

ASX

# CHES Replacement

Business Design Working Group

11 December 2023



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

ARTWORK BY: LEE ANNE HALL, MY COUNTRY MY PEOPLE



# Housekeeping

## Troubleshooting

- > Please mute yourself when not speaking
- > Please use the 'raise hand' feature on MS Teams if you would like to ask a question
- > Please introduce yourself when talking for the benefit of all members
- > Meeting is being recorded for the purposes of capturing decision and actions
- > Dial in details (audio only):
  - **+61 2 7208 4607**
  - Phone Conference ID: **732 539 323#**
- > Presentation materials were distributed before the meeting and will be published on the website

# Important Information

## Competition Law Reminder

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

# Agenda

01 – Welcome and kick-off

02 – Proposed timeline and topics

03 – Workshop approach

04 – Pre-workshop information requests

05 – Business design document

06 – Next steps

# 01 – Welcome and Kick-off

# Presenters

## Introductions



**Chris Boyes**

Senior Product Manager  
CHES Replacement



**Julie Tran**

Product Manager  
CHES Replacement



**Peter Maltese**

Business Analyst  
CHES Replacement



**Steven Hannan**

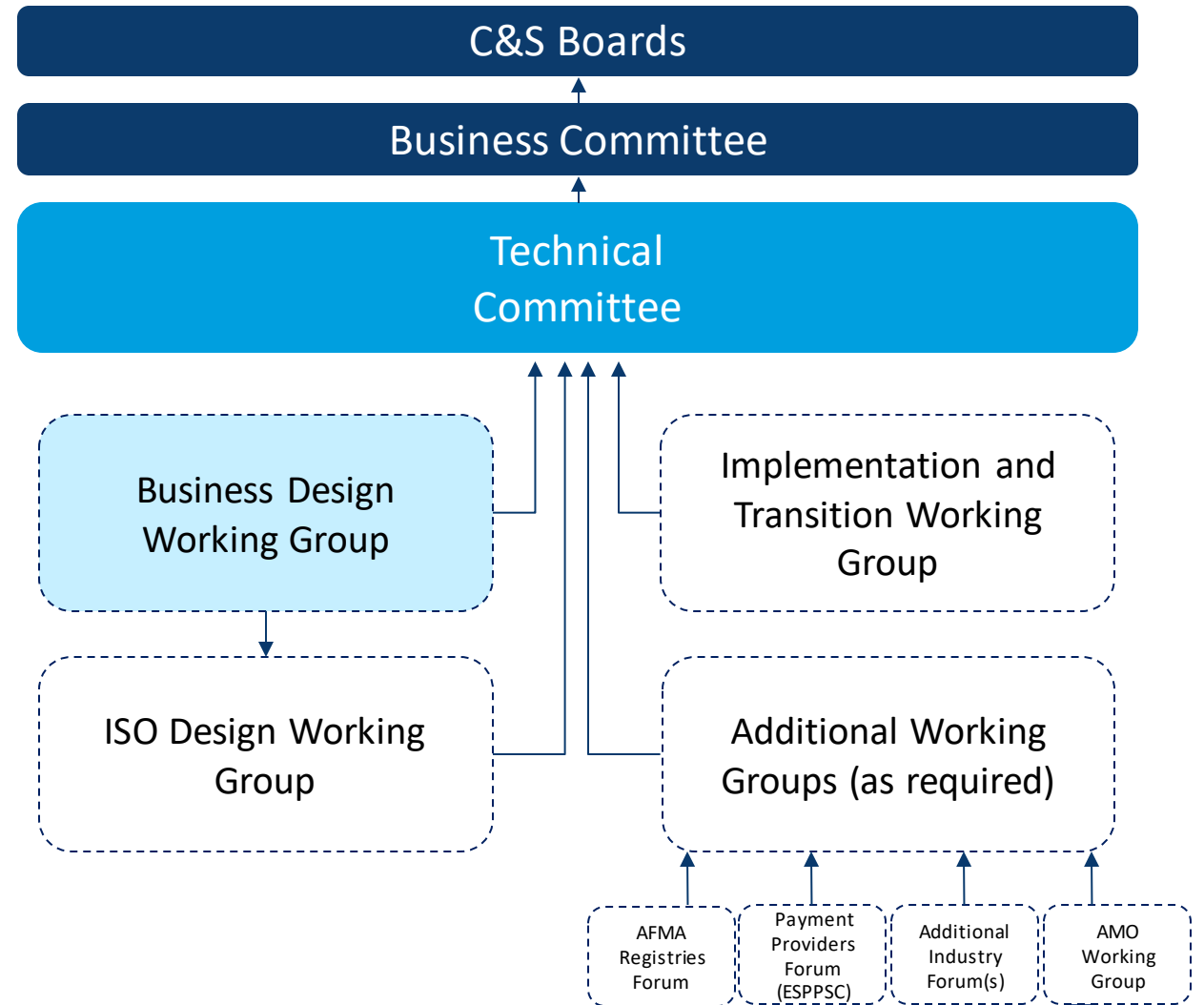
Stakeholder Engagement  
CHES Replacement

# 01 – Stakeholder engagement working groups

## How the working groups support market input

In the 8 November Committee, ASX introduced the working group market engagement model.

- › Implementation and Transition Working Group (ITWG)
  - Responsible for implementation planning
  - Will be consulted on plan, cutover, migration and testing
- › Business Design Working Group (BDWG)
  - Responsible for the design of any new/changing scope
  - Includes Business and Operational SMEs from relevant organisations
- › ISO Design Working Group (IDWG)
  - Responsible for the ISO20022 message designs and flows
  - Will be consulted on all messages
  - Includes Technical SMEs from relevant organisations
- › Additional Working Groups
  - Members and responsibilities as required





# 01 – Stakeholder engagement working groups

## Business Design Working Group

The purpose of the BDWG is to achieve broad consensus on additional scope for CHES Replacement and to develop the Industry Acceptance Criteria for each objective.

### Responsibilities

- Be the key forum for ASX to capture inputs from industry stakeholder representatives on any new or additional scope of CHES replacement in Australia's equity post trade environment
- Be a key forum to receive input into industry needs, issues and proposed solutions
- Members of the working group are expected to provide advice and expertise to help define additional scope, industry acceptance criteria and business design.

### Key Topics

- Future Clearing Design
- Settlement Design
- Settlement Instructions
- Payments
- Data Access
- Registration Details
- SRN and Issuer Sponsored
- Corporate Actions
- Market Claims

Note: BDWGs are primarily focused on Release 2, given Release 1 aims for backwards compatibility. Any Release 1 changes will be managed via the I&TWG.

### Next Steps

- Business Design Working Group members are asked to nominate **one primary representative** to participate in the working groups, with additional SMEs as required and advised to ASX for each topic. The nominated individuals may be different for each workshop.
- Meetings will be between 2 - 3.5 hours in duration and held monthly. Invitations for future workshops will be sent in early 2024.
- Nominated members should have the appropriate subject matter expertise and delegation to actively contribute and follow up on the proposed workshop topic.

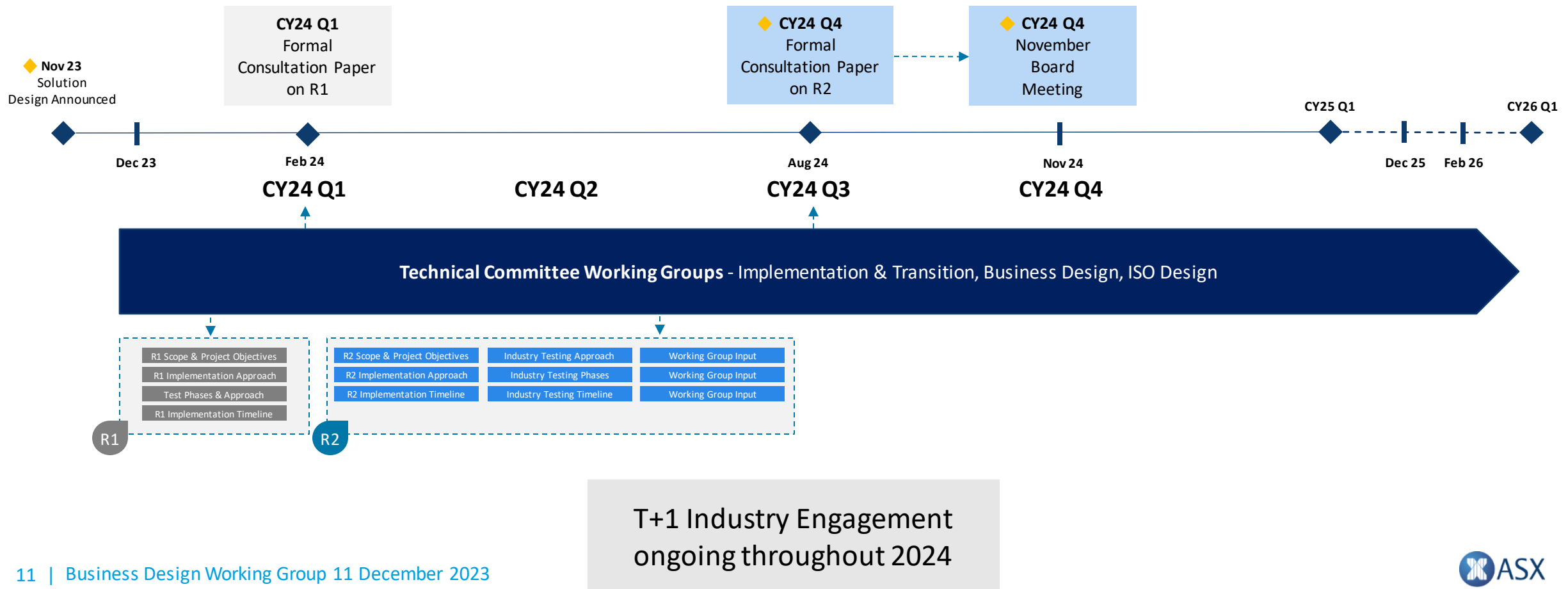


## 02 – Proposed Timeline and Topics

# 02 – Stakeholder engagement in CY2024

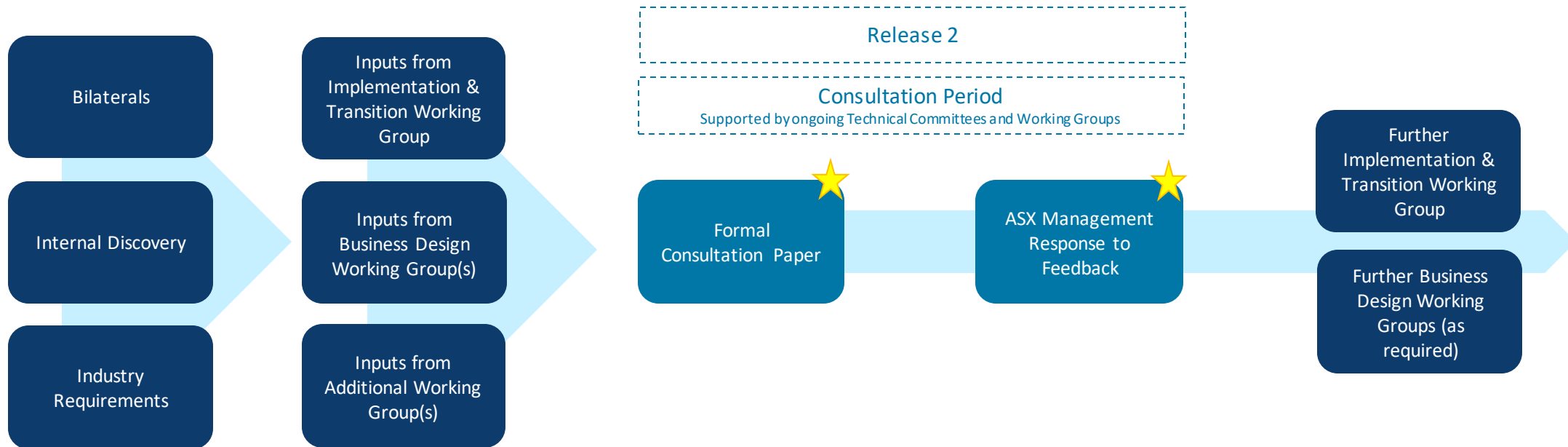
## Planned public consultation timeline summary

Formal consultation with stakeholders will commence in the first quarter of 2024 and cover the high-level project plan and an indicative timeline for the releases, including the design, scope, and timing for each of the releases. Once the design consultation is progressed, ASX will consult on amendments to its Operating Rules.



# 02 – Stakeholder engagement consultation

## Public consultation model



Once the design consultation is progressed, ASX will also consult on amendments to its Operating Rules.

# 02 – Proposed Topics

## Business Design Workshop Topics

January - July 2024

	Proposed Topic	Objectives	Proposed Date	Applicable Users
-	Kick-off and Planning	-	11 December 2023	Technical Committee Members
1	Clearing Design – Trade Acceptance and Netting	4.1, 5.3	31 January 2024	AMOs, Clearing Participants, Share Registries
2	SRN Enquiries & Issuer Sponsored Holdings	1.3, 1.4	February 2024	Settlement Participants, Share Registries
3	Payments	3.2, 4.5	March 2024 (commence)	Payment Providers, Settlement Participants, Share Registries
4	Data Access (Holdings)	1.6	March 2024	Software Providers, Settlement Participants, Share Registries
5	Cum Entitlement Balance Design Review	3.4, 5.5	April 2024	Software Providers, Settlement Participants, Share Registries
6	Settlement Design (Batch Settlement Process)	4.2, 5.3	May 2024	Settlement Participants, Payment Providers
7	Registration Details & Investor Information	1.1, 3.6	June 2024	Settlement Participants, Share Registries, Software Providers
8	Corporate Actions – DRP, Entitlements, Distribution Information	3.2, 3.3, 3.5, 3.7, 3.8	July 2024	Settlement Participants, Share Registries, Software Providers

*Note: Indicative order, subject to change based on industry inputs and further planning. Multiple sessions may be required per topic.*

# 02 – Proposed Topics

## Business Design Workshop Topics

From August 2024

	Proposed Topic	Objectives	Proposed Date	Applicable Users
-	Consultation Paper	-	August 2024	All CHES Users
9	Settlement Instructions (Matching, Non-Batch DVP, Linking, Locking)	1.5, 2.1, 2.2, 2.6, 4.3, 4.4, 4.5	September 2024	Settlement Participants
10	Market Claims (Diary Adjustments)	3.1	October 2024	Settlement Participants
-	Consultation Paper Response	-	November 2024	ASX
11	Additional Topics and Deep Dives	-	As needed	As applicable

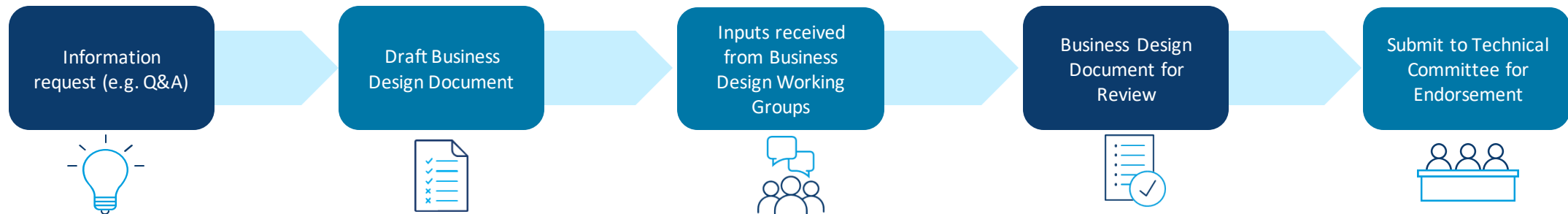
*Note: Indicative order, subject to change based on industry inputs and further planning. Multiple sessions may be required per topic.*

## 03 – Workshop Approach

# 03 – Workshop approach

## Pathway to solution design

This is the proposed process to turn the current Scope Objectives into Business Design Documents.







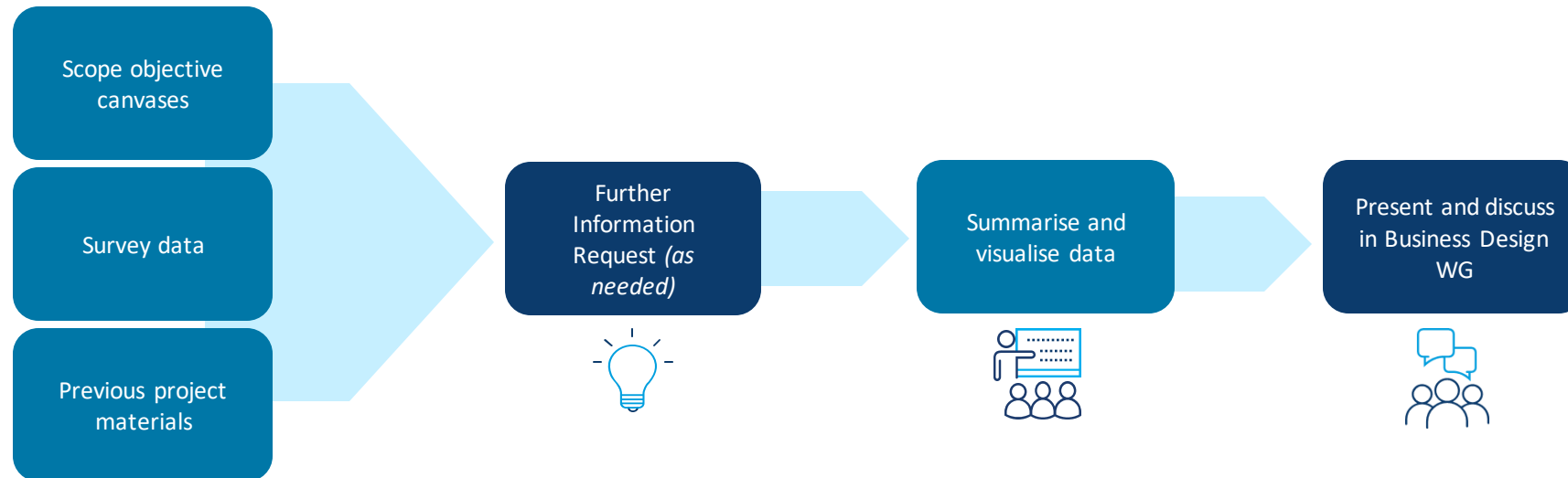
## 04 – Pre-workshop Information Requests

# 04 – Pre-workshop information requests

## Process

### Objective:

To gain a deeper understanding of the Scope Objectives, we will use existing information sourced from the canvases, survey responses and previous project materials. Additional information may be requested from members via bilateral meetings or email. Data will then be summarised and visualised for playback during Business Design Workshops.





# 05 – Business Design Document

# 05 – Workshop Agenda

## Proposed Business Design Workshop Agenda (indicative)

- > Introduction - 10mins
- > Showcase the problem from different lenses (e.g., Retail Broker, Custodian, Share Registry, Investor) - 40mins
- > Identify the “Problem Statement” - Who is affected? What is affecting them? Why does it need to be solved? - 30mins
- > Root cause analysis – Where is the problem happening? - 30mins
- > Solution design – Present existing ‘off the shelf’ vendor capability, discuss detailed design – 1hr
- > Obtain broad consensus on the preferred solution and Business Design – 40mins
- > **Total workshop duration – 3.5hrs**

Business Design  
WG



*Indicative Agenda only*

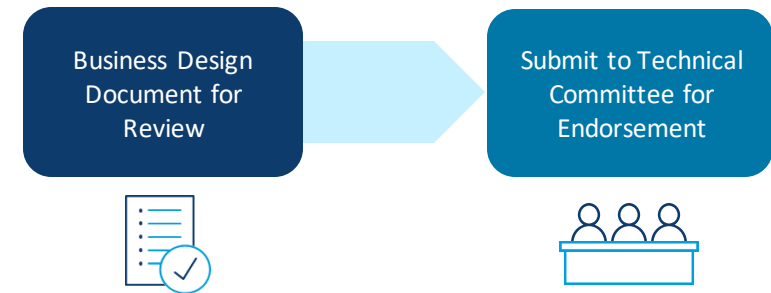
# 05 – Business Design Document

## Process

### Objective:

To gain broad consensus and document the business design criteria for a specific scope objective. This document should define the problem statement, current processes, and high-level requirements for solution design including new business processes and/or changes to an existing process.

- > Problem Statement
- > Design and Acceptance Criteria, such as:
  - Functional considerations
  - Non-functional considerations
  - Rule, SLAs and/or operational process considerations
  - Legal or regulatory considerations
  - Optionality, release model, phasing
  - Method of delivery (e.g. UI, ISO20022, other)
- > Process Flow (high level) or Customer Journey Maps (*as applicable*)



## 06 – Next Steps

# 06 – Next steps

## Preparation steps to complete before 19th January 2024

- > Review the topics, timing, proposed agenda and provide feedback
- > Nominate the subject matter experts in your business for each topic
- > Provide the names of your nominated representatives to [CHESSReplacement@asx.com.au](mailto:CHESSReplacement@asx.com.au)
- > Respond to ASX pre-workshop requests for information within the required timeframe



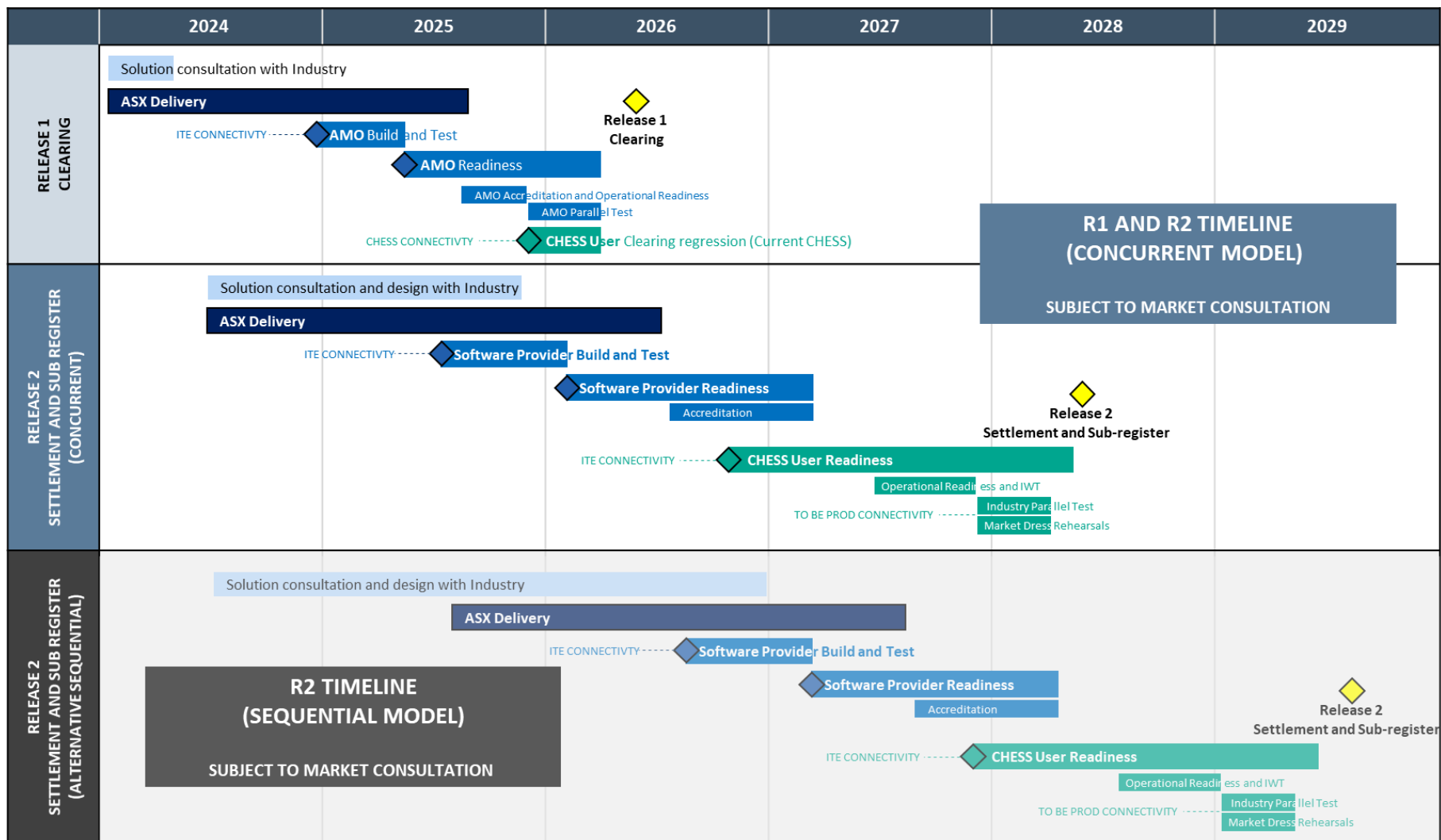
QUESTIONS?





# Appendix – Indicative Project Timeline

High level overview of the proposed timeline, subject to industry consultation



# Disclaimer

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Thank you.

