

Program Newsletter



[CHESS Replacement homepage](#)

CHESS Replacement Project Update

March 2020

On Wednesday 25 March 2020, we issued a [media release](#) relating to the CHESS Replacement project. ASX announced that it will consult on the implementation timetable for the CHESS replacement system. This is due to the unfolding COVID-19 pandemic, user feedback on timing, requested functionality changes and the need for ASX to complete aspects of its own readiness.

In June, ASX will seek user input on the new schedule that will move the go-live date from April 2021 to a later date.

The replan will provide additional time for users to complete their operational readiness activities and to consider the rule changes that accompany the new system.

In the meantime, the target of opening an Industry Test Environment (ITE) in July is retained. We also issued our sixth drop of code of the CHESS replacement system into our [Customer Development Environment](#) on 3 March 2020.

Further details on all of these activities can be found by clicking on the sections below.

Finally, if you have any feedback on the content of this newsletter please contact the project team at CHESSReplacement@asx.com.au.



Cliff Richards

Executive General Manager
Equity Post Trade



Engagement Activities



Connectivity & Integration Working Group

A Connectivity & Integration working group (C&I WG) was held on 19 February and included an overview on API contracts and details of the recent CDE 6 code release.

[Read more >](#)



Implementation & Transition Working Group

The latest Implementation & Transition working group was held on 26 February. The webinar focused on technical accreditation. The next webinar will be on Wednesday 1 April on the Implementation timetable.

[Read more >](#)



Customer Development Environment Updates

Our sixth release of code (CDE 6) was released on 3 March and work continues on remaining system development.

[Read more >](#)



ISO 20022 Technical Committee Meetings

ASX will convene the next ISO 20022 Technical Committee meeting on 7 April 2020.

[Read more >](#)



Corporate Actions STP

The Corporate Actions STP Phase 2 project continues work on 2020 release schedule.

[Read more >](#)



Rule Amendment & Public Consultation Timeline

The consultation on the second tranche of operating rule amendments was released on 21 February 2020, with feedback requested by 29 May 2020.

[Read more >](#)

Customer Frequently Asked Questions

We have established the CHES Replacement mailbox and CSP Support mailbox as a means of addressing any project related questions. We have highlighted the most recent questions of interest.

[Read more >](#)

Technical Documentation



[What's new](#)



[Release notes](#)



[Forward release plan](#)

Where to next?



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Connectivity & Integration Working Group



Connectivity & Integration Working Group

The latest Connectivity & Integration working group (C&I WG) meeting was held on **19 February 2020**. The session provided details on:

- CDE update looked forward at the recent code drop - CDE 6. This release included the following significant capabilities:
 - Batch Settlement - settlement fails & primary market facility
 - Collateral Management - ETO & CMM
 - Corporate Action processing, to include - takeovers and buybacks, reconstructions, rights, holdings adjustments, bonus and dividends
 - New testing features introduced with CDE 6
- Summary and update on each of the connectivity options for CDE and also ITE
- Overview and explanations of previously published API contract documentation
- ISO 20022 XML Message Signing details, including how to 'opt in' when ready to test
- Initial requirements to apply for Industry Test Environment (ITE) access.

Materials from this session can be found [here](#).

ASX also published functional documentation in Release 7 (part II) on 28 February 2020 and followed by the code and full release notes for CDE 6 on Tuesday 3 March 2020. Refer to the [Forward Release Plan](#) for details.

The next C&I WG meeting will be held in **May 2020**, topics for discussion include a forward view of the functionality included with CDE 7.

A list of previous meeting topics, future Working Group dates, as well as a copy of all working group presentation materials can be found [here](#).

A list of upcoming project activities can be read [here](#).

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Implementation & Transition Working Group



Implementation & Transition Working Group

The latest Implementation & Transition working group (I&T WG) webinar was held on **26 February 2020**.

The webinar primarily focused on ASX's approach to technical accreditation. Technical accreditation is to be completed by software providers, either system vendors or CHES users developing their own in-house system.

The full agenda included:

- Overview of technical accreditation (including connectivity and messaging accreditation)
- Account and Holder Management Message Accreditation examples
- Stakeholder feedback on January's webinar topic inflight transactions
- Notification of public consultation on proposed Operating Rule amendments

For further information on the components and requirements of technical accreditation, the presentation slides from February are available [here](#) , and webinar recording is also available [here](#) on the CHES Replacement website.

The next I&T working group webinar will be on **Wednesday, 1 April 2020** on the Implementation timetable.

[Implementation & transition questions](#) have been published in the Technical Documentation portal, in line with this session.

REMINDER: For your consideration in planning your implementation

CHES Changes:

- If you have any migrations or other significant changes to your CHES configuration planned between July 2020 and April 2021 please contact the Participant Transitions team at transitions@asx.com.au

Materials from previous I&T WG meetings can be accessed [here](#) on the CHES Replacement Stakeholder Engagement website.

A list of upcoming project activities can be read [here](#).

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ISO 20022 Technical Committee Meetings



ISO 20022 Technical Committee Meetings

The ISO 20022 Technical Committee has not met since our last newsletter, where we provided an update on the 25 February meeting. The next meeting will be held on **7 April 2020**, with an update to be provided in the next edition.

A list of previous meeting topics and materials as well as future ISO 20022 Technical Committee dates can be found [here](#).

A list of upcoming project activities can be read [here](#).

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Customer Development Environment Updates



Customer Development Environment Updates

Our sixth release of code (CDE 6) was released on **3 March 2020**. The project continues to develop with the remaining system development.

CDE - Release 6

ASX published the next application code release in to CDE on **Tuesday 3 March 2020** (CDE 6). Features associated with this code drop were published in our Release 6 notes - [September 2019](#), [November 2019](#) and [January 2020](#). New capabilities introduced with this drop include:

- Batch Settlement - settlement fails & primary market facility
- Collateral Management - ETO & CMM
- Corporate Actions processing, to include - takeovers and buybacks, reconstructions, rights, holdings adjustments, bonus and dividend
- Payment Facilities - for facilitation for the payment or receipt of funds on a RTGS basis

With the CDE 6 code release notes ASX will provide details of updates to testing documentation (including Auto-responder) as well as any known issues or observed behaviours in the development environment.

In addition to the CDE 6 release notes, ASX also has published the following information which we would like to highlight:

- [What's New 3 March](#) - information supporting the CDE 6 code release notes
- [What's New 10 March](#) - updates relating to Known Issues in CDE 6 and updated connectivity details for Ledger API for CDE 6
- [Wednesday 25 March 2020 CDE 6 environment reset](#) - inducted a [code fix](#) for a defect relating to 'Identical Business Message Identifier'.

Details of remaining CDE capability releases are published on our [Forward Release Plan](#) on our Technical Documentation portal.

CDE reminders:

The CDE supports early access development and low volume transaction and functional testing, following iterative development of the technical solutions.

- We have published for users details of CDE [constraints](#) and any [known limitations](#).
- ASX may refresh the CDE environment periodically, ASX will always notify the CDE Subscribers prior to any environment refresh
- Details of how to [request access](#) to the CDE are available in our Technical Documentation portal.

A list of upcoming project activities can be read [here](#).

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Corporate Actions STP

Corporate Actions Straight Through Processing Phase 2 project

The STP project team continues to work with the CHES Replacement team and industry working group on a number of activities. The project is working to finalise the specifications and development for the ISO 20022 notification service for all in scope corporate action events.

The updated corporate action notification usage guidelines were published to MyStandards on 6 March. The CHES Replacement system will consume the ISO 20022 corporate action event notifications. The ISO 20022 notification service for all corporate action events is expected to be available mid-2020. The team is also continuing work to develop and build additional online forms for the use of listed entities to announce certain events.

More information is available on the ASX website [here](#).

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Rule Amendment & Public Consultation Timeline



Rule Amendment & Public Consultation Timeline

Market Consultation

Rule Amendment and Public Consultation Timeline

ASX has been engaging with regulators in relation to the rules and other relevant regulatory aspects that need to be addressed to support any new or changed services and functionality for the new system, including our consultation process on the rule amendments involving three tranches of amendments.

The first tranche of operating rule amendments was released for public consultation on 15 November 2019, with the period for feedback closing on 17 January. ASX is working to provide a response to consultation feedback received on the tranche 1 draft rule amendments in mid-April 2020.

The second tranche of operating rule amendments was released for public consultation on 21 February and ASX had requested feedback by 3 April 2020. As indicated in the [media release](#) on 25 March 2020, the timeframe for providing written submissions on the tranche 2 draft rule amendments has now been extended to 29 May 2020.

In addition, ASX has suspended consultation on the third tranche of operating rule amendments until after the June consultation on the new CHES replacement timetable, with the process for further consultation on the rule amendments to form part of that consultation.

Public Consultation on Tranche 1

On 15 November 2019, ASX released a [consultation paper](#) on the first of three tranches of operating rule amendments required to facilitate the implementation of the new system that will replace CHES in April 2021. These relate to accounts, participants, securities and pre-settlement aspects for Day 1 CHES replacement system functionality.

The consultation paper invited feedback from users and other stakeholders on the operation of the draft tranche 1 rule amendments, including any unintended consequences.

Written submissions closed on 17 January 2020.

Public Consultation on Tranche 2

On 21 February 2020, ASX released a [consultation paper](#) on the second of three tranches of operating rule amendments required to facilitate the implementation of the new system that will replace CHES. These relate to corporate actions, mFund and RTGS payment aspects for 'Day 1' implementation of CHES replacement system functionality. RTGS will support payments for corporate actions involving entitlement acceptances as well as payments for bilateral demand settlement instructions (addressed in tranche 1 rule amendments).

The consultation paper invites feedback from users and other stakeholder on the operation of the draft tranche 2 rule amendments including any unintended consequences.

Written submissions are now requested by 29 May 2020 (revised from 3 April 2020).

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Customer Frequently Asked Questions



Customer Frequently Asked Questions

We have established the CHES Replacement mailbox & CSP Support mailbox as a means of addressing any project related or functional questions. We have highlighted the most recent questions of interest.

▼ [When will stakeholders be able to provide feedback on the implementation timeline?](#)

ASX has announced it will consult on the implementation timetable for CHES replacement, which includes moving the go-live date from April 2021 to a later date.

Consultation on the new schedule will commence in June when we expect everyone will have more time to consider the replan and better assess the implications of COVID-19.

▼ [Is a software vendor developing a solution to support CHES Replacement required to undergo separate Technical Accreditation tests for each clearing and settlement participant client?](#)

A software vendor only needs to accredit software once, so long as the same version of software is used by multiple clients.

▼ [Will message content be verified by ASX as part of technical accreditation or will this form part of operational readiness?](#)

Yes, message content will be verified as a part of the messaging component of the Technical Accreditation activity.

▼ [When will test packs and test scripts be available?](#)

The first release of message test scenarios for technical accreditation will be available from April. This will be published in the online technical documentation portal. The first release will be on Account Management. Additional message test scenarios will be progressively released in tranches in the same portal.

▼ [Do software vendors, and CHES Users more broadly, need to have CHES Browser connectivity?](#)

CHES Users don't need to have access via the new CHES Browser; it is an optional connectivity channel that replaces CHES PC software.

Product Issuer Settlement Participants (PISPs) are heavy users of CHES PC and ASX anticipates this cohort to use the browser. Another potential cohort is an organisation that wants to use the browser as a supplementary connectivity channel for low volume corner cases.

▼ [When will ASX publish documentation on the ASX Customer Identity Access Management system?](#)

ASX plans to provide further technical details on the ASX Customer Identity Access Management system (CIAM) at the May 2020 Connectivity & Integration working group.

If documentation is ready before this date, ASX will publish this information in the Technical Documentation portal.

▼ [Further Implementation & Transition questions - click for details](#)

Questions relating to the approach to transition, cutover and accreditation will be published in our Technical Documentation portal under [Frequently Asked Questions](#). We will continue to highlight any common questions in our regular newsletter.

▼ [Is there a simple guide how the old EIS message formats map to the new ISO standards?](#)

As part of our ISO 20022 Messaging technical specifications that have been published, ASX has provided a useful cross reference page to help users relate from EIS to the new standard. Please see the following page - [ISO 20022 Messaging - TM - EIS to ISO 20022 Cross Reference Guide](#).

▼ [Connectivity - ISO message signing](#)

▼ [Which access channels require ISO message signing?](#)

Customers wishing to access the CHES Replacement system via AMQP will be required to use ISO message signing for production. During the CDE development phase customers can opt-in to use ISO message signing.

Further details can be found in the Technical Documentation Connectivity - [Message Connectivity](#) pages.

▼ [When will ISO message signing be available?](#)

ISO message signing will be available from CDE 6 (from Tuesday 3 March 2020) and customers can 'opt in' to use it within CDE. [Release notes](#) will be published to accompany CDE 6. To opt-in to ISO Messaging signing in CDE, [click here](#) to send an email to the ASX CTS team.

▼ [Ledger API - click for details](#)

▼ [What is a DAML Party?](#)

CHES Users are represented as a DAML party in the system. A party is identified in the system by its unique DAML Party Identifier. To connect to the CSP via the Ledger API, CHES Users undergo a formal on-boarding process which grants them one or more DAML Party Identifier(s) and permits them to access a master ingress contract.

For further details on Ledger API connectivity refer to the [CHES Replacement Technical Documentation - Connectivity](#).

▼ [What is a Master Ingress Contract?](#)

The master ingress contract is a non-consuming DAML contract that allows CHES Users to issue a command to the CSP to start the associated workflow.

Each DAML party in the system is permissioned to execute specific commands and business workflows as set out in the party's master ingress contract. Each command, is a combination of choice with a parameter, which when exercised, sends an instruction to the CSP. A party can initiate a workflow by exercising a choice on the master ingress contract, which triggers a piece of code, representing a workflow, and results in one or more contracts being created or archived on the ledger.

For further information refer to [Identify the Master Ingress Contract](#).

For further details on Ledger API connectivity refer to the [CHES Replacement Technical Documentation - Connectivity](#).

▼ [How do I view exercised events committed to the Ledger?](#)

When developing a Ledger API client application, events can be viewed using the `getTransactionClient.getTransactionsTrees()` method.

This will produce not just the committed event but the entire transaction in a tree structure. The Transaction Tree structure contains exercised choices, contracts created, and scenarios run among other events. For further information and a full description of all the attributes visible on a transaction tree, refer to the [DAML SDK](#).

For further details on Ledger API connectivity refer to the [CHES Replacement Technical Documentation - Connectivity](#).

Many other questions about CHES Replacement can be found at the following links:

- [General CHES Replacement questions](#)
- [Technical Documentation FAQs](#)

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Upcoming Activities



Upcoming Activities

| Date | Activity |
|----------------------------------|--|
| Wednesday 1 April, 2020, 2pm-3pm | Implementation & Transition working group (refer here) |
| Thursday 2 April 2020 | Technical Documentation publication - Release 8 (refer here) |
| Tuesday 7 April 2020, 3pm-5pm | ISO 20022 Technical Committee (refer here) |
| Friday 29 May 2020 | Public Consultation - operating rule amendments - Tranche 2 written submissions due (refer here) |

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Useful weblinks



Useful weblinks

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|--|---|
| ASX CHES Replacement communications (including past newsletters): | https://www.asx.com.au/services/chesreplacement-communications.htm |
| CHES Replacement - Tranche 2 Rule Amendments | Consultation Paper - February 2020 |
| CHES Replacement - Tranche 1 Rule Amendments | Consultation Paper - November 2019 |
| ASX CHES Replacement System Access Pricing | Pricing Letter - September 2019 |
| Toronto Centre Podcast: Introducing the Newest Technology to Capital Markets: The Industry's Perspective | Podcast - July 2019 |
| ASX CHES Replacement website: | https://www.asx.com.au/services/ches-replacement.htm |
| ASX Technical Documentation: | https://asxchesreplacement.atlassian.net/wiki/spaces/CSP/overview |
| Digital Asset – DAML (including requesting the SDK): | https://daml.com/ |
| ASX Response to consultation feedback: | https://www.asx.com.au/documents/public-consultations/response-to-ches-replacement-consultation-feedback.pdf |
| ASX 2018 Consultation Paper: | https://www.asx.com.au/documents/public-consultations/ches-replacement-new-scope-and-implementation-plan.pdf |
| Recent ASX Webinars: | https://www.asx.com.au/services/webinar-archive.htm |

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