

Business Committee

18 June 2025

Housekeeping

Troubleshooting

- > Please mute yourself when not speaking
- > Please use the 'raise hand' feature on MS Teams if you would like to ask a question
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- > Meeting is being recorded for the purposes of capturing decision and actions
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- > Presentation materials were distributed before the meeting and will be published on the website.

Important Information

Competition Law Reminder

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



Acknowledging Country

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

Artwork by Lee Ann Hall, *My country My People*

1b

Draft minutes and report
12 March 2025

3a

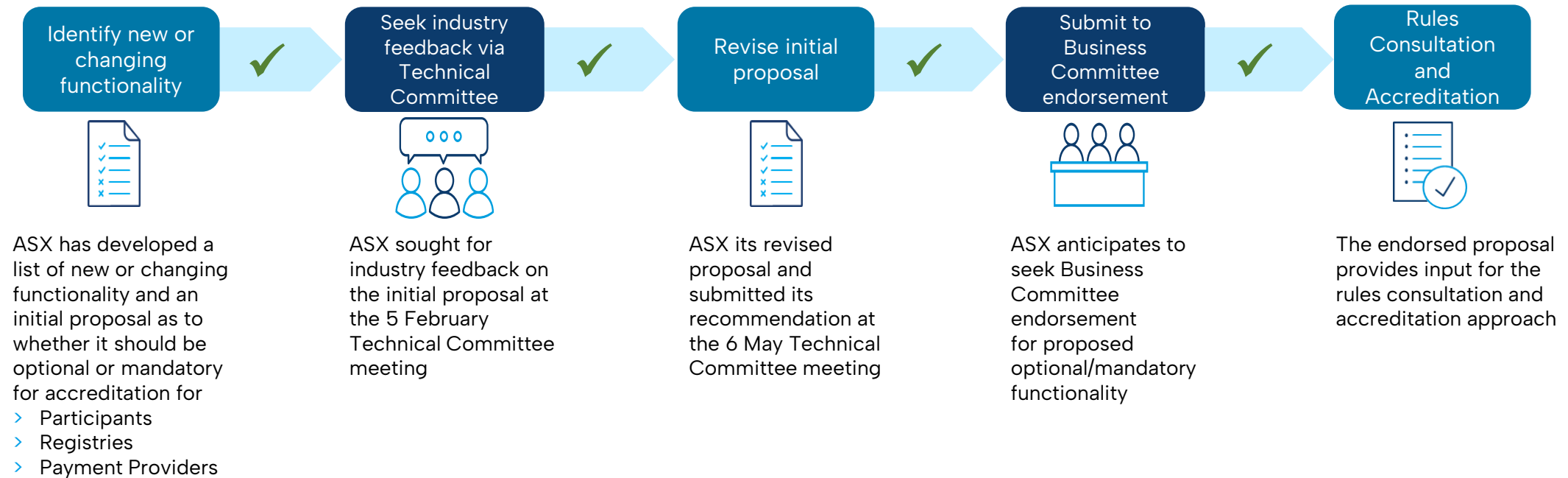
CHESS Project update

3b

Optional and mandatory functionality
recommendation

3b – Optional or Mandatory Functionality – Indicative Process

Indicative process to determine whether functionality for the CHES project will be optional or mandatory



3b – Recommendation on functionality for accreditation – MANDATORY

Technical Committee recommendation for Business Committee endorsement to the C&S Board

C&S Participants		Settlement Only Participants		Share Registries		Payment Providers	
1.1 1.2	Registration details & investor information	1.1 1.2	Registration details & investor information	1.1 1.2	Registration details & investor information (incl. pass through tax information)	2.3	Standing instructions
1.3	SRN enquiry & validation	1.3	SRN enquiry & validation	1.3	SRN enquiry & validation	2.8	Non-batch payments
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 2.2	Bilateral matching (hold/release and matching criteria)	2.1 2.2	Bilateral matching (hold/release and matching criteria)	3.5	Electronic notification of payment advice		
2.6	Settlement improvements	3.1	Electronic dividend claims	3.6 3.7 3.8	Corporate actions (bank a/c, holding adjustments and sub-register state)		
3.1	Electronic dividend claims	3.5	Electronic notification of payment advice	3.10	Bid offeror automation		
3.5	Electronic notification of payment advice	3.6 3.7 3.8	Corporate actions (bank a/c, holding adjustments and sub-register state)	5.4	Cum entitlement balance simplification		
3.6 3.7 3.8	Corporate actions (bank a/c, holding adjustments and 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				
4.4	Settlement lock for CHESS holdings						
5.2	Account segregation (position account/s)						
5.4	Cum entitlement balance simplification						
–	Portfolio transfers						

3b – Recommendation on functionality for accreditation – OPTIONAL

Technical Committee recommendation for Business Committee endorsement to the C&S Board

C&S Participants		Settlement Only Participants		Share Registries		Payment Providers	
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	-	UI
2.4	Preliminary payment notifications	2.4	Preliminary payment notifications	-	UI		
4.3	Linking bilateral settlements	4.3	Linking bilateral settlements				
5.2	Account segregation (segregation of house and/or client)	4.4	Settlement lock for CHESS holdings				
-	UI	-	UI				

3b – Functionality where further engagement is required

These functionality items do not form part of the recommendation for the 18 June Business Committee meeting

Ref.	Feature for Accreditation	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

4a

Update on CHES batch settlement incident actions

04a – CHESS batch settlement incident

ASX CHESS Batch Settlement Post Incident Review – Participant Engagement and Communications Recommendations

- **Recommendation #1: Communication Framework:** Design, develop and implement a Communication Framework / Playbook for such an Incident, developed with strong Participant engagement.
- **Recommendation #2: Clarity of roles and controls:** The ASX Crisis Management Team should ensure the remit of ASX communication representative(s) is enterprise wide, ensuring sufficient coverage and alignment between Corporate, Government and Regulatory Affairs as well as Participant and Customer communications.
- **Recommendation #3: Scenario Simulations:** Conduct a series of scenario simulations to stress test and practice implementing its crisis and incident response, inclusive of executing the Communications Framework.
- **Recommendation #4: Webinar Effectiveness:** Whilst the Industry Forum Webinar was considered helpful by Participants, a more structured approach to the notice period, agenda, sharing of information and FAQs would be beneficial.
- **Recommendation #5: Update contact lists:** Implement a proactive campaign to ensure Participant representatives are subscribed to relevant channels.
- **Recommendation #6: Clarity of contact points and communication ownership:** Develop a Participant bilateral call list for use in the case of an incident, with clear relationship 'owners' across ASX, structured to reduce key person risk should an incident arise.

- **Recommendation #7: Market Notice messaging aligned to Industry Forum content:** Issue a Market Notice or similar publication following the first Industry Forum briefing of Participants to ensure clarity of information for those unable to attend and minimise speculation in the market.
- **Recommendation #8: Issue a Major Event Notification that the system may not recover that trading day and issue another Major Event Notification for the rescheduling of Batch Settlement in certain circumstances.**

Consider a defined sequence of communication and operational actions with the following features:

- Issuing a Major Event Notification when the ASX cannot confirm that system recovery is imminent after a reasonable period of review.
- Consider declaring a Major Event Notification for the rescheduling of Batch Settlement when the ASX still cannot confirm with confidence that system recovery is imminent later in the trading day. The explicit reasons for the rescheduling should be provided to convey a degree of certainty.
- **Recommendation #9: Incident Review Report**

The Incident Review was well-received, however key themes of Participant feedback should be considered for future reports, including:
 - the timeliness of its release,
 - balancing technical detail with broader accessibility considerations, and
 - greater inclusion of prospective strategies and action plans to respond to such Incidents in the future.

4b

Draft Pricing Policy

04b – Draft Pricing Policy

Proposed resolution outlining the Business Committee's input to the draft Pricing Policy

The Business Committee notes the draft Pricing Policy to be presented to the CS Boards for approval and further notes:

- The industry consultation process undertaken by ASX and the range of detailed feedback provided by the industry on the draft Pricing Policy
- The various amendments made to the draft Pricing Policy in response to most items of industry feedback
- Other items of industry feedback that have not been fully adopted in the draft Pricing Policy with the rationale detailed in the consultation response paper.

4c

Share Sale Fraud Working Group update

4d

Statements Working Group update

4e

Securities Lending Reporting Working Group update

04e – Disclosure of Securities Lending Activity

Update

- At the last Business Committee we advised we would be sending a proposal to the RBA regarding changes to securities lending reporting regime
- On 14 May 2025, we advised ASX Settlement Participants that the RBA informed us that they did not object to the proposed modifications to this regime.

Next Steps

- Changes to the ASX Settlement Operating Rules and Procedures are subject to regulatory clearance, the changes have been lodged with ASIC
- Securities lending reporting requirements remain in place until such time that the rules are updated, we will notify participants of the changes through a Market Notice.

04e – Disclosure of Securities Lending Activity

Proposed Changes

- SLPs would no longer be required to be registered as a Securities Lending Participant (ASXSOR 6.8A.4)
- SLPs would no longer report daily loaned and borrowed positions (ASXSOR 6.8A.5)
- SLPs would no longer report quarterly committed positions (ASXSOR 6.8A.5)
- Settlement participants would continue to tag transfers with an “L” if the transaction giving rise to the transfer is a securities lending transaction (ASXSOR 6.8A.1)
- ASX reporting of outstanding borrowed and loaned positions, history of daily market reports, and the securities lending participation report, would no longer be published
- ASX reporting based on “L” Tagging will continue to be reported, which includes ASX reporting of monthly and daily market equity fail report (volume), ASX reporting of settlement and securities lending comparison report and the daily gross securities lending transaction report.

4f

ASIC CS Service Rules

4g

ASX Business Committee Charter and Membership Policy updates

4h

Covered Services Comparative Report

2a

Short Sale Reporting

2b

Opportunities to support Australian listed markets

5

Question Session

5 – Items Not For Presentation

- Agenda item 5a: Operational Performance Cash Market Clearing and Settlement
- Agenda item 5b: Maintaining the Stability of Existing CHES
- Agenda item 5c: Australian Carbon Exchange Initiative update
- Agenda item 5d: Customer Impact Plan
- Agenda item 5e: Regulatory Expectations Audit – draft Terms of Reference

6a

Open Actions

6a – Keep In View

June 2025

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

6b

Forward work program

6b – Forward Work Program

Meeting Date	Topics
17 September 2025 12.00–2.00pm	<ul style="list-style-type: none">> Current CHES – service performance, maintaining stability> CHES 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 CHES – service performance, maintaining stability> CHES 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 drink

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Thank you.

