

# Response to feedback on proposed introduction of fees for CHESS Depositary Nominee Services for CDI Issuers

CHESS Depositary Nominees Pty Limited

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## Enquiries

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

### Contacts

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# 1. Introduction

On 21 August 2025, ASX released a [Discussion Paper: Proposed introduction of fees for CHESS Depositary Nominee Services for CDI Issuers](#) which explained the proposed introduction of a fee framework for services provided by CHESS Depositary Nominees Pty Limited (**CDN**).

ASX received three confidential submissions from stakeholders on the Discussion Paper. This paper summarises the feedback received in submissions and ASX's response to that feedback.

ASX will announce the effective date for CDN fees by issuing an ASX market notice at least one month in advance.

## 2. Key themes from feedback received and ASX response to feedback

### 2.1. Feedback received

ASX received three submissions in response to the Discussion Paper, which were provided on a confidential basis.

ASX thanks the respondents that provided submissions in response to the Discussion Paper.

### 2.2. Key themes and ASX response

For the purposes of assisting interested stakeholders, including issuers in understanding the key points made by respondents we have highlighted below the key themes identified and ASX's response. Note that this does not cover all points raised in the submissions but addresses the key themes on an anonymised basis.

#### 2.2.1. Potential impact on foreign listings and potential delistings due to increased costs

Respondents noted that CDN fees would be charged in addition to market operator listing fees and ASX's issuer services fees. They expressed concern that introducing a fee framework for CDN services could negatively impact foreign listings in Australia - particularly by deterring smaller or cost-sensitive foreign companies from listing and potentially leading to delistings due to increased financial pressure. Given the current economic challenges and competitive pressures from other markets, such changes risk causing significant dissatisfaction among listed issuers.

It was also highlighted that there is currently no alternative to using CDN for services. Consequently, foreign issuers wishing to maintain their listing would be required to pay the proposed CDN fees. Respondents also sought further clarification on the rationale behind proportionately higher fees for CDIs with larger market capitalisation. One respondent noted that the proposed structure appears to impose higher fees on products with greater market capitalisation or funds under management.

ASX acknowledges that CDN has historically provided services to CDI issuers without remuneration, despite the operational, legal, and regulatory obligations involved. The proposed fees are intended to support the long-term sustainability of these services, while promoting transparency and fairness for issuers across all Australian markets. It is aligned with the ASX Cash Equities Clearing, Settlement and Issuer Services Pricing Policy, which is based on the Building Block Method (BBM). This model ensures that fees reflect the efficient cost of service delivery, incorporate a fair return on capital, and are subject to regular review and adjustment triggers.

ASX further notes that the CDN Annual Service Fee is structured on a reducing scale—meaning that the higher the market capitalisation or funds under management, the lower the percentage fee applied. Additionally, the CDN Annual Service Fee for each issuer is capped at \$143,422.00.

While there is no current alternative to using CDN for CDI depositary nominee services, the rules framework allows for other entities to provide this service. We anticipate that another Depositary Nominee would charge issuers a fee for provision of services.

#### 2.2.2. Notice Period for CDN Fee Implementation

The question of whether issuers have been provided sufficient time to consider the proposed fees was raised. Concerns in this regard has been addressed in comments below.

ASX considers it has undertaken a comprehensive process to directly communicate with issuers and other interested stakeholders on proposed changes including the introduction of fees.

- ASX published the Discussion Paper on the proposed fees on 21 August 2025, months ahead of the proposed implementation date.
- Issuers, market operators and share registries were notified of the Discussion Paper on the proposed fees by email on 21 August 2025. The proposed introduction of fees was also discussed in bilateral meetings with each market operator.
- ASX published a consultation paper titled [ASX Settlement Operating Rule amendments - Depositary Nominee services](#) on 15 April 2025 that outlined the intended expansion of CDN's services to issuers in all licensed markets on

terms that reflect the terms generally used by a commercial provider of similar services. The paper was emailed to CDI issuers, market operators and share registries.

### 2.2.3. Inequitable two-tiered fee structure

Respondents stated that the proposed fees for CDN services introduces an inequitable two-tiered fee structure where foreign entities that rely on CDN would incur higher fees compared to Australian entities or certain foreign entities, such as those from New Zealand, that are not subject to the same requirements.

While we acknowledge the concern regarding a perceived inequity, the proposed CDN fees are standalone and are not linked to listing services. The fees reflect the costs and administrative overhead associated with providing depositary nominee services. CDN was created 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 in Australia, and interests in those financial products (as CDIs) could be transferred electronically and settled through CHESS. Australian entities, and entities from jurisdictions where electronic holdings and transfer is permitted, do not need to engage the services of a Depositary Nominee to be traded and settled in Australia. We also note that if there is an equivalent provider of Depositary Nominee services in Australia in the future, we anticipate that the Depositary Nominee may charge fees for provision of services.

### 2.2.4. Clarification on CDN Annual Service Fee Cap

There was a suggestion to improve clarity around the CDN Annual Service Fee (Product Code: 04900271) structure by including more detail on the annual capped amount of \$143,422.00. Specifically, it was recommended to indicate the market capitalisation value at which this cap applies, to help stakeholders better understand the fee calculation threshold.

To address this, ASX has added further context: the CDN Annual Service Fee cap of \$143,422.00 corresponds to a quoted CDI market capitalisation of approximately \$91,808 million (AUD 91.808 billion). Issuers whose quoted CDI value exceeds this threshold will not incur fees beyond the capped amount, regardless of further increases in market capitalisation. This explanation will be included in the updated CDN fee schedule when published and is in the updated draft attached to this paper.

### 2.2.5. Additional considerations for Exchange Traded Product (ETP) issuers

Respondents requested clarification on the CDN Appointment Fee for Exchange Traded Product (ETP) issuers—specifically, whether the fee applies to each individual product or whether it is charged once at the time of the launch of the initial product.

Further, some concerns were raised with respect to the proposed CDN Annual Service Fee, particularly by ETP issuers who noted that the fee appears disproportionately high when compared to the annual fees charged by market operators to ETP issuers (which may be at a different rate to annual listing fees for equity issuers). Given the tiered structure of the CDN Annual Service Fee—based on market capitalisation and subject to a defined cap—stakeholders have queried whether a reduced rate could be considered for ETP issuers.

ASX confirms that the CDN Appointment Fee is a one-off, upfront charge applied each time a new issuer or a new ETP seeks appointment of CDN's services. This fee is designed to cover onboarding activities, including nominee registration, documentation review, and system configuration. A more detailed explanation will be included with regard to the CDN Appointment Fee in the updated CDN fee schedule when published, and the updated draft attached to this paper.

With respect to CDN Annual Service Fees, ASX notes that ongoing operating costs from a Depositary Nominee perspective are consistent across all product types. Accordingly, the same fee structure applies uniformly, whether the issuer is a listed company or an issuer of Exchange Traded Products. This approach ensures fairness and transparency in the application of fees across the issuer base.

### 3. Further information

The fee structure will apply to foreign entities and ETP issuers with foreign underlying products 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.

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 with GST exclusive prices 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.

ASX will announce the effective date for CDN fees by issuing an ASX market notice at least one month in advance. ASX will also publish the CDN Services Schedule of Fees on the [ASX fees page](#) on the ASX website at the same time.

### 4. Updated resources available to CDI issuers and other stakeholders

To support CDI issuers and interested stakeholders, ASX will provide the following updates and resources on the ASX website at the same time the effective date is announced:

- A new dedicated web page for CDN services, including:
  - Information about CDN services and guidance to issuers seeking to appoint CDN
  - Links to the Financial Services Guide
  - Links to the ASX Settlement Operating Rules and Procedures
  - Any new agreement templates
  - Links to CDN Schedule of Fees

The ASX Issuer Services team is available for any issuer queries or assistance regarding the introduction of the fees or issuer services in general. Issuers are welcome to contact the Issuer Services team by email at [issuers@asx.com.au](mailto:issuers@asx.com.au)

**Attachment** – Draft CHESS Depositary Nominees Schedule of Fees

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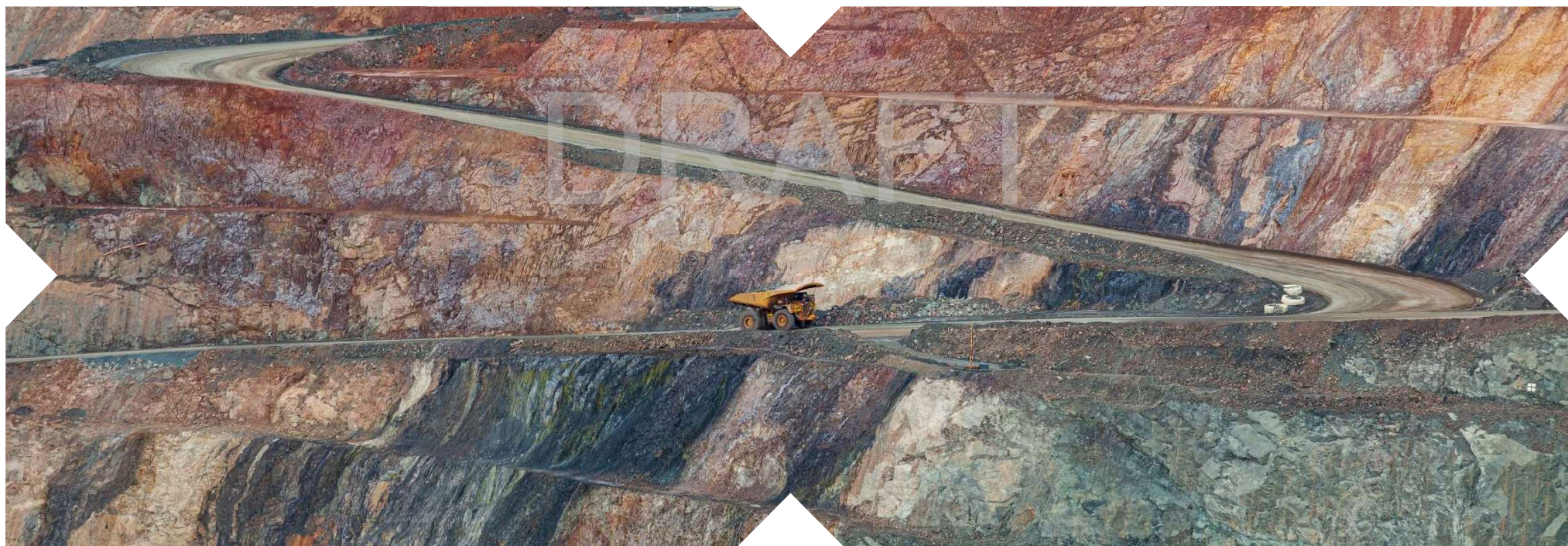
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# CHESS Depository Nominees

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 Settlement Pty Limited ("ASX Settlement") that was created to fulfill 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. 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](mailto: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. For exchange traded product issuers - the appointment fee will be charged per fund appointing CDN. 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 <sup>1</sup>

<sup>1</sup> The CDN Annual Service Fee cap of \$143,422.00 corresponds to a quoted CDI market capitalisation of approximately \$91,808 million (\$91.808 billion).