

# ASX CHESS PROJECT

Business Design Working Group  
Drop 1 – Accounts & Investor Information

6 February 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
- > 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: 511 884 11#
- > Presentation materials were distributed before the meeting and will be published on the website.

# Important Information

## 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 Survey Playback

03 Accounts and Investor Information

04 Notification to Issuer Registry

05 Invalid Investor Data

06 Account and Holding Reporting

07 Future Topics

08 Next Steps

# 01

## Introduction and Agenda

# 01 – Detailed Workshop Agenda

#	Topic	Duration
01	Introduction and Agenda	15 mins
02	Survey Playback	15 mins
03	Accounts and Investor Information <ul style="list-style-type: none"><li>&gt; Registration Details (in scope, out of scope fields, formatting for post, standards)</li><li>&gt; Communication Information, Account Status Information</li><li>&gt; Ownership Restrictions</li><li>&gt; Advisor Details and Additional Holder Information</li><li>&gt; Bank account details, Tax and FATCA details</li></ul> Migration of existing CHES Data	1 hour
Break		15 mins
04	Notification to Share Registries	20 mins
05	Invalid Investor Data	15 mins
06	Account and Holding Reporting	20 mins
07	Future Topics	10 mins
08	Next Steps	10 mins
Total workshop duration		3 hours

# 01 – Workshop Objectives and Outputs

The purpose of the BDWG is to refine previously consulted design considerations and gain further customer feedback on the scope of Release 2 Drop 1 CHESSE Replacement

## Objectives

- > Collect expertise to refine the design of accounts and investor data in the CHESSE Replacement project
- > Play back information collected from data feedback collection exercise and previous engagements
- > Develop the finalised set of requirements for implementation in CHESSE Replacement

## Outputs

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



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	Pre-work circulated early-Dec Feedback requested by 23/01
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	Planned
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	<i>Placeholder</i>	<i>Session to be confirmed</i>	<i>TBD</i>	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



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

## 02 – 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.

# 02

## Survey Playback

## 02 – Investor and Account Data Survey Playback

In readiness for this Working Group, we invited members to review and provide feedback and commentary on the proposed data model for both registration details and a set of additional investor data.

We received 14 responses in total from:

- 3 Software Vendors
- 2 Share Registries
- 9 Participants
- 1 Industry Association

The CHES Project is undergoing an iterative feedback process throughout each step of the design process for all scope objectives approved to proceed by the Business Committee. As we progress through the detailed design of each feature, members will continue to have the opportunity to provide feedback to us via our various working groups in the future.

# 02 – Investor and Account Data Survey Playback

## Overview of survey results

	No changes requested	Changes requested	Not applicable	Other – see comments
Registration Details	6	1	1	5
Communication Information	7	0	1	5
Account Status Information	5	2	3	2
Ownership Restrictions	8	2	0	3
Advisor Details	5	1	5	2
Additional Holder Information	5	2	3	3
Bank Account Details	8	0	0	4
Domestic Tax Details	8	1	0	3
FATCA/CRS Details	7	2	2	1
Corporate Actions	8	0	0	4

# 03

## Accounts & Investor Information

# 03 – Accounts & Investor Information

REG\_1.1 The CHES replacement system should support (where relevant) the standardised ISO 20022 format for registration details.

## Registration Details – In Scope Fields

This Registration Details section contains data fields in relation to the registered holder of the securities account.

The primary proposed change in relation to current CHES is the introduction of structured addresses and separated holders (e.g. up to three address lines for an account, supplemented by suburb, state and postcode fields).

The proposed changes align to the standard address data model in the TCS BaNCS product.

Up to 4 holders can be registered on an account. RGID as an account type from the previous project is not currently anticipated to be required but will be revalidated in Drop 3.

HIN	10 characters numeric
Controlling Participant	5 characters numeric
Account Type	Sponsored, Direct, Settlement, Accumulation
Ownership Type	Single, Joint
Holder Name(s)	140 characters alphanumeric (per holder)
Registered Address Line 1	40 characters alphanumeric
Registered Address Line 2	40 characters alphanumeric
Registered Address Line 3	40 characters alphanumeric
Registered Address Town name (Suburb)	35 characters alphanumeric
Registered Address Country subdivision (State)	35 characters alphanumeric State abbreviation for AU
Registered Address Postcode	10 characters alphanumeric 4 digits for AU
Registered Address Country Code	2-character ISO country code
Account Designation	35 characters alphanumeric



## INDUSTRY FEEDBACK

- Clarification whether Holder Names is proposed to be 140 characters per holder or for all holders
- Request to consider additional of ownership type of corporation
- Request to discuss the rationale for removal of RGID



# 03 – Accounts & Investor Information

## Registration Details – Out of Scope

Nominated Settlement Entrepot	Previous CHES R	Out of Scope
Account Name	Previous CHES R	Out of Scope
Mailing Addressee Line	Previous CHES R	Out of Scope
Registered Address Line 4	Previous CHES R	Out of Scope
Registered Address Line 5	Previous CHES R	Out of Scope

Nominated Settlement Entrepot will be managed as position account to settlement account mapping and will be managed by ASX Ops. Position accounts will be discussed further in a future BDWG.

Account Name and Mailing Addressee Line can be derived from Holder Names and Designation

Registered Address Lines 4 and 5 were added in previous CHES R for a small number of accounts (~50k) that could not be easily be migrated. ASX proposes this decision is revisited and a combination of business rules and data clean-up activities are used to identify and remediate these accounts rather than introducing additional address lines into the data model

### INDUSTRY FEEDBACK

- Clarification on the removal of the nominated settlement entrepot field
- Clarification on whether changes are required to the existing entrepot accounts
- Request for a further deep dive on the inclusion of address lines 4 and 5 and the mapping of overseas addresses to Town/State/Postcode fields

## 03 – Migration of existing CHES data

As part of ASX's migration activity, all data required to meet system, regulatory and legal requirements and obligations will be migrated to BaNCS.

Account data will require data transformation and our approach to migrate accounts to the new account format will be proposed in a future BD WG, to be held in the second half of 2025.

Proposed topics may include (but will not be limited to):

- Account migration strategy and timing
- Registration details tool
- International addresses
- Maintenance of migrated account details
- Reporting
- Consideration of account details across the Issuer Sub-register and the CHES Sub-register.



Do you have any specific account migration considerations you would like to discuss during the session?

# 03 – Accounts & Investor Information

## Registration Details – Formatting for post

- Responsibility for formatting name and address to fit into an envelope lies with the sender (i.e. ASX, Share Registry, Participant)
- Fields have been composed such that the address can fit within the Australia Post recommended 7x40 character address window
- In some cases, the holder names and account designation may cause this size to be exceeded. In this circumstance, it is requested that full holder names and designation are recorded against the HIN but are abbreviated by the sender if needed when generating mail. This could include shortening names and/or omitting holder names (e.g. a lengthy address with 4 holders with long names and a designation)
- In the case where holder names are omitted from the address label, they should be included in full in the letter itself.

Example of an Australian address

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
1	H O L D E R N A M E S																																							
2	D E S I G N A T I O N																																							
3	A D D R E S S L I N E 1																																							
4	A D D R E S S L I N E 2																																							
5	A D D R E S S L I N E 3																																							
6	S U B U R B																																							
7	S S S			0 0 0 0																																				

Example of an international address

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
1	H O L D E R N A M E S A N D																	D E S I G N A T I O N																						
2	A D D R E S S L I N E 1																																							
3	A D D R E S S L I N E 2																																							
4	A D D R E S S L I N E 3																																							
5	T O W N N A M E																																							
6	C O U N T R Y S U B D I V I S I O N																											P O S T C O D E												
7	C O U N T R Y																																							

# 03 – Accounts & Investor Information



REG\_1.2 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.

## Registration Details – Name & Address Standards

- Holders would be increased from 3 to 4
- The number of holders could not be modified once the account has been created. Changes in the number of holders requires a new HIN to be created.
- Honorifics and salutations are no longer standard to include in addresses and would be proposed to become optional in CHES. When matching registration details (e.g. ISH to PSC transfers) they should not form part of the matching criteria
- Special characters would continue to be supported (e.g. hyphen, ampersand, apostrophe), as would diacritics supported in current CHES. Lowercase characters should be transformed to uppercase
- It is generally recommended that the “full name” is captured as expressed by the holder rather than split into first/middle/last name and ordered as such. This is to avoid confusion, given the various ways names are structured internationally. Spaces in surnames can be supported.
- Abbreviated names should not be used
- Joint holders should be represented separately (e.g. ‘Mr John Smith, Mrs Carol Smith’, not ‘Mr & Mrs John & Carol Smith’)
- Angle brackets, commas and linking names with a ‘+’ are no longer required.

### INDUSTRY FEEDBACK

- Request to consider managing changes to the number of holders in case of an error
- Request to consider the HIN always starting with an ‘X’ in messaging to help international clients differentiate between issuer, CHES, and certificated account numbers.
- Request to consider the requirements around salutations
- Request to ensure the rules for SRN creation and HIN creation are aligned

[Source Link: Personal names around the world](#)

# 03 – Accounts & Investor Information



REG\_1.3 The CHES replacement system should support Investor communication preferences such as Post or Electronic (ASX only, Issuer only, or Both).



REG\_1.4 The CHES replacement system should support Investor communication preferences such as email addresses and mobile numbers.

## Communication Information

The Communication Information section contains data fields required to communicate with the investor.

Mobile number has been added as an optional additional communication method, as well as an optional mailing address that would allow investors to have the ability to separate their mailing address from their registered address, where elected.

Communication Preference	Existing	In Scope
Email	Existing	In Scope
Mobile	Previous CHES R	In Scope
Mailing Address Line 1	New	In Scope
Mailing Address Line 2	New	In Scope
Mailing Address Line 3	New	In Scope
Mailing Address Town name	New	In Scope
Mailing Address Country subdivision	New	In Scope
Mailing Address Postcode	New	In Scope
Mailing Address Country Code	New	In Scope



## INDUSTRY FEEDBACK

- Consideration as to whether an additional mailing address would be used in practice if optional, whether it would encourage further paper-based correspondence, and the obligations and expectations on issuers and their share registries in receiving this information
- Consideration as to whether mobile numbers would be provided and used by issuers and their share registries.

# 03 – Accounts & Investor Information

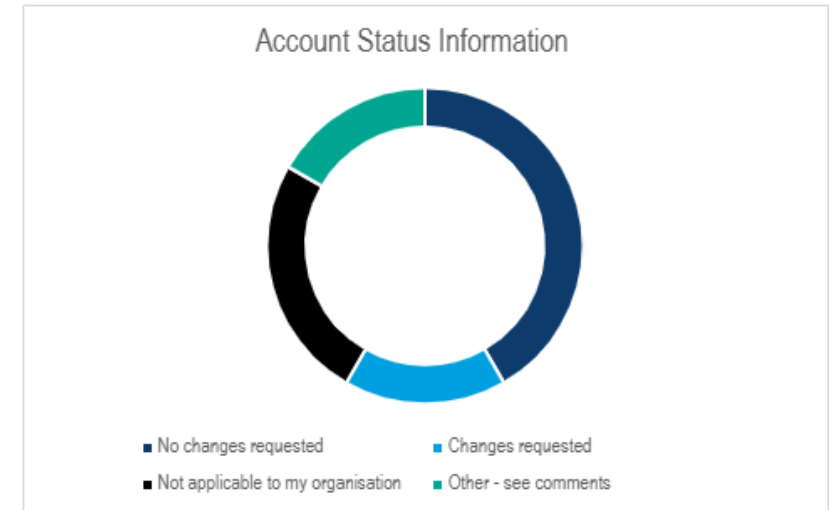
## Account Status Information

The Account Status section contains data fields typically used by a Participant for managing death and bankruptcy processes, and for ASX to manage court orders and other requests.

This has not materially changed from current CHESS, though has been simplified in relation to the previous CHESS Replacement proposal of managing death/bankruptcy at a holder (as opposed to account) level.

An additional data message is proposed to be added to allow a Share Registry to notify a Participant of data issues as pass through information.

Account Status	Existing	In Scope
Account Status Reason	Existing	In Scope
Account Data Issue	New	In Scope
Date of Event (Death/Bankruptcy)	Existing	In Scope
Contact Reference	Existing	Out of Scope



## INDUSTRY FEEDBACK

- Consideration whether the 'Account Data Issue' functionality could be extended to receive an alert from the Issuer advising that banking details have been updated at the Registry level as a fraud prevention measure
- Clarification on the usage of the "Date of Event" field.

# 03 – Accounts & Investor Information



REG\_2.1 The CHES replacement system should support the ability to specifically identify a holder who is a non foreign person, non-US person or a US person QIB/QP.

## Ownership Restrictions

The Ownership Restrictions section contains data fields that are intended to replace the existing Residency Indicator.

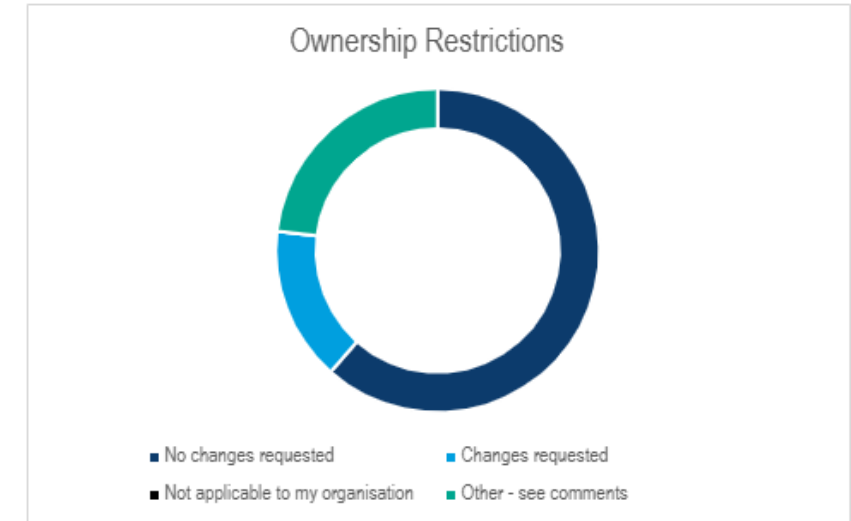
This seeks to distinguish between aggregate foreign ownership restrictions versus managing US person restricted securities (as required by US regulations).

Additionally, a wholesale indicator is proposed to be added at the request of some Issuers and may be used to control certain securities restricted to wholesale use (e.g. Hybrids).

ASX proposes to continue discussions with Share Registries and their Issuers (as required) to reduce or remove the necessity to track aggregate foreign and excluded investor information in CHES.

Aggregate Foreign Ownership Indicator	New	In Scope
US Person Indicator	New	In Scope
Retail/Wholesale Client Indicator	New	In Scope

Is the existing guaranteed foreign transfer function useful to your business?



## INDUSTRY FEEDBACK

- Clarification sought on the valid values for the US Person indicator
- Consider how excluded investor rules that extend beyond the U.S. should be handled
- Clarify how this would replace the residency indicator and the usage of 'UNKN'
- Request to discuss the usage and benefits of the wholesale client indicator.

# 03 – Accounts & Investor Information

## Advisor Details

The Advisor Details section contains data fields that can be used to identify the Advisor (where applicable).

This information has been requested by ETF Issuers and is currently provided in relation to mFund.

Given the Advisor does not typically differ for different holdings of a HIN, the proposal is to record and communicate this information (where provided) to all Issuers.

Only limited information that would allow an Issuer to identify the Advisor is proposed.

ASIC Advisor Number	Existing CHESS – mFund only	In Scope
Advisor Name	Existing CHESS – mFund only	In Scope
Dealer Group Name/AFSL	Existing CHESS – mFund only	Out of Scope
Advisor Email/Mobile	Existing CHESS – mFund only	Out of Scope



## INDUSTRY FEEDBACK

- Consideration of what the advisor would be permitted to and how the registry could verify and indemnify the advisor information
- Consideration as to whether these fields would be used, and any related privacy obligations.



# 03 – Accounts & Investor Information



REG\_3.1.1 The CHES replacement system should support the ability collect additional details such as TFNs, ABNs and ACNs to be recorded against each holder of an account in CHES on an optional basis.

## Additional Holder Information

The Additional Holder Information contains additional data in relation to the holder.

This is proposed to support four holders, as agreed in prior BDWGs, with the possibility of increasing the number of holders in the future.

A holder identifier is required by ISO and in the BaNCS product and is proposed to be simplified to an additional digit following the HIN (e.g. 1234567890-1 for Holder 1 of HIN 1234567890).

Additional Holder Information has been simplified from the previous CHES Replacement project with less fields proposed to be captured.

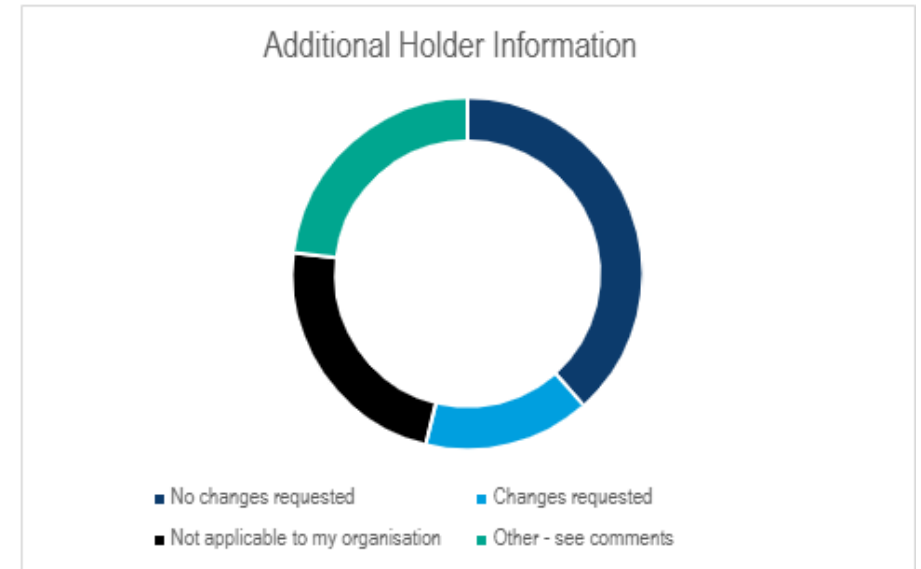
Holder Id	Previous CHES R	In Scope
Holder Type	Previous CHES R	In Scope
Date of Birth	Previous CHES R	In Scope
LEI	Previous CHES R	In Scope
ACN	Previous CHES R	In Scope
Holder Prefix	Previous CHES R	Out of Scope
Holder Status	Previous CHES R	Out of Scope – Account level only
Holder Status Reason	Previous CHES R	Out of Scope – Account level only
Date of Death	Previous CHES R	Out of Scope – Account level only
Date of Bankruptcy	Previous CHES R	Out of Scope – Account level only
Company Incorporation Date	Previous CHES R	Out of Scope
Holder Address	Previous CHES R	Out of Scope
Holder Email Address	Previous CHES R	Out of Scope
Holder Mobile Number	Previous CHES R	Out of Scope

# 03 – Accounts & Investor Information

## Additional Holder Information

### INDUSTRY FEEDBACK

- Consideration of the Holder ID being appended to the HIN (e.g. HIN-1, HIN-2 etc...) and whether a HIN transfer will transfer all holders of an account
- Consideration of whether Holder Type (Individual/Company) is necessary given all domestic companies must have PTY LTD or LTD in their name
- Consideration of whether Date of Birth can be received by the registry for non-FATCA reasons and for what purpose it can be used
- Consideration of the treatment of PII in the new CHES system and ensuring the relevant security and encryption standards are conformed to.



# 03 – Accounts & Investor Information

- REG\_3.3.1 The CHES replacement system should support the ability to add a single nominated bank account to be recorded against a HIN in CHES on an optional basis.
- REG\_3.3.2 The CHES replacement system should support a workflow that allows bank details that are recorded against a HIN to be used as a default value which is relayed to Share Registries upon the acquisition of a new holding, when details are updated by an Investor or other applicable scenarios.

## Bank Account Details

The Bank Account Details section proposes to capture a single Bank Account at a HIN level that would be provided to all Issuers. This would provide a mechanism to better ensure bank accounts are being communicated and reduce scenarios where a bank account is not available for payment, resulting in cheques being issued. The account would only be used for Issuer (or Bid Offeror) payments to investors.

These could also be used to notify the Bid Offeror in certain scenarios (to be determined). The existing pass-through message would not be carried forward and an Investor requiring different bank accounts for different holdings would need to manage this scenario with the Registry directly, or request on an individual Corporate Action basis.

The existing Bank Account rejection message would be replaced with a generic message the Registry can submit that would allow indication that there is a data issue with an account (e.g. invalid bank account, invalid email or returned mail address) – as included in the Account Status section.

Foreign Bank Accounts are not proposed to be supported at a HIN level given they can only be utilised for a small subset of Corporate Actions.

BSB	Existing	In Scope
Account Number	Existing	In Scope
Account Name	Existing	In Scope
Account Purpose	Existing	Out of Scope
Other Payment Reference (i.e. Pay ID)	New	Out of Scope
Foreign Bank Account Details	New	Out of Scope (at HIN level)

# 03 – Accounts & Investor Information

## Bank Account Details

### INDUSTRY FEEDBACK

- Consideration of handling invalid bank account details that have been provided directly by the investor
- Consideration of the potential fee impact of adding bank account details to an existing account (as opposed to pass through)
- Consideration of the liability where the incorrect bank account information is provided by the broker
- Noting that takeover payments would require separate legislation change for target to provide bank details on register
- Request to consider the rationale for foreign bank account details being out of scope.



# 03 – Accounts & Investor Information



REG\_3.1.2 The CHES replacement system should support a workflow that allows TFNs, ABNs and ACNs that are recorded against a HIN to be used as a default value which is relayed to Share Registries upon the acquisition of a new holding, when details are updated by an Investor or other applicable scenarios.

## Domestic Tax Details

The Domestic Tax Details section proposes to continue to pass through TFNs on a per Issuer basis, whilst supporting recording of ABNs against the HIN.

The rationale for continuing to pass-through TFNs is to ensure compliance with the strict privacy requirements relating to TFNs, including the requirement for an investor to specifically request that their TFN is shared with an individual organisation.

TFNs would be associated with each holder, though in the case of a trust could be associated with the account.

ABNs however, are more readily sharable.

These fields are subject to ongoing legal and regulatory considerations.

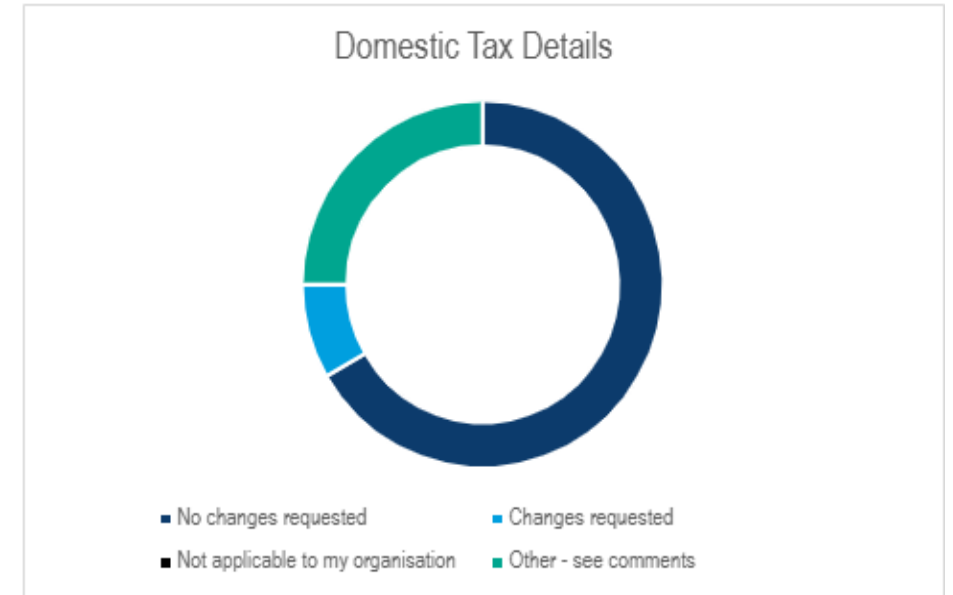
TFN/Exemption Code	Existing	In Scope
TFN Investor Type	Existing	In Scope
ABN	Existing	In Scope

# 03 – Accounts & Investor Information

## Domestic Tax Details

### INDUSTRY FEEDBACK

- Request to consider how to provide TFN details for a trust where TFNs are associated at a holder level in the message
- Request to consider the ability to allow the Security Code to be left blank and a TFN to be provided to all issuers as a result
- Request to consideration that both ABN and TFN should both be pass through to avoid confusion
- Clarification that ABNs are 11 digits.



# 03 – Accounts & Investor Information



REG\_3.2.4 The CHES replacement system should support a workflow that allows the pass through of information to an Issuer only for products where there is an obligation to report these details such as ETFs, Dual Access Funds, MITs, MISs and any other applicable product.

## FATCA/CRS Details

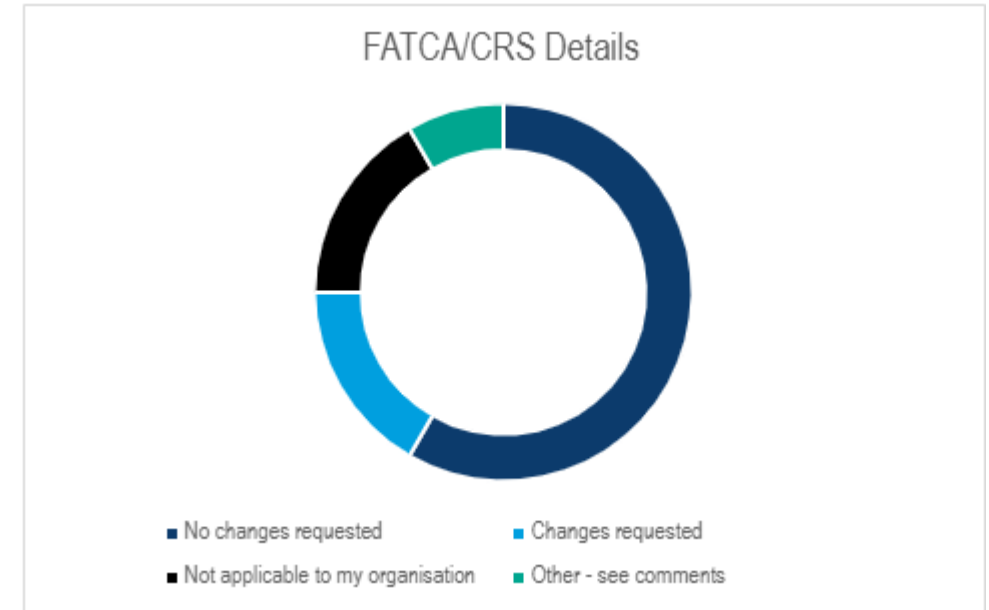
The FATCA/CRS Details section proposes to allow a HIN to contain certain fields that would allow FATCA/CRS certification to occur automatically in the most common scenarios, and without the investor needing to re-certify with the share registry.

Investor Types are proposed to be limited to:

- Individual & Joint Holders
- Superannuation Funds
- Companies & Trusts that are non-foreign and classified as active/passive NFEs.

Other Investor Types, including more complex arrangements (such as scenarios requiring the documentation of beneficial ownership), would continue to require manual certification.

Usage of the fields would be subject to further legal and regulatory evaluations.



Would providing a FATCA certification capability for these use cases be of benefit to the investors and issuers?

# 03 – Accounts & Investor Information



REG\_3.2.1 The CHES replacement system should support the ability collect tax residency self-certification details to be recorded against each holder of an account in CHES on an optional basis. These details may include but is not limited to account investor types, entity specific details and tax residence details.



REG\_3.2.2 The CHES replacement system should support a workflow that allows tax residency self-certification details that are recorded against each holder of a HIN to be used as a default value which is relayed to Share Registries upon the acquisition of a new holding, when details are updated by an Investor or other applicable scenarios.

## FATCA/CRS Details – Individual & Joint Individual Holders

Account Investor Type	Existing CHES - mFund only	In Scope	Individual Joint
Per Holder (up to 4)			
FATCA Foreign Tax Residency Indicator	Existing CHES - mFund only	In Scope	True, False
Date of Birth	Existing CHES - mFund only	In Scope	YYYY-MM-DD
Additional Address Type	Existing CHES - mFund only	In Scope	Residential, Entity Street Address
Additional Address Line 1	Existing CHES - mFund only	In Scope	40 characters alphanumeric
Additional Address Line 2	Existing CHES - mFund only	In Scope	40 characters alphanumeric
Additional Address Line 3	Existing CHES - mFund only	In Scope	40 characters alphanumeric
Additional Address Town name	Existing CHES - mFund only	In Scope	35 characters alphanumeric
Additional Address Country Subdivision	Existing CHES - mFund only	In Scope	35 characters alphanumeric
Additional Address Postcode	Existing CHES - mFund only	In Scope	10 characters alphanumeric
Additional Address Country Code	Existing CHES - mFund only	In Scope	2 character ISO country code
Per Country (up to 3 per holder)			
Tax Residency Country	Existing CHES - mFund only	In Scope	Up to 3 only
Tax Identification Number (TIN)	Existing CHES - mFund only	In Scope	NA
TIN Absent Reason	Existing CHES - mFund only	In Scope	Country does not issue TINs The individual has not been issued with a TIN The country does not require the collection of a TIN
Additional Countries Indicator	Previous CHES R	In Scope	Yes, No Yes = Cannot be FATCA certified via CHES



# 03 – Accounts & Investor Information



REG\_3.2.3 The CHES replacement system should support a workflow that allows tax residency self-certification details to be collected for a Self-Managed Super Fund (SMSF) or a trust rather than the named holders on an account. This may also be the beneficiaries of a trust who are not the named holders.

## FATCA/CRS Details – Company & Trust

Account Investor Type	Existing CHES – mFund only	In Scope	Company Trust Partnership Government Other Non-Individual
Entity Characterisation	Existing CHES – mFund only	In Scope	Active NFE/NFFE Passive NFE/NFFE Other (Financial institution, Public Listed Company, Not a financial account, Exempt Beneficial Owner) Other = Cannot be certified via CHES
FATCA Foreign Tax Residency Indicator	Existing CHES – mFund only	In Scope	True, False True = Cannot be certified via CHES
ACN	New	In Scope	9 characters numeric
ABN	Existing CHES – mFund only	In Scope	11 characters numeric
ARBN	New	In Scope	9 characters numeric
ARSN	New	In Scope	9 characters numeric
Additional Foreign Beneficial Owners & Controllers	Existing CHES – mFund only	In Scope	True, False True = Cannot be certified via CHES
US Person Indicator	New	Out of Scope	True, False
GIIN	Previous CHES R	Out of Scope	19 characters numeric
Non CRS Entity Jurisdiction	Previous CHES R	Out of Scope	True, False
GIIN Absent reason	New	Out of Scope	Deemed Compliant Foreign Financial Institution, Non-Participating Foreign Financial Institution, Excepted Financial Institution, Exempt Beneficial Owner
Exchange and Ticker Code	New	Out of Scope	NA
Beneficial Owners & Controllers	Existing CHES – mFund only	Out of Scope	NA

# 03 – Accounts & Investor Information



REG\_3.2.3 The CHES replacement system should support a workflow that allows tax residency self-certification details to be collected for a Self-Managed Super Fund (SMSF) or a trust rather than the named holders on an account. This may also be the beneficiaries of a trust who are not the named holders.

## FATCA/CRS Details – Superannuation Funds

Account Investor Type	Existing CHES - mFund only	In Scope	Superannuation Fund
ABN	Existing CHES - mFund only	In Scope	

### INDUSTRY FEEDBACK

- Noting that under a nominee structure that contains multiple beneficial holders under one HIN, manual certification is the only possibility
- Noting a view that that it would be prudent to leave the capture of this information between the investor and the entity (the Registry) directly in scope for the FATCA/CRS certification
- Consideration of how would it be determined which securities require FATCA compliance and whether this could be included in the master securities list
- Consideration of whether FATCA information can be transferred to the new participant as part of a HIN transfer
- Consideration of whether FATCA information should be pass through to limit the dissemination of information.

# 03 – Accounts & Investor Information

## Industry FATCA considerations

### SPECIFIC PARTICIPANT FEEDBACK

*"...Our preference would be to not include these sections unless there is a regulatory need to centralise these with CHES.*

*Where there isn't a mandatory need to capture data elements to facilitate the HIN creation, and they contain PII, we would seek to limit the dissemination of this information just to facilitate a pass through to a third party. Even if this section is optional, a number of challenges would be incurred if an investor chooses to transfer their HIN from a Participant who has supported the capture of this information onto their HIN to a Participant who does not opt in. In the event of receiving a HIN with tax residency information capture into the Registration Details, we would then be expected to pass this information to a parent company. The connectivity to achieve this currently does not exist and would require significant change and investment, as well as a large administrative effort to maintain and manage. Further, it may result in customer inconvenience as we would have an obligation to then test the validity of the tax residency information we have received, where this fails the customer may be blocked from originating new in-scope products or have existing products suspended until specific action is taken.*

*It would be prudent to leave the capture of this information between the investor and the entity (the Registry) directly in scope for the FATCA/CRS certification."*

### SPECIFIC REGISTRY FEEDBACK

*"...We have provided guidance on the non-viability of participants transmitting FATCA/CRS details and certifications on behalf of investors, and the inability of obligated Issuers being able to use such details as part of their mandatory reporting obligations. These international and legal challenges will require commitment and high-level engagement across a group of stakeholders and government agencies (Treasury & ATO). Discussions prior to and since the implementation of FATCA/CRS reporting have not resulted in an environment that would support the workflow being proposed.*

*Until the international legal and regulatory matters are resolved, we cannot support systems analysis and development of processes to support this workflow. We feel that ASX and industry analysis and development efforts should be more focused on other critical developments until such time when the viability of this workflow changes.*

*We welcome further progress of efforts to overcome the existing practical challenges surrounding FATCA/CRS compliance under the current IGA (Inter-Governmental Agreement) between Australia and its counterparties in the US and the OECD, respectively. Resolving these practicalities are a necessary prerequisite to any analysis and development work."*

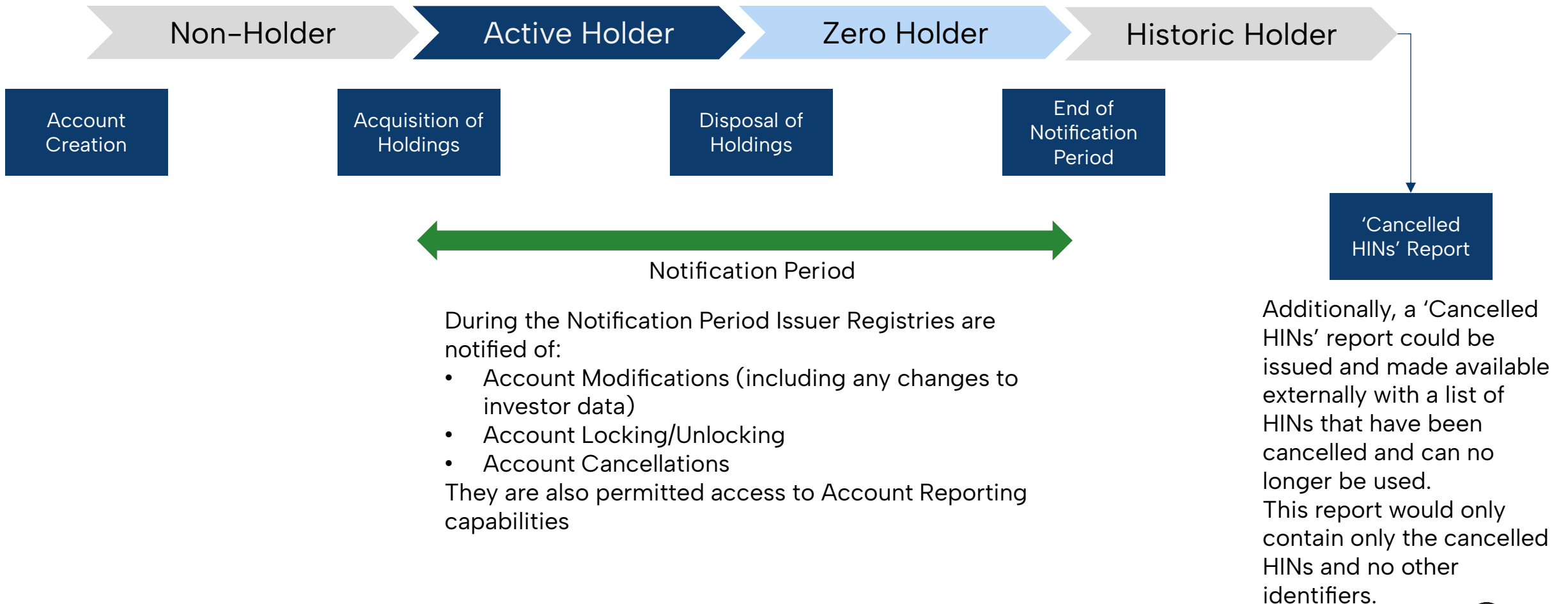
# 04

## Notification to Issuer Registry

# 04 – Share Registry Communications

- ✓ 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



# 04 – Notification to Share Registry



REG\_3.3.3 The CHES replacement system should support a workflow that allows Participants or CHES to continue to share bank account details to an Issuer where a holding has a zero balance for an agreed timeframe.



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.

## Proposed Communication of Account Information to Issuer Registry

- New Holder Notifications would be generated at end of day (not intra-day)
- In the case that a holding is acquired and disposed of in a single day, then no notification would be generated
- 'Zero Holder' notifications would no longer be generated
- Proposal for no message to be generated to indicate when the notification period has ended

### Option A – Time based

- The notification period ends (e.g. 60, 90, 120 days) from disposal of holdings

### Option B – Periodic / Tax Year

- The notification period ends on October 31<sup>st</sup> in the tax year following disposal of holdings



Which option would best meet your business needs and why?  
Are there any other options or impacts to your business that we should consider?

# 05

## Invalid Investor Data

# 05 – Invalid Investor Data

- REG\_3.3.6 The CHES replacement system should support a workflow that allows a Share Registry to accept or reject the additional information from CHES.
- 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.

## Data Issues

If Bank Account is moved to a single, per-HIN attribute (as is proposed on slide 25) then a mechanism to notify the Participant of issues with recording or using the bank account may be required.

Additionally, Registries have requested the ability to notify Participants in the case of a lost shareholder.

As a result, it is proposed that a pass through workflow is utilised for an Issuer Registry to notify the Participant in the case of:

- Undeliverable mail
- Email bounce-backs
- Bank account issues



# 05 – Invalid Investor Data

## Bank Account Rejections

During the period between 1 August 2023 and 1 November 2024 the total of 8,059,927 EIS760 (Holding Advice notification) messages were sent by Participants. In response, 98.7% (7,956,703 x EIS764 Accepted Holding Advice) messages were successfully accepted by the Share Registry and 1.3% (100,505 EIS766 Rejected Holding Advice) messages were rejected.

Reasons for the bank account rejections were:

Rejection Reason	Number of messages
B – Issuer doesn't support electronic direct credit	85,482
D – Cancellation Bank a/c does not match recorded Bank a/c details	4,829
H – Failed requirements for Bank a/c structure and format	10,194

# 05 – Invalid Investor Data

## Invalid Investor Data

### INDUSTRY FEEDBACK

- Consideration whether this applies only where the information has been sourced from the registration details, or otherwise
- Clarification as to whether the error is at Investor Level or Investor/Issuer Level
- Consideration of the obligations and expectations on brokers/participants when advised of data issues
- Consideration of the obligations and expectations on share registries, including any potential consent or data privacy issues.

# 06

## Account & Holding Reporting

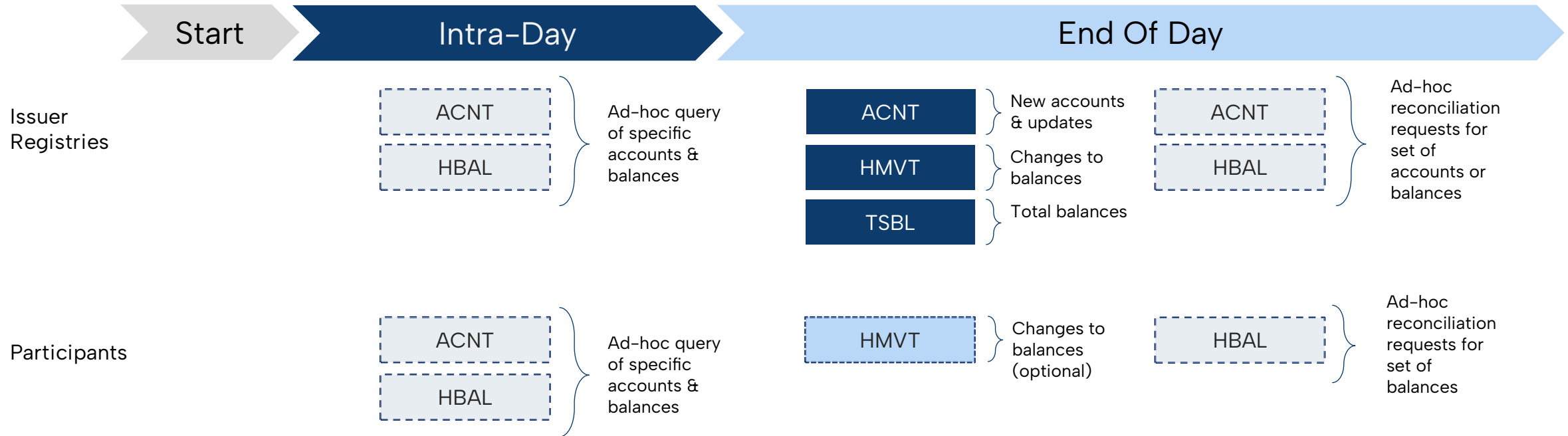
# 06 – Accounts & Holding Reporting



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\_4.2 The CHES replacement system should enable Participants to automate reconciliation of all HINs by providing an opt-in holding balance report per holding and HIN on a daily basis.



The Holding Net Movement Report (HMVT) may be delivered in a future drop which is to be confirmed. This will be discussed further in the March Registries Focus group.

# 06 – Accounts & Holding Reporting



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.



CD\_5.2 The CHES replacement system should provide daily, ad-hoc and intra-day ad-hoc reporting against holding balances for a HIN or set of HINs to allow CHES users to automate reconciliation on a scheduled basis.

*Sub-position reporting will be covered in later drops*

Report Id	Type	Receiver	Contents	Purpose
ACNT	Unsolicited – EOD	Issuer Registries	For each HIN (new/change) <ul style="list-style-type: none"> <li>• Registration Details</li> <li>• Additional Investor and Account Information (e.g. communication information, status updates, bank account details)</li> </ul>	Issuer Registries notification of new and changing account details
ACNT	Ad-Hoc	Issuer Registries Participants	For each HIN (requested) <ul style="list-style-type: none"> <li>• Registration Details</li> <li>• Additional Investor and Account Information</li> </ul>	Issuer Registries and Participants reconciliation of specific registration details on the CHES Sub-register
TSBL	Unsolicited – EOD	Issuer Registries	For each HIN/Security Code: <ul style="list-style-type: none"> <li>• Total Balance</li> </ul>	Issuer Registries reconciliation of total balances on the CHES Subregister
HMVT (future drop)	Unsolicited – EOD	Issuer Registries Participants (optionally)	For each HIN/Security Code (with movements): <ul style="list-style-type: none"> <li>• Start Balance</li> <li>• End Balance</li> <li>• Net Ons/Net Offs</li> <li>• Subregister Ons/Offs</li> <li>• Foreign Movements</li> </ul>	Issuer Registries notification of new and changed balances on the CHES Sub-register  Participants reconciliation of changes to balances
HBAL	Ad-Hoc	Issuer Registries Participants	For each HIN/Security Code (requested) <ul style="list-style-type: none"> <li>• Total Balance</li> <li>• Available Balance</li> </ul>	Issuer Registries and Participants reconciliation of specific balance(s) on the CHES Sub-register

# 07

## Future Topics

# 07 – Future Topics

## March Registries Focus Group

- Registry / UIC setup
- Continued discussion on FATCA
- Continued discussion on guaranteed foreign / foreign restricted
- Reporting

## April R2D2 Working Group

- Sub-positions
- Continued discussion on guaranteed foreign / foreign restricted movements
- Settlement instructions
- Batch settlement

# 08

## Next Steps



# 08 – Next Steps

## Summary

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

## Preparation Steps to Complete

- > We will be holding another deep dive on the transaction basis in October/November
- > Please inform us of any changes to your nominated representatives to [CHESReplacement@asx.com.au](mailto:CHESReplacement@asx.com.au)
- > Please complete the feedback request that will be shared with you after this workshop.

A white line-art icon inside a light blue circle. The icon depicts three stylized human figures in a row, with a speech bubble above them containing three small circles, representing a group discussion or Q&A session.

# Questions

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# 09

## Appendix

# 09 Design Considerations for Drop 1

Business Design Document	Reference	Design Consideration	Slide Reference
<a href="#">Registration Details &amp; Investor Information</a>	REG_1.1	<p>The CHES replacement system should support (where relevant) the standardised ISO 20022 format for registration details including but not limited to:</p> <ul style="list-style-type: none"> <li>• full names and designations without abbreviations</li> <li>• individual holder records</li> <li>• addresses capture in a structure format with clearly delineated fields</li> <li>• more allowable characters.</li> </ul>	16
<a href="#">Registration Details &amp; Investor Information</a>	REG_1.2	The CHES replacement system should support at least four joint holders on an account, with the ability to include additional holders post Release 2.	20
<a href="#">Registration Details &amp; Investor Information</a>	REG_1.3	The CHES replacement system should support Investor communication preferences such as Post or Electronic (ASX only, Issuer only, or Both).	21
<a href="#">Registration Details &amp; Investor Information</a>	REG_1.4	The CHES replacement system should support holding Investor communication details such as email addresses and mobile numbers.	21
<a href="#">Registration Details &amp; Investor Information</a>	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.	20
<a href="#">Registration Details &amp; Investor Information</a>	REG_1.6	ASX should provide a clear process to address the transition of a fourth investor to the CHES sub-register.	Further discussion during APG update
<a href="#">Registration Details &amp; Investor Information</a>	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).	37
<a href="#">Registration Details &amp; Investor Information</a>	REG_2.1	<p>The CHES replacement system should support the ability to specifically identify a holder who is a:</p> <ul style="list-style-type: none"> <li>• Non-foreign person (per definitions of the Issuer's constitution)</li> <li>• Non-US person (per the definitions of the US Securities Act)</li> <li>• US person QIB/QP (per the definitions of the US Securities Act).</li> </ul>	23

# 09 Design Considerations for Drop 1

Business Design Document	Reference	Design Consideration	Slide Reference
<a href="#">Registration Details &amp; Investor Information</a>	REG_3.1.1	The CHES replacement system should support the ability collect additional details such as TFNs, ABNs and ACNs to be recorded against each holder of an account in CHES on an optional basis.	25
<a href="#">Registration Details &amp; Investor Information</a>	REG_3.1.2	The CHES replacement system should support a workflow that allows TFNs, ABNs and ACNs that are recorded against a HIN to be used as a default value which is relayed to Share Registries upon the acquisition of a new holding, when details are updated by an Investor or other applicable scenarios.	29
<a href="#">Registration Details &amp; Investor Information</a>	REG_3.1.4	ASX should provide guidance on the controls and/or restrictions on the use and control of this information to limit the purposes of simplified communication to clearing and settlement use cases.	Further discussion during APG update
<a href="#">Registration Details &amp; Investor Information</a>	REG_3.2.1	The CHES replacement system should support the ability collect tax residency self-certification details to be recorded against each holder of an account in CHES on an optional basis. These details may include but is not limited to account investor types, entity specific details and tax residence details.	32
<a href="#">Registration Details &amp; Investor Information</a>	REG_3.2.2	The CHES replacement system should support a workflow that allows tax residency self-certification details that are recorded against each holder of a HIN to be used as a default value which is relayed to Share Registries upon the acquisition of a new holding, when details are updated by an Investor or other applicable scenarios.	32
<a href="#">Registration Details &amp; Investor Information</a>	REG_3.2.3	The CHES replacement system should support a workflow that allows tax residency self-certification details to be collected for a Self-Managed Superfund (SMSF) or a trust rather than the named holders on an account. This may also be the beneficiaries of a trust who are not the named holders.	33
<a href="#">Registration Details &amp; Investor Information</a>	REG_3.2.4	The CHES replacement system should support a workflow that allows the pass through of information to an Issuer only for products where there is an obligation to report these details such as ETFs, Dual Access Funds, MITs, MISs and any other applicable product.	31
<a href="#">Registration Details &amp; Investor Information</a>	REG_3.2.5	ASX should consider and evaluate the Intergovernmental agreements which regulate the responsibilities of entities that are able to collect and certify tax residency self-certification details when establishing the workflow and procedural guidelines in relation to FATCA/CRS data.	Further discussion during APG update

# 09 Design Considerations for Drop 1

Business Design Document	Reference	Design Consideration	Slide Reference
<a href="#">Registration Details &amp; Investor Information</a>	REG_3.3.1	The CHES replacement system should support the ability to add a single nominated bank account to be recorded against a HIN in CHES on an optional basis.	27
<a href="#">Registration Details &amp; Investor Information</a>	REG_3.3.2	The CHES replacement system should support a workflow that allows bank details that are recorded against a HIN to be used as a default value which is relayed to Share Registries upon the acquisition of a new holding, when details are updated by an Investor or other applicable scenarios.	27
<a href="#">Registration Details &amp; Investor Information</a>	REG_3.3.3	The CHES replacement system should support a workflow that allows Participants or CHES to continue to share bank account details to an Issuer where a holding has a zero balance for an agreed timeframe.	38
<a href="#">Registration Details &amp; Investor Information</a>	REG_3.3.6	The CHES replacement system should support a workflow that allows a Share Registry to accept or reject the additional information from CHES.	40
<a href="#">Registration Details &amp; Investor Information</a>	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.	40
<a href="#">Registration Details &amp; Investor Information</a>	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.	37
<a href="#">Registration Details &amp; Investor Information</a>	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.	38
<a href="#">Settlement Design</a>	SETT_1.1	The CHES replacement system should support the ability for the FoP transfer of securities between two accounts (HINs) controlled by the <u>same</u> Participant scheduled for the start of a future business date	No further discussion required

# 09 Design Considerations for Drop 1

Business Design Document	Reference	Design Consideration	Slide Reference
<a href="#">Clearing Design</a>	DC_2.2.1	The CHES replacement system (as per current CHES) should enable a Clearing Participant operating in the system with one or more clearing PIDs.	No further discussion required
<a href="#">Clearing Design</a>	DC_2.2.2	The CHES replacement system (as per current CHES) should support configuration per clearing PID that enables Clearing Participants to be direct Clearing Participants or third-party Clearing Participants.	No further discussion required
<a href="#">Clearing Design</a>	DC_2.2.3	The CHES replacement system should support technical configuration per clearing PID that supports a Clearing Participant settling their own trades, or have their trades settled by a third-party Settlement Participant.	No further discussion required
<a href="#">Data &amp; Connectivity</a>	CD_1.1	The CHES replacement system should support ISO 20022 via AMQP over ASX Net as the primary connectivity method for transactions.	No further discussion required
<a href="#">Data &amp; Connectivity</a>	CD_1.2	The CHES replacement system should support a User Interface for low volume users, use-cases and as a backup mechanism in case of issues with a user's primary connectivity channel.	No further discussion required
<a href="#">Data &amp; Connectivity</a>	CD_2.1	The CHES replacement system should support ISO 20022 via AMQP for automated system reconciliation and notifications on an ad-hoc or scheduled basis as necessary.	No further discussion required
<a href="#">Data &amp; Connectivity</a>	CD_2.2	The CHES replacement system should support a User Interface for low volume data access and queries, with the ability to export information (e.g. to CSV or Excel).	No further discussion required
<a href="#">Data &amp; Connectivity</a>	CD_3.1	The CHES replacement project should utilise the previously consulted ISO 20022 messages as the starting point for the project, consulting on any changes to those messages because of the TCS BaNCS product, marked feedback or changes to the standard.	No further discussion required
<a href="#">Data &amp; Connectivity</a>	CD_3.2	The CHES replacement project should continue to review the ISO20022 messages against international standards, reduce the usage of supplementary data and upgrade to the latest versions, consulted and approved via the ISO20022 working group.	No further discussion required
<a href="#">Data &amp; Connectivity</a>	CD_3.3	The CHES replacement project should upgrade the existing 2017 ISO 20022 schemas to a contemporary version for the commencement of release 2.	No further discussion required
<a href="#">Data &amp; Connectivity</a>	CD_3.4	The industry should discuss and agree on an effective ISO 20022 version upgrade and release management process during the project, and post go-live.	No further discussion required
<a href="#">Data &amp; Connectivity</a>	CD_3.5	The CHES replacement system should offer AMQP, or equivalent, as a connectivity channel for ISO 20022 messages.	No further discussion required



# 09 Design Considerations for Drop 1

Business Design Document	Reference	Design Consideration	Slide Reference
<a href="#">Data &amp; Connectivity</a>	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.	45 46
<a href="#">Data &amp; Connectivity</a>	CD_4.2	The CHES replacement system should enable Participants to automate reconciliation of all HINs by providing an opt-in holding balance report per holding and HIN on a daily basis.	45 46
<a href="#">Data &amp; Connectivity</a>	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.	45 46
<a href="#">Data &amp; Connectivity</a>	CD_4.8	The CHES replacement system should enable Issuer Registries and Participants to be notified of changes to the sub-register status of a security throughout the lifecycle of a security.	No further discussion required
<a href="#">Data &amp; Connectivity</a>	CD_5.1	The CHES replacement project should not carry forward the "New Holding Balance" fields as part of the upgrade from EIS to ISO20022 messages, aligning to global standards and enabling system scalability.	No further discussion required
<a href="#">Data &amp; Connectivity</a>	CD_5.2	The CHES replacement system should provide daily, ad-hoc and intra-day ad-hoc reporting against holding balances for a HIN or set of HINs to allow CHES users to automate reconciliation on a scheduled basis.	45 46

Thank you.

