

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

11 December 2024

At its December meeting, the Business Committee was updated on:

- T+1 Settlement including:
 - Broad support was received on ASX's proposed option to move to T+1 after the implementation of CHES replacement Release 2.
 - Updates on the status of other major markets transition to T+1 were discussed.
- The key themes of the Pricing Policy Consultation feedback and how ASX plans to address industry feedback. An action was taken to hold an industry information session to demonstrate how member feedback has been addressed in the proposed Pricing Policy.
- The upcoming TNF Australasia meeting scheduled for Tuesday 4 and Wednesday 5 March 2025.
- The CHES replacement project, including a project update, scope recommendations from the CHES Replacement Technical Committee, Consultation Paper for Release 2 and the Partnership Program. After discussion, the Business Committee endorsed the proposed scope recommendations.
- Service performance of CHES up to November 2024 and work performed to maintain the stability of existing CHES.
- Regulatory expectations reporting including the FY24 cash market clearing and cash market settlement management accounts and FY25 annual growth threshold.
- The objectives of the Statements Working Group and discussions around fraud prevention.

AGREED ACTIONS

Two open actions were closed:

- ASX to perform further analysis to articulate benefits of moving to T+1 settlement, including margin and capital savings analysis. (**action item 23-7-2**).
- ASX to prepare a roadmap to provide stakeholder impact visibility across the major work streams running in tandem (such as current CHESS initiatives, CHESS replacement, and T+1). (**action item 23-12-2**).

There was one new open action was raised at the meeting:

- ASX to hold an industry session prior to publication of ASX's response to the Pricing Policy consultation to demonstrate how feedback has been addressed, covering key items including the recovery of capital costs and efficiency dividends. (**action item 24-12-1**).

Draft minutes from the meeting are attached.

Agenda

Business Committee

Date	11 December 2024	Time	4:00pm-6:00pm
Location	ASX offices, 20 Bridge Street, Sydney/MS Teams		

1. Meeting Opening	Action	Presenter(s)	Time 5 mins	Page
a. Welcome, apologies and Acknowledgement of Country	Noting	Chair		
b. Minutes of 11 December 2024 meeting	Approval	Chair		7
ITEMS FOR PRESENTATION			100 mins	
2. BC Member initiated item(s)				
a. [Placeholder for member-initiated items]			5 mins	
3. Clearing & Settlement Services, Issuer Services				
a. T+1 Working Group	Discussion	Lisa Briggs	15 mins	8
b. Pricing Policy consultation update	Discussion	Stephen Hammon	15 mins	12
c. The Network Forum Australasia	Discussion	Catherine Michael	5 mins	13
4. CHES replacement project				
a. Project update	Discussion	Triona Quinlan	10 mins	14
b. Scope objectives update	Discussion	Chris Boyes	20 mins	22
c. Consultation paper for Release 2	Discussion	Andrew Jones	20 mins	30
d. Partnership Program	Discussion	Andrew Jones	10 mins	33
QUESTIONS SESSION – ITEMS NOT FOR PRESENTATION			10 mins	
5. Clearing & Settlement Services, Issuer Services				
a. Operational performance: cash market clearing and settlement	Noting	Suzy Munro		35
b. Maintaining the stability of existing CHES	Noting	Andrew Jones		44
c. FY24 management accounts	Noting	Matthew Patterson		46

d.	Australian Carbon Exchange initiative – update	Noting	Karen Webb	47	
e.	Electronic statement take-up update	Noting	Karen Webb	48	
f.	Customer Impact Plan	Noting	Andrew Jones	52	
g.	Margin and capital considerations for T+1 update	Noting	Andrew Jones	53	
h.	FY25 annual growth threshold	Noting	Stephen Hammon	54	
6. Meeting closing		Action	Presenter(s)	5 mins	Page
a.	Open actions	Approval	BC Secretariat		55
b.	Forward work program	Noting	BC Secretariat		58
c.	Any other business	Discussion	Chair		
d.	Next meeting – 12 March 2025	Noting	Chair		

Action Items

Item number #	Action	Due date	Status	Owner
23-7-2	ASX to continue their analysis to articulate benefits of moving to T+1 settlement, including margin and capital savings analysis	Dec 2024	Closed	ASX
23-12-2	ASX to prepare a roadmap to provide stakeholder impact visibility across the major work streams running in tandem (such as current CHES initiatives, CHES replacement and T+1)	Dec 2024	Closed	ASX
24-12-1	ASX to hold an industry session prior to publication of ASX's response to the Pricing Policy consultation to demonstrate how feedback has been addressed, covering key items including the recovery of capital costs and efficiency dividends	Mar 2024	Open	ASX

Business Committee Members (42)

Chair (1)

Company	Name	Job Title	Apologies
	Paul Rayson	Independent Chair	

Clearing & Settlement Participants (25)

Company	Name	Job Title	Apologies
ABN AMRO CLEARING	Adrian Rubin	Chief Executive Officer, APAC	
AUSIEX	Patrick Salis	Chief Executive Officer	
BANK OF AMERICA MERRILL LYNCH	Stephen Hacker	Director, Head of Operations	
BARRENJOEY MARKETS	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	Leigh Conder	Chief Operating Officer	Apology
FNZ CUSTODIANS (AUSTRALIA)	Paul Beal	Head of Capital Markets	
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	Apology
MACQUARIE GROUP	James Indge	Cash Equities Business Manager	
MORGANS FINANCIAL	Daniel Spokes	Director, Client Support Services	
MORGAN STANLEY	Rebecca Collins	Head of Institutional Operations	Carrie Barrack, Country Business Manager
MORRISON SECURITIES	William Slack	Chief Executive Officer	Apology
OPENMARKETS AUSTRALIA	Rob Forbes	Chief Operating Officer	Apology
RBC SECURITIES AUSTRALIA	Daniel Gray	Managing Director, Head of Business & Client Services, APAC	
STATE ONE STOCKBROKING	Geoff Reilly	Chief Executive Officer	
THIRD PARTY PLATFORM	Lee Muco	Chief Executive Officer	Apology
UBS	Conor Foley	Senior Business Manager	

WEALTHHUB SECURITIES	Anita Mead	Head of High Net Worth, Investment Platforms
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Settlement Only Participants (3)

Company	Name	Job Title	Apologies
CERTANE CT	Rose O'Rourke	Operations Manager	
CHIMAERA CAPITAL	Rochelle Pattison	Director	
HSBC	Toni Icevski	Head of Client Services, Securities Services	Apology

Approved Market Operators (4)

Company	Name	Job Title	Apologies
ASX	Andrew Walton	Head of Product Management, Markets	
CBOE	John Williams	Director, Australian Equity Operations	
NATIONAL STOCK EXCHANGE	Chan Arambewela	Chief Operating Officer	
SYDNEY STOCK EXCHANGE	Steven Larkins	General Manager, SSX Market Operations	

Industry Associations (6)

Company	Name	Job Title	Apologies
THE AUSTRALIAN FINANCIAL MARKETS ASSOCIATION	Damian Jeffree	Senior Director of Policy	Apology
AUSTRALASIAN INVESTOR RELATIONS ASSOCIATION	Ian Matheson	Chief Executive Officer	
AUSTRALIAN CUSTODIAL SERVICES ASSOCIATION	Christopher Moore	ACSA Executive Sponsor	
AUSTRALIAN SHAREHOLDERS' ASSOCIATION	Fiona Balzer	Policy & Advocacy Manager	
GOVERNANCE INSTITUTE OF AUSTRALIA	Megan Motto	Chief Executive Officer	
STOCKBROKERS AND INVESTMENT ADVISERS ASSOCIATION	Judith Fox	Chief Executive Officer	

Registries (3)

Company	Name	Job Title	Apologies
BOARDROOM	Kornel Toth	Senior Risk, Risk & Compliance	
COMPUTERSHARE	Scott Hudson	General Manager, Market Liaison	
MUFG PENSION & MARKET SERVICES	Peter Jackson	Chief Operating Officer	

ASX Representatives

Name	Job Title	Apologies
Clive Triance	Group Executive, Securities & Payments	
Tim Whiteley	Chief Information Officer	
Diona Rae	Chief Operating Officer	
Sally Palmer	Deputy General Counsel	
Con Korkofigas	Senior Legal Counsel and Senior Manager	
Kate Rennick*	Regulatory and Policy Adviser, General Counsel and Co Sec	Diane Lewis, General Manager, Regulatory Strategy and Executive Advisor
Suzy Munro	General Manager, Securities & Payments Operations	
Sabra Mott	General Manager, Securities & Payments Technology	Apology
Stephen Hammon	General Manager, Business Management & Planning, Securities & Payments	
Triona Quinlan	General Manager, Technology Delivery	
Andrew Jones	General Manager, Equities, Securities & Payments	
Lisa Briggs	Senior Manager, Equities, Securities & Payments	
Catherine Michael	Stakeholder Communications and Events Manager, Equities, Securities & Payments	
Karen Webb	Head of Issuer Services, Securities & Payments	
Resan Ovat	Senior Manager, Issuer Services, Securities & Payments	
Steven Hannan	Senior Manager, Stakeholder Engagement, Securities & Payments	

Auditors

Company	Name	Job Title	Apologies
ERNST & YOUNG	Roberto Fitzgerald	Partner, Financial Services	
ERNST & YOUNG	Laura West	Senior Manager, Business Consulting	

Observers

Company	Name	Job Title	Apologies
ASIC	Benjamin Cohn-Urbach	Acting Senior Executive Leader, Market Infrastructure	
ASIC	Dodie Green	Senior Manager, Market Infrastructure	
ASIC	Liang Chen	Analyst, Market Infrastructure	
ASIC	Derek Scott	Senior Specialist, Market Infrastructure	
RBA	Kylie Stewart	Senior Manager, Domestic Supervision and Resolution, Payments Policy Department	Apology
RBA	Elizabeth Kandelas	Manager, Domestic Supervision and Resolution, Payments Policy Department	
RBA	Jordan Brell	Lead Analyst, Clearing and Settlement Supervision, Payments Policy Department	
RBA	Alice Frank	Lead Analyst, Domestic Supervision and Resolution, Payments Policy Department	

AGENDA ITEM 1: MEETING OPENING

a) Welcome, apologies and Acknowledgement of Country

The Chair welcomed Members, delegates, ASX management, Ernst & Young and observers to the 11 December 2024 meeting.

The Chair noted that meeting attendance was recorded and is reflected in the tables provided, and an Acknowledgement of Country was made.

The Chair provided an overview of the agenda and members were reminded of their obligations under competition law and encouraged to actively participate, noting the purpose of the Committee was for stakeholders to provide input and feedback on all clearing and settlement matters.

b) Minutes of 18 September 2024

The Chair noted that ASX had received no comments on the draft minutes for the Business Committee meeting of 18 September 2024, which were approved without any further changes.

ITEMS FOR PRESENTATION

AGENDA ITEM 2: BUSINESS COMMITTEE MEMBER INITIATED ITEM(S)

No Business Committee (BC) member-initiated items were raised during the meeting.

AGENDA ITEM 3: CLEARING AND SETTLEMENT SERVICES, ISSUER SERVICES

a) T+1 Update

The ASX General Manager, Equities, Securities and Payments provided a general T+1 update which outlined:

- The responses to the Consultation Paper for Release 2 provided broad support on ASX's proposed option to move to T+1 after the implementation of CHES replacement Release 2.
- ASX provided an external presentation on the transition of major markets to T+1 at the T+1 Working Group meeting in December 2024. The external presentation noted that for organisations that have moved to T+1 settlement, capital savings have not been passed on to customers due to the costs associated with increased operational burden and inefficiencies.
- ASX will plan the key milestones required to move to T+1 settlement and the governance processes to support decision-making. The draft plan will be presented to the industry via the T+1 Working Group and the Business Committee.

The ASX Group Executive, Securities and Payments provided an update on the recent TNF Conference Asia meeting held in Singapore in November 2024.

Member discussion

There was broad support for the ASX's approach to T+1 planning.

b) Pricing Policy consultation update

The ASX General Manager, Business Management & Planning, Securities and Payments, provided an update on the key themes of the Pricing Policy consultation feedback. It was noted that:

- 13 submissions were received from a cross section of the industry which included participants, industry associations and AMOs. Varying levels feedback was received across a range of key areas around the consultation.
- The ASX Cash Equities Clearing and Settlement Advisory Group (**Advisory Group**) provided feedback on the draft Pricing Policy at the Advisory Group meeting of November 2024.
- ASX plans to update the Pricing Policy and hold bilateral meetings with industry respondents to address the feedback received. The updated Pricing Policy will be presented to the Business Committee for discussion.
- ASX proposed to defer the commencement date of the Pricing Policy to Q3 2025 to ensure that all feedback had been adequately considered and addressed.

Member discussion

A member queried whether the draft Pricing Policy would be updated or revised given the current feedback received. The ASX General Manager, Business Management & Planning, Securities and Payments noted that some elements of the draft Pricing Policy will be revised whilst other elements will be enhanced with additional information to what has already been provided.

A member sought additional information on how ASX would ensure that the Pricing Policy consultation process and response to consultation would be transparent for all industry participants. The ASX General Manager, Business Management & Planning, Securities and Payments advised that ASX intends to meet with industry respondents to outline how their feedback has been addressed and that the response to consultation would also summarise how ASX has responded to key feedback and response themes.

The Chair recorded an action for ASX to hold an industry session prior to publication of ASX's response to the Pricing Policy consultation to demonstrate how feedback has been addressed, covering key items including the recovery of capital costs and efficiency dividends (**action item 24-12-1**).

Some members expressed their interest in understanding how actual costs are considered when determining the revenue requirement. The ASX General Manager, Business Management & Planning, Securities and Payments advised that the updated Pricing Policy provides additional detail on how ASX sets the revenue requirement and adopts a mechanism which enables the market to also benefit from clearing and settlement efficiency improvements.

A member sought additional information on whether there would be adjustments to the draft Pricing Policy should there be a meaningful level of competition in clearing and settlement. The ASX General Manager, Business Management & Planning, Securities and Payments acknowledged the member's feedback and that the updated Pricing Policy plans to cover how ASX intends to address a competition scenario.

c) TNF Australasia meeting 2025

The ASX Stakeholder Communications and Events Manager, Equities, Securities & Payments noted that the proposed agenda for the 2025 TNF Australasia meeting had been drafted and requested BC members to provide input to the agenda topics. The ASX Stakeholder Communications and Events Manager, Equities, Securities & Payments further noted that opportunities to join panels or speak to the agenda topics could be provided to members interested in participating in the event.

Member discussion

Some members expressed their interest in participating and requested the ASX to consider not-for-profit pricing.

AGENDA ITEM 4: CHESS REPLACEMENT PROJECT

a) Project Update

The ASX General Manager, Technology Delivery provided an overall update on the Project. It was noted that:

- The project was tracking amber due to the flow on impacts from the delays in testing and the delays in finalising the Data and Reporting build for CHESS replacement.
 - Testing for Drop 1 was completed on 13 November 2024, two weeks behind schedule. Testing for Drop 2 commenced on 14 November 2024.
 - The scope for Drop 2 had increased due to the defects and blocked test cases carried over from Drop 1 testing. This was being mitigated by progressing Drop 2 testing over the holiday period, and by prioritising any scope and defect fixes critical to the commencement of AMO Build and Test.
 - It was noted that the delay in the Data and Reporting build would not impact commencement of AMO Build and Test, however, it's a critical component for Release 1 go-live.
- Non-functional testing had commenced with performance and resilience testing for the FIX Gateway.
- Release 2 planning commenced with an initial team focussing on pre-analysis activities including requirements for Release 2 Drop 1 and ISO20022 messaging. The remaining Release 2 teams were planned to ramp up from January 2025 onwards.
- As of November 2024, 9 assurance reviews had been completed with 2 medium and 5 low rated findings open.
- The Project was tracking four key risks and one issue through the CHESS Replacement Technical Committee related to scope, cloud deployment, and schedule.

Member discussion

A member commented on the significance of the amber status and queried whether this reflected a genuine risk of project failure. The ASX General Manager, Technology Delivery clarified that the amber status reflected the risk of delivering against an externally communicated milestone, the commencement date of AMO Build and Test. The ASX CIO further advised that the amber status caused the Project to dedicate additional

resourcing and attention to testing and the Data and Reporting build to ensure that it was completed per the planned schedule.

A member queried when the Project was expected to move back to a green status. The ASX General Manager, Technology Delivery advised that Drop 2 testing will progress over the holiday period and the Project status will be reassessed in late-January 2025.

A member sought additional information on whether there was sufficient contingency in the later stages of the project for Release 1 given the current delays. The ASX General Manager, Technology Delivery advised that four drops including a contingency drop had been planned for the BaNCS team, however nothing has slipped to the BaNCS Drop 4 contingency at this stage. The ASX General Manager, Technology Delivery further noted that there is a month of contingency to complete Drop 2 testing to enable the commencement of AMO Build and Test, should testing not be finalised by January 2025.

Some members sought additional information whether key learnings were identified as a result of the delays. The ASX General Manager, Technology Delivery highlighted the importance of having the BaNCS team onshore to rectify defects or issues real time and scheduling the more complex builds earlier on in the planned schedule. The ASX Group Executive, Securities and Payments noted that the Project had responded to potential timing constraints by building in additional contingency time to Release 2 and timeline checkpoints.

A member appreciated the enhanced transparency of the Project status updates and suggested for ASX to articulate whether there are any material impacts for specific industry cohorts to consider should the Project move to an amber status in the future. The ASX General Manager, Technology Delivery acknowledged the members feedback for consideration.

b) CHES Replacement Scope Objectives

The ASX Senior Product Manager, Equities, Securities and Payments introduced the recommendation of the Technical Committee to the Business Committee on the proposed next steps for the CHES replacement scope objectives that ASX plans to progress to develop detailed design and specifications or that require further industry engagement.

The ASX Senior Product Manager, Equities, Securities and Payments summarised the context supporting the proposed recommendation, including the work that the industry and ASX had completed to get to this point, the further work required on the scope objectives, and the three scope recommendation proposal categories.

The Chair opened for member feedback and discussion.

- A member requested for ASX to consider the establishment of working groups to ensure that adequate feedback was being considered for the scope objective items that require further industry engagement, specifically on the benefits and costs associated with the scope objectives. The ASX General Manager, Equities, Securities and Payments advised that the Project team has planned to hold deep dive sessions in current working groups to address the scope objectives that require further engagement. The outcomes of these sessions are planned to be taken forward via the Technical Committee and Business Committee in 2025.

The Chair proposed the recommendation to the Committee, as set forth in the agenda paper, for determination. The Chair noted that as no member objected to the proposed recommendation, it was the Chair's determination that a broad consensus of members present supported the proposed next steps for

the CHESS replacement scope objectives. The Chair thanked members and ASX for the significant amount of work to get to this point.

c) Consultation Paper for Release 2

The ASX General Manager, Equities, Securities and Payments provided an overview of the proposed changes resulting from the consultation on Release 2, including the items proceeding as planned, adjusted to incorporate consultation feedback or requiring further industry engagement.

The ASX General Manager, Equities, Securities and Payments outlined the feedback received in relation to the Release 2 timeline and the reasons why some industry participants required additional time for implementation.

The ASX General Manager, Equities, Securities and Payments noted that industry timeline checkpoints have now been introduced to reflect feedback in relation to the proposed Release 2 Build and Test phases. It was further noted that the intention is that at these checkpoints, industry will have provided the information required to form a view and advise ASX on whether there are any material risks or issues relating to their ability to continue to meet the Release 2 Project timeline.

Member discussion

A member queried whether ASX intends to proactively engage with industry participants that may not have responded to the Consultation Paper for Release 2. The ASX General Manager, Equities, Securities and Payments responded that ASX plans to hold bilateral meetings with industry participants beyond the 37 that responded to the consultation and other industry-based sessions in 2025 to further discuss the key issues raised. The ASX Group Executive, Securities and Payments noted that ASX was open for BC members to raise any further queries if there was a view that their feedback had not been addressed.

Some members commented on the challenges in estimating the work required to deliver to the Release 2 Project timeline given that some of the required information would be provided at a later stage of the Project. A member commented that the next level of detail will be required to understand what other downstream systems not related to CHESS may be impacted. The ASX General Manager, Equities, Securities and Payments acknowledged the feedback and reiterated the importance and purpose of the timeline checkpoints.

A member sought additional information on whether ASX could provide a demonstration of the TCS product. The ASX Senior Product Manager, Equities, Securities and Payments responded that a demonstration of the customer facing user interface for Release 2 could be provided and that the Project can determine an appropriate time for the demonstration.

A member queried the transparency of industry readiness information at the timeline checkpoints, specifically on the use of readiness dashboards. The ASX General Manager, Equities, Securities and Payments advised that at this stage, ASX is anticipated to provide a report to market at both timeline checkpoints on industry readiness. The ASX General Manager, Equities, Securities and Payments further noted that during the industry readiness stage, ASX has planned to use anonymised dashboards to track progress against industry readiness testing and monitor performance to enable the provision of support as required.

A member queried the level of engagement of EY, the Advisory Group and ASX C&S Board with BC members. The EY Assurance Partner noted that meetings have been held with AMOs in response to EY's request for feedback on the Project with further meetings expected to be held. The Chair noted that the Independent Chair of the Advisory Group had been invited to the Business Committee meeting in March 2025 to provide an update on the Advisory Group. The ASX General Manager, Equities, Securities and Payments took on notice the engagement between the ASX C&S Board and BC members.

d) Partnership Program

The ASX General Manager, Equities, Securities and Payments provided an update on the Partnership Program. It was noted that

- ASX's response to CHES Replacement Partnership Program: Development Incentive Pool Future Milestones Consultation Paper was published on 26 November 2024.
- The full \$70 million allocated towards the Partnership Program is expected to be paid out.
- As at August 2024, ASX had issued rebates to the value of \$14.99 million from the \$15 million available from the participant rebate pool and \$17.5 million from the \$20 million available from the initial payment from the development incentive pool.

Member discussion

A member queried whether there was a cutoff timeframe to complete the milestones required to be eligible for a payment. The ASX General Manager, Equities, Securities and Payments clarified that there was no timeframe cutoff to complete the required milestones at this stage.

QUESTIONS SESSION – ITEMS NOT FOR PRESENTATION

AGENDA ITEM 5: CLEARING AND SETTLEMENT SERVICES, ISSUER SERVICES

a) Operational Performance – Cash Market Clearing and Settlement Services

The Chair provided an overview on the operational performance of Cash Market Clearing and Settlement Services.

Member discussions

No member feedback recorded.

b) Maintaining the stability of existing CHES

The Chair noted that the CHES service continues to operate within key performance indicators, achieving service level objectives for the calendar year up to the end of October 2024.

Member discussions

No member feedback recorded.

c) FY24 Management Accounts

The Chair outlined that the paper for noting was on page 46 of the agenda pack and invited members to raise any queries.

Member discussions

No member feedback recorded.

d) Australian Carbon Exchange initiative

The ASX Head of Issuer Services, Securities and Payments provided an update on the Clean Energy Regulator's discussion paper "Enabling deep, liquid, transparent and accessible carbon markets in Australia" released on 11 October 2024.

Member discussions

No member feedback recorded.

e) Electronic statement take-up update

The ASX Head of Issuer Services, Securities and Payments provided an update on the Statements Working Group:

- The Statements Working Group has been well established with diverse stakeholder representation and additional interest to join. Four meetings had been held since commencement, with the next meeting planned for February 2025.
- Scope, guiding principles and objectives of the Statements Working Group had been agreed. The key objectives include:
 - Electronic communications – increase take-up of electronic communications across ASX Settlement and Issuers.
 - Ongoing communications - Review need for holder notifications going forward, including any unnecessary duplication of communications.
 - Fraud prevention - Standardising practices on disclosure of SRNs and HINs on communications, including review whether SRNs and HINs on statements sent by mail should be redacted.

Member discussion

Some members commented that fraud had become a growing industry concern given the unintended consequences to impacted organisations as well as challenges in sharing of information between organisations to reduce the likelihood of fraud. The ASX Senior Legal Counsel & Senior Manager outlined that ASX is working closing with industry stakeholders to seek greater regulatory engagements on the issue and noted that addressing this issue will likely require action by industry members individually and collectively as well as a broader regulatory and enforcement body response.

A member commented on the low take-up rate of electronic statements for non-zero holding HINs and the significant number of existing HINs still receiving paper statements. Another member responded and noted the various challenges in fixing legacy systems including privacy concerns and resourcing constraints. The ASX Head of Issuer Services, Securities and Payments noted the availability and benefits of the optional HIN pricing model for participants and how this may incentivise opt-in.

f) Customer Impact Plan

The Chair noted that the Customer Impact Plan had been updated in December 2024 and requested for any member feedback (**action item 23-12-2**).

Member discussions

No member feedback recorded.

g) Margin and capital considerations for T+1 update

The ASX General Manager, Equities, Securities and Payments noted that additional work undertaken with industry over the last 12 months to assess capital savings that could be passed onto the market as cost savings has led ASX to repivot its approach given the number of other factors that drive costs. The other factors driving costs included offsetting transaction arrangements, participant stress test exposure limits and additional initial margins, and intraday margin collection.

The ASX General Manager, Equities, Securities and Payments proposed to close the open action item and for ASX to progress its assessment through the Participant Risk Consultative Committee (**RCC**), with a representative from the RCC to report back to the Business Committee once this work is complete (**action item 23-12-2**).

Member discussions

No member feedback recorded.

h) FY25 annual growth threshold

The Chair noted the threshold for revenue sharing and invited members to raise any queries.

Member discussions

No member feedback recorded.

AGENDA ITEM 6: MEETING CLOSE

a) Open actions and items to be kept in view

The Chair closed actions 23-7-2 and 23-12-2. One new action was raised during the meeting, as recorded in the action item table

Member discussions

No member feedback recorded.

b) Forward work program

The Chair outlined the proposed Business Committee meeting dates for 2025 and suggested discussion topics and invited for any member feedback.

Member discussions

No member feedback recorded.

c) Any other business

Member discussions

No member feedback recorded.

d) Next meeting – 12 March 2025

The meeting closed at 5:41 PM. Signed as a correct record of the meeting.

Chair

Date