Clearing & Settlement Participant Readiness Working Group

Questions from working group members| 16 February 2022

The following table provides ASX's response to relevant questions asked by Clearing & Settlement Participant Readiness Working Group members during the session held on 16 February 2022. Please email chessreplacement@asx.com.au if you have any additional questions or require further clarification.

Topic	Question	Answer
ITE2 Readiness	**For C&S participants who are using a software vendor, will their vendor be able to provide connectivity details & complete the form or should the participant fill out the form directly?**	The C&S Participant should fill out an individual form in their CHESS production entity name. Where a C&S participant outsources the technical on-boarding process for ITE2 they can nominate their vendor as the Enterprise Administrator. However, the ITE2 form must come from the legal entity of the organisation that would be connecting to ITE2 i.e. the participant. Please refer to the guide on how to complete the form for further details.
ITE2 Readiness	**In regards to technical connectivity testing being completed, is this in reference to Technical Accreditation?**	No, this is not in reference to accreditation. Technical connectivity testing was referenced in the context of the preparation at a network level to ensure you are equipped for ITE2 onboarding.
ITE2 Readiness	**Is it right that the ITE2 environment will not be a full size database, we understand that ITE2 is production scale, can that be clarified?**	The ITE2 environment is production scale, but it is starting with a new ledger rather than a copy of another environment, therefore it has limited size. The point in relation to database size is from the perspective of a participant, where you have a number of years of history in your production system, you therefore don't need to size your test environment to be production size because you will not have that volume of history in the environment. The size and scale of your ITE2 test environment is per your internal testing requirements for performance but you need to consider the sizing will start small and then scale as per your own testing requirements.

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ITE2 Readiness	**If ITE2 is not sized to be production like, how are we expecting market participants to do NFR and stress testing?**	There is nothing to preclude any organisation from sizing and scaling your system as you wish. Production size and scale is available but practically not required. We recommend that everyone start with sensible sized functional test beds with space to grow as you do in production but essentially we are trying to minimise organisations procuring infrastructure that may not be required. In terms of size and scale, what is most important is the throughput of your interface and how your back office / host system processes that. It is recommended to size your back office system to marry up with what you intend to test. It is highly unlikely you would want to try and replicate the size and scale of your production environment for ITE2. The market dress rehearsals will allow for full production environments both internally and externally.
ITE2 Readiness	**In regards to front and back integration, is ITE2 going to be integrated with the ASX Trade test environment?**	All AMOs are in scope to provide front to back trade execution services later in the ITE2 environment. ITE2 will open as a relatively ring fenced standalone environment and progressively build up with some peripheral systems to provide end to end testing. In conjunction with ASX Trade the new FIX version of Signal B will be made available to provide end to end testing. Other AMOs have their own trade feeds that will integrate into your environments (if required). This is optional, and therefore some organisations may use the Trade Ingest tool instead based on the size of the business. All AMOs will provide execution services prior to the operational readiness stage.
ITE2 Readiness	**We are looking to migrate our accounts into the new database using an automated script, is that ok or is a specific tool being provided to do this migration?**	You are able to create accounts via any channel that you have access and permission to do so. There is also a self-service tool, which allows bulk upload of accounts (50 accounts per time). Additionally CHESS UI provides access which supports single account entry so there are a few options available. ASX require that no production name and address details are to be used in the ITE environments. It is a test environment and not governed by the same protection levels as the production environment, which is why it is not starting with production data that is not already publicly available.

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ITE2 Readiness	**In terms of the settlement workflow, we would like to test with Signal B and therefore will ITE2 provide the capability to test this?**	Yes, any trades registered in ITE2 will go through the normal settlement lifecycle and workflow. From ITE2 opening, all clearing participants will be able to use the trade ingest self-service tool to support this and later in the project AMOs will provide execution services allowing front to back testing.
Operational Readiness Scenarios	**Do we know how many scenarios will be shared and when?**	The bulk of the scenarios were released recently and can be found **here**. Additional scenarios were included in the February release for corporate actions and mFunds. The final release will cover exception handling scenarios and some additional batch settlement scenarios. We encourage you to look at those released thus far to understand what we will be looking to assess during the operational readiness stage.
Operational Readiness Scenarios	**In regards to showing evidence, how will this be managed and does this need to be uploaded?**	We are still working on the form you will submit, we are ensuring we are obtaining the right record for each scenario. The form will be released in the next few months and before you are starting to perform the activities. For the operational readiness assessment you will work with ASX operations staff and there will be targeted support. We will work with you to confirm a scheduled time for that assessment.
Operational Readiness Scenarios	**What would be some of the examples for test scenarios for corporate actions and when will they be available? What will be included in the ITE corporate action database?**	We will be collating a timetable and schedule to be published in March for corporate action testing in ITE2. This will need to cater to the tests or scenarios that will be built around operational readiness. The tranche of scenarios published end February contained scenarios specifically related to Corporate Actions expectations and events.
Operational Readiness	**On the operational readiness testing phase, will the participants be staggered?**	Yes, participants will schedule their assessment and these will be staggered during the window for operational readiness.
Topic	Question	Answer

Operational Readiness	**For the participants who undertake operational readiness first, if they discover issues and problems will they be published and scenarios updated accordingly?**	Yes, if any issues are discovered with the operational readiness scenarios, updates would be notified via the project's documentation portal. To clarify, it is expected that prior to operational readiness assessments the scenarios will be tested during the user testing phase where any potential issues will be identified and addressed.
Operational Readiness	**In the March set of operational readiness scenarios will there be batch settlement exceptions? We are interested if that includes foreign trade batch settlement, specifically the OR condition code trades that settle using foreign denominated accumulation settlement HINs. We have not seen anything on the market trade or a settlement that covers that. Will that be a standalone scenario we need to check for operational readiness?**	We are still finalising the range of scenarios. More information to be provided on this point at a later date.
Operational Readiness	**Are the operational scenarios that have been published to date likely to change or are they final?**	No, we do not expect them to change. However we have made them available for our customers to review. Pending any feedback, we would share with the market if the feedback required a change.

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Operational Readiness	**In the ITE2 environment where we connect and test ourselves, can we complete scenarios at any time or only during the readiness testing period?**	Yes, you can complete those scenarios in ITE2 at any time as a part of your own user testing. There is a formal assessment phase where we will work with you to assess your organisation in meeting those scenarios.
Operational Readiness	**If scenarios are being released for review, when will the software be ready?**	We are delivering the scenarios in phases and encourage initial testing of the scenarios to identify and resolve any issues before proceeding to the formal operational readiness phase. The phasing of the operational readiness scenarios has nothing to do with the delivery of the software.