

# ASX CHESS Replacement

Technical Committee

8 May 2024





ASX acknowledges the  
Traditional Owners of  
Country throughout Australia.  
We pay our respects to  
Elders past and present.

ARTWORK BY: LEE ANNE HALL, MY COUNTRY MY PEOPLE





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# Important Information

## Competition Law Reminder

- > Committee 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, open actions & feedback

02 – Project status

03 – Working group updates

04 – Scope Objective Updates

05 – Industry engagement & consultation



# 01 – Welcome

*Open actions and member feedback*

# Technical Committee

## Open actions

- > 2024 April (1) - Review Committee reporting of project risks
- > 2024 April (2) - Include partners TCS and Accenture in agenda items to increase visibility of their capability.
  - o Planned for future Technical Committees:
    - o Meet and greet onshore team members (next in person meeting)
    - o Base product demonstration

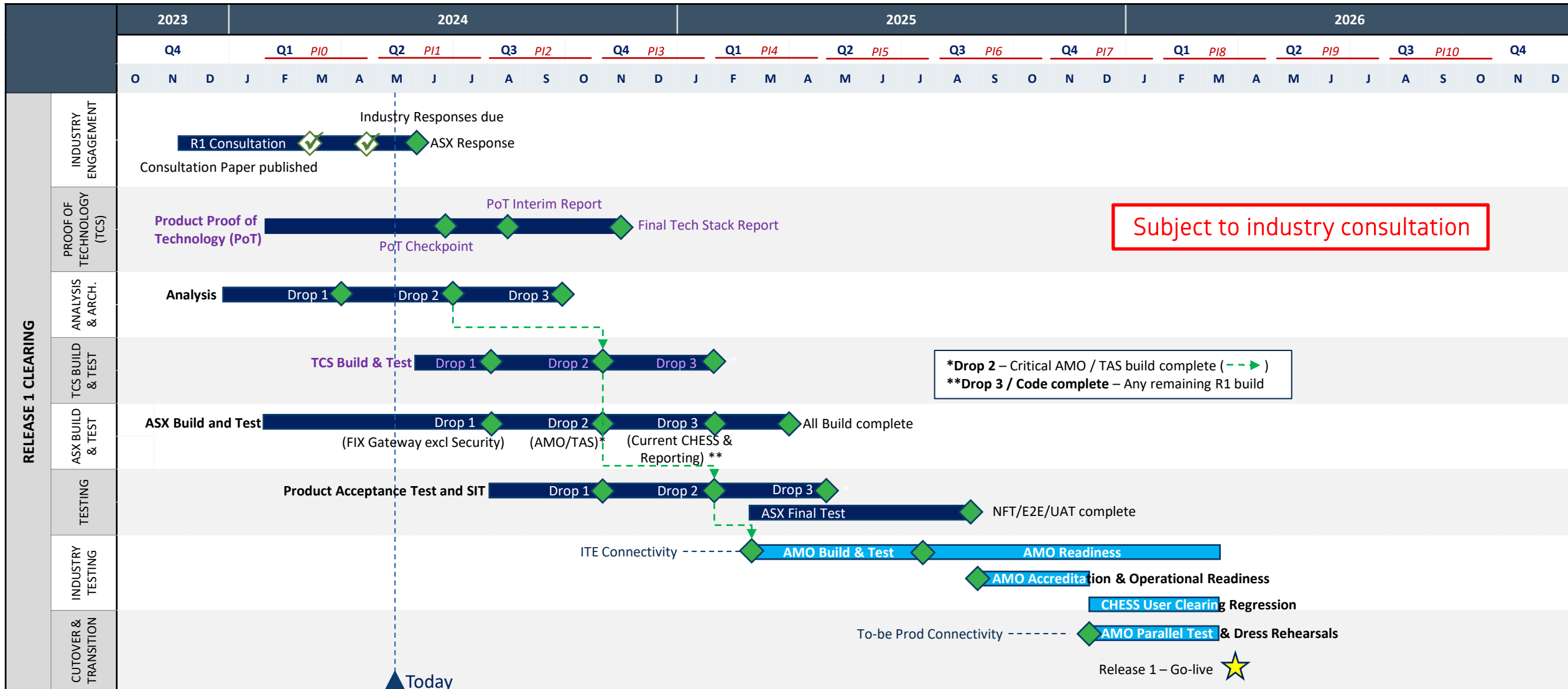
## 02 – Project status



# 02 – Indicative Release 1 Project Timeline

High level overview of the proposed timeline, subject to industry consultation

Industry ASX / Vendor Status



Subject to industry consultation

\*Drop 2 – Critical AMO / TAS build complete (--->)  
 \*\*Drop 3 / Code complete – Any remaining R1 build

# 02 – Project Status

## May 2024 update

### > Project updates

*The project continues to track **GREEN**. Key updates include:*

#### *Release 1*

- The project has now completed its initial Program Increment (PIO). PIO delivered the detailed designs and requirements for Drop 1 code release which is due in early August. The quarterly planning event for PI1 will be held on 6 and 7 May 2024.
- The initial base version of TCS BaNCS MI has been installed on ASX AWS cloud landing zone. This allows ASX product and SME teams to upskill in TCS BaNCS MI product features.
- A Proof of Technology (PoT) confirming how the product and AWS technology services will scale has commenced and the first test of 10,000 messages is underway.
- R1 consultation paper was released on 14 March 2024 and sought feedback on the staged approach and timing for replacing CHESS in two separate releases and the design, scope and schedule for Release 1. The feedback is now being collated and drafting of the response has commenced.

#### *Release 2*

- R2 planning and updated business case development have commenced.
- R2 consultation paper in progress.

# 02 – Project Risks

May 2024

## > Project risks

Area	Description	Mitigation	Residual Exposure	Recommendation / Progress	Status
Scope	Market prioritisation of T+1 would impact the current program timeline and / or costs	The project will monitor the market engagement and provide input as to the optimum plan across CHES replacement and a T+1 cutover	Medium	Being managed via industry consultation.	Open
Cloud Deployment	Elements of the CHES R schedule may potentially be impacted if the decision is made not to progress with AWS Hosting for licence services	The Cloud Foundations Project is delivering the Cloud Platform and a Cloud Assurance Framework to ensure the ongoing compliance with technology general controls and regulatory compliance	Medium	Detailed timing being added to the schedule (tasks, milestones and dependencies)	Open
Technology	Scalability of the solution on the chosen AWS Technology Stack (PoT)	We are working with TCS to perform a Proof of Technology (POT). The purpose is to prove how the product and selected underlying technology services will scale. There is a risk that the POT may change elements of the technology platform design for CHES Replacement solution. The POT will enable us to confirm the solution, delivery timeframe, related risks and costs.	Medium	Proof of Technology environment has been established and required data provisioned. The first test of 10,000 messages is underway and will complete on 13th May.	Open
Schedule	Revised Business case timeline may be impacted by Release 2 consultation response.	High priority engagement topics to be discussed in the relevant Industry working groups to ensure Industry feedback is considered prior to publishing the R2 consultation paper. Ensure the timeframe for R2 consultation is understood by the Technical Committee and Industry working groups to ensure responses are provided by the due date.	Medium	Being managed via industry consultation.	Open

*Disclaimer:* Relevant high-risk items have been included. Medium risk items are included where the inherent risk was high prior to mitigation.



## 03 – Working Group updates



# AMO Industry Working Group

*11 April 2024*

# AMO Working Group

## Update from 11 April AMO WG

### The session facilitated industry discussion on:

#### > *Trade Identifiers*

- Existing CHES assigns 16-character transaction identifiers to all transactions to uniquely identify them. This includes trades reported by AMOs, where a convention exists for generating this ID, however this does not provide uniqueness through all time. Release 1 is intended to provide backwards compatibility (except for AMOs), therefore the existing transaction identifier convention will be preserved for Release 1
- Looking forward, the CHES Replacement Project could facilitate the introduction of a new industry-wide and fully unique transaction identifier
- A potential option would be to utilise the Unique Transaction Identifier (UTI) standard, an ISO-registered format (ISO 23897:2020) designed to produce and ensure global uniqueness of financial transaction identifiers

#### > *FIX*

- Message Flows – AE / AR sequencing for trade reporting
- Schema – Feedback on updated AE & AR message schema
- Failover Design – ASX will be hosting the FIX Gateway in AWS Elastic Kubernetes Service (EKS). Within EKS for each AMO there will be 3 instances ( 1 primary and 2 standbys)





# Business Design Working Group

*T+1 Considerations*

*2 May 2024*

# 03 – Business Design Working Group

## Upcoming Sessions

	Proposed Topic	Objectives	Proposed Date	Applicable Users
-	Kick-off and Planning	-	11 December 2023	Technical Committee Members
1	Clearing Design – Trade Acceptance and Netting	4.1, 5.3	31 January 2024	AMOs, Clearing Participants, Software Providers
2	SRN Enquiries & Issuer Sponsored Holdings	1.3, 1.4	28 February 2024	Settlement Participants, Share Registries, Software Providers
3	Data & Connectivity	1.6	27 March 2024	Software Providers, Settlement Participants, Share Registries
4	T+1 Considerations for CHESS Replacement	NEW	2 May 2024	Settlement Participants, Software Vendors, Share Registries, Payment Providers, AMOs
5	Settlement Design (Matching, Batch Settlement, Non-Batch DVP & Related Payments)	4.2, 5.3, 2.1, 2.2, 3.2	29 May 2024	Settlement Participants, Payment Providers, Software Providers
6	Registration Details & Investor Information	1.1, 3.6	20 June 2024	Settlement Participants, Share Registries, Software Providers
7	Corporate Actions – DRP, Entitlements, Distribution Information & Related Payments	3.2, 3.3, 3.5, 3.7, 3.8, 4.5	July 2024	Settlement Participants, Share Registries, Software Providers, Payment Providers
8	Corporate Actions - Cum Entitlement Balance Design Review	3.4, 5.5	August 2024	Software Providers, Settlement Participants, Share Registries
9	Settlement Design cont... (Matching, Linking, Locking)	1.5, 2.1, 2.2, 2.6, 4.3, 4.4, 4.5	August 2024	Clearing Participants, Settlement Participants, Software Providers
10	Market Claims (Diary Adjustments)	3.1	September 2024	Settlement Participants, Software Providers

# 03 – Business Design Working Group T+1 Considerations

## Key objectives and expected outputs from the 2 May BDWG

*The scope of the BDWG is limited to C&S and industry readiness for a potential T+1 settlement cycle.*

*The ASX T+1 Whitepaper addresses the transition to T+1 at the industry level.*

### Objectives

- **Collect advice** and expertise to understand what technical and operational changes would be required to enable T+1 settlement in the clearing & settlement system
- **Facilitate industry planning** on the practical impacts, primarily in relation to C&S, if T+1 were to be desired by the market.
- **Help inform inclusions for scope** regarding T+1 design considerations in Consultation Paper Release 2 to be issued in August 2024.
- **Identify industry needs** that would be required to support T+1 settlement

### Desired Outputs

- **Identify potential scope and change** in relation to T+1 that can be used in the planning of CHES Replacement
- **Inform future working groups** in relation to the scope of CHES Replacement
- The session may also help firms with their responses to the **T+1 whitepaper**



# 03 – Business Design Working Group T+1 Considerations

## Update from the 2 May BDWG

### *High level functional considerations emerging in relation to T+1:*

- **ETO exercise process:** review timings and process
- **Margining timing and process requires review** including the possible for margining on T or intra-day margining
- **Operating hours and cutoffs:** extended hours, and ability to have different cutoffs for different transactions (e.g. matching running overnight)
- **Improved matching processes:** pre-matching, additional criteria/information, common ID, integration with upstream systems
- **Shorten batch cycle by automating payment provider approvals:** limit checking
- **Preference for DvP model 3 with a single batch** as this provides finality to the settlement process
- **Pre-batch simulation / predictive analysis** to allow participants to know the potential outcomes of batch settlement in advance would help with timings
- **Batch to be run later in the day**, with the potential for settling low volume transactions outside of batch (e.g. sec lending, ETFs)
- **Review of SLAs to promote automation:** such as issuer sponsored transfers, off-market transfers
- **Ex Transaction Processing (cum entitlement balances)** may potentially still be required for priming and securities lending transactions
- **Deep dive on ETF settlement process** would be beneficial to see if there are opportunities to remove manual steps



# Implementation & Transition Working Group

*R2 Considerations*

*3 May 2024*

# 03 – ITWG R2 Considerations

## Key objectives and expected outputs from the 3 May ITWG

*The purpose of this I&T Working Group is to commence discussions on the indicative timeline and Industry Test phases for CHESS Replacement Release 2*

### Objectives

- **Gather feedback on the proposed delivery timeline for Release 2** and potential overlap with Release 1.
- **Gather feedback on the proposed Industry Test phases for Release 2** and clarify if additional activities need to be considered.

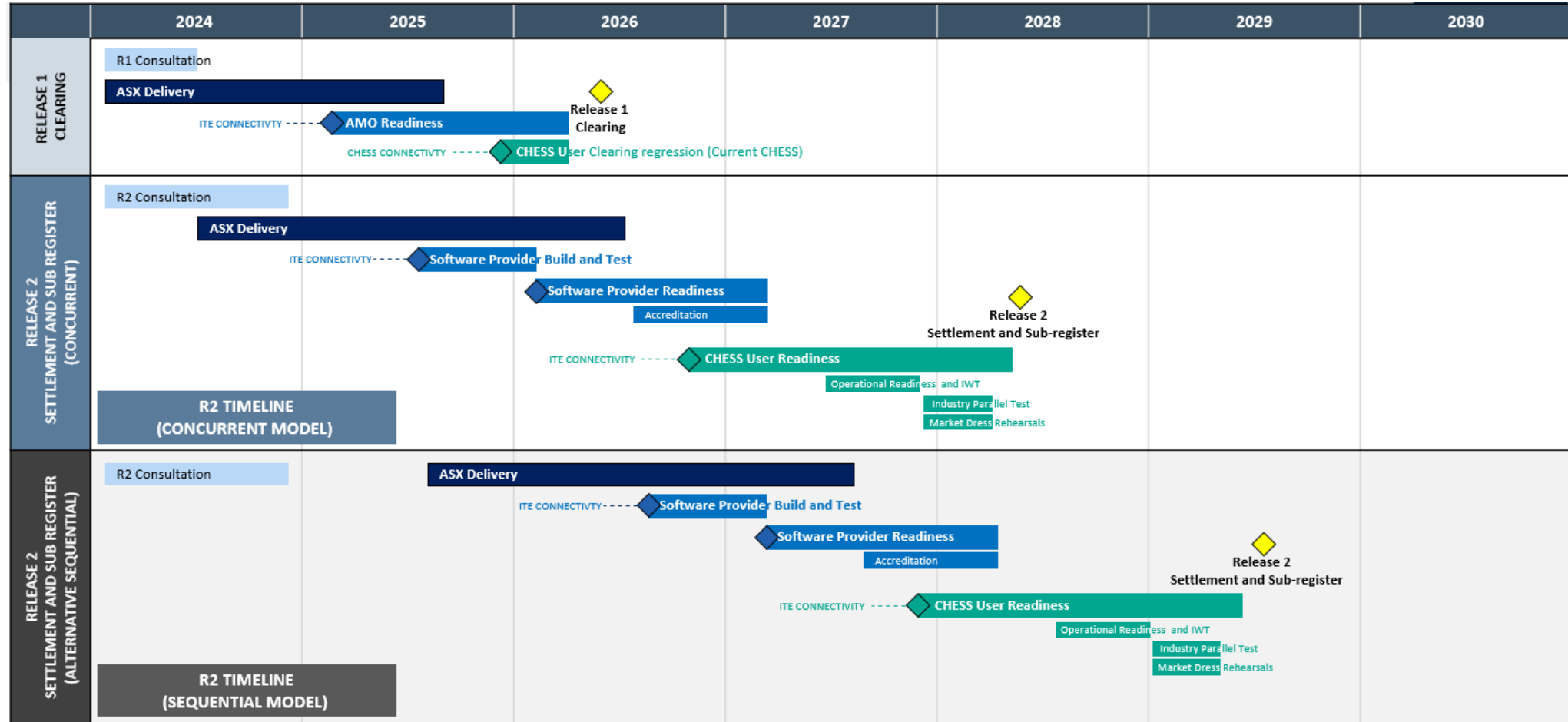
### Desired Outputs

- **Identify a preferred delivery timeline for Release 2** that takes into consideration Industry feedback. Note that the preferred delivery timeline will be subject to formal consultation.
- **Identify additional Industry Test considerations** for Release 2
- **Inform future working groups** in relation to the delivery timeline and industry test approach of Release 2.

# 03 – ITWG R2 Considerations

## Update from the 3 May Implementation & Transition Working Group

Timelines below include both concurrent and sequential options. Note that the sequential timeline for release 2 decreases the number of overlapping activities but extends the proposed go-live date. The selected release 2 plan will be subject to market consultation and ongoing T+1 activities.





# 03 – ITWG R2 Considerations

## Update from the 3 May Implementation & Transition Working Group

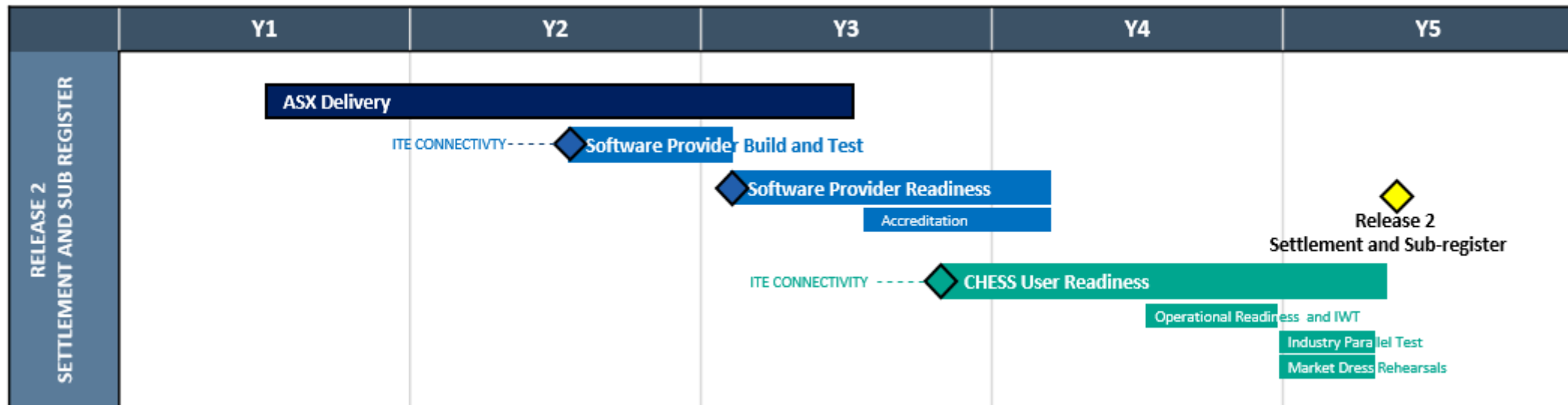
While we'll consult on the new system design, we recognize the industry's preference for using the existing ISO20022 messaging interfaces as a foundation. It is expected previous technical investments may be leveraged significantly.

### Software Provider readiness:

- Software Provider build & test
- Software Provider system testing, inflight migration testing and performance testing
- Accreditation

### CHES User readiness:

- CHES user testing, inflight migration testing and performance testing
- Operational readiness
- Industry-wide Testing
- Industry Parallel Test (limited processes)
- Market Dress Rehearsals





## 04 – Scope objectives backlog update

# 04 – CHES Replacement Scope Objectives

## Prioritised backlog (1/2)

### > Proceed to CHES Replacement design evaluation and consultation Scope Objectives:

- The following Scope Objectives were identified as items that should proceed to CHES Replacement design evaluation and consultation

Functionality	Ref	Scope Objective	Status	Update
Changes to Netting Process	4.1	Review the design for netting in the context of the solution	BDD Complete	Business Design Document prepared, feedback received and incorporated.
SRN enquiry and validation	1.3	Implement a faster and more efficient SRN enquiry process	BDD Complete	BDWG completed, draft BDD <u>completed</u> , and feedback is being accepted. Final draft to be shared following the TC.
Issuer sponsored improvements	1.4	Reduce settlement risk in relation to issuer sponsored sales	BDD Complete	As above
Interoperability	5.3	Ensure the solution is designed to enable potential future interoperability between CCPs, SSFs and/or sub-registers	Feb & May BDWG	Considered in the BDD in relation to clearing. Further engagement planned for May BDWG on settlement.
Payments	2.8	Payment processes for corporate actions, batch and non-batch DvP settlement processes	March ESPPSC, -July & August BDWG	Initial Payment Providers commenced via March ESPPSC, including a survey. Further discussions including participants planned in dedicated sessions on Settlement and Corporate Actions
Continuous holding balance	1.6	Provide more efficient, reliable and faster access to holding information	March BDWG	BDWG held, BDD in drafting, pending further analysis on holding balances
Registry HIN Validation	1.7	Provide the ability for Share Registries to validate account details to facilitate CHES allotment of investor accepted offers	March BDWG	To be captured as requirement in Data & Connectivity BDD.
Changes to settlement process	4.2	Review the design for settlement in the context of the solution	May BDWG	Planned for May BDWG on settlement design
Risk Enhancements	4.7	Risk and default management review and potential ASX risk enhancements	May BDWG	Planned for May BDWG on settlement design
Bilateral Matching Improvements	2.1	Reduce operational risk by ensuring participants are able to submit and match transactions in the system as soon as practical whilst minimising the likelihood of incurring a failed settlement (e.g. being able to separately match and schedule a transaction)	May BDWG August BDWG (cont.)	Planned for May and August BDWGs on settlement instructions (matching, non-batch DVP, linking, locking)
Bilateral Matching Improvements	2.2	Reduce operational risk by minimising mismatches and failed matches by increasing the data sharing and matching fields available and/or making use of information available in upstream systems	May BDWG August BDWG (cont.)	Planned for May and August BDWGs on settlement instructions (matching, non-batch DVP, linking, locking)
Registration details and investor information	1.1	Standardise, improve and better synchronise the data sharing between participants and share registries	June BDWG	Planned for June BDWG on registration details and investor information

Proceed to CHES replacement design

# 04 – CHES Replacement Scope Objectives (cont...)

## Prioritised backlog (2/2)

### > Proceed to CHES Replacement design evaluation and consultation Scope Objectives:

- o The following Scope Objectives were identified as items that should proceed to CHES Replacement design evaluation and consultation

Functionality	Ref	Scope Objective	Status	Update
Cum entitlement balances	5.4	Review use cases for Cum Entitlement balances and assess its continued effectiveness for the Australian market	August BDWG	New objective to evaluate opportunities to improve or re-design the current entitlement transfer process in context of the solution.
Corporate action election and acceptance processing	3.2	Provide standardised straight through processing capability for corporate action elections and cost-effective associated payments	July BDWG	Planned for July BDWG on corporate actions (DRP, entitlements and distribution information). Engagement on Payments via ESPPSC starting March.
Corporate action election and acceptance processing	3.3	Reduce operational risk in relation to DRP standing instructions	July BDWG	Planned for July BDWG on corporate actions (DRP, entitlements and distribution information)
Electronic notification of payment advice	3.5	Provide standardised electronic transmission of corporate action distribution information to create opportunities for automation and process improvement.	July BDWG	Planned for July BDWG on corporate actions (DRP, entitlements and distribution information)
Bid Offeror Automation	3.10	Provide an electronic Bid Offeror finalisation process in relation to Takeovers & Buybacks.	July BDWG	Planned for July BDWG - Corporate Actions (DRP, entitlements and distribution information)
Linking Bilateral Settlements	4.3	Settlement Linking – review and evaluate solution design	August BDWG	Planned for August BDWG on settlement instructions (matching, non-batch DVP, linking, locking)
Settlement Lock for CHES Holdings	4.4	Settlement Locking – review and evaluate solution design	August BDWG	Planned for August BDWG on settlement instructions (matching, non-batch DVP, linking, locking)
Non-batch DvP Bilateral Settlement	4.5	Bilateral Non-Batch DvP Settlement – review and evaluate in the context of payment processes	August BDWG	Planned for August BDWG on settlement instructions (matching, non-batch DVP, linking, locking). Engagement on Payments via ESPPSC starting March.
Electronic Dividend Claims	3.1	Review and enhance the current processes for automated claims (diary adjustments) to ensure it continues to meet the market needs.	September BDWG	Planned for September BDWG on market claims (diary adjustments)

Proceed to CHES replacement design



# 04 – Holding Balances Update

## Following customer feedback

### *Updates following customer feedback:*

- > Majority of software vendor feedback indicated that removing holding balances in the messages is not problematic from a systems perspective.
- > Reconciliation concerns were noted by some participants. Accordingly, we are looking at the best way to provide an alternative approach that provides the same benefits.
- > We are now assessing including an API for Holding Balances *in scope* for the project and are assessing solution options. We aim to present this back in a future Technical Committee.



# 04 – Scope objectives

*Considerations for Current CHESS*

# 04 – Current CHESS

## Prioritised backlog

### > Evaluate in CURRENT CHESS:

- The following Scope Objectives were identified as items that should proceed to CHESS Replacement design evaluation and consultation (and where possible, evaluate the opportunity to make improvements in current CHESS)

Functionality	Ref	Scope objectives for evaluation in current CHESS	Status	Update
Corporate actions – holding adjustments	3.7	Ensure holding adjustment reason codes are up to date and being used correctly	Recommendation Provided	Recommendation provided for consideration in May TC.
ETF Creations & Redemptions	1.5	Reduce operational risk in relation to the current ETF creation/redemption workflow	Recommendation Provided	Holding Adjustments recommendation provided for consideration in May TC. Small group ETF session proposed for later in 2024.
Corporate actions – bank account information	3.6	Evaluate whether ASX can help with the transmission of bank account information in relation to bid offers	Recommendation Provided	Recommendation provided for consideration in May TC.
Corporate actions – sub-register state	3.8	Make sub-register state more readily available to participants to help improve processes in relation to de-listings	Future TC	Factored into CHESS Replacement scope – to be captured in Data BDD Potential improvements in current CHESS to be presented in future TC (TBD)
Settlement Improvements	2.6	Scheduled Settlement CHESS to CHESS Transfer Request (MT107) - support usage within a participant group structure	Propose to defer to CHESS Replacement	Factored into CHESS Replacement scope – to be captured in Settlement BDD Proposed to be deferred to CHESS Replacement given limited demand.



## 04 – Scope objectives

*Further Consideration Required*



# 04 – Further Consideration Scope Objectives

## Prioritised backlog

### > Further Consideration Scope Objectives:

- The following Scope Objectives will remain with the Technical Committee for further consideration until a time where they can be brought back to the Business Committee for recommendation to ASX Clear and ASX Settlement Boards.

Functionality	Ref	Scope objectives in backlog for further consideration	Status	Update
House/Client Segregation	*5.2	House/client segregation consultation and potential impacts to the CHES Replacement Project	June TC for update	Bilaterals held. Next steps and recommendation to be presented at June TC.
Standing Instructions	2.3	Reduce operational overhead in relation to payment provider authorisations by allowing for automated approvals in the system within cash limits.	March ESPPSC, May BDWG	Ongoing review in the ESPPSC, and via BDWGs in relation to Settlement and T+1
Preliminary Payment Notifications	2.4	Provide more certainty by enabling more frequent and/or configurable access to preliminary payment data.	March ESPPSC, May BDWG	Ongoing review in the ESPPSC, and via BDWGs in relation to Settlement and T+1
Bilateral Matching Improvements	2.5	Bilateral Matching – use of Transaction Basis (on and off-market)	Recommendation Provided	Recommendation provided for consideration in May TC.
Registration Details and Investor Information	1.2	Foreign restricted securities - review and simplify the current processes for holdings and transfers	Future TC	To be presented at a future TC, timing to be advised
Settlement Improvements	2.7	Deferred settlement securities – review process to ensure/improve settlement efficiencies	Future TC	To be presented at a future TC, timing to be advised
Cum Entitlement Balance Transfer	3.4	Evaluate opportunities to facilitate the transfer of entitlements (pre and/or post Record Date) ensuring this does not impact issuer schedules.	On hold	To be assessed based on outcomes of April-August BDWG on Cum Entitlement Balances
Proxy voting	3.9	Standardised electronic proxy voting	Future backlog	Improvements in CHES Replacement to be evaluated at a later stage

Further consideration required

\* New objective(s) added since the Business Committee recommendation in Oct 23.

# 04 – Holding Adjustment Reason Codes

## May update

### *Updates following review and engagement with Registries & Software Providers:*

- > Relatively high use of miscellaneous codes causes some operational issues and overhead on for participants.
- > Some registries have undertaken internal reviews that look to reduce their usage.
- > Addition of a new code for ETF creations/redemptions would be beneficial, given no code is currently available and to improve ETF processes
- > Software providers have indicated that the ability to test any new codes prior to updating in production would be necessary.

### *Recommendation for Discussion*

#### **New holding adjustment reason codes to be added in current CHES**

- A new ETF reason code would be added to current CHES.
- To enable testing of the new code we propose to make this available as part of R1.
- We will continue to seek feedback from Registries on the usage of the miscellaneous codes and if further reason codes are requested, we can consider adding these.
- Miscellaneous codes would not be removed at this stage, but can be evaluated for removal in CHES Replacement or earlier if required.

# 04 –Transaction Basis

## May update

### *Updates following ASX review:*

- > Distinction of "on-market" and "off-market" trades is a requirement due to the differing warranties and indemnities that apply under the Corporations Act.
- > The current ASX Settlement Rules and Procedures reflect these differing classes of transactions as a necessary distinction in relation to the Corporations Act (ss 1073D, 1074E and regulations 7.11.29(3), (4), (5) or (6)ss 1073D, 1074E and regulations 7.11.29(3), (4), (5) or (6)).
- > As a result, it does not appear to be feasible to change the current matching rules in relation to on/off market transaction designation.

### *Recommendation for Discussion*

#### **Workshop and evaluate enhanced guidance**

- It does not appear that changes to the matching of Transaction Basis in CHESS or CHESS Replacement would be feasible.
- We suggest, however, that due to the operational issues that can arise when transactions do not match a workshop could be facilitated on the practicalities of populating this field.
- As a result, it may be possible for clearer guidance to be issued in relation to when on/off market should be specified on a transaction.

# 04 – Bank Account Details in a Takeover Bid

## Potential solution options

### Potential Solution Options

#### *Option 1 – Potential solution outside CHES*

##### Changes permitting a bidder to request investor bank account details held with the target Issuer

Bidders to be able to request target issuers to provide them with investor bank account details held on file (**outside of CHES**).

Currently the Corporations Act 641(1) permits the bidder to request registration details (name and address) from the target issuer. The ASX Settlement Rules (ASXOR 14.13.1) are reflective of this.

This solution would require changes to the Corporations Act to also allow the bidder to request the target Issuer to provide bank account details.

Industry may seek to request such changes to the Corporations Act with relevant regulatory agencies and so this may be a suitable topic for **discussion for the AFMA Registries Forum**.

#### *Option 2 – Potential solution in CHES Replacement*

##### Participant provides investor bank account details to the bidder on acceptance messages

Require Participants to provide an investor's bank account details to a bidder when:

- Submitting the investor's acceptance received by the Participant to the bidder; or
- Confirming the investor's acceptance that was instructed by the investor to the bidder.

These are passed through to bidder by CHES as received.

This solution would apply to broker sponsored holdings only. This aligns with Offeror acceptances which include the ability (outside of CHES) to specify bank account details for such holdings as part of acceptance.

This solution would require a consultation on changes to ASX rules (including with relevant regulatory agencies), a CHES release and mandatory accreditation. Given the mandatory nature of information flow under this option, regulatory considerations for takeovers and privacy, and system changes, this represents a significant change.

#### *Option 3 – Potential solution in Current CHES*

##### Participant provides investor bank account details to the bidder via an enhanced holding advice message.

Allow Participants to provide an investor's bank account details to a bidder by enhancing the current workflow used by Participants to provide an investor's bank account details to an Issuer Registry.

Further analysis has revealed that the existing messages could not easily be repurposed, and new messages would be required in CHES to allow this to be used for Bid Offerors.

This solution is **not recommended** as:

- On an optional basis, it does not provide certainty to bidders that bank details will be provided across all holdings; and
- If mandatory, it would have similar considerations to Option 2.





## 05 – Industry engagement & consultation

# 05 – Public consultation

## Consultation on Release 1

### *Feedback requested within Consultation Paper 1:*

- Staged implementation
- Design, scope, and schedule for Release 1 (Clearing)
- Release 1 Industry Testing approach
- Release 1 Industry Testing duration
- Release 1 Go Live Readiness

### *Next Steps:*

- Responses closed on April 24. ASX are in the process of collating and analysing responses.
- Responses will be factored into Release 1 design and implementation plan discussions to aid in the formation of ASX's response to consultation paper 1 feedback.
- ASX's Release 1 Response will seek feedback at the May 29 Advisory Group.
- The planned release date for ASX's Consultation Response is June.

# 05 – Public consultation

## Partnership Program Consultation Paper

### *The Partnership Program Consultation paper:*

- Released on 17 April 2024.
- Was informed by bilateral engagements with over 90% of existing Development Incentive Pool Program Participants.
- Seeks feedback on the proposed future milestones of the Development Incentive Pool:

Milestone	Description	Proposed Allocation of Funds
1	Entry into the equivalent of the previous CHES replacement Industry Test Environment 1 (ITE1) and successful completion of a specified subset of test scenarios prior to completion of technical accreditation	50% of remaining the Development Incentive Pool funds
2	Successful completion of technical accreditation of eligible Program Participants' technology application(s) by ASX	50% of remaining the Development Incentive Pool funds

**Disclaimer:** Proposal only.

- Responses due by 15 May 2024.

# 05 – Public consultation

## ASX Industry Whitepaper - T+1

### *ASX Industry Whitepaper - T+1:*

- On 23 April 2024, ASX published a whitepaper on Considerations for accelerating cash equities settlement in Australia to T+1 and is seeking industry feedback.
- This follows the establishment of a T+1 Working Group in December 2023 tasked with analysing settlement cycle compression and providing insights to the ASX Business Committee.
- The paper, informed by input from the working group members, delves into strategic considerations for a potential transition to T+1 settlement. ASX sought feedback from impacted stakeholder via 20 questions embedded in Qualtrics.
- ASX, in consultation with the ASX Business Committee and the T+1 Working Group, will use the responses to this Whitepaper to further develop the approach for the Australian market and inform a decision and the plan for further consultation.
- Responses due by 18 June 2024 with a summary of feedback to be shared with the market in August.

# 05 – Public consultation

## Release 2 Consultation

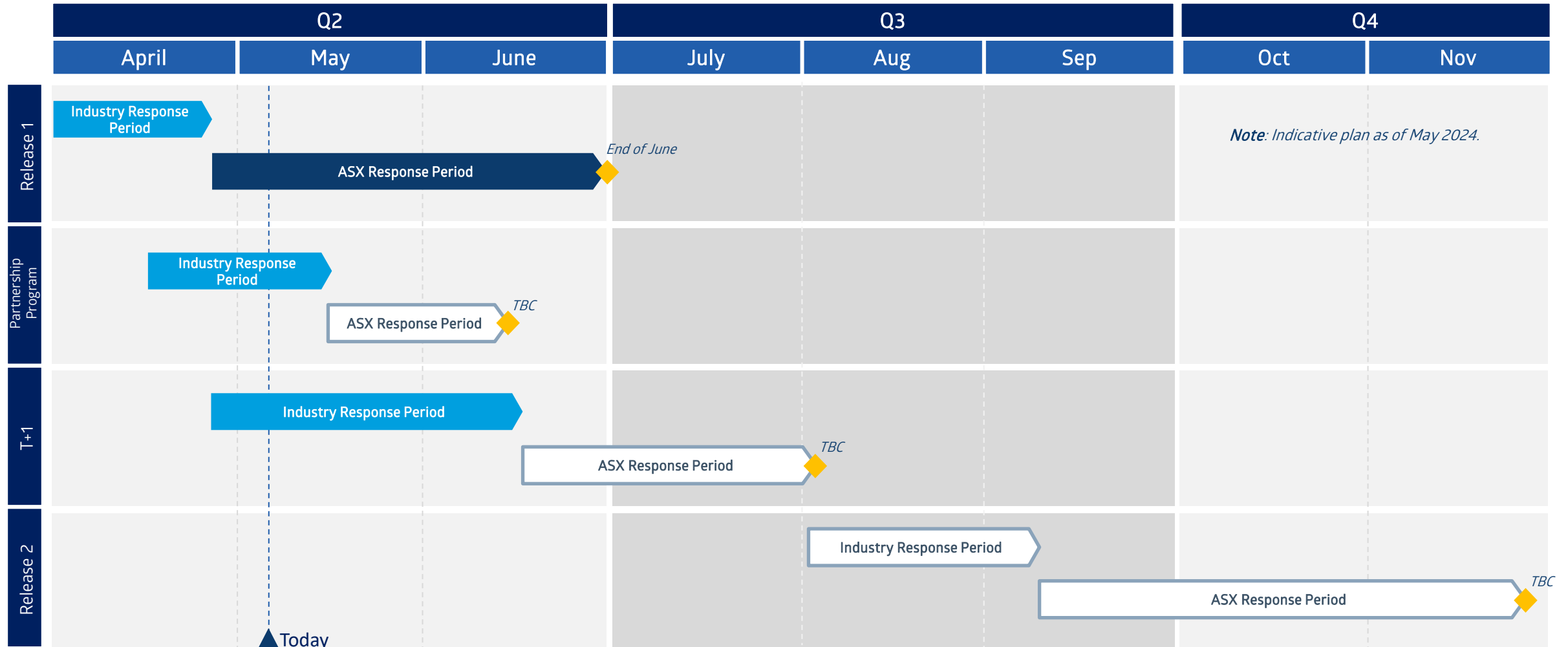
### *The Consultation paper on Release 2 (Settlement & Subregister):*

- Planned release in Q3 2024.
- Indicatively, the consultation paper on Release 2 seeks feedback, including:
  - Design, scope, and schedule for Release 2 (Settlement & Subregister)
  - Release 2 industry testing approach, duration and readiness activities
- Responses estimated to be due by Q4 2024.



# 05 – Public consultation

## Inflight & planned CY 2024 public consultation:



# 05 – Forward plan

## CY2024 Committee Schedule

TC Meeting	Date	Time
June meeting	Thursday 6 June	2pm – 3.30pm
July meeting	Wednesday 10 July	2pm – 3.30pm
August meeting	Wednesday 7 Aug	2pm – 3.30pm
September meeting	Wednesday 11 Sept	2pm – 3.30pm
October meeting	Wednesday 9 Oct	2pm – 3.30pm
November meeting	Wednesday 6 Nov	2pm – 3.30pm
December meeting	Thursday 5 Dec	2pm – 3.30pm

BC Meeting	Date	Time
June meeting	Wednesday 26 June	12pm – 2pm
September meeting	Wednesday 18 Sept	12pm – 2pm
December meeting	Wednesday 11 Dec	4pm – 6pm

Q&A?

# Observer feedback

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Thank you.

