CHESS Replacement Technical Committee Minutes

6 May 2025 Meeting

At the 6 May 2025 meeting, the Technical Committee Agenda and the Actions were:

AGENDA AND KEY TOPICS DISCUSSED

- Welcome, open actions and feedback
- Project status
- CHESS Release 1 Build and Test update
- Working group updates
- Optional versus mandatory functionality
- CHESS Release 2 operating rules
- Change control management
- Forward engagement for 2025

AGREED ACTIONS

There was one new action raised at the April 2025 meeting for the Technical Committee.

1. ASX to provide the final list of optional and mandatory functionality in advance of submission to the Business Committee meeting.

An additional 2 open action items recorded in the meeting will be tracked via the Business Design Working Group:

1. ASX to provide additional information on the corporate actions scope that's now expected to be delivered across 3 Drops

2. ASX to assess whether Participants could be considered as part of the impact assessment on the account notification change request.

Minutes from the meeting are attached.

Agenda
Technical Committee

Date	6 May 2025	**Time**	2:00pm – 4:00pm
Location	Microsoft Teams Meeting		

1. Welcome, open actions & feedback

2. Project status

3. CHESS Release 1 Build and Test update

4. Working group updates

5. Optional versus mandatory functionality

6. CHESS Release 2 operating rules

7. Change control management

8. Forward engagement for 2025

Action Items Raised in Meetings

Item number #	Action	Due date	Status	Owner
2025 May (1)	ASX to provide the final list of optional and mandatory functionality in advance of submission to the Business Committee meeting.	Ongoing	Open	ASX
2025 April (1)	ASX to consider how it could provide further transparency on changes to ISO design for Technical Committee members to track changes being proposed in the ISO Working Group	Ongoing	Open	ASX
2025 March (1)	ASX to consider including a pulse survey question on the operating model between the Technical Committee and the Working Groups	May 2025	Closed	ASX
2025 February (1)	ASX to assess the feasibility to use BICs as the primary method of identification for the CHESS project	April 2025	Closed	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	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
2024 November (1)	ASX to consider further industry engagement at the ESPPSC to discuss participant viewpoints on payment channels	February 2025	Closed	ASX
2024 August (1)	ASX to clarify the ability to access CHESS through an AWS end point	February 2025	Closed	ASX

CHESS 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	Apology
BANK OF AMERICA	Monika Ahrns	Project Manager	
BNP PARIBAS	Wayne Murphy	Project Manager	
CITI	Lyall Herron	Program Manager	
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	Chief Operating Officer, Australia/ New Zealand Engineering	
HSBC	Simon Siluk	Senior Product Manager	
INTERACTIVE BROKERS AUSTRALIA	Darren Halse	Managing Director	Apology
J.P. MORGAN	Miriam Wu	Direct Custody Product Manager – Australia and New Zealand	
MACQUARIE GROUP	Paul Bragg	Operations Analyst	
MORGAN STANLEY SECURITIES	Rebecca Collins	Executive Director	
MORGAN STANLEY WEALTH	Heinz Aufner	Business Analyst	Andrew Sime, Executive Director
MORGANS	Daniel Spokes	Director, Client Support Services	Apology
NAB	Rodd Kingham	Head of Investment Service (WealthHub Securities)	
THIRD PARTY PLATFORM	Adam von Giese	Chief Operating Officer	
UBS	Scott Hanlon	Head of Operations, Executive Director	Apology
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	Christos Giogkarakis	Head of Equities Trading Technology	
CBOE	Rylan Uherek	Vice President – Chief Operating Officer	
NSX	Richard Atkins	Market Operations and Technology	
SYDNEY STOCK EXCHANGE	Stuart Guinness	Director of Regulatory Affairs	

Share registries		
AUTOMIC GROUP	Richard Kennedy	Senior Software Engineer
BOARDROOM	Joshua Barton	Program Manager of Major Projects
COMPUTERSHARE	Cate Gilbert	Technical Specialist – Special Project Support
MUFG PENSION & MARKET SERVICES	Blanca Valle	Senior Technical Business Analyst, Corporate Markets

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)	Apology
SIAA	Michelle Huckel	Policy Manager	Judith Fox
ASIC	Dodie Green	Senior Manager, Market Infrastructure	
	Nick Hughes	Senior Specialist, Market Infrastructure	
	Derek Scott	Senior Specialist, Market Infrastructure	
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	
	Christina D'Amico	Senior/Lead Analyst, Clearing and Settlement Supervision	
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	

Name	Job Title	Apologies
Triona Quinlan	General Manager, Technology Delivery	
Steven Hannan	Senior Manager, Stakeholder Engagement, Equities	
Chris Boyes	Senior Product Manager, Securities & Payments	
Ashley D'Souza	Senior Manager, Equities Post Trade	
Jason Genford	Head of Technology Delivery	
Peter Jessup	Release 1 Product Owner (SI Business Lead)	
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 6 May 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.

A member sought to clarify a point in the 2 April Technical Committee minutes regarding the suppression of messaging workflows for unilateral transfers. The ASX Senior Manager, Equities Post Trade advised that one leg of the unilateral workflow messages could be suppressed and that this was discussed at the 3 April ISO Working Group meeting.

An overview of the agenda was provided before the Chair proposed to close one of the two open actions from the 2 April 2025 meeting:

Item Number	Action	Discussion
2025 April (1)	ASX to consider how it could provide further transparency on changes to ISO design for Technical Committee members to track proposals in the ISO Working Group	ASX is expected to provide further transparency on changes to the final ISO design in advance of the documentation release dates for the respective Drops. Changes to ISO design for Drop 1 was expected to be provided at the upcoming Technical Committee meeting prior to publication of the technical documentation expected in August 2025.
2025 March (1)	ASX to add a pulse survey question on the operating model of the Technical Committee and its Working Groups	The open action was closed. ASX has revised its pulse survey questions to include one on the governance and operating model between the Technical Committee and its Working Groups. The Pulse Survey was issued on 30 April and remain open until 16 May 2025.

Member discussion

No member feedback recorded.

AGENDA ITEM 2: Project Status

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

- The CHESS Release 1 Clearing Regression Guide, Guide to the Operational Readiness Phase, and Cutover and Migration Approach were expected to be published externally by late–June 2025.

- All build to enable AMO Readiness is complete and testing is expected to be completed by 24 June 2025.

- BaNCs performance testing on 20 million trade messages per day was completed in late–April 2025. This was the final scenario to complete performance testing for BaNCS led NFT. The project risk on BaNCS non–functional testing delays is expected to be closed.

- ASX performance testing in the NFT environment commenced late–April 2025.

- The to–be–production environment for CHESS Release 1 is expected to be deployed by late–May 2025. This environment is anticipated to be used for technical dress rehearsals with initial internal rehearsals expected to commence in early–July 2025.

- CHESS Release 2 Drop 1 business requirement documents and pre–analysis for Drop 2 was completed on 30 April 2025. Design of the external user interface has been completed and design of the new channel for ISO messaging (AMQP channel) is progressing and targeted to be completed by mid–May 2025.

The ASX Senior Product Manager, Equities, Securities and Payments provided a high–level overview of the key changes to the indicative Revised Release 2 Drop Roadmap outlining the scope movements between each Drop and the rationale for the changes.

Member discussion

A member queried whether BaNCS performance testing mimicked a trading day or whether it was total volume testing. The ASX General Manager, Technology Delivery advised that BaNCS performance testing simulated the trading day with testing following the trading peaks.

A member queried whether the additional CHESS Release 2 Drop 2 deep dive sessions planned for June 2025 impacted the completion of ASX's CHESS Release 2 Drop 2 pre–analysis. The ASX Senior Product Manager, Equities, Securities and Payments responded that pre–analysis covers initial design and discovery work on how the TCS BaNCS MI product aligns with ASX's current business processes. The ASX Senior Product Manager, Equities, Securities and Payments further noted that output of the CHESS Release 2 Drop 2 deep dive sessions are to be used to draft the Drop 2 business requirement documents targeted for completion by late–July 2025.

A member noted that corporate actions scope is now to anticipated to be delivered in 3 tranches across 3 Drops for CHESS Release 2 and requested for additional information on the items that will make up the tranches. The ASX Senior Product Manager, Equities, Securities and Payments advised that additional information on the corporate actions scope is expected to be provided at a future Business Design Working Group session and captured the members request as an open action for the Business Design Working Group.

AGENDA ITEM 3: CHESS Release 1 Build and Test Update

The ASX Head of Technology Delivery provided an overview of the following key items discussed at the CHESS Release 1 Build and Test Forum held on 10 April 2025:

- The ITE environment has remained available and stable for Industry Testing throughout April 2025

- AMO and AMO Software Providers ITE activity continues to increase as progress is made with log in and business message testing. AMO test activity levels in April 2025 were lower than expected but an increase on March 2025

- ASX is anticipating to reach out bilaterally to organisations to understand if there are any risks to completing testing on ITE open code (cases not blocked by known issues to be resolved) prior to AMO Readiness Phase commencement.

Member discussion

No member feedback was recorded.

AGENDA ITEM 4: Working Group Updates

a) Implementation & Transition Working Group

The ASX Head of Technology Delivery provided an overview of the key items discussed at the 29 April I&T Working Group (IT WG) focussing on:

- Additional information on the backward compatible EIS messages for Clearing Regression, the options to load test data via a Clearing Participant file upload or optional AMO integrated testing, and Clearing Regression test kits and XP1 support

- An overview of the AMO Operational Readiness phase for CHESS Release 1 and the Guide to Operational Readiness document which was expected to be published by late–June 2025

- The indicative timeline for the CHESS Release 1 Cutover and Transition phases and initial planning for Industry Dress Rehearsals and Parallel Testing.

The ASX Head of Technology Delivery noted that four IT WG open actions were to be closed following the April IT WG meeting and the open action relating to the CHESS Release 2 Operating Rule Changes was to be discussed in agenda item 6 of today's Technical Committee meeting.

Member discussion

A member queried how ASX would determine whether adequate industry testing had been performed either via the clearing participant file upload or AMO integrated test environments. The ASX Head of Technology Delivery responded that ASX intends to submit a Clearing Regression survey to understand industry testing intentions of Clearing Participants. The ASX Head of Technology Delivery further noted that the outcomes of the survey could assist ASX's work with AMOs to ensure AMO test environments are available to adequately support Clearing Regression testing.

A member queried when roll back plans for CHESS Release 1 would be available. The ASX Head of Technology Delivery advised that ASX is anticipated to publish the Cutover Approach document by late–June 2025. This document is expected to outline the cutover approach and any associated rollback steps.

Some members noted the operational challenges of setting up synthetic securities and queried whether corporate actions testing could be performed through the AMOs. The ASX Head of

Technology Delivery advised that ASX is anticipating to engage with members directly to confirm their needs for corporate action testing for discussion at an upcoming IT WG meeting.

A member provided a recommendation for ASX to have a checkpoint post the completion of CHESS Release 1 industry testing to assess and identify whether any key learnings could be applied for CHESS Release 2. The ASX Head of Technology Delivery acknowledged the members feedback and noted that a review post completion of CHESS Release 1 could be performed and may provide valuable insights for future industry testing phases.

b) ISO Design Working Group

The ASX Senior Manager, Equities Post Trade provided the following key updates from the 9 April ISO Design Working Group (ISO WG) meeting:

- 29 feedback items were received on items discussed at the 20 March ISO WG meeting.

- Messages relating to notifications, trade registration, netting, clearing related workflows and settlement instruction cancellation workflows were discussed. All draft messages relating to Drop 1 functionality have now been presented.

- Drop 2 functionality on payment free of delivery, hold and release and settlement linking was expected to be covered at the 21 May ISO WG meeting.

Member discussion

No member feedback was recorded.

c) Business Design Working Group

The ASX Senior Product Manager, Equities, Securities and Payments provided an overview of the Business Design Working Group (BDWG) forward engagement plan, and a summary of the CHESS Release 2 Drop 2 deep dive held on 3 April 2025. It was noted that:

- The 3 April BD WG deep dive session discussed areas of change in relation to clearing. Key areas covered include a revised proposal for trade acceptance and netting, a recap how position accounts can be used to segregate clearing and settlement, and the fields and the proposed matching criteria for settlement instructions.

- The 21 May BD WG meeting is expected to cover CHESS Release 2 Drop 2 scope that weren't covered on 3 April, focussing on matching tolerances and foreign restricted securities, and TFN and bank accounts.

- The 5 June BD WG focus group session with Payment Providers has been moved to 7 August 2025 to provide additional time for Payment Provider pre-sessions in preparation of the focus group.

Member discussion

No member feedback was recorded.

AGENDA ITEM 5: Optional and Mandatory Functionality

The ASX Product Manager, Equities, Securities and Payments provided an overview of the feedback and the final changes to the revised proposal. It was noted that two items that received significant member interest was non-batch DVP and corporate action elections.

- ASX recommended non-batch DvP as a mandatory feature in response to feedback received during CHESS Release 2 consultation and to ensure that there's sufficient take up. As part of industry feedback, it was noted that some Participants queried the use of this functionality and requested for this to be optional, whilst others have been supportive and see this functionality as a necessary and useful feature

- ASX recommended corporate action elections as optional and remained engaged with Share Registries on accreditation

The ASX Product Manager, Equities, Securities and Payments advised the Technical Committee that the Project is anticipating to submit a recommendation on the revised proposal at the 18 June 2025 Business Committee meeting. The ASX Product Manager, Equities, Securities and Payments further noted that non-batch DVP and corporate action election functionality were not expected to form part of this recommendation as they require further assessment given the feedback received.

Member discussion

A member sought cohort information on the respondents who provided feedback to the revised proposal. The ASX Senior Manager, Stakeholder Engagement responded that feedback was received from 6 Participants, 1 Software Provider and 1 Registry.

A member queried whether non batch DVP functionality was a core feature within the BaNCS Product. The ASX Product Manager, Equities, Securities and Payments advised that non-batch DVP was considered as out of the box functionality, however specific integrations are required to meet the needs of the Australian market.

Some members sought additional information on how ASX intended to approach accreditation for Participants who were not planning to link bilateral settlements. The ASX Product Manager, Equities, Securities and Payments clarified that accreditation will be mandatory for Participants who intend to use this functionality and ASX will assess the options for Participants who do not have a use case.

A member requested for revised final list of optional or mandatory functionality. The ASX Product Manager, Equities, Securities and Payments noted that the revised list including the key changes has been provided as part of the presentation material for the May Technical Committee meeting. An open action was recorded for ASX to provide the final list of optional and mandatory functionality in advance of submission to the Business Committee meeting.

Some members provided support for non-batch DVP subject to certain conditions being met on the batch timing. Another member commented on the potential interdependencies between non-batch DVP and corporate action elections and provided a suggestion to solution for non-batch DVP first.

AGENDA ITEM 6: CHESS Release 2 Operating Rules

The ASX Senior Legal Counsel provided an update to the proposed CHESS Release 2 Operating Rules Changes timeline. It was noted that

- The CHESS Release 2 Rules consultation is anticipated to commence in Q2 2027 for an expected period of up to 3 months

- ASX's approach is to ensure that there is as minimal change as possible and anticipates that the relationship between the Rules and User Technical Documents and ASX Settlement Procedure Guideline documents to remain the same as it is in existing CHESS

- Technical Committee members could be provided with a copy of the Subscriber Technical Access Agreement on request.

Member discussion

A member sought additional information on the sequencing of when the Rules and APGs were expected to be published for consultation. The ASX Senior Legal Counsel advised that Rules and the APGs are expected to be issued in draft form for consultation at the same time.

AGENDA ITEM 7: Change Control Management

The ASX Senior Product Manager, Equities, Securities and Payments provided an overview of ASX's change control management process, highlighting the following key items:

- ASX or the industry may identify changes required to the scope of the Project, which could include new or changing functionality. Where a change has been identified and requested, an impact assessment is performed by ASX. Following approval of the impact assessment, a decision is made on whether to proceed with the change request with the approved changes put into planning and implementation by the Project

- There is currently an active change request under review on account notifications to Registries as the BaNCS Product currently does not support the ability to provide account notifications in real time. As a result, new customisation could be required triggering the change control management process.

Member discussion

A member queried whether the change management process was expected to be adopted for any future enhancements to the BaNCS Product. The ASX Senior Product Manager, Equities, Securities and Payments clarified the change management process discussed is specifically for potential changes identified for the CHESS Project at this stage.

A member requested for ASX to consider whether Participants could be included as part of the impact assessment on changes to account notifications as the underlying process identified for the Registries could potentially be used to pass-through information for Participants as well. The ASX Senior Product Manager, Equities, Securities and Payments advised that ASX would assess whether Participant's could be considered as part of the impact assessment and recorded an open action for the Business Design Working Group.

AGENDA ITEM 8: Forward Engagement Plan

The ASX Senior Manager, Stakeholder Engagement provided an overview of the 3-month forward engagement plan outlining the key focus for May 2025 is expected to be AMO Accreditation, Operational Readiness, Clearing Regression, and Cutover and Transition.

Member discussion

No member feedback was recorded.

AGENDA ITEM 9: Observer Feedback

The Independent Observer noted that the meeting was well structured and ASX followed the agenda efficiently. The discussion points were articulated succinctly by the various presenters, particularly the Working Group updates. Discussions remained focused without significant side tracking and there was healthy engagement from Technical Committee members.

The Independent Observer further noted that there were a broad range of questions asked, all of which were addressed adequately and followed up as actions were required. Participation from Technical Committee members was balanced and ASX remained professional throughout the meeting.

The meeting closed at 3:15PM.

Signed as a correct record of the meeting.

_____   4 June 2025 _____

Chair   Date