

CHES Replacement Technical Committee Minutes

2 April 2025 Meeting

At the 2 April 2025 meeting, the Technical Committee Agenda and the Actions were:

AGENDA AND KEY TOPICS DISCUSSED

- Welcome, open actions and feedback
- Project status
- Release 1 Build and Test update
- Working group updates
- Participant identification
- Optional versus mandatory functionality update
- Approach to customisation
- Forward engagement for 2025

AGREED ACTIONS

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

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

Minutes from the meeting are attached.

Agenda

Technical Committee

Date	2 April 2025	Time	2:00pm – 4:00pm
------	--------------	------	-----------------

Location	Microsoft Teams Meeting
----------	-------------------------

1. Welcome, open actions & feedback
 2. Project status
 3. Release 1 Build and Test update
 4. Working group updates
 5. Participant identification
 6. Optional versus mandatory functionality
 7. Approach to customisation
 8. Forward engagement for 2025
-

Action Items Raised in Meetings

Item number #	Action	Due date	Status	Owner
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	Open	ASX
2025 February (1)	ASX to assess the feasibility to use BICs as the primary method of identification for the CHER 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 CHER 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	Apology
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	Andrew Sime	Executive Director	Apology
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	Apology
FNZ	Sue Schafer	Product Owner	Nick Clarke, Head of Product Management – Capital Markets
SECURITEASE	David Hinkley	General Manager	

Company	Name	Job Title	Apologies
AMOs			
ASX	Christos Giogkarakis	Head of Equities Trading Technology	
CBOE	Rylan Uherek	Vice President – Chief Operating Officer	
NSX	Richard Atkins	Market Operations and Technology	Apology
SYDNEY STOCK EXCHANGE	Rajnish Tiwari	Head of Market Control & Exchange Technology	Apology

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)	
SIAA	Michelle Huckel	Policy Manager	Judith Fox
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	
	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

Name	Job Title	Apologies
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	
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 2 April 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 Chair noted that ASX had incorporated a member's comments received on the draft minutes of the 3 March 2025 meeting which were subsequently approved without any further changes.

An overview of the agenda was provided before the Chair proposed to close one of the two open actions from the 3 March 2025 meeting:

Item Number	Action	Discussion
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 expected to be closed at the 6 May 2025 meeting. The pulse survey questions were being revised for the H1 2025 Pulse Survey which was expected to be submitted in late-April 2025
2025 February (1)	ASX to assess the feasibility to use BICs as the primary method of identification for the CHESS project	The open action was closed. ASX assessed the use BICs as a participant identification method and an update was provided as part of agenda item 5

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:

- CHESS Release 1 is tracking amber driven by the delivery schedule pressure to complete AMO Readiness testing to enable commencement of the AMO Readiness phase. To mitigate potential impacts, the Project is prioritising AMO Readiness scope and onboarding additional testing resources. AMO Readiness is targeted to be completed by late-June 2025.
- BaNCS non-functional performance testing on 20 million trades is in progress. ASX non-functional performance testing is expected to commence from late-March 2025.
- The next area of focus for the Project after AMO Readiness was Clearing Regression where Clearing Participants are expected to perform testing using a combination of ASX tooling to upload trades or matching Trading Participant trades in an AMO test environment. Detailed planning has commenced for the Clearing Regression milestone.

- CHESS Release 2 Drop 1 business requirements have been drafted and are targeted for sign-off by late-April 2025. Solution design work is also underway for the two new channels in scope for Drop 1.
- Two new project risks have been raised. There have been changes to the solution design of the AMQP channel, however, design work is now progressing. There have also been delays to BaNCS non-functional performance testing with the Project responding by commencing ASX non-functional testing in parallel.

Member discussion

Some members raised concerns on the potential increase in scope for CHESS Release 1 Clearing Regression testing. The ASX Head of Technology Delivery advised that the April 2025 Implementation and Transition Working Group meeting is expected to provide further clarity on the Clearing Regression phase, covering key discussion items including the use of a file upload tool and priming for settlement.

A member queried whether there were any known delays in providing the CHESS Release 2 Drop 1 documentation to industry. The ASX General Manager, Technology Delivery advised that there weren't any known risks for CHESS Release 2 Drop 1 documentation at this stage

AGENDA ITEM 3: CHESS Release 1 Build and Test Update

The ASX Head of Technology Delivery provided the following updates on the Release 1 Build and Test forum and industry testing:

- All AMOs or Software Providers expected to connect to the industry test environment (ITE) for the AMO Build & Test phase have now completed their connectivity activities and have commenced testing business messages.
- ITE activity reporting outlined that most business messages are being tested, however, testing volumes have been low throughout March 2025. This was expected to increase as organisations progress their build.
- ITE has remained available and stable since opening on 28 February 2025.

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 27 March I&T Working Group (IT WG) which included:

- The proposed approach to CHESS Release 1 Clearing Regression covering the testing scope, options available to complete regression activities and the processes to follow when Clearing Participants are relying on a Software Provider.

- The proposed tooling and support functionality for CHESS Release 2 Software Provider Build & Test.

Member discussion

A member queried whether ASX could provide additional information on the benefits of the two options available to complete regression activities. The ASX Head of Technology Delivery advised that the benefits of the two options could be provided as a discussion item at a future IT WG meeting.

A member sought additional information on the security set available for the Clearing Regression phase. The ASX Head of Technology Delivery responded that a full set of production securities with additional synthetic securities is expected to be made available. The ASX Head of Technology Deliver further noted that ASX is exploring options for Participants to perform testing in isolation and segregated through data.

b) 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, the Registries Focus Group held on 14 March 2025 and the BDWG open actions. It was noted that:

- A second deep dive on CHESS Release 2 Drop 2 is expected to be held on 15 May 2025 and a Payment Provider Focus Group is expected to be held on 5 June 2025.
- Discussions at the Registries Focus Group covered the current CHESS Roadmap, Registry and Issuer setup in BaNCS, Registry reporting, foreign restricted securities and investor data.
- Two BDWG actions relating to messaging fields have been closed. One open action relating to the ASX's approach to customisations was expected to be discussed in agenda item 7.

Member discussion

No member feedback was recorded.

c) ISO Design Working Group

The ASX Senior Manager, Equities Post Trade provided the following key updates from the 20 March ISO Design Working Group (ISO WG) meeting:

- 44 feedback items were received on items discussed at the 18 February ISO WG meeting.
- Messages relating to account maintenance, locking and unlocking, change in balance notifications and settlement instructions were discussed. The remaining Drop 1 workflows are on TFN and ABN notifications.
- Drop 2 functionality on clearing uplift and settlement instructions was expected to be covered at the 9 April ISO WG meeting.

Member discussion

A member noted that the current one-to-one mapping of messages sent and received for unilateral transfers was proposed to be changed for the CHESS Project and queried whether ASX had considered alternative options to maintain a one-to-one relationship. The ASX Senior Manager, Equities Post Trade advised that ASX is currently engaging with TCS to determine whether the current CHESS messaging workflow could be replicated.

AGENDA ITEM 5: Participant Identification

The ASX Senior Manager, Equities Post Trade provided an update on the feasibility to use BICs as a participant identifier. It was noted that:

- ASX held bilateral meetings with Technical Committee members who provided feedback on the use of BICs for the CHESS Project. The bilateral meetings identified that BICs were being used by Participants for upstream processing of instructions and that the quality of BIC information received caused most the mapping issues discussed.
- Given the issues identified, ASX proposed to provide a mapping of BICs to UICs as a static document which could be referenced from the ASX website or a machine-readable file which could be downloaded and consumed by the Participants systems.
- As part of the CHESS Project, ASX expects that the solution enables future capabilities, including on the usage of BIC within the ISO message structure. Therefore, the ISO message schemas that are currently being discussed in the ISO WG are expected to support both UICs and BICs.

Member discussion

A member commented on whether ASX could include data on Participant admissions, removals and fees as part of the UIC to BIC mapping list. The ASX Senior Manager, Equities Post Trade acknowledged the members feedback and noted that ASX would consider whether the additional information requested could be provided.

AGENDA ITEM 6: Optional and Mandatory Functionality

The ASX Product Manager, Equities, Securities and Payments provided an overview of ASX's revised proposal on the optional or mandatory nature of new functionality covering the key changes and industry feedback received since the 3 March Technical Committee meeting.

The ASX Product Manager, Equities, Securities and Payments advised that the revised proposal is open for final industry feedback and is anticipated to be submitted for recommendation to the Business Committee at the 6 May Technical Committee meeting.

Member discussion

Some members commented on their positions regarding the optional or mandatory nature for non-batch DVP bilateral settlement, corporate action election and corporate action acceptance processing.

A member queried whether supplementary reference was expected to be an optional or mandatory requirement for bilateral matching improvements. The ASX Senior Product Manager,

Equities, Securities and Payments responded that ASX was planning to present its proposal on supplementary reference at the 3 April Business Design Working Group.

AGENDA ITEM 7: Approach to Customisation

The ASX General Manager, Equities provided an overview on ASX's approach to customisation, highlighting the following key items:

- ASX seeks to align the CHESS Project system to the TCS BaNCS MI product where possible, in order to support upgradeability and the ability to leverage future platform capabilities.
- Customisation had the potential to impact the delivery of a project by increasing the complexity, timing and associated risks. Customisation also had potential impacts throughout the product operational lifecycle due to the impacts of technical debt and code complexity.
- ASX had low appetite to change central components of the TCS BaNCS product. However, ASX could consider adding new functionality residing within the core solution or new functionality that interacts with the core solution where appropriate or required.

Member discussion

A member acknowledged the additional costs and risk associated with customisation and commented that there needed to be consideration on how ASX's approach to customisation could impact the industry. The Chair acknowledged the members feedback and advised that ASX could provide further transparency on the ISO design changes relative to the designs in the previous CHESS Replacement Project. The Chair recorded an open action for ASX to consider how it could provide further transparency on changes to ISO design in order for committee members to track changes being proposed or agreed to in the ISO WG.

AGENDA ITEM 8: Forward Engagement Plan

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

- The Senior Product Manager, Equities, Securities and Payments has planned to hold a deep dive session on CHESS Release 2 Drop 2 on 3 April 2025
- The ASX Head of Technology Delivery has planned for further discussions on Clearing Regression and test tooling

Member discussion

A member queried whether there were any known resourcing impacts resulting from the CHESS batch settlement incident. The Chair responded that there were no resourcing implications at this stage and that an updated project risk would be presented to the Technical Committee should this position change in the future.

A member queried how ASX was considering the CHESS batch settlement incident for scenario testing for the CHESS Project. The Chair advised that ASX already had a set of scenarios to test and that it was currently assessing whether the coverage remained appropriate given the CHESS batch settlement incident.

AGENDA ITEM 9: Observer Feedback

The Independent Observer noted that the meeting was succinct, the agenda was followed, and all the existing actions were discussed. The Independent Observer further noted that the Technical Committee members were reasonably engaged and provided effective questions for discussion which were appropriately addressed by ASX.

The Independent Observer suggested for ASX to include the Technical Committee members as owners for open actions as it was evident that the industry was responsible to provide feedback or input on some items discussed in today's meeting.

The meeting closed at 3:20PM.

Signed as a correct record of the meeting.

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

Chair

6 May 2025

Date