

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

18 June 2025

At its 18 June meeting, the Business Committee was updated on:

- The status of the CHESS project and a recommendation on the optional or mandatory nature of CHESS Release 2 functionality.
- The observations and findings from KPMG's external post incident review of the CHESS batch settlement incident.
- Key changes to the draft Pricing Policy and the engagement activities undertaken by ASX throughout the consultation process.
- Key developments from the Statements Working Group, Share Sales Fraud Working Group and Securities Lending Working Group, including:
 - Activities undertaken to raise awareness on share sale fraud scenarios with the Industry and Regulators.
 - ASX's proposed amendments to the ASX Settlement Operating Rules to enable Participants to more easily bulk opt-in existing holders.
 - The informal lodgement with ASIC of proposed amendments to ASX Settlement's Operating Rules regarding the reporting of securities lending activity.
- Implementation of ASIC CS Services Rules, including a presentation on the draft terms of reference of the covered services comparative report and proposed ASX Business Committee Charter and Membership Policy for review and feedback.
- The draft terms of reference of the FY25 Regulatory Expectations Audit for review and feedback.

AGREED ACTIONS

Four new actions were raised during the meeting.

Minutes from the meeting are attached.

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			5 min	
a. Welcome, Open, Acknowledgement of Country	Noting	Chair		
b. Minutes of 12 March 2025 meeting	Approval	Chair		
Items For Presentation			95 min	
2. Business Committee Member Items				
a. Short Sale Reporting	Discussion	Damian Jeffree (AFMA)	5 min	
b. Opportunities to support Australian listed markets	Discussion	Chair	10 mins	
3. CHES Project				
a. Project update	Discussion	Triona Quinlan	10 mins	
b. Optional and mandatory functionality recommendation	Recommendation	Chris Boyes	10 mins	
4. Clearing & Settlement Services, Issuer Services,				
a. Update on CHES Batch Settlement Incident Actions	Discussion	Andrew Jones Noah Carroll (KPMG) Mark Tims (KPMG)	15 mins	
b. Draft Pricing Policy	Discussion	Stephen Hammon	10 mins	
c. Share Sale Fraud Working Group update	Discussion	Con Korkofigas Judith Fox (SIAA)	5 mins	
d. Statements Working Group update	Discussion	Karen Webb Sheridan Thompson (CommSec)	5 mins	
e. Securities Lending Reporting Working Group update	Discussion	Nikki Swinson	5 mins	
f. ASIC CS Service Rules	Discussion	Stephen Hammon	5 mins	
g. ASX Business Committee Charter and Membership Policy updates	Discussion	Sally Palmer Con Korkofigas	5 mins	
h. Covered Services Comparative Report	Discussion	Stephen Hammon Helen Ralston-Smith (Oxera)	10 mins	
Question Session – Items Not For Presentation			15 min	

Agenda

5. Clearing & Settlement Services, Issuer Services			
a.	Operational performance cash market clearing and settlement	Noting	Andrew Jones
b.	Maintaining the stability of existing CHES	Noting	Sabra Mott
c.	Australian Carbon Exchange initiative update	Noting	Karen Webb
d.	Customer Impact Plan	Noting	Andrew Jones
e.	Regulatory Expectations Audit – draft terms of reference	Noting	Matthew Patterson Ali Richardson (PWC)
6. Meeting Closing			5 min
a.	Open actions	Approval	Chair
b.	Forward work program	Noting	Chair
c.	Any other business	Discussion	Chair
d.	Next meeting – 17 September 2025	Noting	Chair

Action Items

Item number #	Action	Due date	Status	Owner
25-06-01	ASX to determine its approach to finalise the optional or mandatory determination of non-batch DVP and corporate action elections functionality	Dec 2025	Open	ASX
25-06-02	ASX to provide an initial response to KPMG's external PIR recommendations, including a timeline for enhancements to its communication processes	Sep 2025	Open	ASX
25-06-03	ASX to provide an overview of the CHES Project support model to the Technical Committee and Business Committee	Sep 2025	Open	ASX
25-06-04	The Business Committee Chair to report to the ASX C&S Board on the Business Committee's engagement with the draft Pricing Policy	Sep 2025	Open	Chair
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	Closed	ASX

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	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 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	Apology
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	
Chimaera Capital	Rochelle Pattison	Director	
HSBC	Harpreet Ahuja	Director, Head of Securities Services, Australia & New Zealand Markets & Securities Service	Apology

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
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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)	Kate Rennick	Regulatory and Policy Adviser	Diane Lewis
Australian Securities Exchange (ASX)	Diona Rae	Chief Operating Officer	Apology
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	Apology
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)	Dodie Green	Senior Manager, Market Infrastructure	
Australian Securities and Investments Commission (ASIC)	Hema Raman	Senior Specialist, Market Infrastructure	
Australian Securities and Investments Commission (ASIC)	Liang Chen	Analyst, 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	

AGENDA ITEM 1: MEETING OPENING

a) Welcome, apologies and Acknowledgement of Country

The Chair welcomed Members, delegates, ASX management and observers to the 18 June 2025 Business Committee meeting.

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

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.

The ASX General Manager, Equities, Securities and Payments noted ASIC's announcement of its inquiry into ASX and advised that output from the inquiry may be presented to the Business Committee for consideration at a future Business Committee meeting.

The Chair advised that the meeting would commence with agenda item 3 and agenda item 2 would be covered at a later stage of the meeting to accommodate member and speaker availability.

b) Minutes of 12 March 2025

The Chair noted that ASX had received no comments on the draft minutes for the 12 March 2025 Business Committee meeting which were approved without any further changes.

ITEMS FOR PRESENTATION

AGENDA ITEM 3: CHESS Project

a) CHESS Project update

The ASX General Manager, Technology Delivery provided an overall update on the CHESS Project's delivery and risks. It was noted that:

- The CHESS Release 1 industry test environment (ITE) had remained available and stable since launch in February 2025 with increased AMO testing activity observed over the recent weeks.
- The final code drop for external facing scope for CHESS Release 1 was scheduled to be deployed as part of the AMO Readiness phase in early-July 2025. The final code drop enables AMOs to complete testing on accreditation scenarios in preparation for the AMO Accreditation phase.
- Preparation for the AMO Readiness phase is currently behind schedule with testing expected to be completed by late-June 2025.
- The Data and Reporting plan had been baselined. All required source data was now available in the Data Platform to enable the end-to-end build of the data products for CHESS Release 1. The Data & Reporting team had finalised its recruitment of the 4 additional roles and was approximately 50% through the data product build phase.

- Cutover planning for CHES Release 1 had also commenced with the Cutover Approach document expected to be published by late-June 2025. The document sets out the approach to cutover to the new Clearing System, including key activities and responsibilities required by ASX and the market.
- Analysis for CHES Release 2 Drop 1 had been completed and BaNCS build had commenced as planned. BaNCS CHES Release 2 Drop 1 was expected to be deployed for industry testing in March 2026.

Member discussion

A member queried whether the CHES Release 1 Cutover Approach and Clearing Regression Guide were still on track for publication by late-June 2025. The ASX General Manager, Technology Delivery advised that both documents are currently under internal review and were on track for delivery by late-June 2025 with any expected delays to be communicated.

b) Optional versus mandatory functionality

The ASX Senior Product Manager, Equities, Securities and Payments introduced the Technical Committee recommendation to the Business Committee on the optional or mandatory nature of functionality for CHES Release 2.

The ASX Senior Product Manager, Equities, Securities and Payments provided an overview of the industry engagement activities performed by ASX to finalise the recommendation and noted that broad consensus was not reached at the Technical Committee on two functionality items, the ability to process DvP settlements outside of the batch and on corporate action elections.

The Chair opened for member feedback and discussion.

- A member queried whether any additional operating or financial models have been explored to support Registries in implementing corporate action elections scope. The ASX General Manager, Equities, Securities and Payments responded that ASX had held several discussions with Registries and expected to continue engagement to explore potential solutions.
- A member commented on their organisation's in principle support of the Technical Committee recommendation with a caveat on the current design of functionality that supported bilateral settlements. The ASX Senior Product Manager, Equities, Securities and Payments responded that the organisation's feedback on the design of bilateral settlement functionality had been received as part of industry engagement activities and was being considered.
- A member queried when ASX would finalise the full scope of CHES Release 2. The ASX Senior Product Manager, Equities, Securities and Payments clarified that CHES Release 2 scope had already been finalised as part of industry engagement activities in 2024 and the Technical Committee recommendation for this meeting was to determine the optional or mandatory nature of functionality to support industry with software development activities.

The Chair took an open action (25-06-01) for ASX to revert to the Technical Committee and the Business Committee on the approach to finalise the determination on the optional or mandatory nature of non-batch DVP and corporate action elections functionality.

The Chair then proposed the recommendation to the Business 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 recommendation to the Boards of ASX Clear and ASX Settlement on the optional or mandatory nature of functionality for CHES Release 2. The Chair noted the open action for the remaining two functionality items that did not form part of the recommendation were to be taken forward to the Technical Committee and Business Committee in late-2025.

The ASX CIO commented on the work performed by ASX and the industry to progress the Technical Committee recommendation through to the Business Committee. The ASX CIO noted that the Business Committee may be required to provide an additional level of input to finalise the remaining two functionality items given the discussions already held at the Technical Committee.

AGENDA ITEM 4: CLEARING AND SETTLEMENT SERVICES, ISSUER SERVICES

a) Update on CHES batch settlement incident actions

The ASX General Manager, Equities, Securities and Payments noted that ASX engaged KPMG to undertake an external post incident review (PIR). The external PIR focused on Participant feedback on the operational impact of the incident and on ASX's communication processes.

The KPMG Partner outlined the external PIR scope and interview process used to seek industry feedback. The KPMG Partner provided an overview of the recommendations identified from the interview process to enhance ASX's communication processes and provide early clarity to the market on whether payment or batch settlement may not occur on the day that it is due in the event of an incident.

The ASX General Manager, Equities, Securities and Payments noted that ASX was supportive of KPMG's recommendations and was expected to return to the Business Committee with a response for consideration. The Chair noted an open action (25-06-02) for ASX to revert to the Business Committee with a response to KPMG's recommendations, including a timeline for enhancements to its communication processes.

Member Feedback

A member queried whether ASX has considered defining a fixed cut-off time to declare whether settlement would occur in the event of an incident. The ASX General Manager, Equities, Securities and Payments responded that ASX had considered a fixed cut-off time to provide high-certainty information to the industry to assist them in determining whether they need to enact their contingency plans.

A member commented on their organisation's communication approach in the event of an incident and their fixed cut-off time to make a final decision on whether the incident could be resolved on that settlement day.

A member queried whether ASX could provide an overview of TCS's support model for the CHES system. The ASX General Manager, Equities, Securities and Payments responded that

the CHESS support model was expected to be presented at a future Technical Committee meeting and that a summarised version could be presented to the Business Committee. The Chair recorded an open action (25-06-03) for ASX to present the CHESS support model to the Technical Committee and Business Committee meetings.

A member commented on whether ASX would consider the various external dependencies when making any decision to determine a fixed cut-off time. The ASX General Manager, Equities, Securities and Payments advised that external dependencies and timings are being considered, for example the operational cut-off times of Banks and Payment Providers.

b) Draft Pricing Policy

The ASX General Manager, Business Management & Planning, Securities and Payments provided an overview of the key engagement activities throughout the development of the draft Pricing Policy which included:

- the Business Committee Education Session covering key proposed changes to the draft Pricing Policy, including the recovery of capital costs and efficiency scheme.
- Advisory Group engagement on the proposed Pricing Policy and ASX's draft response to the consultation feedback.
- ASX's response to consultation feedback published in May 2025.

The ASX General Manager, Business Management & Planning, Securities and Payments outlined the key changes in the draft Pricing Policy and the key assurance activities.

Member Feedback

A member queried whether the Pricing Policy enables ASX to recoup the costs of the current CHESS Project. The ASX General Manager, Business Management & Planning, Securities and Payments advised that the costs of the CHESS Project will be used as an input in the building block method which is used to determine ASX's revenue requirement for each year.

A member queried why the pricing methodology review period had been set at 5 years. The ASX General Manager, Business Management & Planning, Securities and Payments advised that the 5-year review period reflects the complexity of the review process and noted the quantitative and qualitative events that could trigger an ad-hoc review in the interim.

Some members queried why Issuer Services had not been separately recognised or considered for segmented pricing. The ASX General Manager, Business Management & Planning, Securities and Payments clarified that Issuer Services had been separately identified in the Pricing Policy and noted that costs and rebates were to be shared equitably between Participants and Issuers. The ASX General Manager, Equities, Securities and Payments responded that Issuers and Participants share the same infrastructure and noted the complexities in segmenting these underlying costs. The ASX General Manager, Equities, Securities and Payments further noted that the Pricing Policy provides an expected annual revenue requirement and that the pricing of services is also expected to be internationally benchmarked, including issuer services.

A member queried the impact of enforcement action in the context of the Pricing Policy, for example payment by ASX of potential infringement notices or directions to increase resourcing. The ASX General Manager, Business Management & Planning, Securities and Payments responded that payment of infringement notices would not be included in the BBM. The ASX

General Manager, Business Management & Planning, Securities and Payments further noted that increased resourcing may be treated as the expected level of resources required to operate the business and therefore included.

No member objections were raised on the proposed resolution on the Business Committee's input to the draft Pricing Policy. The Chair recorded an open action (25-06-04) to report to the ASX C&S Board that the Business Committee resolved that it had noted:

- The draft Pricing Policy was to be presented to the ASX C&S Board for approval.
- 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.

c) Share Sale Fraud Working Group Update

A member representative of the Business Committee provided an overview on the key developments of the Share Sale Fraud Working Group:

- Two subsequent Working Group meetings have been held since the 12 March Business Committee meeting
 - The meeting of 8 April was focussed on the various fraud scenarios and actions undertaken to reduce the level of fraud, the recent cyberattack on Australia's superannuation funds and on the extent of information appropriate to be shared by industry in the event of a fraud scenario. An output of the meeting was the formation of a sub-working group to consider how Registries and Participants can better share information to address share fraud risk.
 - The meeting of 3 June which focussed on updates on engagements with the Office of the Information Commissioner on privacy restrictions and permitted disclosures in scenarios of suspected fraudulent activity, key learnings from ASIC on client onboarding practices and on a previous prosecution action commenced in 2019 involving a major fraud and identity theft syndicate, and an update from AUSTRAC on new Regulations to prescribe disclosure requirements.
- The Share Sale Fraud session held at the SIAA conference in May 2025 which was aimed to educate members on share sale fraud issues and scam trends.

Member discussions

No member feedback was recorded.

d) Statements Working Group Update

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

- Holding statements issued electronically have increased to 20% over April and May 2025 with some Participants observed to adopt the model of automatically opting in new investors to electronic communications.
- A key focus for the Statements Working Group continues to be on transitioning existing holders to electronic communications. At the April 2025 Working Group meeting, ASX presented proposed amendments to the ASX Settlement Operating Rules to enable Participants to more easily bulk opt-in existing holders. The majority of Statement Working Group members were either supportive or did not have comments on the proposed amendments.
- As part of the next steps, ASX is expected to prepare an informal lodgement to ASIC on proposed amendments to the ASX Settlement Operating Rules by late-July 2025 and will issue associated guidance on practical considerations to bulk opt in existing holders.

A member representative of the Business Committee outlined some of the challenges in transitioning existing members to electronic communications and acknowledged the work performed by the Statements Working Group in progressing the proposed amendments to the ASX Settlement Operating Rules.

Member discussions

No member feedback was recorded.

e) Securities Lending Reporting Working Group

The ASX General Manager, Participants Compliance advised that the RBA did not object to ASX's proposal to modify the securities lending reporting regime. ASX has since informally lodged proposed modifications to ASX Settlement Operating Rules and Procedures with ASIC. A response was hoped to be received within the next quarter.

Member discussions

No member feedback was recorded.

f) ASIC CS Service Rules

The ASX General Manager, Business Management & Planning, Securities and Payments provided an overview of the ASIC CS Services Rules 2025:

- ASIC's 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, meaning that these are effective from 24 August 2025.
- Key changes implemented include the 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 material changes to core systems, and Business Committee Charter and other documentation related updates.

Member discussions

No member feedback recorded.

g) ASX Business Committee and Member Policy updates

The Chair noted the proposed changes to the ASX Business Committee Charter and Membership Policy arising from the CS Service Rules.

The Chair requested for any feedback on the proposed changes to be submitted to the Business Committee Secretariat.

Member discussions

No member feedback recorded.

h) Covered Services Comparative Report

The ASX General Manager, Business Management & Planning, Securities and Payments noted that ASX had appointed Oxera and HoustonKemp to prepare the independent report on the pricing of covered services with the pricing of similar services in international markets (comparative report).

The Oxera Partner provided an overview of the proposed terms of reference for the comparative report. It was noted that:

- A comprehensive user profile analysis would be undertaken to benchmark ASX's Clearing and Settlement services to standardise how users interact with services and isolate price differences attributable to the Financial Market Infrastructures (FMIs) themselves rather than usage patterns. This approach was adopted in Oxera's 2014 report and has often been used by Regulators in various settings.
- For Issuer services, a fee comparison will be conducted across Issuer Services where comparable services are identified to have been provided by another CSD. The clearing and settlement benchmarking will include around 16 FMIs across 11 financial centres which have been selected to capture a range of market structures and features.

The Chair sought for Business Committee member feedback on the proposed terms of reference of the comparative report.

Member discussions

No member feedback recorded.

AGENDA ITEM 2: Member items

a) Short sale reporting

A member representative of the Business Committee raised their key challenges and concerns regarding the short sale reporting regime for consideration by the broader Committee. It was noted that:

- AFMA held a view that short sale reporting was not likely to benefit investors and could create difficult to manage residual risks for the industry.
- AFMA has been on record in 2009 and 2013 outlining concerns on the utility of transaction data for public disclosure and that providing accurate real time short sale data was not possible.
- AFMA did not object to the short position reporting which was deemed as appropriate and achievable.

The Chair requested for Business Committee members to engage directly with the member representative should they wish to further discuss their use cases for the short sale reporting regime.

Member discussions

No member feedback recorded.

b) Opportunities to support Australian listed markets

The Chair noted ASIC's discussion paper '*Australia's Evolving Capital Markets*' released on 26 February 2025 and the responses submitted by various organisations including some Business Committee members.

The Chair commented that change in this area needed to be through industry collaboration and encouraged Business Committee members to review response submissions to support actionable ideas.

Member discussions

A member requested for ASX to consider whether it was appropriate to add an agenda item on dual class shares for discussion at the Business Committee at a future meeting.

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 noted the operational performance Cash Market Clearing and Settlement Services paper.

Member discussions

No member feedback recorded.

b) Maintaining the stability of existing CHES

The Chair queried whether Business Committee members had any questions on the paper supporting the stability of existing CHES.

Member discussions

No member feedback recorded.

c) Australian Carbon Exchange initiative

The ASX Head of Issuer Services, Securities and Payments provided an overview of the key themes of the Clean Energy Regulator's response paper to its consultation on *'Enabling deep, liquid, transparent and accessible carbon markets in Australia'*.

Member discussions

The meeting noted that this initiative has been put on hold.

d) Customer Impact Plan

The Chair noted that the updated Customer Impact Plan was available to assist Business Committee members with their forward planning activities.

Member discussions

No member feedback recorded.

e) Regulatory Expectations Audit – draft Terms of Reference FY25

The Chair requested Business Committee members to review and provide feedback on the draft terms of reference for the FY25 Regulatory expectations audit.

Member discussions

A member queried whether there were any interactions between the regulatory expectations audit and ASIC's inquiry into the ASX. The ASX General Manager, Equities, Securities and Payments responded that the regulatory expectations audit was a standard stream of work on assurance against the Regulatory Expectations.

AGENDA ITEM 6: MEETING CLOSE

a) Open actions and items to be kept in view

The Chair noted that there were no open actions to report on for the 18 June Business Committee meeting. Four new actions were 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 discussion topics for the September and December 2025 meetings and invited for any member feedback.

Member discussions

No member feedback recorded.

c) Any other business

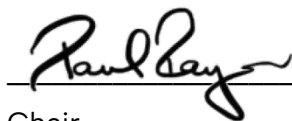
The Chair requested Business Committee members to raise any other business items for consideration.

Member discussions

A member requested for the next steps to ASX's consultation paper titled 'ASX Settlement Operating Rule amendments – Depositary Nominee services'. The ASX Head of Issuer Services, Securities and Payments responded that depositary nominee services offered to ASX issuers and some NSX issuers are to be expanded to all issuers supported by all market operators in Australia. The ASX Head of Issuer Services further noted that ASX is currently consulting on proposed changes to the ASX Settlement Operating Rules and was planning to introduce commercial arrangements to support broader access with a response to the consultation expected by late-July 2025. The member noted that the CHES Depositary Nominees Services were available to all NSX CDI issuers on the same terms as for ASX CDI issuers up until 2017 when ASX removed access to any new NSX CDI issuers.

d) Next meeting – 17 September 2025

The meeting closed at 1:42 PM. Signed as a correct record of the meeting.



Chair

17 September 2025

Date