



Implementation & Transition Working Group

Questions from working group members | 27 October 2021

The following table provides ASX's response to relevant questions asked by Implementation & Transition working group members during the session held on 27 October. Please email chessreplacement@asx.com.au if you have any additional questions or require further clarification.

Topic	Question	Answer
Cutover & Migration – Customer reporting	Regarding reconciliation reports - will they have been reviewed/reconciled by ASX before sending to Issuer/Registries OR will we need to reconcile that they match the closing values after the Friday EOD?	<p>As a part of ASX's data migration approach, a thorough reconciliation between current CHES and the CHES replacement system will be performed before the customer migration reports are produced and shared.</p> <p>The final 'Go/No-Go' checkpoint on the cutover weekend will seek inputs from CHES Users including review of the customer migration reports and what level of further verification or review may be required.</p> <p>While a high level overview of Customer Reports was provided in the webinar, the Focus Group sessions in early November will provide an opportunity to clarify ASX's approach further and may also help CHES Users with any internal processes in 'reviewing' these reports.</p> <p>Further field level details on these reports will be included in the Cutover & Migration Approach documentation to be published in December 2021.</p>
Cutover & Migration – Customer reporting	Is MDR going to give up these reconciliation reports?	<p>ASX will produce the customer migration reports as part of the MDRs as the objective of MDRs is to follow through the end to end set of activities for the cutover, including all migration activities. Generation and dissemination of customer migration reports after completion of migration activities is a key activity and dependency for CHES Users to provide input in to the final 'Go/No-Go' decision.</p> <p>ASX is also considering sharing a 'mock' set of customer migration reports prior to the MDRs to help CHES Users prepare for any activities over the MDRs.</p>

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Cutover & Migration – Market Dress Rehearsals	Has the MDR phase been renamed from Migration Dress Rehearsal to Market Dress Rehearsal and is this to better reflect the scope of MDR testing going beyond the conversion weekend itself?	ASX has moved to referring to MDR as market dress rehearsals rather than migration dress rehearsals, to reflect that there are three phases of dress rehearsals (as discussed during the webinar). Each phase will involve rehearsing the migration, as outlined in the presentation materials, and there will be opportunities to share outcomes following the later ASX operational dress rehearsals. Given the transparency around the internal phases, ASX considered it more appropriate to refer to MDR as relating to the dress rehearsals of the cut over weekend with the market, and to avoid confusion given each dress rehearsal is essentially a migration dress rehearsal.
Cutover & Migration – Market Dress Rehearsals	If all 3 MDR events are mandatory - has ASX considered running the first MDR over several workdays not a weekend timebox to focus on the "what" not the timing of these tasks initially?	ASX notes this question will be a good discussion point for the Focus Group sessions. All the MDRs are mandatory in terms of weekend events, and it is always worth exploring what will drive confidence prior to MDR 1. For example, ASX would want to ensure that connectivity is proven prior, and ASX is considering sharing mock examples of customer migration reports prior so that users are familiar with the format. For further discussion at the Focus Groups, ASX is keen to step through what other activities can be validated prior to MDRs to minimise risk.
Cutover & Migration – Timeline	That timeline looked like cutover will be over a 'normal' weekend (i.e. not a long weekend). Can you please confirm that is correct?	Yes, all planning is based on Go Live targeting a normal weekend, and this allows all rehearsals to also prove the Go Live plan on a normal weekend.
Cutover & Migration – Timeline	CHESS Users and Registries will have their own migration activities on Saturday and Sunday which have Go/No-Go decisions. Will ASX consider input from other stakeholders in the Sunday am Go/No-Go decision?	Yes, it is certainly the intention that each of the Go/No-Go checkpoints will ensure that the status relating to CHESS User activity is considered and feeds into each of the Go/No-Go checkpoints, and definitely the final one.

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Cutover & Migration – Inflight transactions	In regards to 'in flight' transactions, can you confirm if an off market buyback as an example is in scope as part of what you are looking at here?	<p>From ASX’s perspective, when talking about in-flight transactions, this is at a specific transaction level where subsequent workflow links back to that specific transaction ID, i.e. something that starts in CHES and completes in the CHES replacement system (a good example of this being a scheduled settlement obligation). In this context, a buyback would not be considered an in-flight transaction. ASX would consider a buyback in the same way as takeovers or collateral covers – at the holding level rather than the transaction level. ASX will provide details of active buybacks and takeovers in the customer reports so there will be confirmation back to the Share Registries or the Bid Offerors as to what the position is at that point in time.</p> <p>As a side note, as part of the move from CHES to the CHES replacement system, the takeover codes that are currently used by sponsoring participants will move to a corporate action ID and an option number in the new system.</p>
Cutover & Migration – Inflight transactions	Will ASX provide a tariff waiver for costs of cancellation and resend of inflight transactions e.g. 005 that need to be requested a second time because of the CSP go-live?	<p>ASX has taken this question on notice, and as previously communicated will revert once regulatory engagement has occurred on this matter.</p>
Cutover & Migration – Testing	Both Registries and Participants are asking for Transfers and Conversions to be testable on migrated Account data i.e. in ITE-M. Has this been ruled out?	<p>ASX has consulted with all Share Registries and sought their support with regards the provision of sample Issuer Sponsored member registers for the purposes of effectively testing Issuer to CHES transfers and conversions; SRN enquiries and SRN holding balances in ITE2. The Issuer sponsored subregister is the source data for Issuer to CHES conversions and transfers thus having access to "production like" SRN data will benefit testing outcomes.</p>
Cutover & Migration – Testing	Will end-to-end testing support by Registries be limited to IWT - or might this also be supported in other phases e.g. ITE-M and MDR Day 1 testing?	<p>In terms of the share registries supporting other phases of testing, yes there will be cycles of co-ordinated market events in IWT with all participants. Additionally, ASX will endeavour to do it earlier in ITE2 before operational readiness, however there are no current plans for this testing in ITE-M. The scope of MDR Day 1 testing will be discussed as part of the Focus Groups.</p>
Technical Documentation	ASX usually drops documents on the last day of the month promised. Target date to drop in December 2021 before Christmas break?	<p>ASX intends to publish the Cutover & Migration Strategy documentation in December 2021, once the November 2021 Focus Groups have concluded and the team has been able to make any necessary updates or further clarity on the approach.</p>