



# Implementation & Transition Working Group

Questions from webinar | 30 June 2021

The following table provides ASX's response to relevant questions asked by Implementation & Transition working group members during the webinar held on 30 June. Please email [chessreplacement@asx.com.au](mailto:chessreplacement@asx.com.au) if you have any additional questions or require further clarification.

Topic	Question	Answer
Industry Wide Testing	<b>For IWT - both cycles are scheduled in an operationally difficult period (end of year) with capacity, shutdown and holiday period issues. Can this be brought forward to no later than October so user participation can be ensured?</b>	IWT is currently planned to consist of two fortnightly cycles of co-ordinated market events between the start of December '22 and the end of February '23. Entry into IWT expects that CHES users have passed operational readiness. ASX acknowledges the feedback and will work with the market on scheduling IWT cycles to fall outside of change freeze periods and Migration Dress Rehearsal weekends.
Industry Wide Testing	<b>Can IWT include performance (large volume) testing for scalability to allow the industry to prove non-functional requirements (trade and settlement volumes) given the ASX has refactored batch settlement for scalability?</b>	<p>As a licensed operator of clearing and settlement (CS) facilities in Australia, ASX has various regulatory obligations including ensuring the CHES replacement system has adequate, scalable capacity.</p> <p>ASIC and RBA have also publicly set out their expectations that the CHES replacement system achieve a significant uplift in intraday trade processing capacity and end-of-day processing performance.</p> <p>It is ASX's responsibility to ensure the clearing and settlement infrastructure is scalable to meet existing and future needs of the market and participants. ASX will therefore conduct an extensive performance testing program to ensure the solution meets the non-functional performance requirements and satisfies the regulatory expectations. This will include providing supporting independent assurances to the regulators before migrating to the new system.</p>

Topic	Question	Answer
<b>CHES User Readiness</b>	<b>Considering the same resources may be used by participants, are there too many things happening in parallel?</b>	<p>ASX are of course mindful of resource impacts on CHES users as we work through the testing and readiness phases for CHES Replacement, recognising many firms will be using BAU resources to support CHES Replacement activities alongside their day-to-day operational obligations.</p> <p>ASX will work closely with CHES users as we progress through the various testing phases to ensure they are able to meet their requirements for published milestones.</p>
<b>CHES User Readiness</b>	<b>What evidence does ASX need from participants to pass Operational Readiness?</b>	<p>Further details and requirements will be published later in the year and may vary based on the scenario, the evidence required for ASX's assessment of operational readiness may include: Message ID or Account details with a date, screenshots of confirmations or errors, or written acknowledgement of completion of the scenario(s) as requested.</p>
<b>CHES User Readiness</b>	<b>Will ITE2 use test kits or production-like data e.g. UICs, and will this support multi-party workflows between CHES Users?</b>	<p>The ITE2 test kits will use the CHES users' own UIC data with the intention that they are interacting with other CHES users on their CHES production identifiers, including testing with counterparties during IWT. Where a testing activity or outcome requires ASX intervention to facilitate this, a 'dummy' ID would be used. However, ideally this would only be as an exception or as required as part of an operational readiness scenario(s) being assessed.</p>
<b>Industry Test Environment</b>	<b>So does ASX expect participants to begin their testing before their system providers have been accredited?</b>	<p>Yes, to provide CHES users the ability to configure and get familiar with new software CHES users can connect to ITE2 without accredited software, however they will need to use accredited software for entry into operational readiness.</p>
<b>Industry Test Environment</b>	<b>Will the ITE-1 support connectivity through IPSEC VPN?</b>	<p>IPSEC VPN is an available connectivity option for ITE1, this ultimately connects into ASX Net. IPSEC VPN is available to software providers who do not have ASX Net connections.</p>

Topic	Question	Answer
Industry Test Environment	<p><b>Does each provider have their own ITE1 or is it a shared environment?</b></p> <p><b>Does it have any self-service and auto-responding capability?</b></p>	<p>ITE1 is a single environment shared by all software providers, the majority of self-service tools and auto-responders developed for CDE will be carried forward into ITE1. There will also be some new tooling for performance testing as well as additional mFund test tooling. A list of all test tools will be published on the technical documentation portal.</p>
Industry Test Environment	<p><b>Will participants need individual test environments for all of these different testing phases?</b></p>	<p>This will depend on each organisation's specific environment set up but as a rule of thumb each ASX environment will require a client to have their own test system. For software providers they will require an environment for both ITE1 and ITE-M (if they choose to connect). For CHES users they will require an environment for ITE2 and ITE-M (if they choose to connect). Additional consideration should be given to using a production copy for use in MDR (Migration Dress Rehearsals) and further details on this will be provided later.</p>
Industry Test Environment	<p><b>Where a CSP transaction requires a participant to create a temporary RGID Account or a SRN as a means of giving up the identity of a SRN and the function requires the share registry to assess and only authorise the transaction where it finds a satisfactory match with an Account on the issuer sponsored subregister how it is planned to create matchable Accounts in a de-identified ITE environment?</b></p>	<p>ASX has previously spoken with some share registries with a view to having a series of "manufactured" issuer sponsored holdings published to support the end to end testing in ITE2 of functions such as SRN enquiry. ASX is working through the requirements and will continue to engage with Share Registries to derive an outcome.</p>
Inflight Migration Testing	<p><b>For ITE-M, if the migration &amp; cutover details are not available until Dec '21 - how can CHES users provision and make use of this environment in Q1, 22?</b></p>	<p>Inflight Migration Testing in ITE-M is initially open to software providers from February 2022. CHES users will need to have functionally tested their core functions in ITE2, prior to testing the relevant workflows for data migration in ITE-M.</p> <p>Further details around inflight migration testing will be published as part of the Guide to Testing Services in November 2021. This is separate to the content that will be published in December 2021 that will focus on the migration strategy and cutover approach.</p>

Topic	Question	Answer
Inflight Migration Testing	Can testing on post-migrated data be achieved in ITE-M? That is wider testing than the migration weekend activity. Also will this environment support CSP Day1 workflows such as batch settlement?	Yes, ITE-M will be available for a number of days post migration and this will allow for the completion of settlement for those scheduled settlement instructions that started workflow in the new CHES BAU environment.
Messaging specifications	While our current focus is on CSP Release 1.0 at what point will it be most likely Release 1.1 might start to spin up - solution discussion with users, then the ISO20022 messages (content and functional specification) redacted from current documentation. Then Tranche 4 rules consultation.	ASX will have a robust engagement process for any Day 2 deliverables. Details on further engagement will be shared in due course but at this stage the focus is on CHES Day 1.
Messaging specifications	The ISO 20022 message specifications and their versions are not going to undergo change from now. Is this understanding correct?	<p>ASX is not anticipating any further version changes to the published ISO 20022 messages, as the full suite of functional specifications have now been published. It is noted that ongoing ASX and industry testing may identify defects or minor improvements, which may in turn require ISO 20022 version updates. Where and if such changes are made, they will be clearly communicated via existing communication channels, including via the documentation portal.</p> <p>The only confirmed change will be to change the Business Service Name, this currently has a suffix indicating it is a non-production environment. This suffix will be removed for Migration Dress Rehearsal and Production.</p> <p>ASX are reviewing the potential to include this change as a technical accreditation test.</p> <p><a href="https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/23234020/ISO+20022+Messaging+-+TM+-+BAH+elements">https://asxchessreplacement.atlassian.net/wiki/spaces/CSP/pages/23234020/ISO+20022+Messaging+-+TM+-+BAH+elements</a></p>