## **ASX BUSINESS COMMITTEE**



17 September 2025



## Housekeeping

### Troubleshooting

- Please mute yourself when not speaking
- Please use the 'raise hand' feature on MS Teams if you would like to ask a question
- Please introduce yourself when talking for the benefit of all members
- Meeting is being recorded for the purposes of capturing decisions and actions
- Dial in details (audio only):
  - +61 2 7208 4607
  - Phone Conference ID: 253 377 404#
- Presentation materials were distributed before the meeting and will be published on the website.



# Important Information

### Competition Law Reminder

Committee members are reminded to have regard to their obligations under competition law. In particular, please note that the Competition and Consumer Act prohibits a corporation from engaging with one or more persons in a concerted practice that has the purpose, effect or likely effect of substantially lessening competition.



# Acknowledging Country

ASX acknowledges the Traditional Owners of Country throughout Australia. We pay our respects to Elders past and present.

Artwork by Lee Ann Hall My Country My People





1b – Draft minutes and report of 18 June 2025 meeting



# 2a – International pricing comparison report update

3a – T+1 update



3b – CHESS incident communications and batch settlement decisions

# 3c – Current CHESS update

# 3d – ASX Clearing Risk Roadmap



## Roadmap summary

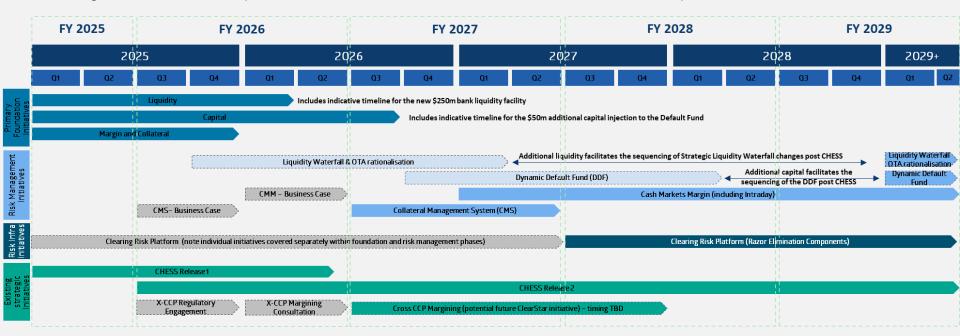
#### **Key elements**

- ASX has split the roadmap into 2 phases, initiatives pre CHESS R delivery in ~2029 and initiatives post CHESS delivery which support the transition to the desired target state solution for capital and liquidity, including the target resource sharing model between ASX and CPs and which align the approaches between the 2 CCPs
- ASX will increase the size of the Default Fund ("DF") for ASXCL by \$50m on a temporary basis, fully funded by ASX. 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 structure, until implementation post CHESS delivery in 2029. 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 Dynamic Default Fund 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. Following CHESS delivery in 2029, the overall liquidity waterfall and dependency on OTAs will be re-assessed and considered in-light-of other strategic initiatives such as a 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, CHESS Replacement (consistent with existing commitments)



### Financial Resilience and Risk Management Roadmap

Summary – deliver foundation initiatives on CST/LST/CMM and collateral, defer strategic liquidity and default fund initiatives + remaining CRP initiatives until post CHESS R in 2029, commence CMM and CMS to deliver prior to CHESS R



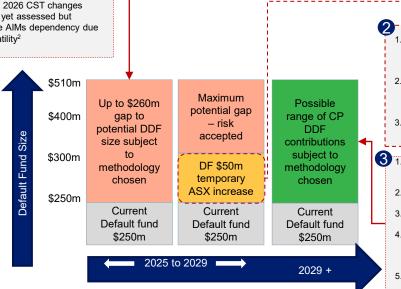


## **ASXCL Default Fund**

Subject to the target methodology chosen for the dynamic DF, the indicative DF peak can be as high as \$510m (under the max exposure approach), with alternative methodologies such as average exposure (peak \$325m) and max of average/actual on reset date (peak \$485m) providing different coverage on a pre and post AIMs basis

- A decision on the sizing methodology will be finalised closer to the implementation date and involve consultation with CPs and the industry
- Note impact of planned 2026 CST changes (SR7) on DF sizing not yet assessed but indicatively will increase AIMs dependency due to heightened CST volatility2

Phased financial resource glidepath<sup>1</sup>

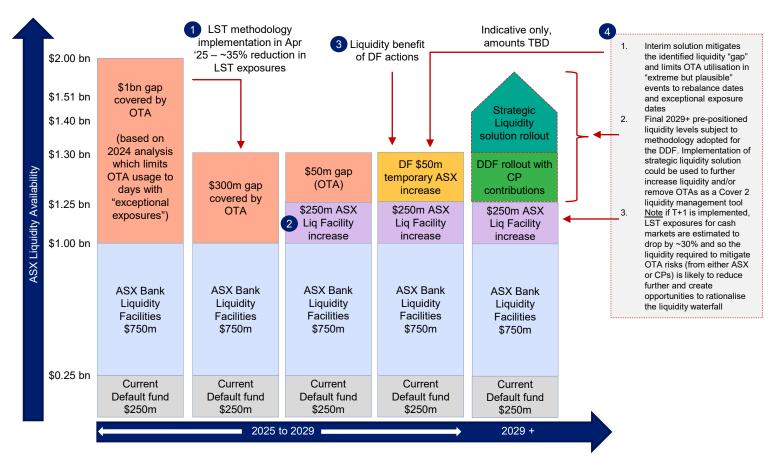


- Additional demonstrable action to 2024 cover 2 breaches and increased CST volatility, leveraging the principles learned from ASXCLF DDF implementation, enabling focus on CHESS R delivery. Time bound, mitigates risk and provides time to
  - implement the end state solutions for both the DDF as well as margining, whilst simultaneously providing additional liquidity benefit \$50m capital increase can be funded within the
- existing balance sheet structure of ASX
- Provides CPs 5 years to plan for resource contributions and costs in their financial planning and business models
- Begins the transition away from 100% SITG for ASX to a co-contribution model between CPs and ASX
- Tranching of contributions between ASX and CPs in a default would need to be addressed in due course
- Note as a DDF resets monthly, the DF requirement may reset to < \$250m which would reduce CP contributions to zero if the ASX contribution is floored at \$250m
- Subject to final position on T+1 (impact assessment pending)
- 1. This is a glide path view, 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



## **ASXCL** Liquidity

Phased financial resource glidepath<sup>1</sup>



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



## 3e – CHESS Depository Nominee services service enhancements

# 3f – Statements Working Group update



# 3g – Share Sale Fraud Working Group update



# 3h – Business Committee membership nominations

# 4a – CHESS Project update



4b – Finalisation of two key scope items for Release 2

5 – Question Session



### 5 – Items Not For Presentation

### September 2025

- Agenda item 5a: Assurance Plan update
- Agenda item 5b: Independent Assessment of the Assurance Plan
- Agenda item 5c: Operational Performance Cash Market Clearing and Settlement
- Agenda item 5d: Customer Impact Plan
- Agenda item 5e: Updated Business Committee Charter and Membership Policy CS Service Rules
- Agenda item 5f Securities Lending Reporting update



6a - Open actions



### 6a – Open actions

### September 2025

#	Action	Due date	Status	Owner	Update
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	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	ASX's recommendation on CHESS incident communications and batch settlement decisions has been provided in agenda item 3b
25-6-3	ASX to provide an overview of the CHESS Project support model to the Technical Committee and Business Committee	Sep 2025	Propose to close	ASX	The high-level overview of the CHESS Project support model has been provided in Attachment 3 of the CHESS 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	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



## 6a - Keep in view

### September 2025

Topic	Action	Due date	Status	Owner
eStatements and Holding Statements	ASX 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	June 2025	Open	ASX
Customer Impact Plan	ASX to provide the Customer Impact Plan to the Business Committee after it's been update following ASX's Quarterly Planning	June 2025	Open	ASX



# 6b – Forward Work Program



### 6b – Forward work program

September 2025

Meeting Date	Topics					
<b>10 December 2025</b> 4.00-6.00pm	<ul> <li>Current CHESS - service performance, maintaining stability</li> <li>CHESS project including Technical Committee and the CHESS Release 2 industry timeline checkpoint updates</li> <li>FY25 Regulatory Expectations audit – draft report</li> <li>International pricing comparison – draft report</li> <li>Forward work program for 2026</li> <li>End of year drinks</li> </ul>					

