ASX CHESS Project

ISO Design Working Group

19 June 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
- Dial in details (audio only):
  - +61 2 7208 4607
  - Phone Conference ID: 508 993 830#

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 Welcome and Opening Remarks

02 Feedback and ASX Responses

03 Batch Settlement

04 Next Steps

05 Forward Engagement Plan and AOB

01
Welcome and Opening Remarks

02

Feedback and ASX Responses

02a – ISO Design Working Group Actions

#	Action	ASX Response	Raised	Status
ISOWG_M01	ASX to provide further information to Working Group Members in relation to adjustment of Net Positions		May 2025	Q3 2025
ISOWG_M02	Working Group Members to provide use case in relation to As-At Trades registered as ex-movements		May 2025	Open
ISOWG_M03	Working Group Members to provide further information in relation to use of Condition Codes on the Trade Confirmation message (EIS 164) within existing business processes	Refer to slide 9	May 2025	Propose to close
ISOWG_M04	ASX to investigate whether delivering and receiving additional parties can be made public to the counterparty on the allegement notification	ASX has evaluated the feedback and will expose the Additional Parties (2-5) on the allegement notification to the counterparty.	May 2025	Propose to close
ISOWG_M05	ASX to investigate the logic in relation to the Universal Transaction Identifier (UTI) and whether it should be a mandatory matching criteria if provided	Universal Transaction Identifier (UTI) is a secondary matching criteria and will be matched if populated against an UTI which exactly matches, or blank.	May 2025	Propose to close
ISOWG_M06	ASX to investigate whether the hold indicator is exposed to the counterparty on the allegement and status messages prior to the Intended Settlement Date (ISD)	Refer to slide 11	May 2025	Open
ISOWG_M07	ASX to investigate the number of status updates generated for a settlement instruction which is on hold to the requesting Participant	Refer to slide 11	May 2025	Open
ISOWG_M08	ASX to investigate the use case of reapplying a hold indicator after it has been released	Refer to slide 11	May 2025	Open

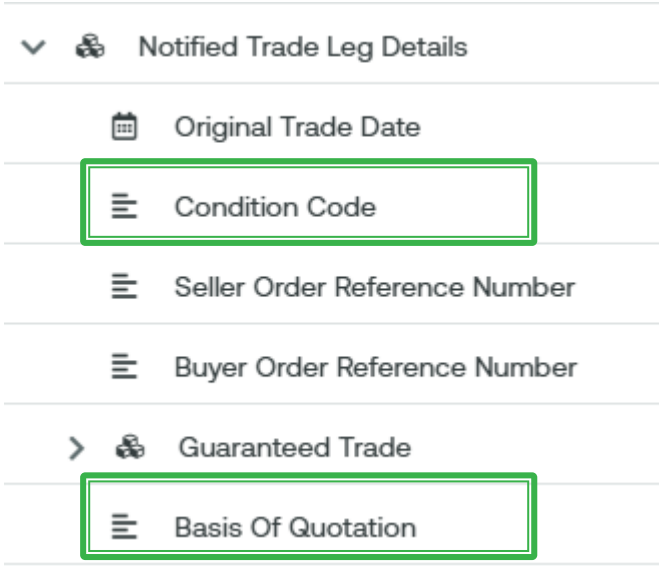
02b – Feedback & ASX Responses

7 feedback items were received in MyStandards for collections presented at the 21 May ISO Design Working Group

- No changes were made as a result of feedback

Population of Condition Codes on Trade Notification Report (secl.001)

- Condition Codes will be populated onto the Trade Notification Report (up to 5 Condition Codes)
- Basis of Quotation will be populated onto the Trade Notification Report (up to 3 Basis of Quotations)



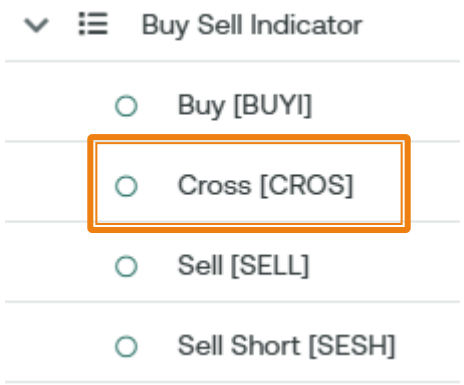
02c – Message Updates

Trade Confirmation Notification (clgr_501_secl_001)

Trade Confirmation Notification is generated and sent to the Delivering and Receiving Clearing Participant when a trade is successfully registered in CHESS.

When a crossing is registered against the same position account, a single Trade Confirmation Notification is generated for the registered trade.

- Change: Buy Sell Indicator will be populated with *"Cross" (CROS)*



ASX is working through the scenarios where a crossing is registered against different position accounts.

02d – Updates on Hold/Release

ASX has received material feedback in relation to the design of hold/release to ensure it will meet the original business requirement and be used in a fair and effective way. This will continue to be discussed in the next BWG. forums.

#	Feedback	Status
1	Hold status should be notified on the allegement	ASX is evaluating whether this is possible in BaNCS and supported in the ISO messages. It should also be considered whether this would actively discourage matching.
2	Hold status should be shared immediately upon match as opposed to a subsequent process	ASX proposes the solution is modified to provide the hold status immediately upon match.
3	Application of a hold status should not be permitted after the transaction has been matched	ASX is evaluating whether the hold can be restricted to the initial match only and cannot be applied as a subsequent update.
4	Hold status should not be permitted to be placed by the receiver of securities (i.e. the buyer)	Whether to restrict to the delivering participant only requires further industry discussion, as some participants have indicated potential utility in this scenario.
5	How fail fees should be applied in relation to instructions on hold	Further ASX evaluation and industry discussion is required on fail fees. However, it should be noted the principal is to encourage instructions to be matched early.
6	Unilateral cancellations should be supported for	Giving consideration to items #1 and #2 this may not be necessary.

03

Batch Settlement

For discussion

03 – Batch Settlement

Scope

Functionality to be discussed in ISO Design Working Group:

- Full Settlement
- Failures (including partial settlement and full failure)

Note: Bilateral and Unilateral Batch Instructions (confirmation & status') were discussed in previous ISO Design Working Groups

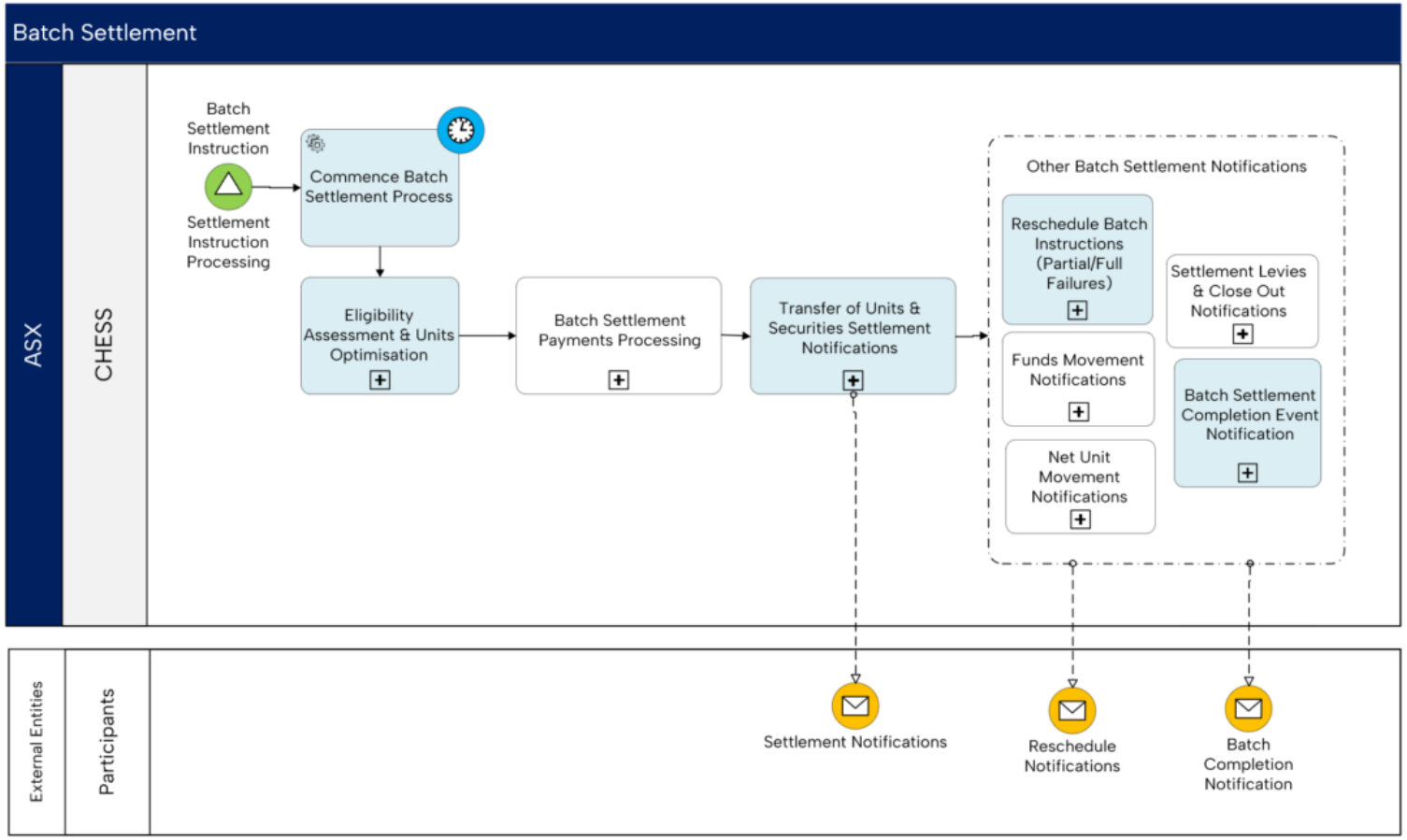
To be discussed in a future ISO Design Working Group:

- Payments processing, including funds notification and authorisation workflows
- Net movement notifications (including units, funds and trust)
- Default management processes
- Projected unit failure notifications
- Levy and close out notifications
- Exception handling

03 – Batch Settlement

Overview

- Participant Initiated Batch Settlement Instructions and Cash Market Settlement Instructions will be scheduled for settlement as part of a Batch Settlement Cycle
- All instructions that are eligible for settlement are assessed against a settlement algorithm with the objective of optimising the settlement outcome
- As part of a Batch Settlement Cycle Participants are notified of:
  - The settled and remaining portion of instructions
  - Instructions that fully fail inclusive of those that were deemed ineligible for settlement
- The remaining portion of instructions that settled partially and instructions that failed in full will be rescheduled to the next business date. Participants will be notified of this as a separate notification
- A Batch Completion Notification will be sent to all participants



03 – Batch Settlement

Message Table

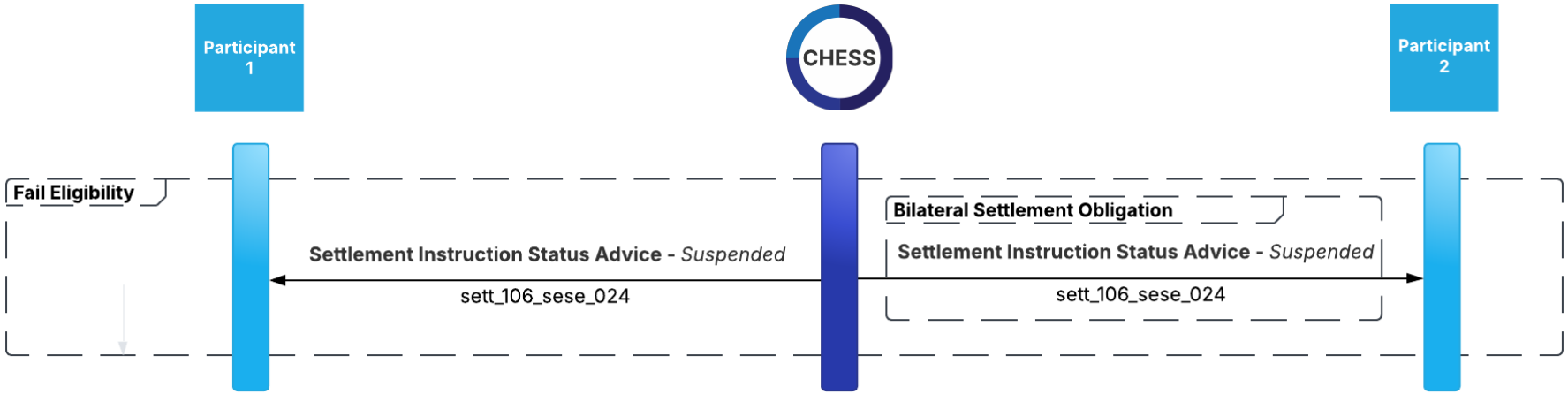
Msg Type	EIS number	ISO 20022 Base Message	ASX Message ID "Business Service"	Change
Status Advice (Suspended Settlement Instruction)	162	sese.024 Securities Settlement Transaction Status Advice	sett_106 Settlement Instruction Status Advice	No change to the base message but is now consolidated to a single ASX Business Message. ASX Message Id updated: From: sett_129_sese_024 To: sett_106_sese_024
Status Advice (Reschedule Settlement Instruction)	124	sese.032 Securities Settlement Transaction Generation Notification	sett_143 Settlement Obligation Notification	No change for Market Obligations but is now consolidated to a single ASX Business Message. From: sett_130_sese_032 To: sett_143_sese_032 Change the base message for Settlement Instructions From: sett_130_sese_032 To: sett_106_sese_024
Settlement Confirmation	156 192	sese.025 Securities Settlement Transaction Confirmation	sett_119 Settlement Instruction Confirmation	Previous iteration of the project implemented a settlement model which communicated full and partial failures. Settlement confirmations were not provided for settled obligations. The CHESS Project will revert to providing individual settlement confirmation responses to each instruction settled in the batch settlement project.
Event Notification	542	admi.004 System Event Notification	comm_810 Event Notification	ASX proposed in the December ISO WG to add the message admi.004 to the common messages collection (comm) ASX Message Id updated: from: sett_170_admi_004 to: comm_810_admi_004

03 – Batch Settlement

UML

Fail Eligibility (Suspended)

- Reason for failure:
  - Settlement Instruction Status Advice (sese.024)
    - *Pending (OTHR)*



03 – Batch Settlement

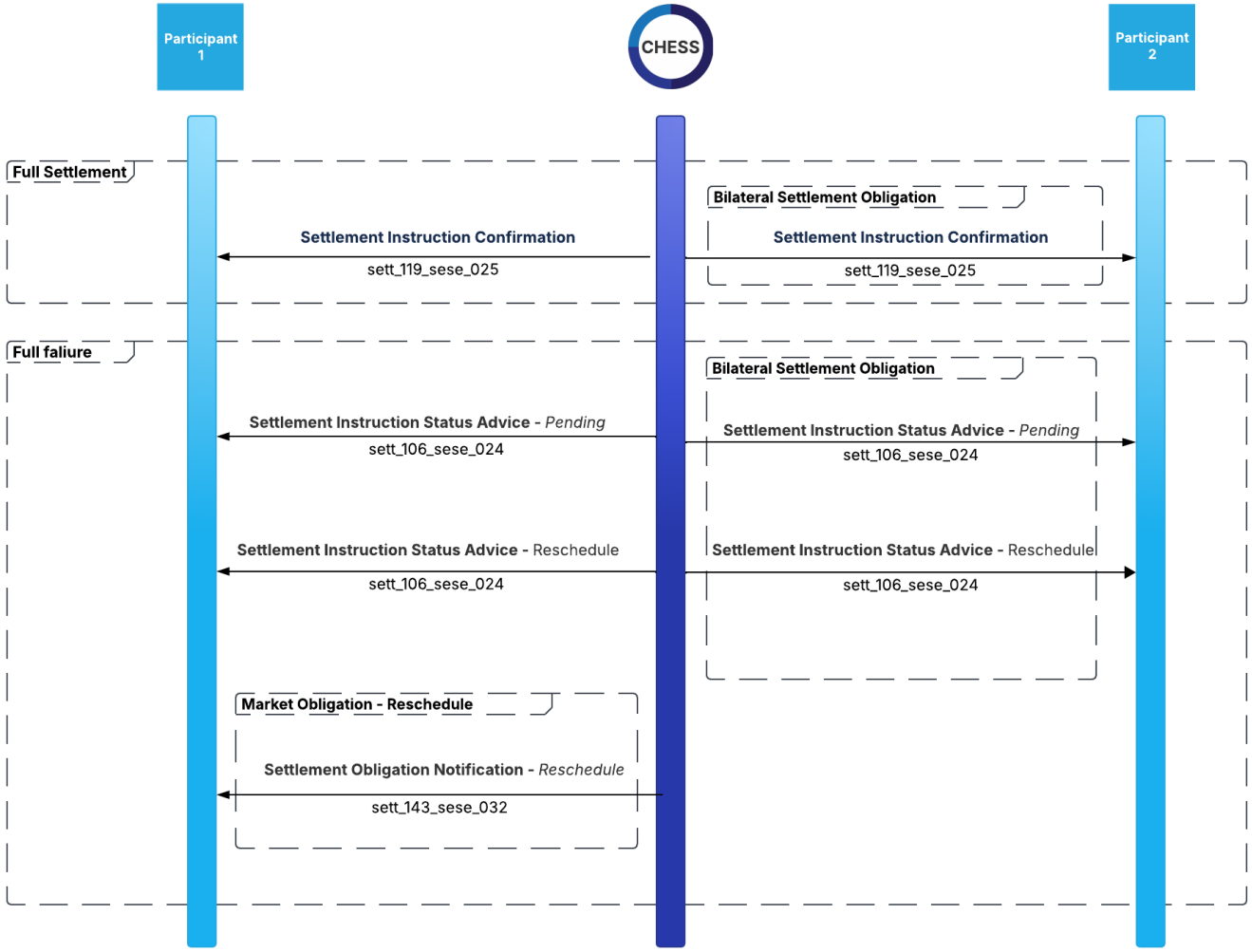
UML

Full Settlement

- Confirmation:
  - Settlement Instruction Confirmation (sese.025)

Full Failure

- Reason:
  - Settlement Instruction Status Advice (sese.024)
    - Pending (LACK)
- Reschedule to next settlement cycle:
  - Settlement Instructions
    - Settlement Instruction Status Advice (sese.024)
      - Failing (CYCL)
  - Market Obligations
    - Settlement Obligation Notification (sese.032)

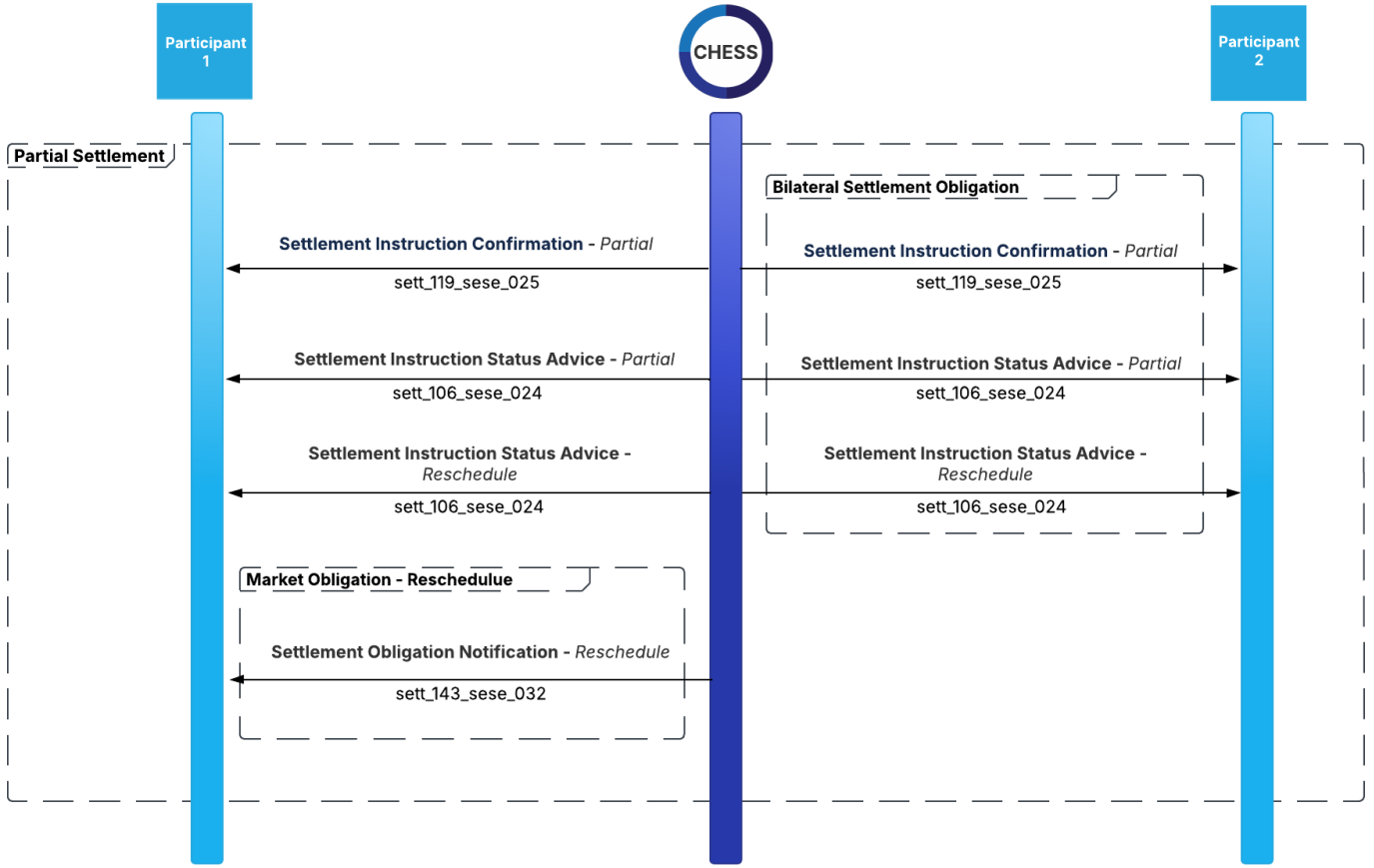


03 – Batch Settlement

UML

Partial Settlement

- Confirmation:
  - Settlement Instruction Confirmation (sese.025)
    - Partial Settlement Status (PAIN)
- Reason:
  - Settlement Instruction Status Advice (sese.024)
    - Pending (PART)
- Reschedule to next settlement cycle:
  - Settlement Instructions
    - Settlement Instruction Status Advice (sese.024)
      - Failing (CYCL)
  - Market Obligations
    - Settlement Obligation Notification (sese.032)

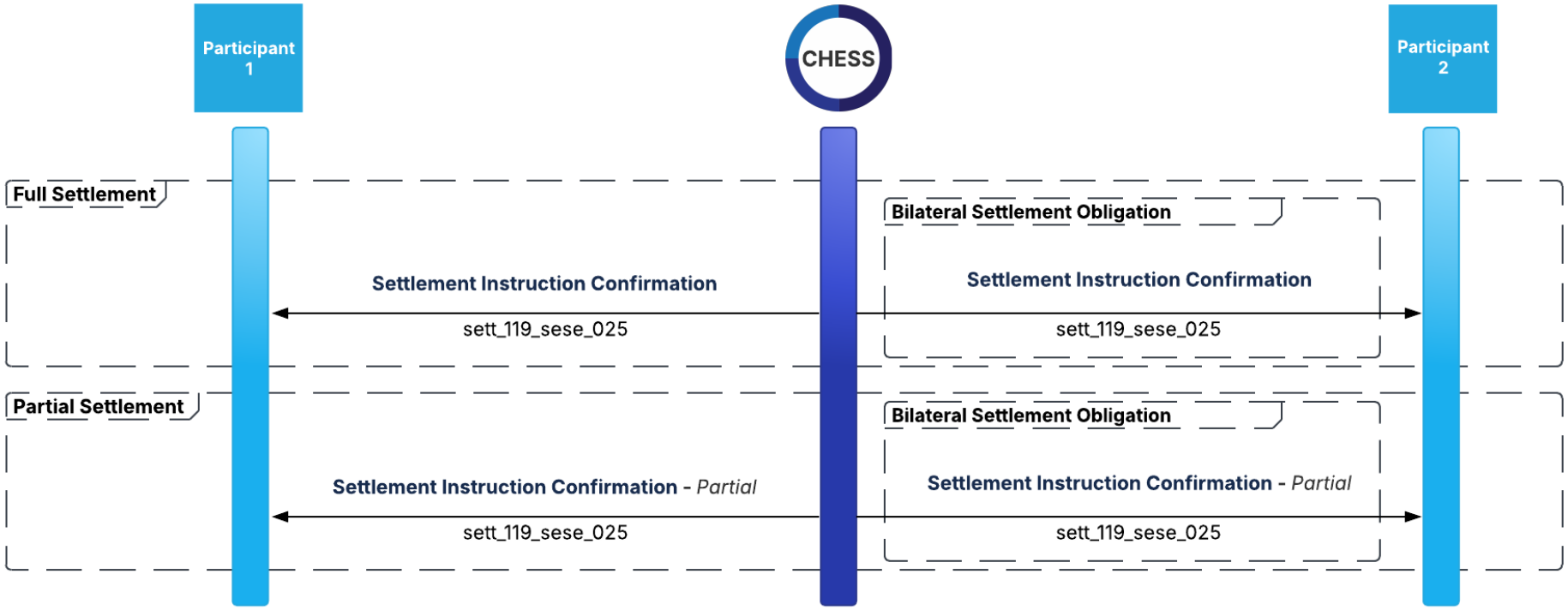


03 – Batch Settlement

UML

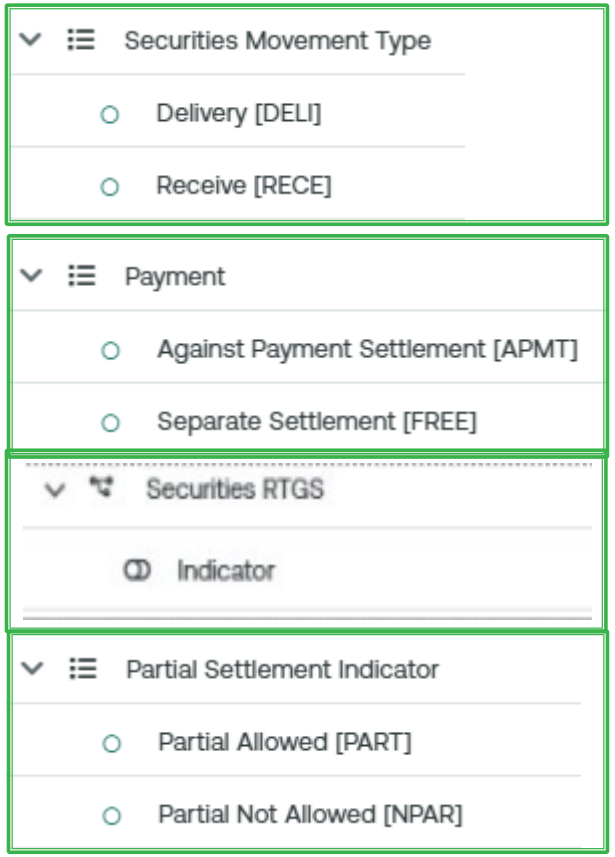
Next Day

- Full Settlement
  - Settlement Instruction Confirmation (sese.025)
    - *Partially Confirmed (PARC) Settlement Instructions*
- Partial Settlement:
  - Settlement Instruction Confirmation (sese.025)
    - *Partial Settlement (PAIN)*



03 – Batch Settlement – Message Attributes for Market Obligation

Base Messages: sese.032, sese.024, sese.025



Securities Movement Type element specifies if the movement on a securities account results from a deliver or a receive instruction. For Market Obligations securities movement type Receive [RECE] was introduced in addition to Delivery [DELI]

Payment element specifies how the transaction is to be settled and Market Obligations Payment must be populated always with Against Payment Settlement [APMT]

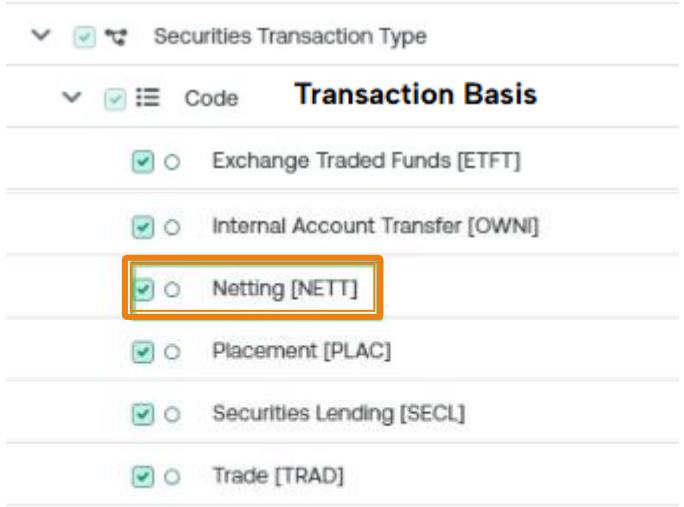
Securities RTGS indicator "Settlement Method" defines if the transaction is executed in Batch "false". For Market Obligations it is always "false"

Partial Settlement Indicator determine if Partial allowed [PART] or Partial Not Allowed [NPAR]. For Market Obligations, Partial Settlement Indicator must always be Partial allowed [PART]

ℹ Note: Matching Status will not be populated in case of Market Trades.

03 – Batch Settlement – Message Attributes for Market Obligations

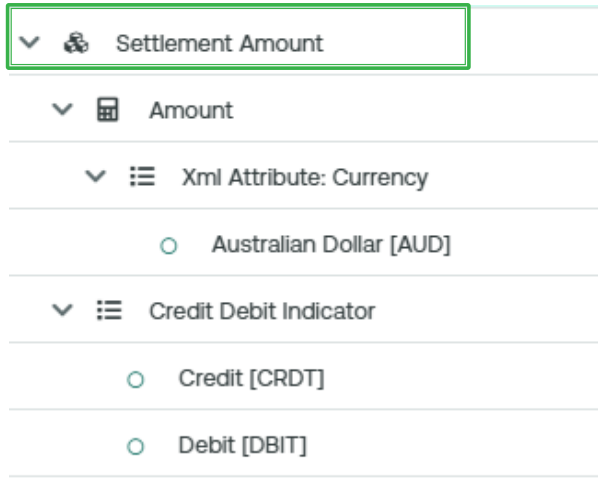
Base Messages: sese.032, sese.024, sese.025



Change: Securities Transaction Type (Transaction Basis) proprietary codes are proposed to be replaced with the ISO codes.
For Market Obligations should be mapped as Netting (NETT)

03 – Batch Settlement – Message Attributes for Market Obligations

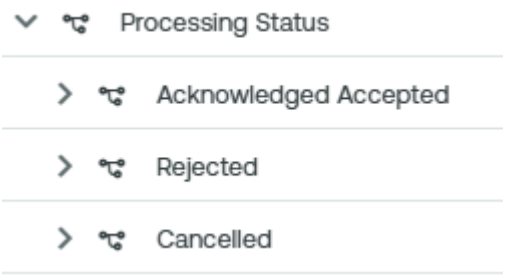
Base Messages: sese.032, sese.024



New Settlement Amount: Settlement Amount field populated for Against Payment Instructions [APMT]

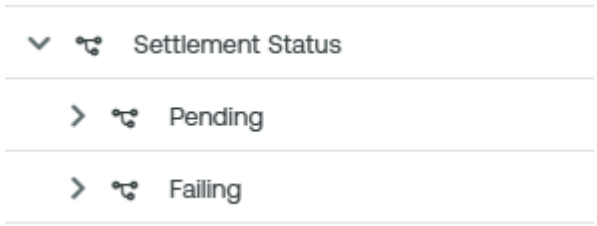
03 – Batch Settlement – Message Attributes for Market Obligations

Base Message: sese.024 – ASX Message ID: sett_106



Processing Status: Will always be populated as:

- Acknowledge Accepted



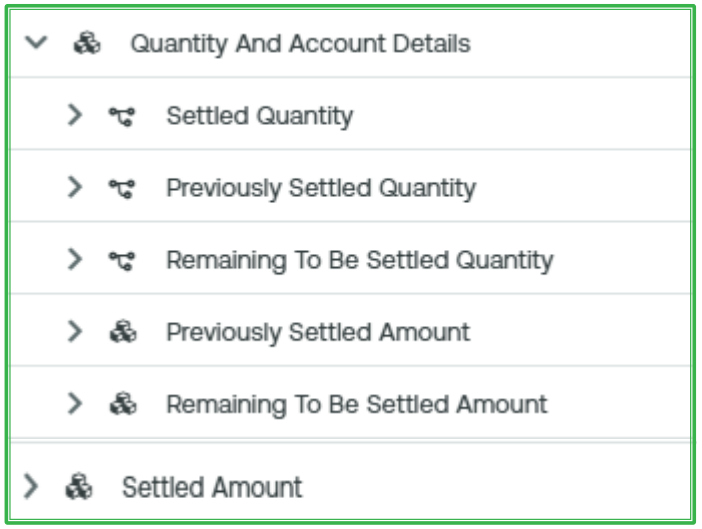
Settlement Status: Identifies the settlement status of an instruction where relevant.

- Failing
- Pending

Trade Date: Trade Date is added

03 – Batch Settlement – Message Attributes for Market Obligations

Base Message: sese.025 – ASX Message ID: sett_119



Settled Quantity: Units settled in the current batch settlement process

Previously Settled Quantity: Units settled in a previous batch settlement process

Remaining To Be Settled Quantity: Units rescheduled for settlement for a future batch settlement process

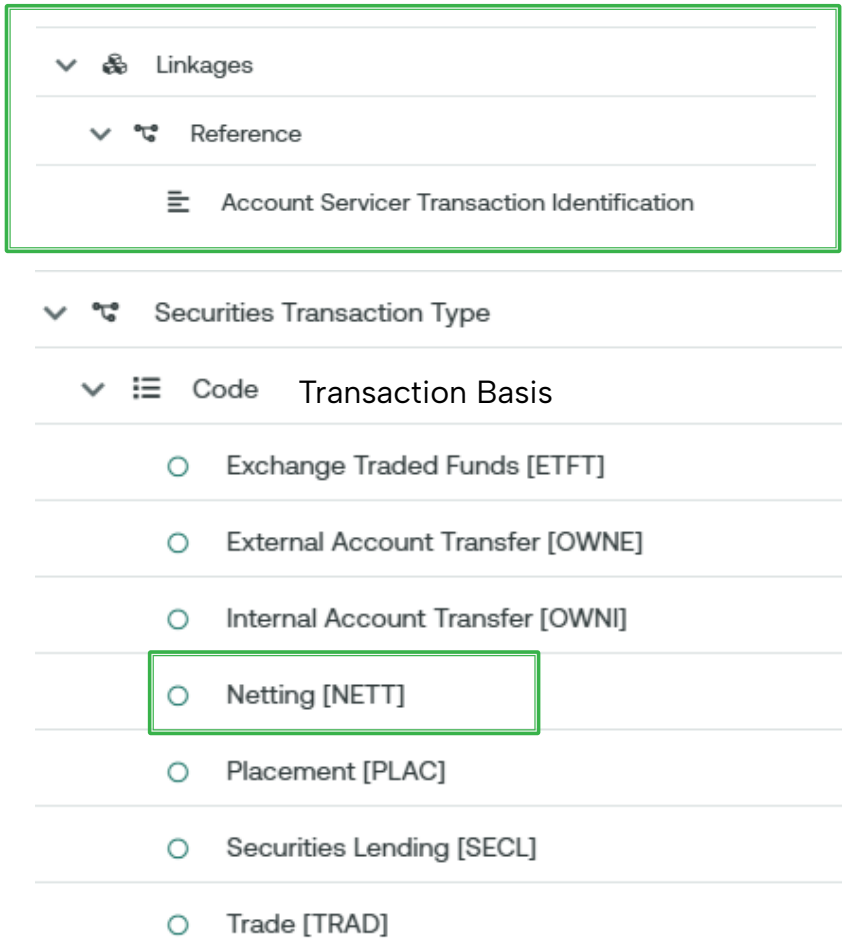
Previously Settled Amount: Funds settled in a previous batch settlement process

Remaining To Be Settled Amount: Funds rescheduled for settlement to a future batch settlement process

Settled Amount: Funds settled in the current batch settlement process

03 – Batch Settlement – Message Attributes for Market Obligations

Base Message: sese.032 – ASX Message ID: sett_143



Rescheduled Market Obligation: A new settlement obligation will be generated, maintaining the same sese.032 linkage to the original settlement obligation.

Linkages – Reference - Account Servicer Transaction Identification:
Transaction Id of the original transaction

Securities Transaction Type (1..1):
Transaction Basis should be mapped as Netting (NETT)

04
Next Steps

04 – Next Steps

Feedback required for the following:

- MyStandards documentation: ASX ISO 20022 Working Group
  - Community: ASX ISO 20022 Working Group
  - Collections:
    - ASX_AU_CHS_sett_ISO_WG_R2D2
    - ASX_AU_CHS_clgr_ISO_WG_R2D2
    - ASX_AU_CHS_comm_ISO_WG_R2D1
- Further details (attached to Message Definitions in MyStandards)
  - Message Model
  - Sample .xml to illustrate message structure

ASX Message Id	ISO Base Message
sett_105	sese.023
sett_106	sese.024
sett_119	sese.025
sett_143	sese.032
comm_810	admi.004
clrg_501	secl.001
clrg_502	secl.002

ASX requests your ISO Working Group feedback to be provided through MyStandards by 04 July 2025. Feedback will be addressed at the next scheduled ISO Working Group.

05
Forward Engagement Plan and AOB

05 – Indicative Forward Engagement Calendar (Rolling 3 Months)

	June 2025	July 2025	August 2025
Technical Committee	4 June › CHESS Project update › CHESS Release 1 industry testing update › CHESS Release 1 cutover approach › May Working Group updates › Business Committee recommendation – optional and mandatory functionality › Pulse survey results	9 July › CHESS Project update › CHESS Release 1 industry testing update › June Working Group updates › CHESS Project resiliency testing	6 August › CHESS project updates › CHESS Release 1 industry testing update › July Working Group updates
Implementation & Transition Working Group	26 June › CHESS Release 1 Cutover update › CHESS Release 1 Clearing Regression Guide	29 July › CHESS Release 1 Cutover update › CHESS Release 1 Parallel Testing › CHESS Release 2 Drop 1 test tools and data › CHESS Release 2 Software Provider development requirements	26 August › CHESS Release 2 ITE connectivity › CHESS Release 2 industry test approach › CHESS Release 2 Drop 2 test tools and data
CHESS Release 1 Build & Test Forum	12 June › AMO Readiness phase › Clearing Regression update › Updated ITE reporting dashboard › Industry test documentation › Non-functional testing	17 July › AMO Readiness update › Industry readiness tracking › Cutover and parallel testing	13 August › AMO Readiness update › Industry readiness tracking › AMO Accreditation preparation
Business Design Working Group	5 June › No session to be held for June	10 July › Release 2 Drop 3 Deep dive	7 August › Payment Provider Focus Group
ISO Design Working Group	19 June › Drop 2 ISO messages and Schema	24 July › Drop 2 and Drop 3 ISO messages and Schema	19 August › Drop 3 ISO messages and Schema

05 – Indicative ISOWG Schedule

CY2025 Indicative ISOWG and Technical Committee Schedule

Month	Date	Time
ISOWG		
July meeting	Wednesday 24 July	2pm – 4pm
August meeting	Tuesday 19 August	2pm – 4pm
September meeting	Thursday 18 September	2pm – 4pm
October meeting	Tuesday 14 October	2pm – 4pm
November meeting	Tuesday 11 November	2pm – 4pm
December meeting	Tuesday 9 December	2pm – 4pm

Month	Date	Time
Technical Committee		
July meeting	Wednesday 9 July	2pm – 4pm
August meeting	Wednesday 6 August	2pm – 4pm
September meeting	Wednesday 3 September	2pm – 4pm
October meeting	Wednesday 8 October	2pm – 4pm

Questions

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