

Agenda

Business Committee

Date	18 June 2025	Time	12:00pm–2:00pm
Location	ASX offices, 20 Bridge Street, Sydney/MS Teams		

Agenda

Agenda Item	Action	Presenter(s)	Est Time	Page
1. Meeting Opening				
a. Welcome, Open, Acknowledgement of Country	Noting	Chair	5 min	
b. Minutes of 12 March 2025 meeting	Approval	Chair		7
Items For Presentation			95 min	
2. Business Committee Member Items				
a. Short Sale Reporting	Discussion	Damian Jeffree (AFMA)	5 min	8
b. Opportunities to support Australian listed markets	Discussion	Chair	10 mins	9
3. CHESS Project				
a. Project update	Discussion	Triona Quinlan	10 mins	12
b. Optional and mandatory functionality recommendation	Recommendation	Chris Boyes	10 mins	19
4. Clearing & Settlement Services, Issuer Services,				
a. Update on CHESS Batch Settlement Incident Actions	Discussion	Andrew Jones Noah Carroll (KPMG) Mark Tims (KPMG)	15 mins	25
b. Draft Pricing Policy	Discussion	Stephen Hammon	10 mins	34
c. Share Sale Fraud Working Group update	Discussion	Con Korkofigas Judith Fox (SIAA)	5 mins	52
d. Statements Working Group update	Discussion	Karen Webb Sheridan Thompson (CommSec)	5 mins	54
e. Securities Lending Reporting Working Group update	Discussion	Nikki Swinson	5 mins	58
f. ASIC CS Service Rules	Discussion	Stephen Hammon	5 mins	59
g. ASX Business Committee Charter and Membership Policy updates	Discussion	Sally Palmer Con Korkofigas	5 mins	61
h. Covered Services Comparative Report	Discussion	Stephen Hammon Helen Ralston-Smith (Oxera)	10 mins	73

Agenda

Question Session – Items Not For Presentation			15 min
5. Clearing & Settlement Services, Issuer Services			
a. Operational performance cash market clearing and settlement	Noting	Andrew Jones	109
b. Maintaining the stability of existing CHES	Noting	Sabra Mott	117
c. Australian Carbon Exchange initiative update	Noting	Karen Webb	118
d. Customer Impact Plan	Noting	Andrew Jones	119
e. Regulatory Expectations Audit – draft terms of reference	Noting	Matthew Patterson Ali Richardson (PWC)	125
6. Meeting Closing			5 min
a. Open actions	Approval	Chair	128
b. Forward work program	Noting	Chair	130
c. Any other business	Discussion	Chair	
d. Next meeting – 17 September 2025	Noting	Chair	

Business Committee Members (42)

Chair (1)

Company	Representative	Title	Delegate / Apology
	Paul Rayson	Independent Chair	

Clearing and Settlement Participants (25)

Company	Representative	Title	Delegate / Apology
ABN AMRO Clearing	Adrian Rubin	Chief Executive Officer, APAC	Matthew McMahon
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 & Operational Resilience	
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	

RBC Securities Australia	Daniel Gray	Managing Director, Head of Business & Client Services, APAC
Third Party Platform	Lee Muco	Chief Executive Officer
WealthHub Securities	Anita Mead	Head of High Networth, Investment Products
UBS	Conor Foley	Senior Business Manager

Settlement Only Participants (3)

Company	Representative	Title	Delegate / Apology
Certane CT Pty Ltd	Rose O'Rourke	Operations Manager	
Chimaera Capital	Rochelle Pattison	Director	
HSBC	Toni Icevski	Head of Client Services, 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)	Steven Larkins	General Manager, SSX Market Operations	

Industry Associations (6)

Company	Representative	Title	Delegate / Apology
Australian Custodial Services Association (ACSA)	Christopher Moore	ACSA Executive Sponsor	
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	
The Australian Financial Markets Association (AFMA)	Damian Jeffree	Senior Director of Policy	

Registries (3)

Company	Representative	Title	Delegate / Apology
BoardRoom	Kornel Toth	Senior Risk & Compliance Manager	
Computershare	Josh Collard	Senior Manager, Regulatory & Market Initiatives	
MUFG Pension & Market Services	David Farr	Managing Director, Corporate Markets ANZ	

ASX Representatives (14)

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	Apology
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)	Karen Webb	Head of Issuer Services, Securities & Payments	
Australian Securities Exchange (ASX)	Nikki Swinson	General Manager, Participants Compliance	
Australian Securities Exchange (ASX)	Sabra Mott	General Manager, Securities & Payments Technology	
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	

Invited Guests (2)

Company	Representative	Title	Delegate / Apology
Klynveld Peat Marwick Goerdeler (KPMG)	Mark Tims	Partner	
Klynveld Peat Marwick Goerdeler (KPMG)	Noah Carroll	Director	
Oxera	Helen Ralston-Smith	Partner	
PricewaterhouseCoopers (PWC)	Ali Richardson	Partner	

Observers (7)

Company	Representative	Title	Delegate / Apology
Australian Securities and Investments Commission (ASIC)	Benjamin Cohn-Urbach	Acting Senior Executive Leader, Market Infrastructure	
Australian Securities and Investments Commission (ASIC)	Dodie Green	Senior Manager, Market Infrastructure	
Australian Securities and Investments Commission (ASIC)	Liang Chen	Analyst, Market Infrastructure	
Australian Securities and Investments Commission (ASIC)	Derek Scott	Senior Specialist, 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 (EY)	Roberto Fitzgerald	Partner	
Ernst & Young (EY)	Laura West	Senior Manager	

Committee	Business Committee
Meeting date	18 June 2025
Agenda title	Minutes of 12 March 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 12 March 2025 Business Committee meeting were distributed to members on 5 May 2025 for review with no additional comments received from Business Committee members by 19 May 2025. The draft minutes are published [here](#).

The Business Committee is requested to approve the draft minutes.

Committee	Business Committee
Meeting date	18 June 2025
Agenda title	Short Sale Reporting
Agenda Item No.	2a
Purpose	To present any topics to the Committee proposed by the members
Prepared by	Business Committee Secretariat
Action	For noting
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

A member-initiated item was proposed requesting for discussion on the benefits and impacts of short sale reporting. Key discussion items on short sale reporting will be raised by the Business Committee member at the 18 June Business Committee meeting.

Committee	Business Committee
Meeting date	18 June 2025
Agenda title	Opportunities to support Australian listed markets
Agenda Item No.	2b
Purpose	To discuss with the Business Committee opportunities to support Australian listed markets
Prepared by	Business Committee Secretariat
Action	For discussion
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

BACKGROUND

ASIC released a discussion paper *Australia's Evolving Capital Markets* on 26 February 2025 seeking engagement from participants in Australia's capital markets, their advisers and other interested persons on important issues and implications arising from evolving changes in Australia's capital markets.

DISCUSSION SOUGHT

The Business Committee Chair is seeking discussion from Business Committee members regarding their views or ideas on what would make public markets more attractive to entities seeking to raise capital or access liquidity for investors while maintaining appropriate investor protections.

ASX DISCUSSION PAPER RESPONSE SUMMARY

ASX outlined a number of opportunities to improve the global competitiveness of Australia's listed markets, streamline listing processes, and open new investment opportunities for investors in its submission to ASIC's discussion paper. Specifically, ASX has advocated for:

- **A streamlined IPO process** by reducing the regulated 'on-risk' period for investors and companies.
- **Clarifying regulation around financial forecasts in prospectuses**, including allowing them to be optional for new listings.
- **Reducing the required minimum level of 'free float'** for new listings and S&P/ASX Index inclusion to attract more founder-led companies.
- **A more efficient and accessible corporate bond market** to improve flexibility for issuers and increase access for retail investors.
- **Adjusting size thresholds for foreign exempt listings** to encourage more international businesses to take secondary listings on ASX – while maintaining strict requirements for equivalent standards of listing rules and compliance.

ASX has further suggested for public discussion and consideration of dual class share structures in Australian public markets and recommended further discussion and evaluation of new frameworks to enable more orderly and transparent on-market sell downs by founders.

ATTACHMENT(S)

Attachment 1: ASX's media release - ASX outlines opportunities to support Australian listed markets

Media Release

8 May 2025

ASX outlines opportunities to support Australian listed markets

ASX has outlined a number of opportunities to improve the global competitiveness of Australia's listed markets, streamline listing processes, and open new investment opportunities for investors.

Responding to ASIC's *Australia Evolving Capital Markets* discussion paper, ASX reiterated its view that the current net decline in listed companies is largely driven by cyclicalities, but there are strong opportunities to improve the attractiveness and efficiency of listed markets.

In the [submission](#), ASX has advocated for:

- **A streamlined IPO process** by reducing the regulated 'on-risk' period for investors and companies.
- **Clarifying regulation around financial forecasts in prospectuses**, including allowing them to be optional for new listings.
- **Reducing the required minimum level of 'free float'** for new listings and S&P/ASX Index inclusion to attract more founder-led companies.
- **A more efficient and accessible corporate bond market** to improve flexibility for issuers and increase access for retail investors.
- **Adjusting size thresholds for foreign exempt listings** to encourage more international businesses to take secondary listings on ASX – while maintaining strict requirements for equivalent standards of listing rules and compliance.

ASX has suggested further public discussion and consideration should be given to dual class share structures in Australian public markets. This follows moves in several countries – UK, Singapore, China and Hong Kong – to change regulatory settings to allow or facilitate dual class share listings. ASX has also recommended further discussion and evaluation of new frameworks to enable more orderly and transparent on-market sell downs by founders.

James Posnett, General Manager of Listings, ASX said:

"Listed markets are crucial to the Australian economy. They provide access to growth capital for our businesses and support the democratisation of wealth creation by opening access to investment opportunities for all types of investors.








"Global competition for new listings has accelerated and while we believe ASX listings will recover from the recent slowdown in the global IPO market, it is an appropriate time to publicly debate how to improve the attractiveness of Australia's listed markets.

"It is vital our listed markets remain globally competitive – and a missed opportunity for investors and our economy if Australian companies choose to list offshore.

“The opportunities outlined in our submission are designed to enhance the attractiveness of our listed markets to help them remain competitive with global peers and private capital, as well as provide retail investors with more wealth creation opportunities.

“This is an important discussion, and we look forward to continuing to engage with the industry and ASIC as it considers the next steps following the consultation.”

Summary of key points in ASX submission

Opportunity	Considerations
 <p>Streamlined IPO process</p>	The length of time when retail and institutional investors and companies are at risk before they commence trading is longer than in some other markets.
 <p>Dual-class shares</p>	Most major exchanges allow dual-class shares however ASX does not. It is a factor considered by companies – particularly in the technology sector – in choosing a listings venue.
 <p>Financial forecasts in prospectuses</p>	There is an expectation that forecasts are provided where there is reasonable basis to do so. Some issuers see this as an impediment to an IPO and would prefer forecasts to be optional.
 <p>Founder/insider sell-down plans</p>	The transparent US process for founders to sell down is not permitted under the <i>Corporations Act 2001 (Cth)</i> (<i>Corporations Act</i>) and is cited as a reason to list on a US exchange.
 <p>Foreign Exempt Listings</p>	Reducing the minimum size requirement for the Foreign Exempt Listing category would help attract a greater number of dual listings to ASX.
 <p>Reduce free float</p>	The proportion of securities required to be available to be publicly traded, also known as free float, is higher than in other markets.
 <p>Corporate bond reform</p>	Regulatory settings are impacting retail investor access to listed corporate bonds, resulting in the Australian listed market being underdeveloped relative to other markets.

Media enquiries

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8 May 2025

Committee	Business Committee
Meeting date	18 June 2025
Agenda title	CHES Project update
Agenda item no.	3a
Purpose	To provide Business Committee members with an update on the CHES project and industry engagement activities
Prepared by	Triona Quinlan, General Manager, Technology Delivery, ASX Technology
Action	For Noting
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

CHES Release 1 is tracking amber, driven by pressure on the delivery schedule. Additional testing scope from the re-prioritisation of testing that was originally scoped for the AMO Build and Test Phase into the AMO Readiness phase has increased delivery pressures for the commencement of the AMO Readiness phase in early July 2025. The Project is prioritising scope for the AMO Readiness phase and is also actively seeking opportunities to relieve pressure on the schedule, including by onboarding additional testing resources.

AMO Build and Test

The CHES Release 1 Industry Test Environment (ITE) has remained available and stable since opening on 28 February 2025. All Approved Market Operators (AMOs) or Software Providers expected to connect to ITE have completed their connectivity activities and have progressed their build and test activities. ITE activity reporting performed by the Project highlights that key business messages have been tested with volumes steadily increasing between March 2025 to May 2025.

AMO Readiness Preparation

The current focus area for CHES Release 1 is the AMO Readiness phase, which is scheduled to commence in early-July 2025. Key deliverables for the AMO Readiness phase include integration to the ASX identity and reference data systems, the AMO security details report and enhancements to support production message volumes.

All build to enable the AMO Readiness phase has been completed and testing is in progress. Preparation for the AMO Readiness phase is expected to be completed by late-June 2025. This milestone will enable testing completion for all Industry facing scope for CHES Release 1 with the project moving focus to testing on internal facing scope.

BaNCs performance testing was completed in late-April 2025 achieving 20 million trades simulating a trade day at 2500 trades per second. This was the final scenario to complete performance testing for BaNCS led NFT. ASX performance testing on a trade load of 21 million trades has been executed with positive results observed. Further code optimisation and performance testing on additional workload models is underway and targeting completion in early-June 2025.

Other CHESS Release 1 Updates

The Data and Reporting plan has been baselined with all work expected to be completed by December 2025. All required source data is now available in the Data Platform, enabling end-to-end build and testing of the Data Products.

Provisioning of the to-be Prod environment has been completed and deployment is targeted for mid-June 2025. The to-be Prod environment is planned to be used for technical dress rehearsals planned to commence in early-July 2025.

CHESS RELEASE 2 PROJECT UPDATE

CHESS Release 2 tracking green with the key deliverables for Drop 1 and 2 completed on 30 April 2025 as planned.

Drop 1

Drop 1 functional business requirements documents have been signed off on 30 April 2025 as planned. The next area of focus is drafting the specification documentation which is targeted for sign-off by mid-June 2025. BaNCS build is scheduled to commence in mid-June 2025

Design of the two channels for the external user interface and ISO messaging has been completed. Initial ASX build activities have commenced and is targeted for completion by late-September 2025.

Drop 2 and 3

Initial design and discovery work (**pre-analysis**) for Drop 2 was completed on 30 April 2025. The Project team has commenced drafting the Drop 2 business requirements, which is expected to be completed late-July 2025. Pre-analysis for Drop 3 has also commenced.

Release 2 Test Planning and Migration

CHESS Release 2 joint test approach is progressing and expected to be completed by mid-June 2025. The Project has onboarded 2 test engineers with plans to onboard an additional 5-8 resources by early-June 2025

Migration activities and delivery plan has been established for Drop 1. Engagement with BaNCS is in progress to determine how the loader specification for Holdings can be prioritised to enable synthetic data load to support testing timelines.

TECHNICAL COMMITTEE AND WORKING GROUPS

Operating on a monthly cadence to a published timeline, the Technical Committee continues to act as the primary engagement channel to communicate information with CHESS 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 CHESS 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 CHESS Release 1 Build and Test forum.

Since the last Business Committee there have been three Technical Committee meetings held on 2 April 2025, 6 May 2025 and 4 June 2025 with the next meeting scheduled for 9 July 2025.

At the 2 April 2025 Technical Committee, updates were presented on:

- Progress against the CHESS project milestone plan
- Updates to industry build and test activities in the CHESS Release 1 Industry Test Environment
- Industry feedback received on the initial proposal for optional and mandatory functionality
- ASX's approach to customising the TCS BaNCS MI product

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

- Progress against the CHESS project milestone plan

- Updates to industry build and test activities in the CHES Release 1 Industry Test Environment
- The proposed consultation timeline for CHES Release 2 Operating Rules changes
- The revised proposal for optional or mandatory functionality for final industry feedback
- ASX's processes on change control management within the CHES project

At the 4 June 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
- The cutover approach for CHES Release 1
- The proposed recommendation on optional or mandatory functionality for Business Committee endorsement to the C&S Board
- Pulse Survey Results for H1 2025

Since the 12 March Business Committee meeting, ASX has conducted the following working groups:

- One AMOWG covering; The consultation on ASX Rules and Procedures and AMO Contractual Terms consultation, and 2025 forward engagement plans for the AMOWG
- Three BDWG covering; Detailed design of CHES Release 2 Drop 2 scope and a Registries specific session focusing on areas of change for Share Registries in CHES Release 2
- Three ISOWG covering; CHES Release 2 Drop 1 and Drop 2 ISO messages and schema and guidelines
- Three ITWG covering; CHES Release 1 clearing regression, CHES Release 1 AMO operational readiness, CHES Release 1 cutover and transition, and 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 12 March 2025 Business Committee, the Project noted three key risks being managed by the Project relating to; schedule. The risk relating to the timelines of CHESS Release 2 being impacted due to delivery priority of CHESS Release 1 has been closed. The Project is now managing the following key risks and issues.

Area	Description	Mitigation	Inherent Exposure	Residual Exposure
Schedule	Delays in finalising the CHESS Project Data and Reporting Build	<ul style="list-style-type: none">Onboard additional resources to reduce design and build timelineD&R lead & CHESS Test lead to facilitate workshops involving all stakeholders to identify options to reduce testing timelines whilst still completing robust test case	High	Medium
Schedule	Delays to reference data integration testing may impact AMO Readiness	<ul style="list-style-type: none">Continue to hold dedicated defect triage and escalation forums to triage defects or issuesLook for opportunities to bring forward integration with CHESS for earlier reference data comparison	Medium	Low
Schedule	Delays in BaNCS non-functional testing execution may impact AMO Readiness	<ul style="list-style-type: none">Daily escalation and triage calls to ensure any delays are flagged and any issues escalated	High	Medium
Schedule	Delivery of the AMQP channel may not meet the Release 2 Drop 1 ITE open date	<ul style="list-style-type: none">Work with AWS team to bring forward the build datesWork with BaNCS team to include early integration work and testing into the plan	High	Medium

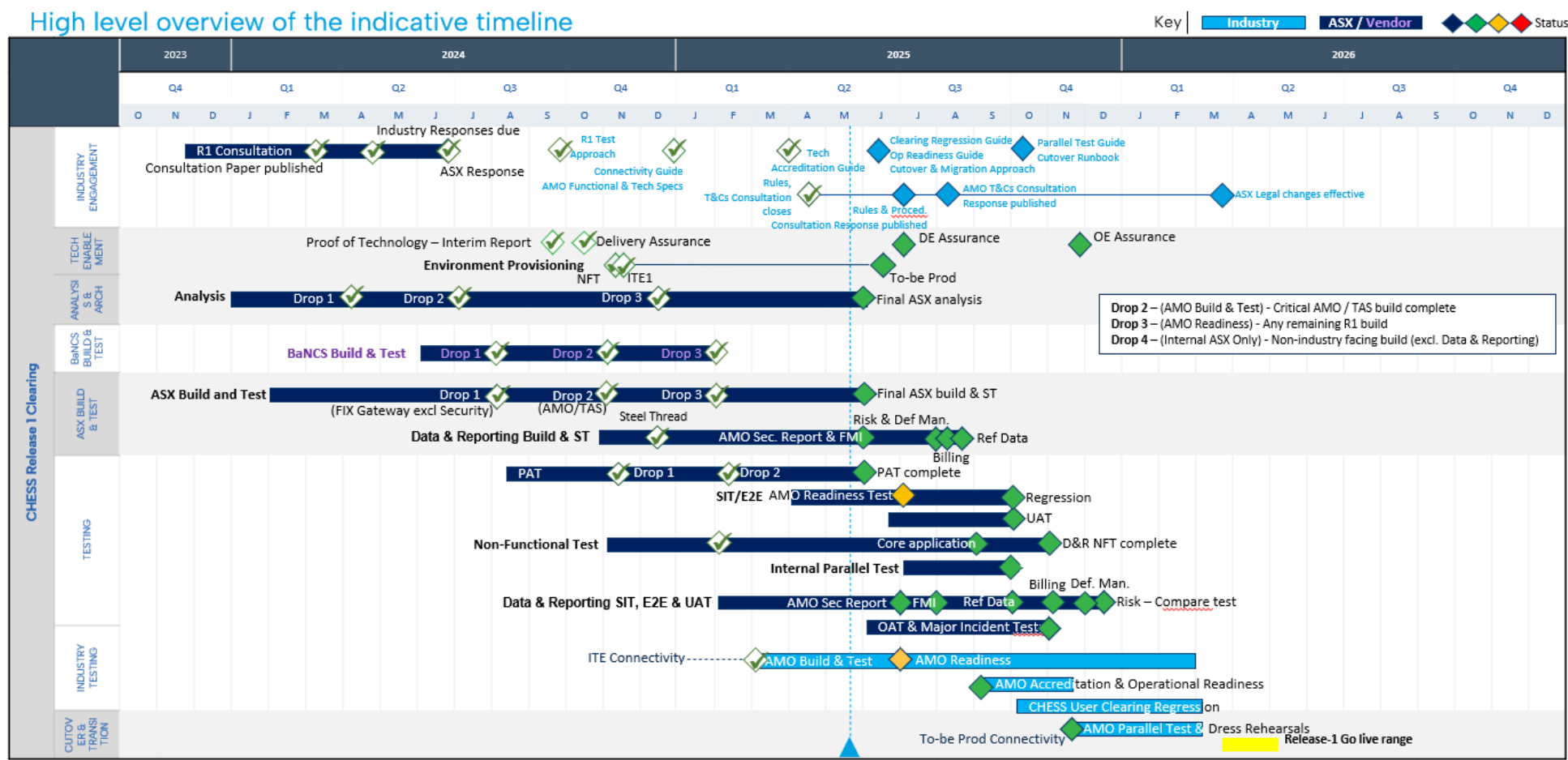
ATTACHMENTS

Attachment 1: Updated CHESS Release 1 Indicative Project Timeline

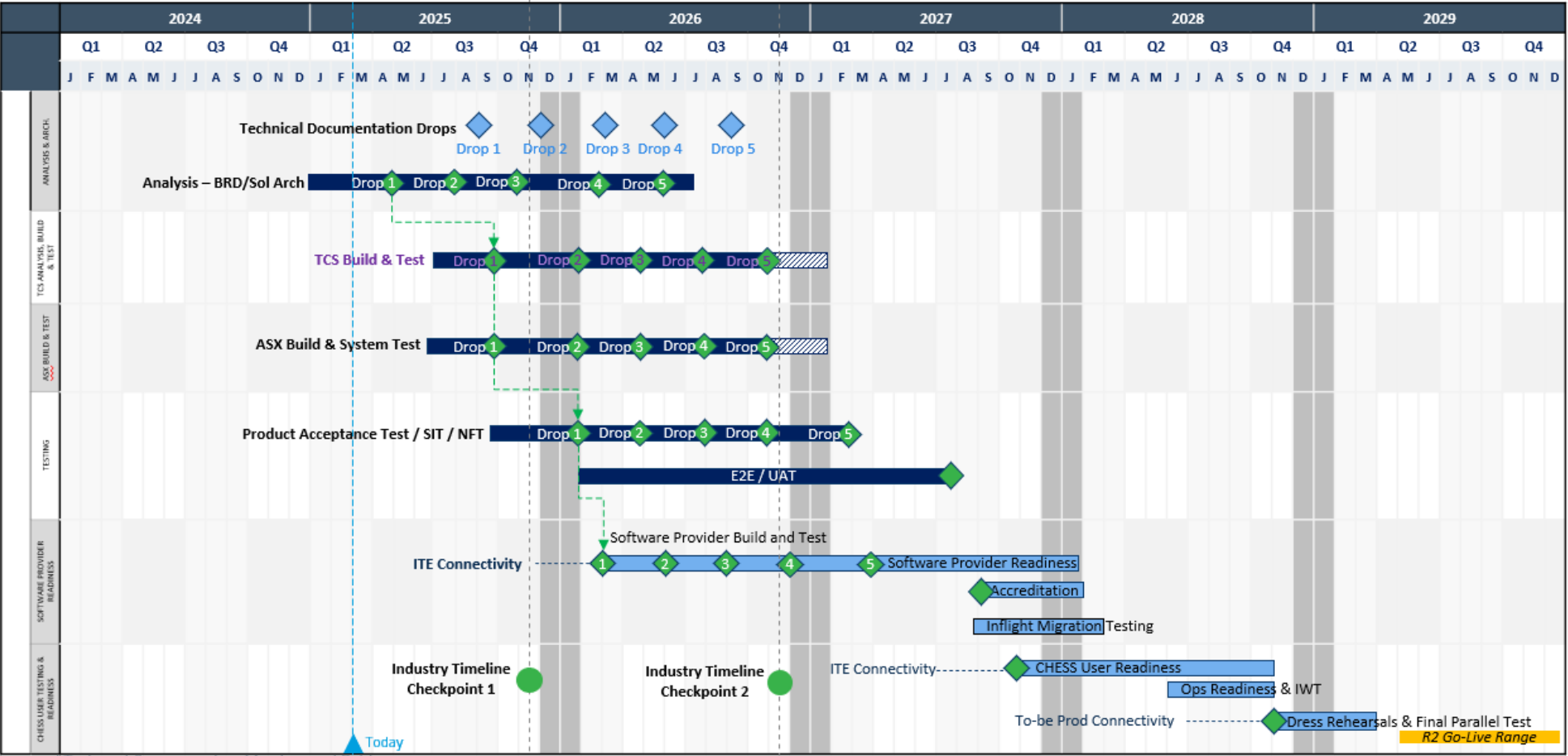
Attachment 2: Updated CHESS Release 2 Indicative Project Timeline

Attachment 3: CHESS Release 2 Indicative Drop Roadmap

Attachment 1: Updated CHES Release 1 Indicative Project Timeline



Attachment 2: Updated CHES Release 2 Indicative Project Timeline



Attachment 3: CHES Release 2 Indicative Drop Roadmap

	Drop 1	Drop 2	Drop 3	Drop 4	Drop 5
Feature Scope	<ul style="list-style-type: none"> > Participant and registry/issuer Setup > Accounts and holdings > Unilateral non-batch instructions > Account and holding balance reporting 	<ul style="list-style-type: none"> > Trade registration & netting > Settlement instructions > Batch settlement (excluding payments) > Pass-through investor data 	<ul style="list-style-type: none"> > Payments with limits > Issuer sponsored processes > Cum entitlement balance and holding movement reporting > Claims and adjustments > Corporate actions tranche A (cash) 	<ul style="list-style-type: none"> > Change of controlling participant & portfolio transfer > Holding adjustments > Batch exceptions (including default management and backout) > RITS integration(s) > Corporate actions tranche B (securities) 	<ul style="list-style-type: none"> > ETO/CMM collateral > Daily margin advice > Offer administration facility > Corporate action elections without payment > Corporate action elections with payment > Corporate actions tranche C (remaining)
User Journeys	<ol style="list-style-type: none"> 1. Participants can test the full account lifecycle (create & update, lock and cancel) 2. Participants can perform simple transfers between accounts they administer 3. Registries and Participants can receive account and holding balance reports 	<ol style="list-style-type: none"> 1. Participants can receive market trades in ISO20022, novate, net and schedule for settlement 2. Participants can match and schedule settlement instructions 3. Participants can settle instructions in a daily batch (excluding payment provider and payment services flows), including unit failure 4. Participants and Registries can test pass through investor data 	<ol style="list-style-type: none"> 1. Payment providers can manage payment facilities, authorise funds and utilise cash limit tracking 2. Participants and Registries can test issuer sponsored flows 3. Participants and Registries can receive corporate action and holding movement reporting 4. Participants obligations are adjusted to account for fails and adjustments 5. Participants can reserve balances and specify trust amounts 	<ol style="list-style-type: none"> 1. Participants can perform change of controlling participant and portfolio transfers 2. Registries can process corporate actions including performing holding adjustments 3. Participants and ASX can test batch exception processes (such as default management, backout, extension and cancellation) 4. ASX and RBA can commence testing of RITS integration(s) 	<ol style="list-style-type: none"> 1. Participants can lodge non-cash collateral and ETO cover and adjust margin 2. Participants and Registries can test takeovers and buybacks 3. Participants and Registries can test option elections without payment (DRP/BSP) 4. Participants and Registries can test option elections with payment (Rights, SPPs)

Indicative Roadmap – Subject to Change

Committee	Business Committee
Meeting date	18 June 2025
Agenda title	Scope objectives update
Agenda item no.	3b
Purpose	To provide the Technical Committee proposal on the optional or mandatory functionality for accreditation
Prepared by	Chris Boyes, Senior Product Manager, Equities, Securities & Payments
Action	For recommendation
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	The Business Committee RECOMMENDS the optional or mandatory functionality for accreditation for CHES Release 2 to support industry with software development activities for the CHES Project

BACKGROUND

The Technical Committee is seeking the Business Committee recommend that CHES Release 2 functionality be classified as optional or mandatory for accreditation by Clearing and Settlement Participants, Settlement-only Participants, Registries and Payment Providers as set out in [Appendix 1](#).

This paper provides the Technical Committee approved proposal for Business Committee recommendation to the boards of ASX Clear and ASX Settlement. The Board 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.

At its 11 October 2023 meeting, the Business Committee recommended to the Boards of ASX Clear and ASX Settlement the inclusion of 15 scope objectives be included in the design evaluation and consultation of the CHES replacement project.

At its 11 December 2024 meeting, the Business Committee endorsed the proposed next steps of the 15 scope objectives noted above as well as an additional:

- 7 scope objectives that were previously identified as requiring further consideration by the Technical Committee before being brought back to the Business Committee
- 8 scope objectives that were carried forward from the previous project or noted as design considerations for the CHES Project; and
- 4 scope objectives identified from design evaluation and consultation processes.

This paper provides an overview of the engagement process to determine whether functionality developed under these scope objectives are optional or mandatory for accreditation.

OPTIONAL OR MANDATORY FUNCTIONALITY ENGAGEMENT PROCESS

ASX undertook significant industry engagement activities in CY2024 to progress the next steps of the CHES Project scope objectives, timelines and implementation plans. A focus area for industry engagement in CY2025 is finalising the scope and design for CHES Release 2 with one of the key activities being determining 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 functionality 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 impact or trigger a production workflow, including related additional messages
 - c) Workflows that can be triggered by a counterparty and can't 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 for Technical Committee feedback at the February 2025 Technical Committee meeting with feedback received from 9 Technical Committee 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 meeting 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. Functionality 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 1 was approved at the June 2025 Technical Committee meeting. However, it was not possible to reach agreement on two functionality items as set out in Appendix 2 which will require further consideration. These two items will be progressed to the Technical Committee and Business Committee later in 2025:

1. **The ability to process DvP settlements outside of the batch (non-batch DvP):** ASX recommended that non-batch DvP is a mandatory feature in response to feedback received during CHES Release 2 consultation and to ensure that there's sufficient take up. Some Participants have queried the use of this functionality and requested for this to be optional or removed from scope, others have been supportive and see this functionality as a necessary and useful feature.
2. **Corporate action elections for DRP/BSP and Rights/SPPs:** ASX has recommended that corporate action elections are optional for Share Registries and has concurrently commenced bilateral engagement to explore how corporate action functionality can be developed to support near term and long-term objectives. Multiple Participants have requested for this to be mandatory for Share Registries to ensure sufficient take-up and engagements with registries so far have indicated a low appetite to implement this if optional.

Appendix 1

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		

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
3.5	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				

Appendix 2

FUNCTIONALITY WHERE FURTHER ENGAGEMENT IS REQUIRED

Ref.	Functionality	C&S Participant Accreditation	Settlement Only Participant Accreditation	Registry Accreditation	Payment Provider Accreditation
4.5	Non batch DvP bilateral settlement (new)	Further engagement required	Further engagement required	N/A	N/A
3.2	Corporate action election and acceptance processing - DRP/BSP	Optional (proposed)	Optional (proposed)	Further engagement required	N/A
3.3	Corporate action election and acceptance processing - Rights/SPPs	Optional (proposed)	Optional (proposed)	Further engagement required	N/A

Committee	Business Committee
Meeting date	18 June 2025
Agenda title	CHES Batch Settlement Incident
Agenda Item No.	4a
Purpose	To provide an update on the External Post Incident Review (PIR)
Prepared by	Glenn Kennedy, Senior Manager, Equities Engagement, Securities and Payments
Action	For discussion
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

BACKGROUND

The nature of the events that occurred on 20 December 2024 (**Batch Settlement Incident**), led to considerable disruption of standard operating procedures for many participants and customers. Accordingly, ASX committed to undertaking an externally focussed Post Incident Review (**PIR**) as part of the initial management actions outlined in ASX's [CHES Batch Settlement Incident Review](#) dated 23 January 2025.

EXTERNAL POST INCIDENT REVIEW

As part of the management actions in response to the Incident, ASX engaged KPMG to undertake an external PIR. The external PIR focused on Participant feedback concerning the operational impact on Participants as well as ASX's communication processes throughout the Incident. Feedback was gathered through a series of interviews with Participant representatives and relevant ASX stakeholders.

KPMG made nine recommendations. Work on addressing the findings has already commenced and will continue to be incorporated into BAU activities where relevant.

Notably, industry feedback highlighted two key themes:

- the desire for an agreed cut-off time earlier in the day in the event that settlement needs to be rescheduled in the future; and
- the enhancement of ASX's communication protocols

KPMG will provide an update on their observations and recommendations at the meeting.

NEXT STEPS

Majority of participants interviewed were supportive of the introduction of a cut-off time regarding a decision to reschedule settlement. Recommended times ranged from 2pm to 4:30pm. To address the industry's clear feedback, ASX intends to present a proposal at the September Business Committee for endorsement and to form an industry recommendation to the CS Board.

ATTACHMENTS

Attachment 1: KPMG Presentation

Committee	Business Committee
Meeting date	18 June 2025
Agenda title	Draft Pricing Policy update
Agenda item no.	4b
Purpose	ASX to provide an update on stakeholder feedback, ASX's draft response to its consultation and the updated draft Pricing Policy. Business Committee to consider if it has any feedback before the draft Pricing Policy is presented to the CS Boards for approval in June 2025.
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

BACKGROUND

ASX has developed a draft pricing policy for clearing, settlement and issuer services (**Pricing Policy**) aimed at ensuring pricing for CS services meets the requirements in the *ASIC CS Services Rules 2025* (the **Rules**), which were implemented as part of the Competition in Clearing and Settlement (**CiCS**) reforms.

The Rules include a requirement for ASX to maintain and publish an appropriate method for determining the prices of its cash equities clearing and settlement services to generate expected revenue that reflects the efficient costs of providing those services, including a return on investment commensurate with the commercial risks involved. The draft Pricing Policy details the proposed pricing determination methodology.

In September 2024, ASX released a public consultation paper on the draft Pricing Policy (**Consultation Paper**). Since then, ASX has been engaging closely with the industry and developed a number of changes to the draft Pricing Policy to address stakeholder feedback.

UPDATED DRAFT PRICING POLICY

A copy of the updated draft Pricing Policy incorporating all the changes made by ASX to date is available in **Attachment A**. A summary of the key changes made by ASX since the draft version initially provided in ASX's Consultation Paper is available in **Attachment B**.

The draft Pricing Policy will be presented to the CS Boards for approval at its meeting on 23/24 June 2025.

The Pricing Policy is proposed to commence on 1 July 2025.

SUMMARY OF INDUSTRY ENGAGEMENT

Below is a table summarising key industry engagement throughout the development of the Pricing Policy, including planned upcoming activities prior to the policy effective date.

Date	Industry engagement
May - June 2024	<ul style="list-style-type: none"> • Advisory Group paper on the intention and purpose of the draft Pricing Policy, including high level details of the policy and anticipated engagement timelines. • Business Committee verbal update on the draft pricing policy and the anticipated industry engagement and consultation process.
August - September 2024	<ul style="list-style-type: none"> • Advisory Group paper discussing the draft version of the Pricing Policy proposed for consultation. • Consultation Paper on the draft Pricing Policy with an accompanying Q&A document released to CS services customers and the public. • Business Committee paper discussing the draft version of the Pricing Policy provided in the Consultation Paper.
September - October 2024	<ul style="list-style-type: none"> • Two industry webinars for CS services customers on the draft version of the Pricing Policy provided in the Consultation Paper.
October - December 2024	<ul style="list-style-type: none"> • Bilateral meetings with CS services customers requesting additional information following the Consultation Paper.
November 2024	<ul style="list-style-type: none"> • Advisory Group papers detailing further information regarding inputs in the calculation of the weighted average cost of capital, the ASX Cost and Revenue Allocation Policy, industry engagement activities and consultation feedback.
December 2024	<ul style="list-style-type: none"> • Business Committee verbal update on the themes from the consultation.
January - March 2025	<ul style="list-style-type: none"> • Bilateral meetings with individual Advisory Group and Business Committee members who requested additional information on the draft Pricing Policy.
February 2025	<ul style="list-style-type: none"> • Education Session for Business Committee members covering key proposed changes to the draft Pricing Policy, including the recovery of capital costs and efficiency scheme. • Advisory Group presentation on the key themes of the consultation feedback and how ASX proposed to adjust the draft Pricing Policy in response.
March 2025	<ul style="list-style-type: none"> • Business Committee presentation on the key themes of the consultation feedback and how ASX proposed to adjust the draft Pricing Policy in response.
May 2025	<ul style="list-style-type: none"> • Electronic communication to Advisory Group and Business Committee members providing the updated draft Pricing Policy following consultation feedback and a summary of the key changes as compared to the draft version provided in the Consultation Paper. • Advisory Group paper on the proposed Pricing Policy and ASX's draft response to the consultation feedback.
May 2025	<ul style="list-style-type: none"> • ASX response to consultation feedback published.
Planned upcoming industry engagement activities	
June 2025	<ul style="list-style-type: none"> • Business Committee paper on the proposed Pricing Policy. • CS Board paper requesting approval of the proposed Pricing Policy.

Date	Industry engagement
July 2025	<ul style="list-style-type: none"> Pricing Policy proposed to commence on 1 July 2025.

RESPONSE TO CONSULTATION FEEDBACK

ASX published its [response](#) to consultation feedback in late May 2025. ASX has made a number of changes to the draft Pricing Policy, including:

- **Commencement date** - ASX changed the proposed commencement date to 1 July 2025 to provide for further engagement on the draft Pricing Policy and ASX's proposed changes, and to align commencement of the policy to the start of the fiscal year.
- **Cost and revenue management** - ASX will implement an efficiency scheme to incentivise ASX in a formal cost control mechanism. ASX also provided further information on the calculations of the asset beta in bilateral meetings with customers, Advisory Group meetings, Business Committee meetings, and industry education sessions.
- **Materiality threshold for recoveries** - ASX will implement an over-recovery threshold of 5% of the revenue requirements for payments back to customers and will hold any under-recoveries in a recovery offset for future over-recoveries.
- **Fee review trigger** - ASX will conduct a review of its CS services fee schedules if actual revenue is more than 10% away from the revenue requirement or if certain other events occur (e.g. if another clearing and settlement facility emerges or is likely to emerge, if there are changes to the regulatory environment or market structure, or if a CS services fee schedule review has not otherwise been conducted in the last 5 years).

ASX is committed to being transparent on how the Pricing Policy is executed. ASX commits to a range of assurance and information sharing activities, including:

- Assurance on the annual management accounts for CS services.
- Publication of annual management accounts.
- Assurance of the annual review mechanism.
- Assurance on the application of the BBM.
- Assurance on the cost and revenue policy when there are any material changes to the policy or every three years, whichever comes sooner.
- Provision of the terms of reference for the international pricing benchmarking to the Advisory Group and Business Committee.
- Publication of the final report for the international pricing benchmarking.

ASX considers that this comprehensive list of activities is sufficient in providing appropriate transparency to stakeholders.

ATTACHMENTS

Attachment 1: Draft Pricing Policy

Attachment 2: Summary of changes

Cash Equities Clearing, Settlement and Issuer Services Pricing Policy

DRAFT

May 2025

DRAFT

1. Cash Equities Clearing, Settlement and Issuer Services Pricing Policy ('Pricing Policy')

1. This Pricing Policy sets out the methodology for determining and reviewing prices for services that are classified as 'Covered Services' for the purposes of the *ASIC CS Services Rules 2025* ('Rules'). These include:
 - (a) Cash equity clearing services provided by ASX Clear Pty Limited ('ASX Clear');
 - (b) Cash equity settlement services provided by ASX Settlement Pty Limited ('ASX Settlement'); and
 - (c) Issuer services provided by ASX Settlement.

This group of services is referred to in this Pricing Policy as '**CS services**'. References to ASX in this Pricing Policy mean ASX Clear and ASX Settlement.

2. As the sole licensed operator of clearing and settlement facilities for the Australian cash equities market, ASX recognises the importance of its clearing and settlement services to its customers. ASX is committed to ensuring Australia's clearing and settlement infrastructure is efficient, well capitalised and well governed. ASX values working collaboratively with customers and other stakeholders to deliver world-class financial infrastructure and CS services that meet the needs of a diverse range of users in the Australian cash equities market.
3. CS services are provided through the Clearing House Electronic Subregister System ('**CHESS**'). The fee schedules for individual CS services can be found on the ASX Schedule of Fees webpage.

2. Purpose of this Pricing Policy

4. The Rules and the ASX Cash Equities Clearing and Settlement Code of Practice (the '**Code of Practice**') contemplate the importance of ASX's clearing and settlement services to the Australian market.
5. The Rules include an obligation on ASX to take all reasonable steps to ensure that the pricing of its Covered Services is transparent, fair, and reasonable. The Rules also include an obligation to maintain and publish a methodology for determining the prices of its Covered Services that demonstrates that the expected revenue from the provision of the Covered Services reflects the efficient costs of providing those services, including a return on investment commensurate with the commercial risks involved (the '**cost reflectivity principle**').
6. The purpose of this Pricing Policy is to demonstrate and ensure ASX's compliance with its obligations in the Rules, build on ASX's commitments under the Code of Practice, and provide information and transparency to customers on ASX's approach to determining CS services pricing.

3. Ensuring that ASX's Pricing Complies with the Rules

7. ASX is committed to transparent, fair, reasonable and non-discriminatory CS services pricing. ASX publishes CS services fee schedules on its website, and this Pricing Policy explains how ASX ensures that its pricing complies with the Rules.
8. ASX will not discriminate in favour of any CS services customers (including any ASX-affiliated entities), except to the extent that the efficient cost of providing the same service to another party is higher.

9. To determine the prices of its CS services and demonstrate alignment with the cost reflectivity principle, ASX will employ:
 - (a) the Building Block Method ('BBM');
 - (b) annual review of revenue from CS services; and
 - (c) a process for reviewing the CS services fee schedules and making any potential amendments to those fee schedules, to ensure that expected revenue remains in line with efficient costs.

The BBM, annual review of revenue from CS services, and fee schedules review and change process are explained further in the following sections.

4. Building Block Method

10. ASX will adopt the BBM as part of its process for ensuring alignment with the cost reflectivity principle. The BBM is a well-established tool endorsed by Australian regulators to ensure that prices for access to essential infrastructure reflect the efficient costs of providing that access.
11. The BBM operates by calculating a 'revenue requirement' for each year which reflects the efficient cost of delivering CS services. This is calculated as the sum of four cost building blocks:
 - (a) a return of capital (depreciation on invested capital, representing the allocation of investment costs over the capital's useful life);
 - (b) a return on capital (the cost needed to cover the costs of investment in assets, i.e. returns to equity and debt holders), at a rate of return which reflects the risk involved in providing CS services. Market parameters for the rate of return will be calculated in line with the Rate of Return Instrument ('RORI')¹, a standard regulatory methodology published by the Australian Energy Regulator ('AER');
 - (c) operating costs (day-to-day costs of running the CS services businesses with the efficiency scheme to incentivise cost management, allocated in accordance with the ASX Cost and Revenue Allocation Policy ('Allocation Policy')); and
 - (d) the cost of corporate tax (the corporate tax on taxable income, adjusted for the value of imputation credits that are created when corporate tax is paid).
12. Under the Rules, ASX is required to maintain and publish a model for the internal allocation of all costs, including the cost of allocated capital, as well as policies to govern the transfer of prices between the relevant ASX Group entities. ASX intends to allocate the economic costs (both direct and indirect) of providing CS services in accordance with the Allocation Policy. This policy describes the manner in which costs will be allocated to clearing, settlement and issuer services functions in the preparation of ASX's management accounts. The Allocation Policy will be applied by ASX in calculation of BBM revenue requirements under the Pricing Policy.
13. Included in the calculation of a return on capital (paragraph 11(b)), is the cost associated with financial risk capital held for operations relating to CS services, reflecting ASX's regulatory obligations to safeguard participants' assets ('cost of holding risk capital'). This includes capital in the default fund and financial risk capital (to cover operational and business risks) held for CS services.

¹ The Rate of Return Instrument sets out the approach that will be adopted by the AER to estimate the rate of return for regulated energy network businesses. The AER publishes a new Instrument every 4 years that is then binding for all regulatory determinations in the subsequent 4 years. The AER most recently published a RORI in February 2023.

Weighted Average Cost of Capital

14. To calculate a reasonable return on capital, ASX will use a target rate of return for each financial year as a weighted average cost of capital ('WACC'). The WACC is a weighted average of the cost of debt and the cost of equity, with the weights reflecting the relative amounts of debt and equity appropriate for the CS services.
15. The parameters and methods that will be used to calculate the WACC are set out in the table below. These reflect standard and well-accepted regulatory methods. For parameters that are not specific to ASX (all parameters other than the asset beta), methods are aligned with the RORI. The asset beta has been determined to reflect the degree of risk faced by ASX in providing CS services.

WACC Input	ASX parameter value / methodology
Risk-free rate	The risk-free rate for each financial year will be calculated as a simple average of the daily yield-to-maturity for 10-year Commonwealth Government Securities, averaged over all business days in the relevant financial year. The relevant yield data will be sourced from the Reserve Bank of Australia.
Asset beta	1.20
Market risk premium	As specified by the AER in the RORI
Gearing	0% debt / 100% equity
Tax rate	30%
Value of imputation credits (gamma)	As specified by the AER in the RORI

5. Efficiency Scheme

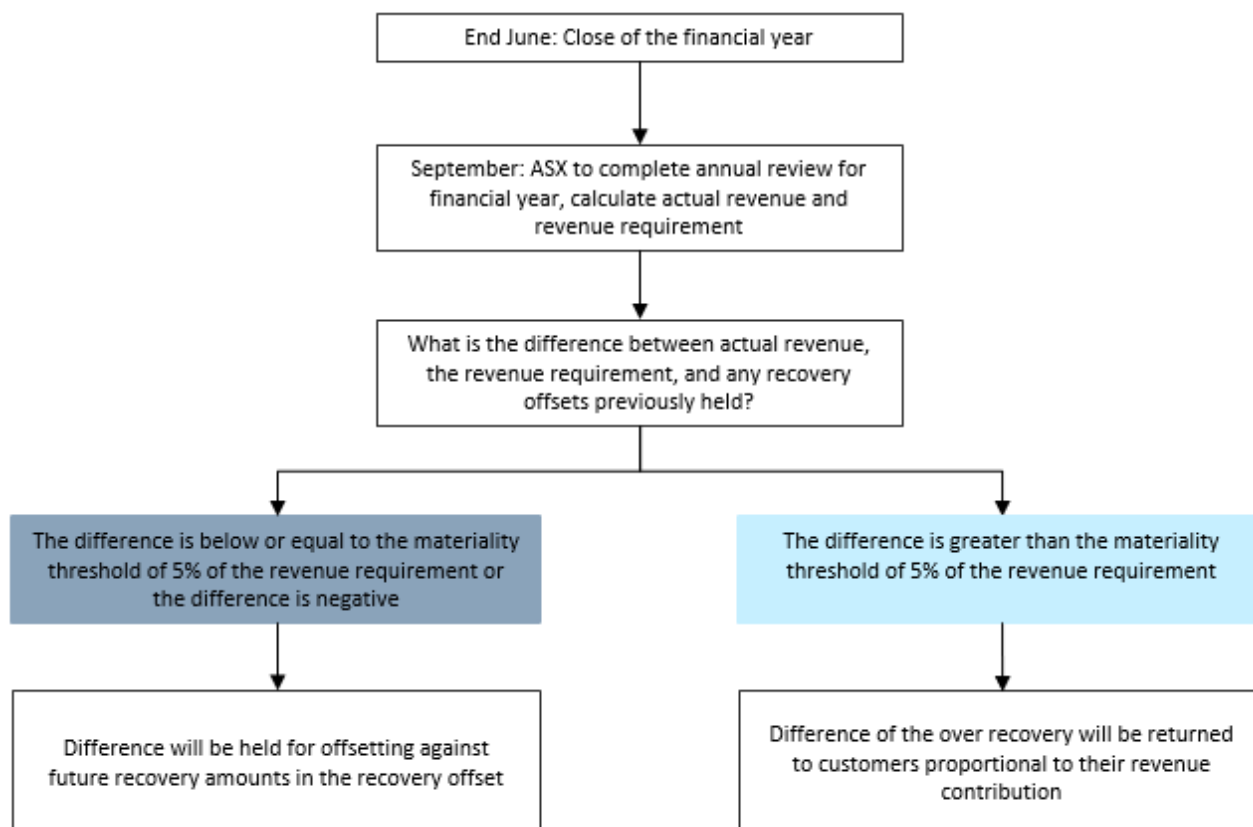
16. A BBM framework can incorporate schemes designed to create incentives for efficiency improvements over time. Through an efficiency scheme, the services provider and its customers can share in the benefit of any cost savings. This creates an incentive for the services provider to pursue efficiency gains and allows customers to benefit from these efficiency gains.
17. ASX will implement an efficiency scheme ('ES') to ensure that it continues to prudently manage its operating costs as part of this Pricing Policy. The ES sets out the methodology to provide for equal sharing between ASX and users of CS services of efficiency gains and losses.
18. An efficiency gain is where actual operating expenditure incurred by ASX is less than the budgeted operating expenditure target for the relevant financial year. An efficiency loss is where ASX's actual operating expenditure is more than the budgeted operating expenditure target for the relevant financial year. Any efficiency gains or losses will be reflected as adjustments to the operating costs calculation in the BBM. Under the ES:
 - (a) At the beginning of the financial year, ASX will provide guidance to the users of CS services on the forecasted operating costs for providing CS services ('**budgeted operating expenditure**'). This will establish the baseline level of operating expenditure for the upcoming financial year that will be used within the BBM calculations.
 - (b) At the end of the financial year, the operating costs will be allocated into the BBM based on the operating costs, as per the Allocation Policy ('**actual operating expenditure**').

- (c) Where ASX reduces its actual operating expenditure below the budgeted operating expenditure, there will be a sharing of the efficiency gain – 50% of the gain will be retained by ASX, while the remaining 50% will be adjusted to the operating cost calculation within the BBM.
- (d) Where ASX increases its actual operating expenditure above the budgeted operating expenditure, there will be a sharing of the efficiency loss – 50% of the loss will be borne by ASX, while the remaining 50% will be adjusted to the operating cost calculation within the BBM.
- (e) For the following year, the budgeted operating expenditure will reset based on actual expenditure in the prior year and group forecasts, meaning that any efficiency gain or loss will be reflected in the budgeted operating expenditure going forward.

6. Annual Review of Revenue from CS Services

- 19. Upon completion of each financial year, ASX will conduct an annual review, using the BBM to calculate the revenue requirement (which represents the economic cost of providing CS services for that year) and comparing this to the revenue that was generated for that year. The purpose of this annual review is to ensure that the revenue generated from providing CS services reflects the efficient costs of providing those services.
- 20. ASX will conduct the annual review process to operate as follows:
 - (a) By no later than September of each year during the term of this Pricing Policy, ASX will compare the revenue received for CS services for the prior financial year against the revenue requirement and determine whether the revenue received was above the revenue requirement (an '**over-recovery**') or below the revenue requirement (an '**under-recovery**') for that financial year.
 - (b) In the case of an under-recovery, no additional payment will be required from customers. Instead, the under-recovery amount will be held for netting and offsetting against any over-recovery amount(s) in future years (a '**recovery offset**').
 - (c) Where an over-recovery amount is greater than 5% (the '**materiality threshold**') relative to the revenue requirement in aggregate across all customers (a '**material over-recovery**'), ASX will calculate an over-recovery amount to be returned to customers through a reconciliation payment, subject to netting against any under-recovery offsets previously held. The over-recovery amount will be calculated as the amount of revenue in excess of that required to recover the revenue requirement and will be reimbursed to each customer proportionally, based on each customer's percentage contribution to the annual revenue for that financial year.
 - (d) If the over-recovery amount is less than or equal to 5% (the materiality threshold), there will be no reconciliation payment for that year. Instead, this amount will be netted against any recovery offset(s) from previous years or held for netting against future recovery offset(s).
 - (e) By no later than September of each year, ASX will publish a document explaining the outcome of the annual review on its website. If a 'trigger event' (as defined in section 7) has occurred, ASX will also publish a document setting out a timeline and details of the next steps to occur in reviewing the CS services fee schedules.
- 21. The annual review mechanism for revenue from CS services is shown in Figure 1.

Figure 1: Annual Review Mechanism for revenue from CS services



7. Review of CS Services Fee Schedules

22. ASX understands that its customers value the stability and predictability of ASX's pricing. ASX will therefore only review and consider amending its CS services fee schedules upon the occurrence of a 'trigger event', which may be quantitative or qualitative in nature. Any amendments to the CS services fee schedules will be made in accordance with this Pricing Policy and the Rules.

Quantitative trigger events

23. ASX will conduct a review of its CS services fee schedules if any of the following quantitative trigger events occur, which may signify a material or sustained mismatch between revenue received and the revenue requirement:
- (a) the under or over-recovery amount in a single financial year is greater than 10% of the revenue requirement; or
 - (b) the cumulative total amount of under-recovery or over-recovery over any period of time exceeds 10% of the revenue requirement for the most recent financial year.

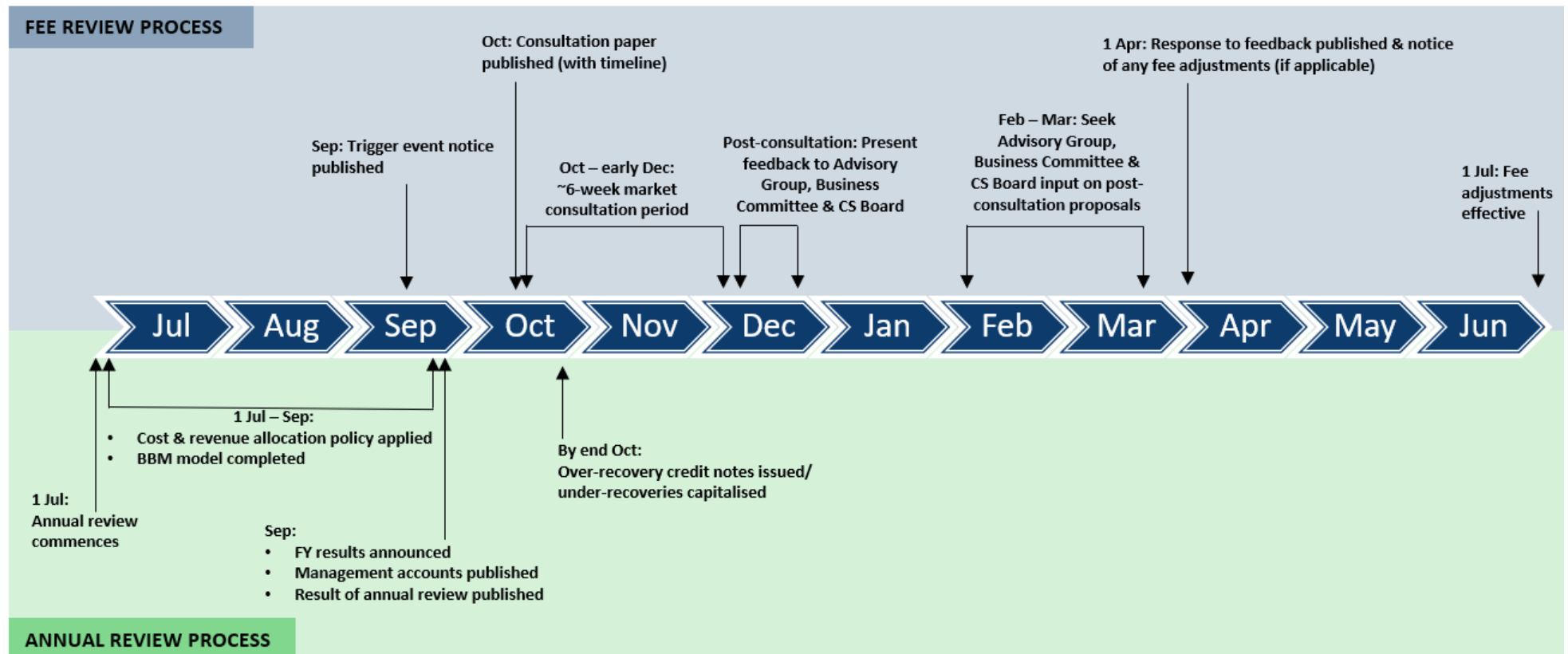
Qualitative trigger events

24. ASX will conduct a review of its CS services fee schedules if any of the following qualitative trigger events occur:
- (a) the emergence or likely emergence of another clearing and settlement facility;

- (b) a significant change in the regulatory environment for cash equities in Australia, including, but not limited to, changes to the Rules and associated regulatory guidance, or the Regulatory Expectations;
 - (c) a significant change or expected change in the market structure for cash equities in Australia, such as, but not limited to, the adoption of a shorter settlement cycle for Australian cash equities;
 - (d) a significant structural change or upgrade to, or impact on, ASX's business model or operating structure for CS services;
 - (e) the revenue requirement or expected revenue received in a future year is expected to materially change (whether in response to a significant market event or not) such that at least one of the quantitative trigger events above would be expected to occur; or
 - (f) a CS services fee schedule review has not otherwise been conducted in the last 5 years.
25. The introduction of a new service by ASX will not trigger a review of CS services fee schedules. ASX will engage with relevant stakeholders regarding pricing of any new services.
26. The process for conducting a review will be as follows:
- (a) Where a trigger event has occurred, at the same time as publishing the document explaining the outcome of the annual review, ASX will publish a notice that at least one trigger event has occurred (the '**trigger event notice**'), specifying the trigger event(s) for conducting the CS services fee schedules review.
 - (b) As soon as practicable after the trigger event notice has been published, ASX will publish a consultation paper, which will set out proposed options and a recommendation to amend, or not to amend, the CS services fee schedules to address the trigger(s) set out in the trigger event notice. The consultation paper will also set out an intended timeline for consulting with stakeholders, reviewing industry and customer feedback, finalising any potential amendments to the CS services fee schedules, and informing customers of any amendments to those fee schedules in advance.
 - (c) By no later than 1 April of the financial year prior to the financial year in which any amendments to the CS services fee schedules are to take effect, ASX will publish a response to the consultation feedback, including the details of any amendments to those fee schedules and the respective reasons for change.
27. The fee review process and timeline are shown in Figure 2 below. Completion of a fee review process effectively resets the baseline for quantitative trigger events going forward.
28. While conducting the review and during any associated consultation processes, ASX will have regard to:
- (a) stakeholder feedback;
 - (b) the outcome of recent annual reviews under this Pricing Policy;
 - (c) whether any under or over-recovery in prior financial years is likely to reflect transitory or structural factors;
 - (d) expected future market developments, including expected changes in demand or expenditure requirements;
 - (e) the most recent international comparative report of ASX's CS services fees against prices for similar services in other comparable international markets; and
 - (f) any other matters that ASX or stakeholders consider to be relevant.

29. Any change to the fee schedule will take effect from the start of the next financial year. There will be no retrospective amendments to fees.
30. CS services fee levels will not be amended again for at least two years from the fee amendment effective date, with the exception of trigger events specified in paragraphs 24(a), 24(b), 24(c) and 24(d), which may result in commencement of a review of CS services fee schedules.
31. As required by the Rules, any amendments to the CS services fee schedules will not be implemented in a way that would materially shift revenue streams to other entities within the ASX Group.
32. ASX will monitor fee levels for CS services on an ongoing basis to ensure that alignment with the cost reflectivity principle is maintained as closely as possible.

Figure 2: Annual Review and Fee Review Process and Timeline



8. Transparency and Assurance Processes

33. ASX will publish annual, audited management accounts for its CS services.
34. ASX will publish the Allocation Policy.
35. ASX will publish the outcomes of the annual review of revenue from CS services, including:
 - (a) the BBM calculation of the annual revenue requirement; and
 - (b) calculation of any under or over-recovery amount.
36. ASX will also engage an appropriately qualified independent expert to conduct, prepare and publish a written report about the appropriateness of the Allocation Policy each time there is a change to the Allocation Policy or every three years, whichever comes first.

9. Operation and Review of this Pricing Policy

37. This Pricing Policy will commence on 1 July 2025.
38. The Pricing Policy will be reviewed every 5 years following its commencement, with a view to updating and/or amending it as necessary. As part of this review, ASX will:
 - (a) assess the potential need for changes to clearing, settlement and issuer services pricing to reflect changes in the cost base;
 - (b) consider potentially significant capital expenditure associated with a replacement system;
 - (c) consider any changes to clearing, settlement and/or issuer services delivery; and
 - (d) consider any impact of increased competition and/or reduced demand.
39. The Pricing Policy may also be reviewed if there are significant changes in the market structure for CS services, including any material changes in the competitive landscape or regulatory obligations.

ASX Cash Equities Clearing, Settlement and Issuer Services Pricing Policy

Executive Summary of Changes | 20 May 2025

Introduction

ASX released a consultation paper on 16 September 2024, proposing a new Pricing Policy for cash equities clearing, settlement, and issuer services (**CS services**).

During and after the consultation period, ASX has reviewed and considered the industry feedback, and made updates to the draft Pricing Policy in response.

The table below sets out a summary of the key changes that have been made to the draft Pricing Policy, which will be finalised and published by the end of June 2025 subject to the final approval of the Boards of ASX Clear and ASX Settlement.

Executive Summary: Key Pricing Policy Drafting Changes

Consultation Theme	Original Section Number / Drafting (September 2024)	Updated Section Number / Drafting (May 2025)
Commencement Date	Section 5: Operation and Review of this Pricing Policy The Pricing Policy was intended to commence operation on 1 January 2025.	Section 9: Operation and Review of this Pricing Policy The Pricing Policy is now intended to commence on 1 July 2025.

Consultation Theme	Original Section Number / Drafting (September 2024)	Updated Section Number / Drafting (May 2025)
	<i>Section 4: Annual Review of Revenue from CS Services</i>	<i>Section 6: Annual Review of Revenue from CS Services</i>
Materiality Threshold and Treatment of Under-Recoveries	Where the achieved revenue is less than the revenue requirement, or it exceeds the revenue requirement by not more than \$1 million, the difference was to be held for offsetting against any future over-recovery (recovery offset).	In the case of an under-recovery, no additional payment will be required from customers, and any additional payment will be held for netting and offsetting against any future over recovery amount(s). The concept of netting an over-recovery which is less than the materiality threshold against any previous or future recovery offset(s) is being retained.
	Where the achieved revenue exceeds the revenue requirement, ASX was to calculate an over-recovery amount to be returned to customers. If the over-recovery amount exceeded \$1 million (in aggregate across all customers), ASX would immediately return the excess amount to customers through a reconciliation payment, subject to any recovery offsets previously held.	ASX will also amend the materiality threshold for payments to customers from \$1 million to an over-recovery of more than 5% relative to the revenue requirement. Material over-recoveries will be reimbursed to each customer proportionally, based on each customer's percentage contribution to the annual revenue for that financial year. ASX will also retain the concept of netting against any previous recovery offsets held.

Consultation Theme	Original Section Number / Drafting (September 2024)	Updated Section Number / Drafting (May 2025)
Fee Review Triggers (FRTs) and process for fee reviews	<i>Section 4.3: Review of CS Services Fee Schedules</i>	<i>Section 7: Review of CS Services Fee Schedules</i>
	<p>The consultation draft proposed a varying of ASX CS services fee schedules only if there is a material or sustained mismatch between achieved revenue and the revenue requirement. It also set out the two previously proposed FRTs of 5% in either a single year or cumulatively over any period of time.</p>	<p>This section provides more detail on the FRTs, retaining the essence of the consultation draft but then setting out both the (updated 10%) quantitative FRTs and specifying the new qualitative FRTs. Any amendments to the CS services fee schedules will be made in accordance with the Pricing Policy and the <i>ASIC CS Services Rules 2025</i>.</p> <p>Further details are provided on the process for conducting a fee review, including when stakeholders should expect to see documentation published by ASX at each stage of the fee review process. It also sets out the matters that ASX will have regard to in conducting a fee review and any associated consultation processes.</p> <p>The updated draft sets out important commitments from ASX, including no retrospective amendments to fees, and a two-year moratorium on amending CS services fee levels from the fee amendment effective date.</p> <p>The processes, related documentation and timelines for conducting the annual review and a fee review are illustrated in a figure.</p>

Consultation Theme	Original Section Number / Drafting (September 2024)	Updated Section Number / Drafting (May 2025)
Weighted Average Cost of Capital ('WACC')	<i>Section 4.2: Revenue Requirement</i>	<i>Section 4: Building Block Method</i>
	<p>To calculate a reasonable return on capital, ASX proposed to use a target rate of return for each financial year as a WACC, explaining that this is a weighted average of the cost of debt and the cost of equity, with the weights reflecting the relative amounts of debt and equity funds appropriate for the CS services.</p> <p>Explanation was provided on the parameters and methods that will be used to calculate the WACC, which reflect standard and well-accepted regulatory methods. For parameters that are not specific to ASX (all parameters other than the asset beta), methods are aligned with the Rate of Return Instrument published by the Australian Energy Regulator. The consultation draft proposed that the asset beta has been determined so as to reflect the degree of risk faced by ASX in providing CS services, before setting out the parameters and methods in a table.</p>	As there are no changes to the asset beta framework, this section has been retained in the form and substance consulted on in September 2024.

Consultation Theme	Original Section Number / Drafting (September 2024)	Updated Section Number / Drafting (May 2025)
Cost Visibility and Controls (‘Efficiency Scheme’ or ‘ES’)	Not previously included	Section 5: Efficiency Scheme
		A new section has been added to include an efficiency scheme, intended to provide an incentive for ASX to pursue cost efficiency.
		ASX has outlined the rationale for including an efficiency scheme, noting that a services provider and its customers can share in the benefit of any cost savings, creating an incentive for the services provider to pursue efficiency gains and allowing customers to benefit from these efficiency gains.
		ASX will implement an ES to ensure that it continues to prudently manage its operating costs. There will be adjustments to annual revenue requirements to reflect efficiency gains or losses. Further details on the mechanics of the ES’s operation (including the equal sharing of efficiency gains and losses between ASX and customers) are provided.

Committee	Business Committee
Meeting date	18 June 2025
Agenda title	Share Sale Fraud Working Group Update
Agenda Item No.	4c
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 FEBRUARY BUSINESS COMMITTEE

Since the last update at the February Business Committee meeting, two SSFWG meetings have been held.

The second meeting of the SSFWG was held on 8 April. The focus of that meeting was on hearing from industry on fraud scenarios and information sharing.

This included the positive impact on share sale fraud activity being seen from frictions to processing introduced by members, talking through examples of recent fraudulent activities which targeted investors directly and a discussion on recent cyber-attacks on certain Australian superannuation funds.

Members also explored the type and extent of information appropriate to be shared by industry, including having regard to the capacity of firms to review and action that information, with that discussion co-led by a participant member and a share registry member.

An outcome of this discussion was the creation of a separate sub-working group to consider how share registries and participants can better share information to address share fraud risk, the first meeting of which was held on 13 May.

The third meeting of the SSFWG was held on 3 June. The focus of that meeting was on hearing from regulatory agencies on learnings from actions taken and discussing recent guidance issued.

This included reports from ASIC on learnings from RFIs on client onboarding issued to market intermediaries last year, as well as on a previous prosecution commenced in 2019 involving a major fraud and identity theft syndicate that stole millions of dollars from superannuation and share trading accounts of victims.

The meeting also received an update from AUSTRAC on the status of new Regulations to prescribe the requirements for disclosures between reporting entities and give effect to an exception pursuant to the revised “tipping-off” offence under AML/CTF legislation applicable from 31 March.

Members also received an update on engagement with the Office of the Australian Information Commissioner (OAIC) regarding clarity being sought on the application of privacy restrictions and permitted disclosures in scenarios of suspected fraudulent activity.

As part of standing items, members also received updates on any fraud scenarios recently identified as well as on the sub-working group formed to consider how registries and participants can better share information.

Noting the series of deep dives facilitated at SSFWG meetings to date, hearing from industry and the regulatory agencies, it was decided to move to a quarterly cadence for SSFWG meetings (instead of every two months), with an ability to convene a SSFWG meeting earlier if there was demand to do so should a spike in share sale fraud activity occur. The next meeting of the SSFWG is scheduled to occur in September.

Committee	Business Committee
Meeting date	18 June 2025
Agenda title	Electronic statements take-up update
Agenda Item No.	4d
Purpose	To provide members with an update on current status of electronic statement take-up, and the Statements Working Group
Prepared by	Resan Ovat, Senior Manager, Issuer Services, Securities and Payments Karen Webb, Head of Issuer Services, Securities and Payments
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% of holding statements issued electronically in May 2025. The new Statements Working Group has met eight times since August 2024. Further details are outlined in this paper.

ELECTRONIC STATEMENTS TAKE-UP AT 31 MAY 2025

- ASX presented take-up statistics (@end February 2025) to the Business Committee meeting in March 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 March to May 2025.
 - Continued positive impact from electronic CHESS Statements opt-in facilities enabled by 2 large retail brokers from 30 November 2024 and March 2025, with default opt-in set at time of HIN creation. This is also contributing to a gradual increase in the total number of HINs being opted-in (+~1% month on month).
 - The total number of HINs opted into electronic communications is increasing gradually (now at 12% of total non-zero and zero holdings).
 - Further increases observed in the number of CHESS Holding Statements electronically delivered to holders. 21% of all statements issued electronically in May 2025 (20.4% in April, 15% in March 2025).

Statistic Description		31 Mar 2025		30 April 2025		31 May 2025	
Total number of holding statements (paper and electronic)		1.72m~		2.16m~		1.36m~	
# CHESS Holding Statements ¹ electronically delivered to investors		15.0%		20.4%		21%	
# CHESS Holding Statements mailed to investors		85.0%		79.6%		79%	
# additional investors opted into electronic communications (compared to end of previous month) - zero and non-zero holdings		49,918		76,942		57,246	
Total # HINs opted into electronic communications from ASX Settlement	Breakdown - non-zero vs. zero holdings	Non-Zero	Zero	Non-Zero	Zero	Non-Zero	Zero
		279,614	513,538	292,754	577,340	316,122	611,218
	Total - non-zero and zero holdings	793,152 (10.4%)		870,094 (11.3%)		927,340 (12%)	
Total # HINs	Breakdown - non-zero vs. zero holdings	Non-Zero	Zero	Non-Zero	Zero	Non-Zero	Zero
		3,292,657	4,314,856	3,305,822	4,386,570	3,313,561	4,430,777
	Total - non-zero and zero holdings	7,607,513		7,692,392		7,744,338	

¹ Refers to the CHESS Holding Statements generated at month end, as opposed to the weekly demand statement numbers.

Breakdown of electronic communications preference (email purpose)	HINs - zero and non-zero holdings (number and percentage breakdown)		
	Mar 2025	April 2025	May 2025
Email Purpose 'A' - Preference for electronic communications from ASX Settlement and Issuers	405,279 (51%)	434,809 (49%)	454,673 (49%)
Email Purpose 'B' - Preference for electronic communications from ASX Settlement only	387,873 (48%)	435,285 (50%)	472,667 (50%)
Email Purpose 'C' - Preference for electronic communications from Issuers only	8,488 (1%)	8,396 (1%)	8,330 (1%)

STATEMENTS WORKING GROUP

The Statements Working Group has now met eight times. An issuer, Betashares has now also joined the working group. ASIC were invited to attend the 8th Statements Working Group meeting on 29 May 2025 as observers, given the focused discussions on the proposed ASX Settlement Operating rule amendments to support bulk opt-in of holders to electronic communications.

Objective - increasing the take up of electronic communications

The four meetings held this year have focused on teasing out the significant problems or blockers to the take up of electronic communications particularly by existing holders (by participants on behalf of holders) and potential solutions.

Members generally agree that:

- The transition of existing holders to electronic communications is hampered by each participant's interpretation of ASX Settlement Operating Rule 8.18.1, that requires prior written authority from holders for changes to registration details, including email address and email purpose (email purpose categories are outlined in the above statistics section).
- If participants were to run a campaign of positively contacting holders to seek their opt-in (i.e. written consent, for example, opt-in flash-screen at login to online broker platform), the response rate would be low, based on previous campaign experience, and there would be little change to the current approximately 1% increase in opt ins per month.

- If the rule were changed to not require prior written authority, participants could more easily bulk opt-in holders, providing holders with the option to subsequently opt out if they wished. This option is considered the most likely to achieve a significant increase in the take up of electronic communications.

During the 7th working group meeting held on 30 April, members reviewed and discussed a number of amendments proposed by ASX to the ASX Settlement Operating Rules (ASXSOR) and the rationale for the amendments. The group also discussed existing and potential transition arrangements for bulk opt-in of existing holders, requesting ASX to review the current guidance (limiting bulk opt-ins to 10,000 per day). Each member was provided with the opportunity to review the proposed amendments and provide ASX with feedback prior to the 8th working group meeting scheduled on 29 May 2025.

- ASX received feedback from 9 statements working group members, consisting of 6 sponsoring participants, 2 industry associations and 1 AMO.
 - 5 SWG members were either supportive or had no comments on the rules (2 SWG members were supportive but were unlikely to take advantage of the proposed changes).
 - 3 SWG members did not agree with the proposed changes and/or suggested an alternative approach.
 - 1 SWG member is still considering the rules in further detail.
- The noted concerns and suggested alternative approaches on the proposed amendments and related matters were:
 - The rules should explicitly allow for negative consent
 - Potential loss of shareholder protections and increased risk to participants if changes were to proceed (noting indemnity to ASX and Issuer under ASXSOR 8.18.5 for changes to registration details without authority)
 - ASX should enable e-statements for holders directly
 - Two business days is insufficient for client to respond if negative consent is adopted (related to ASXSOR 8.18.2)

ASX provided members with a summary of the feedback received and ASX's response to the feedback at the 29 May meeting. On balance, ASX proposed to proceed with the proposed rule amendments, without any further drafting changes. ASX expects it would have an informal package ready for submission to ASIC by end July.

ASX also discussed the practical considerations for bulk opt-ins and provided members with a list of proposed settings, including an increase in the daily limit to 250,000 holders. Participant and share registry members were asked to consider the proposed settings and provide feedback at the next meeting.

A secondary, but related discussion continues with members regarding the categories of email purpose available, the selections being made by participants on behalf of holders, and any changes required. ASX has advised members that current CHESS and CHESS replacement release 2 are assuming the continued availability of 3 email purpose categories.

Objective - fraud prevention

At the 7th Statements Working Group meeting held on 30 April, members reached consensus on guidelines relating to the redaction of HIN/SRN, and agreed a broad approach across multiple stakeholders would provide the best outcome to investors.

There was consensus that:

- There are certain types of communications provided by participants, ASX, and share registries where SRN/HIN should be displayed in full vs. in redacted form;
- all other communications will have the SRN/HIN redacted, apart from initial notification and other excepted notifications (e.g. takeover/acceptance);
- initial notifications to an investor should include HIN or SRN and instructions for the investor to retain the HIN/SRN in a safe place;

- investors should be notified that they may be charged a fee for requesting access to their HIN or SRN information through share registry or participant; and
- a standard should be applied for the portion of the HIN/SRN to be redacted (all except the last 4 digits to be redacted).

At the 29 May meeting, members discussed the next steps, with actions for some members to provide input at the following meeting. It is agreed that the commencement of redaction activities should be coordinated and aligned where possible. Next steps include:

- Identify and agree on the limited number of communications where SRN/HIN should be displayed in full (other than initial notifications). Share registries to identify communications, other than takeover/acceptance notifications, where SRN should be retained;
- Develop plan to expand proposed communication of this change beyond the Statements Working Group (all participants, registries, issuers, AMOs, investors);
- Agree proposed alignment of timing for:
 - introduction of this change; and
 - planned communication ahead of the change being implemented;
- ASX to consider amendments to ASX Listing Rules – specific rules that require share registries to provide numbers on notifications to investors; and
- Develop an industry protocol for informing investors about the changes, and on an ongoing basis.

Members were also provided with an overview of ASX's forward plan for CHESS statements service enhancements at the 29 May meeting.

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

The group will meet again twice before the September 2025 Business Committee meeting, with a planned schedule of 8 meetings during 2025, subject to group activities.

Committee	Business Committee
Meeting date	18 June 2025
Agenda title	Securities Lending Reporting Working Group update
Agenda Item No.	4e
Purpose	To update the Committee on the output of the Securities Lending Reporting Working Group convened in November 2024
Prepared by	Business Committee Secretariat
Action	For discussion
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

An update on the recommendation made to the Regulator to simplify Securities Lending Reporting and the next steps in relation to the existing securities lending reporting framework will be presented at the 18 June Business Committee meeting.

Committee	Business Committee
Meeting date	18 June 2025
Agenda title	CS Service Rules 2025
Agenda Item No.	4f
Purpose	To provide an overview of the CS Service Rules and key changes from the Regulatory Expectations
Prepared by	General Manager, Business Planning and Management (Stephen Hammon)
Action	For noting

BACKGROUND

ASX maintains the ASX Cash Equities Clearing and Settlement Code of Practice ([Code of Practice](#)) which sets out the commitments of ASX Clear and ASX Settlement to comply with the 'Regulatory Expectations for the Conduct of Cash Equity Clearing and Settlement Services in Australia' ([Regulatory Expectations](#)) and the 'Regulatory Expectations for ASX Cash Equities Clearing and Settlement Advisory Group' ([Letter of Expectations](#)).

The [ASIC CS Services Rules 2025](#) (**CS Services Rules** or **rules**) were made on 19 February 2025. This follows amendments to the Corporations Act which allow ASIC to determine classes of CS services for which CS services rules can be made. Cash equities has been determined as a class of CS services.

The CS Services Rules implement the Regulatory Expectations as enforceable obligations and impose a number of additional obligations.

CS SERVICE RULES 2025 – SCOPE AND RELATED CHANGES

As summarised in the [Explanatory Statement](#) to the ASIC CS Services Rules 2025 (paragraphs 1 and 2):

- The rules impose requirements dealing with the activities, conduct and governance arrangements of providers of cash equity clearing and settlement (CS) services. The rules are intended to establish formalised and clear obligations to promote competitive outcomes in the provision of cash equity CS services, where the ASX group is the monopoly provider of cash equity CS services.
- The rules address the following key areas:
 - a) governance frameworks with mechanisms for users to provide input into strategy setting, operational arrangements, and system design;
 - b) transparent, non-discriminatory, fair and reasonable pricing arrangements;
 - c) access to services on commercial, transparent and non-discriminatory terms;
 - d) core information technology systems used to provide cash equity CS services to facilitate foundational technical interoperability with users' systems that do not raise barriers to entry;
 - e) publication of an international pricing comparison report and a cost allocation model report;
 - f) publication of audited management accounts for cash equity CS services;
 - g) arrangements for management of intragroup conflicts of interest; and
 - h) independent assurance that changes to core systems do not result in barriers to access for unaffiliated entities, including in relation to interoperability.

Most of the CS Services Rules came into effect on 24 May 2025. A transition period applies for two rules relating to organisational requirements and the policies and procedures which means these are effective from 24 August 2025.

ASX established a project team to implement changes relating to the CS Services Rules. Key activities include:

- Establishment of a new pricing policy and updated internal allocation policy.

- Commencement of an international benchmarking pricing analysis.
- Establishment of a process for external assurance for any material changes to core systems to ensure changes meet the needs of users and does not raise barriers to access.
- Commencement of update to charters and other ancillary components (e.g., website and procedure updates). Where appropriate, these requirements will be actioned in line with the obligation, effective 24 August 2025, to maintain documented policies and procedures that, as far as reasonably practicable, ensure compliance with the CS Services Rules.

Committee	Business Committee
Meeting date	18 June 2025
Agenda title	Updated Business Committee Charter and Membership Policy
Agenda Item No.	4g
Purpose	To consider proposed amendments to the Charter and Membership Policy for the Business Committee
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 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.

PROPOSED UPDATES TO THE CHARTER AND MEMBERSHIP POLICY

Further changes to the Charter and Membership Policy are now proposed due to new CS Services Rules which came into effect in May 2025, as referred to in the paper for Agenda Item No. 3c.

The changes to the Charter:

- Expressly recognise the function performed by the ASX Business Committee as a stakeholder representative body to provide input into ASX's governance framework for the purposes of the ASIC CS Services Rules.
- Expressly recognise that obligations under the ASIC CS Services Rules inform the matters covered off in the Charter.
- Simplify and broaden the description of the role of the Business Committee as a mechanism for consultation by, and input to, ASX Management and the Boards of ASX Clear and ASX Settlement, inclusive of the matters prescribed in Rule 2.1.2(d) of the ASIC CS Services Rules for the representative body to have input into.
- Reflect the ability of the Business Committee to make recommendations to the Boards of ASX Clear and ASX Settlement and requiring the Boards to provide a written explanation if they decide not to accept them, in line with Rule 2.1.2(f) and (g) of the ASIC CS Services Rules.
- Replicate the reference in Rule 2.1.2(a) of the ASIC CS Services Rules to the representative body meeting at least 'quarterly' (replacing the equivalent reference to at least 'four times a year' currently provided for in the Charter).

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

The changes to the Membership Policy:

- Expressly recognise that obligations under the ASIC CS Services Rules inform the matters covered off in the Membership Policy.
- Expressly include market participants and share registries as stand-alone classes of entities eligible for membership of the Business Committee (rather than relying on existing general catch-all provision), in line with the definition of “User” in Rule 1.2.2 of the ASIC CS Services Rules.

The changes to the Membership Policy are shown in mark-up in **Attachment 2**.

FEEDBACK SOUGHT

The updated Charter and Membership Policy are being tabled for feedback, with Business Committee members and their representatives invited to provide any comments or to raise any questions on the proposed updates to the Charter and Membership Policy.

NEXT STEPS

It is proposed to seek approval for the updated Charter at the ASX Clear and ASX Settlement Board Meeting in August 2025 and for the updated Charter to be published following such approval.

It is proposed that ASX management approve and publish the updated Membership Policy at a similar time.

ATTACHMENT(S)

Attachment 1: Updated ASX Business Committee Charter

Attachment 2: Updated ASX Business Committee Membership Policy

ASX Business Committee Charter

1 Background to the Business Committee

- 1.1 The ASX Business Committee was convened under the ASX Cash Equities Clearing and Settlement Code of Practice (**Code of Practice**) in August 2013.
- 1.2 Subsequent updates to the Code of Practice were made in October 2016, July 2023 and April 2024 to set out commitments of ASX Clear Pty Limited (**ASX Clear**) and ASX Settlement Pty Limited (**ASX Settlement**) (together referred to as **ASX**) to comply with the Regulatory Expectations for the Conduct of Cash Equity Clearing and Settlement Services in Australia (**Regulatory Expectations**) and the Regulatory Expectations for ASX Cash Equities Clearing and Settlement Advisory Group (**Letter of Expectations**), and their commitments to users in managing clearing and settlement infrastructure and services for the Australian cash equities market.
- ~~1.3 Under the revised Code of Practice, the role of the Business Committee was updated as a mechanism for input in to ASX's governance framework alongside the ASX Cash Equities Clearing and Settlement Advisory Group.~~
- 1.3 The Business Committee also operates as a stakeholder representative body for the purpose of the ASIC CS Services Rules that commenced in May 2025 and implemented the Regulatory Expectations as enforceable obligations and imposed a number of additional obligations.
- 1.4 This charter draws from the commitments made by ASX Clear and ASX Settlement in the Code of Practice, the Regulatory Expectations and the Letter of Expectations. It also draws from enforceable obligations of ASX Clear and ASX Settlement under the ASIC CS Services Rules.
- 1.4.1.5 This charter# sets out the role, membership and administrative matters for the effective functioning of the Business Committee as a mechanism for stakeholder input into ASX's governance framework alongside the ASX Cash Equities Clearing and Settlement Advisory Group.

2 Role of the Business Committee

- 2.1 The role of the Business Committee is to provide:
 - a. ~~a mechanism for input for consideration by~~ ASX Management and the Boards of ASX Clear and ASX Settlement ~~to consult relevant stakeholders on the ongoing operation of cash equities clearing and settlement infrastructure and services provided by ASX; and~~
 - b. input ~~by relevant stakeholders~~ for consideration by ASX Management and the Boards of ASX Clear and ASX Settlement ~~on setting the ASX investment strategy for cash equities clearing and settlement infrastructure and services development, and the system design, operational arrangements and implementation plan for new cash equities clearing and settlement infrastructure and services provided by ASX;~~

- ~~e. — advice to ASX Management to assist in progressing cash equities clearing and settlement initiatives of interest to the industry, with the aim of facilitating service innovation and improving overall market efficiency; and~~
- ~~d. — a mechanism for ASX Management and the Boards of ASX Clear and ASX Settlement to consult clearing participants, settlement participants and other market operators regarding their strategic plans and investment decisions in relation to the design, operation and development of the core clearing and settlement infrastructure and services for the Australian cash equities market~~

on matters related to cash equities clearing and settlement infrastructure and services provided by ASX, including strategy setting, priorities, operational arrangements, pricing and design of such infrastructure and services.

2.2 The Business Committee may make recommendations to the Boards of ASX Clear and ASX Settlement on matters within its role in accordance with paragraph 6.6 below.

2.3 Where a recommendation is made to the Boards of ASX Clear and ASX Settlement on a matter within its role, and the Boards do not accept the recommendation, a written explanation of that decision will be provided to the Business Committee.

2.2.4 In some circumstances, it may be appropriate for the Business Committee to appoint and convene technical committees to assist in the performance of its role. Technical committees will report to the Business Committee. Members of the Business Committee and ASX Management may nominate technical committee members. The technical committees may comprise representatives of Business Committee members and/or other individuals with appropriate expertise.

2.32.5 The Business Committee will operate alongside other stakeholder forums, including the ASX Cash Equities Clearing and Settlement Advisory Group (**Advisory Group**), a high-level strategic stakeholder advisory group which may refer matters to the Business Committee or which may be referred matters by the Business Committee. The Chair of the Business Committee may be invited to attend Advisory Group Meetings, or the Chair of the Advisory Group may be invited to attend Business Committee meetings, as appropriate. If there are inconsistent recommendations of the Business Committee and the Advisory Group to the boards of ASX Clear and ASX Settlement, each is presented to the boards of ASX Clear and ASX Settlement for consideration.

2.42.6 The other stakeholder forums will remain separate from the Business Committee but may share information with or provide technical expertise to the Business Committee as appropriate.

3 Membership of the Business Committee

- 3.1 The Business Committee will comprise clearing participants and settlement participants that elect to participate in the Business Committee as well as representatives of market operators, other relevant stakeholders and their associated industry organisations.
- 3.2 ASX Clear and ASX Settlement will appoint and remove members of the Business Committee in accordance with the Membership Policy as determined and published by ASX Clear and ASX Settlement from time to time.
- 3.3 A member of the Business Committee may resign its membership by giving notice in writing to the Chair of the Business Committee.
- 3.4 ASIC and the Reserve Bank will not be members of the Business Committee but will have a standing invitation to attend Business Committee meetings as observers.

4 Responsibilities of Business Committee members

- 4.1 Each Business Committee member is expected to:
- a. nominate a representative to attend meetings of the Business Committee who has the authority to speak on its behalf and has the expertise to make a meaningful contribution at such meetings;
 - b. represent the views and interests of its organisation or constituency, as the case may be, on matters being considered by the Business Committee;
 - c. act honestly and in good faith in the exercise of their role in the Business Committee;
 - d. share with the Business Committee appropriate and useful information relevant to the role of the Business Committee; and
 - e. treat as confidential any materials, information, views, opinions, recommendations, resolutions and minutes of meetings provided for or during meetings of the Business Committee or otherwise for the purpose of the Business Committee's operation, until made public by ASX, and not use them for any purposes other than for the exercise of their responsibilities as member of the Business Committee (unless expressly permitted by ASX).
- 4.2 This Charter does not prohibit a member from seeking input, in confidence, from within their organization or from the stakeholder cohort they form part of, to exercise their responsibilities as a member of the Business Committee.
- 4.3 The objective is for the Business Committee meetings to be comprised of executives with a deep understanding of clearing and settlement, for example, Chief Operating Officers.
- 4.4 A representative of a Business Committee member that attends a meeting of the Business Committee must not also be a member of the Advisory Group. This does not apply to the Managing Director and CEO of ASX Limited if attending a Business Committee meeting as representative of ASX Limited as market operator.
- 4.5 Business Committee members are reminded to have regard to their obligations under competition law. The *Competition and Consumer Act 2010* (Cth) prohibits a corporation from engaging with one or more persons in a concerted practice that has the purpose, effect or likely effect of substantially lessening competition.

5 Chair of the Business Committee

- 5.1 ASX Clear and ASX Settlement shall appoint the Chair of the Business Committee (Chair).
- 5.2 The appointment of the Chair will be for an initial term of three years, with the potential for reappointment in accordance with clause 5.1.
- 5.3 The Chair will be independent and must not hold or have held in the past three years:
- a. An executive position with ASX or a position as a director of an ASX Group Board; or
 - b. An executive position with any current member of the Business Committee.

- 5.4 Should the Chair be unable to attend a meeting of the Business Committee or to perform the Chair's functions generally, ASX may, in consultation with the Chair (if available), appoint another person from among the representatives of Business Committee members or from ASX management to act as chair for the purpose of such meeting or functions.
- 5.5 The role of the Chair is to:
- a. convene, set the agenda for, and preside over meetings of the Business Committee;
 - b. take a leadership role in facilitating discussion and forging a consensus among Business Committee members on matters being considered by the Business Committee;
 - c. keep and approve the minutes of meetings of the Business Committee; and
 - d. report to, and from, the Boards of ASX Clear and ASX Settlement in relation to recommendations of the Business Committee and other matters raised by the Business Committee.

6 Meetings of the Business Committee

- 6.1 The Business Committee will meet at least ~~quarterly~~four times a year.
- 6.2 The Chair may determine, in consultation with members of the Business Committee, that more than four meetings be held in a year.
- 6.3 The Chair may invite ASX management, or other organisations, to attend meetings of the Business Committee.
- 6.4 Draft meeting agendas will be electronically circulated to members prior to meetings of the Business Committee to provide members with an opportunity to contribute to the agenda setting process.
- 6.5 Meeting agendas and associated papers will be circulated to members one week prior to the relevant meeting.
- 6.6 A quorum for a meeting of the Business Committee is a majority of its members and the Chair. All recommendations of the Business Committee to ASX Management and the Boards of ASX Clear and ASX Settlement shall be made on the basis of a broad consensus of those members present at the relevant meeting of the Business Committee.
- 6.7 The Chair will determine whether a broad consensus has been achieved by confirming with each member present whether they support the proposed recommendation. In making this determination, unless notified to the contrary by the member concerned, the Chair shall be entitled to assume that a member who does not attend a meeting is prepared to accept any recommendation on a matter, of which notice was given in the agenda for the meeting, made by those members who are present at the meeting.
- 6.8 All meetings of the Business Committee are to be minuted. The minutes are to be approved by the Business Committee and signed by the Chair as a true and correct record.
- 6.9 Draft minutes (together with a report from the Chair) in relation to a meeting of the Business Committee may be included in the agenda for the next meeting of the Boards of ASX Clear and ASX Settlement provided that they have previously been circulated to members electronically following each meeting for comment.
- 6.10 Comments provided in Business Committee meetings will not be attributed to a specific member for any written minutes and reports prepared, including reports to the Boards of ASX Clear and ASX Settlement, unless a member consents to the member's comments being

attributed in any particular instance.

7 Business Committee Secretariat

- 7.1 ASX shall provide a secretariat service to the Business Committee, and will provide the facilities and services required to convene meetings of the Business Committee.
- 7.2 The secretariat will:
- a. arrange the venue and circulate notices for meeting of the Business Committee;
 - b. prepare agendas, minutes and other documents for meetings of the Business Committee;
 - c. maintain the pages of the ASX website dedicated to the Business Committee; and
 - d. arrange the publication of meeting agendas, minutes and other relevant documents of the Business Committee.

August~~April~~ 2025~~4~~

ASX Business Committee Membership Policy

1 Background to the ASX Business Committee Membership Policy

- 1.1 The ASX Business Committee Charter (**Charter**) provides that ASX Clear and ASX Settlement will appoint and remove members of the Business Committee in accordance with the Membership Policy as determined and published by them from time to time.
- 1.2 This ASX Business Committee Membership Policy represents the Membership Policy for the purpose of the Charter.
- 1.3 The Membership Policy draws from the commitments made by ASX Clear and ASX Settlement in the ASX Cash Equities Code of Practice (**Code of Practice**) as well as enforceable obligations of ASX Clear and ASX Settlement under the ASIC CS Services Rules, including for the Business Committee to provide a forum for broad industry input on the ongoing operation and development of cash equities clearing and settlement infrastructure and services.

2 Eligibility for membership of the Business Committee

- 2.1 The following entities are eligible for membership of the Business Committee.
 - a. clearing and settlement participants;
 - b. clearing participants that are not settlement participants (referred to as clearing only participants);
 - c. settlement participants that are not clearing participants (referred to as settlement only participants);
 - d. industry associations for clearing and settlement participants, clearing only participants or settlement only participants;
 - e. cash equities financial market issuers and investors and/or their industry associations;
 - f. cash equities listing and trading markets;
 - ~~g.~~ participants of cash equities trading markets;
 - ~~g-h.~~ central counterparties and settlement facilities;
 - ~~i.~~ share registries for cash equities financial market issuers;
 - ~~h-j.~~ technology service providers; and
 - ~~i-k.~~ other relevant stakeholders which connect to or use ASX's cash equities clearing and settlement infrastructure and services and/or their industry organisations.
- 2.2 For the purpose of paragraph 2.1 ~~ki~~, other relevant stakeholders include:
 - ~~a.~~ share registries for cash equities financial market issuers; and
 - ~~b-a.~~ payments providers making and receiving payments in connection with the settlement

of cash equities transactions on behalf of settlement participants;

2.3 Business Committee membership is optional and eligible entities may apply to participate in the Business Committee.

2.4 In accordance with the Charter:

- a. all clearing and settlement participants that apply to join the Business Committee; and
- b. representatives of the entities referred to in paragraphs 2.1 b to k that apply to join the Business Committee, as determined by ASX Clear and ASX Settlement in accordance with this Membership Policy,

will be appointed as members.

3 Principles in appointing and removing members of the Business Committee

3.1 ASX Clear and ASX Settlement will consult with the Chair of the Business Committee when determining the appointment and removal of members.

3.2 In appointing and removing members of the Business Committee, ASX Clear and ASX Settlement will take into account the following principles:

- a. that membership of the Business Committee is to be representative of the user base of the clearing and settlement facilities operated by ASX Clear and ASX Settlement;
- b. that membership of the Business Committee should facilitate proportionate representation of entities within each user group, which may require rotation of the entities appointed to the Business Committee from the user group;
- c. that membership of the Business Committee is to allow for appropriate diversity of expertise and thought across users of the clearing and settlement facilities operated by ASX Clear and ASX Settlement;
- d. that membership of the Business Committee will reflect a workable number of members, noting that all clearing and settlement participants that apply to join the Business Committee will be appointed as members;
- e. that where multiple clearing and settlement participants, clearing only participants and/or settlement only participants are part of the same corporate group, only one participant entity within the corporate group may apply to participate in the Business Committee as member;
- f. that membership of the Business Committee will reflect practical matters such as stakeholder changes (e.g. new participants) and new expressions of interest to join the Business Committee;
- g. that each member should ordinarily be provided with a minimum two year appointment to the Business Committee (noting that a shorter period may apply where the entity becomes a member during the two year term generally applicable between nomination processes as set out in section 5);
- h. that under the Charter, each member is expected to nominate an appropriate representative:
 - i. at executive or other senior management level at the member with a deep understanding of clearing and settlement;
 - ii. that has authority to speak on behalf of the member; and

- iii. that has the expertise to make a meaningful contribution to meetings of the Business Committee;
 - i. that under the Charter, each member and their nominated representative is expected to:
 - i. share with the Business Committee appropriate and useful information relevant to the role of the Business Committee;
 - ii. represent the views and interests of its organisation or constituency (as the case may be); and
 - iii. act honestly and in good faith and maintain appropriate confidentiality of information provided in connection with the Business Committee;
 - j. that consistent with the expectations set out in paragraphs 3.2 h and i, a member's nominated representative is expected to regularly attend meetings of the Business Committee and contribute to meeting discussions.
- 3.3 Where a member nominates an alternative representative to attend a meeting of the Business Committee in the place of their nominated representative, the expectations set out in this Membership Policy of:
- a. the member in relation to their nominated representative; or
 - b. the member's nominated representative,
- will also extend to that alternative nominated representative.
- 3.4 Where the principles in clause 3.2 are in competition (e.g. facilitating diverse representation across users while also maintaining a workable number of members), ASX Clear and ASX Settlement will determine how the relevant principles are to be balanced or preferred when determining the relevant member appointment or removal.

4 Application for membership and resignation of Business Committee members

- 4.1 Entities that are eligible for membership (as set out in section 2) may apply for membership by way of expressions of interest in writing addressed to the Chair of the Business Committee, emailed to the Business Committee Secretariat (BC.Secretariat@asx.com.au).
- 4.2 All eligible entities wishing to apply to join the Business Committee or to apply to renew their membership are expected to:
- a. make a commitment to membership for a term of two years (or such other period as remaining or notified under the applicable nomination process in section 5); and
 - b. send a single qualified representative that regularly attends meetings of the Business Committee during that term.
- 4.3 Applications for membership will normally be considered as part of the nomination process to constitute the entire Business Committee membership occurring generally every two years as set out in section 5, but can also be considered:
- a. as part of the interim review of Business Committee membership occurring every other year as set out in section 6; or
 - b. on an ad-hoc basis (including for any clearing and settlement participant admitted as a participant of ASX Clear and ASX Settlement during the two year term generally applicable between nomination processes).
- 4.4 Applications for membership will be determined having regard to the principles set out in

section 3.

- 4.5 A member of the Business Committee may resign its membership by giving notice in writing to the Chair of the Business Committee, emailed to the Business Committee Secretariat (BC.Secretariat@asx.com.au).

5 Nomination process every two years to constitute entire Business Committee membership

- 5.1 A nomination process to constitute the entire Business Committee membership will occur generally every two years (**nomination process**), with the first two year term under this nomination process being the period from December 2023 to December 2025. Entities may apply to join the Business Committee or existing members may apply to renew their memberships during this nomination process.
- 5.2 The nomination process does not involve an automatic vacating of existing Business Committee memberships, with any removal of existing members of the Business Committee under a nomination process to be determined by ASX Clear and ASX Settlement in accordance with this Membership Policy.
- 5.3 Appointments to the Business Committee (including reappointments of existing members) under a nomination process will be determined having regard to the membership of the Business Committee continuing to be representative of the users of ASX's cash equities clearing and settlement services and otherwise being in accordance with the principles set out in section 3.
- 5.4 An existing member of the Business Committee that fails to apply to renew its membership during the nomination process may be removed as a member of the Business Committee.

6 Interim review of membership of the Business Committee between nomination processes

- 6.1 In each calendar year that a nomination process is not occurring, the Business Committee Secretariat in consultation with the Chair of the Business Committee will conduct an interim review of:
- a. whether any changes have occurred in practice which should be reflected in the membership of the Business Committee so that it continues to be representative of the users of ASX's cash equities clearing and settlement services, such as any:
 - i. member resignations;
 - ii. new expressions of interest; or
 - iii. changes to any user group in the prior 12 months;
 - b. whether each member's nominated representative has attended meetings of the Business Committee in accordance with the principle set out in paragraph 3.2 j; and
 - c. any other matter they consider appropriate for review in connection with membership of the Business Committee being in accordance with the principles set out in section 3,
- and may recommend to ASX Clear and ASX Settlement that changes be made to the membership of the Business Committee as a result of such review.
- 6.2 The interim review will generally occur during the last calendar quarter of each year that a nomination process is not occurring (following the third Business Committee meeting in that

year).

7 Notification of changes to membership of the Business Committee

- 7.1 Any changes to the membership of the Business Committee, including as part of a new application or resignation as set out in section 4, a nomination process as set out in section 5, or an interim review as set out in section 6, will be:
- a. communicated to the impacted member in writing; and
 - b. advised to Business Committee members generally at the next Business Committee meeting following that change.

August 2025⁵⁴

Committee	Business Committee
Meeting date	18 June 2025
Agenda title	Covered Services Comparative Report
Agenda item no.	3d
Purpose	ASX to provide an update on the proposed terms of reference for the Covered Services comparative report required under Rule 2.4.1 of the <i>ASIC CS Services Rules 2025</i> .
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

Background

ASX is required to engage an independent person to prepare a comparative report in accordance with Rule 2.4.1 of the [ASIC CS Services Rules 2025](#) (the **Rules**).

Rule 2.4.1 provides:

2.4.1 Covered Services comparative report

- (1) A CS Service Provider must:
 - (a) engage an independent person with appropriate skills, knowledge, and experience to prepare a report (**comparative report**) comparing the pricing of its Covered Services with the price of similar services in other comparable international markets; and
 - (b) publish the comparative report as soon as practicable after the comparative report is prepared.
- (2) A CS Service Provider must prepare and publish the comparative report as required under subrule 2.4.1(1):
 - (a) within 12 months after these Rules commence; and
 - (b) at least once in each five-year period starting on the date the first comparative report is published under paragraph (a).

Engagement of Oxera

Following a request for proposal process, ASX has engaged Oxera to prepare the comparative report.

Oxera is a leading economics, finance and data science consultancy with extensive experience in global post-trade market analysis. Oxera conducted an international benchmarking study of ASX's clearing and settlement fees in 2014.

Proposed terms of reference

A copy of the current proposed terms of reference for Oxera's comparative report is available in **Attachment A**.

In accordance with Subrule 2.1.2(1)(e)(i) of the Rules, the Business Committee is requested to review and provide feedback for consideration on the proposed terms of reference for Oxera's comparative report at the 18 June 2025 Business Committee meeting or via email to the Business Committee Secretariat by Friday, 20 June 2025.

Next Steps

The final report will be published in Q4 2025 and will be presented to the December 2025 Business Committee. An update on the report will be provided at the September 2025 Business Committee.

Attachments

Attachment A Proposed terms of reference for Oxera's Comparative Report

Oxera's proposed approach for an international benchmarking study of ASX's CS Services

Prepared for ASX Business Committee
meeting
18 June 2025

Executive summary

ASX has engaged Oxera to conduct an independent international pricing comparison of its clearing, settlement, and issuer services, as required by the ASIC CS Services Rules 2024. This document outlines Oxera's proposed approach to the study.

Oxera is a leading economics, finance and data science consultancy with extensive experience in global post-trade market analysis. We have deep expertise in capital markets benchmarking, having conducted studies for major regulators and infrastructure providers across global financial centres (e.g. Europe, Brazil, and Malaysia). With over 20 years at the forefront of many issues relating to the economics of financial market structure, our work—such as the EU equity markets study for the European Commission—has shaped policy agendas and deepened our expertise in trading and post-trading economics. We conducted the 2014 international benchmarking study of ASX's fees.

Benchmarking studies like this play an important role in promoting transparency around pricing and service levels in clearing and settlement systems. Greater transparency can encourage infrastructure providers to review their pricing and service offerings, ultimately

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contributing to better market outcomes. For example, Oxera's price benchmarking study in 2011, commissioned by the European Commission, found that prices for trading, clearing, and settlement services came down in the 2006-09 period, following the European Commission's code of conduct for infrastructure providers in 2006.¹

Some elements of the study—such as the user profiles and the selection of comparator centres for issuer services—are provisional and may be refined in consultation with ASX users and other stakeholders.

Our team and local presence are further strengthened by partnering with Houston Kemp to manage interactions with key Australian market participants to ensure relevant insights and alignment with local considerations.

Scope of services

Oxera's analysis will cover:

- central counterparty (CCP)-type services;
- central securities depository (CSD)-type services;
- issuer services.

Methodology overview

For clearing and settlement services, we will undertake a **comprehensive user profile analysis**. This is a well-established methodology that ensures comparability across service providers by standardising how users interact with services, thereby isolating price differences attributable to the Financial Market Infrastructures (FMIs) themselves rather than usage patterns. It was the approach adopted in 2014 and has often been used by regulators in various settings.

Our analysis will estimate service costs for a representative set of user types, including:

- **five investor profiles** (two retail, three institutional);
- **six intermediary profiles** (three retail, three institutional).

These user profiles have been designed drawing on data provided by ASX and publicly available statistics on Australian cash equity market

¹ Oxera (2011), '[Monitoring prices, costs, and volumes of trading and post-trading services](#)', May

participants, including retail investors, superannuation fund managers, and index funds.

ASX's **issuer services** are more bespoke and so we propose a simpler **pairwise comparison** of individual service-level fees. This will enable us to benchmark a fuller set of ASX's issuer services, as other CSDs typically do not provide the full set of issuer services provided by ASX, and do not only charge issuers for these services.

Comparator financial centres

Clearing and settlement services will be benchmarked against approximately **16 FMIs across 11 global financial centres**. Comparator FMIs have been selected based on:

- vertical integration, ownership structure, and regulatory or competitive pricing pressures;
- market size;
- account segregation practices (with inclusion of CSDs using end-investor accounts).

Issuer services will be compared against a narrower group of **eight financial centres** with potentially comparable offerings. Given the diversity of issuer service models and the unique features of the Australian market, further refinement of this comparator list may occur during the analysis.

1 Identification of relevant services

As part of the newly introduced ASIC CS Services Rules 2024, ASX is required to 'undertake an independent review of the pricing of [its] CS services against the price of similar services in other comparable international markets'.² Given that the rules apply to cash equity CS services, this will define the scope of Oxera's work.³

The services of ASX Clearing Pty Ltd and ASX Settlement Pty Ltd cover all services directly relating to the clearing and settlement of cash equity

² ASIC (2024), '[Consultation Paper 379: ASIC CS Services Rules](#)', July.

³ A CS service is defined as a service that can be provided only if it has access to a clearing and settlement facility, or to data used in the operation of a clearing and settlement facility. This includes the operation of a clearing and settlement facility itself. Corporations Act 2001, Section 828.

transactions executed on exchange and novated for clearing at the CCP, and any sub-registry services provided to issuers.

This analysis focuses on the fees charged by FMIs in each financial centre for the following types of service.

- **Counterparty risk clearing services** (CCP-type services), which capture:
 - clearing—the preparation of a transaction for settlement, which comprises trade netting (bundling multiple transactions into a single settlement order) and settlement instruction generation (processing the matched and netted trades to be sent for settlement);
 - risk management—this is often provided through novation, in which case the FMI becomes the counterparty to each side of a transaction.
- **Settlement and custody services** (CSD-type services):
 - settlement includes pre-settlement positioning (ensuring that the buyer has the monies available and the seller the securities available) and the completion of a transaction through the transfer of ownership of assets and monies;
 - custody and safekeeping involve account provision (at the end-investor or intermediary level), and, to varying degrees of detail between different CSDs, the management of corporate actions.
- **Issuer services**—these comprise services for listed or quoted corporations using the CHESS technology. Given the degree of heterogeneity in the scope of issuer services provided by CSDs across individual financial centres, we will focus on benchmarking comparable services to those offered by ASX.

2 Methodology

We will conduct a comprehensive user profile analysis for clearing and settlement services, as set out below. Given the limited comparator CSDs available for ASX's issuer services, a simpler fee comparison will be undertaken. Subject to data availability, this will be complemented by an analysis of ASX's fee restructuring, considering both overall and distributional effects, as well as analysis as to the materiality of issuer fees for different types of issuers.

2.1 Clearing and settlement services

The prices or costs of clearing and settlement services can be assessed by taking a user-profile approach. This is a well-established approach for estimating the costs of services when the costs incurred depend on the size and activity of the user. This approach has been used by Oxera, regulators, and infrastructure providers in studies of securities trading and post-trading, as well as in studies in other sectors.

The approach involves designing user profiles that are representative of investors and intermediaries that are active in the financial centre of interest (in this case, Australia). The profiles are then applied to the pricing schedules of the FMI in the financial centre of interest and FMIs in comparator financial centres. In this way, the analysis allows for a wide range of FMIs to be considered, since only information on the comparator FMIs' pricing schedules is required; and, by applying the same user-profile across different financial centres, any cost differences found relate to price differences only rather than differences in the way in which investors and intermediaries use the FMIs. Moreover, a user-profile approach allows for a detailed analysis and explanation of how and why costs vary between the types of investor and broker. For example, a user-profile approach can ascertain whether certain groups of investors are benefiting from lower per-unit costs for FMI services because they use larger intermediaries that benefit from volume discounts provided by the FMI.

The study will also examine changes in fee structures and levels across FMIs between 2014 and the present, where data is available. Any observed shifts in fee levels will be assessed in the context of broader market conditions during the period. As part of this analysis, we will engage with FMIs to explore any changes in their pricing over time and to understand the rationale behind adjustments to their fee structures.

To ensure robust results, we will also undertake the following complementary analysis.

- **Revenue analysis**—which calculates the average unit cost of trading and post-trading services based on the FMI's revenues (i.e. revenues divided by the value and number of transactions). This analysis will be used to cross-check the results of the user-profile analysis.
- **Service comparison**—through which the services provided by each FMI are reviewed, in order to understand whether any differences in fees could be explained by differences in services. For instance, we will examine potential and realised efficiency gains from transitioning to a shorter settlement cycle—such as T+1—drawing

on available data from relevant FMIs in the comparator set (e.g. Canada's move to T+1 in mid-2024). These gains will be considered alongside related metrics, such as settlement failure rates, to provide a more complete picture. We will also note differences in the structure of fee schedules (e.g. fixed or variable costs, split per transaction or ad valorem) across financial centres, and general implications for costs for different user profiles.

The revenue analysis will be conducted subject to data availability. For example, where an FMI charges a single fee for a bundle of services, revenue for a specific service may not be available (even on request). Also, for FMIs that offer services for multiple asset classes or that are vertically integrated, revenues specific to equity services or specific post-trading services may not be publicly available and may not be available on request. Moreover, while it is a useful cross-check regarding the average price paid by all users of an FMI, the average unit cost calculated through a revenue analysis may not correspond to the level of fees that any particular type of investor incurs. Consequently, the primary methodology to benchmark the prices of ASX's clearing and settlement services will be the user profile analysis, with revenue analysis used as a cross-check when the required data is available.

2.2 Proposed user profiles

To estimate the costs of clearing and settlement services provided by the FMIs for a representative range of investors in Australia, we propose to use five investor profiles (two retail and three institutional) and six intermediary profiles (three retail and three institutional). These are provisional and may be refined following discussions with ASX users and other stakeholders.

Both the investor and intermediary profiles have been based on data on the trading, clearing, and settlement activity of various types of Australian cash equity market participant. This includes, for example, data provided by ASX, and publicly available statistics on Australian superannuation fund managers, index funds, and Australian retail investors.

Table 2.1 Proposed investor profiles

	Median retail investor	High wealth retail investor	Small hedge fund manager	Medium passive manager	Large superannuation fund
Value of equities under management (AUD \$m)	0.10	0.36	60	2,500	31,000
Total value traded per year (AUD \$m)	0.072	0.36	120	500	18,750
Average order size (AUD \$m)	0.006	0.03	0.12	0.14	1.25
Average number of trading events per year	12	12	1,000	3,600	15,000

Source: Oxera.

There are a few differences compared with the investor profiles used in our 2014 report reflecting changes in the Australian cash equity market landscape.

- In the 2014 report, the two retail profiles were frequent and infrequent retail investors. For this report, we consider two profiles, median investor and high-value investor, based on data from the ASX Australian Investor Study 2023⁴ and from the Australian Shareholders' Association.⁵
- The 2014 report considers four institutional profiles, small/large hedge funds, and small/large superannuation funds. In this study, we propose three institutional profiles, with differences in size (small versus large) and fund strategies (e.g. passive versus active). These profiles have been designed to cover the typical range of investors currently active in the Australian cash equity market.

⁴ ASX (2023), '[Australian Investor Study 2023](#)'.

⁵ Australian Shareholders' Association (2023), '[The Habits of Established Investors](#)', 17 May.

- value of equities under management is based on index funds such as iShares Australian Equity Index Fund,⁶ APRA's quarterly fund-level statistics,⁷ and the small hedge fund profile in 2014 uplifted by the growth of ASX market capitalisation (around double the 2014 level).
- the three institutional profiles also vary in their frequency of trading which reflects their passive/active strategies. Their size and turnover ratio can drive differences in post-trading costs, depending on how each CCP and CSD charges users.

In most financial centres, volume discounts provided by FMIs are applied to the volume (or value) of activity undertaken by the intermediary, rather than the end-investor. In such financial centres, even relatively small investors may benefit indirectly from large volume discounts should they use a large broker, or hold accounts with large custodians. Therefore, for each of the five investor profiles, the cost of clearing and settlement in each financial centre can be calculated assuming that the investor uses different-sized brokers and custodians. The characteristics of the intermediary profiles that have been considered are set out in the table below. The average monthly number of trades, clearing value, and number of settlement instructions presented in the table relate to the characteristics of the brokers used, while the average size of the CSD account reflects the custodian used.

Table 2.2 Proposed intermediary profiles

	Retail: Small	Retail: Medium	Retail: Large	Institutional: Small	Institutional: Medium	Institutional: Large
Average monthly trading volume	130,000	500,000	2,000,000	150,000	6,000,000	22,000,000
Average monthly clearing value (AUD \$m)	500	2,000	10,000	3,000	20,000	50,000

⁶ BlackRock (2024), '[iShares Australian Equity Index Fund Product Disclosure Statement](#)', 1 November.

⁷ Australian Prudential Regulation Authority (2025), '[Quarterly Fund-Level Statistics](#)'.

	Retail: Small	Retail: Medium	Retail: Large	Institutional: Small	Institutional: Medium	Institutional: Large
Average monthly number of settlement instructions	2,000	10,000	20,000	4,000	14,000	30,000
Average value of custodian account (CSD level - total) (AUD \$m)	2,000	30,000	40,000	2,000	24,000	105,000

Note: Average monthly trading volume is calculated using data at the intermediary level on the number of trades executed on ASX lit market, ASX auctions, and ASX Centre Point. This is then uplifted to approximate the additional number of trades executed on Cboe using a factor calculated using ASIC data.

Source: Oxera calculations based on the trading, clearing, and settlement activity of Australian intermediaries; Australian Securities & Investments Commission (2025), '[Equity market data](#)', accessed 9 May 2025.

For the intermediary profiles, there are also a small number of differences compared to the profiles used in our 2014 report, mostly driven by our analysis of recent ASX trading, clearing, and settlement data. In addition, the size of custodian account for all profiles has been uplifted by approximately 200% from 2014 levels based on the growth of ASX market capitalisation.

We will consider a range of pairings of the different investor and intermediary profiles, as well as running sensitivity checks, to inform the clearing and settlement benchmarking analysis.

2.3 Issuer services

Issuer services capture the range of services offered by ASX to publicly listed corporates and issuers of investment products.⁸ Broadly speaking, these services can be split into:

- CHESS sub-register maintenance—setting up and managing the issuer, its securities and the register of holdings held within ASX's system;⁹

⁸ We understand that holder maintenance and recordkeeping is also captured within ASX's issuer services, although fees for these services are paid by the sponsoring broker (see below).

⁹ The focus of the Oxera benchmarking study is equities. However we note that the CHESS sub-register includes a range of listed/quoted securities.

- investor communication—providing investors with information regarding changes in their account details and holdings of a given issuer's securities;
- primary market facilitation—providing Delivery versus Payment (DvP) settlement services for IPOs and capital raising activities;
- offer administration—facilitating holder acceptance of events such as takeovers, buybacks, and redemptions.

Table 2.3 below provides a breakdown of ASX's issuer services, a brief description of the economic activity undertaken by ASX and the fees that are associated with each service. In most cases, each service attracts a standalone fee, although ASX also charges a tiered monthly subscription fee to all issuers.

Table 2.3 ASX issuer services and associated fees

Service	Activity description	Fee description
Issuer administration	Establishing new issuer and product codes and setting up CHESS sub-register for equity instruments	One-time fee per issuer and product, respectively
Registry maintenance	Services related to administering the issuer's sub-register with the depository, maintaining account holders and electronic statements to investors	Monthly subscription fee based on the number of holder accounts on a monthly basis
CHESS holding statements	ASX will send out electronic or paper statements to each investor detailing the transactions that occurred in a calendar month	Electronic statements included in subscription fee for opted-in holders, otherwise mailing of paper statements charged on a unit basis per month
Holding adjustments	Upon requests initiated by the share registry, ASX will apply holding changes resulting from corporate actions to holder accounts	Waterfall fee structure based on the number of adjustment requests during a month
Offer administration	Establishment of various offers in CHESS on request (including takeovers, buybacks, and redemptions), processing takeover bids and acceptances through CHESS (to registry)	Fees for the establishment and facilitation of offers, acceptance of offers
Primary market facility	DvP settlement of allocations for IPOs and capital raising activities in CHESS	Facilitation fee and per-request settlement fee
Holder recordkeeping ¹	Maintaining sponsored holder accounts, provision of notification to investors of any account change	Per request fee; or monthly subscription fee per number of account holders (if investor has opted in to electronic communications)

Note: ¹ These fees are billed to sponsoring brokers (not issuers) but are recognised by ASX as issuer services revenues.

For benchmarking issuer services, we will undertake a simpler pairwise comparison of individual service-level fees (as opposed to a broad user profile analysis). There are several reasons for this.

- There is a greater degree of heterogeneity in issuer services offered across financial centres (relative to clearing and settlement), meaning that no other financial centre offers an equivalent suite of services to ASX.
- ASX operates an end-investor account model, allowing it to process securities transformations from corporate actions and directly observe changes to account holdings at the end-investor level. An omnibus account model, as exists in many other financial centres reduces the level of information held by the CSD (relative to custodians and registrar). In selecting potential comparators, we focus on CSDs operating end-investor accounts.
- ASX Settlement charges distinct fees for the issuer services it offers (compared to ASX's listing fees). In financial centres with a single vertically integrated trading platform, CCP and CSD, some of the settlement services provided by issuers may be bundled into a single listing fee. Fees in these financial centres cannot be directly compared to ASX's issuer services fees.
- Some of the issuer services offered by ASX are provided in other financial centres but are charged to end-investors (e.g. holding statements, holder recordkeeping). Therefore a user profile cannot be used to compare these fees.

Subject to data availability, the pairwise fee-comparison will be complemented by an analysis of ASX's fee restructuring, considering both overall and distributional effects, as well as analysis as to the materiality of issuer fees for different types of issuers.

3 Comparator financial centres

3.1 For clearing and settlement services

We will benchmark the costs of clearing and settlement services provided by ASX against a broad group of comparator financial centres consisting of around 16 FMIs across 11 financial centres globally.

These comparators have been selected based on:

- vertical integration, ownership structure, and regulatory or competitive pricing pressures;
- market size;
- account segregation practices (with inclusion of CSDs using end-investor accounts).

The table below presents our proposed comparator financial centres with their indicative market size category and whether the CSD predominantly operates an omnibus or end-investor account model.

Table 3.1 Overview of markets and FMI's for clearing and settlement benchmarking

Market	CCP	CSD	Size Category	Predominant account type
United States	National Securities and Clearing Corporation (NSCC)	Depository Trust Company (DTC)	Very Large	Omnibus
Canada	Canadian Depository for Securities (CDS)	Canadian Depository for Securities (CDS)	Large	Omnibus
Germany	Eurex Clearing	Clearstream Banking	Large	Omnibus
United Kingdom	LCH EquityClear	Euroclear UK & International	Large	Omnibus
France	Euronext Clearing	Euroclear France	Large	Omnibus
Hong Kong	Hong Kong Securities Clearing Company Limited (HKSCC)	Hong Kong Securities Clearing Company Limited (HKSCC)	Medium	Omnibus
Switzerland	SIX x-clear	SIX SIS	Medium	Omnibus
Denmark	Cboe Clear Europe	Euronext Securities Copenhagen	Medium	End-investor accounts
Brazil	B3	B3	Medium	End-investor accounts
Malaysia	Bursa Malaysia Securities Clearing	Bursa Malaysia Depository	Small	End-investor accounts
Singapore	CDP	CDP	Small	End-investor accounts

Note: Size category is determined using the following ratio: comparator CSD value of securities settled divided by ASX value of securities settled. Comparators with a ratio greater than 3 are classified as Large. Comparators with ratios between 0.5 and 3 are classified as Medium. Comparators with ratios less than 0.5 are classified as Small. CSD values of securities settled are based on data from the BIS for 2023, with the following exceptions where BIS data is either not sufficiently granular or unavailable:

United States: BIS data is not disaggregated by asset class. A ratio of cash equity to other assets traded was calculated using data on average daily dollar volumes of cash equities to other assets obtained from the Securities Industry and Financial Markets Association.

Canada: 2022 BIS data is used for Canada due to an exceptionally high 2023 value which appears to be an outlier.

Hong Kong: BIS data is not disaggregated by asset class. 2024 data on the value of stock exchange trades settled in CCASS is obtained from the Hong Kong Exchange (HKEX).

Denmark: 2024 Annual report from Euronext Securities on settlement instruction value is used.

Malaysia: 2024 trading Data from World Federation of Exchanges is used to proxy CSD value.

Singapore: 2024 trading Data from World Federation of Exchanges is used to proxy CSD value.

Source: Oxera analysis using BIS (2025), '[Financial Market Infrastructures and Critical Service Providers](#)' 25 March; Securities Industry and Financial Markets Association (2024), '[Capital Markets Factbook 2024](#)', July; Hong Kong Exchange (2025), '[Securities Settlement Statistics](#)', accessed 25 April 2025; World Federation of Exchanges (2025), '[Statistics Portal](#)', accessed 25 April 2025; Nougayrède, D. (2018), 'Towards a Global Financial Register?', *Journal of Financial Regulation*, 4:2, pp. 276-313; ECSDA (2015), '[Account segregation practices at European CSDs](#)', October, accessed 6 May 2025.

The sample has been selected to include FMIs operating at a broadly comparable size to ASX (e.g. B3 in Brazil) as well as some FMIs operating at a larger scale (e.g. NSCC and DTC in the USA) and at a smaller scale (e.g. CDP in Singapore). As the provision of clearing and settlement services can exhibit economies of scale, it is relevant to consider CCPs and CSDs that are operating at a similar scale to ASX. It is, however, also useful to consider CCPs and CSDs operating at a smaller and larger scale to consider the impact of economies of scale, which arise because of the fixed-cost nature of clearing and settlement services.

Furthermore, CCPs in financial centres where competition at the clearing level has been introduced can reveal information as to the level of clearing fees that may be consistent with effective competition. To this extent, we are including, France and Germany, where Euronext and Deutsche Börse operate a 'preferred clearing' model (i.e. cash equity trades are cleared at the vertically integrated CCP, unless both buyer and seller choose an alternative CCP such as Cboe Clear Europe). We are also including the UK, Denmark, and Switzerland, where Cboe Clear Europe, LCH, and SIX x-clear have interoperability arrangements in place.¹⁰

Some caution is required if the CCP and/or CSD is part of vertically integrated infrastructure, since such a structure may allow the FMI more flexibility in pricing its trading, clearing, and settlement services. We will take this into account in our analysis of such FMIs.

Compared to the 13 financial centres included in [our 2014 study](#), we propose to exclude Japan, Spain, and Korea, and to add Malaysia.

¹⁰ In Table 3.1, Euronext Clearing and Eurex Clearing are used for France and Germany, respectively, as they are the default CCPs for these markets. For markets with interoperable clearing—namely the UK, Denmark, and Switzerland—CCPs are selected to ensure that each interoperable CCP is represented in the comparator set. Specifically, LCH and SIX are used for the UK and Switzerland, respectively, as they are affiliated with the primary exchanges in those markets. For Denmark, Cboe is used, as there is no cash equity CCP affiliated with the primary exchange.

Malaysia is a smaller market with vertically integrated FMIs; it also potentially has similar issuer services to ASX (see below for a more detailed discussion of issuer services and potential comparators to ASX).

The reasons for excluding Japan, Spain, and Korea from the comparator set are as follows.

- We have covered similar FMIs in other financial centres, e.g. Spain's fee categories are relatively similar to other European CCPs and CSDs (due to their move to a separate clearing and settlement fee schedule relative to 2014). We have included several European CCP/CSD combinations (including SIX which owns BME Clearing/Iberclear and is also vertically integrated).
- There are similar sized financial centres included in the proposed sample:
 - Japan vs USA, Germany for the large/very large category;
 - Spain vs. other European vertically integrated markets including SIX in Switzerland which owns BME Clearing/Iberclear in Spain;
 - Korea vs. Singapore and Malaysia for the small size category.
- The fee schedule for some financial centres may require gathering additional data and/or make robust comparison more challenging. For example, Japan has fees that vary depending on the total value of the overall market activity.

3.2 For issuer services

Table 3.2 sets out some potential comparators we have identified for the issuer services fees charged by ASX. Given the degree of heterogeneity in the scope of issuer services and the unique features of the Australian market, no single financial centre provides a benchmark for all the services provided by ASX. As we develop the analysis, we may further narrow down the list of comparator services set out in the table below.

Table 3.2 ASX issuer services and potential comparators

ASX service		Potential comparator services						
	Malaysia (Bursa Malaysia Depository)	Norway (Euronext Securities Oslo)	Denmark (Euronext Securities Copenhagen)	Singapore (CDP)	Hong Kong (HKSCC) ¹	India (CDSL/NSDL)	Brazil (B3)	Indonesia (KSEI)
Registry maintenance	Administering issuer securities with the depository, maintaining account holders and information in the eRapid register	Administering issuer securities with the depository, maintaining account holders and information in the VPS register	Administering issuer securities with the depository, maintaining account holders and information in the VPS register	Administering issuer securities with the depository, maintaining account holders and information in the CDP sub-register	Administering issuer securities through HKSCC, including the maintenance of participant accounts and beneficial ownership records in CCASS	Administering issuer securities with the depository, maintaining beneficial ownership records and account holder information in the electronic demat register	Administering issuer securities with the depository, maintaining account holders and information in the B3 sub-register	Administering issuer securities within the depository system and maintaining investor-level information through sub-accounts
Holding statements	Sending statement of accounts to holders in months following account debits/credits, otherwise on a half-yearly basis	Sending statement of holdings on an annual basis, ongoing notifications of relevant changes in the register	Sending statement of holdings on an annual basis, ongoing notifications of relevant changes in the register	Sending account statements on a monthly basis	Sending account statements on a monthly basis	Sending account statements (e-CAS) generated by the CSD and provided to investors by participants on at least a monthly basis	Sending account statements on a monthly basis	Sending account statements on a monthly basis

ASX service		Potential comparator services						
	Malaysia (Bursa Malaysia Depository)	Norway (Euronext Securities Oslo)	Denmark (Euronext Securities Copenhagen)	Singapore (CDP)	Hong Kong (HKSCC) ¹	India (CDSL/NSDL)	Brazil (B3)	Indonesia (KSEI)
Holding adjustments	Providing record of depositors, processing corporate action by crediting/debiting accounts	Providing services to enable corporate action assignments, updating the VPS register, facilitating dividend payments	Providing services to enable corporate action assignments, updating the VPS register, facilitating dividend payments	Processing corporate actions on behalf of issuers, collecting and distributing entitlements		Providing record of beneficial owners, processing corporate actions by crediting/debiting demat accounts	Providing services to enable corporate action assignments, updating the sub- register, coordinating payments	Providing services to process corporate actions at the sub-account level, facilitating the distribution of entitlements such as dividends
Issuer administration	Product establishment	Issuer account and issuance establishment	Creating new ISIN in VP's register (investment funds and equity instruments)	Issuer and security admission	Product establishment	Issuer and security admission	Issuer and security admission	Issuer and security admission
Takeover administration		Processing acceptances, allocating shares to accounts				Facilitating demat settlement of takeover-related actions by blocking, debiting, and crediting securities in demat accounts	Establishing entitlement, crediting assets affected by takeover-related actions.	Processing acceptances, allocating shares to accounts
Primary market facilitation	Allocating issuances to accounts	Allocating issuances, processing payments				Allocating issuances to accounts	Allocating issuances, coordinating payments	Allocating public issues to accounts

Note: Blank cells indicate that we have not identified an equivalent service in the given financial centre..

¹ Though HKSCC does not (predominantly) use end-investor accounts, it maintains beneficial ownership records and facilitates account statements at the end-investor level.

Source: Oxera, based on Bursa Malaysia (2023), 'Consolidated Rules of Bursa Malaysia Depository Sdn Bhd', January; Bursa Malaysia (2024), 'Fees and charges structure for the central depository system', February; Euronext Securities (2025), 'Euronext Securities Oslo - Fee Schedule', January; Euronext Securities (2025), 'Euronext Securities Oslo - Rules for Registration Activities and Related Ancillary Services', February; Euronext Securities (2025), 'Euronext Securities Copenhagen - Rule Book - Part 3 - Book-entry Rules', March; Euronext Securities (2025), 'Table of fees', April; Singapore Exchange Limited (2025), '[Depository](#)', accessed 29 April 2025; Hong Kong Exchanges and Clearing Limited (2025), '[Operational](#)', accessed 29 April 2025; HKEX (2024), 'Fees rules', June; Euronext Securities (2024), 'Table of fees – applicable from January 2025', September; Hong Kong Exchanges and Clearing Limited (2024), 'HKSCC Operational Procedures', September; Central Depository Services (India) Limited (2025), '[Q&A - Corporate actions & IPOs](#)', accessed 5 May 2025; Central Depository Services (India) Limited (2024), 'Operating instructions for depository participants', June; Securities and Exchange Board of India (2021), 'Tendering of shares in open offers, buy-back offers and delisting offers by marking lien in the demat account of the shareholders', circular, 13 August; B3 (2025), 'Central Depository Operating Procedures Manual', February; B3 (2025), '[Corporate action fees](#)', accessed 6 May 2025.; KSEI (2025), '[Other Related Services](#)', accessed 6 May 2025; KSEI (2025), '[Corporate Action](#)', accessed 6 May 2025; KSEI (2025), '[Frequently Asked Questions](#)', accessed 6 May 2025.

A1 Oxera's experience in capital markets

We have over 20 years of experience advising clients in capital markets, and have a reputation for independence and analytical rigour.

- **We have deep experience of undertaking benchmarking analysis in capital markets.** We have conducted benchmarking studies for regulators such as the European Commission (covering 18 financial centres), the Securities and Exchange Commission of Brazil (SEC Brazil), and the Securities Commission Malaysia, and infrastructure providers such as Euroclear, the London Stock Exchange, and ASX. In addition, we have delivered international benchmarking in other areas, such as rules on block trading, best execution, and internationalisation of order flow in equity markets in Brazil for B3.
- **We have been at the forefront of many issues relating to the economics of financial market structure for over 20 years.** For example, we conducted a study into the functioning of primary and secondary equity markets in the EU for the European Commission in 2020. The study has been used to inform the European Commission's Capital Market Union agenda. This was a far-reaching project considering IPOs and secondary market trading across the 28 EU member states. Having analysed the pre- and post-trade cycle for clients such as Omgeo, the DTCC, Euroclear and Fix Protocol, we have in-depth knowledge of the key economic aspects of trading and post-trading services.
- **We have an unrivalled international reputation with regulators, FMIs and market participants (including both buy- and sell-side)** in the area of trading and post-trading, having worked for and alongside each type of stakeholder in many countries. Using our economics and finance skills, we deliver rigorous and objective analysis that has credibility with all stakeholders.

Table A1.1 below sets out a (non-exhaustive) list of our recent experience in capital markets.

Table A1.1 Selected project experience in capital markets

Area	Examples of previous projects
Primary markets	<ul style="list-style-type: none">• Study for the European Commission on primary and secondary equity markets in the EU (2020)

Area	Examples of previous projects
	<ul style="list-style-type: none"> Study on facilitating IPOs for start-ups in Germany for the Federal Ministry of Economic Affairs (2021)
Secondary markets	<ul style="list-style-type: none"> Study for the European Commission on primary and secondary equity markets in the EU (2020) Analysis of the EU equity liquidity landscape for the Association of Financial Markets in Europe (2021) Analysis of block trading and internalisation for B3 (2021) Economic analysis of the functioning of UK secondary equity markets for the London Stock Exchange Group (2024)
Post-trading	<ul style="list-style-type: none"> Price and cost monitoring of trading and post-trading for the European Commission (2011) Global cost benchmarking of cash equity clearing and settlement services for ASX (2014) Economic analysis regarding open access proposals for derivatives clearing (2020) Economic analysis of the value of English law being supportive of digital securities for LawTech UK (2023)
Financial data	<ul style="list-style-type: none"> Analysis of the design of equity trading markets in Europe for the Federation of European Securities Exchanges (2019) Advice regarding the Financial Conduct Authority trading data review and wholesale data market study (2020–24)
Energy markets	<ul style="list-style-type: none"> Economic analysis of carbon trading markets for ICE (2022) Analysis of gas trading in the EU for ICE (2023)
Antitrust	<ul style="list-style-type: none"> Advised on major regulatory and antitrust investigations in capital markets, including LIBOR, credit default swaps, foreign exchange and bonds markets.
Mergers	<ul style="list-style-type: none"> Advising the merging parties on the CMA's investigation into the EuroCCP and EMCF merger (2013) Advice to a major financial market infrastructure provider on its acquisition of a trading platform (2016) Advising an EU book-runner on the competition risks of a potential acquisition (2019) Advising a third party on the European Commission investigation into the IHS-Markit–S&P Global merger (2021)

Source: Oxera.

A2 Team CVs

A2.1 Oxera team



Helen Ralston-Smith **Partner**

Profile

Helen has 15 years of professional experience in applying economics principles to issues of strategic importance for businesses, predominantly in the context of litigation and competition investigations. Much of her work has focused on high-profile cases such as the European Commission's investigations into foreign exchange trading and government bond trading, as well as national competition and regulatory authority investigations into parity clauses and allegations of excessive pricing.

Helen testified at the UK Competition Appeal Tribunal (CAT) on behalf of Comparethemarket in its appeal of the Competition and Markets Authority's (CMA's) infringement decision regarding its use of Most Favoured Nation (MFN) clauses in home insurance, where she was described by the CAT as 'a formidable witness, clearly master of her discipline'. She has also presented oral evidence to the European Commission and the CMA, as well as to international regulators and authorities such as the Australian Competition and Consumer Commission and the Mexican competition authority.

Helen was the Project Manager for the 2014 Oxera study for ASX and, alongside (retired) colleague Fod Barnes, presented the final results to the Council of Financial Regulators in Sydney. She has since project

managed and project directed multiple other international studies into financial market infrastructure services.

Selected project experience

- Economic adviser to an international benchmark provider in the context of the FCA's market study into benchmarks, credit rating agencies and data vendors (2023–)
- Economic adviser to an international derivatives exchange group in the FCA's investigation into wholesale market data (2021–)
- Economic expert for an international bank in the context of the European Commission's competition investigation into the European Government Bond market (2021)
- Economic expert for Comparethemarket in the context of the CMA's investigation into its use of most favoured nation clauses in home insurance (2020)
- Advice to multiple stock exchanges on the pricing of market data services (2019)
- Competition and quantification analysis to a defendant to a damages claim arising from alleged LIBOR manipulation (2018)
- Benchmarking the performance of the Malaysian capital market for the Securities Commission of Malaysia (2017)



Dr Vanessa Pham
Senior Consultant

Profile

Vanessa is a member of Oxera's Analytics and Data Science, and Financial Services teams. She specialises in using data science and advanced analytics techniques in commercial and regulatory decision making. She has advised both firms and regulators in their use of advanced analytical tools and complex analyses.

Prior to joining Oxera, Vanessa worked as an economist at the UK Financial Conduct Authority, leading the economic analysis for multiple market studies including the Investment Platforms and General Insurance Pricing Practices market studies. Vanessa has also worked as Principal Economic Advisor for the Australian Competition and Consumer Commission, advising on data strategies and analyses for a range of cases, including several reports for the Digital Platform Services Inquiry.

Vanessa has a PhD in Economics from Indiana University, USA, focusing on Microeconometrics, Industrial Organisation and Finance. She has also previously taught Microeconomics and Game Theory at undergraduate level at Indiana University.

Selected project experience

- Advised a large automotive manufacturer on its online distribution strategy and commercial arrangements for its dealer network (2022)
- Analysed the impact of the FCA ban on price discrimination in general insurance markets (2021)
- Led the study on primary and secondary equity markets in the EU for the European Commission (2020)

- Advised a global payment card scheme in responding to the European Commission Statement of Objections under Article 101 TFEU (2017)



Callum Watling Senior Consultant

Profile

Callum is a member of Oxera's Competition, Regulation & Market Design and Financial Services teams. His previous experience has involved advising a broad range of clients (from banks to financial infrastructure providers) in the context of regulatory reviews, market studies, merger interventions, antitrust investigations and competition litigation.

Callum holds a Masters degree in Economics from University College London, where his curriculum focused on game theory, econometrics and industrial organisation; and an undergraduate degree in Economics and Management from the University of Oxford.

Selected project experience

- Advice to a multinational global payment system provider in the context of a UK competition class action litigation (2023–24)
- Economic impact assessment of the PRA proposals for the implementation of Basel 3.1 in the UK and the effect on the market for SME lending (2023)
- Advice to an international benchmark provider in the context of the FCA's market study into benchmarks, credit rating agencies and data vendors (2023–)
- Advice to an international derivatives exchange group in the FCA's investigation into wholesale market data (2021–)
- Advice to a global bank in the European Commission investigation into information exchange in European government bond trading (2018–)
- Advice to a large UK bank regarding conduct risk (2022–)

- Economic advice to the arbitration tribunal in respect of the dispute between Standard Life Aberdeen and Lloyds Banking Group (2018–19)
- Economic analysis of the design of equity trading markets in Europe for the Federation of European Securities Exchanges (2018–19)



Reinder Van Dijk

Partner and Head of Financial Services

Profile

Reinder has more than 25 years of professional experience in applying economics in the context of competition and market investigations, mergers and acquisitions, regulatory and supervisory investigations, and litigation cases. He leads Oxera's work in financial services and has advised major retail and investment banks, lenders, insurers and re-insurers, stock exchanges, CCPs, CSDs, payment system companies (such as Mastercard), fund managers and distributors. Reinder advises various large corporates (such as Mastercard, ICE and NatWest) and others on strategy, antitrust and regulatory issues.

Reinder has delivered training courses to regulators such as the FCA, government departments, financial services companies and law firms, and has directed high-profile projects for market participants and government bodies, such as the FCA, the PRA, the CMA and the European Commission, and regulators outside Europe such as the Securities and Exchange Commission of Brazil and the Securities Commission Malaysia. He has directed influential studies on the functioning of capital markets for the European Commission, and worked with a range of clients on mergers, agreements, abuse of dominance and state aid cases in the UK, EU member states, Australia and Latin America.

Before joining Oxera in April 2001, he worked as an economist at the Netherlands Central Bank and the Mexican Federal Competition Commission.

Selected project experience

- Economic analysis of the functioning of UK secondary equity markets for the London Stock Exchange Group (2024)
- Analysis of the EU equity liquidity landscape for the Association of Financial Markets in Europe (2021)
- Analysis of block trading and internalisation for B3 (2021)

- Study for the European Commission on primary and secondary equity markets in the EU (2020)
- Directed a study on primary and secondary equity markets in the EU for the European Commission (2020)
- Directed a benchmarking study on trading and post-trading services in Brazil (2018)
- Advice to the Securities Commission Malaysia on the functioning of the market for trading and post-trading services (2016–17)
- Advice to a new-entrant trading platform on access to settlement services (2017)



Adrian Kemp Partner

Profile

Adrian Kemp is a founding partner of HoustonKemp Economists with over 25 years of experience applying economic and econometric techniques to complex regulatory challenges. His expertise spans energy, water, and transport regulation, where he has influenced significant policy reforms across the Asia-Pacific region through evidence-based advisory to governments, regulatory bodies and major regulated businesses.

His technical proficiency encompasses sophisticated economic benchmarking methodologies, financial market analysis, and quantitative modelling frameworks. This expertise is demonstrated through his development of cost-of-service models, benchmarking of operational efficiency, and implementation of statistical approaches for performance measurement across regulated assets.

His career includes founding HoustonKemp in 2014 and serving as a member of the Consumer Challenge Panel for the Australian Energy Regulator. Prior to establishing HoustonKemp, he held director positions at NERA Economic Consulting and worked in senior roles at the Independent Pricing and Regulatory Tribunal and the Australian Bureau of Agricultural and Resource Economics.

Selected project experience

- **Stakeholder engagement and consultation:** reviewed electricity market inertia services market designs and advised on procurement and pricing frameworks, engaging key stakeholders to ensure that solutions addressed transformation challenges.
- **Regulatory strategy and submission:** led Endeavour Energy's 2024–29 regulatory proposal, developing the strategy and narrative that aligned investment plans with customer needs, addressing

distributed energy resources and changing expectations to secure positive AER determination.

- **Regulatory framework design:** developed new methodology for IPART's assessment of water utility expenditure proposals, incorporating efficiency assessment improvements and customer engagement approaches to align decisions with customer preferences.



Sarah Turner Senior Economist

Profile

Sarah Turner is a Senior Economist at HoustonKemp with over ten years of experience specialising in finance and competition economics. Her expertise encompasses complex quantitative analysis for securities pricing models, event study methodologies, damages estimation, and materiality assessments in the context of shareholder class actions, regulatory investigations, and continuous disclosure proceedings. Her financial market analyses have been relied on in high-stakes matters before the Federal Court, demonstrating her capability to deliver robust economic evidence in litigation settings.

Prior to joining HoustonKemp in 2014, Sarah worked at NERA Economic Consulting where she developed significant expertise in econometric analysis for securities market efficiency, cartel price effects and merger assessments. Her project experience spans numerous shareholder class actions involving ASX-listed entities, ASIC investigations related to disclosure obligations, and assessments of materiality for security price impacts.

Sarah holds a Bachelor of Science and a Bachelor of Commerce and Administration with First Class Honours in Economics from Victoria University of Wellington, New Zealand.

Selected project experience

- **ISX Disclosure Obligations:** prepared an expert report for Federal Court proceedings brought by ASIC examining the materiality of certain announcements and alleged withheld information. The analysis focused on disclosure obligations and market impact.
- **Rio Tinto ASIC Investigation:** assisted in expert report preparation for Federal Court proceedings brought by ASIC regarding the materiality of Rio Tinto Limited's January 2013 disclosure of impairment to Rio Tinto Coal Mozambique assets.

- **GetSwift Securities Analysis:** prepared an expert report for Federal Court proceedings brought by ASIC on the appropriate application of event study methodology to assess information effects on ASX-listed GetSwift securities prices.
- **Iluka Limited Disclosure Assessment:** developed expert reports for Federal Court proceedings analysing the effect of specific disclosures on ASX-listed Iluka Limited securities prices. This involved detailed event studies and market impact analysis.



Zoe Odgers
Economist

Profile

Zoe Odgers is an Economist at HoustonKemp who applies sophisticated economic analysis to complex regulatory, competition and commercial matters across multiple sectors. She uses her deep economic expertise and stakeholder engagement capabilities to develop robust analytical frameworks that solve intricate economic problems. Her project portfolio encompasses significant work in native title compensation, contractual risk sharing mechanisms, gas market analysis, competition economics, and regulatory frameworks in infrastructure sectors.

With notable stakeholder engagement proficiency, Zoe has demonstrated exceptional ability to communicate complex economic concepts to diverse audiences across regulatory proceedings, legal cases and commercial negotiations. This engagement expertise is complemented by her background in education and leadership development in the UK, enhancing her capacity to articulate complex economic problems clearly and concisely.

Prior to joining HoustonKemp in 2021, Zoe completed a Master of Economic Analysis at the University of Sydney, following earlier roles in education and leadership development. Her academic credentials include a Bachelor of Business majoring in Economics, and a Bachelor of Secondary Education from the University of Queensland.

Selected project experience

- **Review of residential energy efficiency assessment methods:** prepared an independent comparative analysis of residential energy efficiency assessment methodologies across Australia and international markets. Managed stakeholder consultation with industry experts and government officials from Denmark, the UK, the USA and Australia.
- **Airport cost of capital analysis:** calculated the asset beta and estimated cost of capital for Australian airports according to

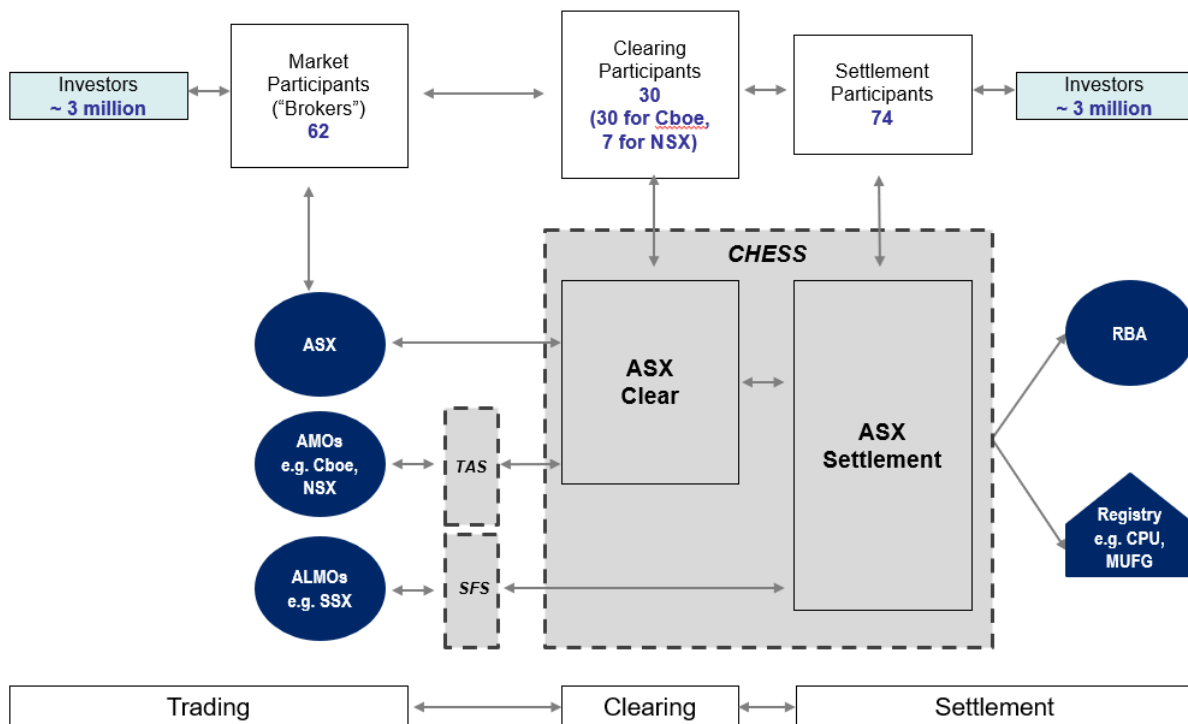
Western Australian Supreme Court precedents in *Perth Airport Pty Ltd v Qantas Airways Ltd [No 2] [2021] WASC 342*.

Share price impact assessment: contributed to expert evidence for Supreme Court proceedings analysing how undisclosed information would have affected listed company share prices during specified periods.

Committee	Business Committee
Meeting date	18 June 2025
Agenda title	Operational performance - cash market clearing and settlement services
Agenda item no.	5a
Purpose	To report on key performance metrics for ASX's clearing and settlement services
Prepared by	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

Market Structure 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 CHES. A key metric for monitoring system availability is the percentage of system uptime as measured against target availability times. The service availability target for CHES is 99.80%.

The average monthly system availability for CHES was 100% during the March 2025 quarter and June 2025 quarter.¹

The average monthly availability of CHES has been 100% between April 2015 and April 2025.

TRADE ACCEPTANCE SERVICE AND SETTLEMENT FACILITATION SERVICE

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

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

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

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

SETTLEMENT PERFORMANCE

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

The daily average fail performance remains low at 0.129% in June 2025 quarter,¹ compared to 0.128% average for the previous twelve months between May 2024 and April 2025, and 0.185% over the 3-year period from May 2022 and April 2025.²

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	April	March	February	January	December ²	November
Average Fail Rate	0.129%	0.135%	0.108%	0.100%	0.232%	0.109%
Maximum Fail Rate	0.258%	0.700%	0.209%	0.336%	0.895%	0.169%
Minimum Fail Rate	0.039%	0.039%	0.030%	0.035%	0.037%	0.043%
Average Value Based Fail Rate	0.043%	0.055%	0.070%	0.056%	0.178%	0.050%
Average Initial Fail Rate	0.015%	0.015%	0.016%	0.017%	0.024%	0.018%
Average Fail Rate (ex unilaterals)	0.083%	0.077%	0.085%	0.071%	0.205%	0.082%

¹ As at 30 April 2025

² Data for the 20 December 2024 is not included in the calculations due to the cancellation of Batch Settlement and reschedule of all obligations.

# of days Fail rate > 0.50%	0	1	0	0	3	0
Batch Settlement Extensions	0	0	1	0	1	0
Fall back of Payment Provider	0	0	0	0	1	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 or issues. The AMO risk profile is reported in the separate Business Update paper.

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 April 2025

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

	June 2025 Quarter ¹	March 2025 Quarter	December 2024 Quarter
System Availability (CHESS)	100%	100%	100% ²
System Availability (TAS)	100%	100%	100%
Trade registration			
Total Trades Accepted (ASX)	46,242,327	120,536,508	106,689,415
Total Trades Accepted (Cboe)	13,967,465	38,457,412	37,632,263
Total Trades Accepted (NSX)	57	166	114
Daily Average Trades across all AMOs	3,168,939	2,564,421	2,255,028
Highest Daily Trade Registration across all AMOs	5,642,893	3,904,638	2,813,265
Highest Consecutive 2 Days Trade Registration across all AMOs	9,668,072	7,523,125	5,337,133
Clearing			
Daily Average Traded Value (On and Off Market) *	\$13.98 billion	\$11.58 billion	\$10.90 billion
Daily Average Cleared Value *	\$10.85 billion	\$8.93 billion	\$8.48 billion
Percentage Novated *	77.6%	76.8%	77.7%
Netting Efficiency (Value) *	71.1%	69.8%	71.4%
Netting Efficiency (Volume) *	99.2%	99.1%	99.0%
Daily Average Cleared Value Post-Netting	\$3.13 billion	\$2.65 billion	\$2.42 billion
Settlement			
Total Settlements (SSX)	0	0	0
Total Value of Settlements (SSX)	\$0	\$0	\$0
Batch Settlement²			
Daily Average Settled Value (Including Non-Novated)	\$17.03 billion	\$14.25 billion	\$13.67 billion
Settlement Efficiency (Value)	99.96%	99.94%	99.91%
Average Daily CHESS Fail Rate (% Rescheduled to the next settlement date)	0.129%	0.114%	0.163%
Average Value Based Fail Rate (% Rescheduled to the next settlement date)	0.043%	0.060%	0.089%

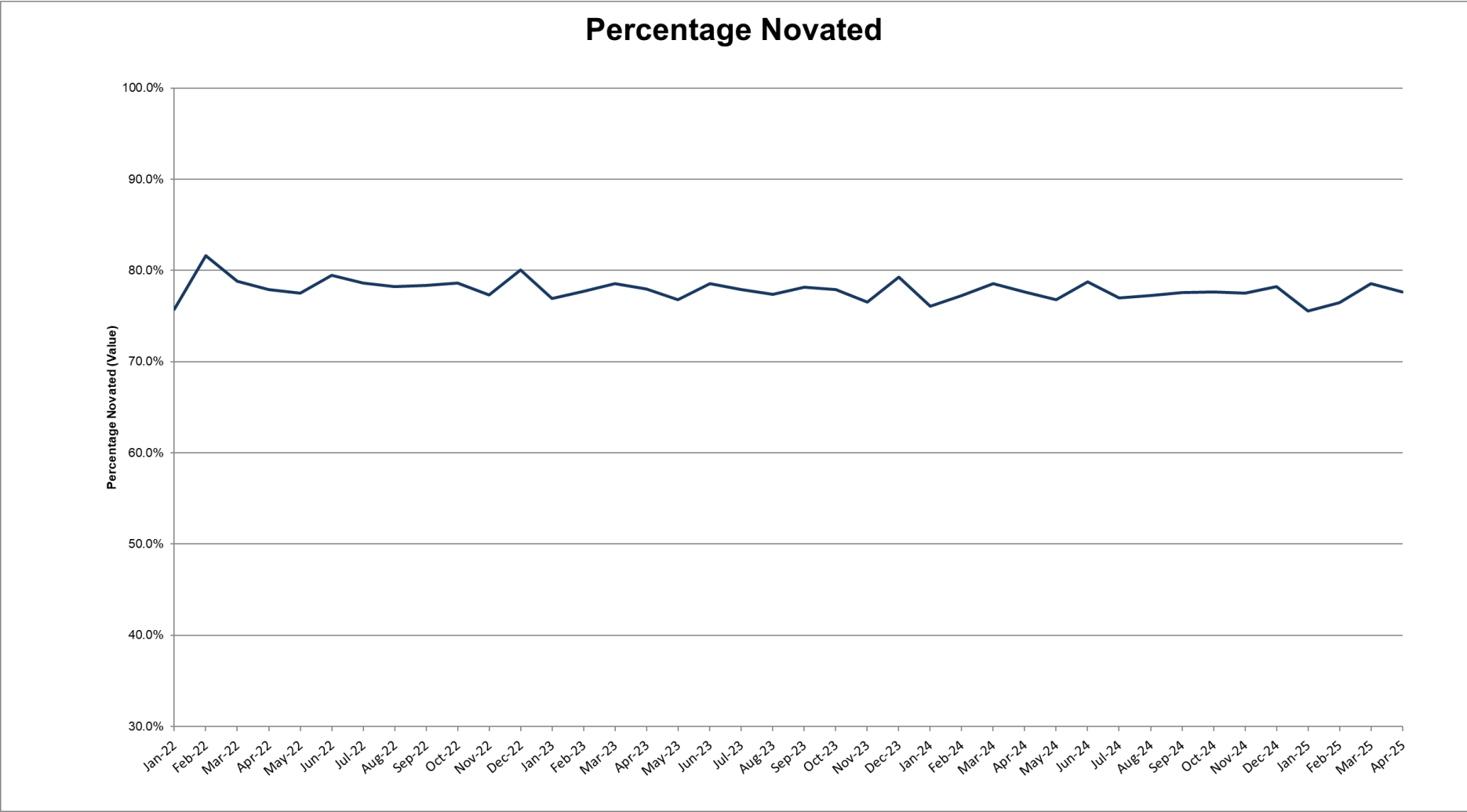
Commencing March 2022 quarter, Traded Volume now includes transactions (for all AMOs) with settlement status "I" (e.g. crossings, informational)

¹ As at 30 April 2025

² Data for the 20 December 2024 is not included in the calculations due to the cancellation of Batch Settlement and reschedule of all obligations.

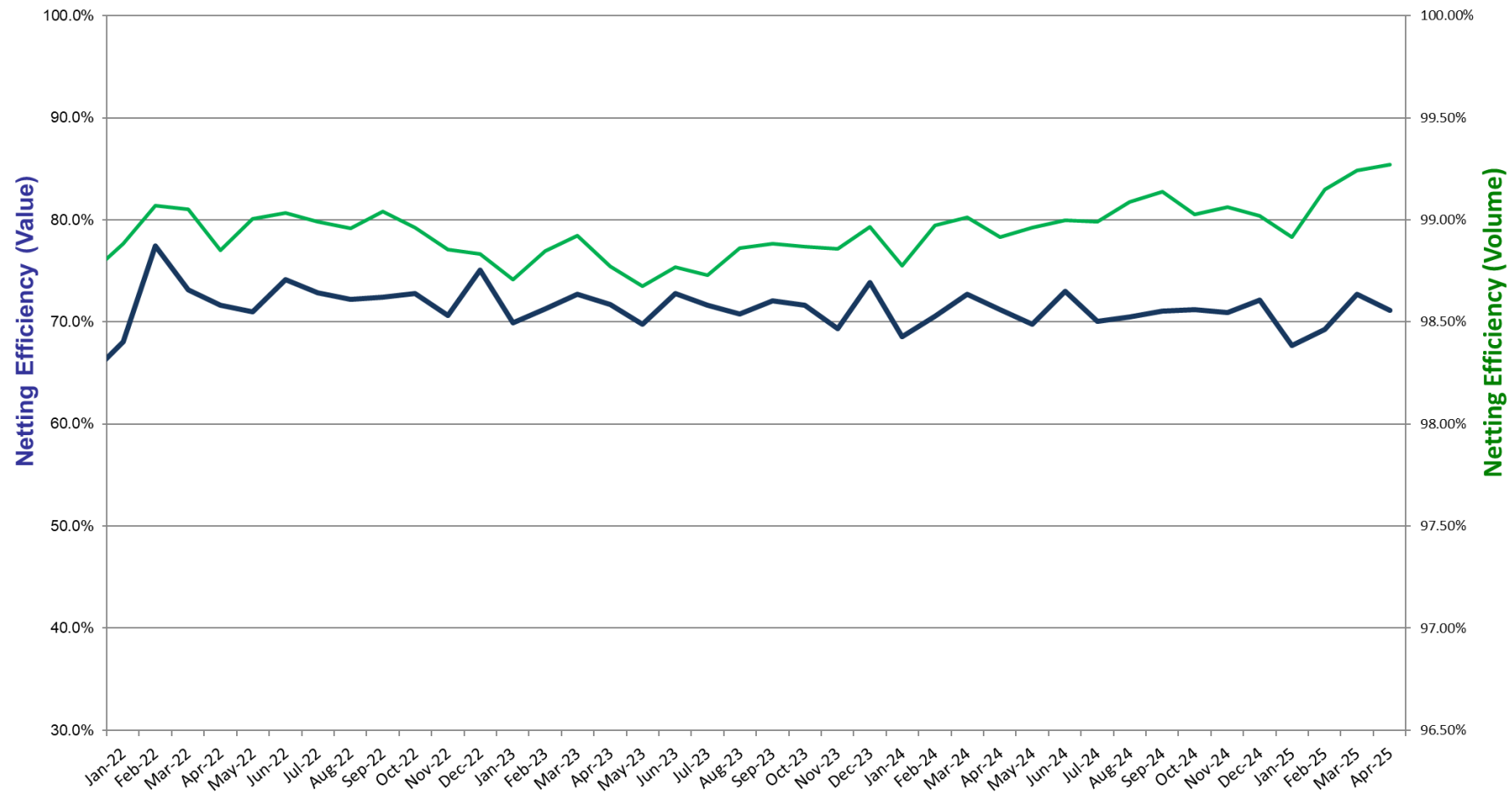
² ASX calculates system availability at the system level. The CHESS Batch Settlement incident on 20 December 2024 prevented the normal DvP Batch Settlement process from completing and all novated and non-novated instructions were rescheduled to 23 December 2024 at 19:30, completing at 19:43 representing an 8 hour, 13 minute interruption to the availability of the full suite of settlement messages. The CHESS system remained available throughout the incident and there was no interruption to Clearing in the form of Trade Registration.

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



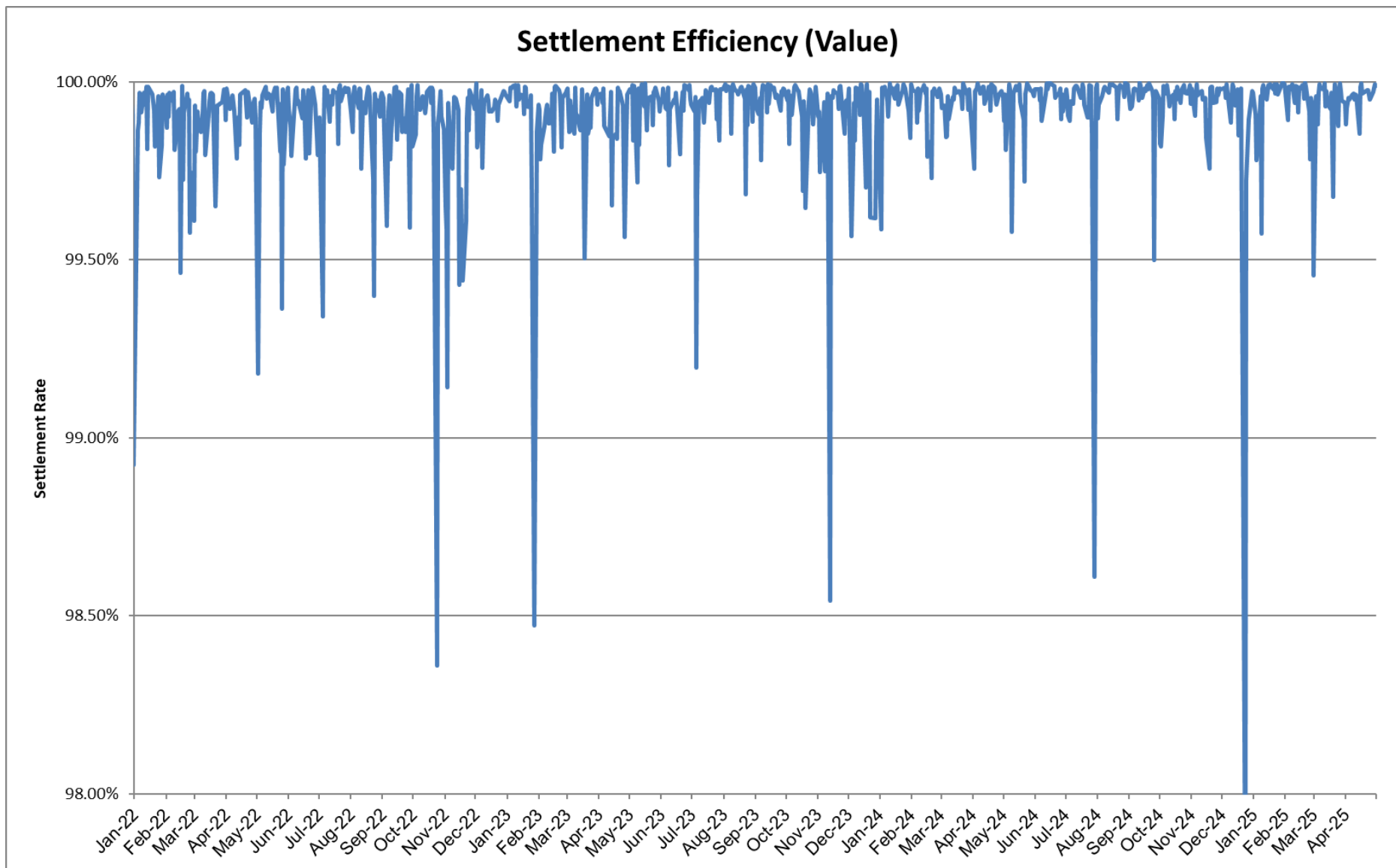
Commencing March 2022 quarter, Traded Volume now includes transactions (for all AMOS) with settlement status “I” (e.g. crossings, informational)

Netting Efficiency (Value and Volume)



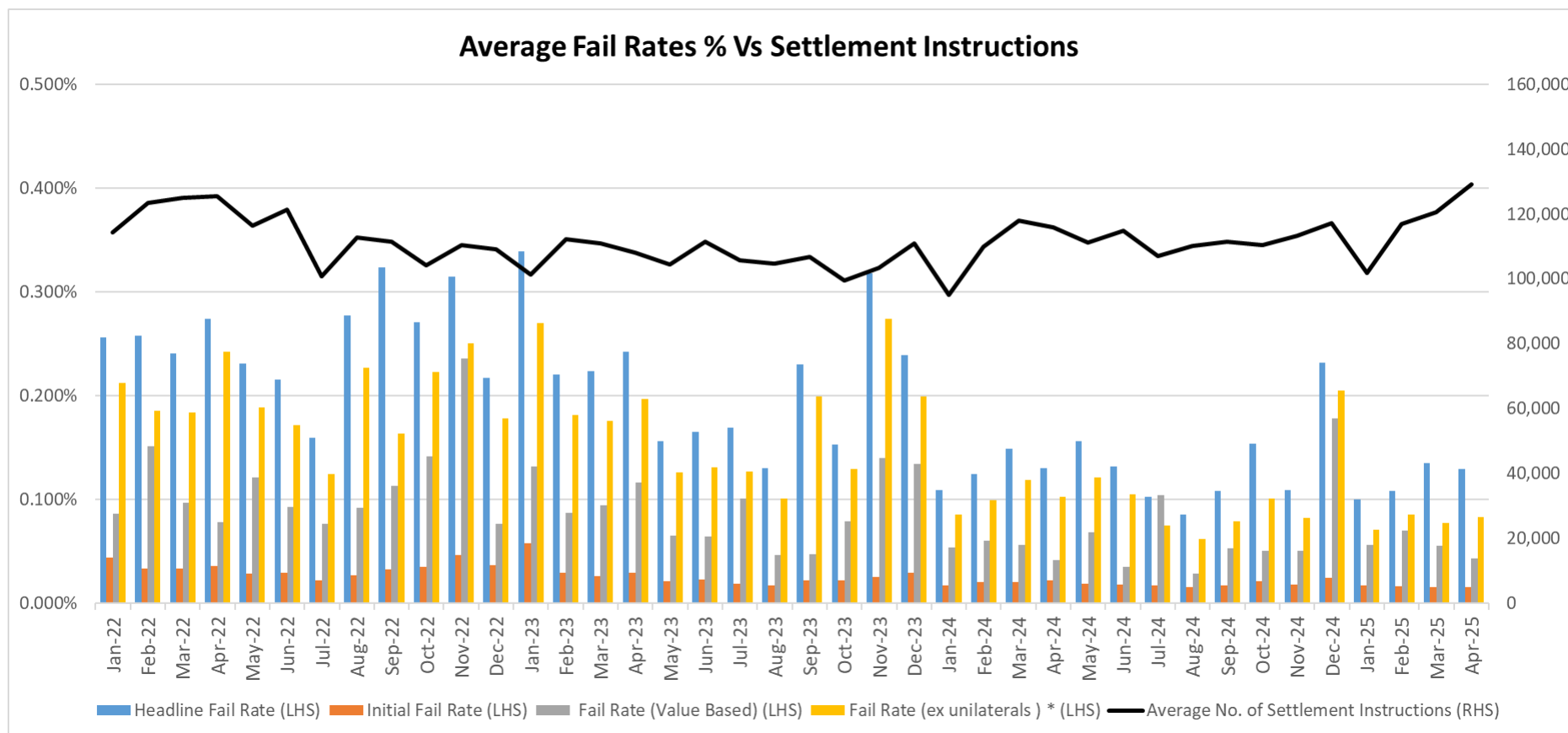
Commencing March 2022 quarter, Traded Volume now includes transactions (for all AMOS) with settlement status "I" (e.g. crossings, informational)

¹ Data for the 20 December 2024 is not included in the calculations due to the cancellation of Batch Settlement and reschedule of all obligations.



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.



¹ Data for the 20 December 2024 is not included in the calculations due to the cancellation of Batch Settlement and reschedule of all obligations.

Committee	Business Committee
Meeting date	18 June 2025
Agenda title	Maintaining the stability of existing CHES
Agenda item no.	5b
	To provide Business Committee members with an update on the programme of work to ensure existing CHES continues to provide the level of service, reliability and resilience required by the market until CHES replacement is implemented
Prepared by	Sabra Mott, General Manager, Securities & Payments Technology Andrew Jones, General Manager, Equities, Securities and Payments
Action	For noting
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	Not applicable

OVERVIEW

ASX continues to invest in the ongoing supportability and maintenance requirements of current CHES. The actions following the Batch Settlement incident have either been completed or underway to meet the agreed dates.

OUTLOOK

- The Annual refresh of the CHES “Special Report’ roadmap is on track with a completion date of June 2025.
- Engagement with the Market will continue as we look to enhance our contingency arrangements of Batch Settlement.
- Two initiatives planned in FY25 for awareness and/or that would have customer impact considerations have been completed with SR 15 target go live scheduled for June 23,2025:

Initiative Short Description	Customer Impact (Y/N)	Indicative Date
ASX Trade Service Release 15.	N	June 23, 2025
No functional change introduced to CHES.		
Introduction of new condition code “SC” will be available for optional testing in CHES customer test environment prior to the ASX Trade release		
The CHES Backend Operating system will be upgraded	N	COMPLETED
CHES User Global Settlement section (add “PR” code)	N	COMPLETED

Members are invited to raise any questions in respect of this paper either before the 18 June 2025 Business Committee meeting or during the Questions Session of that meeting.

Committee	Business Committee
Meeting date	18 June 2025
Agenda title	Australian Carbon Exchange initiative - update
Agenda Item No.	5c
Purpose	To provide members with an update on the Australian Carbon Exchange initiative
Prepared by	Head of Issuer Services, Securities and Payments (Karen Webb)
Action	For Noting
Proposed recommendation to Boards of ASX Clear and ASX Settlement (if applicable):	N/A

ASX has concluded a period of engagement with the Clean Energy Regulator (CER) to explore the potential development of a carbon exchange aimed at enabling efficient trading, transparent price discovery and improved market liquidity, with related market consultation.

Throughout the engagement, ASX put forward a proposal based on what was possible within the existing legislative parameters, as outlined in the CER's [discussion paper](#) published in October 2024. ASX acknowledges the [outcomes of the consultation](#) recently released by CER and appreciate the feedback provided by stakeholders. Non-confidential responses to the consultation have been published [here](#).

Feedback from the CER's consultation process indicates strong support among stakeholders for the role of exchange trading in the Australian carbon market to support liquidity, transparency and price discovery, complimentary to the existing OTC market. However, there was a diversity of views regarding the proposed model - trading beneficial interests in ACCUs via a CHESS Depositary Interest (CDI), due to legislative constraints and the need to balance liquidity and fungibility by limiting the number of listing classes. The CER has noted that they will continue to explore alternative platform models for facilitating exchange trading of ACCUs over the course of the year.

ASX remains committed to supporting the development of Australia's carbon market and are ready to work with the CER, market participants and policymakers as the market evolves and regulatory frameworks potentially adapt to emerging needs.

Committee	Business Committee
Meeting date	18 June 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 discussion
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 March 2025 with a subsequent out of cycle update performed in April 2025 to align the activities to the timeline.

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 outcome.

Enterprise Enablement
Out-of-Cycle-Update
April 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

CHES 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 (CHES 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:

- CHES Project
- ASX 24 Platform Replacement
- ClearStar

WORKING GROUPS continued...

Implementation & Transition Working Group (CHES 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 CHES Replacement to help shape market wide plans

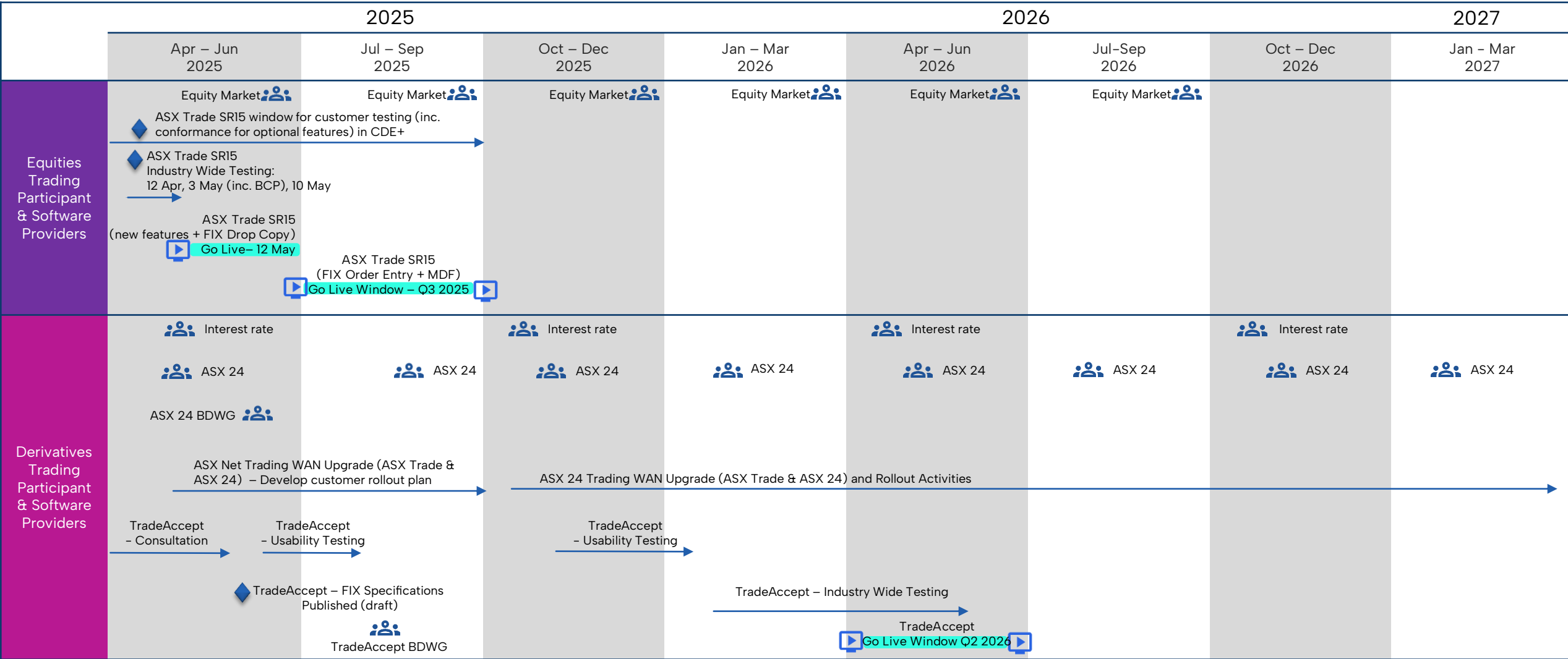
Interest Rate Working Group: ASX led industry working group to elicit stakeholder feedback focused on relevant interest rates topics and to share product updates

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

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

Proposed Customer Impact Plan

As at April 2025 – out of cycle update



Trading:

- ASX Trade
- ASX 24
- TradeAccept

 Working Group / co-design groups

 Go live Range

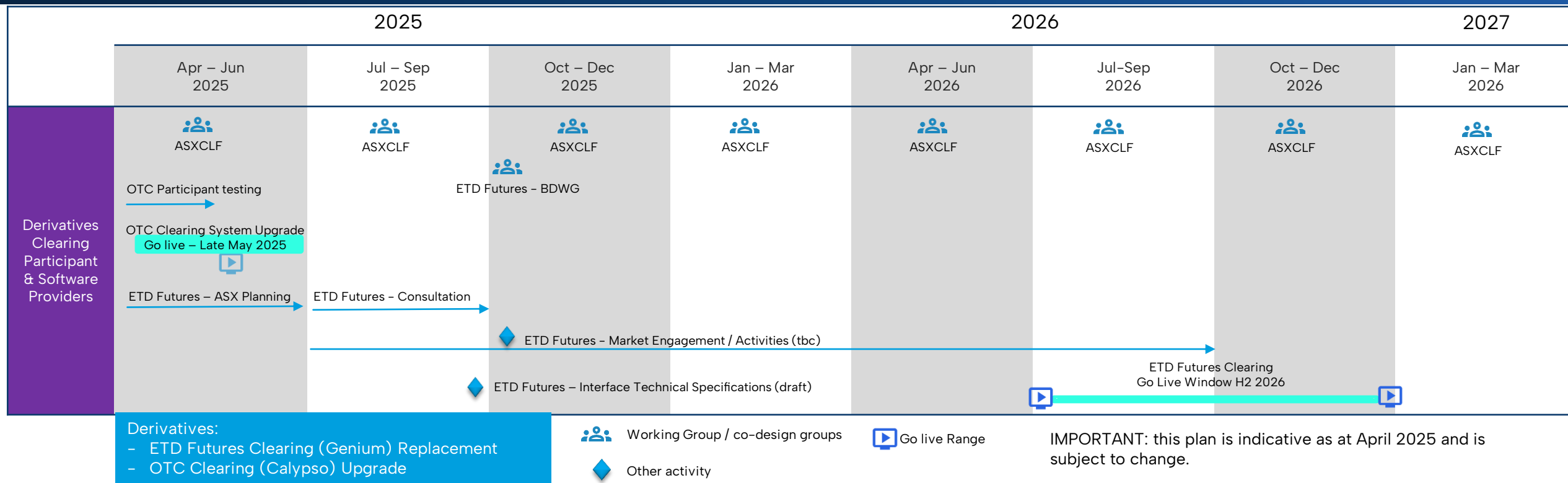
 Other activity

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



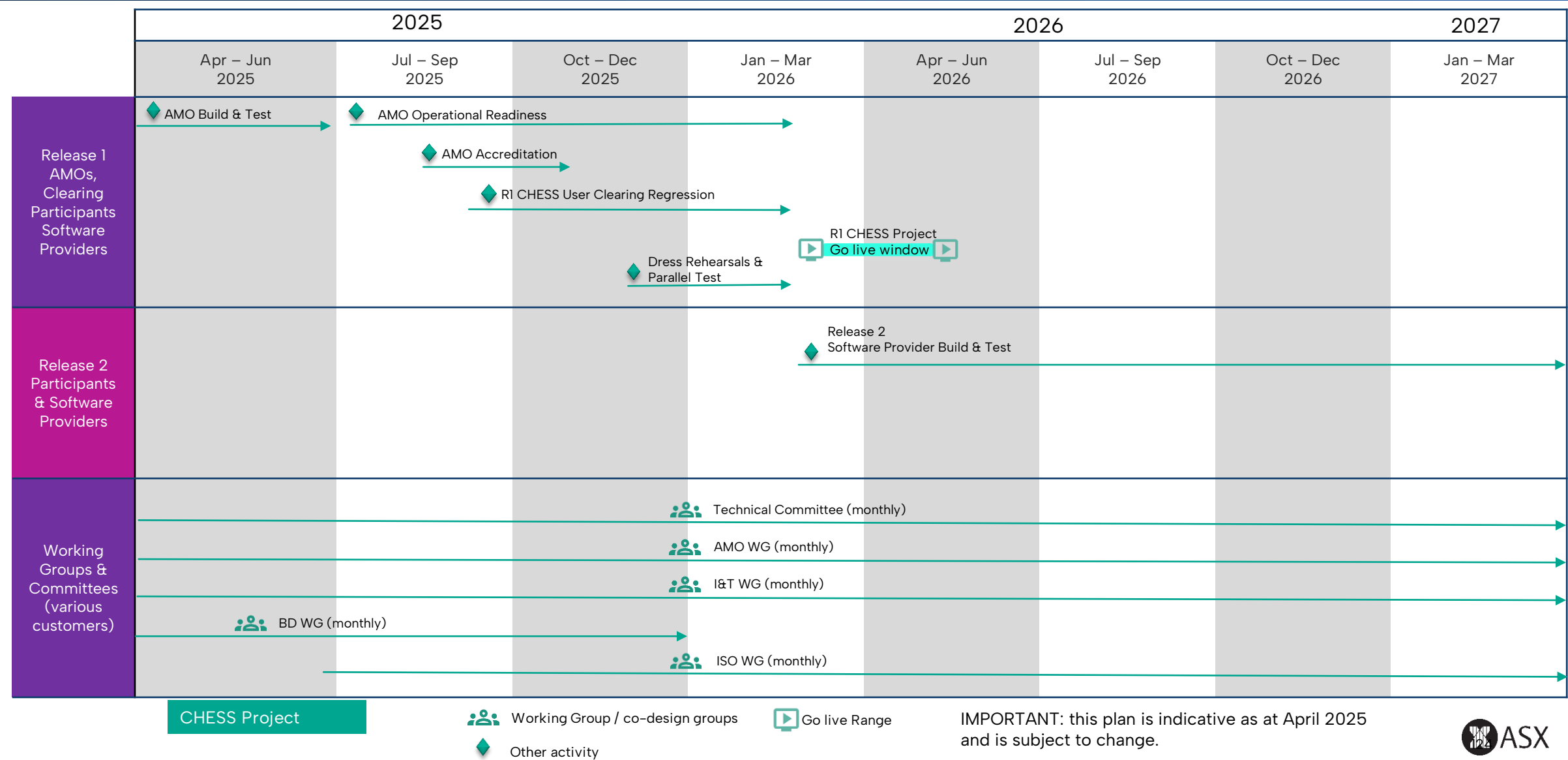
Proposed Customer Impact Plan

As at April 2025 – out of cycle update



Proposed Customer Impact Plan

As at April 2025 – out of cycle update



Committee	Business Committee
Agenda title	Regulatory Expectations Audit – Draft Terms of Reference FY25
Item	5e
Purpose	To note the draft terms of reference for the FY25 Regulatory Expectations audit
Meeting date	18 June 2025
Prepared by	Matthew Patterson, General Manager, Financial Control

In the *Regulatory Expectations for Conduct in Operating Cash Equity Clearing and Settlement Services in Australia* there is a requirement for ASX to complete an annual external assurance engagement of its governance, pricing and access arrangements against the Regulatory Expectations. This engagement is designed to identify if there has been any evidence of non-compliance by ASX with its regulatory expectations obligations.

The FY25 external audit is due to commence in July 2025, once the draft engagement letter has been finalised.

The methodology to be applied by PwC for this year's engagement will be the same as in previous years.

The draft PwC Engagement Letter has been provided to the Business Committee members in Attachment A. Please provide any comments on the draft engagement letter at the 18 June 2025 Business Committee meeting or via email to the Business Committee Secretariat by Friday, 20 June 2025.

Following updates to the draft engagement letter from feedback received, the engagement letter will be signed by the engagement partner, Sam Hinchliffe, and the audit will commence in July 2025.

ATTACHMENTS

Attachment 1 Draft PwC engagement letter

The Directors
ASX Limited
Exchange Centre 20, Bridge Street
SYDNEY NSW 2000

XX June 2025

The Directors

Letter of engagement: Compliance engagement for reasonable assurance on ASX's compliance with the Regulatory Expectations for Conduct in Operating Cash Equity Clearing and Settlement Services in Australia (the "Regulatory Expectations") as represented in ASX's Compliance Framework

This engagement letter, including the terms of business in Appendix 1, confirms the terms of our engagement and the scope of the services we will provide to ASX Limited and its subsidiaries, including ASX Settlement Pty Limited and ASX Clear Pty Limited (together the "Client Entities", or referred to collectively as "ASX") throughout the period from 1 July 2024 to 30 June 2025.

ASX Limited is engaging PricewaterhouseCoopers ("PwC") on its own behalf and on behalf of its subsidiaries, including ASX Settlement Pty Limited and ASX Clear Pty Limited.

Background

ASX Settlement Pty Limited and ASX Clear Pty Limited currently operate the sole licensed clearing and settlement facilities in Australia, providing clearing and settlement systems and services for the Australian cash equity market.

On 30 March 2016, the Government endorsed the recommendations of a review of competition in clearing Australian cash equities carried out by the Council of Financial Regulators (composed of Australian Prudential Regulation Authority, Australian Securities and Investments Commission, Reserve Bank of Australia and the Department of the Treasury) and the Australian Competition and Consumer Commission (together, the "Agencies") in the first half of 2015.

Among the conclusions arising from the above review, the Agencies undertook to publicly set out the Regulatory Expectations for ASX's conduct in operating its cash equity clearing and settlement services until such time as a committed competitor emerged. The conclusions presented the core elements that the Agencies expected to be included in the set of Regulatory Expectations.

The Regulatory Expectations for the Conduct of Cash Equity Clearing and Settlement Services in Australia, which came into effect in October 2016 and were revised in September 2017 (**Regulatory Expectations**), apply to ASX's engagement with, and provision of services to, users of its monopoly cash equity clearing and settlement services for both ASX-listed and non-ASX-listed securities. Users are broadly defined to include participants of ASX clearing and settlement facilities, end users, unaffiliated market operators, central counterparties and settlement facilities, technology service providers, and other relevant stakeholders.

On release of the Regulatory Expectations, ASX issued a revised ASX Cash Equities Clearing and Settlement Code of Practice ("ASX Code"). The ASX Code sets out ASX's commitment to comply with the Regulatory Expectations, and its commitment to customers and other stakeholders in management cash equities clearing and settlement infrastructure and services for the Australian market.

The Regulatory Expectations require that, on an annual basis, ASX engages an independent party to perform an audit over ASX's compliance with the Regulatory Expectations.

Objective and scope of the engagement

You have requested that we undertake a reasonable assurance engagement on ASX's compliance with the Regulatory Expectations, in all material respects, as evaluated against the ASX Code and related ASX policies and procedures throughout the period 1 July 2024 to 30 June 2025 for the purpose of reporting to the Client Entities and the Directors, officers, and employees of the Client Entities.

We are pleased to confirm our acceptance and our understanding of this reasonable assurance engagement by means of this letter. Our engagement will be conducted with the objective of expressing an opinion on whether ASX has complied with the Regulatory Expectations is, in all material respects, evaluated against the Compliance Framework throughout the period from 1 July 2024 to 30 June 2025.

In accordance with the Regulatory Expectations, our work will not provide an opinion on subjective matters contained in the Regulatory Expectations, for example, on the promptness and efficiency of investments or the efficiency of prices.

Each of the Regulatory Expectations, against which ASX's governance, pricing and access arrangements will be assessed under our audit, are set out in Appendix 2.

Our assurance procedures will include, but will not be limited to:

- performing a comparison of the Compliance Framework put in place by ASX against the requirements of the Regulatory Expectations;
- testing of policies on a sample basis to assess whether they were designed appropriately to meet the Regulatory Expectations and whether ASX has complied with those policies;
- testing of controls and other procedures on a sample basis to assess whether they were designed appropriately, are operating effectively, and in accordance with the policies as defined above;
- providing management with a report of findings, and seeking responses where required; and
- tracking the progress of previous audit recommendations and management actions

On completion of our work, we will issue our long-form reasonable assurance report on ASX's compliance with the Regulatory Expectations, detailing our assurance procedures and findings, including our opinion as to whether ASX has complied, in all material respects, with the Regulatory Expectations as represented in the Compliance Framework for the period from 1 July 2024 to 30 June 2025.

Committee	Business Committee
Meeting date	18 June 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

The Business Committee open action item **24-12-1** to hold the Pricing Policy information session was closed at the 12 March Business Committee meeting. There are no open actions to report at the 18 June 2025 Business Committee meeting.

Quarterly Business Committee updates have been provided on Statements (refer to agenda item 4d), Australian Carbon Initiative (refer to agenda item 5c) and the Customer Impact Plan (refer to agenda item 5d). As outlined in the Business Committee paper for the Australian Carbon Initiative, ASX acknowledges the [outcomes of the consultation](#) recently released by CER with the non-confidential responses to the consultation have been published [here](#). ASX is proposing to close the Australian Carbon Initiative as a keep in view item with any further updates to be provided as required by broad consensus of the Business Committee.

ACTION ITEMS

There are no open actions.

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	March 2025	Open	ASX
Australian Carbon Initiative	ASX to provide an update at each Business Committee meeting on the Australian Carbon Initiative.	March 2025	Propose to close	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	March 2025	Open	ASX

For historical action items please refer to archived minutes [here](#).

Committee	Business Committee
Meeting date	18 June 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 noting
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 17 September 2025.

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
17 September 2025 12.00-2.00pm	<ul style="list-style-type: none"> • Current CHESS - service performance, maintaining stability • CHESS project including Technical Committee updates and Assurance Program report • eStatements Update • Annual Report on Cash Equity Clearing and Settlement Services Developments • Business Committee Membership review
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 • FY26 Annual Growth Threshold and FY25 Management Accounts • Review terms of reference • T+1 update • 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.