

Discussion Paper – Proposed introduction of fees for CHESS Depositary Nominee Services for CDI Issuers

CHESS Depositary Nominees Pty Limited

August 2025



Invitation to comment

ASX is seeking submissions in response to this discussion paper by 16 September 2025. Submissions should be sent to: issuers@asx.com.au

Attention: Karen Webb

If you would like your submission, or any part of it, to be treated as confidential, please indicate this clearly. All submissions will be provided to regulators on request. They may also be published on the ASX website, unless they are clearly marked as confidential or ASX considers that there are reasons not to do so.

ASX is available to meet with interested parties for bilateral discussions on these matters.

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1. Executive Summary

1.1. Overview

ASX invites feedback on its proposal to introduce a fee framework for CHESS Depositary Nominees Pty Limited (**CDN**) services. CDN is a wholly owned subsidiary of ASX Settlement Pty Limited (**ASX Settlement**). CDN provides services as a Depositary Nominee in accordance with Section 13 of the ASX Settlement Operating Rules, which covers the creation of CHESS Depositary Interests (**CDIs**) and the roles of the issuer of financial products, ASX Settlement and the Depositary Nominee.

CDN was created over 20 years ago to act as a depositary nominee as part of the CHESS settlement process, so that financial products from jurisdictions that do not recognise electronic holdings and transfer of title to securities could be traded on the ASX market, and interests in those financial products could be transferred electronically. ASX developed the settlement mechanism using a type of depositary receipt known as a CHESS Depositary Interest or CDI. For these purposes CDIs are units of beneficial ownership in foreign financial products which can be settled through CHESS.

To date CDN has not received any remuneration for its services as a depositary nominee notwithstanding the work involved, the risk exposure and the expenses incurred in connection with the provision of such services, including the maintenance of a financial services licence.

ASX has recently consulted on proposed amendments to section 13 of the ASX Settlement Operating Rules (**Rules**) and Procedures regarding Depositary Nominee services that are intended to update the legal framework within which Depositary Nominee services are provided in respect of CDIs. CDN is currently the only entity providing Depositary Nominee services, although the Rules allow other entities to do so. The proposed rule amendments update the rule framework for the provision of Depositary Nominee services to include terms that reflect the terms generally used by a commercial provider of similar services. The consultation paper and ASX's response to feedback received is available [here](#).

1.2. Impacted stakeholders

The changes proposed in this paper are relevant to any issuer of foreign financial product CDIs that uses CDN's services. Currently CDN provides services to approximately 75 issuers of foreign financial product CDIs including foreign company issuers and foreign investment product issuers. It is proposed that the fees will be charged to each issuer of foreign financial product CDIs who has appointed CDN as their Depositary Nominee.

1.3. Alignment with the ASX Cash Equities Clearing, Settlement and Issuer Services Pricing Policy

The proposed fees for CDN services have been determined using the methodology in the [ASX Cash Equities Clearing, Settlement and Issuer Services Pricing Policy](#) (**Pricing Policy**)

The Pricing Policy adopts the Building Block Method (BBM)—a regulatory pricing model widely used across essential infrastructure sectors. Under this model in the Pricing Policy, revenue from the relevant services must reflect the efficient cost of delivering the services, including a return on capital at a rate which reflects the risk involved in providing the service, in accordance with the cost-reflectivity principle. This fee revenue will count towards the annual consolidated revenue cap under BBM.

Going forward, the fees for CDN services will be reviewed in accordance with the Pricing Policy. A fee review trigger will occur, for example, if consolidated revenue deviates by 10% from the annual revenue requirement, prompting a review process.

Details of the fees will be published in a new CHESS Depositary Nominees Schedule of Fees (see attachment), as part of ASX's Schedules of Fees, alongside existing charges. This design maintains consistency with existing ASX frameworks.

1.4. Stakeholder feedback welcome

ASX has published this paper for the information of current and prospective users of CDN services, issuers and other interested stakeholders. ASX welcomes feedback on the proposed fees outlined in this paper, with submissions due by 16 September 2025.

ASX will consider feedback received with an aim to publish a response to feedback by end of September 2025. ASX will confirm the effective date for the introduction of fees, any adjustments to the arrangements outlined in this paper, and the confirmed CDN fee schedule in due course.

2. Introduction

2.1. What are CDIs?

A CDI is a financial product which is a unit of beneficial ownership in an underlying financial product which is quoted on an Australian market. A CDI confers a beneficial interest in the underlying financial product to which it relates. CDIs can be settled electronically through CHESS and are used when the underlying financial products are not able to be settled through CHESS.

For example, if a foreign company issues CDIs in respect of its shares (financial products), the holders of the CDIs obtain “beneficial ownership” of those foreign financial products. The main difference between holding CDIs and holding foreign financial products directly is that holders have beneficial ownership of the equivalent number of foreign financial products instead of legal title. Legal title to the foreign financial products is held by a nominee company on behalf of CDI holders.

2.2. Depositary Nominee services

ASX Settlement Operating Rules section 13 provides rules in relation to the appointment of a depositary nominee and the issue of CDIs. Whilst CDN is often selected as the nominee for ASX CDIs, an issuer may appoint another company as its Depositary Nominee.

CDN is a wholly owned subsidiary company of ASX Settlement that was created to fulfil the functions of a depositary nominee.

CDN is authorised by its Australian Financial Services Licence to operate custodial and depositary services, other than investor directed portfolio services, to wholesale and retail clients. CDN can be appointed by a listed or quoted issuer on an Australian market to hold legal title to financial products on behalf of CDI holders for their benefit. CDN is a participant in the clearing and settlement facility operated by ASX Settlement.

The CHESS Depositary Nominees Pty Limited Financial Services Guide is available [here](#).

2.3. Appointment of CDN by an issuer

ASX is updating the process for issuers to follow should they wish to appoint CDN as their depositary nominee. ASX is targeting completing these updates by the end of 2025 subject to regulatory clearance. ASX will publish the updated processes when the ASX Settlement Operating Rules and Procedures amendments regarding Depositary Nominee services are finalised.

3. Proposed Fees

To date CDN has not charged fees for the services it provides to issuers. ASX Settlement does however charge fees for other services provided to issuers, per the [Issuer Services Schedule of Fees](#).

The introduction of fees for CDN Services aims to cover ongoing operational costs and ensure the CDN service remains accessible to issuers across all markets.

3.1. Summary of proposed CDN fees

The following table outlines the proposed CDN fees:

Product Code	Service	Charge Basis	Charge Frequency	Fee (excluding GST)
04900270	CDN Appointment Fee	Per Appointment	One off	\$5,000.00
04900271	CDN Annual Service Fee	Value of Quoted CDIs	Annually in advance (financial year)	Up to \$3 million \$4,151.00 >\$3m to \$10m \$4,151.00 + 0.0559% on excess over \$3m >\$10m to \$100m \$8,064.00 + 0.0065% on excess over \$10m >\$100m to \$1,000m \$13,914.00 + 0.0013% on excess over \$100m >\$1,000m to \$10,000m \$25,614.00 + 0.0004% on excess over \$1,000m >\$10,000 million \$61,614.00 + 0.0001% on excess over \$10,000m CDN Annual Service Fee capped at \$143,422.00

3.2. Details of new fees

A description and rationale for the new fees is outlined below:

CDN Appointment Fee

Product Code: 04900270

This is a one-time, upfront fee charged to issuers who request and receive approval for CDN services. The fee applies at the point of appointment and reflects the administrative and compliance effort required to onboard the issuer into the CDN framework. It covers initial setup activities, including nominee registration, documentation, and system configuration. This fee will be charged to issuers who appoint CDN after the effective date for the new fees. It will not be charged to existing users.

CDN Annual Service Fee

Product Code: 04900271

This annual service fee applies to issuers with CDIs quoted on an Australian market where CDN is the selected nominee. The fee is determined based on the issuer's market capitalisation (set at a point in time during the year) and is intended to cover:

- Standard operational support: including nominee maintenance, reporting, and reconciliation.
- Regulatory compliance: ensuring adherence to market rules and nominee obligations.
- Commercial risk management: accounting for the legal and financial exposure associated with nominee services.

The fee is assessed for all CDI issuers in CHESS that use CDN services as of 31 May and applies to the financial year commencing 1 July. Should the fees be introduced during the 2026 financial year it will be charged on a pro rata basis.

3.3. Fee exceptions and adjustments

The proposed fee structure will apply to foreign entities who have appointed CDN. The fees will be charged directly to CDI issuers.

Where an issuer appoints CDN part way through the financial year, a pro-rata CDN annual service fee will be charged for the remainder of that year.

If a CDI issuer either

- delists;
- ceases use of CDN services (i.e. appoints another Depositary Nominee); or
- redomiciles to Australia,

before the end of the first half of the fee year, then, upon application, CDN will refund 50% of the CDN annual service fee already paid.

If a CDI issuer delists from one Australian exchange and relists on another Australian exchange and continues to use CDN services, the CDN appointment fee will be waived. The CDN Annual Services Fee will continue to apply.

3.4. Fee calculations

All CDN fees are to be calculated and invoiced directly to CDI issuers in accordance with the proposed CHESS Depositary Nominees Schedule of Fees.

All fees are shown in Australian dollars. The effective date for the new fees will be advised by ASX and are subject to change from time to time.

GST exclusive prices are quoted in the Schedule of Fees applicable to CDN services. Usually, CDN services will be subject to GST and the GST inclusive prices will be charged. In certain situations, an otherwise taxable supply may be exempt from GST (for example, exports). However, ASX anticipates that CDN services will not be 'exports' for the purposes of GST and accordingly, GST inclusive prices will be charged for these services.

The below table provides an illustrative example of the CDN Annual Service Fee for CDI issuers across a range of market capitalisation values. Fees are calculated on the value of the financial products that are quoted as CDI's on the Australian market.

Market capitalisation	Calculation Methodology	CDN Annual Service Fee (excluding GST)
\$50m	\$8,064.00 + 0.0065% on excess over \$10m (up to \$100m)	\$10,664.00
\$100m	\$8,064.00 + 0.0065% on excess over \$10m (up to \$100m)	\$13,914.00
\$200m	\$13,914.00 + 0.0013% on excess over \$100m (up to \$1,000m)	\$15,214.00
\$500m	\$13,914.00 + 0.0013% on excess over \$100m (up to \$1,000m)	\$19,114.00
\$1,000m	\$13,914.00 + 0.0013% on excess over \$100m (up to \$1,000m)	\$25,614.00
\$2,000m	\$25,614.00 + 0.0004% on excess over \$1,000m (up to \$10,000m)	\$29,614.00
\$15,000m	\$61,614.00 + 0.0001% on excess over \$10,000m	\$66,614.00

Attachment – Draft CHESS Depositary Nominees Schedule of Fees

Disclaimer

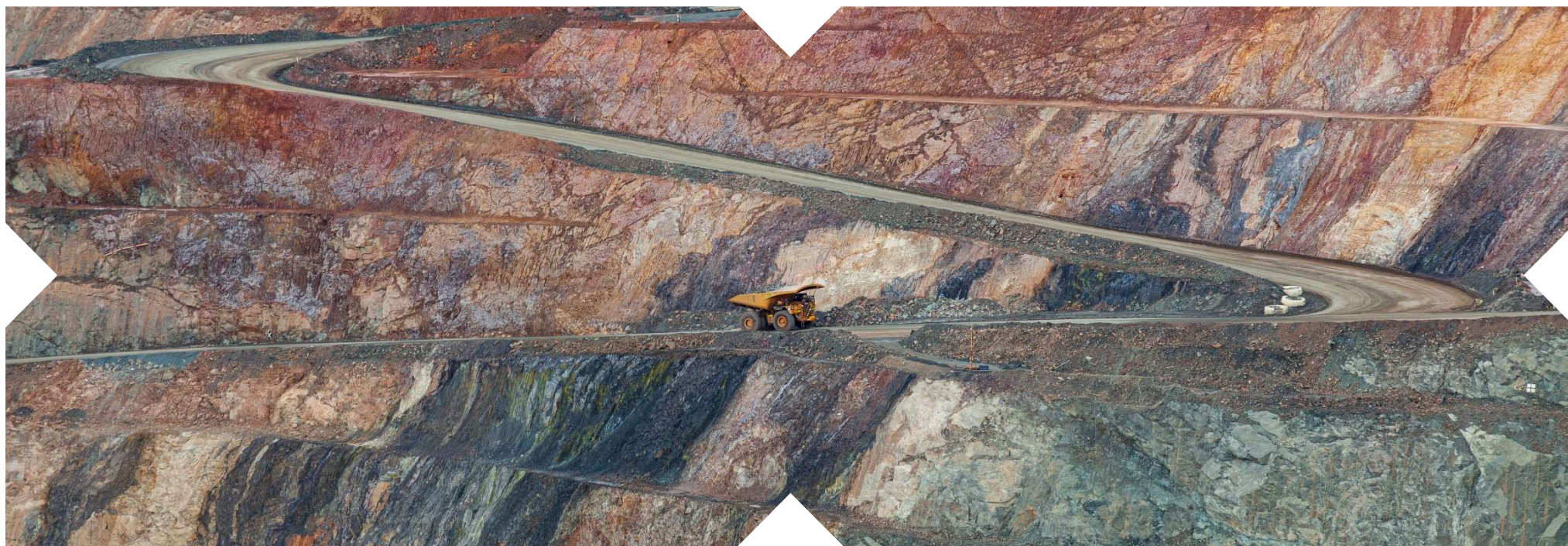
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CHESS Depository Nominees

Draft Schedule of Fees

Effective Date **TBC**



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ASX CHESS Depositary Nominees

CDN Appointment Fee

CDN Annual Service Fee

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CHESS Depositary Nominees



The Clearing House Electronic Sub register System (CHESS) is an ASX computer system that manages the settlement of transactions executed on Australian markets. Additionally, CHESS facilitates the paperless transfer of legal title to Australian quoted financial products. However, CHESS cannot be used directly for the transfer of some types of financial products. An example is company shares where the issuing companies are domiciled in countries whose laws do not recognise uncertificated holdings or electronic transfer of legal title ("foreign financial products"). To overcome this difficulty, ASX developed a type of depositary receipt known as a CHESS Depositary Interest ("CDI"), as outlined in section 13 of the ASX Settlement Operating Rules. This provides a solution for foreign or other issuers to be listed or quoted on Australian markets, with holdings of CDIs and changes to those holdings to be represented in CHESS.

CHESS Depositary Nominees Pty Limited ("CDN") is a wholly owned subsidiary company of ASX Limited ("ASX") that was created to fulfil the functions of a depositary nominee. CDN is authorised by its Australian Financial Services Licence to operate custodial and depositary services, other than investor directed portfolio services, to wholesale and retail clients.

CDN can be appointed by any issuer listed or quoted on an Australian market to hold legal title to financial products on behalf of CDI holders for their benefit. CDN is a participant in the clearing and settlement facility operated by ASX Settlement Pty Limited ("ASX Settlement"). Whilst CDN is often selected as the nominee for CDIs, an issuer may appoint another company as its depositary nominee.

Please refer to the following document for further details on CDN and CDIs: <https://www.asx.com.au/content/dam/asx/participants/cash-market/bonds/chess-depositary-interests.pdf>

All fees are shown in Australian dollars and charged to issuers who have appointed CDN. All fees are effective TBC unless otherwise indicated and are subject to change from time to time.

If you require further clarification please contact Issuers@asx.com.au or ASX Customer Service (telephone 131 279)

GST exclusive prices are quoted in the Schedule of Fees applicable to CDN services. Usually CDN services will be subject to GST and the GST inclusive prices will be charged. In certain situations, an otherwise taxable supply may be exempt from GST (for example, exports). However, ASX anticipates that CDN services will not be 'exports' for the purposes of GST and accordingly, GST inclusive prices will be charged for these services.

Appointment Fee

This is a one-time, upfront fee charged to issuers who request and receive approval for CDN services. The fee applies at the point of appointment and reflects the administrative and compliance effort required to onboard the issuer into the CDN framework. It covers initial setup activities, including nominee registration, documentation, and system configuration. This fee will be charged to issuers who appoint CDN after the effective date for the new fees. It will not be charged to existing users.

Product Code	Service	Charge Basis	Fee (excluding GST)
04900270	CDN Appointment Fee	Per Appointment	\$5,000.00

Annual Service Fee

This annual service fee applies to issuers with CDIs quoted on an Australian market where CDN is the selected nominee. The fee is determined based on the issuer's market capitalisation (set at a point in time during the year) and is intended to cover:

- Standard operational support: including nominee maintenance, reporting, and reconciliation.
- Regulatory compliance: ensuring adherence to market rules and nominee obligations.
- Commercial risk management: accounting for the legal and financial exposure associated with nominee services.

The fee is assessed for all CDI issuers in CHESS that use CDN services as of 31 May and applies to the financial year commencing 1 July. Should the fees be introduced during the 2026 financial year it will be charged on a pro rata basis.

Product Code	Service	Charge Basis	Fee (excluding GST)
04900271	CDN Annual Service Fee	Value of Quoted CDIs	
		Up to \$3 million	\$4,151.00
		>\$3m to \$10m	\$4,151.00 + 0.0559% on excess over \$3m
		>\$10m to \$100m	\$8,064.00 + 0.0065% on excess over \$10m
		>\$100m to \$1,000m	\$13,914.00 + 0.0013% on excess over \$100m
		>\$1,000m to \$10,000m	\$25,614.00 + 0.0004% on excess over \$1,000m
		>\$10,000 million	\$61,614.00 + 0.0001% on excess over \$10,000m
			Annual Service Fee capped at \$143,422.00