknown after a reasonable period of analysis. Industry feedback was almost universally supportive of this approach, with the majority suggesting that a decision point should be in a window between 2.30pm and 4pm. Based on the overall industry feedback, ASX is recommending that 3:30pm is an appropriate time. The KPMG PIR also noted that many Participants agreed that rescheduling Batch Settlement was the right decision under circumstances of system failure and would like to see this done again if necessary.

Proposal for Business Committee Discussion:

Based on industry feedback and in alignment with KPMG's subsequent recommendations, ASX is proposing the introduction of a decision point for rescheduling batch settlement in the event of an incident. The introduction of a specified time to make that decision is intended to provide the industry with certainty and sufficient time to make necessary liquidity arrangements before the end of the day. In line with Industry feedback, the decision point will be 3:30pm. Importantly, the decision as to whether to reschedule batch settlement at 3:30pm will continue to depend on the nature of the incident and the likelihood of its resolution, which will be assessed on a case-by-case basis. ASX will promptly communicate its decision made at the decision point, e.g. whether to:

- Reschedule batch settlement; or
- Continue to seek to perform batch settlement on that day.

To facilitate this, ASX has documented a structured process to notify the industry in the event of another major incident and any decision to reschedule batch settlement. A summary of this process is provided below:

Time	Notification/Update	Channel
2:30pm	1 hour prior to the 'decision point' – ASX will issue a formal notification via the public System Status Page that the cause has not been identified, and that certainty on resolution cannot be provided. The notification will confirm that updates will continue every 30 minutes (or sooner).	<ul style="list-style-type: none"> • System Status Page • ASX Online Market Notice
3:30pm	<p>ASX will issue a formal notification via the public System Status Page whether CHESS Batch Settlement will be re-scheduled, or not, or if any other action is to be taken before the final decision as to whether to reschedule Batch Settlement.</p> <ul style="list-style-type: none"> • If CHESS Batch Settlement is not being re-scheduled, the update will provide next steps. • If CHESS Batch Settlement is being re-scheduled, the notification will indicate the current state of the incident (e.g. that the cause has not been identified and/or that certainty on resolution cannot 	<ul style="list-style-type: none"> • System Status Page • ASX Online Market Notice • In addition, where a decision to re-schedule is taken: <ul style="list-style-type: none"> ◦ Website banner

	be provided), and the decision has been made to re-schedule Batch Settlement.	<ul style="list-style-type: none"> ◦ Emails
	<ul style="list-style-type: none"> ◦ An industry webinar will be convened at 4.30pm (and details of how to join the webinar will be included). 	
4:30pm	<ul style="list-style-type: none"> • Industry webinar – for an ASX update and Q&A. • A summary of the webinar will be released (via System Status Page) as soon as practicable. • A follow up webinar will be scheduled for 8am the following day*. 	<ul style="list-style-type: none"> • Industry Webinar
TBC	Final update for that day to provide clarity regarding when updates will re-commence the following day*.	<ul style="list-style-type: none"> • System Status Page
Following Day*	8am webinar to provide update on identification, resolution, next steps.	<ul style="list-style-type: none"> • Industry Webinar

*Where the following day is a non-Business Day, ASX will advise when the next update will occur.

The times in this paper are intended as a guide. In actual incidents, unforeseen events may require schedules to be adjusted.

Review of the batch settlement schedule

As part of subsequent management actions following the incident, ASX also considered the potential benefits of commencing batch settlement earlier in the day (e.g. 10:30am rather than 11.30am), in order to provide additional time for resolution and remediation activities in the event of a future incident. After consideration, ASX is of the view to the current settlement remain schedule unchanged, given the industry and operational complexities involved.

Documented guide for communication

ASX has uplifted incident communications documentation for CHESSE, incorporating recommendations from the external and internal Post Incident Reviews (PIRs) of the CHESSE Batch Settlement Incident in December 2024. The documentation uplift includes:

- Practical tools including decision trees, key roles and responsibilities, details of communication channels and cadence of communications.
- Communications approaches for incidents involving internal ASX systems and processes as well as considering external incidents involving external stakeholders.

Guiding principles that inform the document include clarity, consistency, transparency, timeliness and pro-activeness.

The application and use of the document in response to an incident requires necessary flexibility based on:

- the time of day an incident commences
- the course of an incident over a day
- the cause/nature of an incident, including severity and whether the issue originates within ASX or with external stakeholder(s).

ASX's System Status Page (SSP) remains ASX's primary method of communication during incidents or market disruptions (see below for details of how to access the page and subscribe to alert notifications). Secondary communication channels may be used including (but not limited to):

- ASX Online Market Notices
- Industry webinars
- ASX website banner
- Bilateral customer calls
- Emails

Where the ASX System Status Page is used, updates at a **30-minute cadence** are required. During the first hour of investigation of an incident, it may be deemed appropriate to provide updates at 15-minute intervals.

From a principles perspective, and where appropriate, ASX will endeavour to include the below in incident communications:

- The current state of the incident (aware, investigating, resolution underway, resolved)
- The severity of the incident
- What steps ASX is taking at this phase of the incident
- The status of:
 - Trade registration
 - Clearing
 - Settlement
- Based on feedback received from the industry, specific consideration will be given to communicating the ruling out of potential causes and/or features that could be associated with the incident (e.g. confirmation that it is not a cyber incident breach, confirmation that it is not a Participant settlement issue).
- When ASX will provide its next update, and where (every 30 minutes minimum, always via SSP).

How to subscribe to SMS and/or email alerts for ASX's System Status Page

ASX's System Status Page (SSP) is ASX's primary method of communication during incidents or market disruptions. The page is hosted on ASX's website and is accessible by all: <https://www.asx.com.au/markets/market-resources/system-status>. There is a dedicated section on the page for CHESS.

ASX's System Status Page has an alert feature which provides those customers that subscribe with timely and accurate information about key system statuses including outages, incidents and resolution.

Participants are invited to visit [ASX Online](#) to subscribe to receive ASX system status alerts via email and/or SMS. Subscribers will be alerted and directed to the [system status page](#) via their preferred communication method in the event of a major interruption to ASX systems or services.

This feature is available on ASX Online for users to subscribe immediately. To opt in, log into ASX Online and use the [subscription user guide](#) for a step-by-step process.

If you do not currently have an ASX Online account, please contact your Enterprise Administrator to setup.

Further information explaining how to subscribe is available here: <https://www.asxonline.com/public/notices/2025/june/0667.25.06.html>.

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	Current CHESS Update
Agenda Item No.	3c
Purpose	To discuss ASX's annual review and update to the CHESS roadmap and provide an overview of the FY25 Clearing and Settlement Revenue Sharing Scheme rebate
Prepared by	Stephen Hammon, General Manager, Business Management & Planning, Securities & Payments
Action	For Discussion
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

Current CHESS Roadmap

ASX's annual review and update to the CHESS roadmap is complete. ASX's annual review process has been followed to update the CHESS Roadmap, as well as review of initiatives on the CHESS Roadmap in light of the CHESS Batch Settlement incident on 20 December 2024.

ASX's 2025 CHESS Roadmap Update Report of ASX Clear Pty Limited and ASX Settlement Pty Limited (**Report**) is published [here](#).

Key updates include:

- The CHESS Roadmap has been updated to track and monitor 15 new initiatives, 10 of which resulted from the CHESS Batch Settlement incident.
- As at May 2025, the current CHESS program of work had completed 31 CHESS Roadmap initiatives comprising:
 - All 27 initiatives in the April 2023 CHESS Roadmap
 - Three of the seven initiatives added to the CHESS Roadmap in 2024
 - One of the 15 new initiatives added to the CHESS Roadmap in 2025

EY's fourth six monthly progress report in relation to its independent assessment over the CHESS Roadmap and Roadmap Refresh is published [here](#).

FY25 Cash Markets Clearing and Settlement Revenue Sharing Scheme

ASX will provide a verbal update on the FY25 Clearing and Settlement Revenue Sharing Scheme rebate.

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	ASX Clear Financial Resilience and Risk Management Roadmap
Agenda Item No.	3d
Purpose	To provide an update on the financial reliance and risk roadmap for ASX Clear
Prepared by	Paul Lamb – S&P Consultant
Action	For Discussion
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not Applicable

Background

In recent years, ASX Clear (ASXCL) has made considerable progress in advancing its risk management capabilities, with changes to credit risk, liquidity risk, margin and collateral processes. These changes have increased alignment with the RBA's FSS requirements and international peer CCP practices.

In 2024, ASX commenced consideration of additional enhancements to its risk management capabilities and started initial discussions with Clearing Participants (CPs) regarding potential changes to the Default Fund (DF) and liquidity waterfall, including a potential shift towards CPs contributing resources in conjunction with ASX in these two areas. Initial consideration and feedback highlighted the need for ASXCL to provide a more holistic view of matters, which contemplates:

- The changing risk landscape for the CCP and how that evolves over time.
- How various risk initiatives (including other strategic initiatives on the liquidity framework and dynamic default fund) combine as part of an integrated strategy.
- Existing in-flight change programmes, such as the CNESS Project, given the scope and materiality of change embedded within these programmes and the impact they have on the risk landscape and key stakeholders.

Accordingly, ASX has developed a Financial Resilience and Risk roadmap for ASXCL, which provides a timeline for ASX and stakeholders for the respective elements of work in an integrated program of change over the short to medium term.

Key principles and features of the roadmap

The ASXCL roadmap provides a forward view over the next 3 to 4 years with the overarching objective to prioritise the CNESS Project Release 2 delivery and implement core measures for enhanced risk management, while minimising material financial resource and cost impacts for CPs until after the CNESS Project Release 2 implementation.

The key principles considered in the development of the roadmap were:

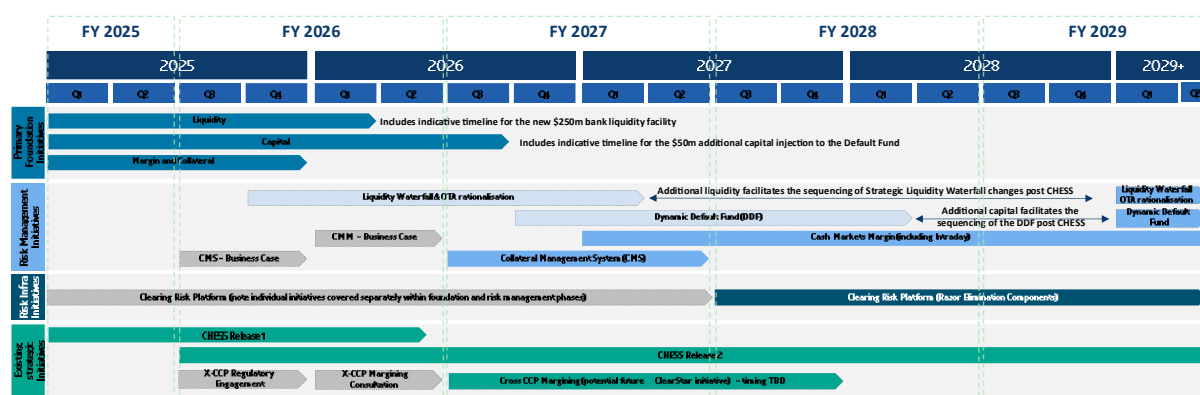
- Delivery of the CNESS Project is a critical priority. To the extent risk initiatives can be sequenced to minimise the cumulative change impact (including in terms of capacity and the cumulative financial impact) on stakeholders involved in the project they should be.
- At the same time, given the CNESS Project is not expected to complete until 2029, the risk management landscape cannot stand-still and as such ASX plans to:

- Prioritise core/foundational initiatives across capital, liquidity, margin and collateral that improve the accuracy and robustness of methodologies and practices in these areas, providing the basis to make more informed decisions on additional strategic risk management objectives.
- Continue to make the necessary investments to manage exposures within the Group's Risk appetite, whilst managing regulatory expectations and maintaining regulatory compliance.
- Advance select risk management and infrastructure initiatives as enablers of future phases beyond the delivery of the CHES Project.

The key features of the roadmap include:

- The roadmap has two-phases: (1) the near term phase for initiatives prior to the delivery of the CHES Project; and (2) the medium term phase for initiatives following the delivery of the CHES Project that will support the transition to the desired target state solution for capital and liquidity, including the target model with resource contributions from ASX and CPs. This would align the approaches between ASXCL and ASX Clear (Futures) (ASXCLF).
- ASX will increase the size of the DF for ASXCL by \$50m on a temporary basis, fully funded by ASX (subject to ASX Limited Board approval. This increases the overall size of the DF to \$300m - serving as a proxy of the indicative size of the DF under a Dynamic Default Fund (DDF) structure, until after the delivery of the CHES Project. Note that the exact methodologies and sizing will be analysed and consulted on with the industry at a future date, consistent with the approach utilised for the DDF structure for ASXCLF, and so the future DF size may differ from the interim \$300m proxy.
- ASX will add an additional \$250m bank liquidity facility, increasing the overall size of liquidity sourced from bank facilities from \$750m to \$1bn. Combined with the target \$300m DF, overall pre-positioned liquidity available to ASX will increase to \$1.3bn before OTAs would be required in a default. Following the delivery of the CHES Project, the overall liquidity waterfall and dependency on OTAs will be re-assessed and considered in-light-of other strategic initiatives such as a transition to T+1.
- ASX will commence the business cases on both Cash Market Margin and its Collateral Management System in FY2026 to support an implementation timeline in advance of, or in line with, the CHES Project (consistent with existing commitments).

The Roadmap for ASXCL is as follows (refer also **Attachment A ASXCL Risk Roadmap Summary**):



Roadmap design and structure

End state design

The ASXCL roadmap has been formulated based on a set of considerations across ASX, CPs and the industry which **primarily influence the timing of implementation, not the end state design**.

The target end state direction/design for the broader Risk landscape at ASX encompasses:

1. Enhancements to core credit, liquidity, margin and collateral methodologies which enable convergence with FSS requirements and industry best practices.
2. The transition from a fixed to a dynamic DF, with CP contributions to incentivise appropriate behaviours, align with the industry/peers and align with the direction in ASXCLF.
3. Enhancements to the liquidity default waterfall, which mitigate the current risks inherent to the OTA liquidity management tool, and consider CP liquidity contributions to the extent available CCP resources are insufficient to manage the risk.
4. Enhancements to the margining process, including enhancements to the margin methodology and enablement of intraday margining and EoD (T0) margining in AUD post market close to support increased velocity of margining to mitigate risk.
5. Enhancements to the collateral management infrastructure to enable the margin process changes.
6. Enhancements to the core Risk infrastructure via the Clearing Risk Program to mitigate risks with the current Razor platform which supports key margin, credit stress test (CST) and liquidity stress test (LST) processes.
7. Delivery of the critical infrastructure within the CHES Project and Clearstar Programs.

Phased Approach

The rationale for a phased approach was the overarching objective to prioritise the delivery of the CHES Project and implement core measures to continue to manage risks appropriately at ASX, while minimising material financial resource and cost impacts on CPs until after the CHES Project Release 2 implementation. Overlaying this with the elements outlined above resulted in 2 distinct phases, the near term (2025 to 2029) and medium term (2029+) as follows.

Near term (2025 to 2029)

Specifically for the period 2025 to 2029, ASX considered the following:

1. Prioritise the delivery of the CHES Project.
2. Delivery of the critical infrastructure within the CHES Project and Clearstar Programs.
3. Minimise financial resource impacts on CPs in the near term, given CPs are bearing technology and cost impacts related to the CHES Project.
4. Deliver core foundation initiatives impacting the sizing of capital / liquidity resources and margin from CPs (e.g. changes to CST, LST, cash market margining (CMM)).
5. Utilise ASX's financial resources (temporary or permanent for capital and/or liquidity) to facilitate the above points in bullets 1 to 4, but with a defined exit strategy for temporary resources
6. Provide the appropriate time horizon to finalise ASX's end state solution for capital and liquidity and (where applicable) learn from parallel implementations in ASXCLF.
7. Provide the appropriate time horizon for ASX and CPs to plan for resource impacts arising from the target state solution(s)

8. Consider and assess impacts of possible structural changes (e.g. a transition to T+1) to guide the medium term solution(s).

The implications of utilising ASX's financial resources per bullet 5 above is outlined for capital in **Attachment B – Default Fund Glidepath** and for liquidity in **Attachment C – Liquidity Waterfall Glidepath**.

Medium term (2029+)

On the assumption that the CHESS Project is implemented in accordance with the indicative timeline for Release 2 of the CHESS Project, it is currently expected that the following initiatives would then be prioritised:

1. Transition to the desired target state solution for capital and liquidity
2. Transition to the target resource sharing model between ASX and CPs
3. Align the approaches between ASXCL and ASXCLF to ensure consistency between the 2 CCPs.

Next Steps

ASX is considering a significant multi-year program of work to enhance the financial resilience and risk management practices of ASXCL. In addition to work planned and underway under the FY28 ASX strategy, the roadmap provides for additional liquidity resources (\$250m in bank liquidity facilities) and DF resources (\$50m of capital on a time bound temporary basis). This will enable ASXCL to manage its risks appropriately, deliver its FY28 initiatives and focus on the implementation of the CHESS Project and ClearStar Program. It is anticipated that the capital injection to the DF will occur in calendar year 2025 and the additional bank liquidity facility will be added in the first half of calendar year 2026.

Over the medium-term, ASXCL will proceed with the delivery of the strategic DF and liquidity frameworks, which are likely to rebalance the resource contributions of ASX and CPs. This will more closely align ASXCL's arrangements with international norms and user pays principles. The longer time horizon for this work will provide CPs more time to plan for any financial resource implications for their businesses and plan for any changes to their operating models as these target state frameworks are finalised.

In the coming months, ASX plans to:

1. Engage on the roadmap more broadly with CPs via the Risk Consultative Committee
2. Provide periodic updates to future Business Committee meetings (as required).
3. Update the roadmap at least annually and extend its duration by 12 months to maintain the forward-looking risk view.

Attachments

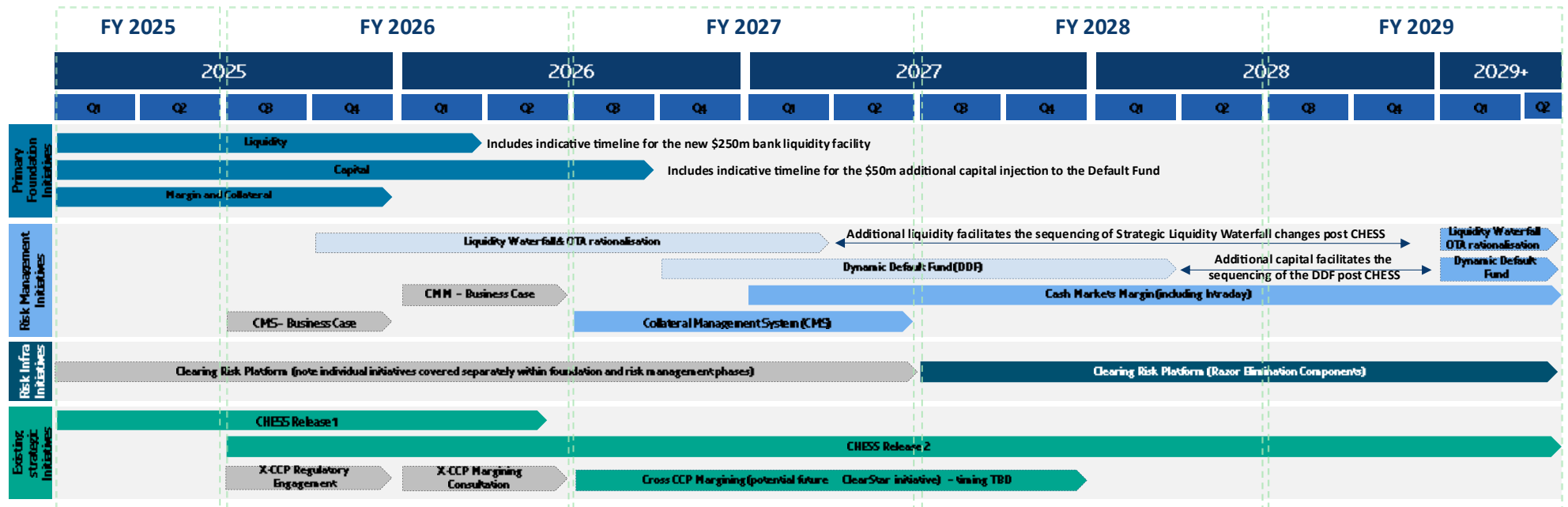
Attachment A ASXCL Risk Roadmap Summary

Attachment B Default Fund glide path

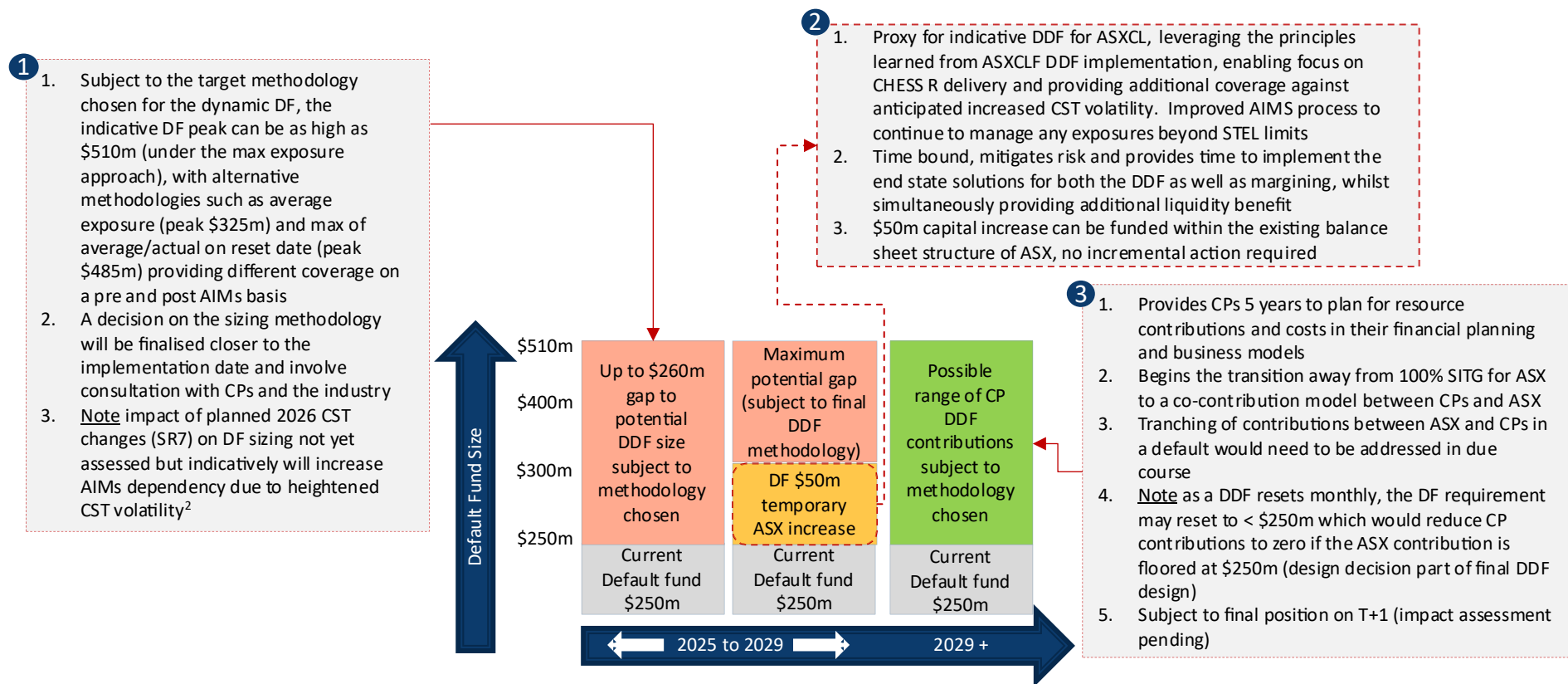
Attachment C Liquidity Waterfall glide path



ATTACHMENT A – ASXCL Risk Roadmap summary

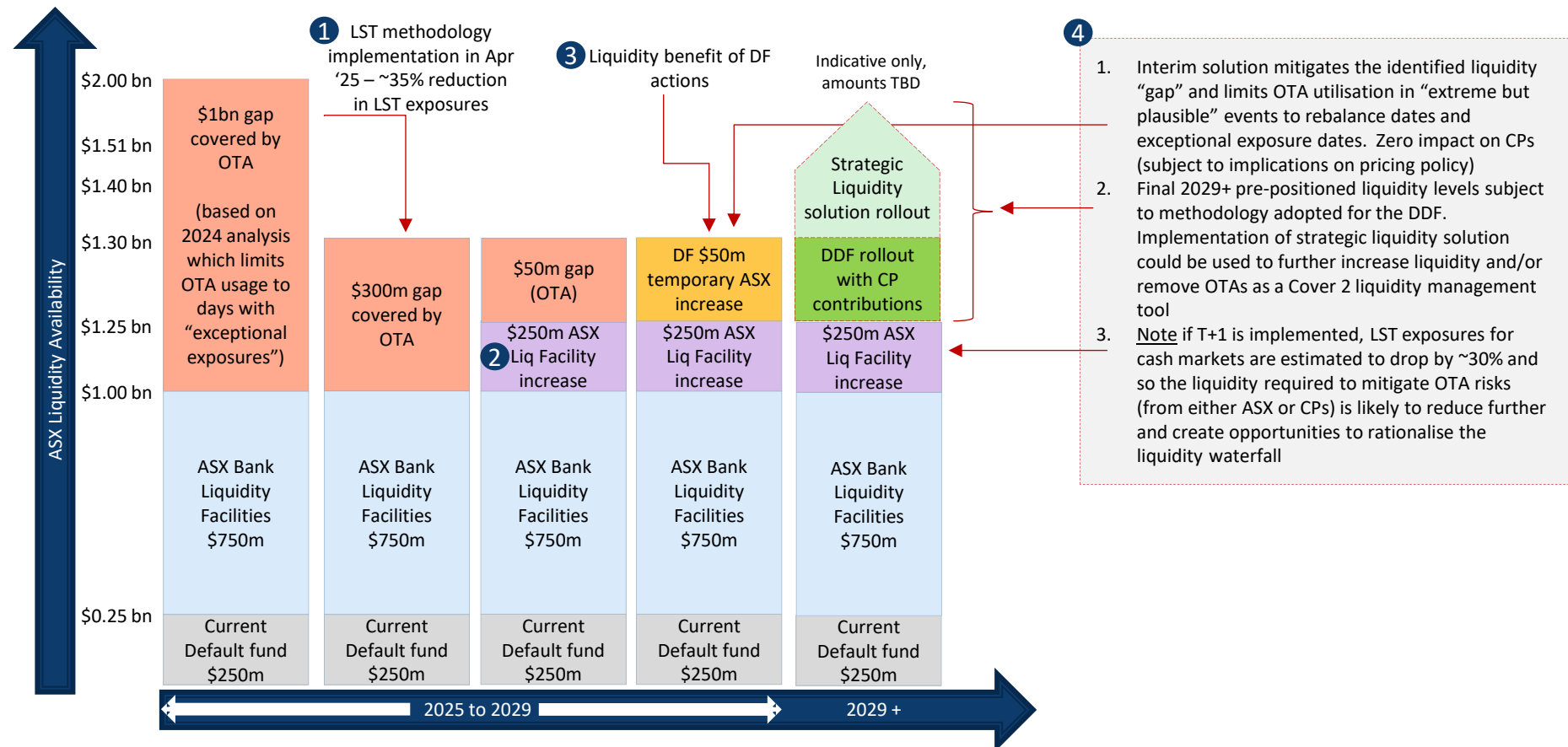


ATTACHMENT B – Default fund glidepath



- This is a glide pathview, it does not represent the default waterfall view of ASX and CP DF contributions in the event of a CP default
- Target implementation of new CST changes has been deferred to June 2026. Impact assessment to be conducted prior to implementation

ATTACHMENT C – Liquidity waterfall glidepath



1. This is a glide path view, it does not represent the default waterfall view of the order in which liquidity resources would be utilised in the event of a CP default

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	CHES Depositary Nominee services – update
Agenda Item No.	3e
Purpose	To update members on ASX's planned changes to CHES Depositary Nominee services
Prepared by	Karen Webb, General Manager, Issuer Services
Action	For Discussion
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

BACKGROUND

CHES Depositary Nominees Pty Limited (**CDN**) was created over 20 years ago to act as a Depositary Nominee as part of the CHES settlement process, so that financial products from jurisdictions that do not recognise electronic holdings and transfer of title to securities could be traded on the ASX market, and interests in those financial products could be transferred electronically. ASX developed the settlement mechanism using a type of depositary receipt known as a CHES Depositary Interest or CDI. For these purposes CDIs are units of beneficial ownership in foreign financial products which can be settled through CHES.

Currently CDN provides services to approximately 75 issuers of foreign financial product CDIs including foreign company issuers and foreign investment product issuers.

Notably:

- CDN is a wholly owned subsidiary of ASX Settlement Pty Limited (**ASX Settlement**).
- CDN provides services as a Depositary Nominee in accordance with Section 13 of the ASX Settlement Operating Rules (**Rules**), which covers the creation of CDIs and the roles of the issuer of financial products, ASX Settlement and the Depositary Nominee.
- While CDN is currently the only entity providing Depositary Nominee services, the Rules allow other entities to do so.
- CDN is authorised by its Australian Financial Services Licence to operate custodial and depositary services, other than investor directed portfolio services, to wholesale and retail clients.
- CDN can be appointed by a listed or quoted issuer to hold legal title to financial products on behalf of CDI holders for their benefit.
- CDN is a participant in the clearing and settlement facility operated by ASX Settlement.

Historically, the services of CDN were available to issuers listed on ASX and other Australian listing markets. However, in late 2016, the service was restricted to ASX listed issuers, with the exception of a number of National Stock Exchange (NSX) listed entities that were already using the service. In response to requests from non ASX market operators, ASX reconsidered its decision and in early May 2025 confirmed the availability of the service, on request, to issuers listed on any Australian market. The service is available on the current arrangements, pending proposed changes so that CDN provides the Depositary Nominee services on terms that reflect the terms generally used by a commercial provider of similar services.

The proposed changes include:

- Amendments to section 13 of the ASX Settlement Operating Rules and related Procedures.
- Introduction of new legal framework documents including the following:
 - **Nominee Terms** (CDN deed poll) - The Nominee Terms will apply in respect of classes of Principal Financial Products other than Government Bonds for which CDN is the Depositary Nominee for the purposes of the Rules. One of the purposes of the Nominee Terms is to provide greater clarity regarding the relationship between the Depositary Nominee and a holder of CDIs.
 - **Deed of Appointment** (between the CDI issuer and CDN).
 - **CDI Registry Side Deed** (between CDN, the CDI issuer and the CDI issuer's registry).
- Once the new legal framework documents have been finalised, market operators will be required to enter into an agreement with CDN in relation to the provision of CDN's services.
- The introduction of fees for CDN services.

ASX proposes to implement the abovementioned changes at the same time, subject to regulatory clearance, during FY26.

Further information is provided below on recent consultation on these changes.

Consultation on proposed ASX Settlement Operating Rule amendments – Depositary Nominee services

On 15 April 2025 ASX released a consultation paper seeking feedback on proposed amendments to the ASX Settlement Operating Rules and Procedures which are intended to update the legal framework within which Depositary Nominee services are provided in respect of CDIs.

ASX released its response to consultation feedback on 21 August 2025. ASX received responses from 3 stakeholders, including market operators and a registry service provider proposing a number of changes. In its response ASX outlined further amendments to be made in response to the feedback as well as several additional amendments that were not part of the original consultation. ASX has provided the amended ASX Settlement Operating Rules and Procedures to ASIC seeking regulatory clearance.

Consultation on proposed introduction of fees for CHES Depositary Nominee Services for CDI issuers

On 21 August 2025 ASX released a Discussion paper seeking feedback on its proposal to introduce a fee for services provided by CDN.

The paper outlines a fee model comprising of an appointment fee and an annual service fee, applicable to foreign issuers of CDIs that utilise CDN services. To date, CDN has not received any remuneration for its services as a depositary nominee notwithstanding the work involved, the risk exposure and the expenses incurred in connection with the provision of such services, including the maintenance of a financial services licence.

The proposed fees are (exclusive of GST):

- CDN Appointment Fee - \$5,000 per appointment
- CDN Annual Service Fee – minimum \$4,151 to maximum \$143,222 per annum (tiered fee based on market capitalisation of CDIs quoted)

The changes proposed in the paper are relevant to any issuer of foreign financial product CDIs that uses CDN services. It is proposed that the fees will be charged to each issuer of foreign financial product CDIs who has appointed CDN as their Depositary Nominee.

The proposed fees for CDN services have been determined using the methodology in the [ASX Cash Equities Clearing, Settlement and Issuer Services Pricing Policy \(Pricing Policy\)](#). The Pricing Policy adopts the Building Block Method (BBM) a regulatory pricing model widely used across essential infrastructure sectors. Under this

model in the Pricing Policy, revenue from the relevant services must reflect the efficient cost of delivering the services, including a return on capital at a rate which reflects the risk involved in providing the service, in accordance with the cost-reflectivity principle. This fee revenue will count towards the annual consolidated revenue cap under BBM. Going forward, the fees for CDN services will be reviewed in accordance with the Pricing Policy. A fee review trigger will occur, for example, if consolidated revenue deviates by 10% from the annual revenue requirement, prompting a review process. Details of the fees will be published in a new CHES Depositary Nominees Schedule of Fees, alongside existing charges. This design maintains consistency with existing ASX frameworks.

Responses to the paper are requested by Tuesday 16 September 2025.

REFERENCE DOCUMENTS:

- Reference 1: 15 April 2025 consultation paper - [ASX Settlement Operating Rule amendments - Depositary Nominee services](#)
- Reference 2: 21 August 2025 Response to consultation - [Response](#)
- Reference 3: 21 August 2025 [Discussion Paper: Proposed introduction of fees for CHES Depositary Nominee Services for CDI Issuers](#)

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	Statements Working Group update
Agenda Item No.	3f
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, Issuer Services Resan Ovat, Senior Manager, Issuer Services
Action	For Discussion
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

Background

ASX continues to observe an increase in holders (investors) that have opted in to electronic communications, with **21.7%** of holding statements issued electronically in August 2025. The Statements Working Group has met ten times since August 2024. Further details are outlined in this paper.

Electronic statements take-up at 31 August 2025

- ASX presented take-up statistics (@end May 2025) to the Business Committee meeting in June 2025.
- Take-up statistics continue to be a key topic of discussion at the Statements Working Group.
- ASX notes the following factors evident in the statistics for the months of June to August 2025.
 - Continued positive impact from electronic CHESS Statements opt-in facilities enabled by **3** large retail brokers over the past six+ months, with default opt-in set at time of HIN creation. There is also a noted uptick in contribution from the intermediaries of **3** large clearing and settlement service providers. These are all contributing to a gradual increase in the total number of HINs being opted-in (+~1% month on month).
 - **7** of the top **10** Participants by number of HINs have been active in contributing to the uptake.
 - The total number of HINs opted into electronic communications is increasing gradually (at **14.1%** of total non-zero and zero holdings in **August 2025**).
 - Further increases in the number of CHESS Holding Statements delivered electronically to holders. **21.7%** of all statements were issued electronically in **August 2025** (**20.1%** in July and **19.9%** in June 2025).

Take-up statistics over the past 13 months are summarised in the following two charts.

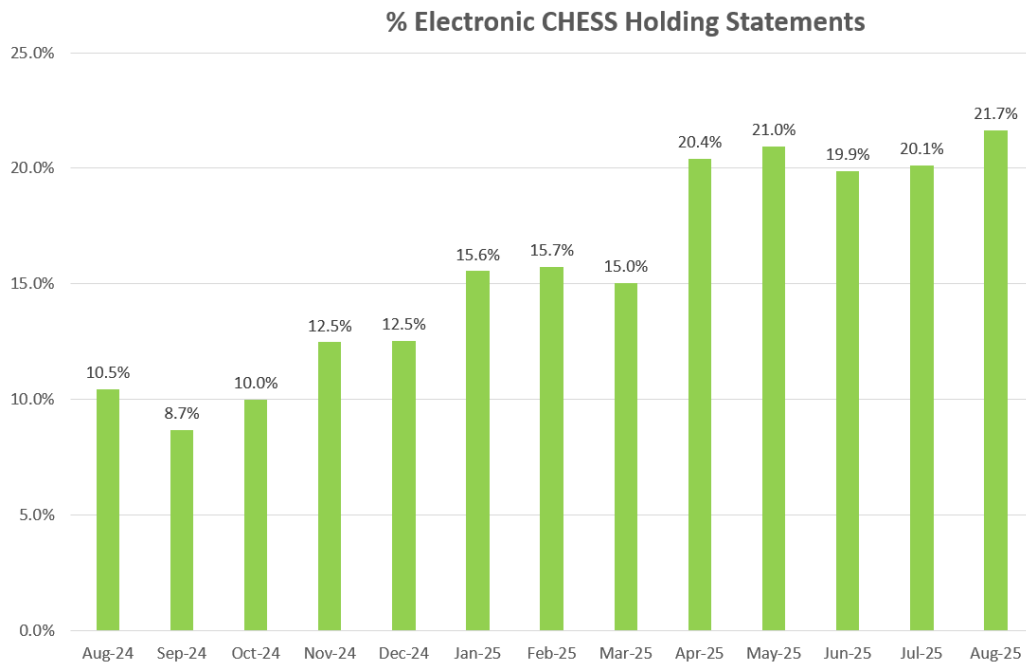


Chart 1 - % CHES Holding Statements delivered electronically per month

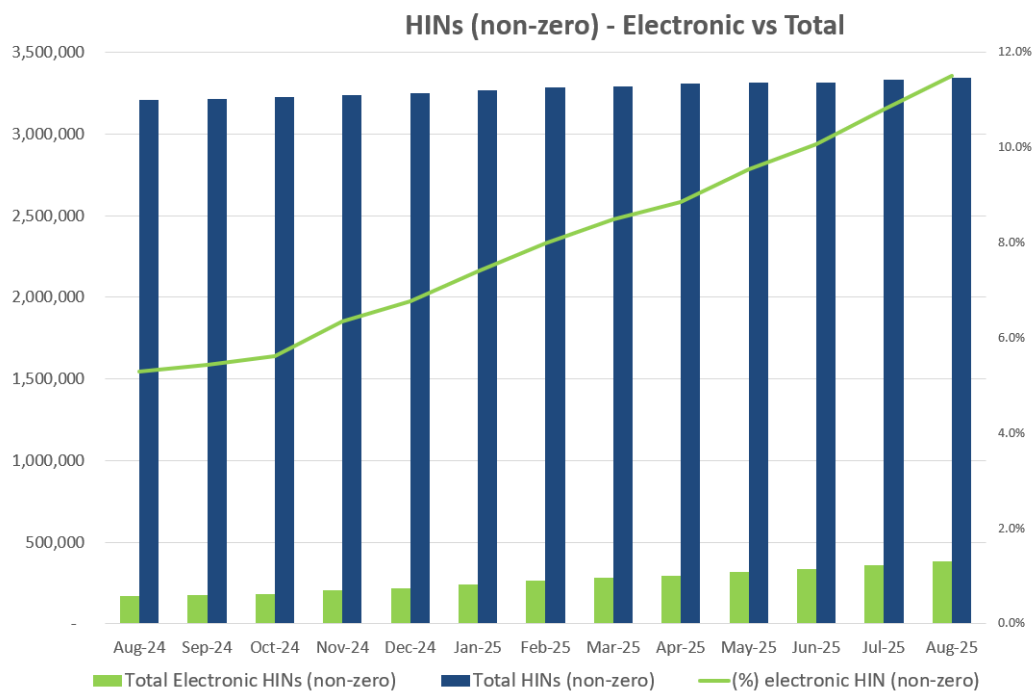


Chart 2 – HIN (non-zero) – electronic vs. total

Statements Working Group

The Statements Working Group (SWG) has now met ten times. The group has welcomed one new organisational member, Registry Direct during the last 3 months.

Participant survey

At the 31 July meeting, there was some discussion on obtaining more transparency on individual participant's opt-in rates. ASX proposed to seek consent from each member participant to share their opt-in rates. ASX also proposed to survey members on their models for opt-in support (refer Attachment A for survey questions). The results of that survey were shared at the 28 August meeting and are summarised below:

- 7 of all 8 SWG sponsoring participant members responded
- 5 of the 8 members offer a retail brokerage service
- 4 of the 8 members act as a third party clearing and settlement service provider/agent
- **Note:** There are members that act as both a retail broker and clearing and settlement service provider
- Most participants preferred anonymity for specific opt-in statistics. On that basis, ASX will not share specific statistics. ASX has also summarised/anonymised the responses regarding opt-in facilities.

Participant type	Question	Response
Retail brokers All of the members who responded (5 of 8) account for approx. 55% of the total zero and non-zero HIN base	Are your customers automatically opted in to electronic CHESS statements, at the time their HIN is created?	<ul style="list-style-type: none"> • 3 have enabled default opt-in. However, there are certain exceptions. • 2 retail brokers do not enable default or optional opt-in at HIN creation.
	Do you offer an online facility for existing investors to opt into electronic CHESS statements?	<ul style="list-style-type: none"> • 4 retail brokers offer the online opt-in facility to all its investor base (through digital or pdf form). All retail brokers account for 57% of the overall non-zero HIN base. • 1 retail broker does not offer an online facility to enable opt-in to electronic CHESS holding statements and notifications and has no plans due to lack of demand.
	What Email Purpose preferences do you offer your customers?	<ul style="list-style-type: none"> • 3 of the retail brokers offer only Email Purpose B – Preference for electronic communications from ASX Settlement only. All account for 54% of the overall non-zero HIN base • 1 retail broker offers a variety of selections based on the customer segment. This retail broker accounts for 3% of the overall non-zero HIN base.
Clearing and Settlement All of the members who responded account for approx. 15.5% of the total zero and non-zero HIN base Agent/Service Provider	As a clearing and settlement agent/service provider, do you provide your intermediaries with the ability to send CHESS messages to opt their customers in to electronic CHESS statements?	<ul style="list-style-type: none"> • 3 out of the 4 members offer their intermediaries with the ability to send through CHESS messages to opt-in their customers into electronic CHESS holding statements and notifications. All 3 participants account for 15~% of the total non-zero HIN base. • All 3 support opt-in for all Email Purposes • 2 - Confirmed all intermediaries are aware of their ability to send CHESS messages to opt-in their customers to electronic CHESS holding statements and notifications. • 1 - Confirmed its intermediaries offer an online facility for opt-in to electronic CHESS holding statements and notifications. • 1 - Confirmed its intermediaries offer the facility for new HINs but not for existing customers.

Objective - increasing the take-up of electronic communications

At the 31 July meeting, ASX confirmed it had informally lodged the proposed ASX Settlement Operating Rule amendments regarding the form of authority for change of registration details, to support potential bulk opt-in arrangements for participants. The members have also generally agreed the practical considerations proposed by ASX for bulk opt-in. At the 28 August meeting, ASX outlined the proposed forward plan to implement the bulk opt-in arrangements, once the rule changes have been made effective (subject to regulatory clearance).

Objective - fraud prevention

At the last two meetings, members discussed the approach to potential HIN/SRN redaction, the forms of communication and possible timing. Actions were assigned to members to assist with obtaining a view of the notifications involved, as input to the plan.

At the 28 August meeting, the group discussed feedback from Participants, Share Registries and ASX on the types of notifications provided to investors. The group agreed that the default position should be to redact HIN and SRN, unless there was a specific requirement to include the identifiers.

All members also agreed that there needs to be a simple and secure means for investors to gain access to their full HIN or SRN when required.

Each stakeholder will review their own notifications and the potential work involved to make changes, if they are not already redacting. While that work is ongoing, including discussions around any coordinated timing for the changes, the group agreed that there should be broader communication to the market, including investors, regarding the issue, considerations and proposed guidance. ASX offered to consider developing a market paper to be jointly issued by the group for that purpose.

Members also agree it would remain optional for each stakeholder to make the changes (not mandated) but highly encouraged.

Forward meeting plan

ASX continues to note new, open and closed actions of the group.

The group will meet again before the December 2025 Business Committee meeting.

ATTACHMENTS

Attachment 1 – Questionnaire sent to Statements Working Group participant members August 2025

Attachment 1 - Questionnaire sent to Statements Working Group participant members August 2025

Question #	Settlement participant name:	<Sponsoring Participant Name>
1	Are you a retail broker?	Yes No
2	Are you a clearing & settlement agent/service provider	Yes No
Retail broker - Fill out this section if you identify as a retail broker		
3	Do you offer an online facility for existing investors to opt into electronic CHESSE statements?	Yes No
4	Are your customers automatically opted in to electronic CHESSE statements, at the time their HIN is created?	Yes No
5	What Email Purpose preferences do you offer your customers? <ul style="list-style-type: none"> A – Preference for electronic communications from ASX Settlement and Issuers B – Preference for electronic communications from ASX Settlement only; and/or C – Preference for electronic communications from Issuers only 	
6	If you answered no to questions 3 and 4 above: <ul style="list-style-type: none"> How do you currently allow your customers to opt in to electronic CHESSE statements? Do you intend to provide an online facility for customers to opt in to electronic CHESSE Statements? If so, when can they expect it? 	
Clearing & Settlement Agent/Service Provider - Fill out this section if you identify as a clearing & settlement agent/service provider		
7	As a clearing and settlement agent/service provider, do you provide your intermediaries with the ability to send CHESSE messages to opt their customers in to electronic CHESSE statements?	Yes No
8	What Email Purpose preferences does your electronic CHESSE statements opt-in capability support? <ul style="list-style-type: none"> A – Preference for electronic communications from ASX Settlement and Issuers B – Preference for electronic communications from ASX Settlement only; and/or C – Preference for electronic communications from Issuers only 	
9	If you answered Yes to question 7, are all your intermediaries aware of their ability to send CHESSE messages to opt their customers in to electronic CHESSE statements?	Yes No
10	Do your intermediaries offer an online facility that enables existing/new investors to opt in to electronic CHESSE statements?	Yes No
Consent to disclose information		
11	Do you provide consent for ASX to disclose, to the Statements Working Group, your response above?	Yes No
12	Do you provide consent for ASX to disclose, to the Statements Working Group, your electronic CHESSE statements uptake statistics (e.g. number of HINs (non-zero and/or zero) opted into electronic CHESSE statements)?	Yes No

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	Share Sale Fraud Working Group Update
Agenda Item No.	3g
Purpose	To update the Committee on the share sale fraud working group established to respond to recent 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 recent 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 in order to combat such share sale fraud activity, including by enhancing knowledge and information sharing.

SSFWG MEETINGS SINCE JUNE BUSINESS COMMITTEE

The fourth meeting of the SSFWG was held on 2 September 2025.

This meeting was attended by a representative from the Office of the Australian Information Commissioner (**OAIC**) as an observer, with the focus of the meeting being on hearing from industry members on challenges in sharing information to combat suspected share sale fraud activity due to privacy restrictions, to help inform the OAIC's consideration of future updates to its guidance.

This is in line with one of the objectives in establishing the SSFWG, which is to advocate for actions whose implementation requires support beyond industry members.

The next meeting of the SSFWG is scheduled to occur in December.

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	Business Committee membership nominations
Agenda Item No.	3h
Purpose	To inform the Business Committee on the commencement of the biennial membership nomination process
Prepared by	Glenn Kennedy, Head of Equities Engagement
Action	For Discussion
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

Background

In October 2023, the Business Committee membership structure was amended to open up the membership of the Business Committee to all Clearing and Settlement participants. The first two-year term under the new membership structure commenced December 2023 and will continue to December 2025 (**current term**).

On 4 September 2024, ASX Clear and ASX Settlement published the ASX Business Committee Membership Policy (Membership Policy) to provide a transparent framework for adding, removing or replacing members of the Business Committee, including under the two-yearly nomination process.

On 19 August 2025, ASX Clear and ASX Settlement updated the Membership Policy to expressly recognise that obligations under the ASIC CS Services Rules (**CS Service Rules**) inform the matters covered off in the Membership Policy and to include Market Participants and Share Registries as stand-alone classes of entities eligible for membership of the Business Committee, in line with the definition of “User” in Rule 1.2.2 of the ASIC CS Services Rules. The updated Membership Policy was submitted to Business Committee members at the 18 June 2025 Business Committee meeting for consideration and no subsequent feedback or comments was received.

The policy now draws on various documents governing the Business Committee’s function and membership, including upon:

- CS Service Rules
- The Regulatory Expectations
- The Code of Practice
- October 2023 Paper to the Business Committee on changes to the Business Committee membership structure

Membership Nomination Process

ASX is commencing the membership nomination process for the next two-year term which will commence from January 2026 and continue to December 2027. As part of this nomination process, existing members may apply to renew their membership and other Users or Technology Service Providers that are not existing members but are eligible for membership can also apply to become members.

All eligible Users or Technology Service Providers would be expected to make a commitment to membership for a term of 2 years and nominate an appropriate representative to regularly attends meetings of the Business Committee during that term. The nominated representative is expected to:

- be at executive or other senior management level with a deep understanding of clearing and settlement, and has authority to speak on behalf of the member

- has the expertise to make meaningful contributions to meetings of the Business Committee
- be willing to share appropriate and useful information relevant to the role of the Business committee

Appointments or removal of members will involve a broad review against the principles for appointing and removing members specified in the Membership Policy.

Membership of the Business Committee is optional, not mandatory. Membership of the Business Committee will be communicated to members in writing and also advised to Business Committee members generally at the next Business Committee following that change.

Next Steps

Following the 17 September 2025 Business Committee meeting, the Business Committee Secretariat will request for Existing Business Committee members to renominate via email. Existing Business Committee members who wish to continue to be a member for another two-year term are requested to respond with the name, title and contact details of the individual you wish to nominate as your organisation's representative by **Friday, 17 October 2025**.

Under the revised Membership Policy, Technology Service Providers are eligible to apply to become members of the Committee. ASX will also canvas with Users and Technology Service Providers who are not already members of the Business Committee to see if they are interested in applying to become members of the Business Committee.

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	CHES Project update
Agenda Item No.	4a
Purpose	To provide Business Committee members with an update on the CHES project, industry engagement activities and the CHES Project support model
Prepared by	Triona Quinlan, General Manager, Technology Delivery, ASX Technology
Action	For approval
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

BACKGROUND

CHES is the core system that performs the processes of clearing, settlement, asset registration and other post trade services which are critical to the orderly functioning of the market. On 20 November 2023, ASX announced that it had entered into an agreement with Tata Consultancy Services (TCS) for the delivery of its TCS BaNCS for Market Infrastructure (MI) product. ASX has also engaged Accenture to act as a Solution Integrator to support project delivery.

This paper provides the Business Committee with an update on progress against the CHES Project for its information.

CHES RELEASE 1 PROJECT UPDATE

Industry Testing

The CHES Release 1 Industry Test Environment has remained available and stable throughout Q3 2025 for industry testing. AMO Accreditation is the next industry test phase where AMOs and the AMO Software Provider are required to demonstrate their software's conformance to the AMO User Technical Documentation by completing the mandatory and relevant conditional scenarios for assessment. This is a mandatory industry test phase that is required to be successfully completed before AMO software can be deployed to the production environment. AMO Accreditation commenced on 1 September 2025 and all software accreditation activities are expected to be completed by early-November 2025. One organisation has successfully completed all formal AMO Accreditation activities. Another organisation has successfully completed testing for all accreditation scenarios in preparation for formal AMO Accreditation and the remaining organisation is in the final stages of preparation for accreditation.

Clearing Regression Preparation

The next area of focus for the Project is preparing for the Clearing Regression phase which is planned to commence in October 2025. The Clearing Regression phase requires Clearing Participants to validate the backwards compatible EIS messages generated by the Clearing Service (BaNCS). This involves confirming messages are generated as expected.

The Project has been reporting an amber status on the Clearing Regression milestone at the monthly industry Technical Committee meetings due to schedule and quality concerns. Several actions have since been delivered to improve the quality of code delivered for internal testing. With the improved code quality and

planned testing over the upcoming weekends, internal testing is expected to be completed by late-September 2025 to enable commencement of the Clearing Regression phase in early-October 2025 as planned.

Cutover Preparation

The CHES Project Release 1 Cutover Approach document was publicly released on 26 June 2025 as planned. This document outlines the approach, governance, and timeline for transitioning to the CHES Release 1 Clearing Service, including the cutover weekend schedule, dress rehearsal and Go-Live date. The Cutover Approach also sets out the proposed CHES Project Release 1 go-live date of Monday 20 April 2026. This date has been discussed with the AMOs and the CHES Replacement Technical Committee with no concerns raised.

An internal Technical Dress Rehearsal event was held on 21 July 2025 and the first ASX Dress Rehearsals (ADR) events was held on 23 August 2025. These dress rehearsal activities were held in the to-be Prod environment and all ASX tasks for the cutover weekend were successfully completed, including testing the weekend rollback during the ADR. The second of two ASX Dress Rehearsals is planned for late-September 2025 and Implementation Dress Rehearsals with the AMOs are planned for November 2025 and February 2026.

An option to provide a rollback scenario on Monday has been discussed with the Technical Committee and the Working Groups. The Project is currently assessing the viability of this rollback option, including how it can be tested with the AMOs.

AMO Parallel Test Preparation

The AMO Parallel Test phase is a test phase in which an AMO's production feed of trade registrations and price reporting data is simultaneously transmitted to both the current CHES and the CHES R1 To-Be Production environment for comparison and monitoring.

External parallel testing with the AMOs is expected to commence in mid-November 2025 following publication of the Parallel Test Guide in late-September 2025. Internal parallel testing has commenced and is expected to be completed by late-October 2025.

CHES RELEASE 2 PROJECT UPDATE

Drop 1 (Accounts, Holdings & Account Transfer)

Drop 1 business specification documentation was signed off in late-June 2025 as planned. BaNCS build activities are progressing and expected to be completed by late-September 2025. Key members of the Project team were offshore in India in early-September 2025 to complete verification and validation activities. ASX build items including on the AMQP and External UI channels is tracking to plan with build nearing completion and system testing activities underway.

The first tranche of the CHES User Technical Documentation was published on 29 August 2025. These documents provide the industry with the detailed specifications and tooling to support Drop 1 build and test activities which is scheduled to commence in March 2026 for Drop 1.

Drop 2 (Clearing Upgrade, Settlement Instructions, Settlement) and 3 (Payments, Issuer Sponsored & Registry Processes)

The Drop 2 business requirement documents (**BRDs**) were signed off on 31 July 2025 and provided to BaNCS. The current area of focus for Drop 2 is drafting of the Business Specification Documents with Drop 2 build activities targeted to commence in October 2025.

Drop 3 (Payments, Issuer Sponsored & Registry Processes) and Drop 4

Drop 3 pre-analysis has been completed and drafting of the BRDs have commenced which are targeted for completion by October 2025.

Planning for Drop 4 has commenced with a small number of the Project completing initial design and discovery work.

Industry Testing

The CHES Release 2 Industry Test Approach document is expected to be published in late-September 2025 as planned. This document informs industry stakeholders on the testing approach, responsibilities, timing, entry and exit criteria and expected outcomes for the CHES Release 2 Industry Test phases. This document is also a key artefact for industry stakeholders to assess their testing effort required against the key milestone dates of the CHES Release 2 timeline in preparation for CHES Release 2 Industry Timeline Checkpoint (**timeline checkpoint**) planned for late-November 2025.

Q3 2025 TECHNICAL COMMITTEE AND WORKING GROUPS MEETINGS

Operating on a monthly cadence to a published timeline, the Technical Committee continues to act as the primary engagement channel to communicate information with CHES Users and software providers regarding project status and governance, key risks and issues, scope, implementation options, testing, cutover and migration and readiness activities.

The Technical Committee governs several working groups or forums which provide targeted engagement activities on specific aspects of the CHES project. The working groups currently operating are the Business Design Working Groups (BDWGs), AMO Working Groups (AMOWGs), Implementation and Transition Working Groups (I&TWGs) and the ISO Design Working Groups (ISOWGs). The forum that's currently operating is the CHES Release 1 Build and Test forum.

Since the last Business Committee there have been three Technical Committee meetings held on 9 July 2025, 6 August 2025 and 3 September 2025 with the next meeting scheduled for 8 October 2025.

At the 9 July 2025 Technical Committee, updates were presented on:

- Progress against the CHES project milestone plan
- Updates to industry build and test activities in the CHES Release 1 Industry Test Environment
- CHES Release 2 ISO design changes for Drop 1
- Future pricing considerations for the CHES Project

At the 6 August 2025 Technical Committee, updates were presented on:

- Progress against the CHES project milestone plan
- Updates to industry build and test activities in the CHES Release 1 Industry Test Environment
- Overview of the industry readiness dashboard and the underlying metrics tracked
- Overview of CHES Release 2 Drop 1 User Technical Documentation
- Proposed approach to finalise corporate actions and non-batch DVP scope

At the 3 September 2025 Technical Committee, members were advised that 6 additional organisations had joined the Technic Committee. Updates were presented on:

- Progress against the CHES project milestone plan
- Updates to industry build and test activities in the CHES Release 1 Industry Test Environment
- The rationale why ASX has planned to not carry forward the new holding balance field in confirmation message
- Overview of the CHES Release 2 timeline checkpoint and industry engagement process

- The CHES Project support model (refer to Attachment 3 for closure of **open action 25-6-3**)

Since the 18 June Business Committee meeting, ASX has conducted the following working groups:

- Four BDWGs covering; Detailed design of CHES Release 2 Drop scope, a Payment Provider focus group on planned changes to payment authorisation processes and an Industry focus group on the real-time payment channel.
- Three ISOWG covering; ISO messages and workflows relating to settlement instructions, settlement locking, holding administration lock, CUM entitlement balance reporting, claims processing, holding balance reporting, payment facility management and batch settlement payments.
- Three ITWG covering; CHES Release 1 clearing regression, CHES Release 1 AMO operational readiness, CHES Release 1 cutover and transition, and CHES Release 1 and 2 parallel testing, CHES Release 2 industry testing.

Previous Technical Committee agendas, presentation materials and minutes can be found [here](#). Previous Working Group presentation materials can be found [here](#).



KEY RISKS

At the 18 June 2025 Business Committee, the Project noted four key risks being managed by the Project relating to; schedule. The risk relating to the delays in the data and reporting build, reference data integration testing, non-functional testing and in the delivery of the AMQP channel have been closed following commencement of the AMO Readiness phase. The Project is now managing the following key risks and issues.

Area	Description	Mitigation	Residual Exposure
Schedule	R1: Industry readiness delays may impact CHES Release 1 Go-Live	<ul style="list-style-type: none">Track and report on industry readiness metrics to ensure AMOs and Clearing Participants are commencing and completing all necessary industry readiness tasks	Medium
Customer	R1: CHES Release 1 rollback approach may require additional industry testing effort	<ul style="list-style-type: none">Finalise the CHES Release 1 rollback approach and assess the potential impacts of testing with Industry	Medium
Delivery	R1: Insufficient time to complete internal Clearing Regression testing	<ul style="list-style-type: none">Review scope and re-assess effort and resource profile required to complete testingReview defects and scope to ensure that high risk/impacting changes are brought forward and prioritised for delivery	Medium
Delivery	R1: Defects or regression may impact the Clearing Regression milestone	<ul style="list-style-type: none">Improve defect handling and retesting processEnable broader defect retesting in the ASX test environments	Medium
Delivery	R2: Quality of code delivered into testing may impact CHES Release 2 milestones	<ul style="list-style-type: none">Increase scope of unit and system testReview and uplift governance of system testingUplift system test environments to improve testing coverage	Medium
Delivery	R2: CHES Release 2 milestones may be impacted due to focus CHES Release 1	<ul style="list-style-type: none">Conduct a review to identify areas at risk of resource overlap or shortage and develop specific mitigation strategies	Medium

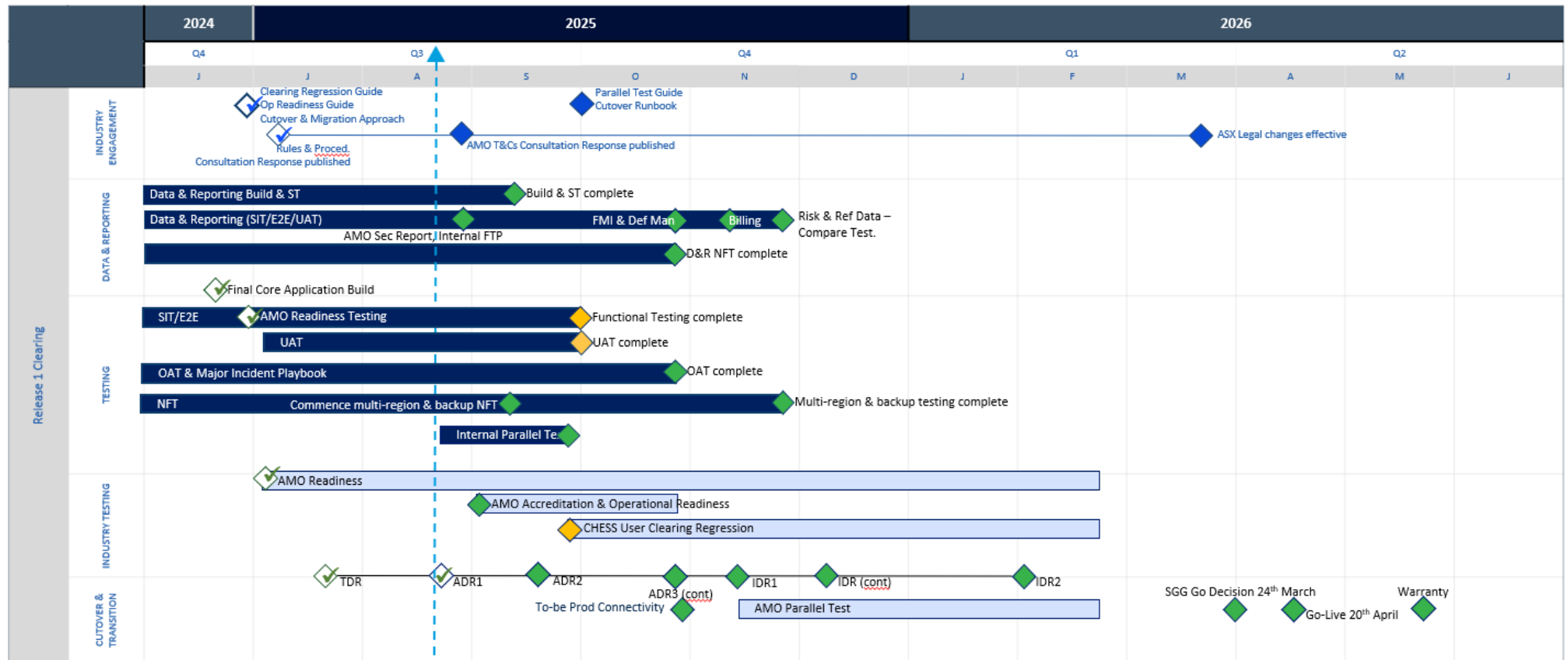
ATTACHMENTS

Attachment 1: Updated CHES Release 1 Indicative Project Timeline

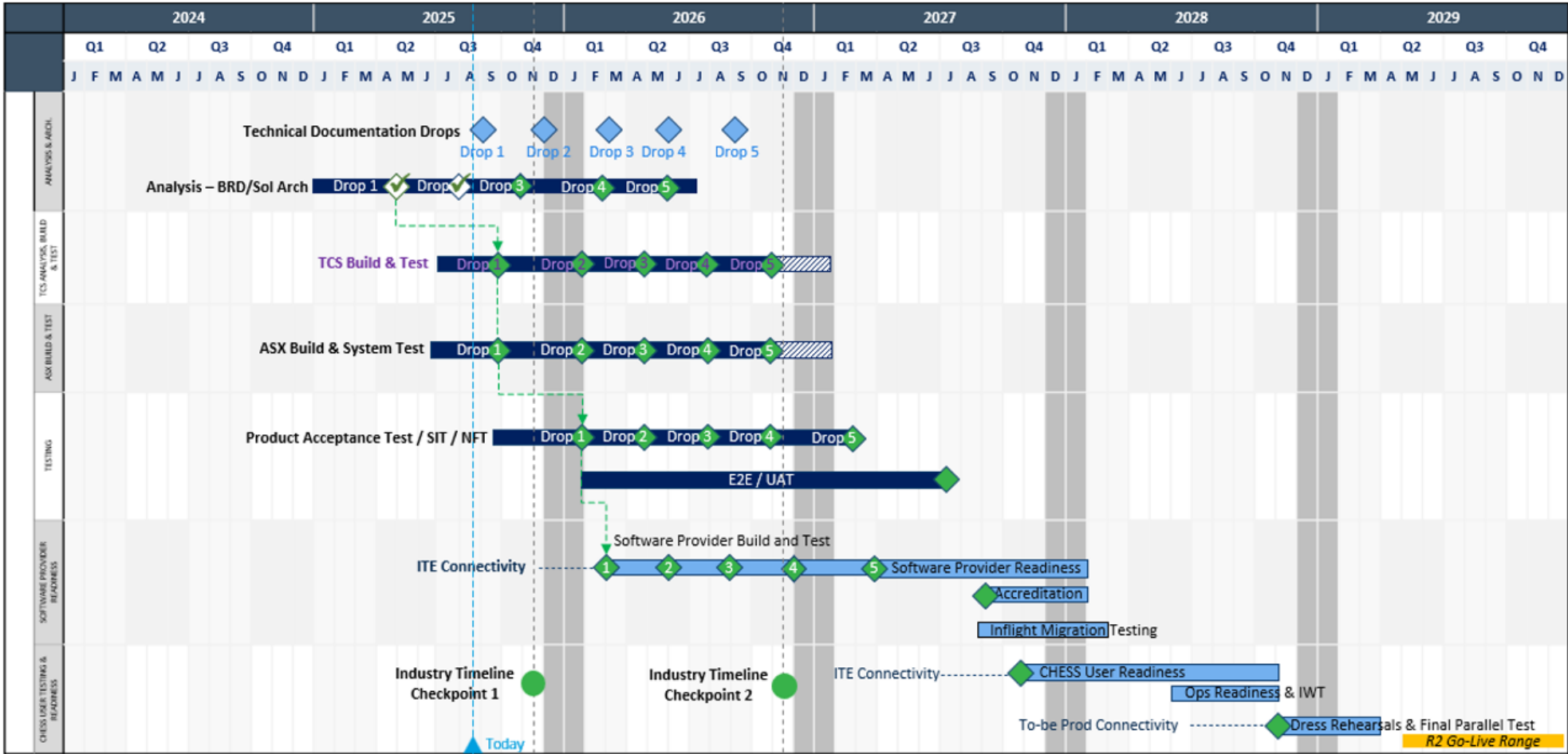
Attachment 2: Updated CHES Release 2 Indicative Project Timeline

Attachment 3: CHES Project Support Model

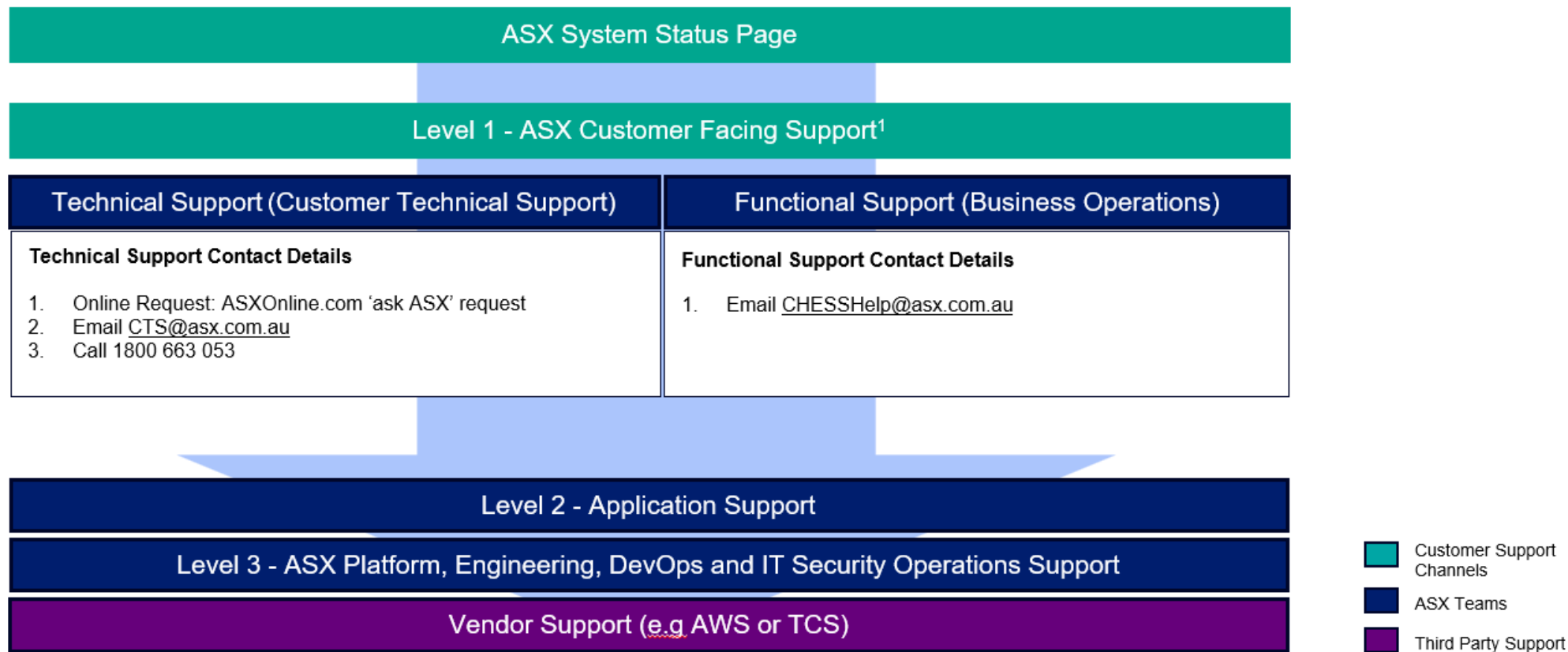
Attachment 1: Updated CHES Release 1 Indicative Project Timeline



Attachment 2: Updated CHES Release 2 Indicative Project Timeline



Attachment 3: CHES Project Support Model



1. All Users are expected to submit support requests to ASX Level 1 Support teams

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	CHES Project: Finalisation of two key scope items for Release 2
Agenda Item No.	4b
Purpose	To outline ASX's proposal on two outstanding elements of scope for Release 2 for the CHES Project relating to Corporate Actions and Non-Batch DVP.
Prepared by	Andrew Jones, General Manager, Equities, Securities and Payments
Action	For Recommendation
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	<p>The Business Committee RECOMMENDS that:</p> <ol style="list-style-type: none"> 1. Functionality for Non batch DVP and Corporate Actions be mandatory for certain CHES Users as set out in this paper; and 2. Functionality relating to Standing Instructions, Preliminary Payment Notifications and Bilateral Matching Improvements be addressed via continued engagement through the Technical Committee, and only brought to the ASX Business Committee if required.

BACKGROUND

As discussed at the Technical Committee, ASX management requests the Business Committee recommend to the CS Boards that CHES Release 2 functionality described in the table below be classified as optional or mandatory¹.

Functionality	C&S Participant Accreditation	Settlement Only Participant Accreditation	Registry Accreditation	Payment Provider Accreditation
Non batch DvP bilateral settlement (new)	Mandatory	Mandatory	N/A	Mandatory
Corporate action election and acceptance processing – DRP/BSP	Optional	Optional	Mandatory	N/A
Corporate action election and acceptance processing – rights/SPPs	Optional	Optional	Mandatory	Mandatory
Payment processes for corporate actions, batch and non-batch DvP settlement processes	N/A	N/A	N/A	Mandatory

ASX is also proposing that the Business Committee recommend to the CS Boards that the remaining functionality relating to Standing Instructions, Preliminary Payment Notifications and Bilateral Matching Improvements be addressed through continued engagement via the Technical Committee and only brought to the ASX Business Committee if required.²

¹ See Appendix 1

² See Appendix 2

This paper provides ASX's proposal for Business Committee recommendation to the boards of ASX Clear and ASX Settlement. The CS Boards may take actions in accordance with the recommendations or explain why they have not adopted the recommendations. The output of optional or mandatory functionality engagement will be used to finalise the development of technical and functional specifications that will be released to industry and stakeholders to support their own software development activities.

OPTIONAL OR MANDATORY FUNCTIONALITY ENGAGEMENT PROCESS

ASX undertook significant industry engagement in CY2024 to progress the next steps of the CHES Project scope objectives, timelines and implementation approach. A focus area for industry engagement in CY2025 has been the finalisation of the scope and design for Release 2 (Settlement and Subregister), with one of the key activities being the determination of the optional or mandatory nature of functionality.

To facilitate this, ASX developed an initial proposal on the optional or mandatory nature of functionality for Technical Committee consideration. The functional items identified in the initial proposal were informed by the industry design considerations in the publicly available [Business Design Documents](#), and from the CHES Project scope objectives recommended by the Technical Committee to the Business Committee at the December 2024 Business Committee. ASX applied the following principles to determine the optional or mandatory nature:

1. Accreditation is mandatory on:
 - a) Mandatory or conditional information to be populated in existing mandatory messages
 - b) Optional information that impacts or triggers a production workflow, including related additional messages
 - c) Workflows that can be triggered by a counterparty and cannot be prevented
 - d) New core-clearing and settlement functionality
2. Accreditation is not required to demonstrate the use of new informational or optional fields
3. Accreditation is optional on fully optional workflows that can be disabled in CHES.

The initial proposal was presented at the February 2025 Technical Committee meeting with feedback received from nine members over a 3-month period. ASX considered the industry feedback and submitted a revised proposal to Technical Committee members at the May 2025 Technical Committee to validate the revisions and ensure members had an opportunity to provide any final feedback.

The revised proposal contained a list of optional or mandatory functionality for accreditation by Clearing and Settlement Participants, Settlement-only Participants, Registries and Payment Providers for Business Committee endorsement to the C&S Board. Functional items where industry cohorts were not included in the associated workflows did not form part of the revised proposal as these items were not required for software development and accreditation.

The revised proposal as set out in Appendix 3 was approved at the June 2025 CHES Project Technical Committee meeting and subsequently endorsed at the June 2025 ASX Business Committee for recommendation to the CS Boards. The CS Boards accepted the Business Committee's recommendation in August 2025 (refer to Attachment 1).

At that time, the industry was unable to reach consensus on the following functionality:

1. The ability to process DvP settlements outside of the batch (non-batch DvP); and
2. Straight through CHES processing of corporate actions.

ASX has continued working through these functional areas of the CHES Project scope, tabling an approach at the Technical Committee and to the Cash Equities Clearing and Settlement Advisory Group (Advisory Group), and to the September Business Committee for Recommendation to the CS Boards.

This paper outlines why ASX recommends making Non-Batch DvP and Corporate Actions election features mandatory for respective stakeholder groups as outlined in Appendix 1.

NON-BATCH DVP

Background

CHESS currently supports Delivery versus Payment (DvP) settlement on an on-demand (non-batch) basis, but this functionality has seen little to no use by the industry. The primary reason is the complexity of the current message structure and associated fee structure.

The standard daily settlement in CHESS today follows “DvP Model 3”, meaning all trades are multilaterally netted and irrevocably settled once per day in a single batch. This net batch process greatly reduces participants’ intraday funding needs. ASX does not plan to replace DvP Model 3; instead, ASX proposes to develop Non-Batch DvP as a complementary capability to offer more flexibility while retaining the existing batch model for efficiency and predictability.

Industry Feedback and Proposed Approach

The industry has shown support for the overall planned settlement enhancements within CHESS Release 2 scope. In particular, the proposal to introduce Non-Batch DvP (on-demand gross settlement) has been acknowledged as a valuable addition. Some market participants suggest that it would offer greater flexibility and real-time settlement options, especially for those who miss the scheduled batch cut-off on a given day.

To maximise the benefit of this capability while preserving discipline in settlement operations, ASX proposes making Non-Batch DvP a mandatory feature for all participants to implement, but its usage would remain optional. In practice, this means every participant and their systems must be capable of settling trades via Non-Batch DvP, although they would only use it when needed. This approach ensures universal access to the feature without forcing changes to existing day-to-day workflows unless a participant chooses to use it. The batch model (DvP3) would continue to be the primary settlement method, maintaining the structured process that industry is accustomed to.

Key Benefits of Non-Batch DvP

Industry participants highlighted several key benefits of including Non-Batch DvP functionality:

1. **Increased Flexibility:** Enables **intraday settlement** for trades that would otherwise fall outside the batch cycle. Participants with late-day trades or corrections would no longer need to wait until the next day’s batch; they could settle those transactions on the same day.
2. **Reduction in operational risk:** The current model used by industry is to move securities in CHESS and conduct the cash leg in Austraclear. This creates operational and potentially credit risk.
3. **Real-Time Finality:** Provides **faster completion of settlements** as each transaction can be settled and finalised individually in real time. This speed reduces counterparty exposure and operational risk, since obligations are fulfilled without delay.
4. **Support for Exceptions:** Serves as a safety valve for **exceptions or missed settlement obligations**. If a participant misses the cut-off for the daily batch or encounters an out-of-cycle transaction, that trade can still be settled on-demand (rather than remaining pending until the next batch). This capability improves overall settlement efficiency and customer service by not forcing delays for off-cycle transactions.

These benefits highlight the added agility and risk reduction that Non-Batch DvP can bring to the market’s settlement process, complementing the existing batch model.

Concerns and Considerations

While supportive overall, some industry feedback noted concerns regarding the Non-Batch DvP proposal (in both feedback to the CHESS Project and the previous iteration of the project):

1. **Settlement Discipline (T+1 Timing):** Some concern has been expressed that post-batch settlements might erode the discipline required for a successful future T+1 settlement cycle. If participants know they have an on-demand settlement option after the end-of-day batch, they may become less stringent about meeting the batch deadline, potentially undermining the strict timing needed for T+1 (next-day) settlement implementation.
2. **Complexity and Funding Mechanisms:** Building and supporting this new functionality would introduce additional complexity for participants and payment providers. Firms will need to adapt their systems and processes to accommodate real-time gross settlements. Additionally, arranging funding for intraday, trade-by-trade settlements (e.g. having liquidity readily available throughout the day) could be complex. This is a particular concern given that many stakeholders are already engaged in the substantial work of CHES Release 2 (focused on clearing and settlement system upgrades). There were questions about how intraday funding and liquidity management would be handled without adding undue burden.

These points will need to be addressed to ensure that Non-Batch DvP is introduced in a way that does not inadvertently disrupt current workflows and market discipline.

ASX's Proposed and Next Steps

ASX acknowledges the industry feedback provided and is committed to designing the Non-Batch DvP functionality in a simplified user-friendly way to minimise operational impact. The intention is to incorporate this capability in Release 2 of the CHES Project (or shortly thereafter) to provide the industry with more flexible settlement options as soon as possible.

ASX plans to implement Non-Batch DvP without compromising the integrity and predictability of the existing batch settlement model. In practice, this means:

1. **Preserving Batch Integrity:** The batch process (DvP3) will remain the cornerstone of the settlement system. All current risk controls, netting efficiencies, and operational procedures around the batch will continue unchanged for regular activity. Non-Batch DvP is proposed as an additional tool for special circumstances, not a wholesale replacement of batch settlement.
2. **Mandatory Capability, Optional Use:** ASX proposes mandate that all participants and payment providers build and maintain the capability for on-demand gross settlement. This ensures everyone can interact with everyone else in real-time if needed to support settlement. However, using Non-Batch DvP will be optional, whereby participants can decide when it makes sense to deploy an off-cycle settlement (for example, to quickly resolve an outstanding obligation) versus waiting for the batch. This approach balances broad availability with flexibility of choice.
3. **Further Design and Consultation:** ASX will continue to refine the design of Non-Batch DvP in close consultation with participants, payment providers, and regulators. The goal is to simplify processes as much as possible so that using the feature is straightforward and does not introduce undue risk or complexity. Detailed operational rules and procedures will be formulated and reviewed with industry stakeholders before rollout.

STRAIGHT THROUGH CHES PROCESSING OF CORPORATE ACTIONS

Background

Release 2 of the CHES Project provides an opportunity to modernise corporate action processing in Australia's cash equities market. There are two approaches are under consideration:

1. Maintain the existing processes, or
2. Implement Straight Through Processing (STP) to Share Registries via CHES for corporate action elections

While Option 1 minimises near-term disruption, it preserves known inefficiencies and risks. Option 2 would streamline workflows through automation and standardised ISO 20022 messaging, in line with international practices, delivering potential long-term benefits to issuers, investors, and participants. The remainder of this paper outlines current challenges, evaluates both options, and proposes adopting STP (Option 2) with a phased

implementation to mitigate risks. This approach is expected to strengthen market efficiency, reduce operational risk and align with global standards.

Current Challenges in Corporate Action Processing

Currently, elections for corporate actions, particularly those managed via custodians, rely on manual, fragmented workflows, leading to inefficiencies and operational risks. Information regarding entitlements and elections often passes through multiple channels between issuers, share registries, custodians, and brokers. Key challenges identified include:

1. **Unstructured message flows:** Multiple disparate communication methods (emails, fax, proprietary systems) cause duplication and complexity, hindering timely coordination.
2. **Communication gaps:** Lack of a centralised communication hub or standard format can lead to misaligned data across stakeholders. Custodians have cited inconsistent formats and interfaces with registries as pain points and in some instances technology capacity constraints.
3. **Manual interventions:** Many election announcements and responses are processed manually, increasing the likelihood of human error and higher operational costs and risk for participants and investors (and their agents).
4. **Operational risk:** Without end-to-end automation, corporate action elections may be handled incorrectly or not within prescribed timelines, impacting investors and requiring costly remediation. Investor/custodian experience can also vary greatly depending on the registry involved.

These issues stem partly from a legacy process designed decades ago around the original CHES. Australia's market currently includes over 2,000 listed or quoted issuers and 6,000+ corporate action events are processed annually. These are managed by eight major share registries each using their own systems and processes. The current CHES system or related ASX services do provide some electronic functionality – e.g. reference data services, record date balance reports, and electronic acceptance for certain events (takeovers, buy-backs, reinvestment offers). However, most corporate action activities (e.g. notices, elections with payments) occur outside CHES via registries, with heavy reliance on paper, online portals, APIs or email.

Option 1 – Maintain Existing Process (Replicate Current State)

Option 1 entails rebuilding CHES Release 2 to mirror the current corporate action processes, essentially keeping elections and payments outside of CHES. Under this approach, CHES would continue to perform its current limited role (e.g. notification of entitlements, basic acceptance for certain event types) and introduce ISO 20022 messaging only for the parts of the process it already supports. All other activities (like sending offer documents, collecting elections with payments, and paying investors) would remain with share registries as today.

The benefit of this approach is that it minimises near-term disruption for share registries and participants by preserving familiar workflows and avoiding major system changes on their end. It requires relatively less retraining and procedural change, and leverages the status quo where roles are well understood.

However, there is broad acknowledgment across the industry that the status quo is suboptimal. In previous consultations and bilateral engagements with stakeholders, participants described the current process as a multiplicity of disparate and unstructured message flows with many-to-many communications leading to gaps, manual workarounds, and higher operational risk. It has also been noted that under current settings, operational risk is elevated (e.g. missed or mis-processed investor elections) and operational costs are higher due to lack of straight-through processing.

Option 2 – Implement STP via CHES (Global Best Practice)

Option 2 would leverage the CHES Project to introduce end-to-end Straight Through Processing for corporate action elections. In practice, this means CHES would provide a new electronic elections channel connecting participants (brokers/custodians) with share registries for all optional corporate action events. Key aspects of this approach include:

- **Pass-through of elections:** Participants could submit investors' election instructions (e.g. to take up a rights issue or participate in a dividend reinvestment plan) directly into CHES. CHES would

then route these election messages to the relevant share registry in a standardised, real-time format. This would enable participants on behalf of holders to transmit decisions to registries without manual forms or emails.

- **Electronic handling of payments:** For events that require a payment from investors (like exercise of rights or purchase plan contributions), the new system would facilitate the associated payment instructions through CHES or linked payment systems. This could involve integrations with payment providers or reserved functionality to ensure funds move with the electronic election, achieving true STP (“delivery vs payment” for corporate actions). It should be noted that the payments element of this feature, while beneficial, does add complexity, particularly to registries. ASX will explore the possibility of deferring the payments until after day one if the complexity outweighs the benefits.
- **Standards and interoperability:** All communications would use ISO 20022 message protocols, aligning with global market practice for corporate actions. CHES’s new capabilities (and the underlying TCS BaNCS platform) are ISO 20022 native, enabling rich, structured data exchange. This aligns with systems used by major international infrastructures like DTCC (US) and Euroclear, promoting consistency for global investors. Similar STP corporate action models have been in place in markets across Europe and North America for a number of years. Some Australian registries already operate in these markets.

Benefits of Option 2 (STP via CHES):

- **Enhanced Efficiency and Accuracy:** By eliminating manual touch-points, STP reduces the risk of human error and speeds up processing. Elections submitted via CHES would be validated and acknowledged in real-time. This means fewer reconciliation breaks and quicker turnaround from investor decision to registry processing. Industry respondents strongly support this on the basis that automation reduces operational risk and cost.
- **Timely and Transparent Processing:** With standardised messaging, all parties receive immediate confirmations and updates on corporate action elections. This improves communication with investors (via their brokers) who receive prompt acknowledgment of their election, and issuers will be able to aggregate take-up rates sooner. ASX anticipates STP could enable shortening the interval between record date and payout, allowing earlier realisation of event outcomes for issuers and shareholders.
- **Global Alignment and Investor Confidence:** Adopting STP via ISO 20022 aligns Australia with global best practices. Institutional investors and custodians, who often operate across markets, have supported the proposed approach as it aligns Australia’s post-trade processes with those in markets like the US, UK, and EU that have high degrees of automation. Global investors would face less operational complexity or risk when investing in Australian-listed securities, knowing that corporate actions are managed with STP similar to other major markets. This enhances the competitiveness and attractiveness of the Australian market.
- **Operational Resilience and Risk Reduction:** Standardised, automated processes are inherently more resilient. With corporate action elections instructed through CHES (initially likely to be utilised by primary wholesale investors), there would be clear accountability and audit trails for all corporate action instructions. The system can enforce validation rules uniformly (e.g. eligibility, deadline cut-offs), greatly reducing errors like misallocations or missed elections. Moreover, manual fraud risks are mitigated when instructions flow through secure system channels.
- **Leveraging Modern System Capabilities:** Option 2 would take advantage of new CHES system’s native ISO 20022 and real-time processing features. This should simplify the system build (using out-of-the-box product capabilities) and future maintenance. It positions the market infrastructure to accommodate future needs (e.g. further settlement cycle acceleration or new product types) more easily.

Option 2 does introduce implementation challenges. It requires coordinated technical development by multiple parties, whereby ASX, share registries, and participants all need to build and test new message interfaces and workflows. The initial investment in technology and change management will be significant, particularly for share registries who must adapt or replace their systems to integrate with CHES for elections. Additionally, registries have voiced concerns about reduced flexibility for customising issuer-specific processes. STP would require registries to conform to a common interface and schedule.

Industry readiness is mixed: while larger participants (often supported by global vendors) are well-positioned to manage STP, some smaller brokers or custodians have expressed some concern about the cost and complexity of the changes. Although, it should be noted that under ASX's proposal, it will not be mandatory for participants to use this service (or build the functionality). The mandatory leg of the message is only between CHESS and share registries.

Designing the payment integration (for investor monies on optional events) will be a significant undertaking. ASX will need to work with payment providers or banks to ensure funds can move as part of the election process. ASX considered that these challenges can be mitigated through appropriate planning and design, including phasing and support.

Stakeholder Perspectives on the Options

Different stakeholder groups have varying perspectives based on how they are impacted:

- **Institutional Investors and Custodians:** This group is the strongest proponent of STP and standardisation. They find Australia's manual processes inefficient and risk-prone, unlike automated markets elsewhere. Custodians and global investors favour Option 2, as it aligns with international standards, reduces operational risk and manual effort, and ensures more timely, accurate outcomes for clients. Further discussion on some of these matters is detailed in a letter from ACSA (the peak industry body representing members of Australia's custodial and investment administration sector) to ASX included in Attachment 2.
- **Share Registries:** Share registries have expressed some concerns around Option 2 in particular the complexity of managing payments with some elections. They have acknowledged the merits of standardisation and that investors would benefit from a channel directly from participants. However, they would bear significant implementation cost. Some registries have pointed out that supporting STP elections will require substantial system upgrades or new development on their side. They are also mindful that each issuer can have unique requirements and that an overly rigid standard process could limit flexibility to cater to special cases.
- Feedback from the registries indicates that any changes must deliver clear, broad-based benefits to justify extension of CHESS scope. By expanding that development to include corporate action STP, they can leverage work already being done and avoid revisiting it later. If Option 2 is pursued, the registries consider it should be done with significant support and incentives (e.g. financial assistance or cost-sharing) and potentially staged implementation (optional early use).
- **Brokers/Participants:** Feedback from the participant community is mixed, depending on size and client base:
 - *Larger participants* especially those with significant institutional clients or global ties, support STP. Many already use STP-compatible systems, making implementation manageable. They value reduced manual processes and fewer errors, and they note that mandated participation across registries would ensure everyone benefits fully from the new infrastructure.
 - *Smaller participants or those focused on retail investors* are more cautious, mainly due to the relative cost of new systems. They value the option to opt out unless there is investor demand, appreciating that only the CHESS-to-registry connection is mandatory. They support Option 2 if it remains optional for them, provided timelines allow for adaptation and costs are manageable.
- **Issuers:** While issuers are not directly impacted by these options, they value faster and clearer corporate action results. Many large issuers, via industry groups, support initiatives that reduce errors and investor complaints. They depend on registries for shareholder communications and want assurance that STP maintains issuer-specific details. Overall, issuers prefer improved efficiency and timely results, seeing Option 2 as beneficial without disrupting communication quality.

Implementation Considerations

Implementing Option 2 (STP via CHESS) is manageable with planning and risk mitigation strategies including:

1. **Phased Implementation:** ASX proposes building STP capability into CHES Release 2, mandating development and testing by all registries, but working further with impacted stakeholders to ensure any risk to the overall project timeline is appropriately mitigated. This could include phasing rollout, making operational use initially optional and/or lowering the priority during industry testing phases. This approach allows the market to leverage the opportunity the project presents, without risking delays to the overall CHES timeline. Following a timebound stabilisation period (e.g. 6-12 months), full mandatory usage would commence. This phasing mitigates rollout risk by avoiding a big-bang cutover and providing flexibility for adjustments.
2. **Technical Support:** ASX will coordinate industry testing across various corporate action scenarios, providing early testing environments and sample data. Registries already upgrading to ISO 20022 can incorporate corporate action messages into their design/testing efforts, creating efficiencies. ASX will provide support through workshops, documentation, and sample code, reducing implementation risk through early stakeholder engagement.
3. **Share Registry Support:** Recognising that registries would bear significant implementation burden under the proposed approach, ASX is considering a time-bound revenue-sharing mechanism with registries. By expanding project scope now to include STP, registries maximise their ISO upgrade investment rather than implementing changes in a piecemeal way. ASX will engage with registries on design flexibility for managing edge cases.

ATTACHMENTS

Attachment 1: Response to Business Committee Recommendation

Attachment 2: ACSA CHES Replacement Industry Letter - Corporate Actions

APPENDIX

Appendix 1 – ASX Proposal for Business Committee Recommendation to the CS Boards

Ref.	Functionality	C&S Participant Accreditation	Settlement Only Participant Accreditation	Registry Accreditation	Payment Provider Accreditation
4.5	Non batch DvP bilateral settlement (new)	Mandatory	Mandatory	N/A	(as part of 2.8)
3.2	Corporate action election and acceptance processing – DRP/BSP	Optional	Optional	Mandatory	N/A
3.3	Corporate action election and acceptance processing – rights/SPPs	Optional	Optional	Mandatory	(as part of 2.8)
2.8	Payment processes for corporate actions, batch and non-batch DvP settlement processes	N/A	N/A	N/A	Mandatory

Appendix 2 – ASX Proposal for Business Committee Recommendation to the CS Boards that the outstanding functionality to be addressed via the Technical Committee

Ref.	Functionality	Scope Objective	BDD	Status
2.3	Standing Instructions	Reduce operational overhead in relation to payment provider authorisations by allowing for automated approvals in the system within cash limits.	Business Design Document available	Further engagement to be undertaken via the Technical Committee – These items will only be brought to the Business Committee if consensus cannot be achieved in the Technical Committee.
2.4	Preliminary Payment Notifications	Provide more certainty by enabling more frequent and/or configurable access to preliminary payment data.	Business Design Document available	
2.5	Bilateral Matching Improvements	Bilateral Matching – use of Transaction Basis (on and off-market)	Business Design Document available	

Appendix 3 - Proposal approved at the June 2025 CHESS Project Technical Committee meeting and subsequently endorsed at the June 2025 ASX Business Committee.

FUNCTIONALITY FOR ACCREDITATION – MANDATORY

C&S Participants		Settlement Only Participants		Share Registries		Payment Providers	
Ref. ³	Functionality	Ref.	Functionality	Ref.	Functionality	Ref.	Functionality
1.1	Registration details & investor information	1.1	Registration details & investor information	1.1	Registration details & investor information	2.3	Standing instructions
1.2		1.2		1.2		2.8	Non-batch payments
1.3	SRN enquiry & validation	1.3	SRN enquiry & validation	1.3	SRN enquiry & validation		
1.4	Issuer sponsored improvements	1.4	Issuer sponsored improvements	1.4	Issuer sponsored improvements		
1.5	ETF creations & redemptions	1.5	ETF creations & redemptions	1.5	ETF creations & redemptions		
2.1	Bilateral matching improvements - hold/release	2.1	Bilateral matching improvements - hold/release	3.5	Electronic notification of payment advice		
2.2	Bilateral matching – matching criteria	2.2	Bilateral matching – matching criteria	3.6	Corporate actions - bank account information		
2.6	Settlement improvements	3.1	Electronic dividend claims	3.7	Corporate actions – holding adjustments		
3.1	Electronic dividend claims	3.5	Electronic notification of payment advice	3.8	Corporate actions – sub register state		

³ References are linked to CHESS Project scope objective items and the supporting business design document

C&S Participants		Settlement Only Participants		Share Registries		Payment Providers
3.5	Electronic notification of payment advice	3.6	Corporate actions - bank account information	3.10	Bid offeror automation	
3.6	Corporate actions - bank account information	3.7	Corporate actions – holding adjustments	5.4	Cum entitlement balance simplification	
3.7	Corporate actions – holding adjustments	3.8	Corporate actions – sub register state			
3.8	Corporate actions – sub register state	4.2	Changes to settlement process			
4.1	Changes to netting process (continuous netting and position report)	5.4	Cum entitlement balance simplification			
4.2	Changes to settlement process	=	Portfolio Transfers (new)			
4.4	Settlement lock for CHES holdings					
5.2	Account segregation (position account/s)					
5.4	Cum entitlement balance simplification					
=	Portfolio Transfers (new)					

FUNCTIONALITY FOR ACCREDITATION – OPTIONAL

C&S Participants		Settlement Only Participants		Share Registries		Payment Providers	
Ref.	Functionality	Ref.	Functionality	Ref.	Functionality	Ref.	Functionality
1.1	Registration details and investor information (pass through tax information)	1.1	Registration details and investor information (pass through tax information)	1.6	Continuous holding balance API	2.4	Preliminary payment notifications
1.6	Continuous holding balance API	1.6	Continuous holding balance API	1.7	Registry HIN validation	N/A	CHESS User Interface
2.4	Preliminary payment notifications	2.4	Preliminary payment notifications	N/A	CHESS User Interface		
4.3	Linking bilateral settlements	4.3	Linking bilateral settlements				
5.2	Account segregation (segregation house and/or client)	4.4	Settlement lock for CHESS holdings				
N/A	CHESS User Interface	N/A	CHESS User Interface				

ATTACHMENT 1 – Response to Business Committee Recommendation

12 August 2025

Mr Paul Rayson

Chairman

ASX Business Committee

By email [REDACTED]

FUNCTIONALITY FOR ACCREDITATION – MANDATORY

Dear Paul

BUSINESS COMMITTEE RECOMMENDATION

I refer to the Business Committee's recommendation to the Boards of ASX Clear Pty Limited (**ASX Clear**) and ASX Settlement Pty Limited (**ASX Settlement**), from the Committee's meeting on 18 June 2025.

The Business Committee recommended the optional or mandatory functionality set out in **Attachment A** for accreditation for CHES Release 2 to support industry with software development activities for the CHES Project (**Recommendation**).

The Boards of ASX Clear and ASX Settlement accept the Recommendation.

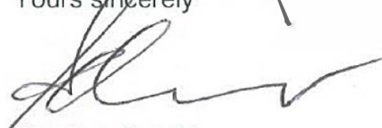
The Boards of ASX Clear and ASX Settlement note that the Recommendation:

- was generated through the Technical Committee, a sub-committee of the Business Committee, and reflects output of industry engagement activities between February 2025 and June 2025; and
- does not consider functionality for the processing of DvP settlements outside of the batch settlement and corporate action elections for DRP/BSP and Rights/SPPs as industry consensus on the optional or mandatory nature for accreditation of these two items has not yet been able to be reached and will be sought to be further progressed with the Technical Committee and Business Committee in late-2025

On behalf of the Boards of ASX Clear and ASX Settlement, I wish to thank the Business Committee and Technical Committee members for their time and careful consideration in determining the optional or mandatory nature of functionality for accreditation for CHES Release 2.

The Boards of ASX Clear and ASX Settlement look forward to receiving updates from the Business Committee as the work on the functionality set out in Attachment A and above two outstanding items is progressed.

Yours sincerely



Stephen Knight

Chair, ASX Clear Pty Limited and ASX Settlement Pty Limited

ATTACHMENT A – Recommended optional or mandatory functionality

FUNCTIONALITY FOR ACCREDITATION – MANDATORY

C&S Participants		Settlement Only Participants		Share Registries		Payment Providers	
Ref. ¹	Functionality	Ref.	Functionality	Ref.	Functionality	Ref.	Functionality
1.1	Registration details & investor information	1.1	Registration details & investor information	1.1	Registration details & investor information	2.3	Standing instructions
1.2		1.2		1.2		2.8	Non-batch payments
1.3	SRN enquiry & validation	1.3	SRN enquiry & validation	1.3	SRN enquiry & validation		
1.4	Issuer sponsored improvements	1.4	Issuer sponsored improvements	1.4	Issuer sponsored improvements		
1.5	ETF creations & redemptions	1.5	ETF creations & redemptions	1.5	ETF creations & redemptions		
2.1	Bilateral matching improvements - hold/release	2.1	Bilateral matching improvements - hold/release	3.5	Electronic notification of payment advice		
2.2	Bilateral matching – matching criteria	2.2	Bilateral matching – matching criteria	3.6	Corporate actions - bank account information		
2.6	Settlement improvements	3.1	Electronic dividend claims	3.7	Corporate actions – holding adjustments		
3.1	Electronic dividend claims	3.5	Electronic notification of payment advice	3.8	Corporate actions – sub register state		
3.5	Electronic notification of payment advice	3.6	Corporate actions - bank account information	3.10	Bid offeror automation		
3.6	Corporate actions - bank account information	3.7	Corporate actions – holding adjustments	5.4	Cum entitlement balance simplification		
3.7	Corporate actions – holding adjustments	3.8	Corporate actions – sub register state				

¹ References are linked to CHES Project scope objective items and the supporting business design document

C&S Participants		Settlement Only Participants		Share Registries	Payment Providers
3.8	Corporate actions – sub register state	4.2	Changes to settlement process		
4.1	Changes to netting process (continuous netting and position report)	5.4	Cum entitlement balance simplification		
4.2	Changes to settlement process	=	Portfolio Transfers (new)		
4.4	Settlement lock for CHES holdings				
5.2	Account segregation (position account/s)				
5.4	Cum entitlement balance simplification				
=	Portfolio Transfers (new)				

FUNCTIONALITY FOR ACCREDITATION – OPTIONAL

C&S Participants		Settlement Only Participants		Share Registries		Payment Providers	
Ref.	Functionality	Ref.	Functionality	Ref.	Functionality	Ref.	Functionality
1.1	Registration details and investor information (pass through tax information)	1.1	Registration details and investor information (pass through tax information)	1.6	Continuous holding balance API	2.4	Preliminary payment notifications
1.6	Continuous holding balance API	1.6	Continuous holding balance API	1.7	Registry HIN validation	N/A	CHESS User Interface
2.4	Preliminary payment notifications	2.4	Preliminary payment notifications	N/A	CHESS User Interface		
4.3	Linking bilateral settlements	4.3	Linking bilateral settlements				
5.2	Account segregation (segregation house and/or client)	4.4	Settlement lock for CHESS holdings				
N/A	CHESS User Interface	N/A	CHESS User Interface				

Australian Custodial Services Association
Level 29, 44 Market Street
Sydney, NSW, 2000

15 August, 2025

Ms Nikola Vanstan
Industry Engagement Manager
ASX Securities and Payments
Exchange Centre, 20 Bridge Street
Sydney, NSW, 2000
Email: Nikola.Vanstan@asx.com.au

Dear Nikola,

Corporate actions functionality in CHESS Replacement

The Australian Custodial Services Association (**ACSA**) is the peak industry body representing members of Australia's custodial and investment administration sector. Our mission is to promote efficiency and international best practice for members, our clients, and the market. Members of ACSA include J.P. Morgan, HSBC, State Street, BNP Paribas Securities Services, BNY Mellon, Citi, Clearstream, and The Northern Trust Company.

Collectively, the members of ACSA hold securities and investments in excess of AUD \$5.4 trillion¹ in value in custody and under administration for Australian clients comprising institutional investors such as the trustees of major industry, retail and corporate superannuation fund, life insurance companies, responsible entities and trustees of wholesale and retail investment funds, and various forms of international investors into Australia.

The ASX's CHESS Replacement program is the most important market initiative Australia has worked through in decades. It is a once-in-a-generation opportunity for the market to lay foundations that will modernise and future-proof Australia's clearing and settlement (CS) landscape.

The second iteration of the program has demonstrated excellent industry engagement and appropriate transparency to ACSA.

Throughout the program, ACSA has advocated for features to be part of the new system which will reduce risk, improve efficiency, and simplify access to the Australian market for domestic and foreign institutions. A key pillar of those asks is creation of a standard and mandatory approach to corporate actions processing, facilitated by the new CHESS platform.

Recent feedback to the industry suggests that the ASX is considering deploying this as an optional rather than mandatory feature, in line with feedback from some segments of the industry.

Making enhanced, standardised corporate actions functionality an optional feature within the new system would increase the risks rather than reduce them. Retaining existing processes alongside improved processes would perpetuate the existing systemic risks, entrench costly inefficiencies from the current market design into the new one, and challenge preparation for and move to T+1 and/or T+0/atomic settlement cycles. Australia's capital markets would be misaligned with global standards;

¹ As at 31 December 2022, <https://acsa.com.au/page/IndustryStatistics>

key global CSDs in North America and Europe treat corporate actions as a core function essential for market integrity.

International Standards and Best Practices

Modern securities markets have deployed straight through processing (STP) for corporate actions as a standard best practice. This involves end to end electronic processes of corporate action events, including issuers' announcements, investor elections for voluntary events, and entitlement distribution. This is performed with minimal manual intervention from participants. International standards such as ISO 15022/20022 messaging, and guidelines from industry groups such as SMPG and ISSA are widely adopted to enable consistent and automated communications.

Institutional investors in major markets expect to submit elections electronically and receive timely confirmation and payment without resorting to manual faxes of forms. ASX CS participants act as a buffer for institutional investors in this regard today by intermediating the varied processes used across Australia's registries and attempting to harmonise them into international formats; but the manual effort and risk involved in doing so hurts the entire market.

Automated corporate actions workflows in global markets typically feature:

- Centralised processing by a CSD or similar infrastructure
- Standardised electronic messages
- Straight through participant elections
- Automated booking of end outcomes
- Whilst not as wide-spread globally, automated process of claims and transformations are also captured; something that CHESS supports today in the event a matched trade fails.

Comparison to global markets

Australia lacks the functionality of key global markets for corporate actions processing:

Market	Overview
United States	The Depository Trust Company (DTC), operates a centralised asset servicing system. They have built out SWIFT capability for elections and payments gradually over the last decade and now remains at the forefront of messaging capability. ¹ In 2022, DTC processed the market's first fully automated election for a voluntary reorganisation event using 20022 messaging ²
Canada	CDS automatically credits cash/stock via entitlement files and/ or MT566. Rule changes to support MT566s were first flagged in 2011 ³
EU	European markets have pursued harmonisation and automation of corporate actions through regulatory standards and CSD infrastructure upgrades. Euroclear, for example, offer MT564, MT565, and MT566 messages for the vast majority of events.

New Zealand	New Zealand is also a user of the BaNCS MI product. Because they operate as a CSD, they offer a full suite of corporate actions messages for the majority of events today.
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Australia context

In a blog posted to the ASX website in March 2022⁴, the ASX advised that announcement capture accounts for approximately half of total corporate actions costs borne by brokers and custodians. It follows that the other half of the costs are then borne in the manual processing of elections and payments.

Because CHESS is not a Central Securities Depository (CSD), outside limited use cases CS participants engage directly with share registries for corporate actions processes. The registries maintain excellent standards and service levels in their support of CS participants.

The challenge for CS participants arises from a lack of standardised communication formats, the existence of differing processes between registries, and the resultant divergence from global best practices these lead to.

Were the market left to solve this itself, it is likely that automation levels would ultimately increase to the levels needed to deliver risk reductions and efficiencies required; however they would do so unevenly as different providers work through different solutions.

There is a possibility that each incumbent or future registry in the market would settle on technology approaches and formats that may address risks and issues in the market as pertains to their population of serviced assets, but with result that CS participants and other entities in the financial ecosystem must monitor and build for each registry's capabilities. This will therefore increase complexity over time, rather than decrease it.

ACSA do not advocate for CHESS becoming a CSD; there are many benefits related to direct registry interaction. However, for Australia to modernise and join the world stage CHESS must be a central communication nexus for all corporate actions processes.

The move to T+1 and beyond

The global move toward T+1 settlement, and views on atomic settlement globally, add criticality to these capabilities. When settlement cycles shorten, the timeline around record dates and election deadlines become much tighter.

In the DTCC's paper "Accelerating to T+1: Impact on Corporate Actions Processing", DTCC advised that if corporate actions are manual and not standardized, they become even "riskier and more manually intensive" in a T+1 environment.

Summary

Given Australia's overlap with global time zones, the need to process instructions manually or in a fragmented manner could reduce the attractiveness of the market as an investment destination, if investors find themselves locked out of opportunities because manual processes cannot keep up with compressed settlement timelines.

In a “CSD-less” landscape, it is critical that the industry move together to build on those benefits and obtain the best of both worlds; a market that is nimble, agile, and competitive, but also de-risked, standardised, and accessible for CS purposes.

ACSA encourages the ASX do everything necessary to move the industry forward to create outcomes worthy of this once-in-a-generation modernisation of the market.

If you have any questions in relation to this letter, please contact us.

Yours sincerely



David Travers
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Australian Custodial Services Association
Email: david.travers@acsa.com.au
Phone: 0466576471

References

¹DTCC.com – Document 22649-25 - July 22 2025

²Global Custodian Magazine – “DTCC automates voluntary corporate actions lifecycle” – June 16 2022

³CDS corporate actions FAQs – No date of publication on site

⁴The case for transforming corporate actions processing in the Australian market – ASX.com.au 04 March 2022

About ACSA

www.acsa.com.au

Custodians provide a range of institutional services, with clients typically favouring a bundled approach to custody and investment administration. Solutions may include traditional custody and safekeeping, investment administration, foreign exchange, securities lending, tax and financial reporting, investment analytics (risk, compliance and performance reporting), investment operations middle office outsourcing and ancillary banking services.

These services represent key investment back-office functions – often representing the client’s asset book of record and essential source data in relation to the investments they hold.

The key sectors supported by ACSA members include large superannuation funds and investment managers, as well as other domestic and international institutions.

ACSA works with peer associations, regulators, and other market participants on a pre-competitive basis to encourage standards, promote consistency, market reform and operating efficiency.

Note: The views expressed in this letter are prepared by ACSA for the purposes of consideration by ASX and should not be relied upon for any other purpose. The comments in this letter do not comprise financial, legal or taxation advice and should not be regarded as the views of any particular member of ACSA.

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	CHES Project Assurance Plan Update
Agenda Item No.	5a
Purpose	To provide an update on progress relating to the assurance plan for the CHES 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

At the Business Committee Meeting in March 2025 an update was provided on the status of the assurance plan and progress since the September 2024 meeting.

The purpose of this paper is to provide an update on progress relating to the CHES Project assurance plan since March 2025.

STATUS OF THE ASSURANCE PLAN

As at 8 August 2025, 22 reviews have been completed. There are two medium and two low rated risks, as well as nine defects open from CHES Release 1 assurance reviews. In addition, one low rated assurance finding from the previous CHES replacement project is also open and is being tracked. No open findings are overdue.

ANNUAL UPDATE PROCESS

An annual review process has been completed by ASX to assess and update the ASX assurance plan for CHES Release 1 and to progressively develop the assurance plan for CHES Release 2. Details of the updated assurance plan were provided to the Cash Equities Clearing and Settlement Advisory Group in May 2025 ahead of finalisation and approval through ASX governance processes in June 2025.

JUNE 2025 LICENCE CONDITION REVIEW REPORT PUBLISHED

EY's independent expert assurance report has been published. Further information relating to the report is provided in the meeting papers for agenda item 5b. The review independently assessed whether the design of the updated assurance plan and the operating effectiveness of assurance activities in the six-month period, including governance processes, were effective.

SUMMARY OF COMPLETED REVIEWS

A summary of completed reviews is shown in the table below.

Table 1: Summary of Completed Reviews

Completed Reviews	Purpose of Review	Date Completed
Release 1 Industry Readiness – Part 1 Review	To assess ASX planning, management and execution of activities and processes to support AMOs and Clearing Participants in early industry testing phases	Aug 25
Release 1 Penetration Testing – Part 1 (remaining scope) Review	To test cyber controls for the remaining Part 1 review scope for the Release 1 solution	Jul 25
June 2025 Licence Condition Review	To assess the design effectiveness of the assurance plan and operating effectiveness of assurance activities completed in the six-month period	Jun 25
Release 1 Project Health Check 2	To assess progress measurement and reporting, scope management, cost management, resource management, integration management, quality management, risk management, ways of working and environment planning	Jun 25
Release 1 Business process risk and control assessment (BPRA) process Review	To assess whether the project's business process risk and control assessment process is being performed in compliance with the ASX delivery framework	May 25
Release 1 System Security Requirements - Part 1 Design and Part 2 ITE (Interim) Review	To assess the security requirements and design for Release 1 and a point in time assessment of security requirements implemented in the Industry Test Environment	May 25
Release 1 Data Migration Processes - Part 1 Design Review	To assess the data migration strategy and the control design of the data migration processes	Apr 25
Release 1 Application and Interface Controls Design Effectiveness Review	To assess the design of key application system controls and key system interface controls based on requirements, analysis and design documentation	Mar 25
Release 1 Resiliency, Capacity and Performance - Part 1 Design Review	To assess the design of the technology platform and solution components in meeting non-functional requirements relating to resiliency, latency, performance, and scalability	Feb 25
Release 1 ASX Test policy and standards assessment - Stage 2 Review	To assess compliance of ASX Release 1 test practises (relating to the project's test planning and test execution activities) against ASX test policies and international standards	Feb 25
Release 1 Penetration Testing - Part 1 Industry Test Environment (ITE) Review	To test cyber controls associated with the Release 1 solution delivered in the ITE	Jan 25
December 2024 Licence Condition Review	To assess the operating effectiveness of the assurance plan including governance processes and completed reviews	Dec 24

Release 1 Requirements and Design Process Review	To assess the processes and approach used to support requirements definition and design for Release 1	Dec 24
Cloud Platform Part 1 Review	To assess key project management processes supporting delivery of the solution on AWS cloud	Nov 24
Review of Proof of Technology (PoT) Activities	To assess key management and governance processes relating to the PoT activities for Release 1	Nov 24
Project Health Check 1 Review	To assess vendor management, progress measurement and reporting, governance effectiveness, schedule management, and key processes supporting project approval	Nov 24
Industry Consultation Process Review	To assess ASX's engagement approach and processes relating to the industry consultation process for Release 1 and Release 2 including decision governance	Nov 24
Release 1 ASX Industry Test Approach and Planning Review	To assess the quality of ASX's approach and planning for the Release 1 industry test phase, including consideration of industry feedback in developing the approach and plan	Nov 24
ASX Delivery Assurance Inflight Review 1 - Release 1	To assess adherence of Release 1 mandatory project deliverables to the ASX delivery framework	Oct 24
Release 1 ASX Test policy and standards assessment - Stage 1 Review	To assess compliance of ASX Release 1 test practises (relating to the project's test strategy and test planning activities) against ASX test policies and international standards	Oct 24
June 2024 Licence Condition Review	To assess the design effectiveness of the assurance plan	Jun 24
Light Health Check - Sentiment survey	To gauge internal project stakeholder sentiment on project governance, behaviours and team performance	May 24

SUMMARY OF REVIEWS IN PROGRESS

As at 8 August 2025, the following reviews are in progress for CHES Release 1 and CHES Release 2:

- Release 1 Cloud Part 2 Review
- Release 2 Delivery Approach and Requirements and Design Processes Review.

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	Independent Assessment of the Assurance Plan for the CHES Project
Agenda Item No.	5b
Purpose	To advise the Business Committee that EY's independent expert assurance report has been published and for the EY Partner to answer any questions on the report
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

Members can access EY's independent expert assurance report [here](#) and via ASX's website.

This is the eighth independent expert report on the assessment of ASX's Assurance Plan for the implementation of the CHES Project.

The purpose of the independent assessment was to evaluate the design of the ASX Assurance Plan for the CHES Project, as well as governance processes over the ASX Assurance Plan and completed assurance activities in the six-month period, to determine whether the ASX Assurance Plan is "fit for purpose".

The independent expert defines "fit for purpose" as the extent to which the coverage, nature, extent, timing, sequencing and governance of the Assurance Plan is suitable for the size and complexity of the project.

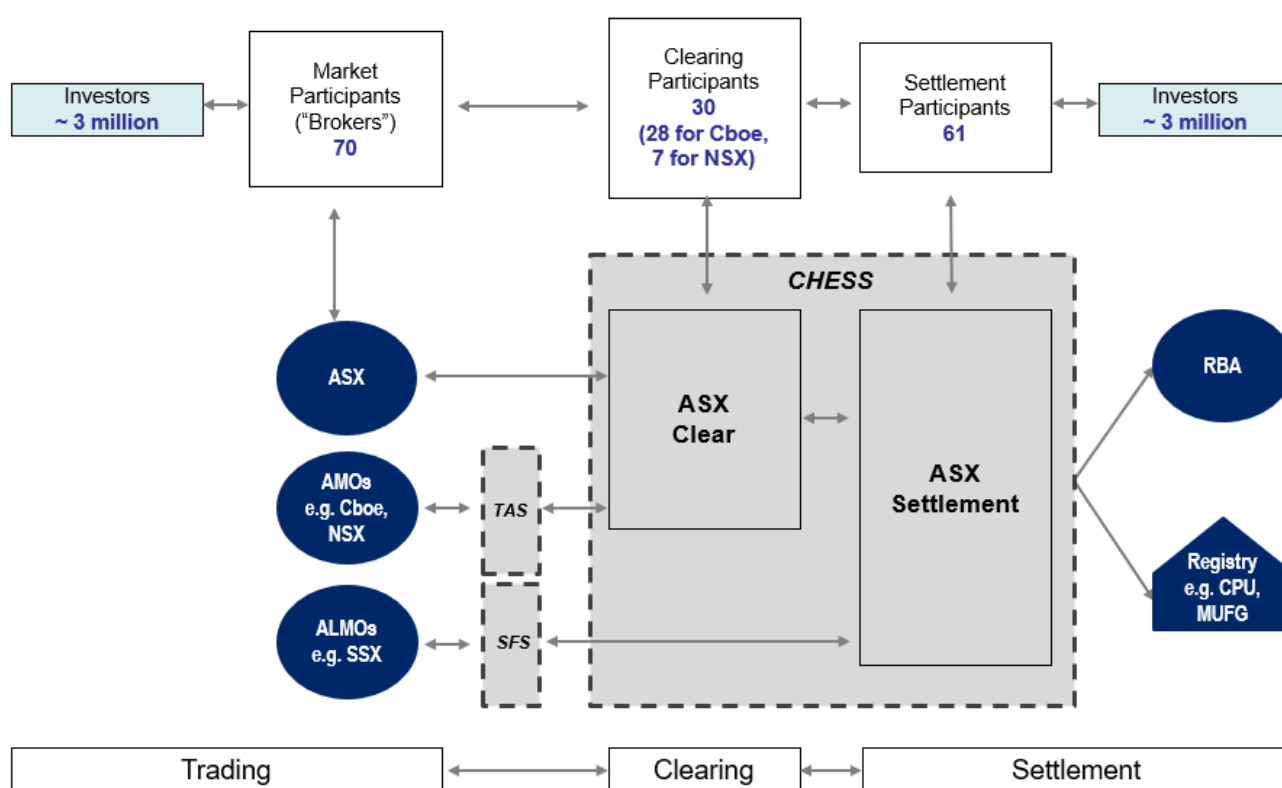
The independent expert report concluded that the Assurance Plan, as well as governance over the Assurance Plan and the completed assurance activities in the six-month period were "fit for purpose". While the report noted that the review did not find any material exceptions, EY recommended that ASX consider reconfirming the process for the closure of assurance findings given the increasing volume and complexity of CHES Release 1 and Release 2 assurance activities.

This report is a continuation of the six-monthly independent expert reviews performed over CHES Project assurance activities, with assessment outcomes reported publicly.

The EY Partner will attend the meeting to answer any questions on the report.

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	Operational performance - cash market clearing and settlement services
Agenda item no.	5c
Purpose	To report on key performance metrics for ASX's clearing and settlement services
Prepared by	Julie Dang, Senior Manager, Securities & Payments Operations
Action	For noting
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

OVERVIEW



The clearing and settlement of equities performs 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

ASX's critical processes of novation, netting and settlement are supported in ASX's 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 2025 quarter and September 2025 quarter.¹

The average monthly availability of CHESS has been 100% between July 2015 and July 2025.

TRADE ACCEPTANCE SERVICE AND SETTLEMENT FACILITATION SERVICE

The CHESS system performs the clearing and settlement functions for the Trade Acceptance Service (TAS) for Cboe and NSX to submit trades into CHESS and the Settlement Facilitation Service (SFS) for SSX.

The Trade Acceptance Service and Settlement Facilitation Service availability target is 99.80% (the same as CHESS).

The average monthly system availability for the TAS and SFS was 100% during the June 2025 quarter and September 2025 quarter.¹

The average monthly availability of the TAS and SFS has been 100% between July 2015 and July 2025.

SETTLEMENT PERFORMANCE

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

The daily average fail performance was higher at 0.168% in July 2025 quarter, compared to 0.13% average for the previous twelve months between August 2024 and July 2025, and 0.179% over the 3-year period from August 2022 and July 2025.

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.

Month	July	June	May	April	March	February
Average Fail Rate	0.168%	0.112%	0.114%	0.129%	0.135%	0.108%
Maximum Fail Rate	0.369%	0.248%	0.331%	0.258%	0.700%	0.209%
Minimum Fail Rate	0.059%	0.041%	0.032%	0.039%	0.039%	0.030%
Average Value Based Fail Rate	0.080%	0.047%	0.041%	0.043%	0.055%	0.070%
Average Initial Fail Rate	0.019%	0.015%	0.014%	0.015%	0.015%	0.016%
Average Fail Rate (ex unilaterals)	0.103%	0.081%	0.076%	0.083%	0.077%	0.085%

¹ As at 31 July 2025

# of days Fail rate > 0.50%	0	0	0	0	1	0
Batch Settlement Extensions	0	2	0	0	0	1
Fall back of Payment Provider	1	2	0	0	0	0

REPORTING ON CLEARING AND SETTLEMENT SERVICE PERFORMANCE

The key metrics for novation, netting efficiency and settlement efficiency for the three consecutive quarters to March 2025 are reported in Attachment A. This is supported by charts demonstrating a longer reporting period in Attachment B.

RISKS OR ISSUES

The information above does not raise any specific risks of issues.

ATTACHMENTS

Attachment 1: Summary metrics relating to the performance of the ASX Clearing and Settlement service

Attachment 2: Performance of the ASX Clearing and Settlement services from January 2022 to July 2025

ATTACHMENT 1 – SUMMARY METRICS RELATING TO THE PERFORMANCE OF THE ASX CLEARING AND SETTLEMENT SERVICE

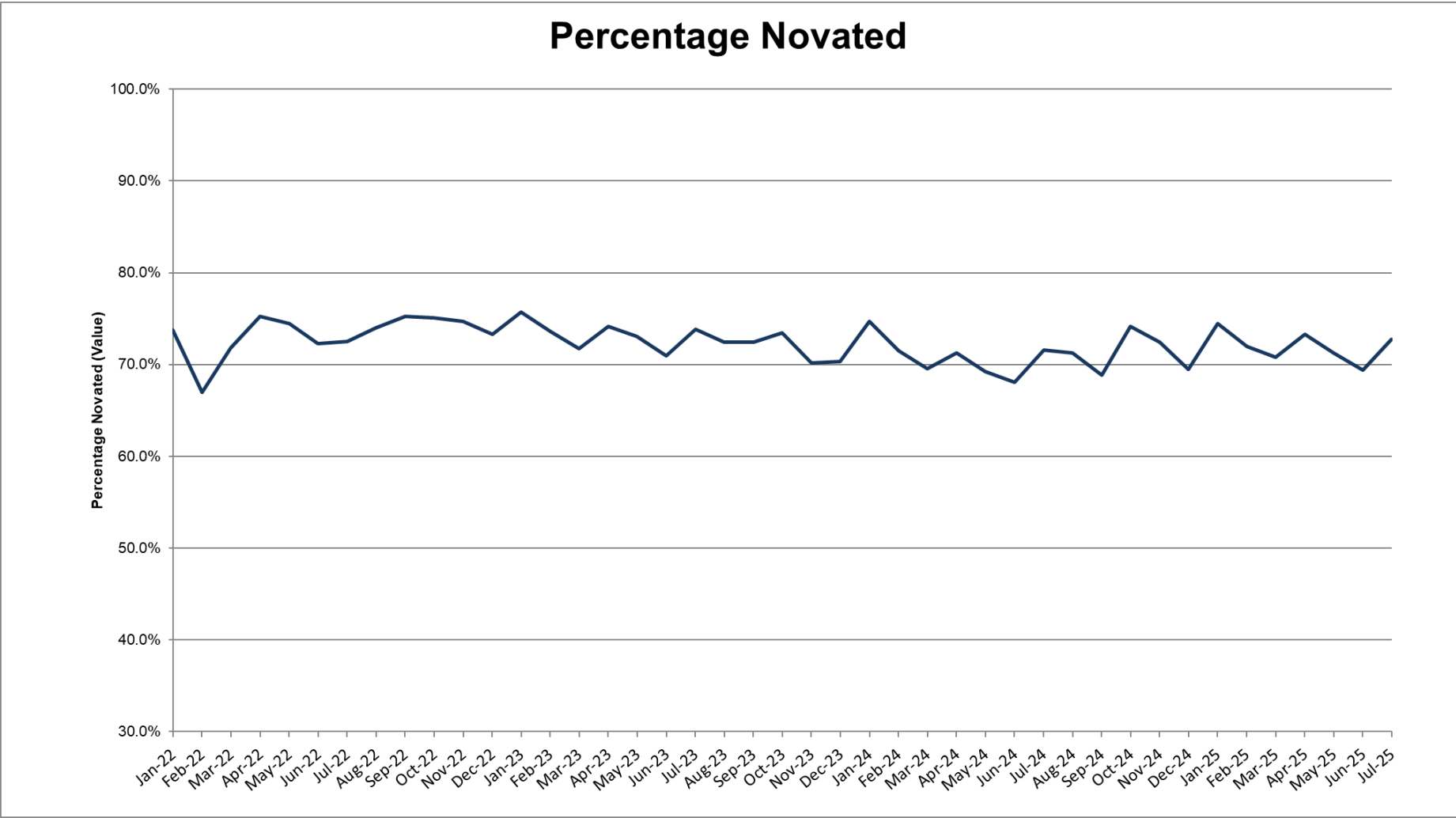
	September 2025 ¹ Quarter	June 2025 Quarter	March 2025 Quarter
System Availability (CHESS)	100%	100%	100%
System Availability (TAS)	100%	100%	100%
Trade registration			
Total Trades Accepted (ASX)	48,305,499	136,195,804	120,536,508
Total Trades Accepted (Cboe)	14,737,584	41,649,024	38,457,412
Total Trades Accepted (NSX)	67	181	166
Daily Average Trades across all AMOs	2,741,007	2,915,492	2,564,421
Highest Daily Trade Registration across all AMOs	3,364,455	5,642,893	3,904,638
Highest Consecutive 2 Days Trade Registration across all AMOs	6,485,317	9,668,072	7,523,125
Clearing			
Daily Average Traded Value (On and Off Market)	\$9.00 billion	\$10.59 billion	\$8.93 billion
Daily Average Cleared Value	\$6.54 billion	\$7.55 billion	\$6.43 billion
Percentage Novated	72.7%	71.3%	72.4%
Netting Efficiency (Value)	71.2%	71.6%	69.9%
Netting Efficiency (Volume)	99.2%	99.2%	99.1%
Daily Average Cleared Value Post-Netting	\$2.59 billion	\$3.00 billion	\$2.65 billion
Settlement			
Total Settlements (SSX)	0	0	0
Total Value of Settlements (SSX)	\$0	\$0	\$0
Batch Settlement			
Daily Average Settled Value (Including Non-Novated)	\$13.69 billion	\$16.79 billion	\$14.27 billion
Settlement Efficiency (Value)	99.91%	99.95%	99.94%
Average Daily CHESS Fail Rate (% Rescheduled to the next settlement date)	0.168%	0.118%	0.114%
Average Value Based Fail Rate (% Rescheduled to the next settlement date)	0.080%	0.044%	0.060%

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

Note: The table has been revised to correct a computational error in Traded and Cleared Value. All figures now reflect the updated calculations based on accurate data available.

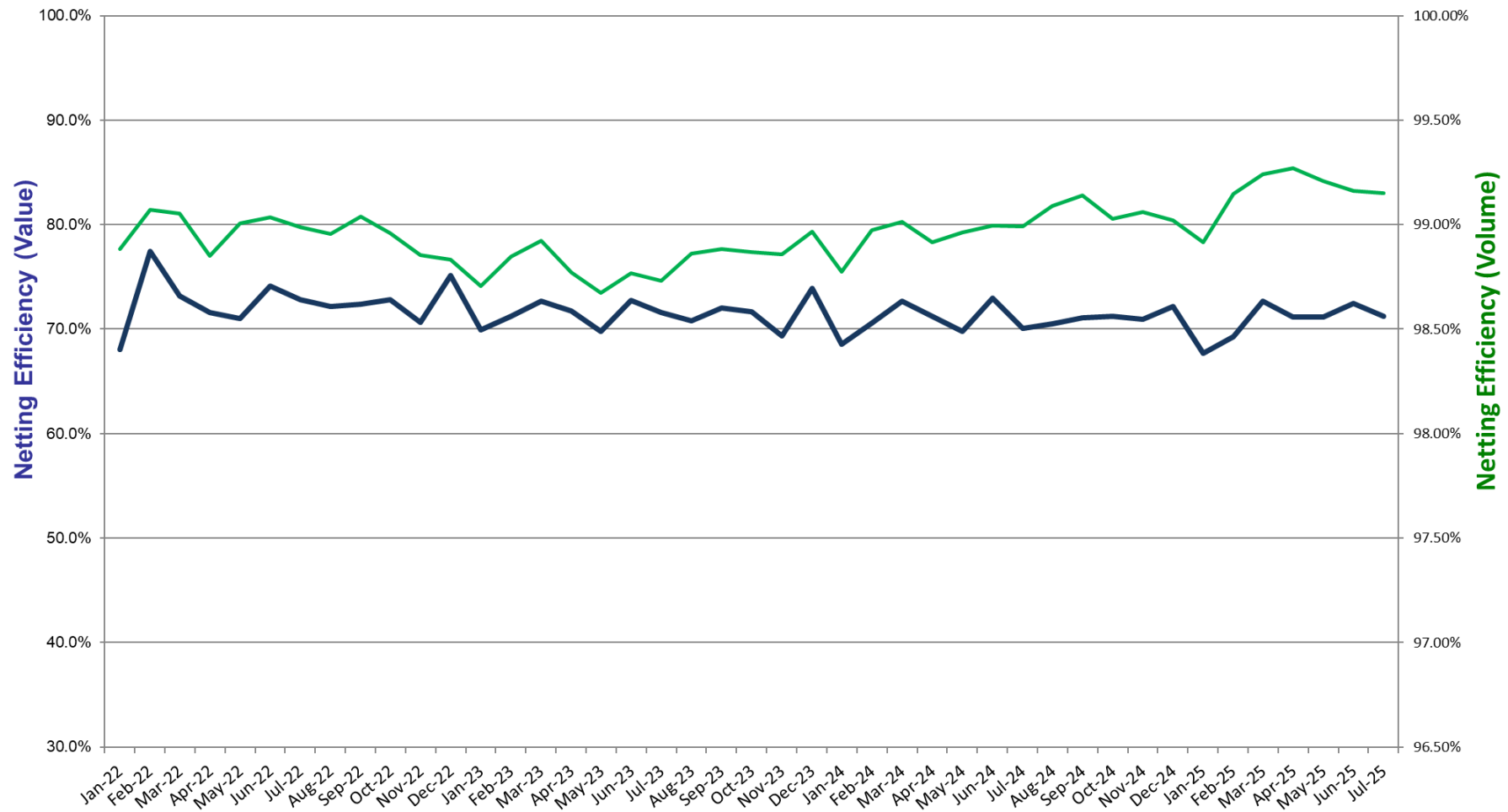
¹ As of 31 July 2025

ATTACHMENT 2 – PERFORMANCE OF THE ASX CLEARING AND SETTLEMENT SERVICES FROM JANUARY 2022 TO JULY 2025



Data for the 20 December 2024 is not included in the calculations due to the cancellation of Batch Settlement and reschedule of all obligations.
The graph has been revised to correct a computational error in Traded and Cleared Value which calculates the percentage novated. All figures now reflect the updated calculations based on accurate data available.

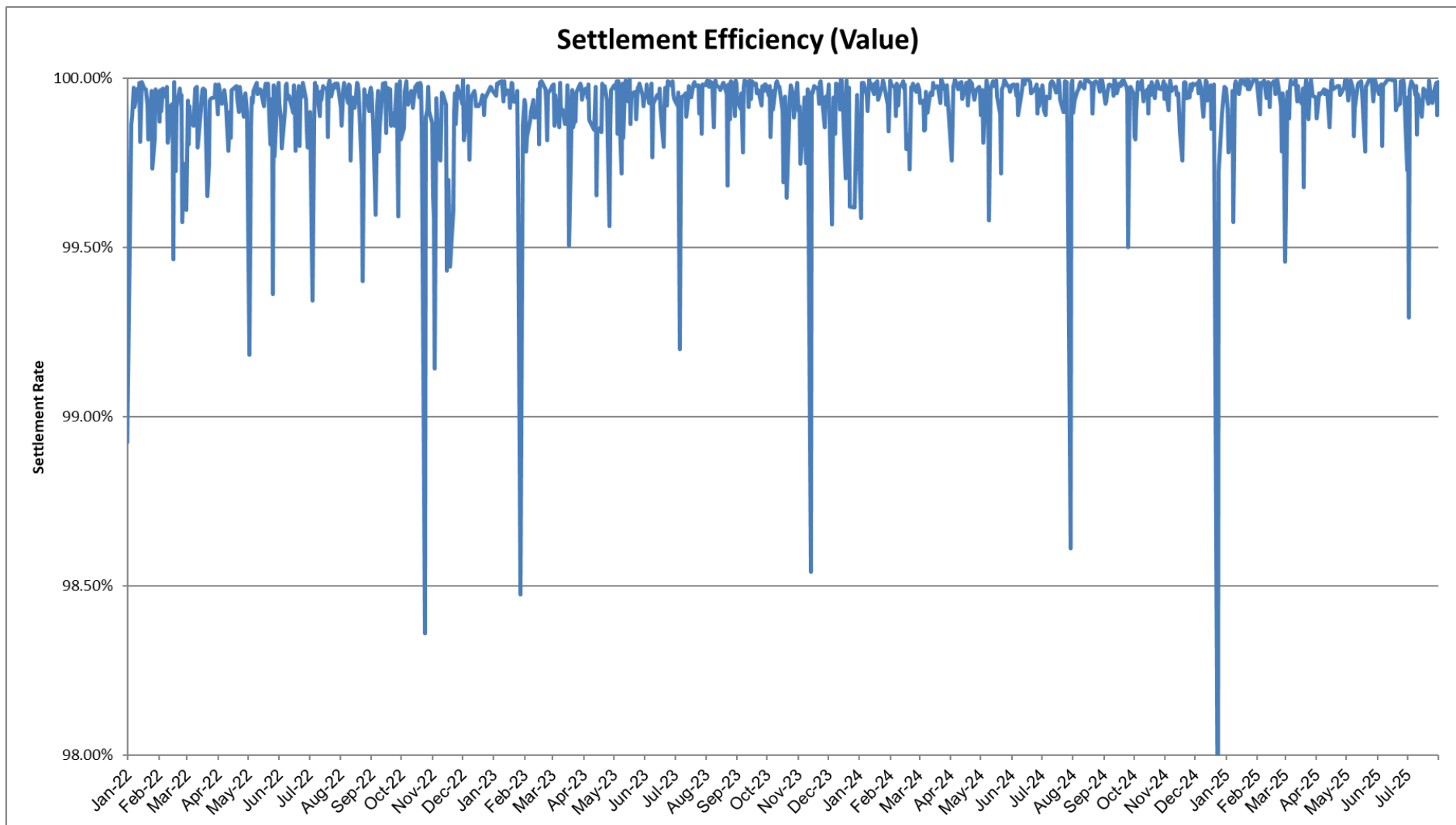
Netting Efficiency (Value and Volume)



Commencing March 2022 quarter, Traded Volume now includes transactions (for all AMOS) with settlement status "I" (e.g. crossings, informational)

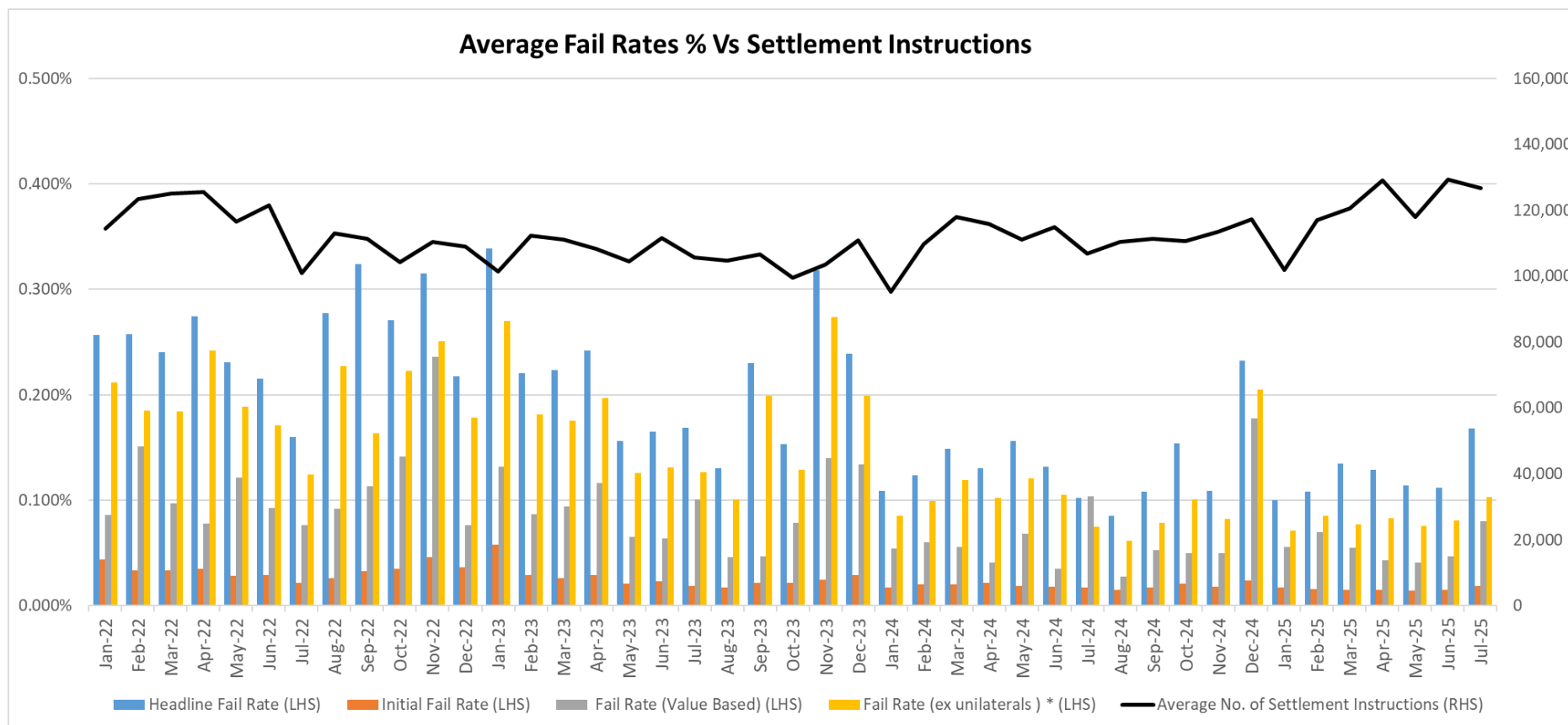
Data for the 20 December 2024 is not included in the calculations due to the cancellation of Batch Settlement and reschedule of all obligations.

The graph has been revised to correct a computational error in Traded and Cleared Value which calculates the netting efficiency. All figures now reflect the updated calculations based on accurate data available.



Commencing March 2022 quarter, Traded Volume now includes transactions (for all AMOS) with settlement status "I" (e.g. crossings, informational)

Data for the 20 December 2024 is not included in the calculations due to the cancellation of Batch Settlement and reschedule of all obligations.



Data for the 20 December 2024 is not included in the calculations due to the cancellation of Batch Settlement and reschedule of all obligations.
 Business Committee | 17 September 2025 | Confidential

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	ASX Customer Impact Plan
Agenda Item No.	5d
Purpose	To provide a quarterly update on the ASX Customer Impact Plan
Prepared by	Business Committee Secretariat
Action	For Noting
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

The Customer Impact Plan was updated following ASX's quarterly planning in June 2025. The key changes from the previous version includes:

1. Equities Trading Participants & Software Providers
 - **New:** RFQ Working Group - Q1 FY26
 - **Changed:** ASX Trade SR15 Go live for Fixed Order Entry + MDF moved from CY25 Q3 – CY25 Q4.
2. Derivatives Trading Participant & Software Providers
 - **New:** ASX 24 Operating Results Consultations for Trade Accept - Q2FY26
 - **New:** Trade Accept Prototype Demo - Q2 FY26
 - **New:** ITCH Switch Replacement - Q1 FY26.
3. Derivatives Clearing Participant & Software Providers
 - **New:** OTC Firedrill - commencing from 3rd of November.

ATTACHMENT

Attachment 1: ASX Customer Impact Plan

ASX Customer Impact Plan



A plan showing only activities where ASX customers are required to participate or supply resourcing and/or budget, to deliver the outcomes

Customer Insights and Experience
Quarterly Update: June 2025



Legend for ASX Customer Impact Plan

PROJECTS

ASX Trade SR15: Service Release providing new features and industry standard protocols benefitting customers

ASX 24 and ASX Trade WAN Upgrades: building new network infrastructure that will provide connectivity into both ASX Trade and ASX 24 Platforms

CHESS Project : will deliver clearing services via Release 1 (R1) and settlement, sub-register and additional clearing enhancements in Release 2 (R2)

Exchange Traded Derivatives (ETD) Futures Clearing (Genium) Replacement: project to replace the futures clearing system, Genium with NRTC (Nasdaq Real Time Clearing)

Exchange Traded Derivatives (ETD) TradeAccept Replacement: project to replace off-market reporting

Over-the-Counter (OTC) Clearing Platform (Calypso) Upgrade: is delivering a Clearing Platform Upgrade from version 13 to version 18

WORKING GROUPS

Release 1 Build and Test Forum (CHESS Project): The key forum to provide technical support to AMOs and Software Providers during the AMO Build and Test phase and monitor and track progress on Release 1 industry readiness

ASX 24 Market Working Group: an industry working group concerning the ASX 24 market and ASX 24 Trade Platform

ASX Equities Market Working Group: an industry working group concerning ASX Equities markets and the ASX Trade Platform

ASX CLF - the ASX Clear (Futures) Working Group: provides business updates with participants on strategic plans, design, operation and development for ASXCLF including ClearStar program and underlying projects of ETD TradeAccept and ETD Futures Clearing (Genium) replacement project

Business Design Working Group: The Business Design Working Group's purpose is to capture inputs from industry stakeholder representatives to help define additional scope, industry acceptance criteria and business design. THE BDWG is inclusive of:

- [CHESS Project](#)
- ASX 24 Platform Replacement
- [ClearStar](#)

WORKING GROUPS continued...

Implementation & Transition Working Group (CHESS Project): The I&T WG's purpose is to communicate and capture inputs from industry stakeholder representatives on the implementation, testing, accreditation, transition and readiness of CHESS Replacement to help shape market wide plans

Interest Rate Working Group: ASX led industry working group to elicit stakeholder feedback focused on relevant interest rates topics and to share product updates

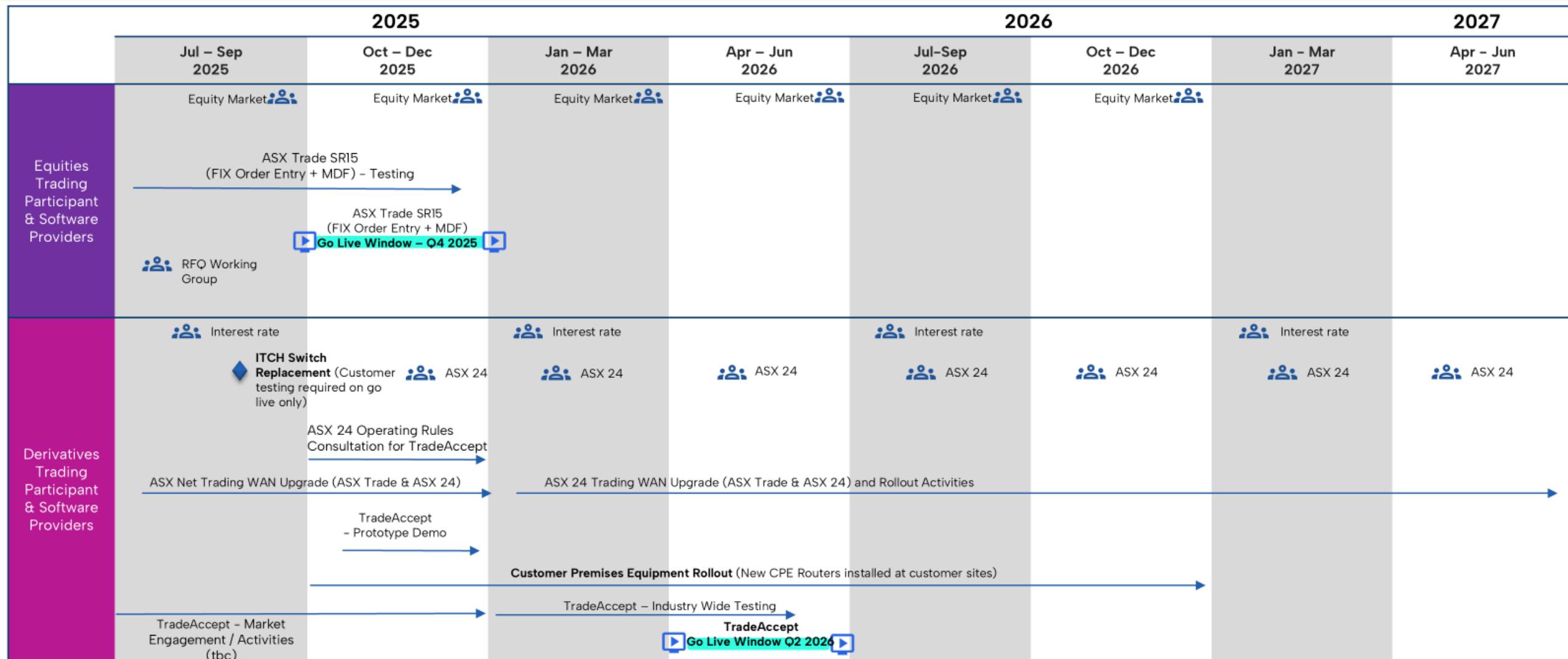
ISO Design Working Group (CHESS Project): A key forum to communicate, understand and collaborate on the implementation of ISO 20022 in Australia's equity post trade environment

Technical Committee (CHESS Project): A monthly sub-committee of the ASX Business Committee for the industry to review and provide input to elements of the CHESS Project such as project planning and design assumptions.

Note: Multi-Factor Authentication (MFA) is mandatory for all ASX Online users from 1 July 2025. Refer to www.asxonline.com for more information

Proposed Customer Impact Plan

As at June 2025



Trading:

ASX Trade
– ASX 24
– TradeAccept



Working Group / co-design groups



Go live Range

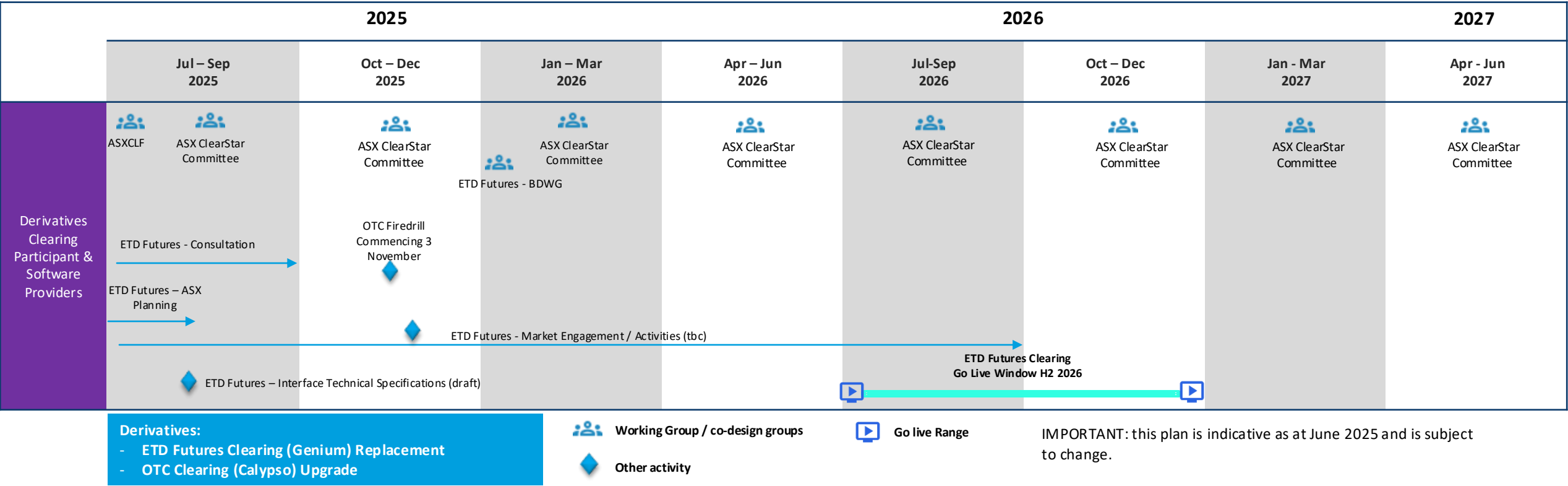


Other activity

IMPORTANT: this plan is indicative as at June 2025 and is subject to change.

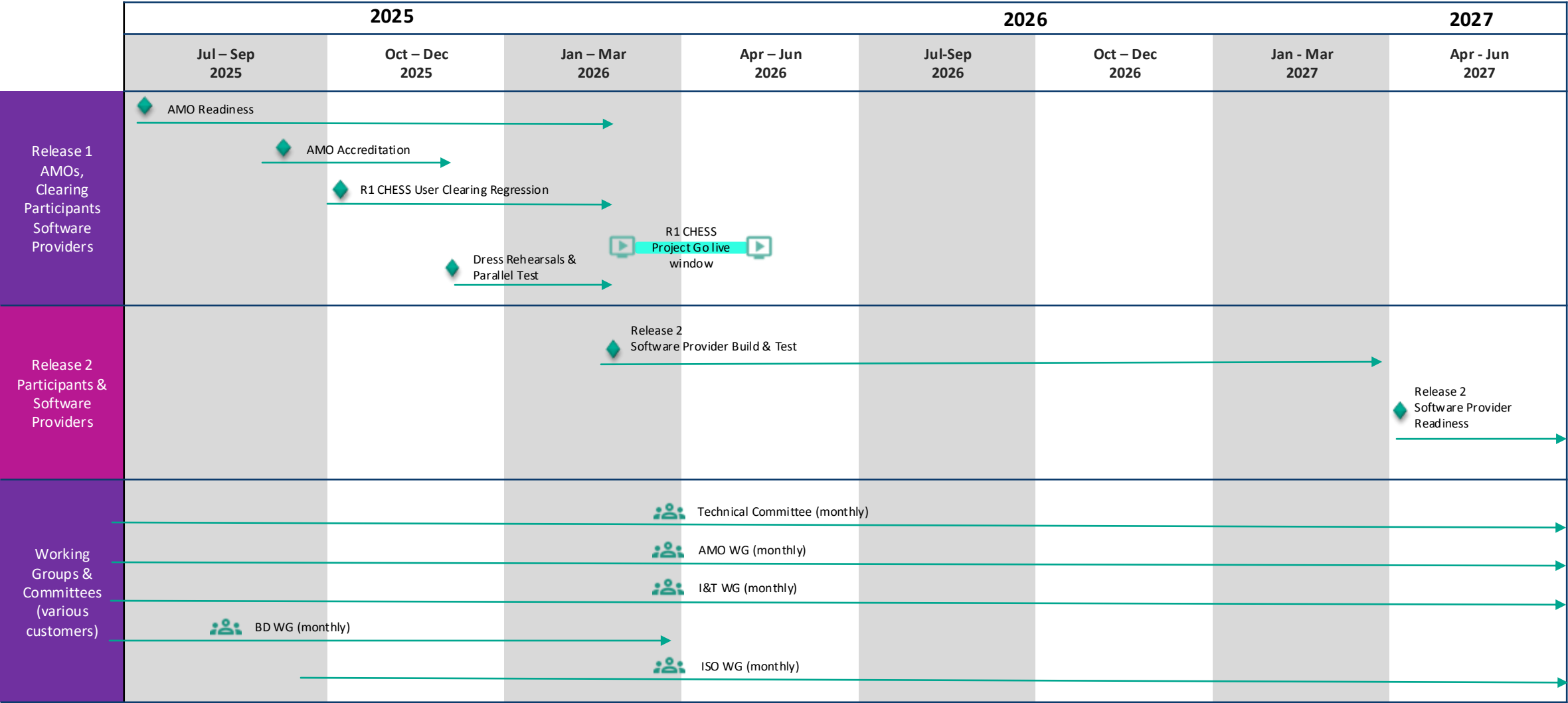
Proposed Customer Impact Plan

As at June 2025



Proposed Customer Impact Plan

As at June 2025



CHESS Project



Working Group / co-design groups



Other activity



Go live Range

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	Updated Business Committee Charter and Membership Policy
Agenda Item No.	5e
Purpose	To update and inform on the implementation of amendments to the Business Committee Charter and Membership Policy
Prepared by	Con Korkofigas, Senior Manager and Senior Legal Counsel
Action	For Noting
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

Background

The ASX Business Committee Charter (**Charter**) covers how the Business Committee will function, including the roles and responsibilities of Business Committee members and the Chair and how the Business Committee interacts with ASX management and the boards of ASX Clear Pty Limited (**ASX Clear**) and ASX Settlement Pty Limited (**ASX Settlement**).

The Membership Policy is expressly contemplated in the Business Committee Charter, with appointments and removal of Business Committee members to be made in accordance with the Membership Policy as determined and published by ASX Clear and ASX Settlement from time to time. Agenda item 3h covers the Business Committee member nomination process for the next 2-year term.

At the Business Committee meeting on 18 June 2025, a paper was presented for review and feedback on proposed changes to the Charter and Membership Policy due to the new CS Services Rules which came into effect in May 2025. No subsequent feedback or comments was received from Business Committee members.

Updates to the Charter and Membership Policy

The proposed changes to the Charter were approved by the Boards of ASX Clear and ASX Settlement at the 12 August 2025 meeting, with the changes coming into effect at that time. The updated Charter is published on the ASX website at:

<https://www.asx.com.au/content/dam/asx/about/charter-of-the-business-committee.pdf>

The proposed changes to the Membership Policy were approved by ASX Management on 19 August 2025. The updated Membership Policy is published on the ASX website at:

<https://www.asx.com.au/content/dam/asx/markets/clearing-and-settlement-services/business-committee/business-committee-membership-policy.pdf>

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	Securities lending reporting update
Agenda Item No.	5f
Purpose	To update the Business Committee on the status of securities lending reporting rule amendments and requirements
Prepared by	Nikki Swinson, General Manager Participants Compliance and Con Korkofigas, Senior Manager and Senior Legal Counsel
Action	For Noting
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

BACKGROUND

An update was provided at the 18 June Business Committee meeting, noting the informal lodgement with ASIC of amendments to ASX Settlement Operating Rules to modify existing securities lending reporting requirements.

The proposal to modify such requirements was an output of the Securities Lending Working Group convened in November 2024.

UPDATE ON MODIFICATION OF SECURITIES LENDING REPORTING REQUIREMENTS

Regulatory clearance has now been received on the ASX Settlement Operating Rules amendments, with the modification of securities lending reporting requirements to come into effect on 22 September 2025.

As from that time, Participants that engage in, or have non-participant related body corporates that engage in, securities lending activity will no longer be required to:

- be registered as a Securities Lending Participant
- report daily loaned and borrowed positions
- report quarterly committed positions.

The modification will relieve Participants from the burdens and challenges identified by them in connection with the existing securities lending reporting requirements.

Participants will need to continue to identify in messages submitted to CHES to transfer financial products if the transfer relates to a securities lending transaction.

ASX Settlement issued Notices on [27 August](#) and [3 September](#) to inform Participants of the upcoming changes.

Committee	Business Committee
Meeting date	17 September 2025
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

BACKGROUND

Four new actions were raised at the 18 June 2025 meeting, 4 items are proposed to be closed at the 17 September 2025 meeting.

The hold in view item on the Australian Carbon Initiative was closed at the 18 June 2025 meeting as the [outcomes of the consultation](#) was released by CER with any further updates to be provided as required by broad consensus of the Business Committee.



ACTION ITEMS

Item number#	Action	Due date	Status	Owner	Response
25-6-1	ASX to determine its approach to finalise the optional or mandatory determination of non-batch DVP and corporate action elections functionality	Sep 2025	Propose to close	ASX (Andrew Jones)	ASX's recommendation to finalise non-batch DVP and corporate actions scope has been provided in agenda item 4b
25-6-2	ASX to provide an initial response to KPMG's external PIR recommendations, including a timeline for enhancements to its communication processes	Sep 2025	Propose to close	ASX (Andrew Jones)	ASX's recommendation on CHESSE incident communications and batch settlement decisions has been provided in agenda item 3b
25-6-3	ASX to provide an overview of the CHESSE Project support model to the Technical Committee and Business Committee.	Sep 2025	Propose to close	ASX (Triona Quinlan)	The high-level overview of the CHESSE Project support model has been provided in Attachment 3 of the CHESSE Project update. Refer to agenda item 4a.
25-6-4	The Business Committee Chair to report to the ASX C&S Board on the Business Committee's engagement with the draft Pricing Policy	Sep 2025	Propose to close	Business Committee Chair	The Business Committee Chair provided a report on the Business Committee's engagement with the draft Pricing Policy at the August C&S Board meeting

KEEP IN VIEW ITEMS

Topic	Action	Due date	Status	Owner
eStatements and Holding Statements	ASX to provide an update at each Business Committee meeting, alternating each meeting between an item for noting and an item for presentation with further detailed updates	Sep 2025	Open	ASX
Customer Impact Plan	ASX to provide the Customer Impact Plan to the Business Committee after it's been updated following ASX's Quarterly Planning	Sep 2025	Open	ASX

Committee	Business Committee
Meeting date	17 September 2025
Agenda title	Forward work program
Agenda Item No.	6b
Purpose	To update the Business Committee on the forward work program for 2025
Prepared by	Business Committee Secretariat
Action	For approval
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

BACKGROUND

The Business Committee is scheduled to meet four times in 2025 with the next meeting planned for 10 December 2025.

The next meeting is expected to be held in ASX's new office at **39 Martin Place**. Meeting invitation details will be provided closer to the meeting date.

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 2025 Business Committee meetings is expected to be:

Date	Topics
10 December 2025 4.00-6.00pm	<ul style="list-style-type: none"> • Current CHESS - service performance, maintaining stability • CHESS project including Technical Committee updates and the CHESS Release 2 timeline checkpoint • FY25 Regulatory Expectations Audit – draft report • International pricing comparison - draft report • Forward work program for 2026 • End of year drinks

ASX plans to further engage with Business Committee members between meetings to invite for suggestions on topics for inclusion or removal in the forward work program. Please contact the Business Committee Secretariat at BC.Secretariat@asx.com.au should you have any proposed agenda topics for consideration.