

ASX CHESS PROJECT

Business Design Working Group
Registries Focus Group

13 March 2025



Acknowledging Country

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

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

Housekeeping

Troubleshooting

- > Please mute yourself when not speaking
- > Please use the 'raise hand' feature on MS Teams if you would like to ask a question
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- > Dial in details (audio only):
 - +61 2 7208 4607
 - Phone Conference ID: 500 631 924# Presentation materials were distributed before the meeting and will be published on the website.

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Competition Law Reminder

Workshop 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 Introduction and Agenda

02 Business Updates

03 BDWG Actions

04 Registry / Issuer Setup in BaNCS

05 Registry Reporting

06 Foreign Restricted Securities

07 Investor Data

08 Next Steps

01

Introduction and Agenda

01 – Detailed Workshop Agenda

#	Topic	Duration
01	Introduction and Agenda	5 mins
02	Business Updates	10 mins
03	BDWG Actions	10 mins
04	Registry / Issuer Setup in BaNCs	20 mins
Break		10 mins
05	Registry Reporting	25 mins
06	Foreign Restricted Securities	15 mins
07	Investor Data	20 mins
08	Next Steps	5 mins
Total workshop duration		2 hours

01 – Workshop Objectives and Outputs

The purpose of the BDWG is to deep dive on areas of change for Share Registries in Release 2, refine previously consulted design considerations and gain further customer feedback on scope

Objectives

- > Collect expertise to refine the design of CHES from a Share Registry perspective
- > Play back information collected from data feedback collection exercise and previous engagements
- > Develop the finalised set of requirements for implementation as part of the CHES Project

Outputs

- > Summary of the session and any applicable actions prepared for the Technical Committee
- > Updates to the Business Design Documents (as necessary)
- > ISO message construction (to be finalised by June 2025)
- > Technical documentation (to be released by August 2025)
- > Revised APGs
- > Rules consultation



What outcomes would you like to achieve for your organisation from this workshop?

01 – Indicative Release 2 Roadmap

	Drop 1	Drop 2	Drop 3	Drop 4	Drop 5
Feature Scope	<ul style="list-style-type: none"> > Participant and registry/issuer Setup > Accounts and investor data > Holdings > Unilateral demand transfers > Account and holding reporting 	<ul style="list-style-type: none"> > Trade registration & netting > Settlement instructions > Batch settlement (excluding payments) 	<ul style="list-style-type: none"> > Payments with limits > Issuer sponsored processes > Holding adjustments > Cum entitlement balance reporting > Claims and adjustments 	<ul style="list-style-type: none"> > Change of controlling participant & portfolio transfer > Batch exceptions (including default management and backout) > RITS integration(s) 	<ul style="list-style-type: none"> > ETO/CMM collateral > Daily margin advice > Offer administration facility > Corporate action elections without payment > Corporate action elections with payment
User Journeys	<ol style="list-style-type: none"> 1. Participants can test the full account lifecycle (create & update, lock and cancel) and communication of investor data 2. Participants can perform simple transfers between accounts they administer 3. Registries and Participants can receive account reports 	<ol style="list-style-type: none"> 1. Participants can receive market trades in ISO20022, novate, net and schedule for settlement 2. Participants can match and schedule settlement instructions 3. Participants can settle instructions in a daily batch (excluding payment provider and payment services flows), including unit failure 	<ol style="list-style-type: none"> 1. Payment providers can manage payment facilities, authorise funds and utilise cash limit tracking 2. Participants and Registries can test issuer sponsored flows 3. Registries can process corporate actions including performing holding adjustments 4. Participants and Registries can receive corporate actions 5. Participants obligations are adjusted to account for fails 	<ol style="list-style-type: none"> 1. Participants can perform change of controlling participant and portfolio transfers 2. Participants and ASX can test batch exception processes (such as default management, backout, extension and cancellation) 3. ASX and RBA can commence testing of RITS integration(s) 	<ol style="list-style-type: none"> 1. Participants can lodge non-cash collateral and ETO cover and adjust margin 2. Participants and Registries can test takeovers and buybacks 3. Participants and Registries can test option elections without payment (DRP/BSP) 4. Participants and Registries can test option elections with payment (Rights, SPPs)



Indicative Roadmap – Subject to Change

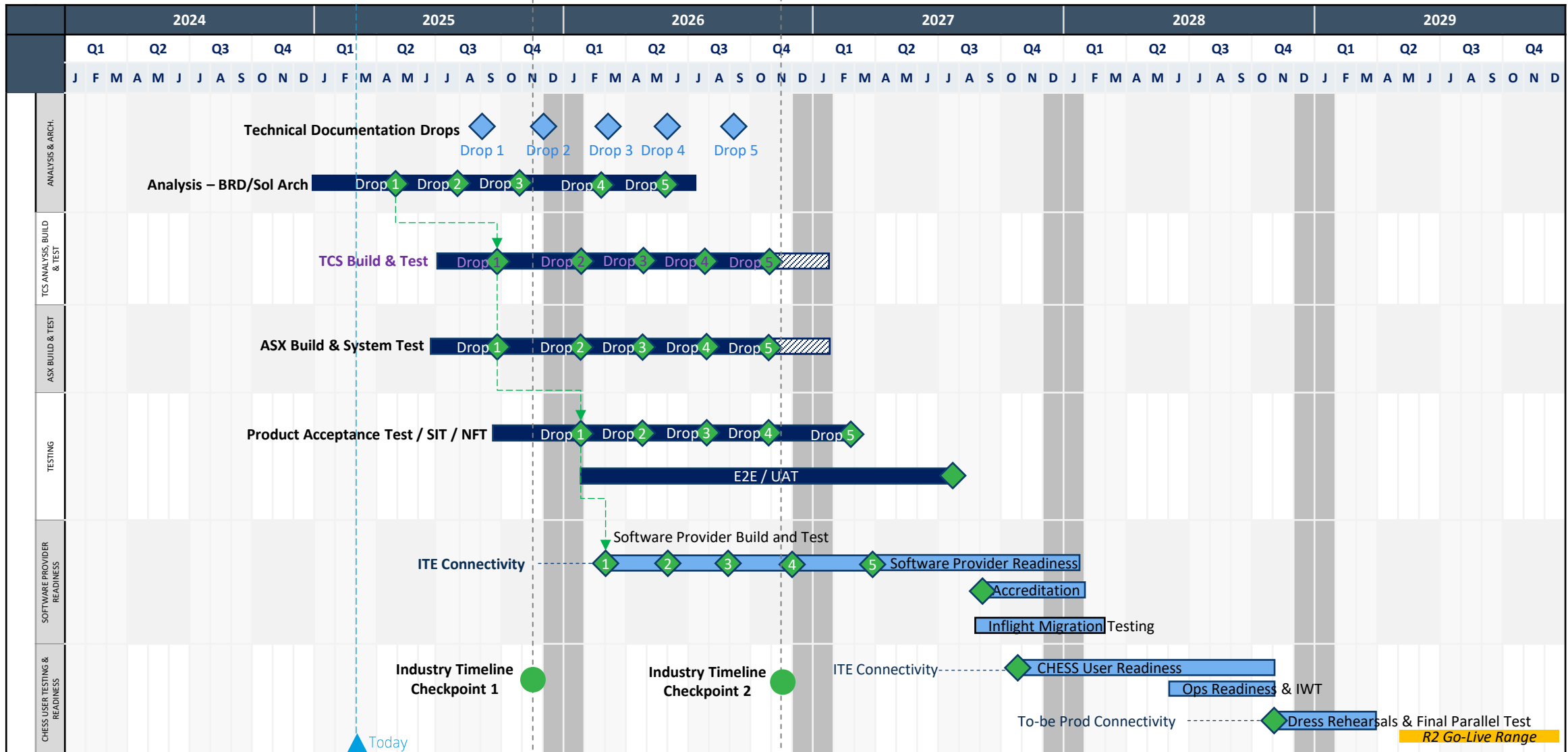
01 – Business Design Working Group – Proposed 2025 / 26 Plan

Upcoming and completed sessions

#	Session	Topic(s)	Invitees	Proposed Date	Action
13	Release 2 Drop 1 Deep Dive	Deep dive into Release 2 Drop 1 detailed business design	All	6 February 2025	Working group held. Updated spreadsheet provided for feedback
14	Registries Focus Group	Registries focus group on specific registry topics	Registries only	13 March 2025	Planned
15	Release 2 Drop 2 Deep Dive	Deep dive into Release 2 Drop 2 detailed business design (including Transaction Basis Deep Dive)	All	3 April 2025	Data sheet to be provided for feedback in early March
16	<i>Placeholder</i>	<i>Session to be confirmed</i>	<i>TBD</i>	8 May 2025	Planned
17	Payment Provider Focus Group	Payment provider focus group on planned changes to payment authorisation processes	All	5 June 2025	Planned
18	Release 2 Drop 3 Deep Dive	Deep dive into Release 2 Drop 3 detailed business design	All	10 July 2025	Planned
19	<i>Placeholder</i>	<i>Session to be confirmed</i>	<i>TBD</i>	7 August 2025	Planned
20	Payment Channels Deep Dive	Industry focus group on the real-time payment channel	All	4 September 2025	Planned
21	Release 2 Drop 4 Deep Dive	Deep dive into Release 2 Drop 4 changes and business design	All	9 October 2025	Planned
22	New Corporate Action Services Focus Group	Industry focus group on new corporate action services	All	6 November 2025	Planned
23	Accounts Migration Deep Dive	Deep dive into Accounts Migration approach	All	4 December 2025	Planned
24	Release 2 Drop 5 Deep Dive	Deep dive into Release 2 Drop 5 changes and business design	All	January 2026	Planned

Note: indicative order, subject to change based on industry inputs and further planning. Multiple sessions may be required per topic. Blue denotes an update since last presented

01 – Updated Release 2 Indicative Project Timeline – March 2025



02

Business Updates

02 – Business Update

Enhancements in the current CHES system

ASX has been evaluating CHES User feedback in relation to making enhancements in the current CHES system.

Currently under consideration are:

- > An additional holding adjustment reason code for ETF creation and redemptions
- > Cancelled HINs reporting for Share Registries to assist with data quality
- > Addition of bank account details for takeover acceptances due to the phasing out of cheques.

These enhancements are being considered as part of the annual CHES Roadmap refresh which is aimed to be published early in Q1 FY26 and provides a 3-year roadmap for the current system.

02 – Business Update

Issuer Services Update

Requirements – ASX SOR 5.23.1

- › Issuer Services will be in touch with reminders re key compliance obligation for Registries

NEW – Quarterly Bilateral Registry Meetings

- › Proposed regular engagement and key discussion points (non-CHESS Project)

Reminder: Email Address & Purpose

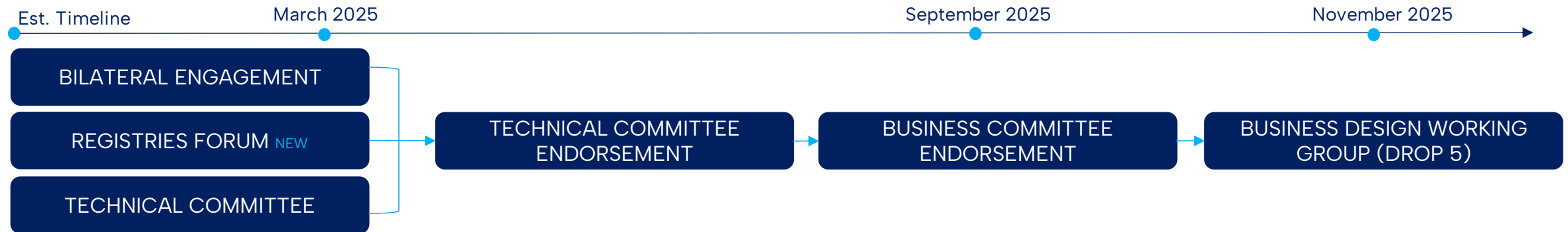
- › ASX emailed a letter to each Registry following a market notice in October 2024 informing of a clarificatory change to the ASX Settlement Operating Rule procedure dealing with holder details shared with issuers across electronic communication preference options. The letter reminded each Registry of their due regard to the communication preference
- › ASX is seeking reassurance from each Registry that it is acting in accordance with the selected email purpose preference as part of the CHESS 512 message which is sent to them.

02 – Business Update

Proposed engagement on Corporate Actions

- › Industry Participants requested that ASX explore the ability to facilitate further straight through processing of Corporate Action events between Participants and Share Registries
- › ASX acknowledges cost and impacts of such functionality to the Registries, and plans to meet with Registries to:
 - Jointly explore and define a beneficial approach for developing Corporate Action functionality
 - Understand the Registries business objectives and challenges, enabling (where reasonable) ASX to align the Corporate Action functionality development with their strategic goals to ensure it meets their specific requirements
 - Ensuring the development of Corporate Action functionality supports both immediate and long-term business needs
- › ASX aims to provide the Technical Committee with a proposal before seeking Business Committee endorsement (prior to commencing detailed design in BDWGs).

Proposed Approach



03

BDWG Actions

03 – BDWG Actions

#	Action	Raised	Update	Status
BDWG_01	Confirm Australia Post Standards for addresses.	February BDWG	Confirmed: 7663 Address Standards Bro A/W	Closed
BDWG_02	Consider whether there could be an ability to allow transfer of standing instructions in the case of transfer to a new HIN.	February BDWG	To be considered as part of Portfolio Transfers (Drop 4)	On hold – Drop 4
BDWG_03	Consider whether Date of Event is required and supplied to registries for Death/Bankruptcy.	February BDWG	Not currently supplied to Registries. ASX is evaluating whether current requirements on participants to supply this field is still required.	In progress
BDWG_04	Consideration of which new fields can be transferred to a new participant in the case of a Change of Controlling Participant.	February BDWG	To be considered as part of Change of Controlling Participant (Drop 4)	On hold – Drop 4
BDWG_05	Consider the addition of further Ownership Types (e.g. Nominee, Corporation).	February BDWG	Under evaluation	To be discussed Slide 29
BDWG_06	Consider the process of migrating accounts, including transformations and fields not available in current CHES	February BDWG	Deep dive BDWG scheduled for August.	On hold – August BDWG
BDWG_07	Continue evaluation of Foreign Ownership Restrictions and use of Guaranteed Foreign Transfers	February BDWG	Continued discussions with Registries in March, and Participants in April.	To be discussed Slides 25–27
BDWG_08	Consider whether additional special characters can be supported in BaNCS	February BDWG	Under evaluation, finalised character set to be communicated via ISOWG.	To be discussed Slide 31
BDWG_09	Consider the appropriate rules and privacy implications to allow the sharing of email and mobile number with Registries.	February BDWG	To be considered as part of rules consultation.	On hold – Rules Consultation

04

Registry / Issuer Setup in BaNCS

04 – Registry / Issuer Setup in BaNCS

ASX met bilaterally with some Registries in late-2024 to understand the current implementation of Issuer UICs in their systems and the need for the provision of holder information at an individual holding level in messaging.

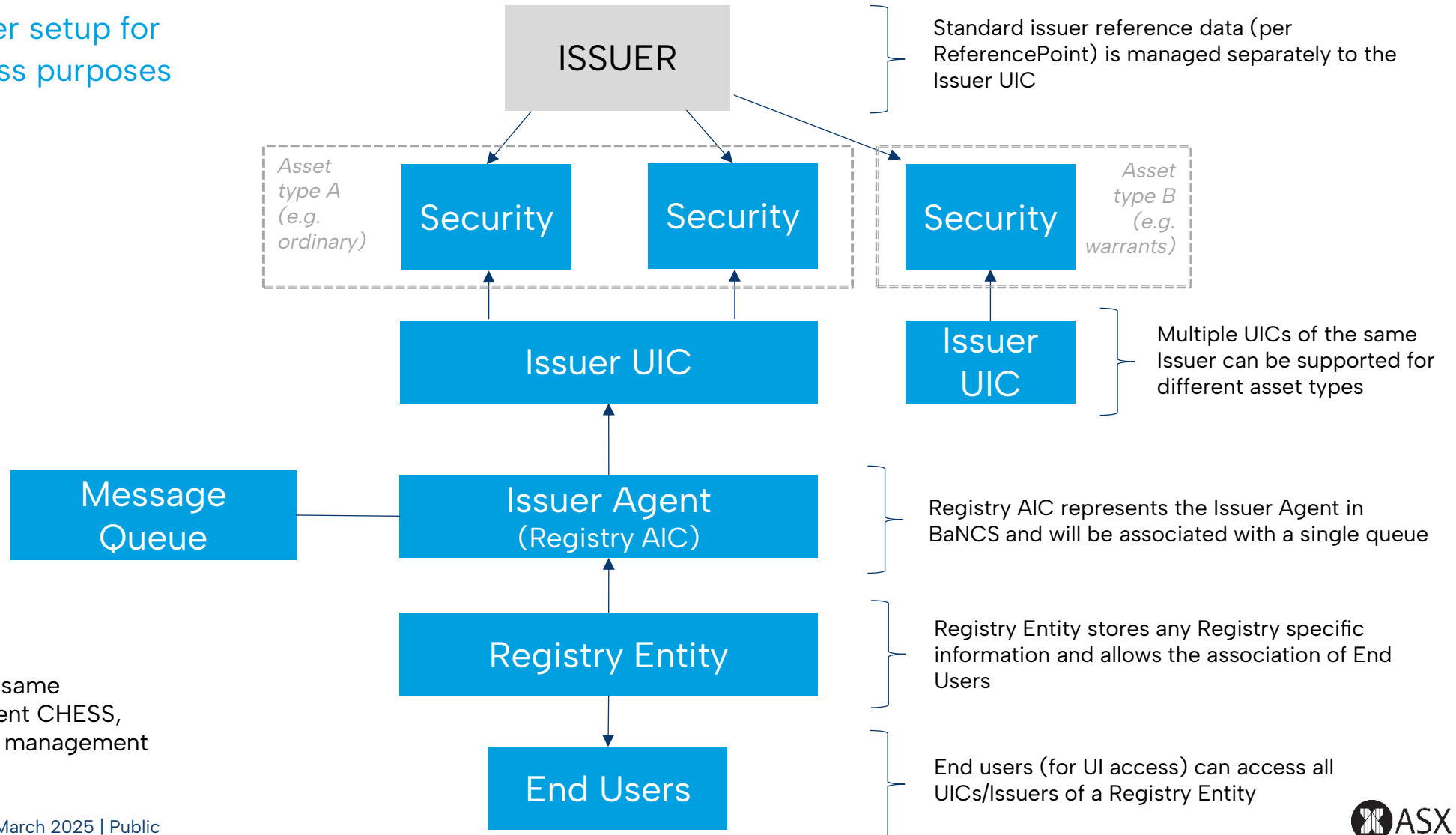
The feedback was mixed with some Registries having a heavy reliance on segregation of information at an issuer or holding level, whilst others are less impacted and consolidate information provided.

As a result, ASX has sought to develop a model that would allow:

- > Retention of the segregation of registers by Issuer UIC
- > Association of Registries with Issuers for the purposes of queue management (AMQP)
- > Association of Registries with Issuers for the purposes of providing UI access at a Registry level
- > Maintenance of information in relation to Holding Statements
- > Support for Issuers with multiple Registries / UICs
- > Providing continued access to registration details after a holding has reduced to zero
- > Alignment to the BaNCS system, limiting customisation.

04 – Registry / Issuer Setup in BaNCS

Proposed registry/issuer setup for messaging and UI access purposes



This model retains the same functionality as in current CHES, expanding to allow the management of End Users.

04 – Registry / Issuer Setup in BaNCS

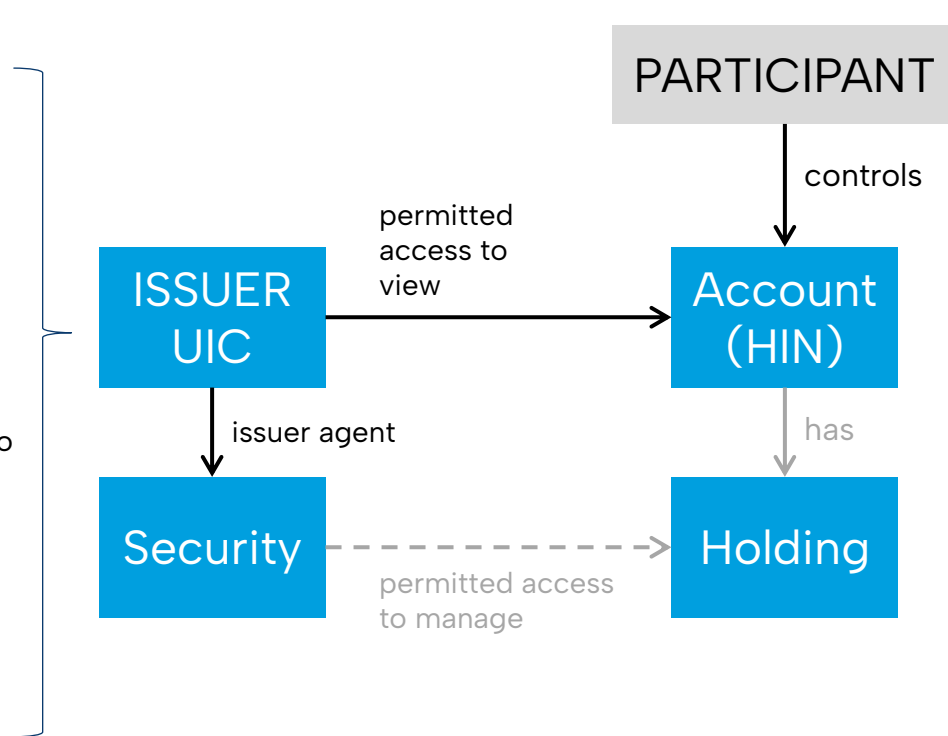
Proposed setup for provisioning of account related information

Issuer UICs are associated with Accounts (HINs) upon acquisition of a new holding.

This aligns to BaNCS and enables support for continued communication of registration details for zero holders.

Creation of this relationship triggers the Account Notification (EIS512 equivalent) to be sent.

Presence of this relationship triggers an updated Account Notification (EIS512 equivalent) when an account update is made by the Participant or the account is cancelled.



Participants have a controlling participant relationship associated upon account creation, and which can be changed by way of a Change of Controlling Participant (HIN Transfer).



To support the provision of Registration Details information once a holding has reduced to zero, ASX proposes to provide Registration Details (512 message) at an Issuer UIC level as opposed to a security code/holding level.



How would this change impact your organisation?

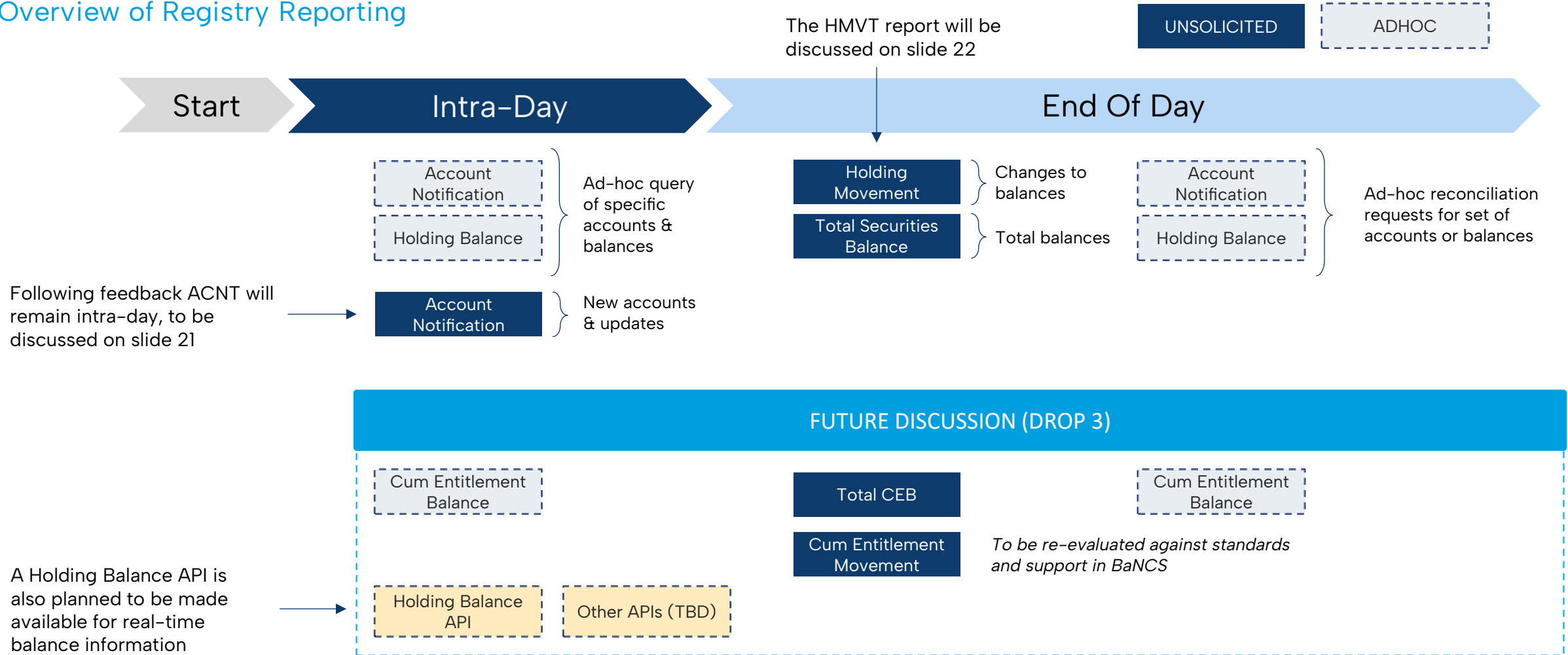
05

Registry Reporting

05 – Registry Reporting

- ✓ CD_4.1 The CHES replacement system should enable Issuer Registries to update the balances recorded against HINs by way of providing a net holding movement, per holding and HIN, on a daily basis along with the total securities held on the sub-register.
- ✓ CD_4.3 The CHES replacement system should enable Issuer Registries to maintain the register of members by providing new, changing and cancelled account (HIN) information on an immediate or scheduled basis.

Overview of Registry Reporting



05 – Registry Reporting

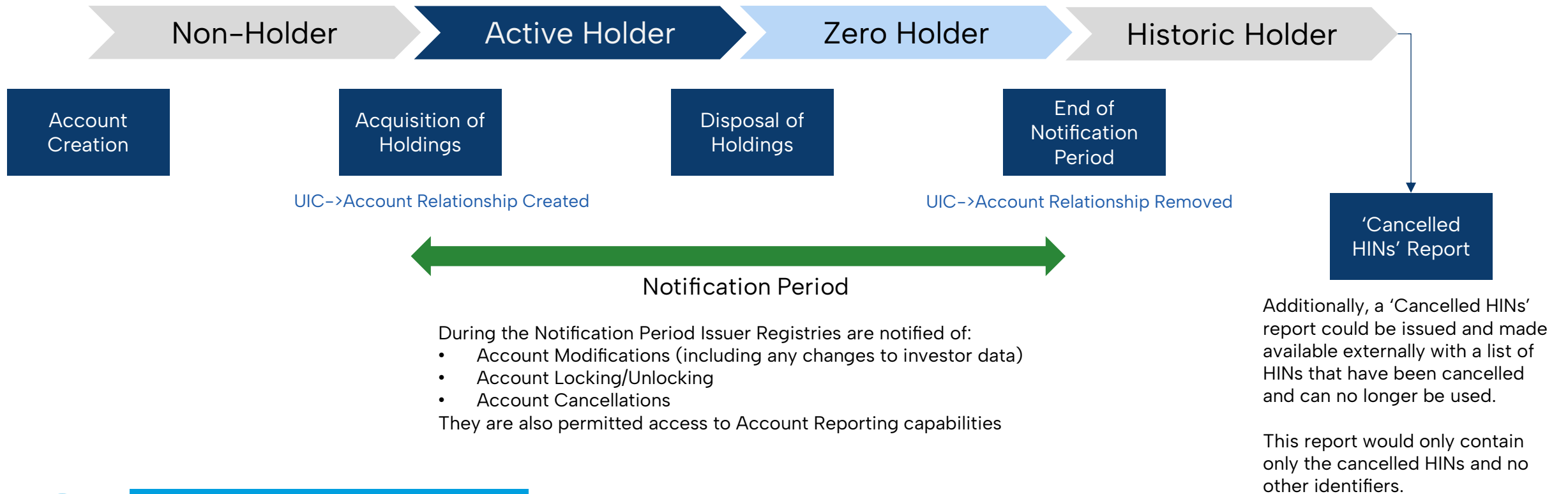


REG_1.7 The CHES replacement system should support an extension of the period which registration details are communicated to Share Registries for accounts with zero holding balances. This is required where there is a need to continue communications with holders for zero holdings, particularly in the case of long running corporate actions (e.g. schemes of arrangement).



REG_4.2 The CHES replacement system should support a workflow that allows a Participant or ASX to notify Share Registries of the cancellation of a HIN.

Communication of Account Information to Share Registry



ASX is currently assessing the appropriate notification period for a zero holding.

05 – Registry Reporting

Account Notification Report (EIS 512) Discussion

Provision of immediate account notifications for new holdings is a process specific to the Australian market that could require significant customisation of the core transaction processing components of the BaNCS product.

As a result, ASX is exploring options to simplify the implementation of this process whilst ensuring Share Registries can continue to receive information in a timely manner and meet their legal and regulatory obligations.

In the February BDWG, ASX proposed a model whereby the Account Notifications (EIS512) would become an end of day process. This was noted as an issue in relation to ASXSOR 5.3.4 – requiring information for the timely divestment of holders in relation to an allocation of offer securities.



Alternatively, ASX proposes that the solution would instead provide Account Notifications (EIS 512):

- During the business day with a time delay (up to 1hr) for off market settlement processes (e.g. HIN transfers).
- Immediately:
 - After batch settlement
 - In scenarios where the Registry is provisioning new units and there is no existing relationship between Issuer and Holder (i.e. holding adjustments to allocate units in relation to an offer).

How would this change impact your organisation?

05 – Registry Reporting

Holding Movement Report (HMVT) – EIS 510 / EIS 514

Previous CHES Replacement Format

Security Code
Date
HIN
Closing Balance
Net Offs
Net Ons
Movement From Registry
Movement To Registry

Guaranteed Foreign Net Offs
Guaranteed Foreign Net Ons
Guaranteed Foreign Closing Balance
Guaranteed Foreign Movement from Registry
Guaranteed Foreign Movement to Registry

Propose to descope
(pending further
feedback on usage)



Proposed new HMVT – semt.002 (daily & unsolicited)

Security Code
Date
HIN
Closing Balance
Net Ons
Net Offs



Given the Issuer Registry is party to all Registry Movements, ASX would like to understand the usage of the Movement From Registry and Movement To Registry fields



Would there be a different way we could achieve the same outcome?

05 – Registry Reporting



REG_4.3 The CHES replacement system should support the ability for Share Registries to request the status and registration details for an Investor with zero holdings. *This requires further industry consideration regarding verification requirements for access to this data, legal and compliance requirements.

Validation of Account Details in relation to Offers

ASX has received feedback that Share Registries would be interested in moving to a pre-check process in relation to offers, to reduce the risk that securities are allocated to a HIN with incorrect Registration Details.

In the past, the CHES Master File allowed this process to be performed up front, however this was removed due to privacy concerns.

ASX could consider changing the validations of the ACNT report to allow querying of Registration Details for HINs that do not have an existing relationship with the Issuer. However, this would be problematic given:

- > CHES is unable to validate whether the HIN is participating in the IPO prior to the allocation of securities
- > Providing unrestricted access to HINs may give rise to privacy concerns.



Would a pre-check process where limited details are provided (e.g. suburb / postcode) work for Registries? Would this provide sufficient privacy protection?

06

Foreign Restricted Securities

06 – Foreign Restricted Securities



REG_2.2 The CHES replacement system should support the provision of instructions for foreign ownership restriction attributes on a per Issuer basis.

Foreign Restricted Securities

Participants have requested ASX to review the current process for maintaining Foreign Ownership restrictions in CHES.

Feedback has been provided indicating that it is impractical for Participants to maintain and validate against each Issuer's constitution on an ongoing basis.

Currently there are two classes of Foreign Restricted Securities managed in CHES:

- > Securities with aggregate foreign ownership restrictions (currently only TLS) with an ownership level limit (e.g. 35%)
- > Securities with an ownership level of zero such as those with US person restrictions and/or other restricted investor groups (22 securities).

C&S Facility Obligations

Issuers are not obliged to manage securities with aggregate foreign ownership restrictions in CHES (it is at the discretion of the issuer), and there are examples of issuers with foreign ownership restrictions that manage their ownership levels outside of CHES.

To facilitate the listing of US entities on the ASX market, ASX has a longstanding relief from the SEC that permits US entities to be listed by making use of the Foreign Ownership Restriction Facility (refer [Guidance Note 07 – US Companies – Regulation S Offerings on ASX](#))



How actively do Share Registries utilise the Residency Indicator for maintaining ownership restrictions?



Aggregate Foreign Ownership Restrictions

ASX proposes to evaluate decommissioning of the Foreign Ownership Restriction Facility for aggregate foreign ownership restrictions in CHES Replacement.

Decommissioning the facility would be due to:

- > Low usage of the functionality (currently restricted to a single Issuer)
 - o Some Issuers manage aggregate foreign ownership restrictions without using the Foreign Ownership Restriction Facility in CHES
- > Low market appetite to support the ongoing operational and technical complexities in relation to the facility
- > The need to customise the BaNCS system to support the facility as an Australian Market specific feature (including the foreign-to-foreign transfers).

ASX plans to work directly with the affected issuer and their share registry to determine whether this could be achieved and consider restricting the functionality from being used by new Issuers.

If this can be achieved, the Residency Indicator would be removed in CHES Replacement, on the assumption that:

- > Aggregate Foreign Ownership Restrictions do not carry forwards
- > Any “Foreign” holdings with a Foreign Ownership Level of zero would have been divested prior to go-live.



Do Registries agree with the proposal to remove this functionality?

06 – Foreign Restricted Securities



REG_2.1 The CHES replacement system should support the ability to specifically identify a holder who is a: Non-foreign person (per definitions of the Issuer's constitution), Non-US person (per the definitions of the US Securities Act), US person QIB/QP (per the definitions of the US Securities Act).

Foreign Restricted Securities with ownership level of zero

ASX proposes to rationalise the Foreign Ownership Restriction Facility to support only Regulation S securities in CHES Replacement.

- > To facilitate the continued listing of US entities on the ASX market, the proposal is to replace the Residency Indicator with a specific US Person indicator maintained at a HIN level
- > Participants would only need to populate the US Person field when holding Regulation S securities if an investor is known to be a "US Person" (*pending further discussions with participants*)
- > On the assumption (to be verified) that no excluded US Persons holding FOR securities at go-live, the field would be initially populated as blank for all HINs
- > Participants could then populate the US Person field upon creation of a new HIN or acquisition of a security subject to US Person restrictions for existing HINs
- > The management of additional Ownership Restrictions in relation to Entitlement Issues (except US Person restrictions) would need to be managed directly by the Issuer.

The US Person Indicator would indicate:

- > <blank> – Investor is not known to be a US Person and / or the US Person status is unknown but the investor is not a holder of FOR securities
- > US Person – Investor is known to be a US Person
- > US Person QIB/QP – Investor is known to be a US Person but is a Qualified Institutional Buyer or Qualified Person.



Do Registries agree with the proposal to manage US person restrictions more explicitly?

07

Investor Data

07 – Investor Data

Recap

In February 2025 we held a BDWG with Participants and Share Registries. A summary of the discussions and changes we made to the scope can be found in the [March 2025 Technical Committee presentation](#). In addition, a revised data sheet was distributed on 28 February 2025.

The following items were adjusted, based on discussions in the session and feedback received offline:

- > FATCA information was removed from scope given limited appetite for change to the current arrangement
- > Bank Account Information at HIN level – further discussion are required as to whether a single bank account at HIN level, multiple bank accounts or a combination should be supported. Also to be discussed is whether a bank account should be stored at HIN level for other purposes (e.g. providing to bid offerors)
- > Email and Mobile Number have been retained in scope to encourage electronic communication and reduce fraud. However, further discussions will be required in relation to the rules for using this data, given some concerns raised from participants and ongoing challenges
- > Advisor Information and Wholesale Indicator – there was limited appetite by Participants to provide this information, so it was removed
- > Holder Type & Ownership Type are proposed to be limited to Single/Joint and Individual/Corporate as the minimum required for ISO. Rules will be required for migration given this information is not currently known. An Unknown Holder Type is challenging to support in BaNCS and ISO20022.



Does your organisation agree, or have any further feedback on the proposed approach for Investor Data?



Lost Shareholder

It has previously been suggested by Share Registries that there are challenges in relation to lost shareholders, and the Share Registries' ability to remedy this is limited by the reliance on a registered address supplied by the Participant.

As a result, it is proposed that a message could be implemented to allow the communication of shareholder issues from Share Registry to Participant.

It is currently assumed that this information be provided on an informational basis, with no expectation of the broker to respond or immediately action. It will need to be discussed further as to what, if any, obligations the broker has as a result of receiving this information.

Potentially a Share Registry could notify a Participant to inform them in the case of:

- > Lost shareholder / undeliverable mail
- > Electronic communication failures (e.g. email bounce-back)
- > Unclaimed monies / no-bank account present.



Would this functionality provide overall benefit to the market?

07 – Investor Data

Special characters

It was proposed in the February BDWG that CHESSE should support an expanded character set to allow for more accurate capture of investor information.

BaNCSS has the facility to support more characters than current CHESSE, such as diacritic characters (e.g. à, è, ì, ò, ù, á, é, í, ó, ú, ý), and these can also be supported in the ISO messages.

Some examples of special characters that may be supported in certain holder name, company name, designation and address fields include <space> ! " # \$ % & ' () * + , - . / : ; < > = ? @ [] ^ ` .

Certain characters like < and > however, will have to be replaced with < and > when sending or receiving ISO messages.



In Latin script there are over 50 different diacritics that can apply to multiple letters. The number of possible characters that would be supported if introducing diacritics could potentially be very large.

[Refer: Diacritic – Wikipedia](#)



- Would inclusion of special characters provide enhancements to Registry processes and an improved investor experience?
- Does inclusion of special characters likely make some processes more difficult (e.g. SRN matching)?
- What, if any, special characters should be supported?

08

Next Steps

07 – Future Topics & Next Steps

Release 2 Drop 2 (April)

- > Core Clearing & Settlement Processes:
 - Trade Registration & Netting
 - Settlement Instructions
 - Batch Settlement
- > Continued discussion on guaranteed foreign (as necessary).

Release 2 Drop 3 (July)

- > Issuer Sponsored Processes (transfers & conversions)
- > Holding Adjustments
- > Cum Entitlement Balances

Future Forums

- > Accounts Migration
- > Corporate Action Elections & Acceptance Processing (including Takeovers & Buybacks)

Next Steps

- > ASX will prepare a summary of the session for the Technical Committee including any recommendations for changes in current CHES or the CHES Project

08 – Indicative Forward Engagement Calendar (Rolling 3 Months)

	March 2025	April 2025	May 2025
Technical Committee	<p>3 March</p> <ul style="list-style-type: none"> > Release 1 and Release 2 project update > Release 1 Industry Test Environment > Working Group updates > Optional versus mandatory functionality > Pulse Survey actions 	<p>2 April</p> <ul style="list-style-type: none"> > Release 1 and Release 2 project update > Release 1 Industry Testing update > Working Group updates > Optional versus mandatory functionality > CHES project – use of BICS 	<p>6 May</p> <p>TBD</p>
Implementation & Transition Working Group	<p>27 March</p> <p>Release 2 Industry Test Tooling Approach</p>	<p>29 April</p> <ul style="list-style-type: none"> > Release 2 Industry Test Tooling Approach (cont'd) > Release 1 Operational Readiness and Approach 	<p>29 May</p> <p>Release 1 Clearing Regression and Cutover</p>
AMO Working Group	<p>18 March</p> <p><i>Moving to BAU (CHES project updates as required)</i></p>	<p>10 April</p> <p><i>Moving to BAU (CHES project updates as required)</i></p>	<p>14 May</p> <p><i>Moving to BAU (CHES project updates as required)</i></p>
Release 1 Build & Test Forum	<p>18 March</p> <ul style="list-style-type: none"> > Build and Test Update > Readiness Tracking > Industry testing 	<p>10 April</p> <ul style="list-style-type: none"> > Build and Test Updates > Readiness Tracking > Industry testing 	<p>14 May</p> <ul style="list-style-type: none"> > Build and Test Updates > Readiness Tracking > Industry testing
Business Design Working Group	<p>13 March</p> <p>Registries Focus Group</p>	<p>3 April</p> <p>Release 2 Drop 2 Deep Dive</p>	<p>8 May</p> <p>TBD</p>
ISO Design Working Group	<p>20 March</p> <p>Release 2 Drop 1 ISO messages and Schema</p>	<p>9 April</p> <p>Release 2 Drop 1 and 2 ISO messages and schema</p>	<p>21 May</p> <p>Release 2 Drop 2 ISO messages and Schema</p>



Questions

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09

Appendix

09 – Design Considerations

After industry alignment on the scope objectives for the CHES Project, we facilitated a series of Business Design Working Groups in 2024 with Clearing and Settlement Participants, Share Registries, Software Providers, AMOs, Payment Providers and industry associations to discuss design details in specific functional areas. The output of these sessions is a set of Business Design Documents which capture the industry design considerations in relation to any new or changing functionality.

As we continue to engage with stakeholders through the duration of the CHES Project on detailed aspects of scope, we will provide traceability to the industry design considerations in the following manner:

- For detailed topics that require further industry engagement, the relevant design consideration reference is noted in the BDWG presentation

03 – Accounts & Investor Information



REG_1.1 The CHES replacement system should support at least four joint holders on an account, with the ability to include additional holders post Release 2.



REG_1.5 ASX should provide clear guidelines in relation to recording registration details, formats for standardisation, and rules for how details are to be entered and maintained on the CHES replacement system.

- The Appendix section of each session will contain a summary of all applicable design considerations to be delivered in the drop, indicating where it is considered in this pack, or if further consultation is required
- A summary of all design considerations and corresponding delivery drops will be provided as an additional artefact.

09 – Design Considerations for Drop 1

Business Design Document	Reference	Design Consideration	Slide Reference
Registration Details & Investor Information	REG_1.7	The CHES replacement system should support an extension of the period which registration details are communicated to Share Registries for accounts with zero holding balances. This is required where there is a need to continue communications with holders for zero holdings, particularly in the case of long running corporate actions (e.g. schemes of arrangement).	Slide 19
Registration Details & Investor Information	REG_2.1	The CHES replacement system should support the ability to specifically identify a holder who is a: <ul style="list-style-type: none"> • Non-foreign person (per definitions of the Issuer’s constitution) • Non-US person (per the definitions of the US Securities Act) • US person QIB/QP (per the definitions of the US Securities Act). 	Slide 27
Registration Details & Investor Information	REG_2.2	The CHES replacement system should support the provision of instructions for foreign ownership restriction attributes on a per Issuer basis.	Slide 27
Registration Details & Investor Information	REG_4.1	The CHES replacement system should support a workflow that allows an Issuer via the Share Registry to notify a Participant of a lost shareholder.	Slide 30
Registration Details & Investor Information	REG_4.2	The CHES replacement system should support a workflow that allows a Participant or ASX to notify Share Registries of the cancellation of a HIN.	Slide 20
Registration Details & Investor Information	REG_4.3	The CHES replacement system should support the ability for Share Registries to request the status and registration details for an Investor with zero holdings. *This requires further industry consideration regarding verification requirements for access to this data, legal and compliance requirements.	Slide 23
Data & Connectivity	CD_4.1	The CHES replacement system should enable Issuer Registries to update the balances recorded against HINs by way of providing a net holding movement, per holding and HIN, on a daily basis along with the total securities held on the sub-register.	Slide 19
Data & Connectivity	CD_4.3	The CHES replacement system should enable Issuer Registries to maintain the register of members by providing new, changing and cancelled account (HIN) information on an immediate or scheduled basis.	Slide 19

Thank you.

