

# CHES Replacement Technical Committee Minutes

03 December 2024 Meeting

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At the December meeting, the CHES Replacement Technical Committee Agenda and Actions were:

## AGENDA AND KEY TOPICS DISCUSSED

- Welcome, open actions and feedback
- Project status
- Consultation Paper 2 – ASX response discussion
- Release 2 documentation roadmap
- Working Group updates
- Scope objectives – proposed next steps
- Forward engagement for 2025

## AGREED ACTIONS

There were two new actions raised at the December meeting.

1. ASX to provide additional information on how participant cohorts responded to Consultation Paper 2 for Release 2 implementation
2. ASX to provide a schedule on when the CHES Replacement scope objectives that require further engagement will be taken back to the Technical Committee and Business Committee in 2025

Minutes from the meeting are attached.

# Agenda

## CHESS Replacement Technical Committee

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**Date** 3 December 2024

**Time** 2:30pm – 4:30pm

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**Location** Microsoft Teams Meeting

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**1. Welcome, Open Actions & Feedback**

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**2. Project status**

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**3. Consultation Paper 2 – ASX response discussion**

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**4. Release 2 documentation roadmap**

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**5. Working Group Updates**

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**6. Scope objectives – proposed next steps**

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**7. Forward Engagement Update**

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## Action Items Raised in Meeting

Item number #	Action	Due date	Status	Owner
2024 July (1)	ASX to provide the proposed approach to technical & functional specification document delivery	December 2024	Closed	ASX
2024 July (2)	ASX to provide guidance as to how R2 Implementation Risk Management and potential roll back options will be assessed and handled through the I&TWG and TC	December 2024	Closed	ASX
2024 August (1)	ASX to clarify the ability to access CHES replacement through an AWS end point	March 2025	Open	ASX
2024 November (1)	ASX to consider further industry engagement at the ESPPSC to discuss participant viewpoints on payment channels	March 2025	Open	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	Open	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	Open	ASX

## CHES Replacement Technical Committee Members

Company	Name	Job Title	Apologies
ASX	Tim Whiteley	CIO	
OBSERVER	Paul Rayson	Business Committee Chair (Independent)	
<b>Clearing and Settlement Participants</b>			
ABN AMRO CLEARING	Matthew McMahon	Head of Operations	
AUSIEX	Ashish Jha	Director, Solution Delivery Management	
BANK OF AMERICA	Monika Ahrns	Project Manager	
BNP PARIBAS	Wayne Murphy	Project Manager	
CITI	Lyall Herron	Program Manager	
CMC	Andrew Rogers	Director of Broking Business	
COMMSEC	*Mick Thompson	Trading Solution Architect	Ryan Jones – Crew Technical Lead
FINCLEAR SERVICES	Nikki Gleisner	Senior Business Analyst/Client Relationship Manager	
GOLDMAN SACHS	Simon Wyss	COO, Australia/ New Zealand Engineering	
HSBC	Simon Siluk	Senior Product Manager	
INTERACTIVE BROKERS AUSTRALIA	Darren Halse	Managing Director	
J.P. MORGAN	Scott Oakland	Executive Director Product Management	
MACQUARIE GROUP	Paul Bragg	Operations Analyst	
MORGAN STANLEY SECURITIES	Rebecca Collins	Executive Director	
MORGAN STANLEY WEALTH	Andrew Sime	Executive Director	
MORGANS	Daniel Spokes	Director, Client Support Services	
NAB	Rodd Kingham	Head of Investment Service (WealthHub Securities)	
THIRD PARTY PLATFORM	Lee Muco	Chief Operating Officer	
UBS	Scott Hanlon	Head of Operations, Executive Director	
<b>Third Party Software Vendors</b>			
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	
SECURITEASE	David Hinkley	General Manager	
<b>AMOs</b>			
ASX	*Donna Gale	Product Manager, Trading Services	Jimmy Halstead – Head of Trading Technology Markets, Technology
CBOE	*Joseph Metcalf	Head of Software Engineering APAC	Rylan Uherek – Vice President – Chief Operating Officer
NSX	Yemi Oluwi	Head of Market Operations and Technology	
SYDNEY STOCK EXCHANGE	Rajnish Tiwari	Head of Market Control & Exchange Technology	
<b>Issuer Registries</b>			
ADVANCE SHARE REGISTRY	Patrick Gan	IT Manager	
AUTOMIC GROUP	Marcelo Dantas	Chief Information Officer	
BOARDROOM	Evelyn Cinco	Team Lead – BA/QA	
COMPUTERSHARE	Scott Hudson	General Manager – Market Liaison	
LINK MARKET SERVICES	Blanca Valle	Senior Technical Business Analyst, Corporate Markets	

\* Delegate

#### Observers

Company	Name	Job Title	Apologies
AFMA	Damian Jeffree	Senior Director of Policy	
AIRA	Ian Matheson	Chief Executive Officer	
GIA	Simon Pordage	Brand Ambassador for Governance (Institute of Australia & Company Secretary for ANZ)	Apology
SIAA	*Michelle Huckel	Policy Manager	Judith Fox – Chief Executive Officer
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
	Elizabeth Kandelas	Manager, Domestic Supervision and Resolution, Payments Policy Department
	Simon Truong	Lead Analyst, Domestic Supervision and Resolution, Payments Policy Department
	Trent Hardy	Lead Analyst, Domestic Supervision and Resolution, Payments Policy Department
AusPayNet	Luke Wilson	Chief Operating Officer

### 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, Securities and Payments	Apology
Triona Quinlan	General Manager, Technology Delivery	
Steven Hannan	Senior Manager, Stakeholder Engagement, Equities	
Chris Boyes	Senior Product Manager, Equities, Securities and Payments	
Ashley D'Souza	Senior Manager, Equities, Securities and Payments	Apology
Jason Genford	Head of Technology Delivery, Technology Delivery	
Peter Jessup	Release 1 Product Owner (SI Business Lead)	
Russell Eyre	Enterprise Architect, Architecture	

## AGENDA ITEM 1: Welcome, Actions and Feedback

The Chair welcomed members and delegates to the December meeting of the CHES Replacement Technical Committee (**Committee**).

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 6 November 2024 Committee minutes were approved and are now available on the CHES replacement [website](#).

An overview of the agenda was provided before the Chair introduced the four open actions from the 6 November meeting:

Item Number	Action	Discussion
2024 July (1)	ASX to provide the proposed approach to technical & functional specification document delivery.	Action addressed as part of the response to Consultation Paper for Release 2 and through agenda item 4
2024 July (2)	ASX to provide guidance as to how R2 Implementation Risk Management and potential roll back options will be assessed and handled through the I&TWG and TC.	Action addressed through the R2 implementation risk management and roll back presentation at the 28 November ITWG and via agenda item 3
2024 August (1)	ASX to follow up member query regarding ability for AWS hosted sites to connect into the AWS environment without needing to leave and re-enter.	ASX is assessing the technical and commercial components and will engage with the industry to validate the demand in 2025. Next update is anticipated to be provided in Q1 2025
2024 November (1)	ASX to consider further industry engagement at the ESPPSC on participant viewpoints on payment channels	ESPPSC members have been asked to invite Participant members as observers to future ESPPSC meetings.

### Member discussion

No member feedback recorded.

## AGENDA ITEM 2: Project Status

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

- The Project continues to track amber due to the flow on impacts from the delays in testing and delays to the Data and Reporting build:
  - Drop 1 testing was completed on 13 November, two weeks behind schedule

- Drop 2 code for AMO Build and Test functionality was delivered and testing commenced on 14 November. Drop 2 testing will progress over the holiday period, and any scope and defect fixes critical to AMO Build and Test will be prioritised
- Replanning of the Data & Reporting integrated plan is in progress and the build of the Data and Reporting steel thread is on-track for completion by mid-December 2024
- Nine assurance reviews were completed with 2 medium and 5 low rated findings open as at the end of November 2024
- Non-functional testing commenced with performance and resilience testing for the FIX gateway
- Build for the AMO Security Details Report is scheduled to commence in January 2025 and is targeting AMO Readiness for availability
- Release 2 planning continues with a focus on the requirements of Drop 1 and ISO 20022 messaging
- The risk of the Release 2 timeline being impacted due to Release 1 priority was added as a Project risk. This was being mitigated by establishing separate teams to minimise the overlap in work required to support both Releases.

### Member discussion

A member queried the impact of the Data and Reporting replanning on the capacity of the Drop 4 contingency build. The ASX General Manager, Technology Delivery advised that capacity of the ASX Drop 4 contingency build will be used, however, this is internal and not expected to impact industry testing. The Chair further clarified that the capacity of the TCS BaNCS Drop 4 contingency build is not expected to be utilised for the Data and Reporting build.

A member queried whether the Project status is expected to move to green in February 2025 or following commencement of AMO Build and Test. The ASX General Manager, Technology Delivery advised that Drop 2 testing will progress over the holiday period and the Project status will be reassessed in late-January 2025.

### AGENDA ITEM 3: Consultation Paper 2 – ASX Response

The ASX Head of Technology Delivery provided an overview of ASX's response to feedback received on the Consultation Paper for Release 2 for the following key areas:

- Release 2 timeline
- Industry test phases and documentation
- Release 2 implementation approach
- Release 2 go-live readiness.

The ASX Head of Technology Delivery advised that industry timeline checkpoints are planned to be introduced to reflect feedback in relation to the proposed Release 2 Build and Test phases. The first checkpoint is planned to be scheduled for Q4 2025.

The ASX Senior Product Manager, Equities, Securities and Payments provided an overview on the proposed approach to determine whether Day 1 functionality would be optional or mandatory.



### Member discussion

Some members queried what would be open for consideration at the timeline checkpoints. The ASX Head of Technology Delivery advised that the intention is that at these checkpoints, industry will have been provided with sufficient information to form a view and advise ASX on whether there are any risks or issues relating to the ability to meet the Release 2 timeline. The ASX Senior Product Manager, Equities, Securities and Payments advised that scope items could be considered at the timeline checkpoints if it was appropriate at the time.

A member queried whether additional timeline checkpoints have been considered for 2027 and 2028. The ASX Head of Technology Delivery advised that formal timeline checkpoints haven't been considered at this stage given that the Project is planning to be actively tracking and reporting on industry readiness. The ASX Head of Technology Delivery noted the member's feedback for consideration.

A member queried whether ASX could provide thematic analysis on how industry had responded to the proposed approach for Release 2 implementation. The ASX Head of Technology Delivery acknowledged the query and captured it as an action for ASX to provide additional information on how participant cohorts responded to Release 2 implementation.

Some members commented that it was critical to delineate what should be optional versus mandatory early in 2025 to ensure there's adequate time for the analysis and build and test phases of Release 2. The ASX Senior Product Manager, Equities, Securities and Payments advised that discussions are planned to be held in early-2025 to identify the optional versus mandatory nature of Day 1 functionality.

Some members commented on the importance of ensuring that there's a robust assessment process on the optional or mandatory nature of Day 1 functionality that considered the associated costs, risks and industry benefits.

### AGENDA ITEM 4: Release 2 documentation roadmap

The ASX Senior Manager, Stakeholder Engagement provided an overview on the proposed industry engagement process for documentation delivery for Release 2. It was noted that:

- The Project has planned to provide industry with a four-month engagement window for the technical and functional documentation that support the Release 2 Drop roadmap
- Documentation is planned to be published six months prior to the functionality being deployed to ITE.

### Member discussion

A member sought additional information on the completeness of the draft documentation provided during the industry engagement window. The ASX Senior Manager, Stakeholder Engagement noted that the Project is planned to be well progressed with the draft documentation towards the end of the industry engagement window for the associated Drop release.

## AGENDA ITEM 5: Working Group Updates

### a) Implementation & Transition Working Group

The ASX Head of Technology Delivery noted that an overview of ASX's response to Consultation Paper 2 and the updated Release 2 indicative project timeline was provided at the 28 November I&T Working Group (IT WG).

The ASX Head of Technology Delivery presented the IT WG forward engagement plan noting the proposed topics for discussion for Release 1 and Release 2 in 2025.

#### Member discussion

A member queried how ASX would determine the Release 2 go-live date given that operational readiness and parallel testing activities planned to be conducted in 2028 are within the 12-month notice period of the proposed go-live range in 2029. The ASX Head of Technology Delivery advised the Project is anticipated to provide a narrower go-live range and contingency dates by the 12 month go-live notice period as there would be a clearer line of sight on industry readiness at that point in time.

### b) ISO Design Working Group

The ASX Senior Product Manager, Equities, Securities and Payments advised that the use of BICs for CHES Replacement is currently under review and potential solution options are planned to be presented to Technical Committee members for consideration in early-2025.

#### Member discussion

A member proposed for ASX to augment any existing Participant listings to include UIC and BIC mappings for potential future use cases. The ASX Senior Product Manager, Equities, Securities and Payments acknowledged that the members feedback had been received and was being considered

A member commented that enabling the use of BICs presented an opportunity for ASX to centrally manage BIC to PID mappings for industry participants and allowed for international intermediaries to clear information on ASX Participant identifiers.

### c) AMO Working Group

The ASX Software Provider Relationships Stakeholder Engagement Manager provided the following key updates from the 14 November AMO Working Group (AMOWG):

- Version 1.1 of the FIX Specifications was published on 13 November 2024
- The use of account segregation functionality was still pending the outcome of industry consultation
- In response to feedback from AMO WG members, ASX proposed to apply reference data updates on the same day to ensure reference data was current. However, due to operational constraints this may result in the ITE environment not being available until 10am each day.

The ASX Software Provider Relationships Stakeholder Engagement Manager presented the AMO WG forward engagement plan noting the planned schedule for Release 1 readiness updates in 2025.

#### Member discussion

A member queried whether any participants have indicated that they would utilise house/client segregation functionality. The ASX Senior Product Manager, Equities, Securities and Payments advised that some interest in house/client segregation functionality was received in industry feedback to the Consultation Paper for Release 2.

#### **d) Business Design Working Group**

The ASX Senior Product Manager, Equities, Securities and Payments presented the Business Design Working Group (BD WG) forward engagement plan noting the planned quarterly deep dive activities to support the Release 2 Drop roadmap in 2025.

##### **Member discussion**

A member queried how much change is expected from what has already been defined in the previous project for the scope items in Drop 1. The ASX Senior Product Manager, Equities, Securities and Payments advised that as part of the engagement process, industry will be provided with an opportunity to give feedback on the scope items prior to the planned deep dive activities scheduled for 2025.

#### **AGENDA ITEM 6: Scope and Objectives Backlog Update**

The ASX Senior Product Manager, Equities, Securities and Payments provided an overview on the proposed next steps of the CHESS Replacement scope objectives. It was noted that:

- No feedback was received from Technical Committee members on the proposed next steps of the CHESS Replacement scope objectives following the 06 November Technical Committee meeting, where this discussion item was initially presented
- The Project will now engage the Business Committee to endorse the proposed next steps at the 11 December Business Committee meeting. Technical Committee members were requested to align viewpoints with their Business Committee representatives and to escalate any potential issues prior to the meeting.

##### **Member discussion**

A member queried whether Business Committee members would be provided with the accompanying Business Design Documents to support the discussion at the Business Committee meeting. The ASX Senior Manager, Stakeholder Engagement confirmed that a link to the Business Design Documents will be included in the Business Committee paper that will be used to support the discussion at the meeting.

A member sought additional information on whether there were any specific milestone dates for the scope objectives that required further engagement. The ASX Senior Manager, Stakeholder Engagement advised that these scope objectives will be progressed in early 2025 however no specific date has been set at this stage. The ASX Senior Product Manager, Equities, Securities and Payments noted the members query and captured it as an action item for ASX to provide an engagement schedule for these scope objectives.

#### **AGENDA ITEM 7: Forward Engagement Plan**

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

- The proposed Technical Committee and Business Committee meeting schedule for 2025
- The Network Forum Australasia Meeting 2025 is planned to be held on Tuesday 4 and Wednesday 5 March 2025 at ASX's Bridge Street office
- A Pulse Survey will be conducted to seek feedback on the effectiveness of Technical Committee and Working Groups, and on the Consultation Paper for Release 2. The Pulse Survey will be open until 31 January 2025.

#### **Member discussion**

No member feedback recorded.

#### **AGENDA ITEM 8: Observer Feedback**

The Independent meeting Observer noted the meeting ran very well given the significant volume of material to be covered. The presentation pack was circulated prior to the meeting with all the material provided, with the agenda being well adhered to.

The Independent Observer highlighted that there were robust questions from various meeting participants that were all answered well by ASX and noted the transparency provided on the key areas for discussion in 2025.

The meeting closed at 4:14PM.

Signed as a correct record of the meeting.

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

Chair

5 February 2025

Date