

# CHES Project

# CHES REPLACEMENT TECHNICAL COMMITTEE

5 November 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: 945 105 823#
  - 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 & Feedback	Noting
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## Project Updates

02	CHESS Project Status Update	Noting
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03	CHESS Release 1 Build and Test Update	Noting
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04a	Implementation & Transition Working Group	Discussion
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04b	Business Design Working Group	Discussion
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## Additional Focus Areas

05	Proposed Monday Rollback Approach	Discussion
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06	Clearing Resiliency Arrangements Overview	Discussion
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07	Proposed Payment Channel	Discussion
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08	Forward Engagement for 2025 & AOB	Noting
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# 01 – Welcome, Open Actions & Feedback

# 01 - Open Actions

## Open actions carried to the November October Technical Committee meeting

#	Action	Raised	Update	Status
2025-10-02	Technical Committee members to consider the overview of ISO design changes and determine whether the information remains useful for Project planning purposes	October 2025 TC	Technical Committee members to update ASX at the 5 November Technical Committee meeting	Ongoing
2025-10-01	ASX to provide an overview of the proposed payment channel for non-batch payments and supporting rationale at the November 2025 Technical Committee meeting	October 2025 TC	ASX proposes CHES-RTGS as the proposed payment channel. Refer to agenda item 7	Propose to close
2025-09-02	ASX to provide the Technical Committee with feedback from Payment Providers regarding readiness for non-batch DVP settlement functionality	September 2025 BC	Proposed payment channel and Payment Provider feedback provided in agenda item 7	Propose to close
2025-09-01	ASX to outline contingency scenarios for Clearing post the implementation of BaNCS Release 1	September 2025 TC	An overview of ASX's resiliency considerations to be provided as part of agenda item 6	Propose to close

# 02 – CHESS Project Status Update

# 02a – CHESS Release 1 Update

# 02a – CHESS Release 1 Indicative Project Timeline – Oct 2025

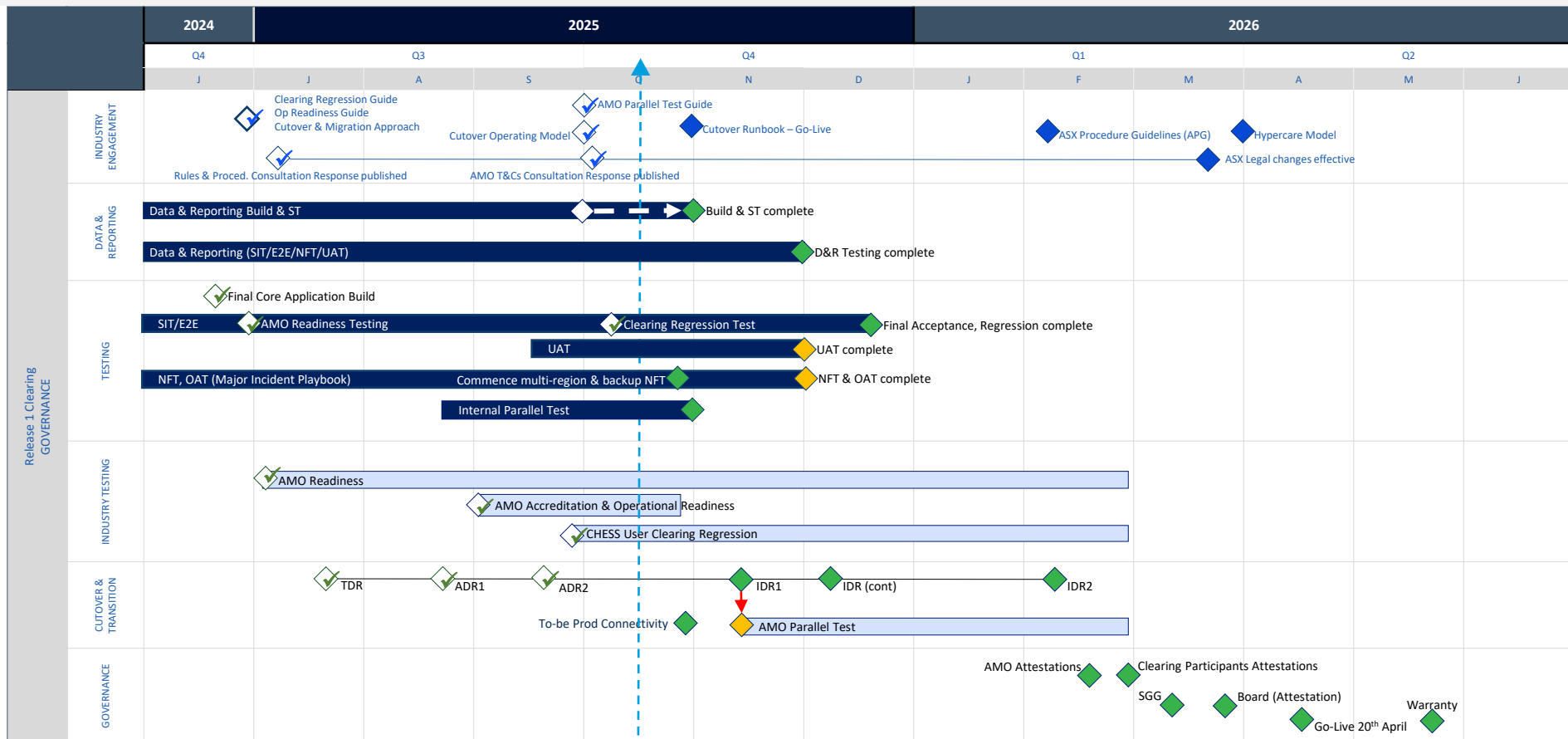
## High level overview of the indicative timeline

Key

Industry

ASX / Vendor

Status



# 02a – CHESS Release 1 Project Update

## AMO Operational Readiness and Clearing Regression

- The AMOs are currently progressing Operational Readiness activities targeting completion by early-November 2025 with 1 AMO having already completed testing activities
- The Clearing Regression phase commenced on 7 October 2025
  - All Clearing Participants or their Software Vendors are connected to XP1
  - 18 Participants (or their Software Vendors) are currently performing Clearing Regression testing. Refer to agenda item 3.

## Cutover Preparation

- The first Implementation Dress Rehearsals (**IDR**) with the AMOs is planned to commence over the weekend of 15-16 November 2025 and is expected to rehearse the Go-Live cutover activities
- ASX is currently engaged with AMOs on the proposed IDR run sheet and communications plan with a final AMO acceptance forum scheduled for 13 November 2025
- The proposed Monday rollback approach was finalised in mid-October 2025 and discussed with AMOs in late-October 2025. Refer to agenda item 5
- AMO Parallel Testing will be completed across two 10-day cycles with the first cycle expected to commence on 17 November 2025 following the first IDR.

# 02a – CHESS Release 1 Project Update

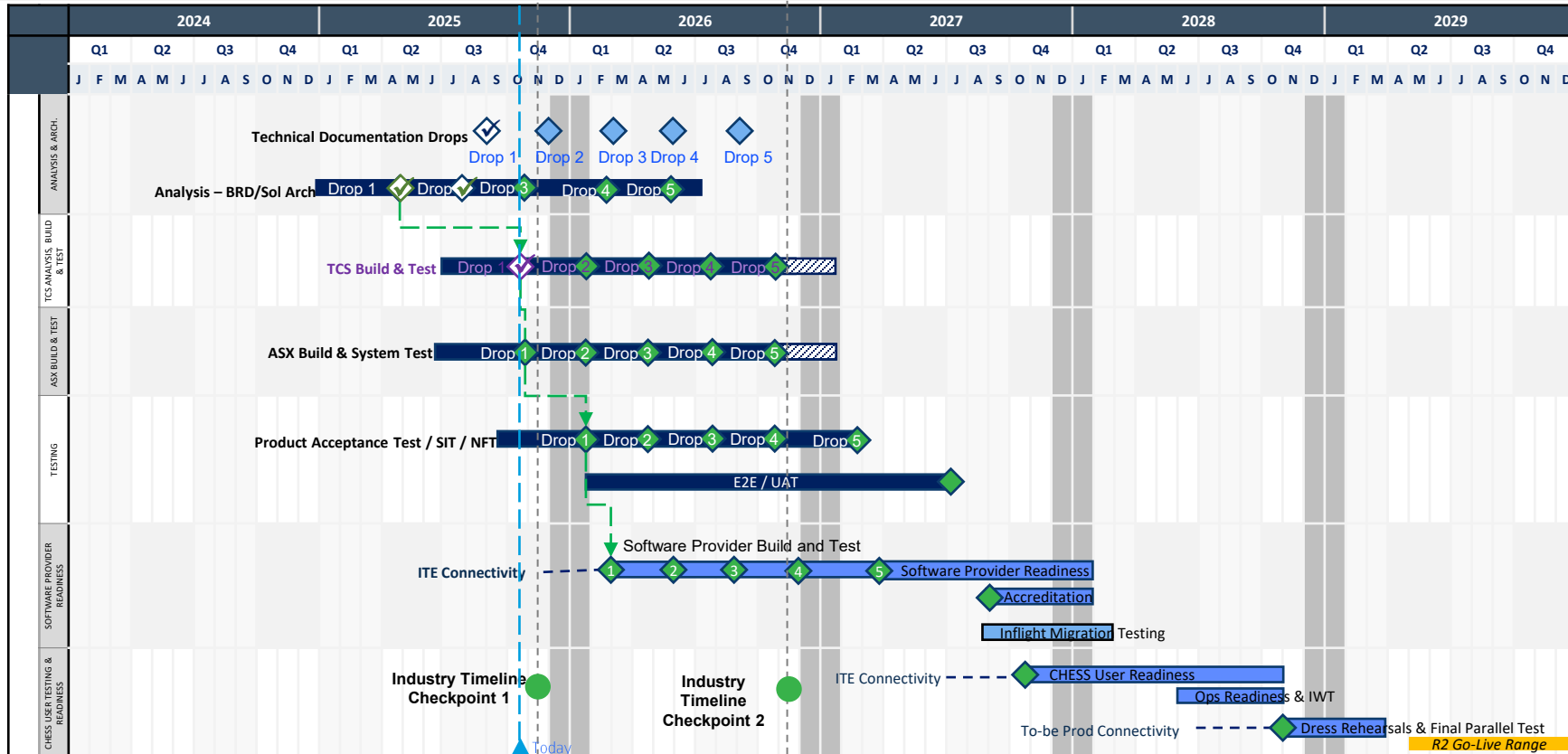
## ASX Testing

- Internal Parallel testing is in progress and targeting completion by mid-November 2025
- Business operations UAT is in progress with current focus on ref data management and exception handling
- Technology Readiness is progressing across the key work streams covering IT Service Management, production support tools, support & maintenance, Operational Acceptance Testing (OAT) and incident management playbooks
- Data and Reporting build and system test is complete and downstream end to end testing is in progress.

# **02b – CHESS Release 2 Update**

# 02b – CHESS Release 2 Indicative Project Timeline – Oct 2025

## High level overview of the indicative timeline



# 02b – CHESS Release 2 Project Update

## Drop 1 (Accounts, Holdings & Account Transfer)

- Drop 1 codebase has been successfully deployed to the ASX and BaNCS environments and internal testing is targeted to be completed by late-January 2026 to enable commencement of Software Build and Test in March 2026
- Other Drop 1 streams including industry testing preparations are progressing as planned.

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

- ASX and BanCS Drop 2 build is progressing and is expected to be completed by late-January 2026
- Drafting of the Drop 2 User Technical Documentation (**UTDs**) is targeted for publication by late-November 2025. UTDs are expected to provide the industry with the detailed specifications and tooling to support Drop 2 build and test activities.

## Other Release 2 updates

- The CHESS Release 2 industry timeline checkpoint survey was published on 23 October 2025. Initial survey output is planned to be discussed in the December Implementation & Transition Working Group meeting.

# 02c – Project Risks

## 02c – Project Risks

Area	Description	Mitigation	Residual Exposure	Status
Delivery	<b>R1:</b> Insufficient time to complete testing for future CHES Release 1 milestones	<ul style="list-style-type: none"> <li>Reassess testing effort post Clearing Regression and re-baseline completion dates</li> <li>Review resource allocation and determine if additional support is required to meet timelines, including weekend work</li> </ul>	Medium	Open
Schedule	<b>R1:</b> Industry readiness delays may impact CHES Release 1 Go-Live	<ul style="list-style-type: none"> <li>Define Go-Live Industry Readiness decision process</li> <li>Track and report on industry readiness metrics to ensure AMOs and Clearing Participants are commencing and completing all necessary industry readiness tasks</li> </ul>	Medium	Open
Delivery	<b>R1:</b> Defects or regression may impact testing	<ul style="list-style-type: none"> <li>Improve defect handling and retesting process</li> <li>Enable broader defect retesting in the ASX test environments</li> </ul>	Medium	Open
Delivery	<b>R2:</b> Quality of code delivered into testing may impact CHES Release 2 milestones	<ul style="list-style-type: none"> <li>Increase scope of unit and system test</li> <li>Review and uplift governance of system testing</li> <li>Uplift system test environments to improve testing coverage</li> </ul>	Medium	Open
Delivery	<b>R2:</b> CHES Release 2 milestones may be impacted due to focus on CHES Release 1	<ul style="list-style-type: none"> <li>Conduct a review to identify areas at risk of resource overlap or shortage and develop specific mitigation strategies</li> </ul>	Medium	Open

# **03 – CHESS Release 1 Build and Test Update**

# 02 - AMO Industry Readiness Dashboard

As of 28 October 2025

## All AMOs are actively engaged

- **AMO Readiness:** All AMOs connected to ITE
- **AMO Accreditation:** All AMOs successfully completed AMO Accreditation
- **AMO Operational Readiness:** 1 AMO performed AMO Operational Readiness assessment pending verification of outcomes. 2 AMOs Operational Readiness assessments in flight and 1 AMO scheduled to complete Operational Readiness assessments at the end of October. Although not complete by 15 October the risk is mitigated through scheduled and mostly completed assessments and all 4 AMOs self assessing as 'on track'
- **IDRs:** All AMOs submitted To-Be-Prod applications with network connectivity credentials issued by ASX. AMOs progressing their configurations and tests to confirm connectivity
- **Clearing Regression:** Supporting AMO customer test environments available for CP testing.

	Milestone			
AMOs	Engagement	AMO Accreditation	AMO Operational Readiness	Clearing Regression
AMO				
AMO				
AMO				
AMO				

**Note:** AMOs not supporting Clearing Regression are reported as On Track to enable anonymised reporting.

## Open AMO Readiness measures

Readiness Metric	Impacted Milestone	Measure	On Track (Start measuring)	At Risk (if not completed)	Requires Remediation (if not completed)	Status
AMO or Software Provider Readiness Self Assessment	<b>Overall timeline</b>	AMO or Software Provider to indicate how they are tracking	<i>AMO or Software Provider to indicate status as part of bilaterals</i>			
Operational Readiness Completion	<b>Operational Readiness</b>	Successful completion of Operational Readiness	1 Sep 25	15 Oct 25	31 Oct 25	In Progress
To-Be-Prod AMO connectivity	<b>IDRs</b>	Connected to To-Be-Prod by specified dates	1 Sep 25	31 Oct 25	7 Nov 25	In Progress
AMO Parallel Test FIX deployment	<b>AMO Parallel Test</b>	AMOs to deploy Production FIX component to facilitate AMO parallel test	3 Nov 25	14 Nov25	17 Nov 25	Not Started
AMO Attestation	<b>Go Live</b>	Receipt of Attestation Form by specified dates	9 Feb 26	23 Feb 26	27 Feb 26	Not Started

**Completed** AMO measures: (1) Functional Message Workflows, (2) Non-Functional and resilience testing, (3) Software Accreditation Completion, (4) AMO ITE Connectivity

# 02 - CP Industry Readiness Dashboard

As of 28 October 2025

## All Clearing Participants (CPs) are actively engaged with testing commenced by most organisations

- **All** CPs (or their Software Provider) have successfully connected to XP1
- **27** CPs (or their Software Provider) completing Clearing Regression
- **24** CPs (or their Software Provider) receiving backwards compatible EIS164 messages, plus resulting netting + corporate action messages.
- **9** CPs testing using the CP Trade File Upload
- **1** organisation experienced issues with SFTP connectivity, temporarily triggering Self Assessed Amber status (now resolved)
- **1** organisation has submitted their attestation, **1** CP advised they have completed their testing and are ready to submit attestation
- **0** backwards compatible EIS issues identified
- **1** optional EIS107 settlement message identified as not enabled in XP1 – impacting settlement testing (enablement in progress).

Clearing Participant Readiness Metric	Impacted Milestone	Measure	On Track (Start measuring)	At Risk (if not completed)	Requires Remediation (if not completed)	Status
Clearing Participant Readiness Self Assessment	<b>Overall timeline</b>	Clearing Participant to indicate how they are tracking	<i>Clearing Participant to indicate status as part of bilaterals or check-in survey</i>			
Clearing Regression Testing	<b>Clearing Regression</b>	Testing commenced as demonstrated through monitoring successful transactions in XP1	<b>7 Oct 25</b>	<b>17 Nov 25</b>	<b>15 Dec 25</b>	<b>In Progress</b>
Clearing Regression Testing Complete	<b>Clearing Regression</b>	Testing complete as demonstrated through monitoring successful transactions in XP1	<b>7 Oct 25</b>	<b>16 Feb 26</b>	<b>23 Feb 26</b>	<b>In Progress</b>
CP Attestation	<b>Go Live</b>	Receipt of Attestation Form by specified dates	<b>2 Feb 26</b>	<b>16 Feb 26</b>	<b>28 Feb 26</b>	<b>In Progress</b>

**Completed** CP measures: (1) Clearing Participants connected to XP1 and file upload folder

CPs	Milestone	
	Engagement	Clearing Regression
CP		4 / 7
CP		4 / 7
CP		7 / 7
CP		6 / 7
CP		5 / 7
CP		5 / 7
CP		5 / 7
CP		1 / 7
CP		4 / 7
CP		4 / 7
CP		4 / 7
CP		5 / 7
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CP		4 / 7
CP		5 / 7
CP		4 / 7
CP		4 / 7
CP		5 / 7
CP		5 / 7
CP		5 / 7
CP		5 / 7
CP		1 / 7

**Note:** Clearing Regression numbers represent the number of backwards compatible message types sent to the CP (or their Software Provider) systems and may represent messages generated on an unsolicited basis

# 04 – Working Group Updates

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

# 04a – Implementation & Transition Working Group Update

## 29 October Implementation & Transition Working Group meeting

### Release 1 Updates

- All AMOs successfully completed AMO Accreditation
- AMOs working through Operational Readiness, 2 completed pending final confirmation with 2 close to completing
- AMOs connecting into to-be production environment in preparation for IDR1 15/16 Nov
- AMO Parallel Test scheduled to commence 17 Nov, immediately following IDR1 weekend
- 27 CPs completing Clearing Regression, 2 CPs have completed their attestation
- Monday Rollback timeline discussed, further updates intended for TC discussion.

### Release 2 Updates

- Discussed requirements contained within the R2 Connectivity Guide scheduled to be published Dec 2025
- Performed a high-level overview of Advanced Message Queue Protocol (AMQP) required by R2 message support
- Provided an update of the Timeline Checkpoint 1 and process to provide industry feedback on survey close
- Reviewed the Technical Documentation and provided indicative high-level overview of Drop 2 functional specifications.

# 04a - Open Actions

#	Topic	Action	Raised	Update	Status
ITWG_10	Release 1 rollback options	ASX to finalise its CHES Release 1 rollback options for I&T WG consideration	May 2025 I&T WG	Update provided within October Technical Committee and discussed in the October I&T WG pack. To be covered as part of agenda item 5	To be closed
ITWG_16	Release 1 AMO Parallel Test	<b>Optional</b> - Clearing Participants to opt-in to receive Parallel Test data	August 2025 I&T WG	AMO Parallel Test Guide published 29 September 2025, any remaining CPs to opt-in by 24 October 2025	To be closed

# **04b – Business Design Working Group (BD WG)**

# 04b - Proposed Upcoming BDWG Sessions – 2025 / 2026

## Indicative schedule

#	Session	Topic(s)	Invitees	Proposed Date	Status
22	Migration Scope Deep Dive (#1)	Industry discussion on data migration scope and approach	All	6 November 2025	Planned
23	Release 2 Drop 4 Deep Dive (2 of 2)	Deep dive into Release 2 Drop 4 changes and business design	All	26 November 2025	Planned
24	<b>Release 2 Drop 5 Deep Dive (1 of 2)</b>	Deep dive into Release 2 Drop 5 changes and business design	All	4 February 2026	Planned
25	Registries Focus Group	Registries focus group on specific registry topics	Registries only	4 March 2026	Planned
26	<b>Release 2 Drop 5 Deep Dive (2 of 2)</b>	Deep dive into Release 2 Drop 5 changes and business design	All	1 April 2026	Planned
27	Migration Scope Deep Dive (#2)	Continued industry discussion on data migration scope and approach	All	May 2026	Planned

*BDWGs anticipated to continue through 2026 on a monthly cadence to work through and finalise any outstanding actions, scope changes and prepare for rules and procedures*

*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 - Completed BDWG Sessions – 2025

#	Session	Topic(s)	Invitees	Proposed Date	Status
13	<b>Release 2 Drop 1 Deep Dive</b>	Deep dive into Release 2 Drop 1 detailed business design	All	6 February 2025	Completed
14	Registries Focus Group	Registries focus group on specific registry topics	Registries only	13 March 2025	Completed
15	<b>Release 2 Drop 2 Deep Dive (1 of 2)</b>	Deep dive into Release 2 Drop 2 detailed business design (including Transaction Basis Deep Dive)	All	3 April 2025	Completed
16	<b>Release 2 Drop 2 Deep Dive (2 of 2)</b>	Deep dive into Release 2 Drop 2 detailed business design	All	15 May 2025	Completed
17	<b>Release 2 Drop 3 Deep Dive (1 of 2)</b>	Deep dive into Release 2 Drop 3 detailed business design (corporate actions, reporting)	All	10 July 2025	Completed
18	Payment Provider Focus Group	Payment provider focus group on planned changes to payment authorisation processes	Payment Providers only	7 August 2025	Completed
19	<b>Release 2 Drop 3 Deep Dive (2 of 2)</b>	Deep dive into Release 2 Drop 3 detailed business design (issuer sponsored, payments)	All	19 August 2025	Completed
20	Non-Batch Payments Focus Group	Industry focus group on the real-time payment channel	All	9 September 2025	Completed
21	<b>Release 2 Drop 4 Deep Dive (1 of 2)</b>	Deep dive into Release 2 Drop 4 changes and business design	All	9 October 2025	Completed

# 04b – Business Design Working Group Update

## 9 October Business Design Working Group meeting – Release 2 Drop 4 Deep Dive

### Updates on actions

- ASX provided updates on actions in relation to:
  - Foreign Ownership facility
  - Timing of fail communications in batch
  - Cum / ex matching
  - Hold / release
  - SRN validation criteria.

### Corporate Actions – Securities Distributions & Claims

- ASX provided an overview of lifecycle for Corporate Actions with securities distributions, including the proposed approach for claims processing and any changes
- ASX provided an overview of the “allotment” functionality in BaNCS, which is proposed to be used as a replacement for non-netting. Feedback was received to reconsider the name of the functionality.
- ASX provided a walkthrough of the reconstructions and asked for industry feedback on the continued usage of the deferred security code for these events. Feedback has been received since the session from some participants indicating the current process should be retained.

# 04b – Business Design Working Group Update

## 9 October Business Design Working Group meeting – Release 2 Drop 4 Deep Dive

### Holding Adjustments

- ASX provided an overview of holding adjustment processes at global CSDs, and some initial proposals of how CHESSE could align closer to this model
- Significant feedback was received by Registries on the impacts of any changes, which ASX is considering and will be discussing with some Registries on a bilateral basis. Holding adjustments will be discussed further in the 26 November BDWG.

**The 9 October BDWG meeting did not get through all the materials, including Holding Adjustments and Participant Reconciliations. Additional time will be allocated to the 26 November BDWG to discuss these topics further**

# 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) – November BD WG	Open
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) - November BD WG	Open
BDWG_06	Consider the process of migrating accounts, including transformations and fields not available in current CHES	February BD WG	To be discussed in migration BDWGs proposed for November 2025 and May 2026	Open
BDWG_07	<a href="#">Continue evaluation of Foreign Ownership Restrictions and use of Guaranteed Foreign Transfers</a>	February BD WG	<a href="#">Updates provided and closed in October BD WG</a>	Closed
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	Open
BDWG_11	Consideration to be given to the complexities of reserved balances and impacts on Registry processes	March BD WG	To be considered as part of Holding Adjustments solution in November BD WG	Open
BDWG_15	<a href="#">Determine an approach for Participants to reconcile holdings, including any new holding notification</a>	May TC	<a href="#">Updates to be provided and proposed to close in 26th November BD WG</a>	November BD WG
BDWG_16	Consider the impacts of providing fail information only after payment has completed	May BD WG	Updates provided and closed in October BD WG	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	Updates provided and closed in October BD WG	Closed
BDWG_20	Feedback requested from Participants and Share Registries on the appropriate validation criteria for SRN enquiries	August BD WG	Updates provided and closed in October BD WG	Closed
BDWG_21	Provide finalised update in relation to consolidated feedback on hold/release	September ISO WG	Updates provided and closed in October BD WG	Closed
BDWG_22	Determine whether SRNs can be provided in response to ASXO initiated conversions	August BD WG	Updates to be provided in November BD WG	Open

# **05 – Proposed Monday Rollback Approach**

# 05 - Release 1 Monday rollback timeline

In the event that there is a Day 1 (Monday) critical issue in the new Clearing Service that renders it inoperable, rollback procedures could be invoked intraday. Outlined below are the steps and high-level timeline of each rollback step



Clearing notifications scheduled to be held until the Clearing Service is confirmed healthy after Market Open



Clearing Service health determined by Operational checks

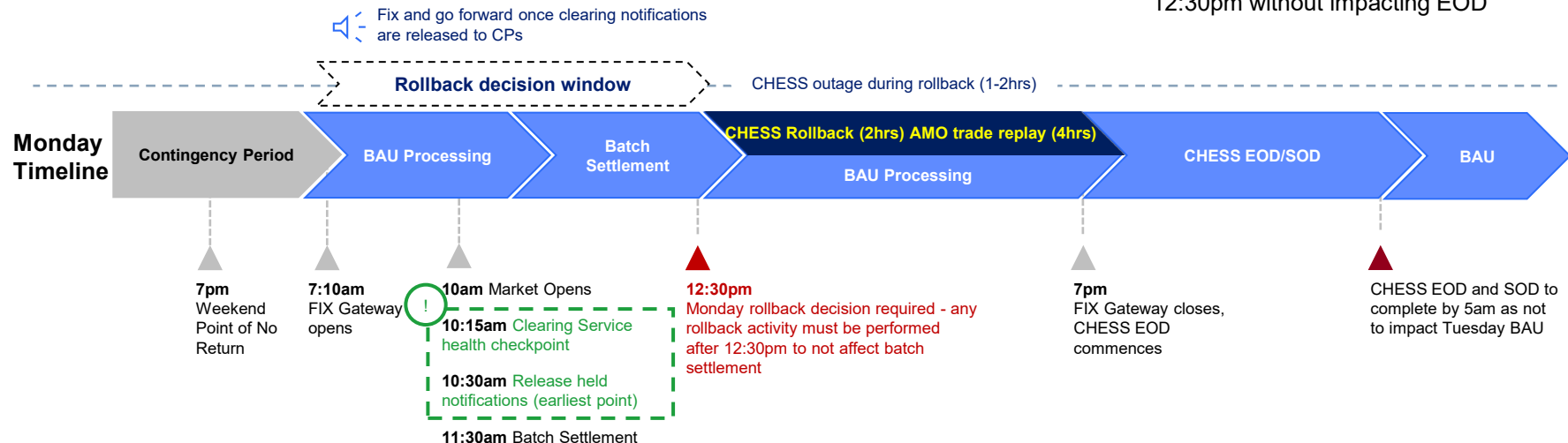


Clearing Service health checkpoint proposed for **10:15am** to determine if messages could be released

If issues are detected, clearing notifications could be held up to 12:30pm without impacting EOD



Fix and go forward once clearing notifications are released to CPs



# 06 – Clearing Resiliency Arrangements Overview

# 06 – CHESS Resiliency

## Global Benchmarks Driving CHESS Resilience: From CPS 230 to PFMI

### Resilience Framework Reference Points

**PFMI** (Principles for Financial Market Infrastructures)  
- standards developed by CPMI-IOSCO

**APRA CPS 230** (Operational Risk Management)  
- the “operational resilience scaffold”

**EU DORA** (Digital Operational Resilience Act) — codify ICT risk, testing & third-party

**UK Operational Resilience** (BoE/FCA/PRA SS1/21 & PS6/21) — impact tolerances and IBS discipline

### CHESS Operational Anchors

**Resume operations within 2 hours** after a disruptive event  
RBA FSS – Operational Risk (SSF Standard 14)

**Complete settlement by end of the value date** (end of day)  
PFMI Principle 8 (Settlement Finality)

**Eliminate principal risk via DvP**  
RBA FSS – SSF Standard 10.2 (exchange-of-value systems) and PFMI Principles 11/12

**Operate in a fair and effective way**  
Corporations Act 2001 s821A, s827D (FSS), related obligations set out in ASIC RG 211

# 06 – CHESS Resiliency Framework

ASX has applied the following resiliency considerations for its Clearing contingency arrangements

## Business Resilience



### Critical Business Services and Tolerances

Identification of critical business services and setting impact tolerances for disruption

1

### Market Management Communications

Ability to communicate effectively with key stakeholders

2

## Operational Resilience



### Incident/Operational Playbooks

Pre-defined response plans and step-by-step operating procedures for various disruption scenarios

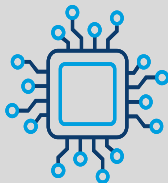
3

### Recovery Procedures or Work Arounds

Documented processes to respond to or recover from incidents in real time

4

## Technical Resilience



### Support and Tooling

Fallback tools or alternate arrangements to mitigate potential disruptions

5

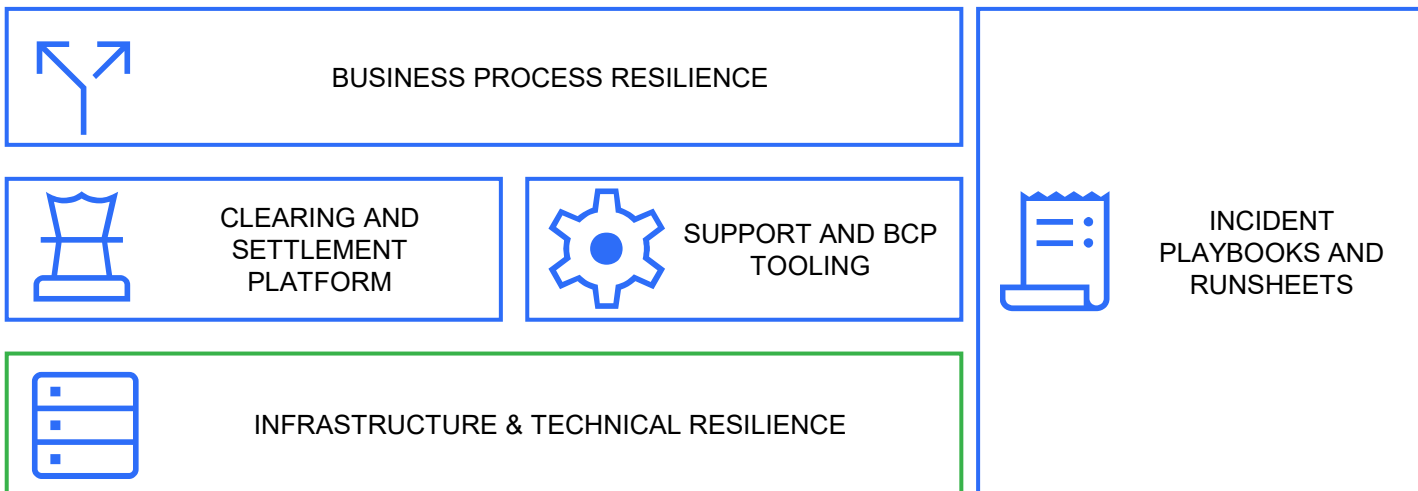
### Non-functional Testing

Developing and maintaining non-functional test plans and test cases to validate resilience requirements in systems

6

# 06 – CHESS Resiliency Design

Business processes resilience can be defined and managed by both business and technical resilience capabilities



# 06 – CHESS Resiliency Response

Business processes resilience can be defined and managed by both business and technical resilience capabilities

Category	Principle	Description
<b>Business Process Mitigation</b>	Business Process Mitigation	<ul style="list-style-type: none"> <li>Define and adapt business processes to anticipate and respond to disruptions. May include using Business Continuity Planning (BCP) tools or alternate workflows to reduce impact.</li> </ul>
<b>Technical Mitigations</b>	Fix Input Forward	<ul style="list-style-type: none"> <li>When input-related software errors occur, isolate the problematic input/transaction and remove it from the critical path (e.g., modify or cancel).</li> </ul>
	Business Continuity Tooling	<ul style="list-style-type: none"> <li>If a component fails due to software errors, use alternate tools to complete the step and maintain continuity.</li> </ul>
	Generic Support Tools	<ul style="list-style-type: none"> <li>Provide visibility and control over inputs for event-driven platforms using tools like queues or database management for quick fixes.</li> </ul>
	Modular Architecture	<ul style="list-style-type: none"> <li>Systems designed with modularity to limit the impact of issues and allow isolated fixes without affecting the entire platform.</li> </ul>
	Software Fix	<ul style="list-style-type: none"> <li>Apply patches for software-related errors as a longer-term solution. Avoid same-day fixes due to complexity and risk.</li> </ul>

**Market impact management**

Playbooks  
Rehearsals/Drills  
Communications plans  
Recovery protocols

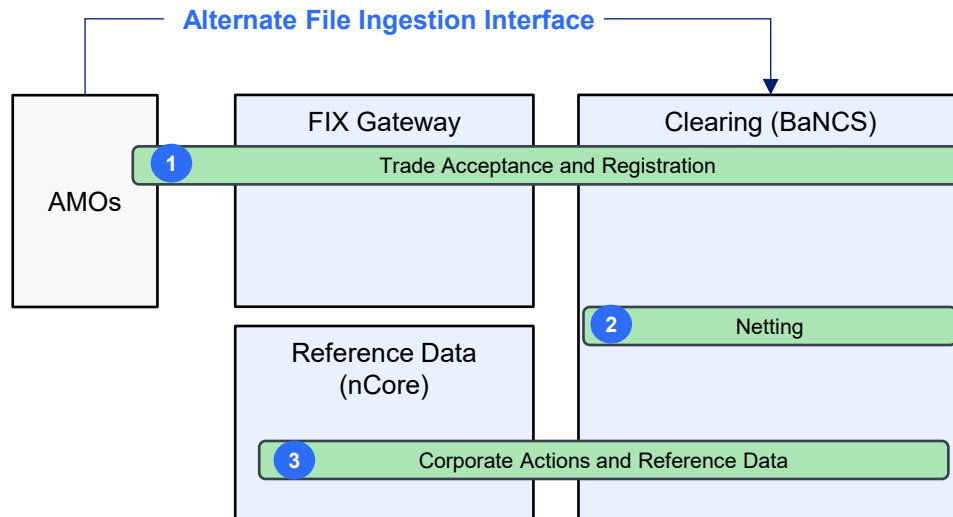
# 06 – CHESS Critical Clearing Business Services

Business processes resilience can be defined and managed by both business and technical resilience capabilities

Clearing			
	Trade Acceptance and Registration	Netting	Reference Data
Failure	<ul style="list-style-type: none"> <li>Inability to complete trade acceptance and registration</li> </ul>	<ul style="list-style-type: none"> <li>Continuous netting</li> <li>NBO not materialised (gross to net conversion)</li> <li>Un-netting</li> </ul>	<ul style="list-style-type: none"> <li>Reference data failure leading to calendar, instruments, issuer or corporate actions impacting ability to complete processing</li> </ul>
Primary resilience response	<b>BCP Tooling</b> (Alternate File Ingestion Interface)	<b>Fix input forward</b> (Remove Defective Trade)  <b>Modular architecture</b> (Continuous Netting)	<b>Business process mitigation</b> (Manual Entry)

# 06 – Business Resilience Exercise for Clearing

ASX is planning to perform a business resilience exercise in mid-December 2025 covering a scenario where the FIX gateway is unavailable or AMOs are unable to transmit messages via the FIX gateway



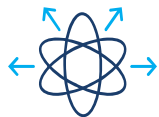
## Test objectives

- Simulate failure of the FIX Gateway OR AMO inability to transmit messages via the FIX Gateway
- Rehearse Fix Gateway Failure Playbook
- Rehearse ASX Market Communications protocols
- Rehearse recovery protocols.

# 07 – Proposed Payment Channel

# 07 – Payment Service Background

ASX shortlisted two payment options. CHES – RTGS for securities-related transactions or NPP PayTo designed for retail and business payments with near real-time clearing



## Business Requirements for the CHES Project

- **Non-batch DvP:** Ability to settle bilateral Delivery versus Payment (DvP) transactions on an intra-day, gross basis, with settlements facilitated between two Settlement Participants
- **Corporate Actions with Payment:** For example, rights issues and share purchase plans, where payments are sent from the participant to the issuer via their Share Registry.



## Additional Capabilities Required

- Support for cash market margin payments, including intra-day margins when introduced.



## Key Requirements

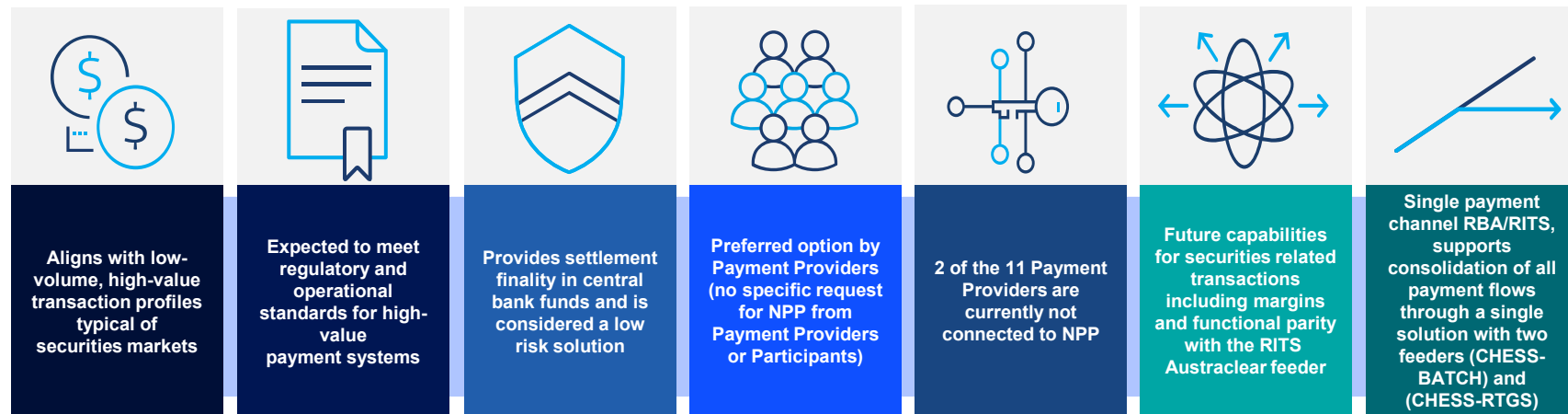
- Central Bank Funds & Settlement Finality: Irrevocable settlement using central bank money
- Operating Hours: Availability to operate at least during the RBA/RITS Day Session
- System Alignment: Compatibility with existing participant systems and payment provider operations
- Payment Profile: Support for low-volume, medium/high-value payments
- ISO 20022 interface support (noting this is internal between ASX and the payment service).

# 07 – Payment Service Comparison

Criteria	CHESS-RTGS	NPP PayTo (Faster Settlement Service)
<b>Primary Use Case</b>	Low-volume, high-value transactions (e.g. securities settlement)	High-volume, low-value retail payments
<b>Settlement Model</b>	Real-Time Gross Settlement (RTGS) – individual transaction settlement	Gross. NPP payments settled individually in real time (funds available via the FSS allocation)
<b>Speed</b>	Immediate finality per transaction	Near real time clearing and settlement
<b>Payment Initiation</b>	SwiftNet (RITS)	NPP Network (FSS)
<b>Liquidity Management</b>	Yes	No
<b>Regulatory Alignment</b>	Meets high-value payment system standards (e.g., RBA, ASIC)	Designed for retail and consumer payments compliance
<b>Bank Set up</b>	Payment Facilities	Mandates
<b>Message Standard</b>	ISO 20022	ISO 20022
<b>Operating Hours</b>	Limited to business hours	24/7 availability
<b>Market Feedback</b>	Preferred model by Payment Providers	No specific market interest in using NPP

# 07 – Payment Service Proposed Recommendation

ASX recommends CHESS – RTGS as the proposed payment channel



The pricing of both services (non-batch DVP and corporate actions with payments) will fall with the Pricing Policy which came into effect from 1st July 2025. ASX aims to set prices that reflect the cost of providing the service, including a reasonable return on capital.

# **08 – Forward Engagement for 2025 and AOB**

# 08 – Indicative Forward Engagement Calendar

	November 2025	December 2025
<b>Technical Committee</b>	<b>5 November – In Person Session</b> <ul style="list-style-type: none"> <li>• CHES Project and Working Group updates</li> <li>• CHES Release 1 industry readiness</li> <li>• Proposed Monday Rollback Approach</li> <li>• Clearing Resiliency Arrangements Overview</li> <li>• Proposed Payment Channel</li> </ul>	<b>3 December</b> <ul style="list-style-type: none"> <li>• CHES Project and Working Group updates</li> <li>• CHES Release 1 industry readiness</li> <li>• ASX Business Resiliency Exercise - Clearing</li> <li>• CHES Release 2 timeline checkpoint update</li> <li>• CHES Release 2 Drop 2 User Technical Documentation overview</li> <li>• 2026 Market engagement plan</li> </ul>
<b>Implementation &amp; Transition Working Group</b>	<b>25 November</b> <ul style="list-style-type: none"> <li>• CHES Release 2 timeline checkpoint update</li> </ul>	<b>16 December</b> <ul style="list-style-type: none"> <li>• CHES Release 2 timeline checkpoint update</li> </ul>
<b>CHES Release 1 Build &amp; Test Forum</b>	<b>13 November</b> <ul style="list-style-type: none"> <li>• AMO parallel testing</li> <li>• Implementation Dress Rehearsal #1 update</li> </ul>	<b>11 December</b> <ul style="list-style-type: none"> <li>• AMO parallel testing</li> <li>• Implementation Dress Rehearsal #2 update</li> </ul>
<b>Business Design Working Group</b>	<b>6 &amp; 26 November</b> <ul style="list-style-type: none"> <li>• (6<sup>th</sup>) Accounts Migration Deep Dive</li> <li>• (26<sup>th</sup>) Release 2 Drop 4 Deep Dive (2 of 2)</li> </ul>	<b>December</b> <ul style="list-style-type: none"> <li>• No December meeting</li> </ul>
<b>ISO Design Working Group</b>	<b>14 November</b> <ul style="list-style-type: none"> <li>• CHES Release 2 Drop 4 ISO messages and Schema</li> </ul>	<b>9 December</b> <ul style="list-style-type: none"> <li>• CHES Release 2 Drop 4 ISO messages and Schema</li> </ul>



# Questions



# Observer Feedback

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Thank you

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# Appendix A – Readiness Activities

# Release 1 Engagement Activities: Proposed for 2025

## Activities and Documentation to Support R1 Industry Readiness

Activity	Subject	Purpose	Planned Date	Status
<b>Publish Documentation</b>	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
<b>Publish Documentation</b>	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
<b>Publish Documentation</b>	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
<b>Engagement Activity</b>	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
<b>Publish Documentation</b>	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	Published 29 September 2025
<b>Publish Documentation</b>	R1 Cutover Operating Model	Documentation providing AMOs with key cutover tasks and milestones, with an outline of detailed steps including planned timing.	Q3 2025	Published 26 September 2025
<b>Publish Documentation</b>	R1 Cutover Runbook	The R1 Cutover 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	Q4 2025	Published 31 October 2025
<b>Publish Documentation</b>	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	Published 7 October 2025
<b>Publish Documentation</b>	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

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

Key

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# Release 2 Readiness Activities: 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	Completed 26 Aug 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	Completed 26 Aug 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	Published 19 Sep 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.

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# 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	ISO20022 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	<b>I&amp;T WG session</b> 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	<b>I&amp;T WG session</b> to provide overview and discuss ASX proposed approach to tracking and reporting test phase activity	Q1 2026
Engagement Activity	Phase Overview 1 - ITE Open	<b>I&amp;T WG session</b> to provide overview & discuss the prerequisites + process for completing the Software Provider B&T Phase	Q1 2026
Engagement Activity	<b>Guide Overview 2</b> - Release 2 Connectivity Guide	<b>I&amp;T WG session providing overview of draft Release 2 Connectivity guide and process</b>	Q1 2026
Engagement Activity	<b>Guide Overview 3</b> - Release 2 Failover & Recovery Guide	<b>I&amp;T WG session providing overview of draft Failover &amp; Recovery guide, to inform industry and obtain feedback prior to publishing</b>	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	<b>Guide Overview 4</b> - Release 2 Accreditation Guide	<b>I&amp;T WG session</b> providing overview of draft Release 2 Accreditation Guide, <b>to inform industry and obtain feedback prior to publishing</b>	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.

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# Appendix B – Industry Change Requests

# Appendix B - Overview of Industry Change Requests

Summary of industry change requests as at September 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 – CHESS Release 2 Scope Roadmap

# Appendix C - Indicative CHESS Release 2 Project Roadmap

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

Indicative Roadmap – Subject to Change

# **Appendix D – Closed Working Group Actions (Q4 2025)**

# Closed Working Group Actions

## Closed I&T WG actions and decision outcomes for Q4 2025

#	Topic	Action	Raised	Closed	Status	Outcome
ITWG_13	Release 1 rollback options	ASX to finalise its CHESST Release 1 rollback options for I&T WG consideration	<u>May ITWG</u>	October ITWG	Closed	Readiness Tracker updated and presented in <u>August TC</u>
ITWG_07	Release 1 AMO Parallel Test	<b>Optional</b> - Clearing Participants to opt-in to receive Parallel Test data	<u>August ITWG</u>	October ITWG	Closed	A summary overview of ISO Design changes are to be provided in advance of each User Technical documentation drop

# Closed Working Group Actions

## Closed BD WG actions and decision outcomes for Q4 2025

#	Topic	Action	Raised	Closed	Status	Outcome
BGWG_07	Foreign Ownership Restrictions	Continue evaluation of Foreign Ownership Restrictions and use of Guaranteed Foreign Transfers	<u>February BDWG</u>	<u>October BDWG</u>	Closed	Updates provided and closed in October BDWG
BDWG_19	Settlement instructions	Consideration of the mandatory matching on "cum" for settlement instructions scheduled during the ex period	<u>July BDWG</u>	<u>October BDWG</u>	Closed	Updates provided and closed in October BDWG
BDWG_20	SRN enquiries	Feedback requested from Participants and Share Registries on the appropriate validation criteria for SRN enquiries	<u>Payment Provider Focus Group</u>	<u>October BDWG</u>	Closed	Updates provided and closed in October BDWG
BDWG_21	Hold/release	Provide finalised update in relation to consolidated feedback on hold/release	<u>September ISO WG</u>	<u>October BDWG</u>	Closed	Updates provided and closed in October BDWG

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