

CHES Project

CHES REPLACEMENT TECHNICAL COMMITTEE

ASX

3 September 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
- Meeting is being recorded for the purposes of capturing decisions and actions
- Dial in details (audio only):
 - +61 2 7208 4607
 - Phone Conference ID: 549 567 533#
- Presentation materials were distributed before the meeting and will be published on the website.

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 and feedback

Project Updates

02 CHES Project status update

03 CHES Release 1 Build and Test update

04 Working Group updates

Additional Focus Areas

05 CHES Release 2 holding balances

06 CHES Release 2 timeline checkpoint

07 CHES Project support model

08 Forward Engagement for 2025

01 – Welcome, Open Actions & Feedback

01 - Open Actions

Open actions carried to the September Technical Committee meeting

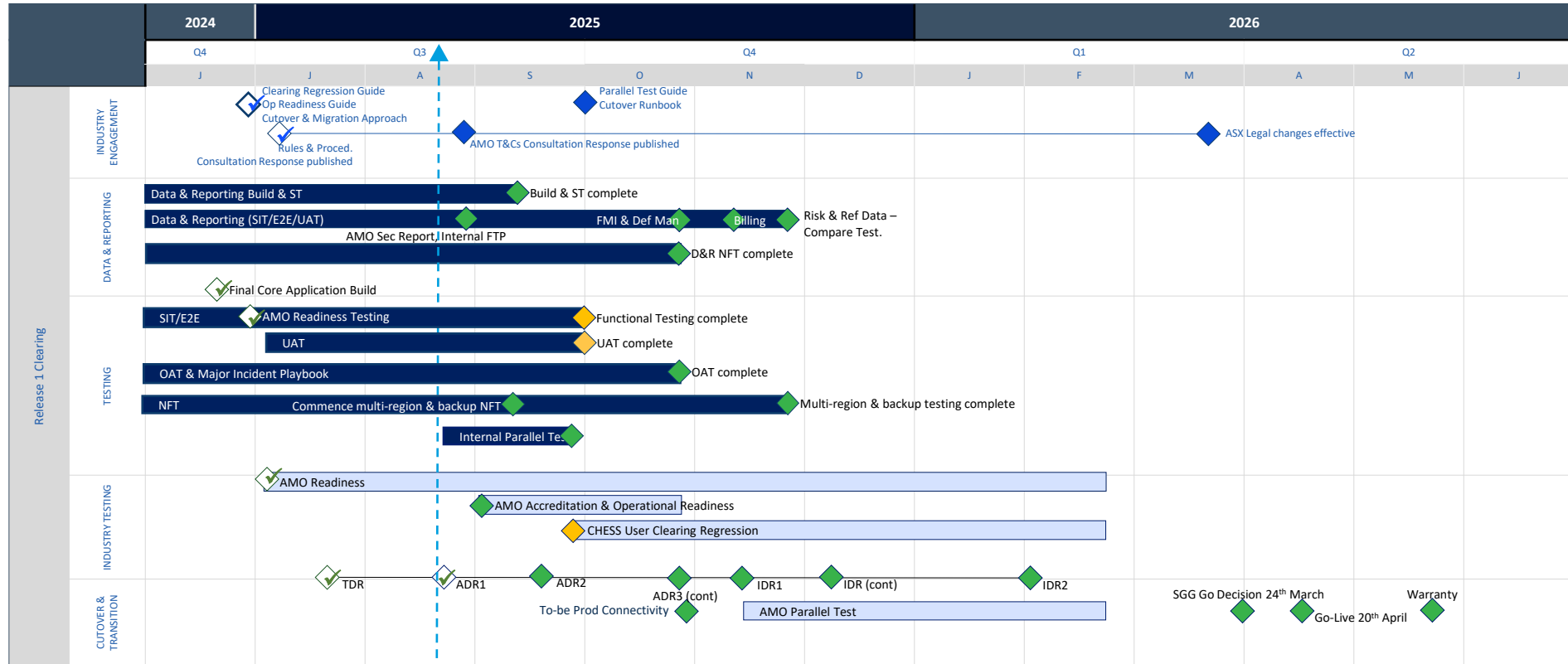
#	Action	Raised	Update	Status
2025-08-01	ASX to provide Technical Committee members with additional information on why Participants need to reconcile holdings, including any new holding notification	August 2025 TC	ASX is planned to not carry forward the new holding balance field in confirmation messages due to scalability and to align to ISO standards. Refer to agenda item 5	Propose to close
2025-06-03	ASX to provide an overview of the CHES Project support model to the Technical Committee and Business Committee	June 2025 BC	Refer to agenda item 7 for an overview of the CHES Project support model for functional or technical support	Propose to close

02 – CHESS Project Status Update

02a – CHESS Release 1 Update

02a – CHESS Release 1 Indicative Project Timeline – Aug 2025

High level overview of the indicative timeline



02a – CHESS Release 1 Project Update

AMO Accreditation

- A patch is expected to be deployed to the industry test environment in late-August 2025 to resolve the known issues impacting AMO Accreditation. AMO Accreditation is expected to commence in early-September 2025.

Clearing Regression Preparation

- Build for the enhancements to the alternate file ingestion interface to support Clearing Participant trade upload has been completed
- Internal Clearing Regression testing is progressing and targeted for completion by late-September 2025.

Cutover Preparation

- The first ASX Dress Rehearsal event was held on 23 August 2025 with all ASX tasks for the cutover weekend successfully completed, including testing the weekend rollback
- The next ASX Dress Rehearsal is planned for September 2025. Implementation dress rehearsals with the AMOs are planned for November 2025 and February 2026.

02a – CHESS Release 1 Project Update

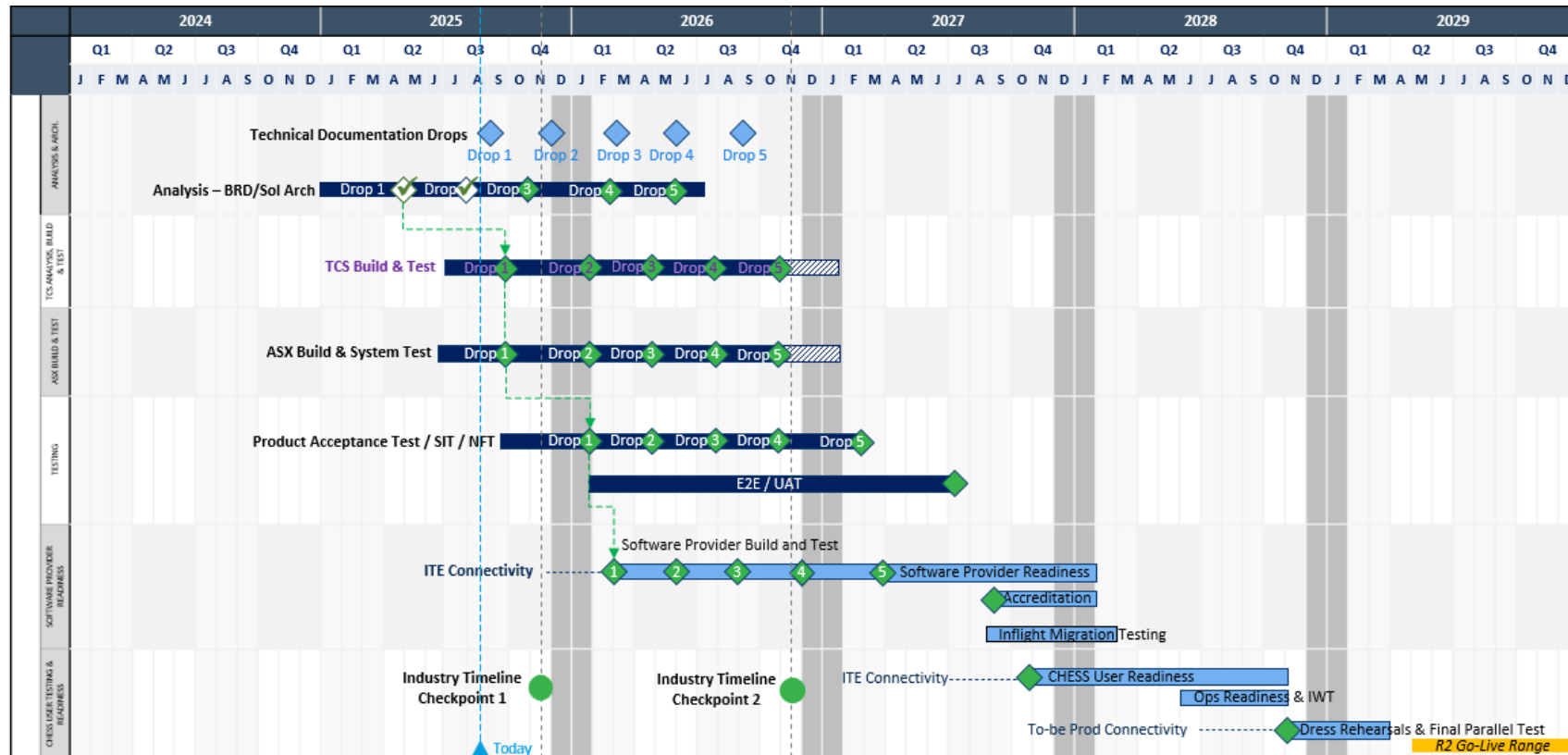
Other Release 1 Updates

- Drafting of the Parallel Test Guide is in progress and is targeting publication in late-September 2025
- External parallel testing with the AMOs is targeted to commence mid-November 2025.

02b – CHESS Release 2 Update

02b – CHESS Release 2 Indicative Project Timeline – Aug 2025

High level overview of the indicative timeline



02b – CHESS Release 2 Project Update

Drop 1 (Accounts, Holdings & Account Transfer)

- ASX and BaNCS build activities are progressing and expected to be completed by late-September 2025
- Key members of the CHESS Project Team are planned to be offshore in India in early-September 2025 to complete verification and validation activities for Drop 1
- CHESS User Technical Documentation for Drop 1 was published on 29 August 2025.

Drop 2 (Clearing Upgrade, Settlement Instructions, Settlement) and Drop 3 (Payments, Issuer Sponsored & Registry Processes)

- Drop 2 Business Requirement Documents (**BRDs**) were signed off on 31 July 2025. Drop 2 build is targeted to commence in October 2025
- Drop 3 pre-analysis has been completed and drafting of the BRDs has commenced.

02b – CHESS Release 2 Project Update

Other Release 2 Updates

- Release 2 Industry Test Approach document is targeting publication in late-September 2025
- Fixes to non-critical issues are expected to be deployed as part of the next Drop phase. Potential critical issues are expected to be escalated for resolution.

02c – Project Risks

02c – Project risks

Area	Description	Mitigation	Residual Exposure	Status
Schedule	R1: Industry readiness delays may impact CHES Release 1 Go-Live	<ul style="list-style-type: none"> Track and report on industry readiness metrics to ensure AMOs and Clearing Participants are commencing and completing all necessary industry readiness tasks 	Medium	Open
Customer	R1: CHES Release 1 rollback approach may require additional industry testing effort	<ul style="list-style-type: none"> Finalise the CHES Release 1 rollback approach and assess the potential impacts of testing with Industry 	Medium	Open
Delivery	R1: Insufficient time to complete internal Clearing Regression testing	<ul style="list-style-type: none"> Review scope and re-assess effort and resource profile required to complete testing Review defects and scope to ensure that high risk/impacting changes are brought forward and prioritised for delivery 	Medium	Open
Delivery	R1: Defects or regression may impact the Clearing Regression milestone	<ul style="list-style-type: none"> Improve defect handling and retesting process Enable broader defect retesting in the ASX test environments 	Medium	Open
Delivery	R2: Quality of code delivered into testing may impact CHES Release 2 milestones	<ul style="list-style-type: none"> Increase scope of unit and system test Review and uplift governance of system testing Uplift system test environments to improve testing coverage 	Medium	Open
Delivery	R2: CHES Release 2 milestones may be impacted due to focus CHES Release 1	<ul style="list-style-type: none"> Conduct a review to identify areas at risk of resource overlap or shortage and develop specific mitigation strategies 	Medium	Open

02d – CHESS Release 2 Roadmap

02d - Indicative CHES Release 2 Project Roadmap

	Drop 1	Drop 2	Drop 3	Drop 4	Drop 5
Feature Scope	<ul style="list-style-type: none"> Participant and Registry/issuer Setup Accounts and holdings Unilateral non-batch instructions Account and holding balance reporting 	<ul style="list-style-type: none"> Trade registration & netting Settlement instructions Batch settlement (excluding payments) Pass-through investor data 	<ul style="list-style-type: none"> ♦ Batch Payments with limits Issuer sponsored processes Cum entitlement balance and holding movement reporting Claims and adjustments Corporate actions tranche A (cash) 	<ul style="list-style-type: none"> Change of controlling Participant & portfolio transfer Holding adjustments Batch exceptions (including default management and bailout) ♦ Payment integration(s) Corporate actions tranche B (securities) 	<ul style="list-style-type: none"> ETO/CMM collateral Daily margin advice Offer administration facility Corporate action elections without payment Corporate action elections with payment Corporate actions tranche C (remaining)
User Journeys	<ol style="list-style-type: none"> Participants can test the full account lifecycle (create & update, lock and cancel) Participants can perform simple transfers between accounts they administer Registries and Participants can receive account and holding balance reports 	<ol style="list-style-type: none"> Participants can receive market trades in ISO 20022, novate, net and schedule for settlement Participants can match and schedule settlement instructions Participants can settle instructions in a daily batch (excluding payment provider and payment services flows), including unit failure Participants and Registries can test pass through investor data 	<ol style="list-style-type: none"> ♦ Payment providers can manage payment facilities and authorise funds for batch payments and utilise cash limit tracking Participants and Registries can test issuer sponsored flows Participants and Registries can receive corporate action and holding movement reporting Participants obligations are adjusted to account for fails and adjustments Participants can reserve balances and specify trust amounts 	<ol style="list-style-type: none"> Participants can perform change of controlling Participant and portfolio transfers Registries can process corporate actions including performing holding adjustments Participants and ASX can test batch exception processes (such as default management, bailout, extension and cancellation) ASX and RBA can commence testing of RITS integration(s) ♦ Payment providers can test batch and real-time payment integrations inclusive of automation (e.g. limits) 	<ol style="list-style-type: none"> Participants can lodge non-cash collateral and ETO cover and adjust margin Participants and Registries can test takeovers, buybacks and bank account communications Participants and Registries can test option elections without payment (DRP/BSP) Participants and Registries can test option elections with payment (Rights, SPPs)

Indicative Roadmap – Subject to Change

↔ Movements between drops
♦ Scope clarifications

03 – CHESS Release 1 Build and Test Update

03 – ITE Activity in August

ITE Update

- The ITE environment remained stable for Industry Testing. 2 minor scheduling delays temporarily impacted the FIX gateway becoming available on time.
- AMOs and their Software Providers continue to complete outstanding scenario testing in preparation for AMO Accreditation.
- ‘Pending Trade – Accepted’ defect resolved unblocking testing
- AMO performance testing has been completed by all organisations with one AMO performance bottleneck identified and resolved
- AFII testing commenced with successful transmission/receipt of files
- ASX initiated disconnects identified need for further AMO development to complete
- ASX injected volume testing identified (AR) latency issue (see below)
- 5 Issues raised by AMOs
 - 2 relating to (W) Message processing – targeting resolution on 29/8 patch
 - 1 relating to (AR) latency during volume/performance testing – under investigation
 - 2 relating to negative test scenarios impacting Logout (5).

Message/Scenario Types	Org 1	Org 2	Org 3
Log On			
Heartbeat			
Log Out			
Log On with PW reset			
MsgSeqNum higher than expected			
New Trade			
As At Trade			
BOQ Trade			
Condition Code Trade			
Multiple Condition Code Trade			
Trade Cancellation			
AR Rejection handling			
Pending Trade – Accepted			
Pending Trade – Rejected			
Market Data Snapshot			
Unexpected disconnect & timeout			
Unexpected disconnect & reconnect			
Auxiliary Endpoint Log On (incl. AE transmission)			
File Ingestion scenarios			

Legend

Not Started

Commenced -
unsuccessfulWorkaround –
successfulNot Retested Post
AMO ReadinessSuccessful/
Complete

04 – Working Group Updates

04a – Implementation & Transition Working Group (I&T WG)

04a – Industry Readiness Dashboard

Industry Readiness and Stakeholder engagement status as at 27 August 2025

AMOs

- All AMOs and Software Providers actively engaged
- Two organisations have successfully tested all Accreditation scenarios in preparation for Accreditation. One organisation yet to verify handling unexpected disconnect and Alternate File Ingestion (BCP) – see amber status.
- All organisations have confirmed they are on track to commence AMO Accreditation. One organisation reported as amber, awaiting testing for the two scenarios covered above
- AMOs relying on AMO Software Provider build and accreditation are progressing to plan with onboarding activities in preparation for AMO Operational Readiness.

Clearing Participants

- All Clearing Participants are now actively engaged and tracking well to participate in the Clearing Regression phase
- Each Clearing Participant will be required to provide feedback on clearing regression preparation - feedback can be provided using scheduled bilaterals or using the R1 self-service check-in survey.

Org ID	Cohort (*2)	Engagement (*3)	AMO Accreditation	AMO Operational Readiness	Clearing Regression
1	AMO				
2	AMO				
3	AMO				
4	AMO				
5	CP				
6	CP				
7	CP				
8	CP				
9	CP				
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27	CP				
28	CP				
29	CP				
30	CP				
31	CP				

04a – Implementation & Transition Working Group Update

26 August Implementation & Transition Working Group meeting

Release 1

- An overview was provided on the Clearing Regression SFTP and test kit schedule. SFTP connectivity is currently being established for Participants that have submitted their applications
- An overview was provided on the Parallel Test reconciliation files for Clearing Participants that decide to be included as Parallel Test phase report recipients
- The proposed Monday rollback option was discussed including on the high-level process, testing and validation of the rollback option, and the engagement needed with the AMOs.

Release 2

- Outlined the guiding principles, test phases, timeline checkpoints, and the parallel test strategy for the CHES Release 2 industry test approach. Discussions with ITWG members focussed on testing checkpoints, documentation and resourcing
- An overview was provided on the first Industry Timeline Checkpoint. ASX plans to receive feedback from industry stakeholders to identify any industry risks have the potential to require adjustments to the CHES Release 2 timeline
- An overview was provided on the Release 2 Parallel Testing which will focus on comparing workflow outcomes rather than message formats, with success criteria to be defined in consultation with participants.

04a - Release 1 Monday Rollback

Monday Rollback requires re-enabling Trade Registration and Clearing functionality in the current CHES system. If initiated, the proposed Monday Rollback option requires trades to be replayed from the beginning of the day.

The proposed Monday Rollback option involves

- Holding EIS 164/116 notifications for an agreed period on Monday morning (e.g., until 10:00am). Rollback is possible during this window
- Releasing held EIS 164 / 116 notifications on confirmation of successful processing in the new Clearing Service (BaNCs)
- If a Monday Rollback is triggered, AMOs will be required to resend all trades from the beginning of the day into current CHES.

Validating the proposed Monday Rollback option

- ASX plans to verify the Go-Live path and Monday Rollback scenario
 - Go-Live path: hold messages, inspect and verify, release messages
 - Monday Rollback: Stop FIX connections, rollback CHES, reconnect AMOs to current CHES, replay all trades in EIS / A22 format*

*Subject to ongoing consideration with AMOs on how this can be achieved

04a – Implementation & Transition Working Group Open Actions

#	Topic	Action	Raised	Update	Status
ITWG_10	CHESS Release 1 rollback approach	ASX to finalise its CHESS Release 1 rollback approach for ITWG consideration	May 2025 ITWG	Analysis being performed on the roll back option of holding back EIS 164/116 notifications for an agreed morning period.	Open
ITWG_13	CHESS Release 1 Clearing Regression Readiness Tracker	ASX to update Readiness Tracker target dates inline with CP feedback	July 2025 I&T WG	Readiness Tracker updated and presented in August TC	To be closed
ITWG_14	CHESS Release 1 rollback option – hold back EIS messages during Cutover	Participants to advise impact of receiving AMO trade execution confirmation messages (e.g. Signal B) if CHESS EIS 164/116 notifications are held back on Monday morning following Cutover weekend	July 2025 I&T WG	AMOs confirm trade execution messages will continue to flow without timing changes irrespective of delays to CHESS transmission of EIS message. To be discussed during August I&T WG	Open

04b – Business Design Working Group (BD WG)

04b – Business Design Working Group Update

Indicative Forward Schedule

#	Session	Topic(s)	Invitees	Proposed Date	Action
13	Release 2 Drop 1 Deep Dive	Deep dive into Release 2 Drop 1 detailed business design	All	6 February 2025	Complete
14	Registries Focus Group	Registries focus group on specific Registry topics	Registries only	13 March 2025	Complete
15	Release 2 Drop 2 Deep Dive (1 of 2)	Deep dive into Release 2 Drop 2 detailed business design (including Transaction Basis Deep Dive)	All	3 April 2025	Complete
16	Release 2 Drop 2 Deep Dive (2 of 2)	Deep dive into Release 2 Drop 2 detailed business design	All	15 May 2025	Complete
17	Release 2 Drop 3 Deep Dive (1 of 2)	Deep dive into Release 2 Drop 3 detailed business design (corporate actions, reporting)	All	10 July 2025	Complete
18	Payment Provider Focus Group	Payment provider focus group on planned changes to payment authorisation processes	Payment Providers only	7 August 2025	Complete
19	Release 2 Drop 3 Deep Dive (2 of 2)	Deep dive into Release 2 Drop 3 detailed business design (issuer sponsored, payments)	All	18 August 2025	Complete
20	Payment Channels Deep Dive	Industry focus group on the real-time payment channel	All	9 September 2025	Planned
21	Release 2 Drop 4 Deep Dive	Deep dive into Release 2 Drop 4 changes and business design	All	9 October 2025	Planned
22	Corporate Action Services Focus Group	Industry focus group on new corporate action services	All	6 November 2025	Planned
23	Accounts Migration Deep Dive	Deep dive into Accounts Migration approach	All	4 December 2025	Planned
24	Release 2 Drop 5 Deep Dive	Deep dive into Release 2 Drop 5 changes and business design	All	January 2026	Planned

Note: indicative order, subject to change based on industry inputs and further planning. Multiple sessions may be required per topic
Blue denotes an update since last presented

04b – Business Design Working Group Update

7 August Business Design Working Group meeting – Payment Provider Focus Group

Batch Payments

- ASX presented the current and proposed future models, including the possibility of generating predicted funds obligations more frequently
- ASX discussed options with Payment Providers for speeding up the approval process. Feedback indicated that delays were typically caused by Participant funding issues, which is the Participants' responsibility
- Some Payment Providers requested the ability to opt out of the 310 authorisation process. This has been factored into the technical design but will require further evaluation by ASX if it will be feasible from an operational perspective.

Trust Amounts

- ASX presented an alternative proposal for processing Trust Amounts, which has been suggested by a Participant
- Payment Providers expressed concerns that the proposed process could add additional risk and potential for breaks in the settlement process.

Real-time Payments

- ASX introduced the options under evaluation for real-time payments, CHES-RTGS and NPP. This will be discussed in more detail in the September BD WG
- ASX has sent a survey to Payment Providers for commentary and feedback, and is currently collating responses.

04b – Business Design Working Group Update

18 August Business Design Working Group meeting – CHESS Release 2 Drop 3 Deep Dive

Issuer Sponsored Conversions & Transfers

- ASX presented the planned design for Issuer Sponsored Conversions and Transfers, incorporating changes requested in the February 2024 BD WG
- Participants and Share Registries were generally supportive of the proposals, with the following points to note:
 - Consideration of the change enabling the removal of a registrable transfer document to be mandatory for all Settlement-Only Participants
 - Consideration of the communication of SRNs, as a result of a completed Issuer to CHESS Transfer or Conversion, and the value of this to a Participant coupled with some noted complexities for the Registries.

SRN Enquiries

- ASX presented the planned design for Issuer Sponsored Conversions and Transfers, incorporating changes requested in the February 2024 BD WG
- Participants and Share Registries were generally supportive of the enhancements, with a request to combine ISO messages, which is being factored into the proposal.



ASX is seeking feedback on the validation criteria to be provided for an SRN enquiry

04b – Business Design Working Group Update

18 August Business Design Working Group meeting – CHESS Release 2 Drop 3 Deep Dive

Batch Payments & Trust Amounts

- ASX presented the proposed approach for batch payments. Participants were generally supportive of the proposal, notwithstanding action BDWG_16 which remains open
- 3 options were presented in relation to trust amounts processing. At this stage ASX is proposing a like for like implementation but is still open to feedback on alternative options and/or improvements.

04b – Business Design Working Group Actions

#	Action	Raised	Update	Status
BDWG_02	Consider whether there could be an ability to allow transfer of standing instructions in the case of transfer to a new HIN	February BD WG	To be considered as part of Portfolio Transfers (Drop 4)	Drop 4
BDWG_04	Consideration of which new fields can be transferred to a new Participant in the case of a Change of Controlling Participant	February BD WG	To be considered as part of Change of Controlling Participant (Drop 4)	Drop 4
BDWG_06	Consider the process of migrating accounts, including transformations and fields not available in current CHES	February BD WG	Deep dive BDWG scheduled for August	December BDWG
BDWG_07	Continue evaluation of Foreign Ownership Restrictions and use of Guaranteed Foreign Transfers	February BD WG	Update to be provided in October BD WG	Open
BDWG_09	Consider the appropriate rules and privacy implications to allow the sharing of email and mobile number with Registries	February BD WG	To be considered as part of rules consultation	Rules Consultation
BDWG_11	Consideration to be given to the complexities of reserved balances and impacts on Registry processes	March BD WG	To be discussed in Drop 4 BDWG (October)	Drop 4
BDWG_15	Determine an approach for Participants to reconcile holdings, including any new holding notification	May TC	Presented in Drop 3 BDWG (July, August). Further discussion is required in October BD WG	Open
BDWG_16	Consider the impacts of providing fail information only after payment has completed	May BD WG	Discussed in August BD WG. Further discussions required in October BD WG	Open
BDWG_17	Consider Share Registry impacts in relation to revised holding movement reporting	May BD WG	Feedback received and being factored into ISO design	Closed

04b – Business Design Working Group Actions

#	Action	Raised	Update	Status
BDWG_18	Consider the optionality, design and obligations in relation to mandatory settlement locks in the accumulation (ISOWG_J04, ISOWG_J05, ISOWG_J06)	August BD WG	ASX is evaluating whether this could be made optional for those who can manage this in their own systems	Open
BDWG_19	Consideration of the mandatory matching on “cum” for settlement instructions scheduled during the ex period	July BD WG	ASX is evaluating whether this can be supported, and will revert in the October BD WG. For the first drops to ITE2 (D1 and D2) only “ex” will be present as an allowable value	Open
BDWG_20	Feedback requested from Participants and Share Registries on the appropriate validation criteria for SRN enquiries	August BD WG	Feedback sought via email request.	Open

04c – ISO Design Working Group (ISO WG)

04c – ISO Design Working Group Update

19 August ISO Working Group meeting

- Messages relating to the following workflows were presented:
 - Payment Facility management
 - Batch settlement payments
- 21 feedback items were received from the 24 July ISO Design Working Group:
 - Feedback incorporated for Participants to subscribe to the unsolicited CEB report generated within the ex-period
 - Queries relating to specific attributes within the message when a claim is created (i.e. settlement date, movement type)
 - Clarifications to include:
 - Corporate Action Event Id and Event Type into the Holding Balance (HBAL) Report
 - Multiple CUM Entitlement Balances and statement date into the unsolicited CEB Report
- Feedback window remains open in MyStandards until Friday 5 September 2025
- Next ISO Design Working Group is scheduled for 18 September 2025.

04c – ISO Design Working Group Open Actions

#	Action	ASX Response	Raised	Status
ISOWG_M01	ASX to provide further information to Working Group Members in relation to adjustment of Net Positions	Update is expected to be provided in Q3 2025	May 2025	Q3 2025
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)	Update provided on 19 June 2025 ISO Design Working Group. Working Group Member provided additional feedback, to which ASX has responded to	May 2025	Closed
ISOWG_M06	ASX to investigate whether the hold indicator is exposed to the counterparty on the allegation and status messages prior to the Intended Settlement Date (ISD)	<p>ASX has enquired related functionality within Austraclear and concluded that allegations do not carry indicators when an instruction is withheld from settlement. In addition to this, ISO standards do not currently allow for a message that would enable CHES to indicate that a hold had been removed prior to matching without cancelling the allegation and re-instructing. This would introduce additional complexity to the solution.</p> <p>Based on feedback received at the August Working Group, Members are invited to provide additional information on use cases of incorporating the hold indicator on allegation notifications.</p>	May 2025	Open

04c – ISO Design Working Group Open Actions

#	Action	ASX Response	Raised	Status
ISOWG_J04	Settlement Locks: ASX to investigate the performance implications of using the 2-step approach to reserve units for settlement	To be addressed via the Business Design Working Group (refer to action BDWG_18)	July 2025	Closed
ISOWG_J05	Settlement Locks: Consideration of business rules in relation to mandatory accumulation movement and restricting earmarking for buy movements out of the accumulation HIN	To be addressed via the Business Design Working Group (refer to action BDWG_18)	July 2025	Closed
ISOWG_J06	Settlement Locks: ASX to provide clarification to Participants on their obligations for reserving units for settlement (for accumulation to settlement movements) under the ASX Operating Rules	To be addressed via the Business Design Working Group (refer to action BDWG_18)	July 2025	Closed
ISOWG_J07	CA – CEB Reporting: ASX to give consideration to the population of accounts (in the retail space) for large corporate action events	ASX has assessed this feedback and updated the proposal, requiring Participants to opt-in, as part of onboarding, to receiving the CEB report during the ex-period of a corporate action. Further information will be provided as part of the technical documentation for drop 3	July 2025	Closed
ISOWG_J08	Holding Balance Report (ad-hoc): ASX to evaluate feedback in relation to the use cases of requesting specific information (i.e. holding balance, cum entitlement balance) rather than all information contained in the same report	Under evaluation, further update will be provided at the next ISO 20022 Design Working Group	July 2025	Open
ISOWG_A01	Incorporation of payment limits into the CHESS solution to automate authorisation workflows in batch settlement for Payment Providers	Under consideration via the Business Design Working Group	August 2025	BDWG

05 – CHESS Release 2 Holding balances

05 – Holding balances

ASX's proposed approach to providing holding balance information was discussed in the [27 March 2024 BDWG](#), recapped in the [3 April 2024 TC](#) and [8 May 2024 TC](#) and the approach was outlined in [Consultation Paper 2](#) (section 3.6.7).

As a result of this proposal, ASX planned not to carry forward the New Holding Balance field in confirmation messages.

Inclusion of this field is problematic as:

- All messages need to be processed sequentially, and sequential order needs to be retained on inbound and outbound messages (this can cause bottleneck issues and inhibit scalability, as was observed as in the previous CHES Replacement Project)
- **It is not part of the ISO 20022 standard nor is it aligned with global best practices for reconciliation.**



As part of the engagement in 2024 (and in more recent engagements) ASX has discussed this approach with the major Software Providers, all of which have agreed with the proposal and rationale to remove the new holding balance and confirmed minimal impact to their systems and processes.



One Participant with an in-house solution has identified an impact to their current solution for provisioning ABN information.

05 – Holding balances

Holding Balance Information (Current State)

All non-batch confirmation messages contain:

- Unit Quantity (increase/decrease)
- New Holding Balance

Following batch, a net movement confirmation (EIS 146) reports the net movement in batch and the new holding balance.

Participants also have access to ad-hoc holding balance reporting for reconciliation purposes.

Holding Balance Information (Future State)

All transactions, including those settled in batch, receive a confirmation message, which will contain:

- Unit Quantity (increase/decrease)

CHESS will also provide an unsolicited report at key reconciliation points (post-batch, end of day) that will indicate the new holding balance for all holdings that have changed that day.

This is in line with global best practice.

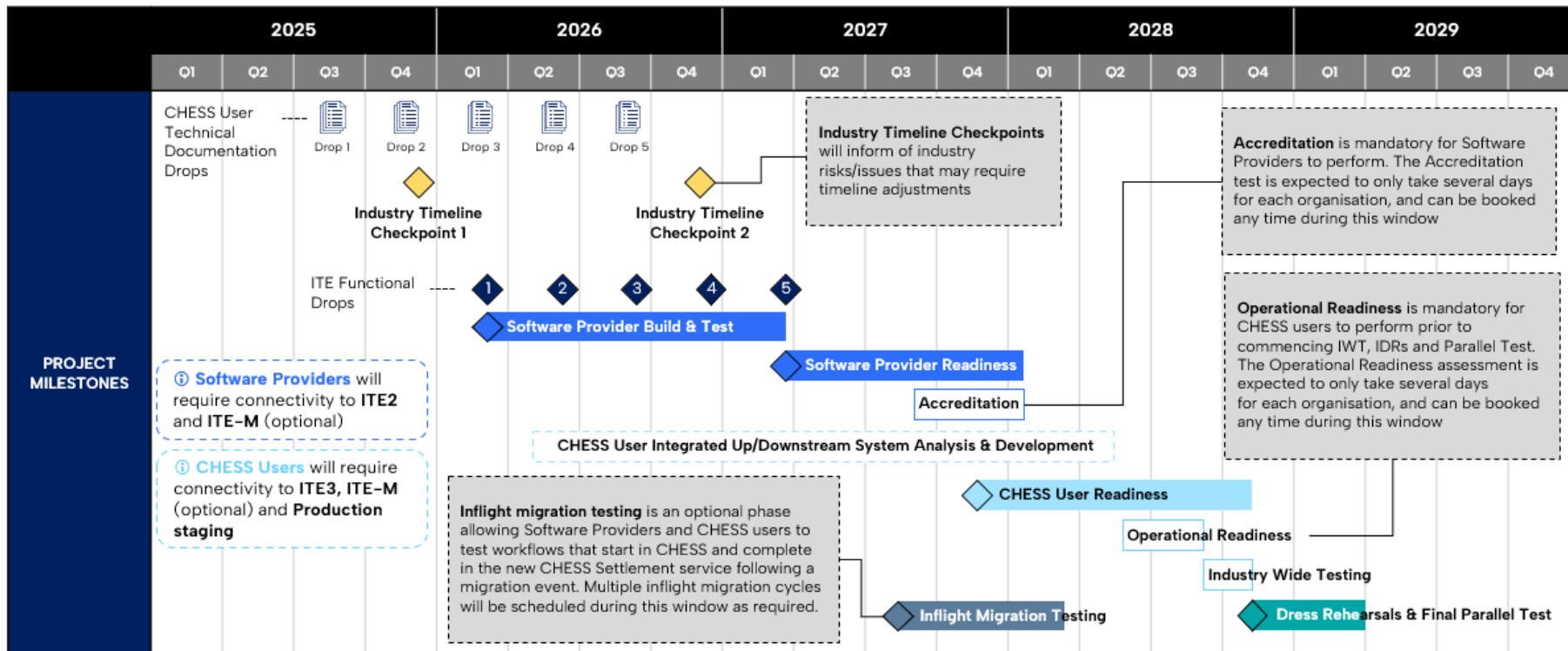
Participants can additionally request an ad-hoc holding balance at any time during the day, or a full reconciliation of all balances at end of day.

This approach allows back-office systems to detect potential reconciliation issues at key reconciliation points without the need to provide balances on confirmations. In addition, API-based access to Holding Balances is also being considered.

06 – CHESS Release 2 Timeline checkpoint

06 – Release 2 Indicative High Level Industry Test Timeline

Release 2 Industry Testing will commence from March 2026, starting with Software Provider Build & Test



06 – Release 2 Industry Timeline Checkpoints

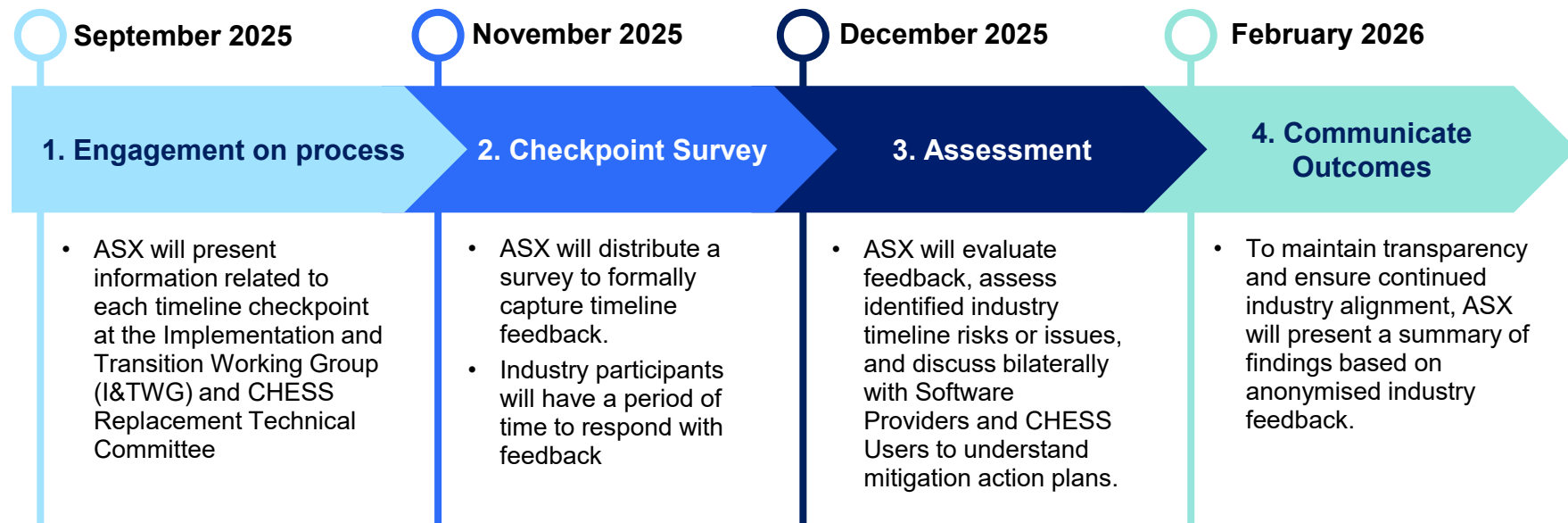
The Industry Timeline checkpoints are intended as a formal mechanism for receiving feedback from stakeholders on the CHES Release 2 timeline

Activity	Purpose	Key Inputs	Planned Activities	Key Outcomes	Planned Timings
Timeline Checkpoint 1	Provide early and transparent signalling of any identified Industry risks have the potential to require adjustments to the planned timeline.	<ul style="list-style-type: none"> Industry project planning and analysis since Consultation 2 Response Release 2 Industry Test Approach 	<ul style="list-style-type: none"> Industry surveyed for identified risks now that project planning activities have had time to complete 	<ul style="list-style-type: none"> Industry schedule risks captured & tracked through industry working groups Early visibility of industry schedule confidence and/or potential timeline adjustment needs 	Nov 2025 – Mar 2026
Timeline Checkpoint 2	Provides the opportunity to confirm the remaining CHES Release 2 Industry testing and implementation timeline on an informed basis in consideration of industry open risks and published solution specifications	<ul style="list-style-type: none"> Industry analysis, build and test progress Release 2 Functional and Technical specifications 	<ul style="list-style-type: none"> Industry surveyed for outstanding risks now that detailed specifications provided and project analysis is complete, and development activities are progressed 	<ul style="list-style-type: none"> Industry schedule risks and mitigations understood Industry timeline adjustment needs collectively discussed with common understanding Timeline adjustments made if necessary and remaining schedule confirmed 	Nov 2026 – Mar 2027

06 – Release 2 Industry Timeline Checkpoint Process

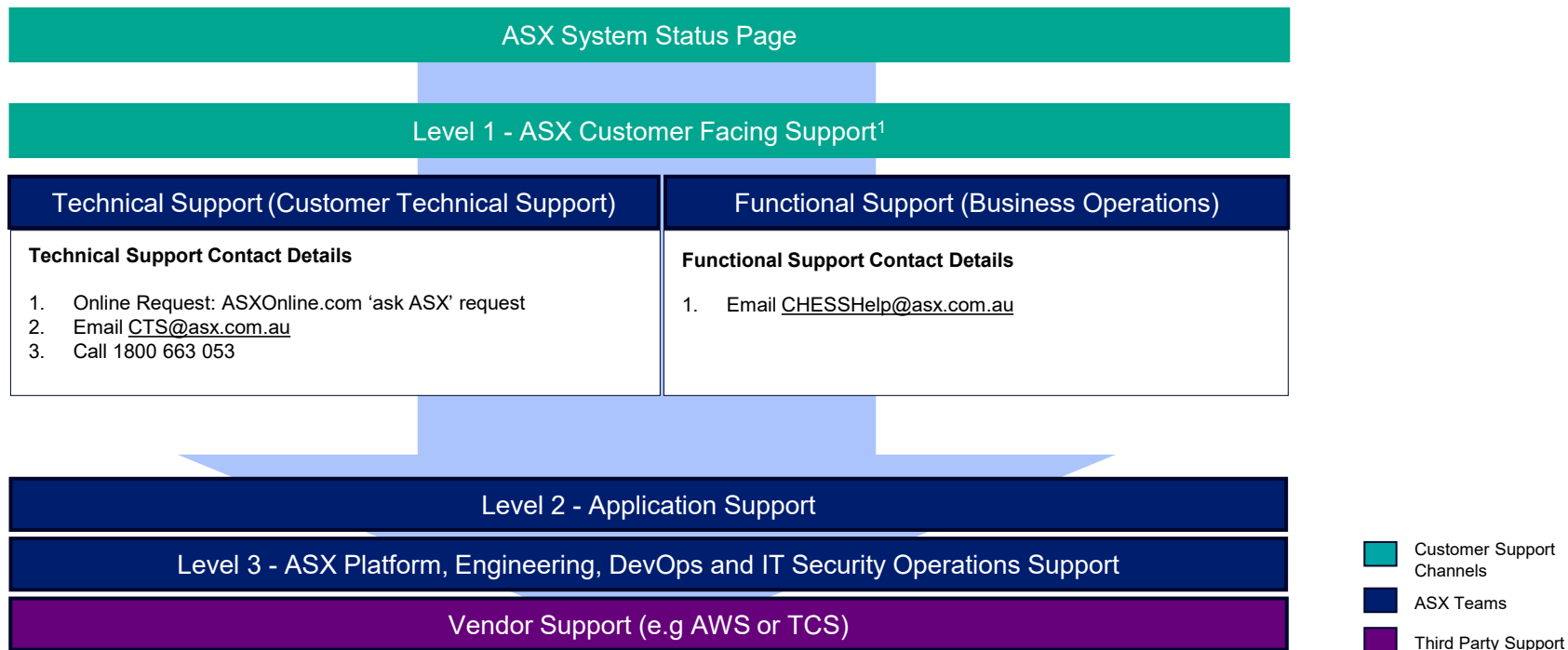
The Industry Timeline checkpoints are intended as a formal feedback mechanism for receiving feedback from stakeholders on the CHES Release 2 timeline

Industry Timeline Checkpoint 1 process indicative timing



07 – CHESS Project Support Model

07 –Technical and Operational Support



1. All Users are expected to submit support requests to ASX Level 1 Support teams

08 – Forward Engagement for 2025 and AOB

08a – CHESS Release 2 Drop 1 User Technical Documentation

08a – CHESS Release 2 Drop 1 User Technical Documentation

CHESS Release 2 User Documentation is now available for Drop 1 of the CHESS Project

1. CHESS Release 2 User Documentation are accessible from the [Release 2 Stakeholder Engagement page](#), which will also provide links to other important documents and support information. See screenshot below.

If you have a question or need support, you can contact ASX throughout the industry testing phases for support ranging from general enquiries to technical clarifications, as well as to raise issues with functionality in the test environments.

Support activity	Point of contact
Release 2 support queries	Customer Technical Support
General queries and relationship management	CHESS Project Team

Supporting documentation in addition to the committee/working group presentations and outcomes can also be found in the engagement forums section of the [stakeholder engagement page](#).

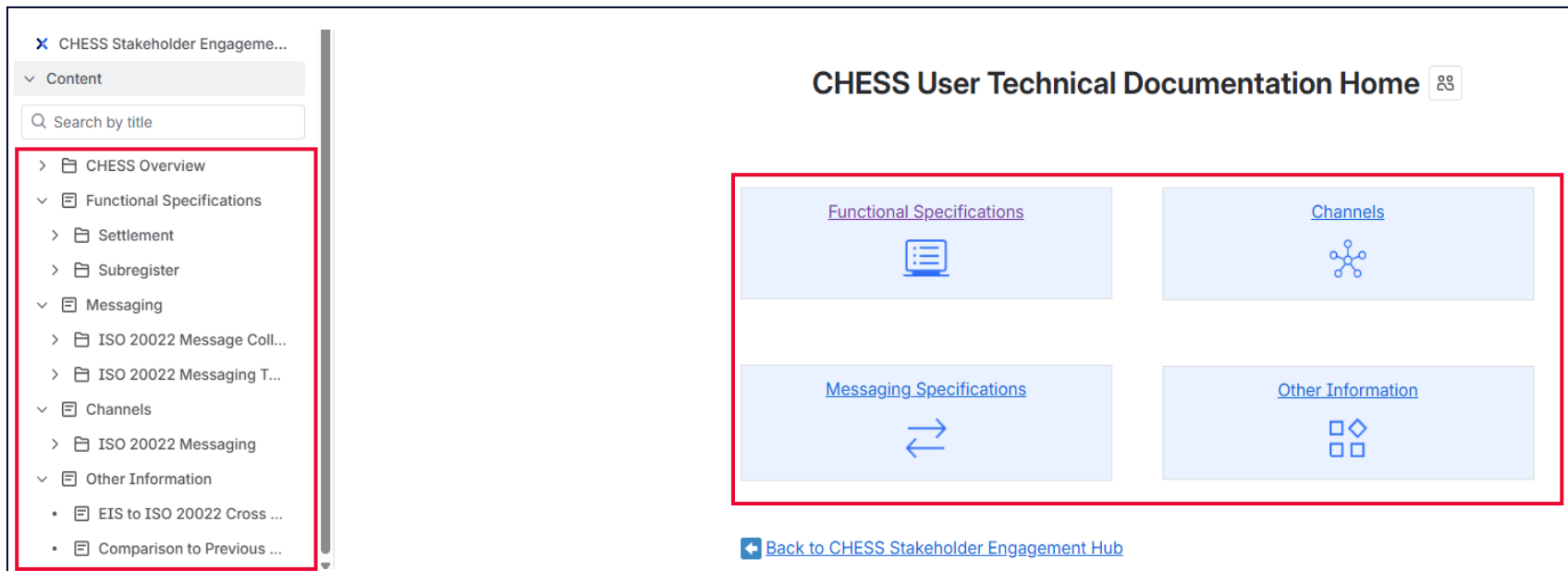
CHESS USER DOCUMENTATION ►

Functional and message specifications for
CHESS Project (Release 2)

08a – CHESS Release 2 Drop 1 User Technical Documentation

Drop 1 covers Accounts and Holdings, Unilateral Non-Batch Instructions and Account and Holding Balance Reporting

2. You'll find an overview of the CHESS Project platform, complete with functional specifications of the message flows to and from CHESS Release 2. Additionally, it includes ISO message specifications and validations, along with an introduction to Swift's MyStandards. See screenshot below.



08b – Indicative Forward Engagement Calendar

08b – Indicative Forward Engagement Calendar

	September 2025	October 2025	November 2025
Technical Committee	3 September <ul style="list-style-type: none"> • CHES Project and Working Group updates • CHES Release 1 support model • CHES Release 2 holding balance settlement reporting • CHES Release 2 timeline checkpoint 	8 October <ul style="list-style-type: none"> • CHES Project and Working Group updates • CHES Release 1 industry readiness • CHES Release 2 scope finalisation • CHES Release 2 Drop 2 ISO changes 	5 November <ul style="list-style-type: none"> • CHES Project and Working Group updates • CHES Release 1 industry readiness • CHES Release 2 timeline checkpoint update
Implementation & Transition Working Group	25 September <ul style="list-style-type: none"> • CHES Release 1 updates • CHES Release 2 Timeline Checkpoint survey questions • CHES Release 2 Drop 1 dataset & tooling 	29 October <ul style="list-style-type: none"> • CHES Release 1 Clearing Regression update • CHES Release 2 ITE connectivity 	25 November <ul style="list-style-type: none"> • CHES Release 2 timeline checkpoint
CHES Release 1 Build & Test Forum	11 September <ul style="list-style-type: none"> • AMO Accreditation update • CHES Release 1 Cutover update • AMO Parallel Testing preparation • Operational readiness preparation 	16 October <ul style="list-style-type: none"> • Clearing Regression update 	13 November <ul style="list-style-type: none"> • AMO parallel testing • Implementation Dress Rehearsal #1
Business Design Working Group	9 September <ul style="list-style-type: none"> • Payment Channels Deep Dive 	9 October <ul style="list-style-type: none"> • CHES Release 2 Drop 4 	6 November <ul style="list-style-type: none"> • Corporate Action Services Focus Group
ISO Design Working Group	18 September <ul style="list-style-type: none"> • Transfers, conversions & SRN enquiries 	14 October <ul style="list-style-type: none"> • Drop 4 ISO messages and Schema 	11 November <ul style="list-style-type: none"> • Drop 4 ISO messages and Schema



Questions



Observer Feedback

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Thank you

ASX

Appendix A – Readiness Activities

Release 1 Engagement Activities: Completed or Proposed for 2025

Activities and Documentation to Support R1 Industry Readiness

Activity	Subject	Purpose	Planned Date	Status
Publish Documentation	Release 1 Clearing Regression Test Guide	Documentation detailing the minimum ASX-specified Clearing Regression test scenarios, key activities and expectations regarding conduct and expected results including entry and exit criteria	Q2 2025	Published 25 June 2025
Publish Documentation	Release 1 Cutover Approach	Documentation detailing the cutover and migration approach, key activities, responsibilities including all verifications and validations required by ASX and the market, and milestones across the cutover and dress rehearsal windows	Q2 2025	Published 26 June 2025
Publish Documentation	Release 1 AMO Readiness Release Notes	Release Notes for the AMO Readiness phase, including delivered functionality, FAQs and known issues in the environment	Q2 2025	Published 02 July 2025
Engagement Activity	AMO IDR & AMO Parallel Phase Overview	I&T WG session to provide overview & discuss the prerequisites & process for completing the IDR & AMO Parallel Test phase	Q3 2025	Completed 29 July 2025
Publish Documentation	Release 1 Guide to AMO Parallel Test	Documentation providing detail on the AMO Parallel Test phase, key activities and expectations and expected results including entry and exit criteria	Q3 2025	Proposed for September 2025
Publish Documentation	R1 Cutover Runbook	Documentation providing AMOs with key tasks and milestones, with an outline of detailed steps including planned timing. The runbook will be used in dress rehearsals and refined as required ahead of the final go-live event. Note that the cutover runbook will also include the steps required to rollback	Q3 2025	Proposed for September 2025
Publish Documentation	Release 1 Clearing Regression Release Notes	Release Notes for the Clearing Regression phase, including delivered functionality, FAQs and known issues in the environment	Q4 2025	Proposed for October 2025
Publish Documentation	Release 1 AMO Implementation Dress Rehearsal Release Notes	Release Notes for the AMO IDR phase, including AMO Parallel Test, delivered functionality, FAQs and known issues in the environment	Q4 2025	Proposed for November 2025

Note: Indicative only, subject to change based on industry inputs and further planning.

Release 2 Readiness Activities: Completed and Proposed for 2025

Activities and Documentation to Support R2 Industry Readiness

Activity Planned	Subject	Purpose	Planned Date
Engagement Activity	Release 2 Industry Test Tooling High Level Approach	I&T Working Group (I&T WG) workshop providing an overview of ASX planned approach to test environments, data, and tooling to enable CHES User testing in Release 2, and discuss/identify unmet industry needs or challenges for additional consideration	Completed 27 Mar 2025
Engagement Activity	ISO 20022 and Business Design Working Groups	Workshops to obtain industry input and feedback into the design of Release 2 ISO messages and specified CHES	Q4 2024 – Q2 2026
Engagement Activity	Release 2 Industry Test Tooling Focus Groups	I&T WG workshops to walk through Release 2 message initiation and response testing once ISO specifications and message workflows drafted. Schedule will incrementally follow collation of industry feedback to Drop 1 – 5 documentation	Q2 2025 – Q3 2026
Publish Documentation	ISO 20022 Specifications & Functional and Technical Specs	Documentation providing a detailed specification of all ISO messages including message structures, rules message flow diagrams., and tooling to support testing ASX will target release this documentation incrementally in line with the 5 feature drops	Q3 2025 – Q3 2026
Engagement Activity	Phase High Level Approach 1 - Release 2 Parallel Test	I&T WG session providing high level overview of Release 2 Parallel Test Approach, to discuss/identify unmet industry needs for additional consideration	Q3 2025
Engagement Activity	Guide Overview 1 - Release 2 Industry Test Approach	I&T WG session providing overview of draft Release 2 Industry Test Approach, to inform industry and obtain feedback prior to publishing	Q3 2025
Publish Documentation	Release 2 Industry Test Approach	Documentation describing the approach, responsibilities, timing, entry and exit criteria and expected outcomes for each Industry Test phase	Q3 2025
Publish Documentation	Release 2 Connectivity Guide	Documentation detailing the technical connectivity requirements to connect to the CHES replacement system including connectivity method(s), network details and security details	Q4 2025
Engagement Activity	Release 2 Timeline Checkpoint 1	Gauge industry progress and obtain industry feedback to ascertain its ability to continue meeting the Release 2 project timeline following the release of the Industry Test Approach and initial Functional & Technical Specifications	Q4 2025

Note 1: Release 2 Cutover topics are scheduled to be planned out as part of the 2026 engagement plan.

Note 2: Indicative only, subject to change based on industry inputs and further planning.

Release 2 Readiness Activities: Proposed for 2026

Activities and Documentation to Support R2 Industry Readiness

Activity Planned	Subject	Purpose	Planned Date
Engagement Activity	ISO 20022 and Business Design Working Groups	Workshops to obtain industry input and feedback into the design of Release 2 ISO messages and specified CHES functionality	Q4 2024 – Q2 2026
Engagement Activity	Release 2 Industry Test Tooling Focus Groups	I&T WG workshops to walk through Release 2 message initiation and response testing once ISO specifications and message workflows drafted. Schedule will incrementally follow collation of industry feedback to Drops 1 – 5 documentation	Q2 2025 – Q3 2026
Publish Documentation	ISO 20022 Specifications & Functional & Technical Specs	Documentation providing a detailed specification of all ISO messages including message structures, rules message flow diagrams and tooling to support testing. ASX will target release this documentation incrementally in line with the 5 feature drops	Q3 2025 – Q3 2026
Engagement Activities	Functionality Drop Overviews – Drops 1-4	I&T WG session to provide overview of functionality to be delivered in upcoming Functionality Drop	Q1-Q4 2026
Publish Documentation	Release 2 Release Notes: Drops 1 -4 + Software Provider Build & Test	Release Notes for functional drops 1-4, including delivered functionality, industry test tooling available (including user guides where applicable) FAQs and known issues in the environment	Q1–Q4 2026
Engagement Activity	Activity and Progress Tracking Overview	I&T WG session to provide overview and discuss ASX proposed approach to tracking and reporting test phase activity	Q1 2026
Engagement Activity	Phase Overview 1 - ITE Open	I&T WG session to provide overview & discuss the prerequisites + process for completing the Software Provider B&T Phase	Q1 2026
Engagement Activity	Guide Overview 2 - Release 2 Connectivity Guide	I&T WG session providing overview of draft Release 2 Connectivity guide and process	Q1 2026
Engagement Activity	Guide Overview 3 - Release 2 Failover & Recovery Guide	I&T WG session providing overview of draft Failover & Recovery guide, to inform industry and obtain feedback prior to publishing	Q3 2026
Publish Documentation	Release 2 Failover and Recovery Guide	Documentation providing information on failover testing, covering what components ASX will simulated-fail and proposed frequencies	Q3 2026
Engagement Activity	Release 2 Timeline Checkpoint 2	Gauge industry progress and obtain industry feedback to ascertain its ability to continue meeting the Release 2 project timeline following the release of all Functional & Technical Specifications. Identify and incorporate agreed industry requirements into CHES User test phases schedule	Q4 2026
Engagement Activity	Guide Overview 4 - Release 2 Accreditation Guide	I&T WG session providing overview of draft Release 2 Accreditation Guide, to inform industry and obtain feedback prior to publishing	Q4 2026
Publish Documentation	Release 2 Accreditation Guide	Documentation providing overview of the Release 2 Accreditation phase, including accreditation process, connectivity scenarios & message scenarios	Q4 2026

Note: Indicative only, subject to change based on industry inputs and further planning.

Appendix B – CHESS Project Change Management

Overview of Industry Change Requests

Summary of industry change requests as at August 2025

#	Item	Type	Detail	Status	Impact
CR_001	Account Notifications to Registries	Additional customisation	BaNCs does not currently support the ability to provide account information to Share Registries in real-time for balances increasing from zero. New customisation is required to facilitate this process	Approved to implement	No schedule impact
CR_002	FIX Gateway Login	Enhancement	Enhance the Fix Gateway Login process to fix a login issue impacting an AMO	Approved to implement	No schedule impact

Appendix C – Closed Working Group actions

Closed Working Group Actions

Closed Technical Committee actions and decision outcomes for Q3 2025

#	Topic	Action	Raised	Closed	Status	Outcome
TC_04_01	R2 – ISO Design Changes	ASX to consider how it could provide further transparency on changes to ISO design	<u>April TC</u>	<u>July TC</u>	Closed	A summary overview of ISO Design changes are to be provided in advance of each User Technical documentation drop
TC_06_01	Meeting administration	ASX to provide Technical Committee members with an overview of decisions made in its Working Groups	<u>June TC</u>	<u>August TC</u>	Closed	ASX to provide closed actions and potential decisions in the appendix of the Technical Committee presentation pack for the current quarter
TC_06_02	R1 – Cutover	ASX to determine whether industry participants would be required to attest to CHES Release 1 rollback plans	<u>June TC</u>	<u>August TC</u>	Closed	Participants are not expected to attest to CHES Release 1 rollback plans
TC_07_01	R2 - Scope	ASX to determine its approach to finalise the optional or mandatory determination of non-batch DVP and corporate action elections functionality	<u>July TC</u>	<u>August TC</u>	Closed	ASX approach for non-batch DVP and corporate action elections functionality presented as part of agenda item 6.

Closed Working Group Actions

Closed ITWG actions and decision outcomes for Q3 2025

#	Topic	Action	Raised	Closed	Status	Outcome
ITWG_07	Parallel Testing	ASX to consider viability to bring forward its engagement on Parallel Testing	<u>April ITWG</u>	<u>July ITWG</u>	Closed	A summary overview of ISO Design changes are to be provided in advance of each User Technical documentation drop
ITWG_11	Clearing Regression	ASX to finalise the Clearing Regression CP scenario exemption process	<u>June ITWG</u>	<u>July ITWG</u>	Closed	ASX to provide closed actions and potential decisions in the appendix of the Technical Committee presentation pack for the current quarter
ITWG_12	Clearing Regression	ASX Trade to confirm which test platform is planned to support Clearing Regression	<u>June ITWG</u>	<u>July ITWG</u>	Closed	Participants are not expected to attest to CHES Release 1 rollback plans

Closed Working Group Actions

Closed BDWG actions and decision outcomes for Q3 2025

#	Topic	Action	Raised	Closed	Status	Outcome
BDWG_12	Fees	Consideration of a revised approach for crossings and associated fee impacts	<u>March BDWG</u>	<u>July TC</u>	Closed	Crossings approach revised and presented in agenda item 4 of May BDWG. Overview of fee impact process provided in agenda 6 of the July Technical Committee meeting.
BDWG_13	Roadmap	Provide guidance of the in scope Corporate Actions per drop	<u>May TC</u>	<u>July BDWG</u>	Closed	Incorporated into the BDWG pack for July.
BDWG_14	Drop 2 Scope	Revise matching tolerances factoring in feedback bilaterally from Participants	<u>May BDWG</u>	<u>July BDWG</u>	Closed	ASX is collating feedback received bilaterally and will revise

Closed Working Group Actions

Closed ISOWG actions and decision outcomes for Q3 2025

#	Topic	Action	Raised	Closed	Status	Outcome
ISOWG_M06	Universal Transaction Identifier	ASX to investigate the logic in relation to the Universal Transaction Identifier (UTI) and whether it should be a mandatory matching criteria (if provided)	May ISOWG	August ISOWG	Closed	Update provided on June ISOWG that the UTI is a secondary matching criteria and will be matched if populated against an UTI which exactly matches, or blank
ISOWG_M07	Settlement	ASX to investigate the number of status updates generated for a settlement instruction which is on hold to the requesting Participant	May ISOWG	July ISOWG	Closed	ASX updated the proposal and incorporated the hold indicator to the counterparty upon match rather than on the morning of settlement date
ISOWG_M08	Hold Indicators	ASX to investigate the use case of reapplying a hold indicator after it has been released	May ISOWG	July ISOWG	Closed	ASX stated that the rule framework for this functionality would prevent the reapplication of a hold on an instruction after it has been released.
ISOWG_J01	Trade Confirmation	Consideration to be given where a crossing is also a short sale and how that is represented within the Trade Confirmation Notification	June ISOWG	July ISOWG	Closed	ASX has introduced an additional value (Sell Short (CRSH)) for the Buy Sell Indicator on the Trade Confirmation Notification (secl.001) and Trade Cancellation Notification (secl.002)

Closed Working Group Actions

Closed ISOWG actions and decision outcomes for Q3 2025

#	Topic	Action	Raised	Closed	Status	Outcome
ISOWG_J02	Bilateral Matching	ISO Working Group Members requested further information in relation to bilateral matching and the housekeeping process for unmatched instructions	<u>June ISOWG</u>	<u>July ISOWG</u>	Closed	Further information was provided to the Working Group Member
ISOWG_J03	Settlement	Population of the Trade Date on the Settlement Obligation Notification (sese.032) when a market obligation is rescheduled as part of batch settlement	<u>June ISOWG</u>	<u>July ISOWG</u>	Closed	Trade Date is not expected to be populated on the Settlement Obligation Notification (sese.032)
ISOWG_J04	Settlement Locks	Settlement Locks: ASX to investigate the performance implications of using the 2-step approach to reserve units for settlement	<u>July ISOWG</u>	<u>August ISOWG</u>	Closed	To be addressed via the Business Design Working Group (BDWG) – refer to action BDWG_18
ISOWG_J05	Settlement Locks	Settlement Locks: Consideration of business rules in relation to mandatory accumulation movement and restricting earmarking for buy movements out of the accumulation HIN	<u>July ISOWG</u>	<u>August ISOWG</u>	Closed	To be addressed via the Business Design Working Group (BDWG) – refer to action BDWG_18

Closed Working Group Actions

Closed ISOWG actions and decision outcomes for Q3 2025

#	Topic	Action	Raised	Closed	Status	Outcome
ISOWG_J06	Settlement Locks	ASX to provide clarification to Participants on their obligations for reserving units for settlement (for accumulation to settlement movements) under the ASX Operating Rules	<u>July ISOWG</u>	<u>August ISOWG</u>	Closed	To be addressed via the Business Design Working Group (BDWG) – refer to action BDWG_18
ISOWG_J07	Corporate Actions	ASX to give consideration to the population of accounts (in the retail space) for large corporate action events	<u>July ISOWG</u>	<u>August ISOWG</u>	Closed	ASX has assessed this feedback and updated the proposal, requiring Participants to opt-in, as part of onboarding, to receiving the CEB report during the ex-period of a corporate action. Further information will be provided as part of the technical documentation for drop 3
ISOWG_J08	Holding Balance Report	ASX to evaluate feedback in relation to the use cases of requesting specific information (i.e. holding balance, cum entitlement balance) rather than all information contained in the same report	<u>July ISOWG</u>	<u>August ISOWG</u>	Closed	Under evaluation, further update will be provided at the next ISO 2022 Design Working Group
TC_01	ISO message changes	ASX to review how ISO message changes are currently presented in the ISO Working Group and determine how it can further clarify these changes to Participants	<u>July Technical Committee</u>	<u>July ISOWG</u>	Closed	Summary of changes will be provided for messages presented at the ISO Design Working Group in the Appendix.

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