

# CHES PROJECT

## BUSINESS DESIGN WORKING GROUP

### SHARE REGISTRY FOCUS GROUP

ASX

4 MARCH 2026



# 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



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# Agenda

<b>01</b>	Introduction and Objectives	5 min
<b>02</b>	Business Update	20 min
<b>03</b>	Takeovers & Buybacks	20 min
<b>04</b>	Rights Issues & Share Purchase Plans	25 min
<b>05</b>	Distribution Information	20 min
<b>06</b>	Dividend Elections	25 min
<b>07</b>	Next Steps	5 min

# 01 Introduction and Objectives

# 01 - Workshop Objectives and Outputs

The purpose of this Business Design Working Group session 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 Release 2 from a Share Registry perspective
- Play back information collected from previous engagements
- Develop the finalised set of requirements for implementation in the CHES Project

**This session builds on the materials presented in the [February 2026 BDWG](#), specifically focused on Registry impacts, and which will be continued in the April 2026 Business Design Working Group.**

## 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 (progressed via the ISO Design Working Group)
- Technical documentation (delivered over 2026 / 2027)
- Revised APGs (2027)
- Rules Consultation (2027)



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

# 01 – Business Design Working Group: Forward Schedule

#	Session	Topic(s)	Invitees	Proposed Date	Status
25	<b>Registries Focus Group</b>	Registries focus group on specific registry topics	Registries only	4 March 2026	Planned
26	Release 2 Drop 5 Deep Dive (2 of 3)	Deep dive into Release 2 Drop 5 changes and business design – collateral & margin	All	23 March 2026	Planned
27	Release 2 Drop 5 Deep Dive (3 of 3)	Deep dive into Release 2 Drop 5 changes and business design – corporate actions continuation	All	1 April 2026	Planned
28	Migration Scope Deep Dive (#2)	Continued industry discussion on data migration scope and approach	All	6 May 2026	Planned
29	CHESS UI & Connectivity	Deep dive overview of the CHESS UI, connectivity, resiliency and BCP topics	All	3 June 2026	Planned
30	Release 2 Additional Deep Dives	Topics requiring further discussion (e.g. ETFs, PMF, levies, hold/release, operational hours)	All	1 July 2026	Planned

***BDWGs anticipated to continue through 2026 on a monthly cadence to work through and finalise any outstanding actions, scope changes and prepare for rules and procedures***

**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

# 02 Business Update

# 02 - Issuer Services Update

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## Requirements – ASX SOR 5.23.1

Compliance obligation for Registries – Annual Audit

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## Quarterly BAU Registry Bilaterals

Regular engagement and key discussion points (non Project related)

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## Bulk Opt In of HINs

Amendments to the ASX Settlement Operating Rules, effective 16 February 2026, were made to support broader uptake of electronic Holder communications by enabling the use of negative consent.

ASX has issued communications to Settlement Participants planning bulk conversions of existing HINs from postal to electronic delivery using the negative consent process.

ASX is coordinating with Settlement Participants on timing and volumes to manage system capacity and ensure appropriate investor support. **Bulk opt-in window commences 11 May 2026.**

Share Registries will be provided advance notice of when Settlement Participants plan to execute bulk opt-in of HINs to electronic Holder communications.

# 02 - Current CHESS Update

## Enhancements in Current CHESS

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

Currently under consideration are:

Item	Status
An additional holding adjustment reason code for ETF creation and redemptions	To be assessed after R1
Cancelled HINs reporting for Share Registries to assist with data quality	In scope - slide 13
Addition of bank account details for takeover acceptances due to the phasing out of cheques	Propose to defer to R2 - slide 16
Unquoted securities in current CHESS	For discussion - slide 12

# 02 - Unquoted Securities

A Share Registry has requested ASX consider the ability to allow the holding of unquoted securities in HINs

## Current state

- Unquoted / unlisted securities issued by listed entities are announced to market / captured in ASX internal record keeping
- Unquoted / unlisted securities issued by listed entities not currently reported to CHESS, therefore not held on a CHESS HIN (except for some temporary securities to support corporate actions)
- Registries create SRNs for record keeping - this creates duplicate investor records with potential additional administration and costs for Issuers.

## Proposed future state

- Enable Issuers to allocate unquoted / unlisted securities into CHESS (issued as part of offers, not employee plans)
- Support holding balance maintenance (Registry or Issuer) and visibility on CHESS holding statements
- Support visibility to the Participant.



Would this be desirable?

Would the volumes outweigh the cost and effort to implement?

What other systems and process would be impacted?

# 02 - Cancelled HINs Reporting: Interim Solution

Registries have requested reporting on cancelled HINs, and this could be delivered prior to CHES R2

## Current state

- When a HIN is cancelled in CHES, share registries are not advised of the cancelled status
- As a result, cancelled HINs can remain active on registry databases, limiting registry maintenance

## Proposed future state

- Provide an annual cancelled HINs report to share registries to support database clean-up. Including a catch up file
- Report content is HIN-only, same report to every registry (no UIC, no investor registration details)
- Operational parameters to be agreed (including timing)
- CHES Project design includes a future capability (R2) to notify Share Registries of HIN cancellations.



What annual report timing will meet the objectives?

# 02 - Corporate Actions Engagement

## ASX is progressing design of new Corporate Actions functionality

- ASX received endorsement from the Business Committee and C&S Boards in late 2025 (refer [ASX Business Committee September 2025 – 4b](#)) to proceed to detailed design of new Corporate Action services to further enhance and support straight through processing between Participants and Share Registries
- Since that time, this has been progressed via a Business Design Working Group session held in February 2026 and multiple bilaterals with Share Registries. The topic will be further progressed in this Registries Focus Group and at the April 2026 Business Design Working Group
- ASX acknowledges cost and impacts of such functionality to the Registries and is committed to delivering a solution that will promote automation for all aspects of the market
- ASX is happy to discuss the commercial arrangements for this service with Registries bilaterally, including the provision of data currently made available via ReferencePoint™. A broader engagement on fee models and structures will be undertaken in 2027.

# 03 Takeovers & Buybacks

# 03 - Bank Accounts for Takeovers

## Proposal to add Bank Account information as a mandatory field for Takeovers with a cash consideration

### Problem Statement

- Currently, for takeover acceptances made via CHES, there is no way for the holder to notify the bidding company of the bank account details in the case of a cash consideration
- For elections made outside of CHES, acquisition of bank account information is understood to be made at the point of election
- There is no current mechanism for the bidding company to acquire details, such as bank accounts, from the target company - to do so would require changes to the Corporations Act
- This means that bidding companies often need to make payments by cheque, which are being phased out
- ASX does not retain a record of an investor bank account

### ASX Proposal

- ASX proposes to enable Bank Account information to be included as a field to be transmitted alongside Participant Elections
- This field could be made mandatory in the case of an election to a takeover with a cash consideration

### Further Considerations

- Where there are multiple acceptances per HIN it is possible that different Bank Accounts could be supplied. ASX would propose that Registries take the most recently received Bank Account as the instruction, as opposed to supporting partial payments
- This solution does not cater for compulsory acquisitions and Share Registries would need to make other arrangements in this case.

**Due to the significant customer development required to implement this in current CHES, ASX proposes not to build this in current CHES**

# 03 - Bid Finalisation

## New Proposal: Bid finalisation to be initiated by the Bid Offeror

### Problem Statement

- Currently, a Bid Offeror will notify ASX when all bid activities are complete, including:
  - Transfer of securities into a HIN of the Bid Offeror
  - Conversion/removal of these securities from CHES
- Any securities that remain locked in a sub-position are released by ASX Operations upon notification by the Bid Offeror (typically via email) that all activities are complete
- This process carries a level of operational risk given the reliance on manual communications between ASX and the Bid Offeror and there have been some limited circumstances where miscommunications have occurred
- In the case that a bid is incorrectly finalised, it is not straightforward to re-instate the balances

### ASX Proposal

- Bid finalisation would be triggered directly by the Bid Offeror via CHES message and / or the CHES UI
- The request would be queued for processing overnight on the request date (or future dated)
- If incorrectly advised, the request could be cancelled before processing. Once balances are released however, they cannot easily be re-instated
- ASX Operations would also have the ability to finalise balances in the case it is required.

Would Share Registries be supportive of this process?

# 04

## Rights Issues & Share Purchase Plans

# 04 - Bank Account setup for Corporate Action Events

## Discussion Topic

To support payments between Participants and Share Registries for SPPs and Rights Issues, ASX needs the bank account details (BSB and Account) associated with the offer.

## Considerations

It is understood there are various ways this can be communicated today. In some cases, it is communicated on the offer forms, in other cases it needs to be requested directly from the Registry via phone/email, or it may be provisioned on a Registry portal.

#	Option	Pros	Cons	Proposal
1	Communicated to ASX Ops via form or email	<ul style="list-style-type: none"> <li><b>No build required for registries</b> – managed by ASX Ops</li> <li><b>Known process</b> - similar to existing payment facility creation process</li> </ul>	<ul style="list-style-type: none"> <li><b>Operational overhead</b> – registering bank account details in CHESSE will require Operations team to co-ordinate this information</li> <li><b>Operational risk</b> – higher potential for incorrectly entered details given multiple touch points</li> </ul>	Not recommended – fallback only
2	CHESSE UI	<ul style="list-style-type: none"> <li><b>No build required for registries</b> - managed in CHESSE UI</li> <li><b>Lower risk</b> – entered once per event with controls implemented in CHESSE UI (i.e. maker / checker)</li> </ul>	<ul style="list-style-type: none"> <li><b>Manual process for registries</b> – requires CHESSE UI access</li> </ul>	ASX proposal
3	ISO Message	<ul style="list-style-type: none"> <li><b>Fully owned and managed by registry</b></li> <li><b>Lowest risk</b> – registries can implement their own controls</li> </ul>	<ul style="list-style-type: none"> <li><b>Build required by share registries</b> – implementation of additional CHESSE message required</li> </ul>	Potential future enhancement
4	Capture on ASX Online forms and distribute via ReferencePoint™	<ul style="list-style-type: none"> <li><b>No build required for registries</b> – leverage existing process</li> </ul>	<ul style="list-style-type: none"> <li><b>May not be feasible</b> - ASX Online forms are typically inputted by company secretary and bank account details may not be known at time of announcement</li> <li><b>Significant additional build</b> for ASX</li> <li><b>Information would be publicly disseminated</b> - -not all Registries make this information public today</li> </ul>	Potential future enhancement

# 04 - Payment Channel for Corporate Action Events

## Corporate Action Payments

To support Corporate Action election payments, ASX is proposing **Real-Time Gross Settlement (“RTGS”)** as the payment method, leveraging the existing, dormant, CHES-RTGS feeder.

This decision is based on significant engagement with the Payment Providers via the ESPPSC (Equities Settlement Payment Provider Sub Committee).

## Key Considerations

- **Currently in use**
  - RTGS payments are used by a significant portion of the institutional brokers today to make corporate action payments
- **No additional setup required**
  - Share Registry and its Payment Provider are not understood to need to make any changes to receive RTGS payments initiated via CHES other than providing the Bank Account information to ASX as part of setup
- **No additional CHES development**
  - For payment providers required to send or receive an RTGS payment – all payments leverage the existing features available in RBA RITS and used for AustraClear and non-CHES RTGS payments
- **Fees are known**
  - The RBA charges both the payer and receiver bank based on value: [RITS Schedule of Fees | RBA](#)
  - Individual circumstances depend on a company's banking arrangements. (Note: In many cases banks charge a flat fee to the payer for RTGS transactions and no fee to the receiver.)
- **One way only**
  - ASX is not proposing to support transfers between Share Registries and Participants via CHES (e.g. for refunds / scalebacks), reducing complexity.

# 04 - Rights Issues - Entitlement Numbers

## Current State

- ASX understands that currently to participate in a rights issue there is a specific reference (an “entitlement number”) that is published on the offer forms
- This reference is used as part of the payment (e.g. the reference used when making a payment using BPay) and is understood that this evidences the investor is in receipt of the offer documents.

## ASX Proposal

- ASX proposes that the entitlement number would not be a requirement for elections made via CHESS. Provisioning information communicated via a non-structure electronic process would diminish participants ability to enable STP
- To meet the requirement, ASX proposes an obligation placed upon the participant as part of the ASXOR to ensure the participant has the correct authorities and the holder is entitled to accept the offer (equivalent to ASXOR 14.15.3 for takeovers)
- No changes is proposed for existing election channels.



Are there any additional usages of the entitlement number that should be considered as part of the solution?

# 04 - Share Purchase Plans – Underlying Investor

## Problem Statement regarding Omnibus Accounts

- Currently for voluntary Corporate Actions with restrictions, beneficial holder information is required to support the acceptance. These beneficial holder details are usually communicated via email / spreadsheets between a Custodian with a nominee account and the Registry and in the most part, these are manual processes.

## Potential Solution

- Given the solution has the ability to support multiple option instructions for a single account, as is the case with takeovers / buybacks today, these messages could be enabled to carry beneficial holder information and allow STP transmission of this information.
- Each option instruction would contain a unique identifier, and could additionally enable:
  - Beneficial Holder - Account Number; and/or
  - Beneficial Holder - Account Name; and/or
  - Beneficial Holder - Account Address

 What beneficial holder information would be helpful to be transmitted via CHES?

**Custodial Certificate** PARTICIPATING BENEFICIARIES

IRM  
Custodian name: Registry Group  
Contact name: 1-800-registry  
Contact telephone: registry@registry.com.au  
Email address: registry@registry.com.au

The completed copy must be emailed to [registry@registry.com.au](mailto:registry@registry.com.au)  
Failure to send the Custodian Schedule to the email address or Applications received by Custodians that are not accompanied by the Schedule will be rejected.

IRM	Column 1	Column 2	Column 3	Column 4	Column 5	Application Date
BENEFICIAL HOLDER REFERENCE NUMBER OR BENEFICIAL	NUMBER OF PARTICIPATING BENEFICIARIES	FULL NAME OF PARTICIPATING BENEFICIARY	ADDRESS OF BENEFICIAL HOLDER	SECURITIES HELD ON RECORD DATE	AMOUNT PAID (or Dollar US amount applied for)	
AC-001	1	JOHN SMITH	45 SAMPLE STREET, NY, USA	100	\$100	3/13/2018
AC-002	2	JANE DOE	123 MILE ROAD, LONDON, UNITED KINGDOM	200	\$200	3/13/2018
AC-003	3	ACME CORP LIMITED	20 BRIDGE STREET, SYDNEY, 2000, AU	500	\$500	3/13/2018

Signed and certified on behalf of the Custodian:  
Name:  
Authorised Officer

\$ 800.00



# 05 Distribution Information

# 05 - Corporate Action - Disbursements

## Problem Statement

Currently for Corporate Action Disbursements, limited information is transmitted between Registry / Issuer and Holder in a **structured, electronic format**.

For Omnibus accounts with multiple beneficial holders this can pose challenges and often requires Custodians to manually request information from the Registry to confirm how the payment has been calculated.

## Potential Solution

**ISO 2022 supports the transmission of rich information in relation to Corporate Action disbursements via the seev.036.**

After fully evaluating current usage and practices globally, ASX does *not* recommend transmitting information as part of the Holding Adjustment, but in a simpler lower risk way as an additional confirmation message.

The information in the confirmation message can also provide traceability to reconcile against the option instructions and announcement.

Disbursement confirmation messages *could* be useful for communicating:

- Rights exercised, lapsed and allotted for oversubscription
- Rights refunds and scale-backs
- Share Purchase Plan allotments and refunds
- Buyback consideration allotments
- DRP price, franked amount, withholding tax record date balance and partial quantity.

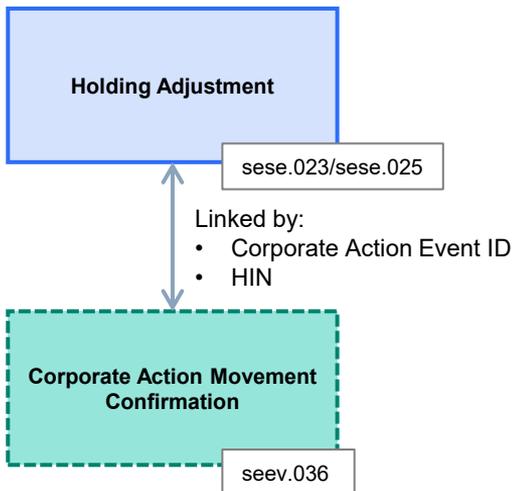


What information would be beneficial to be transmitted electronically via ISO 2022 message upon disbursement of a Corporate Action?

# 05 - Holding Adjustments & Disbursement Confirmation

## OPTION 1: Movement with Holding Adjustment

Holding adjustments per current market practice



Optional / opt-in confirmation message

Corporate Action Movement Confirmation could provide a high-level summary of the allocation at a **HIN** level

### Rights Issue

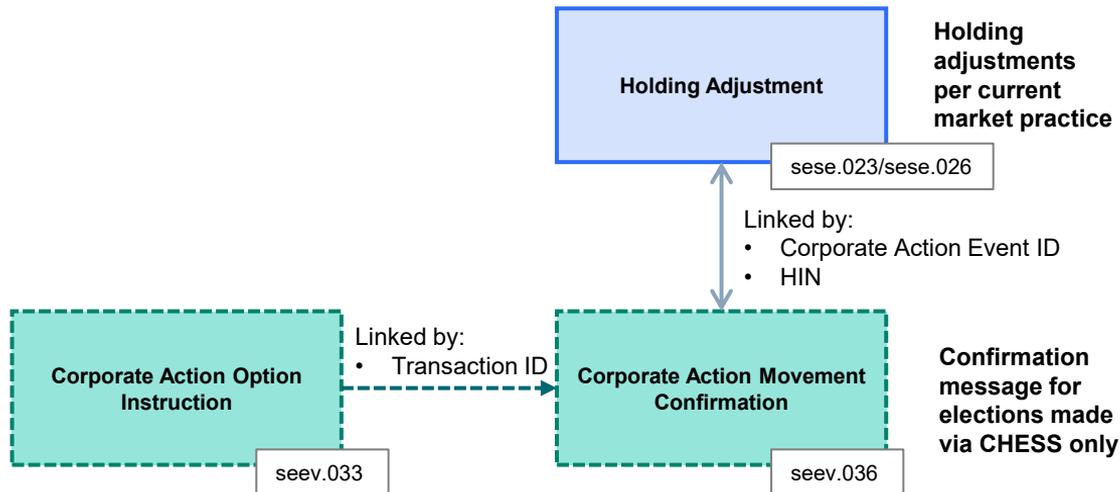
- Number of units allocated
- Number of units lapsed
- Refund / scaleback amount (total for HIN)

### Share Purchase Plan

- Number of units allocated
- Refund / scaleback amount (total for HIN)

# 05 - Holding Adjustments & Disbursement Confirmation

## OPTION 2: Movement in response to option instruction (election)



**Corporate Action Movement Confirmation** could be used in response to an option instruction made via CHES.

### Rights Issue / SPP

- Number of units allocated per individual election
- Refund / scaleback amount per individual election

# 06 Dividend Elections

# 06 – DRPs & Bank Accounts

For DRPs there are two competing use cases that operate differently:

1. **Retail shareholders** that typically set a DRP flag up front and manage as a standing instruction
2. **Custodians** with Omnibus accounts who aggregate instructions from multiple beneficiaries and instruct a partial DRP close to the cutoff.

Due to these different use cases and the complexity in relation to the differences between DRP plans, ASX proposes two methods of communication.

*Note: the proposal to store a single Bank Account or DRP preference against the HIN would not be carried forwards.*

## RETAIL SHAREHOLDERS

### Standing Instruction

- The Holding Advice (EIS 757 replacement) could be enhanced to include an optional DRP flag - this message can be sent at any time, typically on acquisition of a new holding
- Only a full DRP or full cash elections should be supported via this method - partial elections would not be supported
- Holder Advice responses would allow a Registry to inform of the status of both the bank account and DRP instructions – allowing validation against plan availability.

## OMNIBUS HOLDERS

### Event-specific Instruction

- The Option Instruction process could also support an event specific elections equivalent to Takeovers, Buybacks and Rights
- Partial elections would be supported and result in the blocking of a specific quantity of units
- Multiple Partial Instructions could be supported, which would be aggregated and sent to Registries at the cutoff
- All options could be supported (e.g. Foreign Currency, BSP, etc...)

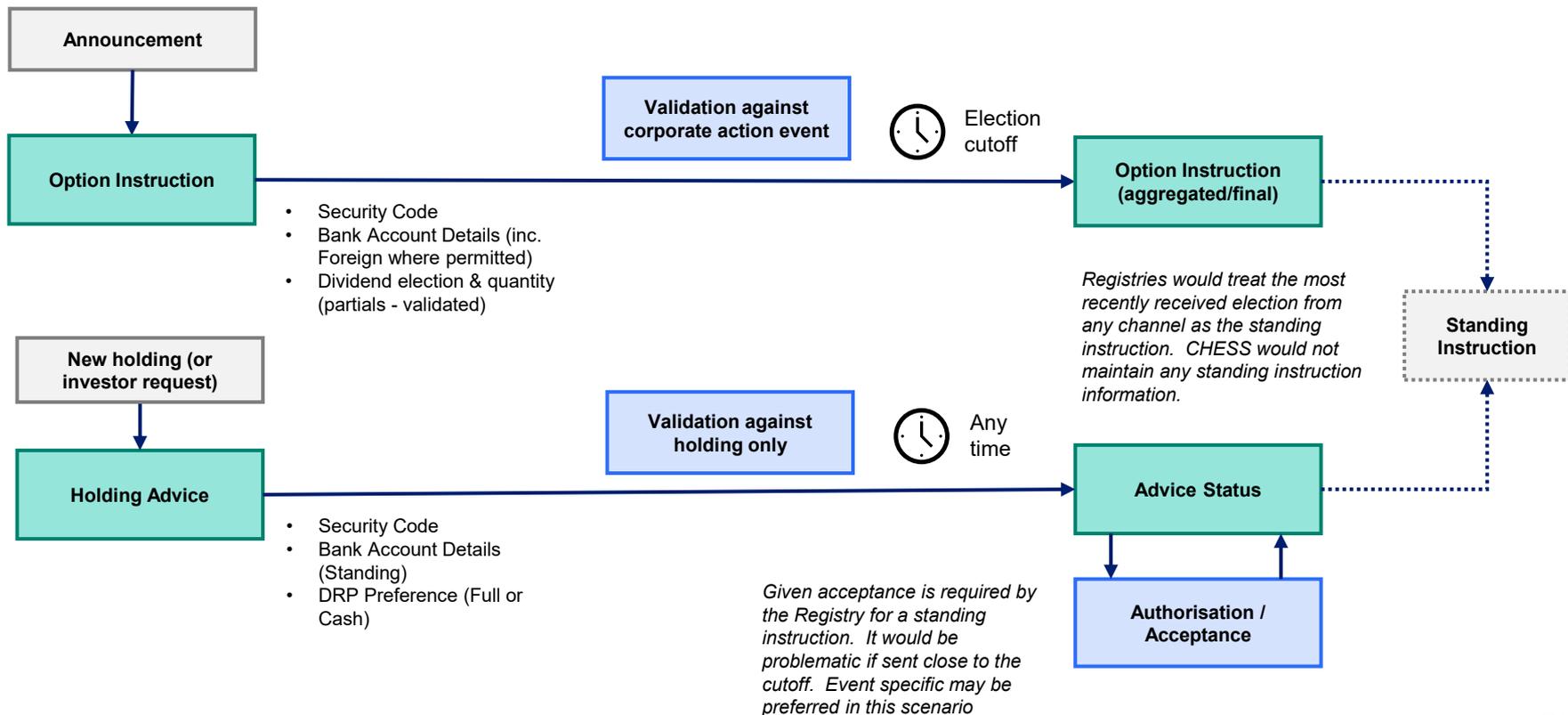
**Registries should always consider the most recently received election via any channel. Any event-based elections should also be retained in keeping with the specifics of the DRP Plan Rules.**



The proposed Nominee flag could be utilised to control or determine what kinds of elections to expect

# 06 - Dividend – Event Based & Standing

## Consolidated proposal to support event-based and standing instructions (Registry perspective)



# 07 Next Steps

# 07 – Next Steps & Future Topics

ASX will prepare a summary of this session for the Technical Committee including any actions.

Topics will be progressed via the ISO Working Group with further Business Design Working Groups in 2026, if necessary.

## Business Design Working Group

23 March 2026

- Collateral for ETOs
- Cash Market Margining

## Business Design Working Group

1 April 2026

- Further discussions on new Corporate Actions functionality



# Questions

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