Business Committee Report to the Boards of ASX Clear and ASX Settlement

27 May 2026

At its 27 May meeting, the Business Committee was updated on:

- The detailed design discussions with industry on corporate action elections functionality and ASX's updated proposal for development to be mandatory for participants.
- Post implementation reviews of two previously communicated issues regarding CHESS connectivity and a delay to batch settlement.
- The CHESS Project, covering a post implementation update for CHESS Release 1 and overall delivery for CHESS Release 2 including industry build and test progress for Drop 1.
- Discussions on how AI could be used to improve cash equities clearing and settlement services and cyber resilience.
- ASX's proposal to form a Working Group to develop a Tokenisation discussion paper.
- Updates from the Statements Working Group and Share Sale Fraud Working Group covering:
    - ASX's goal to remove paper CHESS statements and notifications by CY2029
    - The recent examples how organisations have been sharing information in confirmed fraud or scam case to improve market awareness and collective response capability.
- Service performance of CHESS up to April 2026 and ASX's annual report on its interactions with Users and Technology Service Providers.

AGREED ACTIONS

There were two new actions raised during the meeting:

1. ASX to seek Business Committee member interest to form the Tokenisation Working Group to develop an industry discussion paper.
2. Business Committee members to provide feedback on the solution design or on potential issues that could impede take up for corporate action elections functionality.

Draft minutes from the meeting are attached.

ASX Business Committee

Date	Wednesday, 27 May 2026
Time	12:30pm – 2:30pm
Location	Level 27, 39 Martin Place Sydney or MS Teams

	Agenda Item	Action	Presenter(s)	Est Time	Page
1. Meeting Opening				**10 min**	
a.	Welcome, Open, Acknowledgement of Country	Noting	Chair		
b.	Minutes of 11 February 2026 meeting	Approval	Chair		7
Items For Presentation				**85 min**	
2. Business Committee Member Items					
a.	Member initiated items	Discussion	[placeholder]	5 mins	8
3. Clearing & Settlement Services, Issuer Services					
a.	CHESS connectivity - post incident review	Discussion	Stephen Kelly	10 mins	9
b.	CHESS batch delay - post incident review	Discussion	Karen Webb	10 mins	10
c.	Statements Working Group	Discussion	Karen Webb	10 mins	12
d.	Share Sale Fraud Working Group	Discussion	Maria Lykouras (SIAA)	5 mins	15
e.	Use of AI	Discussion	Andrew Jones	10 mins	16
f.	Tokenisation	Discussion	Andrew Jones	5 mins	17
g.	Industry-wide cyber-scenario test update	Discussion	Diona Rae	10 mins	18
4. CHESS Project					
a.	CHESS Project update	Discussion	Triona Quinlan	10 mins	21
b.	Update on detailed design for corporate action elections functionality	Discussion	Chris Boyes	10 mins	29
Question Session – Items Not For Presentation				**15 min**	
5. Clearing & Settlement Services, Issuer Services, CHESS Project					
a.	ASIC Inquiry Final Report	Noting	Andrew Jones		36
b.	CS Service Rules - user interactions	Noting	Steven Hannan		37
c.	Operational performance cash market clearing and settlement	Noting	Stephen Kelly		42
d.	Margin requirements for third-party clearing arrangements	Noting	Chris Boyes		50
6. Meeting Closing				**10 min**	
a.	Open actions	Approval	Chair		52
b.	Forward work program	Noting	Chair		55
c.	Any other business	Discussion	Chair		
d.	Next meeting – 16 September 2026	Noting	Chair		

Action Items

Item number #	Action	Due date	Status	Owner
26-05-01	ASX to seek for Business Committee members interest to form the Tokenisation Working Group to develop an industry discussion paper on tokenisation.	September 2026	Open	ASX
26-05-02	Business Committee members to provide feedback on the solution design or on any potential issues that could impede take up of corporate action election functionality	September 2026	Open	Business Committee Members
26-02-01	ASX to report to the Business Committee on the final ASIC Inquiry report and ASX response, in so far as it relates to clearing and settlement matters	May 2026	Closed	ASX
26-02-02	ASX to provide the Business Committee with the key outputs from its post implementation review on the CHESS connectivity issues.	May 2026	Closed	ASX
25-9-3	ASX to report back to the Risk Consultative Committee on the business case for margin pass-through in third-party clearing scenarios	May 2026	Closed	ASX
25-9-4	Business Committee members to advise ASX if they wish to participate in discussions on an industry-wide cyber scenario test	May 2026	Closed	ASX
25-12-01	ASX to revert to Business Committee members on its communication protocols for incidents with a focus on CHESS Release 1	Feb 2026	Closed	ASX

Business Committee Members (47)

Chair (1)

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

Clearing and Settlement Participants (25)

Company	Representative	Title	Delegate / Apology
ABN AMRO Clearing	Adrian Rubin	Chief Executive Officer, APAC	
Australian Investment Exchange Limited (AUSIEX)	Peter Robinson	Head of Operations	
Bank of America Merrill Lynch	Stephen Hacker	Director, Head of Operations	
Barrenjoey	Louise Boreham	Head of Operations	
BNP Paribas	Gary O'Brien	Head of Clearing and Custody Product, Asia Pacific	
Burrell & Co Holdings	Saskia Jo	Associate Director – Finance	
CITI	Lyall Herron	Custody & Clearing Product Manager, Australia & New Zealand	
CMC	Andrew Rogers	Director of Broking Business	
CommSec	Sheridan Thompson	Executive Manager, Industry Engagement & Strategy	
Euroz Hartleys	Anthony Brittain	Executive Director, Chief Operating & Financial Officer	Apology
FinClear Services Pty Ltd	Leigh Conder	Chief Operating Officer	
FNZ Custodians (Australia)	Michael Hawke	Head of Sales and Trading, Customer Relationships	
Goldman Sachs	Yen Lee	Head of ANZ Operations	Marton Laszlo
Instinet Australia	Phil Penrose	Head of Australian Operations	Apology
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	Jodie Nair	Operations Manager	
Openmarkets Australia	Rob Forbes	Chief Operating Officer	
Phillip Securities (Australia) Limited	Craig Semmens	Chief Executive Officer/Executive Director	Apology
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	Apology
Chimaera Capital	Rochelle Pattison	Director	Apology
HSBC	Simon Siluk	Senior Product Manager	

Approved Market Operators (4)

Company	Representative	Title	Delegate / Apology
Australian Securities Exchange (ASX)	Ben Jackson	General Manager, Market Operations	
Cboe Australia Pty Ltd	John Williams	Director Australian Equity Operations	
National Stock Exchange (NSX)	Chan Arambewela	Chief Operating Officer	
Sydney Stock Exchange (SSX)	George Wang	Executive Director	

Industry Associations (6)

Company	Representative	Title	Delegate / Apology
Australian Custodial Services Association (ACSA)	Robert Poulter	Chair of the ACSA Operations Working Group	Shiran Mahendran
Australasian Investor Relations Association (AIRA)	Ian Matheson	Chief Executive Officer	
Australian Shareholders' Association (ASA)	Rachael Waterhouse	Chief Executive Officer	Natalie Kulakoff
Governance Institute of Australia (GIA)	Catherine Maxwell	General Manager, Policy & Advocacy	
Stockbrokers and Investment Advisers Association (SIAA)	Maria Lykouras	Chief Executive Officer	
The Australian Financial Markets Association (AFMA)	Damian Jeffree	Senior Director of Policy	

Registries (4)

Company	Representative	Title	Delegate / Apology
Automic	Sue Julian	Chief Operating Officer	
BoardRoom	Tharun Kuppanda	Head of Risk, Compliance and Regulatory Partnerships	Apology
Computershare	Paul Walton	Senior Manager, Regulatory & Market Initiatives	Leanne Bailey
MUFG Pension & Market Services	David Farr	Managing Director, Corporate Markets ANZ	

Technology Service Providers (2)

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

ASX Representatives (12)

Company	Representative	Title	Delegate / Apology
Australian Securities Exchange (ASX)	Andrew Jones	Acting Group Executive, Securities & Payments	
Australian Securities Exchange (ASX)	Chris Boyes	Head of Product, Securities and Payments	
Australian Securities Exchange (ASX)	Con Korkofigas	Senior Legal Counsel and Senior Manager	Ian Fernandes
Australian Securities Exchange (ASX)	Diona Rae	Chief Operating Officer	
Australian Securities Exchange (ASX)	Dirk McLiesh	Chief Risk Officer	
Australian Securities Exchange (ASX)	Karen Webb	General Manager, Equities Post Trade, Securities and Payments	
Australian Securities Exchange (ASX)	Sally Palmer	Deputy General Counsel	
Australian Securities Exchange (ASX)	Stephen Hammon	General Manager, Business Management & Planning, Securities & Payments	
Australian Securities Exchange (ASX)	Stephen Kelly	General Manager, Clearing & Settlements Operations	
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 (0)

Company	Representative	Title	Delegate / Apology

Observers (10)

Company	Representative	Title	Delegate / Apology
Australian Securities and Investments Commission (ASIC)	Benjamin Cohn-Urbach	Senior Executive Leader, Market Infrastructure	
Australian Securities and Investments Commission (ASIC)	Hema Raman	Senior Specialist, Market Infrastructure	
Australian Securities and Investments Commission (ASIC)	Nick Hughes	Senior Specialist - Technology, Market Infrastructure Markets Group	
Australian Securities and Investments Commission (ASIC)	Annaliese Fitzgerald	Analyst – Technology Markets Group	
Australian Securities and Investments Commission (ASIC)	Liang Chen	Analyst, Market Infrastructure	
Australian Securities and Investments Commission (ASIC)	Vivienne Tannock	Senior Executive, Markets Supervision and Transformation	
Reserve Bank of Australia (RBA)	Nick Rowbotham	Manager, Clearing and Settlement Supervision	
Reserve Bank of Australia (RBA)	Simon Truong	Lead Analyst, Domestic Supervision and Resolution, Payments Policy Department	
Reserve Bank of Australia (RBA)	Cameron Dark	Senior Manager	
Reserve Bank of Australia (RBA)	Chrissy D'Amico	Lead Analyst, International Supervision and Policy	

Auditors (2)

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

AGENDA ITEM 1: MEETING OPENING

a) Welcome, apologies and Acknowledgement of Country

The Chair welcomed Members, delegates, ASX management, and observers to the 27 May 2026 Business Committee meeting.

The Chair acknowledged the Traditional Custodians of country throughout Australia and paid respects to Elders past and present.

The ASX Senior Manager, Stakeholder Engagement, Securities and Payments noted the apologies.

The Chair outlined the agenda noting that this meeting would cover an update on the post implementation reviews (**PIR**) from two previously reported issues, key developments from the Working Groups, AI usage and tokenisation, and updates on the CHESS Project and engagement on corporate action election functionality.

b) Minutes of 11 February 2026 meeting

The Chair noted that the minutes of the 11 February 2026 meeting and the report to the Boards of ASX Clear and ASX Settlement had been circulated on 25 February 2026 with one amendment from a Business Committee member.

The minutes were approved without further comment.

ITEMS FOR PRESENTATION

AGENDA ITEM 3: Clearing & Settlement, Issuer Services

a) CHESS Connectivity PIR

The ASX General Manager, Securities and Payments Operations provided an overview of the two CHESS connectivity issues impacting participants and an AMO on 2 February:

- The first issue was caused by a participant that had initiated multiple connection attempts to CHESS preventing new connection attempts from other participants. The issue was detected at approximately 7:20am prior to market open and was resolved by restarting the CHESS network connection layer at approximately 7:40am. Except for an AMO, ASX confirmed reconnection of all expected CHESS Users ahead of market open at 10:00am.
- The second issue was due to the AMO being unable to reconnect to CHESS. ASX invoked business continuity processes at 9:30am to support trade ingestion and continued to engage the AMO to support resolution of the issue. In the end, business continuity processes were not required to be used as full connection by the AMO was restored at 10:16am with the backlog of trade registration messages fully processed by 10:40am.

The ASX General Manager, Securities and Payments Operations noted that the decisions taken by ASX over the course of responding to the issues were to enable fair and effective market operations. This included the decision to restart the CHESS network connection layer and invoking business processes for the AMO that was experiencing challenges reconnecting to CHESS.

Member discussion

A member queried whether any system changes were required in response to the issues identified. The ASX General Manager Securities and Payments Operations advised that ASX had made enhancements to its network to better detect and manage connection activity and noted that there was expected to be a broader focus on participant education regarding technical requirements and protocols.

A member queried whether there were any learnings on the timeliness and clarity of ASX's communications to the market. The ASX General Manager Securities and Payments Operations advised that communications were provided throughout the incident in line with the CHESS Incident Management Communications Guide, prioritising balancing the need to inform the market whilst ensuring the provision of accurate information as incidents unfold.

b) CHESS Batch Delay PIR

The ASX General Manager Equities Post Trade provided an overview of the CHESS batch settlement delay on 24 February. It was noted that:

- The issue was triggered by a participant's inability to fully fund its net settlement obligation due to an operational funding shortfall.
- To facilitate an orderly settlement outcome and minimise broader market disruption, ASX applied incremental 15-minute delays to batch settlement to assess its response options. In the end, ASX implemented a one-off, risk-based decision to inject funds into the batch, resulting in an overall delay of approximately 60 minutes.
- The issue was not a result of a system outage and was non-technical in nature.

The ASX General Manager, Equities Post Trade outlined that following the issue, ASX identified several actions that have since been added to the CHESS Roadmap for completion, including:

- to review and further refine ASX's operational default decision framework;
- enhance the understanding and documentation of Funds Failure processes; and
- enhance participant education on the Clearing and Settlement rules and how ASX applies decisions based on certain scenarios.

Member discussion

A member sought additional information on the frequency of these types of incidents and if there were any broader concerns regarding the participant involved. The ASX Acting Group Executive Securities and Payments responded that this type of incident was operational rather than credit related and could be considered as rare. The member further queried whether ASX would apply consequence management to the impacted participant. The ASX Acting Group Executive Securities and Payments advised that the matter was currently under review with ASX's Compliance team.

A member sought additional information on whether ASX would define monetary thresholds for when it would consider intervening in the future if there were similar issues with other participants.

The ASX Acting Group Executive Securities and Payments advised that ASX was not planning to apply a fixed monetary trigger for similar issues as any decision would reflect a range of factors, including the nature of the issue, the size of the exposure relative to the margin held, and overall expected market impact. The ASX General Manager Securities and Payment Operations further noted ASX's key considerations was fair and effective market operations.

A member queried whether ASX's decision to fund the shortfall indicated a lack of confidence in its backout algorithm. The ASX Acting Group Executive Securities and Payments clarified that there wasn't a lack of confidence in the backout algorithm and the decision to fund the shortfall was based on the consideration of broader market impacts.

A member complimented the effectiveness of ASX's communication during the period batch was delayed and queried whether the outcome would have changed had the impacted participant not have informed ASX of the funding shortfall. The Acting Group Executive Securities and Payments responded that if the issue was identified after the commencement of batch, the process would have automatically paused due to a failure to receive required payment provider acknowledgements at which point ASX would have needed to resolve the issue but under tighter time constraints.

A member sought additional information on whether existing financial controls were sufficient and how it informed ASX's decision making. The ASX General Manager Securities and Payments Operations responded that margin and liquidity controls operated effectively. It was further noted that these controls, alongside credit assessments and attestations from the participant that the issue was operational were key factors supporting ASX's decision making on the day.

c) Statements Working Group

The General Manager Equities Post Trade provided an update on the latest developments of the Statements Working Group since February 2026. It was noted that:

- Working Group membership had expanded to include three additional major issuers providing for more balanced representation across stakeholder cohorts.
- The percentage of holding statements being issued electronically to the month ending April 2026 increased to 28.7%.
- ASX had introduced a proposal to remove the delivery of paper CHESS statements and notifications by CY2029 which was well received by members for further consideration.
- Ongoing marketing initiatives targeting investors to promote electronic statement opt-in continued to progress including social media campaigns, sharing information via stands at investor conferences and including pamphlets in mailed statements. Some feedback received from investors has been incorporated to simplify outward communications.
- ASX had issued a draft guidance paper for member review on arrangements to redact HIN/SRN information from correspondence to investors across the market, an action to help prevent investor fraud. It is anticipated the finalised paper will be published in next couple of months.

The Acting Group Executive, Securities and Payments reiterated ASX's proposal to remove the delivery of paper CHESS statements and notifications by CY2029 and commented on the benefits that could be delivered for the industry.

Member discussion

No member feedback was recorded.

d) Share Sale Fraud Working Group

The Business Committee member representative for the Stockbrokers and Investment Advisers Association provided an update on the key developments of the Share Sale Fraud Working Group. It was noted that:

- At the latest meeting held on 24 February, a member outlined their organisation's approach of sharing personal information in confirmed fraud or scam cases. The information to be shared would be limited and targeted to affected participants or broader market where relevant. Other members advised they were considering similar approaches subject to legal consideration and shared examples of recent fraud incidents to improve market awareness and collective response capability.
- Some of the examples shared by members over the course of the meetings have been included in SIAA's monthly communication to raise further awareness and in its response to the International Organization of Securities Commissions survey aimed at collecting information about fraud and scam activity.

Member discussion

A member highlighted their concerns regarding the sensitive personal information included in mail correspondence, noting the potential for misuse if mail is intercepted, and asked that redaction be prioritised.

e) Use of AI

The Acting Group Executive Securities and Payments provided an overview on ASX's use of AI. It was noted that:

- ASX's AI usage was governed by policy and supporting frameworks for business-led technology development.
- AI usage was expected to expand progressively within existing governance and control settings.
- ASX's current use cases of AI was consistent with common industry adoption for non-deterministic support activities such as document drafting, research, and general productivity tasks.
- ASX had enabled AI tools such as Copilot within existing secure ASX platforms with data access controlled through existing user permissions.

The ASX CIO noted that ASX was exploring the use of AI, however the current focus was ensuring an appropriate level of governance and controls were in place to safely manage usage.

Member discussion

Some members noted the heightened interest from the regulators regarding AI use for cyber resilience and acknowledged the increased expectations for organisations to adopt AI for defensive purposes.

A member queried whether ASX was considering how it could deliver services to make them more AI friendly or the introduction of AI-enabled products more broadly. The ASX CIO noted that ASX was exploring opportunities to enhance data accessibility which would enable participants to leverage AI tools more effectively against ASX data.

f) Tokenisation

The ASX Acting Group Executive Securities and Payments introduced tokenisation as an emerging industry theme noting the market interest in the digital representation of securities and increasing focus from global market infrastructure providers.

The ASX Acting Group Executive, Securities and Payments outlined that ASX was planning to form a Working Group to develop an industry-wide discussion paper on tokenisation for Australia's market infrastructure. Working Group members would be requested to provide input to the discussion paper, contribute to use case development, and review and comment on the draft outputs. Participation for the Working Group would be open to a broad range of stakeholders with formal invitations to be issued in due course.

An open action was recorded for ASX to seek Business Committee members interest to form the Tokenisation Working Group to develop an industry discussion paper on tokenisation (**open action 26-5-1**).

Member discussion

A member referred the Business Committee to the recent work completed by the Digital Finance Cooperative Research Centre and the Reserve Bank of Australia, Project Acacia, describing it as a valuable industry exercise in advancing tokenisation-related initiatives.

g) ASX Industry-wide Cyber Scenario Test

The ASX COO introduced the ASX Senior Manager Operational Incident Resilience who was responsible for leading work on cyber-related preparedness activities.

The ASX Senior Manager Operational Incident Resilience provided an update on the planned ASX industry-wide cyber scenario exercise. It was noted that

- The exercise was expected to be conducted in Q2 2027 focussing on clearing and settlement with particular emphasis on CHESS.
- It would be operated as a discussion-based exercise bringing together ASX, regulators, government agencies and CHESS users to assess impacts, dependencies and decision-making over a multi-day cyber event scenario.
- The key objectives were to improve market-wide resilience through collaborative scenario testing, enhance understanding of interdependencies across the industry, identify potential impacts to liquidity, funding and broader market stability.

The ASX Senior Manager Operational Incident Resilience advised that Business Committee members would be invited to register interest, provide input into scenario design, and participate in engagement sessions. An industry wide email on the exercise seeking expressions of interest was expected to be submitted in early-June 2026.

Member discussion

A member queried when participants would be invited to register and provide input. The ASX Senior Manager Operational Incident Resilience outlined that an initial email would be issued inviting early expressions of interest with formal registration to follow in September 2026. Another member queried whether participation would be mandatory. The ASX Senior Manager Operational Incident Resilience advised that participation would not be mandatory but is strongly encouraged.

A member sought additional information on whether the exercise would be open to technology and platform providers, or only direct participants. The ASX Senior Manager Operational Incident Resilience responded that participation would be open to the broad market ecosystem, including participants, payment providers, registries and other relevant stakeholders.

AGENDA ITEM 4: CHESS Project

a) CHESS Project Update

The ASX General Manager, Technology Delivery provided a post Go-Live update for CHESS Release 1 and on CHESS Release 2:

With regards to CHESS Release 1 which was implemented on 20 April 2026:

- Two warranty releases were provisioned on 9 May and 23 May to enable remediation of potential post Go-Live issues. The 9 May warranty release was not required to be used, and minor downstream data quality fixes were applied for the 23 May warranty release. No fixes were required for the core system.
- One connectivity issue was identified at approximately 4pm on 29 April which impacted one AMO. The issue was resolved with no impact to end-of-day processes or downstream services.
- The Project was expected to transition from Hypercare to BAU support in early-June 2026.
- ASX completed its post implementation review of the CHESS Release 1 cutover event receiving positive feedback from industry on its communication approach and the operation of the dress rehearsal events.

With regards to CHESS Release 2:

- 19 out 24 software providers were currently connected to the CHESS Release 2 industry test environment (**ITE2**) completing build and test activities for Drop 1.
- Testing for Drop 2 commenced in mid-April 2026 later than originally planned due to the prioritisation on CHESS Release 1.
- Scope items relating to Clearing have been moved from Drop 2 to Drop 3 to improve the testing outlook. Drop 2 testing was targeted for completion by late-June 2026.
- BaNCS build for Drop 3 was targeted to be completed by late-May 2026.

- The User Technical Documentation for Drop 4 were expected to be published in June 2026.

Member discussion

Some members queried whether there were broader learnings or systemic issues identified from the connectivity issue. The ASX CIO advised that the incident was attributable to network traffic between system components which was resolved relatively quickly and a permanent corrective action was implemented so the incident would not re-occur.

A member queried whether the move to the cloud had impacted CHESS capacity and throughput. The ASX Acting General Executive Securities and Payments advised the new platform provided significantly increased capacity supporting up to 21 million trades per day.

b) Corporate Action Elections Functionality Update

The ASX Head of Product, Securities and Payments provided a summary of the industry feedback received during the detailed design workshops on corporate action elections functionality. It was noted that:

- Support for corporate action elections functionality remained strong from Custodians, Retail Participants and Institutional Participants.
- Share Registries acknowledged the benefits eliminating the current manual processes adopted by industry to process corporate action elections and the investment required to implement this functionality.

The ASX Head of Product, Securities and Payments provided an overview of the proposed solution design, the comparison to similar offerings provided by other markets and the potential commercial impacts based on the existing fee schedule.

The ASX Head of Product, Securities and Payments advised that development of corporate action election functionality would continue to be mandatory for share registries, however, proposed for development to be considered mandatory for participants who did not currently have an acceptable electronic arrangement in place.

Member discussion

The Chair invited Business Committee feedback on ASX's proposed solution design and proposal to make development mandatory for Participants.

- A member sought additional information on the communication of beneficial holding information on a per-election basis and how it was currently being managed by the industry. The ASX Head of Product responded that currently for corporate action events such as share purchase plans, participants were required to provide a beneficial ownership schedules to registries and that this was broadly a manual process performed via spreadsheets or email. The proposed solution design seeks to embed beneficial ownership data within CHESS messaging reducing reliance on manual processes and improving efficiency.
- Some members commented that their organisation would be interested in further discussions on the proposed solution design offering for beneficial ownership and definition of acceptable electronic arrangements. The ASX Head of Product, Securities and Payments noted the requests for further engagement and advised that bilateral discussions could be undertaken to refine the approach and address any final concerns.

- Some members queried whether there were any potential CHESS Project timeline impacts resulting from introducing new corporate action election functionality into CHESS Release 2. The ASX Head of Product, Securities and Payments responded that corporate action election functionality was planned to be developed as part of CHESS Release 2 Drop 5 and considered to not impact the overall timeline.
- A member requested for ASX to provide cost-benefit analysis to support industry decision-making. The ASX Acting Group Executive Securities and Payments advised that centralised cost-benefit analysis was challenging given the varying operating models across the industry and noted the broad industry view from consultation was that this new functionality would deliver net industry benefits. The ASX Head of Product, Securities and Payments emphasised that the purpose of current engagement was to agree on an industry position on this new functionality to avoid partial adoption or deferred implementation which could result in fragmentation or reduced value from industry investment.
- A member acknowledged ASX's proposal and advised that it will be submitted to its internal committee for consideration.
- Some Business Committee members emphasised the need for clarity on which participants are expected to adopt the functionality particularly if development was to be mandatory.

The Chair queried how ASX intended to engage industry over the next two months. The ASX Head of Product Securities and Payments responded that the next two months was expected to be managed primarily through targeted bilateral engagement noting that the ISO Working Group was already considering the next level of detail focussing on the message design. The ASX Head of Product Securities and Payments noted that the follow-on engagement sessions would be targeted to the residual areas of feedback including beneficial ownership information. An open action was recorded for Business Committee members to provide feedback on the solution design or on any potential issues that could impede take up (**open action 26-5-2**).

AGENDA ITEM 5: Question Session: Clearing and Settlement Services, Issuer Services, CHESS Project

The Committee noted papers on ASX's market announcement responding to the ASIC Inquiry Final Report, the Annual Report on User interactions required under CS Services Rules, operational performance and an update on ASX's initial assessment on enabling margining in third party clearing scenarios.

Member discussion

No member discussion was recorded.

AGENDA ITEM 6: MEETING CLOSE

a) Open actions and items to be kept in view

The Chair noted that the four of four open actions carried forward from the 11 February 2026 Business Committee meeting were proposed to be closed following the updates provided in today's session.

- ASX to report back to the Risk Consultative Committee on the business case for margin pass-through in third-party clearing scenarios (**open action 25-9-3**). This action was to be kept in view.
- Business Committee members to advise ASX if they wish to participate in discussions or provide feedback on the timing and scheduling of the industry wide cyber resilience event (**open action 25-9-4**).
- ASX to report to the Business Committee on the final ASIC Inquiry report and ASX response, in so far as it relates to clearing and settlement matters (**open action 26-2-1**).
- ASX to provide the Business Committee with the key output from its post implementation review on the CHESS connectivity issues (**open action 26-2-2**).

There were two new actions raised during the meeting:

1. ASX to seek Business Committee member interest to form the Tokenisation Working Group to develop an industry discussion paper (**open action 26-5-1**).
2. Business Committee members to provide feedback on the solution design or on potential issues that could impede take up for corporate action elections functionality (**open action 26-5-2**).

Member discussion

No member discussion was recorded.

b) Forward work program

The Chair encouraged Business Committee members to raise member-initiated items to include in the forward work program.

Member discussion

No member discussion was recorded.

c) Any other business

Member discussion

No member discussion was recorded.

d) Next meeting – 16 September 2026

The Chair thanked members for their contributions and closed the meeting at 1:48pm. The next meeting will be held at ASX's Martin Place building on 16 September 2026.

Signed as a correct record of the meeting.

Chair	Date