

Technical Committee Minutes

5 February 2025 Meeting

At the 05 February 2025 meeting, the Technical Committee Agenda and Actions were:

AGENDA AND KEY TOPICS DISCUSSED

- Welcome, open actions and feedback
- Project status
- Implementation and transition update
- Optional versus mandatory functionality
- Rules and procedure changes
- Other project updates
- Pulse survey results
- Forward engagement for 2025

AGREED ACTIONS

There were two new actions raised at the February 2025 meeting.

1. ASX to assess the feasibility to use BICs as the primary method of identification for the CHES project
2. ASX to provide a 3-month forward engagement plan of the Technical Committee and Working Groups, covering the key topics to be discussed

Minutes from the meeting are attached.

Agenda

Technical Committee

Date 5 February 2025

Time 2:00pm – 4:00pm

Location Microsoft Teams Meeting

1. Welcome, open actions & feedback

2. Project status

3. Implementation and transition update

4. Optional versus mandatory functionality

5. Rules and procedure changes

6. Other project updates

7. Pulse survey results

8. Forward engagement for 2025

Action Items Raised in Meetings

Item number #	Action	Due date	Status	Owner
2024 August (1)	ASX to clarify the ability to access CHES through an AWS end point	February 2025	Closed	ASX
2024 November (1)	ASX to consider further industry engagement at the ESPPSC to discuss participant viewpoints on payment channels	February 2025	Closed	ASX
2024 December (1)	ASX to provide additional information on how participant cohorts responded in the consultation for the Release 2 implementation approach	February 2025	Closed	ASX
2024 December (2)	ASX to provide a schedule on when the scope objectives that require further engagement will be taken back to the Technical Committee and Business Committee in 2025	February 2025	Closed	ASX
2025 February (1)	ASX to assess the feasibility to use BICs as the primary method of identification for the CHES project	March 2025	Open	ASX
2025 February (2)	ASX to provide a 3-month forward engagement plan of the Technical Committee and Working Groups covering the key topics to be discussed	March 2025	Open	ASX

CHES Project Technical Committee Members

Company	Name	Job Title	Apologies
ASX	Tim Whiteley	CIO	
OBSERVER	Paul Rayson	Business Committee Chair (Independent)	
Clearing and Settlement participants			
ABN AMRO CLEARING	Matthew McMahon	Head of Operations	
AUSIEX	Ashish Jha	Director, Solution Delivery Management	
BANK OF AMERICA	Monika Ahrns	Project Manager	
BNP PARIBAS	Wayne Murphy	Project Manager	
CITI	Lyall Herron	Program Manager	Apology
CMC	Jamie Driscoll	Program Lead – Back Office Implementation	
COMMSEC	Ryan Jones	Crew Technical Lead	
FINCLEAR SERVICES	Nikki Gleisner	Senior Business Analyst/Client Relationship Manager	
GOLDMAN SACHS	Simon Wyss	COO, Australia/ New Zealand Engineering	
HSBC	Simon Siluk	Senior Product Manager	
INTERACTIVE BROKERS AUSTRALIA	Darren Halse	Managing Director	
J.P. MORGAN	Scott Oakland	Executive Director Product Management	
MACQUARIE GROUP	Paul Bragg	Operations Analyst	
MORGAN STANLEY SECURITIES	Rebecca Collins	Executive Director	
MORGAN STANLEY WEALTH	Andrew Sime	Executive Director	
MORGANS	Daniel Spokes	Director, Client Support Services	
NAB	Rodd Kingham	Head of Investment Service (WealthHub Securities)	
THIRD PARTY PLATFORM	Lee Muco	Chief Operating Officer	
UBS	Scott Hanlon	Head of Operations, Executive Director	
Third party software vendors			
BROADRIDGE	Danielle Gerace	Head of Client Service Australia	
COMPUTERSHARE	Leanne Bailey	Senior Business Analyst	
FINCLEAR	Craig Gray	Head of Product, Clearing and Settlement	
FNZ	Nick Clarke	Head of Product Management – Capital Markets	

Company	Name	Job Title	Apologies
SECURITEASE	David Hinkley	General Manager	
AMOs			
ASX	Jimmy Halstead	Head of Trading Technology Markets, Technology	
CBOE	Rylan Uherek	Vice President – Chief Operating Officer	
NSX	Richard Atkins	Market Operations and Technology	
SYDNEY STOCK EXCHANGE	Rajnish Tiwari	Head of Market Control & Exchange Technology	
Share registries			
ADVANCE SHARE REGISTRY	Patrick Gan	IT Manager	
AUTOMIC GROUP	Richard Kennedy	Senior Developer	Marcelo Dantas
BOARDROOM	Evelyn Cinco	Team Lead – BA/QA	
COMPUTERSHARE	Scott Hudson	General Manager – Market Liaison	
MUFG PENSION & MARKET SERVICES	Blanca Valle	Senior Technical Business Analyst, Corporate Markets	

* Delegate

Observers

Company	Name	Job Title	Apologies
AFMA	Damian Jeffree	Senior Director of Policy	
AIRA	Ian Matheson	Chief Executive Officer	Apology
GIA	Simon Pordage	Brand Ambassador for Governance (Institute of Australia & Company Secretary for ANZ)	
SIAA	Judith Fox	Chief Executive Officer	Apology
ASIC	Dodie Green	Senior Manager, Market Infrastructure	
	Liang Chen	Analyst, Market Infrastructure (Clearing & Settlement Facilities)	
	Derek Scott	Senior Specialist, Market Infrastructure Markets	
RBA	Kylie Stewart	Senior Manager, Domestic Supervision and Resolution, Payments Policy Department	
	Simon Truong	Lead Analyst, Domestic Supervision and Resolution, Payments Policy Department	
	Trent Hardy	Lead Analyst, Domestic Supervision and Resolution, Payments Policy Department	
AusPayNet	Luke Wilson	Chief Operating Officer	Apology

Auditors (3)

Company	Name	Job Title	Apologies
---------	------	-----------	-----------

ERNST & YOUNG	Roberto Fitzgerald	Partner, Financial Services
ERNST & YOUNG	Juan Carlos Martin de los Santos	Director, Technology Risk

ASX Management

Name	Job Title	Apologies
Clive Triance	Group Executive, Securities & Payments (Project Sponsor)	Apology
Andrew Jones	General Manager, Equities	
Triona Quinlan	General Manager, Technology Delivery	
Steven Hannan	Senior Manager, Stakeholder Engagement, Equities	
Chris Boyes	Senior Product Manager, Securities & Payments	
Michelle Dal Pozzo	Senior Program Manager, Assurance	
Ashley D'Souza	Senior Manager, Equities	
Jason Genford	Head of Technology Delivery	
James Young	Senior Legal Counsel	
Peter Jessup	Release 1 Product Owner (SI Business Lead)	Apology
Russell Eyre	Enterprise Architect, Securities and Payments	
Craig Springett	Accenture (SI)	
Mark A. Kaplan	Accenture (SI)	

AGENDA ITEM 1: Welcome, Actions and Feedback

The Chair welcomed members and delegates to the 5 February 2025 meeting.

The Chair reminded members of their obligations under Competition Law and encouraged active participation, noting the purpose of the Committee was for stakeholders to provide input and feedback.

The meeting attendance was recorded and is reflected in the tables provided. The 3 December 2024 Committee minutes were approved and are now available on the CHES project website.

An overview of the agenda was provided before the Chair proposed to close the four open actions from the 3 December meeting:

Item Number	Action	Discussion
2024 August (1)	ASX to follow up member query regarding ability for AWS hosted sites to connect into the AWS environment without needing to leave and re-enter.	AWS to AWS connectivity is not planned to be available for Release 1. A connectivity offering may be available for Release 2 subject to sufficient demand.
2024 November (1)	ASX to consider further industry engagement at the ESPPSC on participant viewpoints on payment channels	ESPPSC members have been asked to invite Participant members as observers to future ESPPSC meetings. It was noted that some TC members attended the December 2024 ESPPSC meeting.
2024 December (1)	ASX to provide thematic analysis on the responses to the consultation paper for the Release 2 implementation approach	Thematic summary on industry responses to the Release 2 implementation approach was provided as part of agenda item 3.
2024 December (2)	ASX to provide a schedule on when the CHES project scope objectives that require further engagement will be taken back to the Technical Committee and Business Committee in 2025	Scope objectives that require further engagement were proposed to be addressed in the relevant Business Design Working Group session

Member discussion

No member feedback recorded.

AGENDA ITEM 2: Project Status

The ASX General Manager, Technology Delivery provided key updates on the Project's delivery and risks, noting that:

- The Project is tracking amber due to the delays in testing and finalising the Data and Reporting integrated plan:
 - Opening of the Release 1 Industry Test Environment (ITE) in late-February 2025 for commencement of the AMO Build and Test phase is on track

- Testing for AMO Build and Test functionality is currently expected to be completed by early-February 2025
- Several key ITE milestones were completed, including all scope being delivered for AMO Build and Test, completion of security, penetration and performance testing, and publication of the Connectivity Guide in late-December 2024
- An operating model is in place to support ITE open
- Level 2 cloud controls are in place.
- The build for the Data and Reporting steel thread was completed on 13 December 2024. Re-baselining of the Data and Reporting Integrated Plan is expected to be completed by mid-February 2025
- Drop 3 was delivered at the end of January 2025 on track, this is the final functional drop from BaNCS for Release 1
- The data migration build was completed with the Project now shifting focus to mock migrations and preparation for technical dress rehearsals
- The Project had completed initial design and discovery work (**pre-analysis**), and commenced assessing the business requirements for Release 2 Drop 1. Pre-analysis for Release 2 Drop 2 commenced mid-January 2025

The ASX Assurance Senior Program Manager provided a progress update on the CHES project's Assurance Plan, noting that:

- As at 15 January 2025, 11 reviews have been completed with one medium and six low rated findings open
- EY's six-monthly independent expert review on the CHES project's assurance activities was finalised in December 2024. The review concluded that governance mechanisms over the assurance plan were fit for purpose and no recommendations for improvement were made
- An annual update of the Assurance Plan had commenced to ensure that it remains aligned with the Project's risk profile and to develop the plan for Release 2.

Member discussion

A member sought additional information on how the Project plans to keep AMOs and Software Providers informed of any potential open defects that may impact industry testing. The ASX Head of Technology Delivery advised that the Project had established the Release 1 Build and Test forum to support AMOs and Software Providers through the build and test phase, including providing information on any known defects.

A member queried whether any defects are currently blocking testing progress. The ASX General Manager Technology Delivery advised that fix packs have been delivered for defects that have blocked test cases and the Project is currently performing retesting.

AGENDA ITEM 3: Implementation and Transition Update

The ASX Head of Technology Delivery provided an overview of the Release 1 ITE and the AMO build and test phase.

The ASX Head of Technology Delivery provided a thematic summary on industry responses to the Release 2 implementation approach. The ASX Head of Technology Delivery further noted that implementation risk is planned to be mitigated through comprehensive implementation planning, industry testing and readiness activities.

Member discussion

A member sought additional information on when the Project plans to commence Release 1 clearing regression. The ASX Head of Technology Delivery advised that the CHES user clearing regression phase is anticipated to commence in October 2025 and further information is planned to be provided at the March 2025 Implementation and Transition Working Group (ITWG).

Some members expressed interest in understanding how Release 2 implementation risks are planned to be mitigated. The ASX Head of Technology Delivery advised that the Project plans to further explore risk mitigants for the Release 2 implementation approach in Q4 2025, including coverage on parallel testing and rollback.

AGENDA ITEM 4: Optional and Mandatory Functionality

The ASX Senior Product Manager, Equities, Securities and Payments provided an update on ASX's progress in determining the optional or mandatory nature of new functionality. It was noted:

- ASX had developed a list of new or changing functionality and an initial proposal as to whether features should be optional or mandatory
- ASX had provided the initial proposal to Technical Committee members on 30 January 2025 for feedback by 12 March 2025.

The ASX Senior Product Manager, Equities, Securities and Payments provided an overview of ASX's initial proposal and outlined the proposed principles used for evaluation. It was further noted that the initial proposal was based on current message construct used for documented workflows and may be subject to change.

Member discussion

A member commented on the importance for all Technical Committee members to review the message definitions and data fields closely as this may determine what information is mandatory or optional which will impact the industry over the long-term.

A member sought additional information on whether the maintenance of payment limits is expected to occur outside of CHES for Participants. The ASX Senior Product Manager, Equities, Securities and Payments responded that the proposal is for payment providers to manage cash limits within CHES and for this to be mandatory functionality. Another member queried if the maintenance of payment limits would introduce new message types for consideration by Payment Providers. The ASX Senior Product Manager, Equities,

Securities and Payments noted that further discussions on how payment limits are to be managed are planned to be held with Payment Providers through the ESPPSC.

A member queried whether corporate action elections and acceptance processing functionality should be mandatory for Registry accreditation. The ASX General Manager, Equities, Securities and Payments advised an agreed industry approach to corporate actions is required to be determined before this functionality can be made mandatory.

Some members commented that industry consensus may not be achieved on the optional or mandatory nature of some functionality, for example with corporate actions and that there needs to be a framework for ASX to finalise these decisions. The ASX General Manager, Equities, Securities and Payments noted that if industry consensus is not achieved on the initial proposal, a decision-making framework may be required to be developed and deployed.

AGENDA ITEM 5: Rules and Procedures Changes Consultation

The ASX Senior Legal Counsel provided an overview on the proposed rules and procedures changes, and AMO Contractual Terms changes. It was noted that:

- ASX plans to consult on proposed amendments to the Rules and Procedures and AMO Contractual Terms required to support Release 1. Two consultation papers, one on the proposed Rules and Procedure amendments and another on the proposed AMO Contractual Terms amendments, are planned for release in March 2025
- Rules and Procedures changes and new AMO Contractual Terms are targeted to be effective by April 2026
- No changes are proposed to be made to the ASX Clear Operating Rules or Procedures relating to core clearing functionality.

Member discussion

A member sought additional information on what changes are to be expected to the existing rules considering the work already performed on the previous Project. The ASX Senior Legal Counsel advised that the existing rules will be used as a baseline with changes made where necessary to reflect technical change and implementing agreed changes from the previous project where appropriate.

A member sought additional information on whether the proposed rules and procedures changes are limited to the CHES project or is there scope to provide feedback on how rules could be better implemented. The ASX Senior Legal Counsel responded that the ASX is open to receiving feedback and may consider additional proposed changes where appropriate.

AGENDA ITEM 6: Other Project Updates

a) Participant Identification – Use of BICs

The ASX Senior Manager, Equity Post Trade provided an overview of the proposed solution on the use of BICs as part of the CHES project. It was noted that:

- Mapping of a UIC to BIC list can be created and this would rely on the information ASX receives from Participants
- Consideration may be required on the necessary rules changes to ensure Participants provide information on a timely basis to ASX and on ASX's obligation to maintain an accurate up-to-date list for Participants
- Given that BICs were not an ASX identification, ASX would not be responsible for the accuracy of information nor any adverse outcomes as a result of using the BIC. The proposal was subject to further solution analysis and planning.

Member discussion

Some members commented that BICs were used internationally and queried whether ASX would consider mandating the use BICs are the primary identifier for the CHESS project. Another member responded that some Participants may not engage with an international broker and may not use BICs. The ASX General Manager, Equities, Securities and Payments noted that ASX could consider the feasibility of using BICs for the CHESS project through Working Group discussions and requested for any other members with divergent viewpoints to provide feedback. The Chair captured this as an open action for the ASX (**open action 25-02-01**).

b) CHESS Project Scope Objectives Update

The ASX Senior Product Manager, Equities, Securities and Payments noted that broad consensus was received from the Business Committee to endorse the proposed next steps of the CHESS project's scope objectives:

- 24 scope objectives were planned to progress to detailed design and specifications with industry
- 6 scope objectives required further engagement before proceeding to detailed design
- 3 scope objectives were not planned to be brought forward at this stage.

The ASX Senior Product Manager, Equities, Securities and Payments noted that the 6 scope objectives that require further engagement are planned to be brought forward via ESPPSC meetings and the corporate actions focus group in 2025.

Member discussion

A member commented that the upcoming working group discussions on the detailed design of scope objectives would be important to talk through the complexities at a more granular level.

AGENDA ITEM 7: Pulse Survey Results – H2 2024

The ASX Senior Manager, Stakeholder Engagement provided an update on the pulse survey results for H2 2024:

- 9 responses were received to the pulse survey with the number of respondents being lower than anticipated
- Based on pulse survey results, the effectiveness of the Technical Committee had consistently improved since 2023, albeit the low sample size in the surveys issued in 2024.
- The Project was open to meeting with respondents bilaterally to discuss the context behind any adverse response to determine how feedback can be adequately addressed
- 4 qualitative responses were provided by respondents in addition to the quantitative responses.

The ASX Senior Manager, Stakeholder Engagement noted that ASX will address the feedback and note actions arising from the survey at the March 2025 Technical Committee meeting.

Member discussion

No member feedback was recorded.

AGENDA ITEM 8: Forward Engagement Plan

The ASX Senior Manager, Stakeholder Engagement provided a summary on the forward engagement plan, highlighting the following key items:

- The Technical Committee and Business Committee meetings were scheduled for 3 March 2025 and 12 March 2025.
- The Network Forum Australasia Meeting 2025 is planned to be held on Tuesday 4 and Wednesday 5 March 2025 at ASX's Bridge Street office

Member discussion

A member requested if ASX could provide an overview on the proposed discussion topics for the Committee and Working Group meetings over a 3-month schedule to assist organisations with resource planning. The ASX Senior Manager, Stakeholder Engagement advised that further information could be provided through a 3-month forward engagement plan, including on the key topics to be discussed. The ASX Senior Manager, Stakeholder Engagement captured this as an open action for the ASX (**open action 25-02-02**).

The ASX Senior Manager, Stakeholder Engagement noted that a member was unable to connect to the meeting due to a technical issue and would provide their queries to the discussion topics offline. In offline discussions held after the 05 February Technical Committee meeting, the member:

- Requested for additional information on the rationale that supported the proposed optional or mandatory nature of various features and queried whether some proposed optional features should be reevaluated as mandatory. The ASX Senior Product Manager, Equities, Securities and Payments provided

an overview of the evaluation principles used and the supporting rationale. The ASX Senior Product Manager, Equities, Securities and Payments invited the member to provide any further feedback on the initial proposal by 12 March 2025.

- Queried the use of BICs as a potential primary identifier as organisations can perform processes to map BICs to UICs. The ASX Senior Product Manager, Equities, Securities and Payments advised that member feedback has been received to explore this suggestion and noted the potential challenges that not all Participants have a BIC nor do ASX manage these codes.

AGENDA ITEM 9: Observer Feedback

The Independent Meeting Observer noted the meeting was ran very well and that everyone introduced themselves prior to speaking. The Independent Meeting reiterated for other Technical Committee members to provide input on key discussion items that may impact their organisations over the long-term.

The meeting closed at 3:34PM.

Signed as a correct record of the meeting.

A handwritten signature in black ink, appearing to read 'J. White', written over a horizontal line.

Chair

3 March 2025

Date